

***GREEN
FINANCING
FRAMEWORK***

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Introduction

Overview

As part of our commitment to sustainability, Verizon has designed this Green Financing Framework (the “Framework”) under which we may issue bonds or other debt instruments (each, a “Green Financing Instrument”), the net proceeds of which we intend to allocate to finance or refinance new and existing projects, in whole or in part, that will enable us to achieve our environmental objectives (each, a “Green Financing”). This Framework details what projects are eligible under the use of proceeds, how they are selected, the management of proceeds and reporting.

Who We Are

Verizon Communications Inc. (“Verizon”) is a holding company that, acting through its subsidiaries, is one of the world’s leading providers of communications, information and entertainment products and services to consumers, businesses and government entities. With a presence around the world, we offer voice, data and video services and solutions on our networks that are designed to meet customers’ demand for mobility, reliable network connectivity, security and control. We have a highly diverse workforce of approximately 135,000 employees who are working together to fulfill our corporate purpose to create the networks that move the world forward.

Our Sustainability Strategy

5G and the advent of the Fourth Industrial Revolution will not only present tremendous opportunities to deliver value to our stakeholders, but also provide critical solutions toward a sustainable future and a low-carbon economy.

We understand that climate risk is business risk, and we are taking bold steps to minimize our environmental footprint and make our networks more climate resilient. For example, we are improving the energy efficiency of the components and equipment that comprise our network and we are continuing to upgrade and harden our infrastructure to be prepared for a changing climate. We are developing solutions that enable our customers to minimize their environmental footprints and transition smoothly to a low-carbon economy. We are also supporting the transition to a greener grid by making substantial investments in renewable energy.

We have set ambitious public targets to support these efforts, including:

- Be carbon neutral in our operations (Scope 1 and 2 emissions) by 2035.
- Source or generate renewable energy equivalent to 50% of our total annual electricity consumption by 2025.
- By 2022, Verizon’s networks and connected solutions will save more than double the amount of global emissions that our operations create.

Additionally, Verizon has committed to setting an approved science-based emissions reduction target by September 2021.

Our technology also has the power to enable the innovation needed to achieve the United Nations Sustainable Development Goals (“SDGs”). The SDGs were first introduced in 2015 to provide a common, global framework to achieve sustainable development by 2030. We continue to look for opportunities to integrate the SDGs into our corporate strategies and investments and to align our sustainability targets with these goals. We analyzed the 17 SDGs and 169 targets as they relate to our business and resources and identified the SDGs where our company can make a unique and significant impact. Our sustainability strategy, including company-wide goals, is aligned to the following SDGs : 4 - Quality education, 7 - Affordable and clean energy, 8 - Decent work and economic growth, 13 - Climate action and 16 - Peace, justice and strong institutions. The use of proceeds from our Green Financings will support several of these SDGs, as well as other SDGs, as outlined in the Eligibility Criteria table below.

Green Financing Framework

Green Financing Principles

The ICMA Green Bond Principles 2018 and the LMA, LPMA and LSTA Green Loan Principles (together, the “Principles”) are voluntary guidelines for the issuance of green debt. Verizon’s Green Financing Framework is designed to be aligned with the Principles via the following key pillars:



- 1) Use of Proceeds
- 2) Process for Project Evaluation and Selection
- 3) Management of Proceeds
- 4) Reporting

Use of Proceeds

For each Green Financing under this Framework, we intend to allocate an amount equal to the net proceeds of the Green Financing to the financing or refinancing, in whole or in part, of Eligible Green Investments. “Eligible Green Investments” include new and existing investments made by Verizon during the period from two years prior to the Green Financing through its maturity that meet the eligibility criteria.

Eligibility Criteria:

Each Eligible Green Investment is expected to meet one or more of the following eligibility criteria:

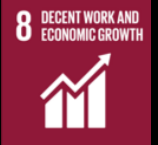
Eligible Green Investment Category	Eligibility Criteria and Example Projects	SDG Alignment
 Renewable Energy	<ol style="list-style-type: none"> 1) The development, construction or operation of facilities, equipment or systems that generate or transmit renewable energy, such as: <ol style="list-style-type: none"> a. solar energy; and b. wind energy; 2) The purchase of renewable energy pursuant to long-term power purchase agreements or virtual power purchase agreements entered into prior to the commencement, or in the case of rehabilitated projects, the re-commencement, of commercial operation of the renewable project, that meet our “additionality” objective of bringing new renewable energy sources to the grids that power our networks such as: <ol style="list-style-type: none"> a. solar energy; and b. wind energy; 	



Energy Efficiency

The design, manufacture or installation of systems, products and technology that are designed to reduce energy consumption or mitigate greenhouse gas emissions in our operations consistent with meeting Verizon's publicly stated goals for energy efficiency, such as:

- 1) deployment of 5G wireless technologies that allow for real-time response to energy demand, including:
 - a. smart city systems;
 - b. smart building management systems;
 - c. telecommuting systems; and
 - d. smart grids;
- 2) legacy network technology replacements or upgrades;
- 3) replacement of old equipment with energy efficient equipment, such as heating, ventilation and cooling ("HVAC") systems, real estate chillers, cooling towers, and lighting; and
- 4) upgrades to Verizon buildings that are designed to improve the buildings' ENERGY STAR¹ scores and to have expected energy efficiency increases of at least 30%;



Green Buildings

- 1) Investments in new building projects and in existing building retrofits that upgrade the buildings' facilities and equipment so that either:
 - a. the building was able to receive during the two-year period prior to the issuance of the Green Financing Instrument, or will be able to receive during the three-year period after the issuance of the Green Financing Instrument, a third-party verified green building certification, such as:
 - i. LEED² Gold or higher; or
 - ii. an ENERGY STAR rating of 85 or higher; or
 - iii. other equivalent third-party verified green building certification; or
 - b. the building is carbon net-zero; or
- 2) leasing, on a capitalized basis, new or existing buildings that have received one of the above third-party verified green building certifications;



Sustainable Water
Management

Investments in corporate facilities, products or the supply chain designed to improve water efficiency, water conservation or water quality consistent with meeting Verizon's publicly stated goals for water management, such as:

- 1) the installation or upgrade of:
 - a. water efficient fixtures that create water savings;
 - b. water efficient irrigation systems; or
 - c. systems designed to increase use of recycled water; and
- 2) upgrades to cooling towers and other HVAC equipment;





Biodiversity and
Conservation

Reforestation and ecological restoration of land to preserve
biodiversity and native ecosystems.



1. ENERGY STAR is a voluntary U.S. Environmental Protection Agency program that seeks to deliver environmental benefits and financial value through superior energy efficiency. To be eligible for ENERGY STAR certification, a building must earn an ENERGY STAR score of 75 or higher, indicating that it performs better than at least 75 percent of similar buildings nationwide.

2. Leadership in Energy and Environmental Design ("LEED") is a voluntary, third party building certification process developed by the U.S. Green Building Council ("USGBC"), a non-profit organization. The USGBC developed the LEED certification process to (i) evaluate the environmental performance from a whole-building perspective over a building's life cycle, (ii) provide a definitive standard for what constitutes a "green building," (iii) enhance environmental awareness among architects and building contractors, and (iv) encourage the design and construction of energy-efficient, water-conserving buildings that use sustainable or green resources and materials.

The offering documentation for each Green Financing will specify the categories of Eligible Green Investment to which the net proceeds of such Green Financing may be allocated.

Process for Project Evaluation and Selection

Verizon's Sustainability and Treasury teams will be responsible for determining whether projects fit within one or more categories of Eligible Green Investments set forth above and align with this Framework.

Management of Proceeds

We intend to allocate an amount equal to the net proceeds from a Green Financing to the financing or refinancing of existing and future Eligible Green Investments. Such allocation will be reflected in Verizon's internal records. Any portion of the net proceeds of a Green Financing that has not been allocated to Eligible Green Investments will be managed in accordance with Verizon's normal liquidity management practices. We intend to allocate a majority of the net proceeds of a Green Financing to finance or refinance Eligible Green Investments within three years from the date of issuance of the applicable Green Financing Instrument. In the case of divestment or if a project no longer meets the eligibility criteria listed above, we intend to reallocate the funds to other Eligible Green Investments.






Payment of principal of and interest on the debt issued in a Green Financing will be made from Verizon's general funds and will not be linked to the performance of any Eligible Green Investments.

Reporting

Within one year from the date of issuance of the applicable Green Financing Instrument in a Green Financing, and annually thereafter until we have reported that an amount equal to the net proceeds of the financing has been allocated to Eligible Green Investments, we intend to publish, and keep readily available, on a designated website, a Green Financing Report setting forth information with respect to (i) the allocation of such amount and (ii) the amount of net proceeds pending allocation. The report is expected to include an assertion by Verizon's management team as to the aggregate amount allocated to specific categories of Eligible Green Investments and will describe such Eligible Green Investments.

Environmental Impact Metrics:

For categories of Eligible Green Investments that receive a material allocation of proceeds from a Green Financing under this Framework, Verizon will report anticipated environmental impacts where feasible (on an annual basis when relevant). Potential environmental impact metrics may include, but are not limited to, the following:

Eligible Green Investment Category	Potential Environmental Impact Metrics
 Renewable Energy	<ul style="list-style-type: none">• Renewable energy capacity commitments (MW) related to newly constructed or rehabilitated projects• GHG emissions reduced/avoided in metric tons of CO₂e
 Energy Efficiency ³	<ul style="list-style-type: none">• Energy savings in MWh• GHG emissions reduced/avoided in metric tons of CO₂e
 Green Buildings	<ul style="list-style-type: none">• Square footage of green certified buildings, by certification type and level
 Sustainable Water Management	<ul style="list-style-type: none">• Gallons of water reduced, saved, or recycled
 Biodiversity and Conservation	<ul style="list-style-type: none">• Number of trees planted

³ Environmental impact metrics for energy efficiency projects related to the deployment of 5G wireless technologies remain under development. Additional information will be provided in the offering documentation for any Green Financing for which we intend to allocate proceeds to such projects.

External Review

Second Party Opinon

Sustainalytics, an independent provider of environmental, social and governance research and analysis, has assessed our Framework for alignment with the Principles and issued a second party opinion confirming such alignment and assessing the Framework's environmental benefits. The second party opinion is available [here](#).

Verification

We expect each Green Financing Report will be accompanied by an attestation from an independent registered public accounting firm with respect to such firm's examination of the assertion by Verizon's management team as to the aggregate amount of net proceeds allocated to specific categories of Eligible Green Investments, which examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants