

2023

HACR **CORPORATE** **INCLUSION** **INDEX™**



HACR
HISPANIC ASSOCIATION ON
CORPORATE RESPONSIBILITY



The HACR Corporate Inclusion Index (HACR CII) takes a comprehensive measurement of the business practices and corporate strategies of participating companies around HACR's four pillars: Employment, Procurement, Philanthropy, and Governance.

The HACR CII survey is comprised of questions created by the HACR Research Institute over years of research and conversations with *Fortune 500* companies about their diversity and inclusion (D&I) practices and the measures in place to evaluate their progress. The survey helps us understand the Hispanic inclusion needs of Corporate America in addition to monitoring progress over time. The data collected on the HACR CII provides us with a “snapshot” of Corporate America’s Hispanic inclusion efforts and serves:

- as an evaluation of Corporate America’s Hispanic diversity and inclusion efforts;
- as a means of communicating to stakeholders and the general public about a company’s performance on Hispanic diversity and inclusion;
- as a source of motivation to companies for continued learning and improvement of Hispanic diversity and inclusion;
- as a means to identify and celebrate best practices that advance Hispanic diversity and inclusion.

About the HACR CII ratings

Indexing is a way to set criteria and evaluate performance in various areas of business practice. The rating permits HACR to dialogue with a participating company around very specific practices on diversity and inclusion. The HACR CII rating helps participating companies identify opportunities for improvement or highlights best practices and outcomes on their efforts for Hispanic inclusion.

Five Star Rating System

Your company’s HACR CII ratings report will provide an overall summary of your company’s responses as rated based on HACR’s rating schema across each pillar. The HACR CII ratings are designed around two focus areas for each of the pillars – a practice assessment and an outcomes assessment. The practice assessment consists of twenty-five elements which examine what type of support or infrastructure a company has in place for diversity and inclusion. These questions are comprised of a series of yes or no and multiple choice questions. The outcomes assessment examines key indicators or measures by which companies evaluate progress or changes on diversity and inclusion efforts. These questions are typically quantitative in nature.

STARS	CRITERIA	DEVELOPMENT LEVEL
5	90%-100% of 25 practice elements + at least 3 of 5 of the outcomes elements	Excellence

HACR CII Recognition

Companies rating (5) five stars across any of the pillars are recognized in the annual HACR CII Report.



2023 HACR CORPORATE INCLUSION INDEX - FINAL RATINGS SUMMARY

Verizon	PRACTICE ASSESSMENT				OUTCOMES ASSESSMENT	
	★ 60%-69%	★★ 70%-79%	★★★ 80%-89%	★★★★ 90%-100%	★ AT LEAST 3/5	★★★★★ OVERALL RATING
EMPLOYMENT				24/25 = 96%	4 / 5 = ★	★ ★ ★ ★ ★
PROCUREMENT				25/25 = 100%	1 / 5 = ☆	★ ★ ★ ★ ☆
PHILANTHROPY				25/25 = 100%	3 / 5 = ★	★ ★ ★ ★ ★
GOVERNANCE				23/25 = 92%	5 / 5 = ★	★ ★ ★ ★ ★

HACR uses a five star rating system. Each pillar is rated separately. For each of the pillars there are 5 total possible stars based on a composite assessment of practices and outcomes.

- **Practice Assessment:** A maximum of four (4) stars is possible. Stars are awarded based on a percentage of achieved out of 25 total items in each pillar.
- **Outcomes Assessment:** There is one (1) star possible for the outcomes assessment. This star is awarded based on a company meeting the minimum threshold* for at least three (3) out of five (5) quantitative elements.

* The thresholds for the quantitative elements were determined by reviewing historical CII data and establishing cutoff points for each of these quantitative elements.

Verizon				
PILLAR	CRITERIA	QUESTION	TOTAL POSSIBLE POINTS	SECTION RATING
EMPLOYMENT PRACTICE ASSESSMENT	Internship Program is Inclusive of Hispanics	3.10	1	1
	Have a Hispanic Recruitment Strategy	4.5	1	1
	Hispanic Recruitment at HSI's	4.6	1	1
	Work with Professional Associations/Organizations	4.7	1	1
	Track Attrition of Hispanics	4.9	1	1
	Track Involuntary Turnover of Hispanics	4.13	1	1
	Have a Structured Mentoring Program	4.14	1	1
	Have Goals and Metrics for Mentoring Program	4.15	2	2
	Have a Structured Sponsorship Program	4.17	1	1
	Have Goals and Metrics for Sponsorship Program	4.18	2	2
	Have a Structured Succession Planning Initiative	4.20	1	1
	Have Goals and Metrics for Succession Planning Initiatives	4.21	2	1
	Have a Hispanic Employee Resource Group (ERG)	5.1	1	1
	Have Hispanic ERG Support Services	5.7	3	3
	Have an Executive Champion for your Hispanic ERG	5.9	1	1
	Leverage Hispanic ERG Knowledge: Retention	5.11	1	1
	Leverage Hispanic ERG Knowledge: Recruitment	5.11	1	1
	Leverage Hispanic ERG Knowledge: Professional Development	5.11	1	1
	Have a Strategic Plan for Diversity and Inclusion (D&I)	10.1	1	1
	Strategic Plan Reviewed Regularly	10.3	1	1
	Verizon Total		25	24
	SECTION TOTAL			96%

PILLAR	Verizon	QUESTION NUMBER(S)	Verizon RESPONSES	MEETS CRITERIA
EMPLOYMENT OUTCOMES ASSESSMENT	Percent Hispanic Employees - 8% or above = Criteria Met	3.1	10.00%	✓
	Percent Hispanic Non-Exempt Employees - Below 17.5% = Criteria Met	3.3	10.67%	✓
	Percent Hispanic Hires - 8% or above = Criteria Met	4.1 & 4.2	15.67%	✓
	Hispanic Attrition - Below 19% = Criteria Met	3.1 & 3.1a or (12/31/2021)	-7.38%	✓
	Percent Hispanic Interns - 10.5% or above = Criteria Met	3.11	8.24%	✗
	Verizon Total			4

Verizon				
PILLAR	CRITERIA	QUESTION	TOTAL POSSIBLE POINTS	SECTION RATING
PROCUREMENT PRACTICE ASSESSMENT	Leverage Hispanic ERG: Procurement Opportunities	5.11	1	1
	Have WMBE Spend Goals Inclusive of Hispanics	6.5	1	1
	Tier 1 Suppliers Held Accountable for Spending with WMBE	6.7	1	1
	Tier 1 Suppliers Held Accountable for % Spend with WMBE	6.8	1	1
	Incentives for Tier 1 Spend with WMBE	6.9	1	1
	Tier 1 Suppliers Held Accountable for Tier 2 Diversity	6.14	1	1
	Have a Strategic Plan for Supplier Diversity	7.1	1	1
	Supplier Development Initiatives Inclusive of Hispanics	7.3	1	1
	Communicate Development Initiatives Internally and/or Externally	7.6	2	2
	Third Party Certification Practices	7.7	1	1
	Provide Financial Assistance to Hispanic Suppliers	7.11	1	1
	Work with Trade Associations	7.12	1	1
	Minority Vendor Engagement	7.13	1	1
	Have a Vender Registration Portal	7.14	1	1
	Process for Diverse Vendor Consideration	7.15	1	1
	Track Diverse Suppliers that go from Bid to Award	7.17	1	1
	Have a Supplier Diversity Clause and/or Statement	7.19	1	1
	Strategic Plan Reviewed	7.22	1	1
	Designated Budget for Supplier Diversity	7.23	1	1
	Full-Time Employee (FTE) Responsible for Supplier Diversity	7.24	1	1
	Highest Ranking FTE Responsible for Supplier Diversity is Held Accountable	7.28	1	1
	Highest Ranking FTE Gets Performance Bonuses	7.29	1	1
	Metrics: Supplier Diversity Goals for Hispanic Suppliers	7.33	1	1
	Management Reports to the Board on Supplier Diversity	7.34	1	1
	Verizon Total		25	25
	SECTION TOTAL			100%

PILLAR	Verizon	QUESTION NUMBER(S)	Verizon RESPONSES	MEETS CRITERIA
PROCUREMENT OUTCOMES ASSESSMENT	Percent Hispanic Procurement Spend - .95% or above = Criteria Met	6.3	0.53%	✗
	Percent Hispanic Tier 2 Spend - 1% or above = Criteria Met	6.10	2.98%	✓
	Percent Hispanic Suppliers - 1% or above = Criteria Met	6.2	0.14%	✗
	% Hisp Suppliers in Development Initiatives - 10% or above = Criteria Met	7.4 & 7.5	0.00%	✗
	Change in Hispanic Spend - + 0.5% or above = Criteria Met	6.3 & 6.3a or (12/31/21)	0.28%	✗
	Verizon Total		5	1

PILLAR	Verizon	QUESTION	TOTAL POSSIBLE POINTS	SECTION RATING
PHILANTHROPY PRACTICE ASSESSMENT	Leverage Hispanic ERG: Philanthropy	5.11	1	1
	Description of Foundation and/or Corporate Giving	8.1	5	5
	Communicate Giving Initiatives Internally or Externally	8.2	2	2
	Have Metrics to Evaluate Impact of Giving	8.6	1	1
	Have Employee Wide Volunteer Programs in Hisp Communities	8.11	1	1
	Internal or External Management of Volunteer Programs	8.12	1	1
	Framework of Employee Volunteer Program	8.13	7	7
	Track Volunteer Hours in the Hispanic Community	8.16	1	1
	Calculate Dollar Value of Volunteer Hours in Hispanic Community	8.19	1	1
	Have Hispanic ERG Led Volunteer Efforts in the Hispanic Community	8.21	1	1
	Track Hispanic ERG Volunteer Hours in the Hispanic Community	8.23	1	1
	Calculate Dollar Value of Hispanic ERG-Led Volunteer Efforts in the Hispanic Community	8.25	1	1
	Track Which Hispanic-led Organizations Benefit from Employee Volunteer Hours	8.26	1	1
	Calculate Dollar Value of Volunteer Hours Donated to Hispanic-led Organizations	8.27	1	1
	Verizon Total		25	25
SECTION TOTAL				100%

PILLAR	Verizon	QUESTION NUMBER(S)	Verizon RESPONSES	MEETS CRITERIA
PHILANTHROPY OUTCOMES ASSESSMENT	Percent Corporate Give to Hispanic Community - 4.5% or above = Criteria Met	8.3, 8.4, & 8.5	29.11%	✓
	Percent Foundation Give to Hispanic Community - 7.5% or above = Criteria Met	8.3, 8.4, & 8.5	1.45%	✗
	Percent In-Kind Give to Hispanic Community - 2% or above = Criteria Met	8.3, 8.4, & 8.5	0.00%	✗
	Percent Volunteer Hours in Hispanic Community - 2% or above = Criteria Met	8.15 & 8.17	9.32%	✓
	Dollar Value* of Volunteer Hours in the Hispanic Com - \$200,000 or above = Criteria Met	8.17	\$1,621,800	✓
	Verizon Total		5	3

* Dollar value calculated using the average dollar value for a volunteer hour for data collected in 2022, \$31.80. Provided by independent sector: <https://independentsector.org/resource/value-of-volunteer-time/>

PILLAR	Verizon	QUESTION	TOTAL POSSIBLE POINTS	SECTION RATING
GOVERNANCE PRACTICE ASSESSMENT	2022 Definitive Proxy Statement Filed with Diversity Language	9.4	1	1
	Diverse Candidates are Considered for Board and/or Executive Positions	9.6	2	2
	Use External Recruiters for Board and/or Executive Openings	9.7	2	2
	External Recruiters Required to Present Diverse Slates - Board and/or Executive Openings	9.8	2	2
	Internal Recruiters Required to Present Diverse Slates - Board and/or Executive Openings	9.9	1	1
	Full-Time Staff Dedicated to Diversity & Inclusion	10.4	1	1
	Reporting Level from the CEO for the Highest Ranking Full-Time Employee (FTE) Responsible for Diversity & Inclusion	10.5	3	2
	Highest Ranking FTE has "Dotted Line" or Direct Reporting Relationship with the Chief Executive Officer (CEO)	10.7	1	1
	Highest Ranking FTE Held Accountable for Diversity Goals and/or Initiatives	10.8	3	3
	Highest Ranking FTE Gets Performance Bonuses	10.9	1	1
	Have a Designated Budget for Diversity & Inclusion	10.10	1	1
	Social Code of Conduct Inclusive of Hispanics	10.12	1	1
	Management Reports to Board on Diversity Performance	10.13	1	1
	Diversity Goals Are Part of Executive Metrics	10.14	2	1
	CEO Involvement with Diversity	10.15	2	2
	Accountability Metrics Inclusive of Hispanics	10.17	1	1
	Verizon Total		25	23
	SECTION TOTAL			92%

PILLAR	Verizon	QUESTION NUMBER(S)	Verizon RESPONSES	MEETS CRITERIA
GOVERNANCE OUTCOMES ASSESSMENT	Percent Hispanic Board Members - 5.5% or above = Criteria Met	9.1	8.33%	✓
	Percent Hispanic Exempt Employees - 7% or above = Criteria Met	3.2	8.95%	✓
	Percent Hispanic Class A Employees - 3% or above = Criteria Met	3.6	7.14%	✓
	Percent Hispanic Class B Employees - 3% or above = Criteria Met	3.7	12.90%	✓
	Percent Hispanic Class C Employees - 3.5% or above = Criteria Met	3.8	12.25%	✓
	Verizon Total		5	5