



A Report to

Verizon Communications Inc.

**On the Progress of Verizon's
Diversity, Equity, and Inclusion Efforts**

April 2023

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I. Executive Summary

Verizon Communications Inc. (“Verizon” or “the company”) has long been committed to promoting diversity, equity, and inclusion (“DEI”). In 2002, former Chairman and CEO Ivan Seidenberg noted that “when diversity is a part of a company’s culture, as it is at Verizon, everyone benefits, including customers, suppliers, and employees.”¹ Subsequent Chairmen and CEOs, including Lowell McAdam and Hans Vestberg,² have underscored this outlook on DEI, and it is reflected in Verizon’s Credo—its statement of company values. The Credo notes that Verizon “embrace[s] diversity and personal development not only because it’s the right thing to do, but also because it’s smart business.”³

As a reflection of this commitment, in Spring 2022, Verizon engaged Covington & Burling LLP (“Covington”) to conduct an audit of its DEI⁴ efforts and to offer recommendations for enhancing those efforts. As part of this audit, Covington sought to answer three questions:

1. Has Verizon implemented policies, procedures, and related controls designed to address and prevent discrimination in the workplace, consistent with federal legal requirements?
2. Is Verizon taking actions designed to support and promote DEI in the workplace and through key efforts in the community?
3. What additional steps, if any, could Verizon consider to further address discrimination in the workplace and support DEI in the workplace and through key efforts in the community?

Between March 2022 and April 2023, Covington reviewed documents and data, engaged with Verizon subject matter experts, conducted interviews with external business partners, convened a roundtable joined by regional leaders from Verizon’s Employee Resource Groups (“ERGs”), and organized a listening session with civil rights and advocacy organizations. On the basis of this work, Covington concluded that, through its comprehensive suite of DEI initiatives, Verizon has implemented policies, procedures, and related controls designed to address and prevent discrimination in the workplace, consistent with federal legal requirements, and has taken actions to support and promote DEI in the workplace and through key efforts in the community. Covington also identified opportunities for Verizon to build upon its DEI initiatives and sustain its position as a leader in this space. Several of Covington’s recommendations, both as to the structural ownership of Verizon’s DEI initiatives and its components, are summarized below.

Structural Ownership and Accountability. Verizon’s DEI initiatives can be organized into two categories: V Team Initiatives and Community Initiatives. Verizon’s V Team Initiatives are intended to foster DEI internally and consist of enterprise-wide policies and related procedures to address equal employment opportunity and discrimination and harassment in the workplace, as well as practices designed to further diversify Verizon’s workforce and improve the inclusivity of its work environment. Verizon’s Community Initiatives reflect Verizon’s efforts to foster DEI externally in the communities it serves and where it operates. The company’s efforts consist of programs and practices designed to create opportunities for diverse individuals, businesses, and communities to thrive through financial investment, upskilling and reskilling, strengthened business practices, external business partnerships and community engagement.⁵ Verizon has a longstanding practice of including a performance measure related to workforce diversity in its short-term incentive plan, and its current plan incorporates a dedicated ESG component that includes measures related to

workforce and supplier diversity. Further, Verizon has developed key performance indicators (“KPIs”) for most of its external DEI initiatives.

While ultimate oversight responsibility for both the V Team and Community Initiatives sits with Verizon’s Board of Directors, specific initiatives are developed, executed, and monitored by multiple functions and teams within the company, including Verizon’s Diversity & Inclusion Organization. Verizon could consider developing a single, enterprise-wide DEI plan or strategy that memorializes both its internal and external DEI initiatives. Further, Verizon could consider creating a DEI leadership council to provide centralized oversight, visibility, and coordination across all of its DEI initiatives and plans to increase accountability for results.

Anti-Discrimination Policies and Investigations. Verizon’s policies reflect its values of integrity, respect, performance excellence, accountability, and social responsibility, and guide employees on how to contribute to a respectful and inclusive workplace, free from harassment and discrimination. The policies explain what conduct constitutes harassment and discrimination and emphasize the channels of communication whereby employees may raise related concerns. They also reaffirm Verizon’s commitment to provide equal employment opportunity to all persons and to accommodate employees’ unique abilities. Verizon could consider developing a single Anti-Harassment and Anti-Discrimination Policy that includes the policy elements required by stringent state laws. Verizon could also ensure its policies related to anti-discrimination and anti-harassment use consistent language and could consider additional measures—such as surveys and employee-facing resources—to increase inclusivity and transparency with respect to complaints and investigations pursuant to these policies.

Workforce DEI Initiatives. Verizon has adopted practices that further diversify its workforce and improve the inclusivity of its work environment. These practices impact the entire employee life cycle and embody Verizon’s core principles to “attract,” “develop,” and “inspire” diverse talent.

To attract diverse talent, Verizon utilizes a collection of focused diversity recruiting efforts, including longstanding relationships with minority-serving institutions (“MSIs”), skills-based hiring practices, diverse slate guidance for external executive hiring, and competitive compensation and benefits packages. The company has opportunities to further enhance these practices by, for example, converting its diverse slate guidance into a formal element of its external executive hiring and implementing related tracking and monitoring practices for both executive and non-executive hiring.

With respect to developing talent, Verizon provides diversity leadership development programs, broader leadership development programs that include DEI modules, and skills programs that enable employees to develop skills they want or need for their careers. Verizon also has procedures in place to mitigate bias in its succession planning for leadership roles. Verizon could enhance and supplement its existing suite of leadership and skills programs by developing additional programs designed to specifically address the needs of diverse employee populations.

Verizon has undertaken several steps to foster an inclusive culture, including through its support of ERGs, regular solicitation of employee sentiment, mandatory and voluntary trainings related to DEI for people leaders and other employees, and self-identification campaigns to encourage employees to provide their demographic data to assist in identifying any barriers to inclusion. To create a more inclusive and engaged culture, Verizon could consider additional ways to promote greater general awareness of ERGs and their DEI-related work. Verizon could

also consider incentivizing participation in voluntary DEI training and stronger enforcement of mandatory people leader DEI training.

Citizen Verizon. Citizen Verizon is the company’s plan for “mov[ing] the world forward through action by expanding digital access and resources, protecting the climate and ensuring people have the skills needed for jobs of the future.”⁶ Through Citizen Verizon, which was launched in 2020, and some of the longstanding programs it now encompasses, Verizon has provided over a decade of innovative learning opportunities and \$1 billion in contributions to support digital equity and inclusion, including by working with nonprofit partners to help students and teachers develop digital skills.

Given Verizon’s significant investment in, and the importance of, the company’s work to advance digital inclusion, human prosperity, and climate justice, Verizon should continue to collect, audit, and analyze data regarding Citizen Verizon programs and initiatives in order to assess their effectiveness.

Community and Stakeholder Engagement. Verizon has invested in community and stakeholder engagement for several decades and has prioritized building and maintaining strong relationships with stakeholders representing diverse communities. Verizon engages with those stakeholders to advance shared public policy objectives at the local, state, and national levels, to support Verizon’s commitment to operating as a socially responsible corporation, and to collaborate on efforts to promote DEI in the communities Verizon serves. Verizon could further enhance its community partnerships by formalizing its process for engaging with partners, including by developing a formal communication plan for sharing information about Verizon’s internal and external DEI efforts with partners and by soliciting regular feedback from stakeholders to gauge additional opportunities to strengthen partnerships.

Supplier Diversity. Verizon’s Supplier Diversity program enables the company to meaningfully support diverse businesses in communities. As a charter member of the Billion Dollar Roundtable, Verizon has a history of spending more than \$1 billion every year with diverse suppliers⁷ directly. And Verizon’s efforts to foster supplier diversity extend beyond this commitment. Specifically, Verizon has consistently set an annual supplier diversity spend target above \$1 billion, inclusive of direct and indirect spending with diverse suppliers. Verizon has often met or even exceeded that target. For example, in 2022, Verizon’s diverse supplier spend totaled \$6.8 billion, exceeding its \$5.5 billion target.⁸ Verizon also encourages—and, often, contractually requires—its suppliers to make good faith efforts to engage diverse subcontractors. This multi-tiered approach to increasing diverse supplier spend is supplemented by the resources the company provides to diverse suppliers for their overall business development. To further enhance this program, Verizon could consider regularly disaggregating its spending data by demographics of the supplier and internally assessing that data to evaluate the effectiveness of Verizon’s efforts to promote wide-ranging diversity.

Responsible Marketing Action Plan. In 2021, Verizon launched its Responsible Marketing Action Plan (“RMAP”) in an effort to increase diversity across the entire marketing ecosystem, from economic investment to representation, both at Verizon and in its partners.⁹ The RMAP is centered on four pillars: (i) increasing diversity and equity across the creative supply chain; (ii) building an inclusive work environment and retaining diverse talent; (iii) fighting racism, bias, and stereotypes in advertising, content, and media; and (iv) developing responsible content policies. As the RMAP enters its third year, Verizon could consider regularly disaggregating its diverse supplier production company spending data and assessing that data to evaluate the effectiveness of Verizon’s efforts to promote diverse supplier production company spending.

II. Introduction

Verizon is one of the world's largest communication technology companies¹⁰ and aims to “transform how people, businesses, and things connect with each other through innovative communications and technology solutions” in order to “deliver the promise of the digital world.”¹¹ For decades, Verizon has recognized the importance of promoting DEI, both internally and externally, to the company's ability to accomplish this objective in a rapidly changing world. Verizon has also recognized the importance of its voice in inspiring change both within and outside the company. As a result, Verizon has long viewed DEI as the right thing to do, as a business imperative that benefits multiple groups of internal and external stakeholders, and as integral to the company's success. In the summer of 2020, Verizon Chairman and CEO Hans Vestberg conveyed that “Verizon is fiercely committed to diversity and inclusion across all spectrums,” noting that Verizon cannot commit to a brand purpose of moving the world forward unless it is “committed to helping ensure [it] moves it forward for everyone.”¹²

In March 2022, Verizon engaged Covington to conduct an audit of its DEI efforts and to offer recommendations for enhancing the company's DEI efforts, a sign of its commitment to a diverse, equitable, and inclusive workplace and its openness to examining where it can make enhancements to further support this commitment. The company had been considering the next steps in its DEI journey, and believed that an audit would offer useful insights into its ongoing learning and growth and serve as an exercise in transparency responsive to the interests of its employees, customers, and shareholders.

This report begins with a description of the methodology used to conduct the audit, followed by an overview of Verizon's approach to DEI and the structure of the company's relevant policies, procedures, and initiatives. The report then provides a detailed description of the work the company has undertaken with respect to those policies, procedures, and initiatives, and offers Covington's observations about them. Each section concludes with recommendations for enhancing Verizon's efforts.

III. Methodology

Verizon engaged Covington to objectively assess its DEI efforts in the United States, as well as to identify opportunities where the company could take further action to enhance those efforts.

Specifically, Covington sought to answer three questions:

1. Has Verizon implemented policies, procedures, and related controls designed to address and prevent discrimination in the workplace, consistent with federal legal requirements?
2. Is Verizon taking actions designed to support and promote DEI in the workplace and through key efforts in the community?
3. What additional steps, if any, could Verizon consider to further address discrimination in the workplace and support DEI in the workplace and through key efforts in the community?

Covington reviewed Verizon's V Team Initiatives—its DEI-related programs and initiatives related to its workforce—and Community Initiatives—Verizon's efforts to promote DEI in the communities that it serves and operates in, with a focus on Citizen Verizon, stakeholder and community engagement initiatives, supplier diversity and responsible marketing. Verizon, in consultation with Covington, prioritized these DEI-focused initiatives for review based on their relevance to the company's business strategy and key stakeholders, the importance of the initiatives to the company's DEI strategy, and the maturity of the initiatives such that they could benefit from an in-depth third party review.

To answer the questions above, Covington:

1. Reviewed a wide variety of documents and data collected from Verizon, including policies, process documents, and reports, as well as publicly available documents, such as Verizon's ESG reports, Human Capital Report, and Verizon's public statements and commitments related to DEI. Covington also reviewed data reflecting how the company assesses its various internal and external DEI initiatives.
2. Engaged with Verizon subject matter experts who serve as senior executives, directors, and managers at the company. As to Verizon's internal initiatives, Covington met with senior leaders and team members responsible for overall diversity strategy, Talent Acquisition, Talent Management, Compensation, Benefits, Employee Relations, Learning and Development, ERGs, and Equal Opportunity and Affirmative Action. With respect to the company's external initiatives, Covington met with senior leaders, the Public Policy Strategic Alliances and State Government Affairs teams, Marketing, and those engaged in the work of Citizen Verizon and Verizon's Supplier Diversity programs and initiatives. The team also met with leaders from Verizon's ESG and human rights teams whose work spans both internal and external initiatives.
3. Engaged with Verizon's executive leadership, including its Chief Human Resources Officer, Senior Vice President for Talent & Diversity, and General Counsel.

4. Conducted interviews with suppliers participating in Verizon's Supplier Diversity program.
5. Convened a roundtable joined by global leaders from Verizon's ERGs in order to understand how Verizon's DEI efforts are perceived by its diverse employee population, as discussed more fully below.
6. Organized a listening session with civil rights and advocacy organizations that have longstanding relationships with Verizon and knowledge of Verizon's business and DEI efforts, as discussed more fully below.

Verizon's Board of Directors and senior leadership were apprised of the audit's progress and observations and recommendations set out in this report. Once Verizon retained Covington to conduct its audit, a briefing was provided to the Corporate Governance and Policy Committee ("CGPC") of Verizon's Board of Directors by the company's Chief ESG Officer and Senior Vice President of Corporate Governance on plans for the audit. The CGPC was kept informed throughout the audit regarding its status and the full Board of Directors received a direct briefing from the Covington team during the course of the audit regarding the audit's progress, methodology, and key observations and recommendations. Covington also met with the Verizon Leadership Council ("VLC"), which consists of Verizon's senior leadership, to discuss the audit findings and recommendations.

Although Verizon's DEI initiatives are ongoing, this report describes Verizon's efforts through December 31, 2022, except where otherwise noted.

A. ERG Roundtable

In October 2022, Covington and Verizon hosted a virtual roundtable discussion with global leaders of Verizon's ERGs, facilitated by former Attorney General Eric H. Holder, Jr. The roundtable was intended to provide a forum for Covington to hear from representatives of Verizon's diverse employee population. During the discussion, each of the ERG leaders in attendance were asked to discuss the extent of their involvement in shaping Verizon's DEI initiatives and their thoughts on how Verizon could enhance its ongoing work toward advancing DEI, both internally and externally. Their views were positive, and many praised the company's DEI initiatives, even as they offered constructive suggestions to enhance Verizon's ongoing DEI-related work. ERG leaders praised Verizon for how it engages with, and listens to, its employees, emphasizing that employees generally felt they had "a voice" at Verizon. They also highlighted a belief that Verizon's leadership listened to the feedback employees provided in Verizon's Pulse survey, which is described on page 39. There was agreement among ERG leaders that in the last several years, Verizon had been purposeful in responding to employee feedback and holding leadership accountable to improvements.

ERG leaders also praised Verizon's employee development programming. They noted that Verizon's leadership development and mentorship programs are responsive to the expressed needs of ERG members, recognizing the opportunity for these programs to be developed even further. ERG leaders also spoke highly of Verizon's actions in 2020 in response to the murder of George Floyd and the onset of the COVID-19 pandemic. In their view, Verizon provided employees with a sense of community and bonding during this time.

The primary feedback shared by ERG leaders centered on increased transparency and communication from Verizon regarding its DEI work, including the work done by the ERGs themselves. In sum, ERG leaders expressed that Verizon was doing meaningful DEI work and

that they felt Verizon should increase its communication about that work to ERG members, employees, and the communities Verizon serves.

B. External Stakeholder Listening Session

In October 2022, at Covington's offices in Washington, D.C., Covington hosted a listening session with representatives from civil rights and advocacy organizations. Covington and Verizon invited a targeted group of representatives in order to facilitate a focused discussion and in order to allow for substantive engagement with each organization present. These organizations were invited to participate based on their role as recognized experts on DEI and Verizon's long-standing history of engagement with them, which allowed the organizations to provide Verizon with informed feedback on its DEI efforts. The attendees were prominent senior leaders representing organizations from a cross section of diverse stakeholder interests, including organizations focused on Black, Asian American and Pacific Islander, Hispanic, and LGBTQ+ populations, and people with disabilities. Covington's three objectives for this listening session were: (i) updating participants on Verizon's DEI framework and current internal and external DEI programs; (ii) obtaining their perspectives as subject matter experts regarding Verizon's DEI programs; and (iii) discussing potential suggestions that participants had for additional steps Verizon might take to advance DEI in its workforce and in the community.

Verizon presented to the group on its internally focused DEI initiatives and gave an overview of Verizon's key community DEI initiatives, including Citizen Verizon, its key external partnerships, its Supplier Diversity program, and its Responsible Marketing initiatives. Following these presentations, Mr. Holder facilitated a listening session in which participants offered feedback on Verizon's strengths, areas of opportunity, and any other topics the stakeholders wanted to consider in connection with the audit. Among other questions, Covington asked participants about the aspects of Verizon's programs and initiatives they view as most valuable and impactful and which are suitable for enhancement. Covington also asked participants what other initiatives Verizon could deploy to further support DEI.

The external stakeholders who participated all credited Verizon for its leadership in DEI and having the right DEI framework in place. One participant noted that Verizon has been doing this work since "before it became popular" and characterized Verizon's strong efforts to advance digital inclusion as "exceptional." Stakeholder feedback regarding opportunities for enhancement primarily centered on increasing transparency regarding Verizon's existing DEI work and considering opportunities to leverage the civil rights organizations and their local connections to support Verizon's DEI work in the community. Specifically, participants focused on a desire for Verizon to: (i) adopt KPIs with respect to its DEI objectives in order to measure its progress against those DEI objectives; (ii) more actively involve civil rights organizations in its DEI efforts; (iii) disaggregate all diversity data by demographics; (iv) review and address representation at all levels within the company; and (v) expand its collaboration with local partners and nonprofits, with a focus on minority-led partners.

IV. Verizon's Approach to DEI

A. About Verizon

The merger of Bell Atlantic Corporation and GTE Corporation resulted in the establishment of Verizon on June 30, 2000.¹³ Its roots through several predecessor institutions trace back to the beginnings of the telephone business in the late 19th century.¹⁴ Today, Verizon is one of the world's largest telecommunications companies, serving over 150 countries and reaching 2,770 cities with its IP network.¹⁵ It currently employs approximately 117,100 employees, 89% of whom are based in the United States.¹⁶ Verizon has 440 offices worldwide, including in North America, the Europe, Middle East, and Africa ("EMEA") region, and the Asia-Pacific ("APAC") region, and has nearly 1,500 retail locations.¹⁷

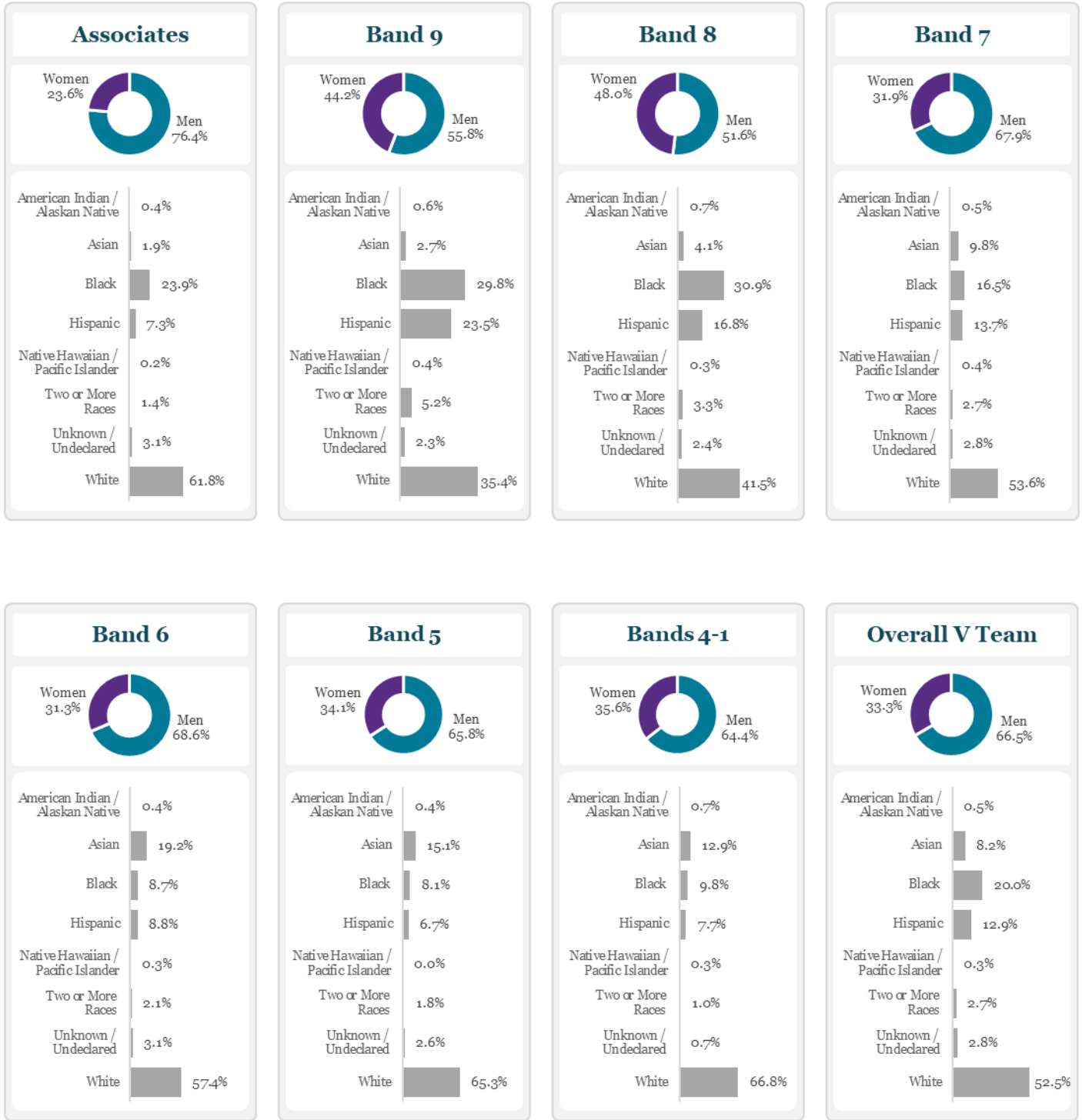
Verizon offers voice, data, and video services and solutions on its networks and platforms.¹⁸ The company operates two core business segments: Verizon Consumer Group and Verizon Business Group.¹⁹ The consumer segment includes wireless and wireline products and services that are available to retail customers, as well as resellers that purchase wireless network access from Verizon on a wholesale basis.²⁰ The business segment includes wireless and wireline communications services and products for businesses, federal, state, and local governments and educational institutions, and wireless and wireline carriers.²¹ Verizon has centralized functions that provide support and oversight to the business segments. These groups include the Administrative, Legal and Public Policy Groups, the Finance Group, the Global Network & Technology Group, the Human Resources Group, the Marketing Group and the Strategy Group.²²

Verizon's Board of Directors carries out its oversight and corporate governance responsibilities through four committees: Audit, Corporate Governance and Policy, Finance, and Human Resources.²³ The Board of Directors is comprised of 12 individuals, including four women and five Directors who identify as people of color,²⁴ for a total of seven directors who are women or people of color,²⁵ two of whom hold Board leadership roles. No Directors self-identify as LGBTQ+.²⁶

The VLC, which includes the CEO and his direct reports, sets the strategic vision of the company and drives accountability for the company's performance.²⁷ As of March 2023, the VLC is composed of 12 executives, including three women and four executives who identify as people of color.

Verizon refers to its employees as part of the "V Team."²⁸ Verizon's employees are distributed among the following employment classifications: Associates (union-represented), Bands 9–7, Band 6 Managers, Band 5 Directors, and Bands 4–1 Senior Leaders.²⁹ Associates to Band 8 are hourly employees, Band 7 employees are a mix of hourly and salaried employees, and Managers through Senior Leaders are salaried employees.³⁰ Verizon annually publishes its consolidated EEO-1 report, which includes demographic workforce data organized by race/ethnicity, gender, and job category.³¹ Verizon also publishes detailed workforce diversity data annually in its ESG report, including gender and race/ethnicity (United States only) representation by employee level, for the whole V Team and by business unit.³² Verizon has long publicly shared aggregate demographic workforce data in corporate reports (e.g., ESG Report, Corporate Responsibility Report, etc.).³³

Diversity Across the V Team



Notes:

¹ Percentages may not add up to 100% due to rounding.

² Gender data reflects Verizon's global workforce. Race/ethnicity data reflects Verizon's U.S. workforce only.

³ For Bands 8, 7, 6, and 5, gender is unknown/undeclared for 0.4%, 0.2%, 0.1%, and 0.1% of Verizon's global workforce, respectively. For the Overall V Team, gender is unknown/undeclared for 0.1% of Verizon's global workforce.

B. Structural Ownership

Verizon has adopted an integrated, shared responsibility framework for its DEI initiatives, reflected through its Code of Conduct, DEI ownership structure, and compensation structure. Verizon's Code of Conduct establishes that the company is committed to "a respectful, safe and professional workplace," as well as committed to diversity.³⁴ The Code of Conduct sets Verizon's expectations that all employees must treat customers, fellow employees, and vendors with respect, dignity, honesty, fairness, and integrity. The Code of Conduct also emphasizes Verizon's commitment to "attracting, retaining, and developing a highly qualified, dedicated, and diverse workforce."³⁵ Verizon's most recent ESG impact assessment identified DEI issues as among Verizon's high priority impactful ESG issues.

Oversight for Verizon's DEI initiatives sits with Verizon's Board of Directors. The Chief Human Resources Officer briefs the Board on Verizon's V Team initiatives six times annually. These updates include workforce gender and race representation across the company and at different band levels, employee engagement complaint trends, talent management, and leadership development. As discussed in more detail on pages 34–35, the Board also reviews the results of promotion calibration sessions, including from the standpoint of diversity in succession planning at the CEO, VLC, and Vice President levels. The Chief Corporate Social Responsibility Officer briefs the Board annually on the progress of Verizon's Community Initiatives. This briefing includes information about targets and outcomes for Citizen Verizon and responsible marketing, as well as how this information is measured and audited. Verizon's CEO also receives a similar briefing at least twice per year.

Many different functions and teams within Verizon contribute to the company's DEI-related efforts. For example, numerous Human Resources and corporate teams own and actively support Verizon's V Team Initiatives, including:

- Global Talent & Diversity, led by the Senior Vice President of Talent & Diversity and responsible for overseeing Talent Acquisition, Talent Management (including Selection & Assessment and Performance Management), Executive Talent Management, and the Diversity & Inclusion Organization, which includes the core Diversity & Inclusion team (the "DEI team"), Employee Relations, Equal Employment Opportunity and Affirmative Action ("EEO/AA"), and Supplier Diversity;
- Learning & Development, led by the Vice President of Global Learning & Development, with a dotted-line reporting relationship to the Senior Vice President of Talent & Diversity, and responsible for overseeing leadership development programs and trainings; and
- Compensation & Benefits, led by the Senior Vice President of Global Compensation & Benefits and responsible for overseeing employee compensation and benefits.

In 2022, Verizon formed a Global Talent & Diversity function to integrate its then-separate Talent Acquisition, Talent Management, and DEI-related teams, and increase coordination of the company's DEI efforts with respect to its V Team Initiatives. As part of the function's formation, Verizon established the role of Senior Vice President of Talent & Diversity, consolidating the prior dual-reporting structure which had the relevant teams reporting into both the Senior Vice President of Global Talent and Chief DEI Officer. The consolidation of roles and unification of leadership enhanced Verizon's ability to weave the company's DEI objectives into its internal systems, processes, and operations.

The DEI Team is primarily responsible for supporting ERGs, partnering with Learning & Development on diversity-focused development programs, and working with business units and Human Resources Business Partners (“HRBPs”) on DEI plans which are specifically focused on the DEI needs of each business unit, in an effort to ensure Verizon’s commitment to DEI is being pursued deep within the company. Business units are encouraged to align their DEI plans with Verizon’s guiding principles to “attract,” “develop,” and “inspire” diverse talent.

Ownership of Verizon’s Community Initiatives sits with a distinct set of corporate teams:³⁶

- Marketing, led by the Chief Marketing Officer and responsible for overseeing Corporate Social Responsibility and Marketing, which includes Verizon’s initiatives for Citizen Verizon and responsible marketing; and
- Public Policy and Government Affairs, led by the Senior Vice President Public Policy and Government Affairs, which includes the Strategic Alliances team, responsible for Verizon’s engagement with Human and Civil Rights Groups, and the State Government Affairs team, responsible for engagement with state and local community organizations across the country.

Additionally, Verizon’s centralized ESG team has responsibility for driving reporting, engagement, and integration of impactful ESG issues that align with Verizon’s core business strategy, including governance, reporting, human rights, environmental sustainability, digital safety, and DEI. This team was created in 2019 at the request of Verizon’s Board of Directors.³⁷

Verizon has developed KPIs for most of its external DEI initiatives, such as Citizen Verizon, the RMAP, and its Supplier Diversity program, in order to assess the company’s progress against objectives.

To encourage its workforce to advance the company’s DEI initiatives, Verizon’s short-term incentive plan has included a performance measure related to workforce diversity for over two decades. The incentive plan now also includes an ESG metric comprised of three equally weighted quantitative performance targets tied to workforce diversity, supplier diversity, and carbon intensity reduction.³⁸ These targets are established by the Human Resources Committee of Verizon’s Board of Directors.³⁹ In 2020, Verizon increased the ESG metric’s weight in the short-term incentive award calculation from 5% to 10%.⁴⁰ All non-sales management employees are eligible to receive a short-term incentive award that includes the 10% associated with the ESG metric if the company hits each relevant target. In 2022, the targets consisted of \$5.5 billion in diverse supplier spend,⁴¹ 59.6% workforce diversity,⁴² and a carbon intensity reduction⁴³ of 10%.⁴⁴ Verizon exceeded its 2022 targets with \$6.8 billion in diverse supplier spend, 60.6% workforce diversity, and a carbon intensity reduction of 11.4%.⁴⁵

In addition to the short-term incentive plan metric, Verizon employees are encouraged to describe individual DEI contributions in the Credo section of their performance evaluations (a section dedicated to actions aligned with Verizon’s core values) to be considered as part of their overall performance.

1. Observations and Recommendations

Verizon has built DEI into companywide programs and processes in a way that extends responsibilities for DEI across all levels of the organization and to all employees. The company’s shared responsibility framework for DEI elevates the importance of DEI as a business

imperative and has enabled Verizon to make significant progress across all of its DEI initiatives, as this report discusses in detail in the sections below. The company can further strengthen accountability and oversight over its DEI initiatives in a few ways.

Verizon could adopt a single enterprise-wide DEI plan or strategy that memorializes both its internal and external DEI initiatives. A single enterprise-wide DEI plan or strategy could make it easier for the company to track the effectiveness of its DEI initiatives and ensure they are carried out in furtherance of an overarching objective.

Verizon also has an opportunity to develop a centralized DEI leadership council that has enterprise-wide visibility and oversight over all of its DEI initiatives and plans, both internal and external. Verizon's current approach has encouraged widespread support for, but dispersed ownership of, Verizon's DEI initiatives. For example, the Senior Vice President of Talent & Diversity oversees many of Verizon's internal DEI initiatives, whereas a distinct set of teams oversee many of Verizon's external DEI initiatives.

Relatedly, Verizon effectively utilizes KPIs for several of its external initiatives and could do this more consistently, including with respect to several of its internal DEI initiatives, thereby enabling Verizon to articulate the progress and success of these initiatives.

The DEI Team works with business units in the development of their DEI plans, which are focused on specific business unit needs and work to drive DEI as a top-level business consideration deep within the company. The plans are guided by the internal DEI concepts of "attract," "develop," and "inspire," but the DEI Team does not set formal requirements for their development. This results in business unit plans with varying degrees of detail and inconsistent inclusion of forward-looking commitments against which performance can be internally monitored and assessed.

Consistent with its desire for DEI to be a shared responsibility, Verizon notably ties a portion of employee short-term incentive compensation to overall company performance with respect to DEI, specifically, supplier diversity and workforce diversity. Verizon encourages employees to describe their individual DEI contributions in the Credo section of their performance evaluation; however, there is no clear relationship between such contributions and overall performance ratings. Verizon can further promote individual contributions to DEI by recognizing DEI contributions in employee performance evaluations, which carries the potential to impact compensation. Verizon has already begun implementing actions consistent with this recommendation. Beginning in 2023, Senior Leaders (Band 4 employees and above) will have a section of their performance review dedicated to Leadership Principles, which will include a review of individual DEI contributions and result in a standalone Leadership Rating. Also in 2023, U.S. people managers in Band 5 and below will have the Foster Inclusion Leadership Principle incorporated into existing leadership objectives and considered as part of their overall performance rating (but will not have a standalone Leadership Rating in 2023).

Recommendations

- Verizon could consider developing a single, enterprise-wide DEI plan or strategy memorializing both internal and external DEI initiatives and serving as a guiding principle by which all DEI initiatives are driven.
- Verizon could consider developing a centralized function with visibility into all of its DEI initiatives and plans, both internal and external, resulting in additional accountability for results. To do this, Verizon could consider developing a DEI leadership council or similar body with visibility into and oversight of internal and external DEI efforts.
- Verizon could consider how to internally evaluate its progress against V Team DEI initiatives, such as through KPIs relating to employee sentiment, participation in DEI training, or other inclusivity goals. Measurable targets would assist Verizon in determining and articulating its progress toward its DEI goals.
- Verizon could consider empowering the DEI Team to take a more active role in the formation and monitoring of business unit DEI plans. This would include ensuring alignment with the core DEI strategy and plan, establishing formal requirements for the business unit plans, as well as establishing measurable KPIs and actionable goals against which performance can be internally monitored.
- Verizon could further incentivize individual contributions to DEI by recognizing in each employee's performance evaluation an individual's own DEI contributions. Recognizing individual DEI contributions can increase individual responsibility for DEI and reinforce that Verizon fully embraces a shared responsibility model.

V. V Team Initiatives

Verizon has implemented policies, procedures, and related controls designed to address and prevent discrimination in the workplace, consistent with federal legal requirements. Verizon's Code of Conduct sets the standard for all employees, reflecting that they are responsible for contributing to a workplace free of harassment and discrimination. This responsibility is reiterated and clarified through Verizon's robust set of anti-discrimination and anti-harassment policies. Verizon's Harassment and Discrimination Policy as well as its Equal Opportunity Employment and Affirmative Action Policy assure employees of Verizon's commitment to providing a workplace free of discrimination. These policies highlight that any employee can report policy violations through various reporting channels and that violations will be addressed with appropriate discipline. In addition, Verizon also publishes a Religious Accommodation Policy, an Americans with Disabilities Act ("ADA") Policy, and an Open Door Policy that are further designed to foster inclusivity in the workplace.

Verizon's Employee Relations and EEO/AA teams own and implement the policies described above. These teams are comprised of investigators and consultants that review, monitor, and resolve complaints alleging policy violations. These teams also provide proactive support in connection with these policies, serving as subject matter experts on trainings that inform employees of their rights and obligations under these policies, as well as providing broader DEI programming to employees.

Verizon has also taken several steps to support and promote DEI in the workplace. These steps include efforts to attract, develop, and inspire diverse talent through an inclusive and engaged culture.

To attract diverse talent, Verizon's Talent Acquisition team manages various diverse recruiting efforts, including actively recruiting at MSIs, partnering with organizations that support diverse candidates in their efforts to secure employment, engaging ERGs in recruiting efforts, and providing non-traditional programs that provide potential recruits with alternative pathways for careers at Verizon. Talent Acquisition, together with the Selection & Assessment team, also have developed a hiring process that aims to minimize unconscious bias. In a further effort to attract diverse talent, Verizon has designed competitive compensation and benefits packages meant to appeal to a wide diversity of applicants.

To develop its diverse talent, Verizon has created a suite of leadership development programs. These programs include: Competitive Edge, a program for top talent employees from diverse backgrounds at the Band 6 Manager level; Women of the World, a development program designed for women and gender-expansive employees; Women's CoLab, a repository of resources to help women advance in their careers; and a broader suite of leadership development programs which include education on DEI. Verizon has also developed various skills programs, meant to empower employees in the development of their careers. These programs include: SkillUp, a series of learning plans that teach employees new skills; Get Certified, pursuant to which Verizon pays the cost of, and provides necessary training for, certain certifications; and the Tuition Assistance Program, a program providing employees with annual tuition assistance for degree programs. In order to assess the development of its diverse talent, Verizon maintains a team dedicated to succession planning. This team regularly reviews Verizon's leadership pipeline, including to assess the diversity of the talent pipeline.

To inspire talent through an inclusive and engaged culture, Verizon offers ERGs, DEI-related training, programming, and events, and conducts a Pulse survey. Verizon's ten ERGs are led by employees who collaborate with Verizon's DEI Team to provide programming throughout

the year. In return, these ERG leaders receive leadership development training through a program known as the ERG Leadership Academy. Verizon's Pulse survey is used to stay in touch with employees, identify opportunities for improvement, and assess whether all groups of employees are similarly engaging with Verizon.

A. Anti-Discrimination Policies and Investigations

Through its various anti-discrimination policies, which are described in greater detail below, Verizon establishes an expectation for all employees that they contribute to a respectful, safe, and professional workplace. In support of these policies, Verizon's Employee Relations team and EEO/AA team are staffed with investigators who monitor and investigate alleged policy violations.

1. Anti-Discrimination Policies and Procedures

Verizon's suite of policies designed to promote equal employment opportunity and to prevent and remediate discrimination in the workplace include its Code of Conduct, the Harassment and Discrimination Policy, the Equal Employment Opportunity and Affirmative Action Policy, the Religious Accommodation Policy, the ADA Policy, and the Open Door Policy. Verizon's various policies are accessible to all employees through Verizon's intranet, under "About You."

a) Code of Conduct

Verizon's Code of Conduct ("the Code") is a broad policy designed to provide Verizon's employees with detailed guidance about how to apply Verizon's values of integrity, respect, performance excellence, accountability, and social responsibility to specific issues and challenges that arise while working. The Code addresses employee conduct in a variety of situations, including with regard to diversity and inclusion and situations that may evidence discrimination or harassment.

The Code includes a commitment to maintaining a "workplace free from illegal discrimination or harassment" and to providing equal opportunity to individuals without regard to any protected category under applicable law. The Code defines unlawful harassment as conduct that creates a hostile or offensive work environment, and states that harassment can be physical, verbal, or visual. The Code further provides examples of sexual harassment, such as inappropriate touching and unwelcome romantic advances, and provides examples of broader forms of harassment, such as racist comments or religious stereotypes.

The Code advises employees who are subjected to or observe unlawful harassment to report such harassment to their supervisor, Human Resources, Verizon Ethics (a 24 hours a day, 7 days a week hotline), or Verizon's legal department. The Code also includes contact information for the owners of various functions at the company to whom employees may report concerns. The Code requires supervisors who become aware of harassment to report it.

b) Harassment and Discrimination Policy

Verizon's Harassment and Discrimination Policy reflects its commitment to provide "a work environment where all employees work together in a productive, non-threatening, non-hostile environment that is free from all forms of unlawful harassment and discrimination." Provisions in the policy include a discussion of harassment and discrimination, a listing of prohibited behaviors, a description of sexual harassment, an employee complaint procedure, a

non-retaliation provision, and a statement regarding employee and manager responsibilities. The policy is widely applicable, proscribing behavior and protections for employees, including against behavior by non-employees, such as contractors, temporary workers, customers, clients, suppliers, and visitors. It also includes an expansive list of protected characteristics, enumerating many classes in addition to those protected from discrimination in the workplace under federal law. The policy prohibits harassment or discrimination against an individual for any basis prohibited by federal, state, or local law.

The policy provides an overview of Verizon's complaint procedures for claims of harassment and discrimination, directing employees that have been subjected to, or are aware of, discrimination or harassment to immediately bring those concerns to: a supervisor or another member of management, local Human Resources, or the Verizon Compliance Guideline (now known as Verizon Ethics). The policy provides that members of management are responsible for taking "immediate, appropriate action" when they become aware of situations involving harassment or discrimination. The policy additionally contains a "No Retaliation" provision, which assures employees that Verizon will not retaliate against employees that report harassment or participate in an investigation of reported harassment.

In addition to the Harassment and Discrimination Policy, which covers all of Verizon's employees in the United States, Verizon has other policy documents and training designed to meet additional state-specific requirements.

c) Equal Opportunity Employment and Affirmative Action Policy

Verizon's Equal Opportunity Employment and Affirmative Action Policy reflects Verizon's commitment to providing equal employment opportunity to all persons, without regard to their legally protected class, as well as Verizon's commitment to a workplace free from unlawful discrimination and harassment. In this policy, harassment is defined as "verbal, physical, or other behavior that denigrates or shows hostility or aversion toward an individual because of that person's protected classification."

In addition to addressing discrimination, the policy states that Verizon will take appropriate affirmative action to ensure equal opportunity to both employees and applicants. The policy also provides that Verizon will make reasonable accommodations for employees with physical or mental impairments, as well as for employees' or applicants' religious beliefs, practices, and observances, so long as doing so would not cause an undue hardship to the business. The policy also provides a prohibition of retaliation and an overview of Verizon's complaint procedure for discrimination, harassment, and retaliation claims that is consistent with the overview provided in the Harassment and Discrimination Policy. This policy mandates that managers notify Human Resources whenever they become aware of unlawful discrimination or harassment, and encourages all employees to report immediately any unlawful discrimination, harassment, or retaliation.

d) Other Policies

Further in support of promoting equal employment opportunity and addressing discrimination, Verizon has a Religious Accommodation Policy, an ADA Policy, and an Open Door Policy. As outlined in the Equal Opportunity Employment and Affirmative Action Policy, Verizon accommodates employees' and applicants' religious beliefs, practices, and observances, so long as the accommodation does not cause undue hardship to Verizon. In the Religious Accommodation Policy, Verizon further expands on this commitment, providing examples of

accommodations, describing the process for determining an accommodation, and providing contact information regarding accommodations.

Verizon's ADA Policy explains Verizon's dedication to providing equal employment opportunities and treatment to qualified individuals with disabilities. The policy extends to providing workplace accommodations for pregnancy, pregnancy-related, and post-pregnancy conditions.

As reflected in Verizon's suite of policies, Verizon provides various channels through which employees can raise concerns. These multiple channels and the ethos behind having multiple modes of communication are made explicit in Verizon's Open Door Policy. Through the Open Door Policy, Verizon promotes an open environment where an employee can raise workplace concerns to *any* member of management. The Open Door Policy provides that employees are encouraged to discuss workplace concerns with their supervisor and explicitly provides that employees may raise concerns with their direct supervisor, the next level of supervision within their department, another member of the management team, and with Human Resources. The policy also directs employees to raise business ethics concerns or concerns of illegal conduct with Verizon Ethics.

e) Observations and Recommendations

Verizon has established and implemented policies and complaint and investigation procedures addressing concerns of discrimination and harassment that are consistent with federal law. Verizon's policies apply to groups beyond those required by federal law and to customers and third parties, in addition to employees. They are also consistent with best practices. Verizon has several opportunities to enhance its suite of policies.

Verizon has state specific policies, such as its anti-harassment policy for New York, which supplement its general Harassment and Discrimination Policy with state-specific requirements. Verizon's more general anti-harassment and anti-discrimination policy could be enhanced to include the additional policy elements necessary to comply with stringent state anti-harassment policy content requirements.

Verizon has a broad set of policies consistent with federal law. In some places, these policies contain slightly varying definitions of harassment and discrimination, as well as different language to describe the conduct prohibited by the policies, which could cause confusion among the employee population about what conduct should be reported as potential harassment or discrimination. For example, the Code provides only a brief statement summarizing "unlawful harassment" and does not define discrimination. In contrast, the Harassment and Discrimination Policy provides a fuller definition of "harassment and discrimination" and provides examples of the negative purposes and effects of harassment. Furthermore, the Equal Opportunity Employment and Affirmative Action Policy only defines "prohibited harassment." Similarly, each of Verizon's policies lists different complaint reporting channels. The Open Door Policy states that employees may raise concerns with their "supervisor," their "next level of supervision," "another member of the management team," "Human Resources," or "Verizon Ethics." In contrast, the Harassment and Discrimination Policy directs employees to their "supervisor or another member of management," "Local Human Resources," or "VZ Compliance Guideline." And different still, the Equal Opportunity Employment and Affirmative Action Policy guides employees to their "supervisor or manager," "Local Human Resources Department," or "Verizon Ethics."

Each of Verizon’s policies that include reporting procedures describes how employees and managers should respond to policy violations. These policies contain varying language regarding the reporting obligations, however, which could result in employees misunderstanding their reporting obligations. For example, in the Harassment and Discrimination Policy, managers who experience or witness harassment are told they “should” contact Human Resources. In the Equal Opportunity Employment and Affirmative Action Policy, managers are instead told they “must” notify Human Resources. Similarly, none of the policies differentiate reporting obligations for an employee who experiences harassment or discrimination as compared to an employee who witnesses harassment or discrimination.

Verizon’s policies each provide an overview of the investigations process, stating, at a high level, that complaints will be investigated, treated confidentially, and addressed and remedied in an appropriate manner. Verizon has an opportunity to provide employees with a detailed understanding of the complaint process, such as by identifying that investigations will be prompt, that complainants, witnesses, and respondents may be interviewed, that documents may be collected and reviewed, and that interim actions may be taken to protect employees.

Several of Verizon’s policies state that retaliation is prohibited by the company. The policies could be enhanced to include definitions or examples of retaliatory actions in the workplace, to strengthen employee understanding of the prohibited conduct, and state that retaliation is also unlawful.

Recommendations

- Verizon could consider developing a single anti-harassment and anti-discrimination policy that includes the policy elements required by stringent state laws.
- In order to further clarify its anti-harassment and equal employment opportunity policies, Verizon could revise its existing policies to (i) include consistent phrasing and definitions for “harassment” and “discrimination”; (ii) include consistent reporting processes and reporting contacts; and (iii) cross-reference policies where appropriate.
- Verizon could revise all policies to explicitly require that managers and supervisors promptly report concerns to Human Resources to reduce employee uncertainty regarding their responsibilities and remove subjectivity from any determination about whether and when to report misconduct, in alignment with Equal Employment Opportunity Commission (“EEOC”) guidance. Additionally, Verizon could consider requiring witnesses of harassment and discrimination to report such events.
- Verizon could develop a stand-alone employee-facing investigations process resource to promote transparency and better inform employees of what the complaint process entails. In line with this recommendation, Verizon has shared that, in 2023, it is developing additional employee-facing resources to provide more detail regarding the complaint and investigations process.
- Verizon could revise all policies to define retaliation, state it is unlawful, and provide examples of actions that could constitute retaliation to enhance employee and manager understanding of this concept.

2. Employee Relations Team and EEO/AA Team

The Employee Relations team and the EEO/AA team support Verizon in the implementation of its policies, procedures, and related controls designed to address and prevent discrimination in the workplace, consistent with legal requirements. The Employee Relations team and EEO/AA team also provide subject matter expertise regarding trainings that support Verizon's policies addressing and preventing discrimination in the workplace. These teams are part of the Diversity & Inclusion Organization and report directly to the VP and Global Head of Diversity & Inclusion.

a) Employee Relations Team

The Employee Relations team is a centralized group of 12 employees, including 10 investigators of "complex and leveraged matters." Complex and leveraged matters include employee complaints related to equal employment opportunity, harassment, discrimination, and retaliation. The Employee Relations team is organized by line of business, with investigators routinely supporting specific segments of Verizon in order to foster expertise regarding unique business unit issues and needs.

Verizon's HRBPs support the Employee Relations team. HRBPs conduct more routine, less complex investigations⁴⁶ that may implicate DEI concerns and are supported by the Employee Relations team through regular training sessions that focus on investigation skills and best practices, including: managing anonymous complaints, mental health, mitigating and aggravating factors, handling investigations with multiple issues, and coordinating across stakeholders. HRBPs also have access to the "Employee Relations Toolkit," a repository of online tools and templates that inform the handling of investigations and aim to drive consistency on how investigations are approached.

b) EEO/AA Team

The EEO/AA team is comprised of two sub-groups: investigators dedicated to equal employment opportunity complaints (the "External EEO team") and consultants who ensure compliance with Verizon's Affirmative Action Program (the "Affirmative Action team" or "AA team"). The External EEO team represents Verizon before the EEOC and state or local agencies, and reviews employment decisions made by Human Resources. Training for members of the External EEO team begins with onboarding, during which the team participates in a series of module based trainings on how to conduct investigations and work in HR Acuity. Additionally, during each new investigator's first two weeks, they work closely with a senior manager to learn points of contact, key resources, and HR Acuity (Verizon's investigations management system).

The AA team oversees Verizon's affirmative action program and monitors and investigates complaints or issues related to the program. The AA team also prepares and files government workforce diversity reports, such as the federally -required EEO-1, as well as demographic and pay data reports required by specific states. The team manages Verizon's compliance with posters and notices related to employment and required by federal and state law. Finally, the AA team interacts with the Office of Federal Contract Compliance Programs during compliance evaluations.

c) Case Tracking and Reporting

The Employee Relations team and the External EEO team manage and track all complaints and reports through HR Acuity. HR Acuity enables both teams to provide a suite of

reporting on investigations. The Employee Relations team also uses HR Acuity to develop ad hoc reports in response to requests from different business units. Additionally, HRBPs are independently able to access HR Acuity and review dashboards and pull reports in real time.

The External EEO team similarly utilizes HR Acuity for tracking and reporting on its investigations of external charges. Annually, the External EEO team reports on case volume by type of complaint (e.g., complaints alleging discrimination based on race/color, sex, religion, etc.) and includes year over year changes, as well as a comparison against data reported by the EEOC. Additionally, the External EEO team reports on case volume by month, business unit, front-line status (whether the complaint was made by a retail employee, customer service employee, other employee, or non-employee), and employee level (associate, management, or non-employee). Both the Employee Relations team and External EEO team occasionally receive feedback from investigations participants when investigations are escalated or through ad hoc comments at the conclusion of an investigation.

To ensure consistent treatment of matters, the Employee Relations team regularly conducts calibration exercises. Twice weekly, the Employee Relations team meets for 90-minute sessions to discuss current cases. In these discussions, the team will review cases and engage in discussion to ensure that case outcomes are appropriate and that levels of recommended discipline align across cases. In addition, the Employee Relations team meets in smaller groups each week as needed to review cases and discuss alignment.

In 2023, the Employee Relations and External EEO teams intend to expand their use of HR Acuity capabilities to track how different demographics at Verizon participate in the investigations process.

d) Disciplinary Actions for Substantiated Misconduct

Verizon employees are held accountable when there are substantiated complaints of workplace misconduct against them. Verizon uses a progressive disciplinary policy under which the nature and severity of the substantiated complaint factors into the form of the resulting disciplinary action.

e) Trainings

The Employee Relations team serves as a subject matter expert and content owner for a number of Verizon's trainings that support knowledge and awareness of Verizon's anti-discrimination and anti-harassment policies. These trainings include the "Code of Conduct" training, the "Living/Leading Our Values" training, and state-required harassment and discrimination trainings.

The Code of Conduct training is an annual, approximately 40-minute training that all employees are required to complete. Although the training has a shifting emphasis from year to year, the training always covers equal employment opportunity, discrimination, and retaliation. The purpose of this section of the training is to educate employees about discrimination and harassment and inform employees of the reporting process.

The Living/Leading Our Values trainings are two highly interactive courses that train employees on how to identify inappropriate behavior and how to promote a positive, welcoming environment in the workplace. Verizon requires all new hires to take the Living Our Values training, and all new people leaders to take the Leading Our Values training. These trainings

cover the forms of discrimination and harassment, including sexual harassment, the reporting process, and employee and leader obligations to report.

In accordance with state law requirements, Verizon provides additional state-required training on sexual harassment and discrimination. The trainings cover sexual harassment, discrimination, and harassment, as well as content related to protected groups, sexual orientation, and gender identity. The trainings also include information on the reporting process and obligations to report. Depending on state requirements, employees take the trainings annually, bi-annually, or only upon onboarding.

The EEO/AA team assists in providing subject matter expertise in the instruction of Verizon's Conscious Inclusion and Anti-Racism training, described more fully below on page 40. Verizon's goal for the Conscious Inclusion and Anti-Racism training is to help employees understand their own potential biases and related impacts. This training is mandatory for all people leaders.

f) Observations and Recommendations

The Employee Relations team and the EEO/AA team support Verizon in the implementation of its policies, procedures, and related controls designed to address and prevent discrimination in the workplace, consistent with legal requirements. The Employee Relations team and the EEO/AA team have taken significant measures to prevent and remediate discrimination and harassment in the workplace, including by using their complaint reporting capabilities to track and analyze complaint trends at multiple levels of the business. This trend analysis includes identifying complaint volume and changes in case type over time. Verizon can further enhance its efforts to cultivate a workplace free from unlawful discrimination and harassment in several ways.

The Employee Relations team and the External EEO team assess complaint trends and develop regular reporting regarding allegations received, complaint type, and action taken. The teams could enhance this reporting by assessing these trends with respect to demographics of complainants and subjects of complaints. Such assessments could help the company determine whether certain demographic groups are reporting instances of discrimination and harassment at higher levels than others or whether certain groups are more often the subject of complaints. Consistent with this recommendation, Verizon has shared with Covington that it is working on developing a systematic approach for monitoring and assessing such trends.

The Employee Relations and EEO/AA teams support the enforcement of Verizon's anti-harassment and EEO policies through the development of a suite of robust trainings. Verizon has an opportunity to conduct surveys or knowledge assessments regarding employee awareness and understanding of the policies or the investigations procedures meant to enforce the policies.

The Employee Relations team informally receives participant feedback regarding the investigations process, but there is an opportunity for the team to solicit feedback more formally, which could reveal areas for improvement.

The Employee Relations team and External EEO team report directly to the VP and Global Head of Diversity & Inclusion, a role focused on attracting, developing, and inspiring talent, a different objective than the handling of employee complaints or defending the company against demands or charges. This could affect employee perception about the teams' neutrality and objectivity.

Recommendations

- Verizon could develop Employee Relations and External EEO team reports that review complaint trends related to the demographics of complainants and respondents, even in cases where demographic information is not central to the complaint. Covington understands Verizon is already working toward regularly developing these reports in 2023. These reports could inform areas in which Verizon should focus its attention or devote training.
- Verizon could consider taking regular steps to assess employee knowledge, familiarity, and comfort with both Verizon's anti-discrimination and EEO policies, as well as with Verizon's investigation processes.
- Verizon could solicit feedback from employees who have participated in an investigation, including complainants, subjects, and witnesses, regarding their experience with the process. The company may ask whether the participant felt that the process was fair and whether the participant was treated with respect and empathy. Verizon could also consider disaggregating this information by demographics and reviewing it for trends related to the experiences of different employee groups with the complaint and investigation process.
- Verizon could consider restructuring the Employee Relations team and External EEO team so that they report up to Legal and/or HR, rather than to a function devoted to talent development and DEI.

B. Workforce DEI Initiatives

Verizon's framework for its internal workforce DEI efforts aims to incorporate DEI into every aspect of the employee lifecycle in an effort to enhance the overall employee experience. Consistent with this aim, Verizon's internal DEI framework is focused on attracting, developing, and inspiring diverse talent. Talent Acquisition leads a suite of initiatives designed to develop a pipeline of diverse talent. In addition, Compensation and Benefits collaborate to develop competitive compensation packages to attract leading talent. Global Learning & Development collaborates with the Diversity & Inclusion Organization to develop leadership and skills programs to equip diverse talent with the tools necessary to succeed at Verizon. Finally, with the support of multiple teams, Verizon has developed initiatives to support diverse talent through its ERGs, engagement surveys, and DEI-focused training.

1. Attracting Diverse Talent

Verizon has a talent acquisition strategy focused on creating a diverse recruiting pipeline for campus and professional-level talent. This talent acquisition strategy is supplemented by inclusive and competitive compensation and benefits packages.

a) Talent Acquisition

Verizon organizes its process of acquiring and hiring talent into six phases: first, attracting talent to the company; second, engaging HRBPs to identify and align on hiring needs; third, sourcing and screening talent for available roles; fourth, presenting candidates to the

hiring team for interviews; fifth, generating offers for successful candidates; and sixth, onboarding. The Global Talent Acquisition team (“Talent Acquisition”) owns this process, from attraction through pre-boarding, while onboarding is handled by an HR Shared Services team. Talent Acquisition is comprised of five teams: Talent Attraction & Programs (“Talent Attraction”); Consumer, Corporate, Marketing, and Sourcing; Associate, Global Networks & Technology, Verizon Business Group, and International; Contingent Workforce Enablement; and Operations, Policy, and Candidate Success.

Talent Attraction is primarily responsible for the development of Verizon’s strategies to recruit diverse talent⁴⁷ and is comprised of five sub-teams, two of which are primarily responsible for DEI in the recruiting process: the Campus Experience, Diversity, and Hiring sub-team (“University Recruiting sub-team”) and the DEI Strategy, Experience, and Hiring sub-team (“DEI Strategy sub-team”). The University Recruiting sub-team oversees all campus-related recruitment activity, including diverse talent recruitment. The DEI Strategy sub-team is focused on embedding DEI practices into talent acquisition more broadly.

Those involved in efforts to attract diverse talent, including recruiters and hiring managers, are required to complete DEI trainings. The trainings include “Recruiting the Right Way,” which, among other things, familiarizes recruiters with anti-discrimination laws and educates them on how to avoid soliciting information in interviews that could be viewed as discriminatory. As of January 2023, Recruiting the Right Way had a 90% completion rate. Verizon reports that it is working with leaders in the Talent Acquisition organization to ensure the remaining 10% of required recruiters, who are primarily new hires, complete the training. Hiring managers are required to take an “Interviewing at Verizon” training, which similarly covers the interviewing process, mitigating bias, and focusing on job-related skills and experiences. This training is integrated into the system so hiring managers cannot conduct interviews until they have completed training. Within the first month of employment, new employees in Talent Acquisition are required to complete additional online trainings related to DEI topics, including unconscious bias training. Verizon reports that talent acquisition-related trainings, including those with DEI elements, are typically updated and assigned to all relevant employees annually.

Talent Acquisition relies on data dashboards to track diversity metrics related to recruiting and staffing. This data is disaggregated by business group and includes demographic statistics related to gender and race/ethnicity that help inform the team’s effectiveness in attracting diverse talent.

(1) Diverse Recruiting Efforts

Verizon’s talent attraction strategy aims to attract a diverse workforce by engaging talent through traditional and non-traditional pipelines, national partnerships, and university relations.

(a) Campus Recruiting

Verizon’s relationships with Historically Black Colleges and Universities (“HBCUs”), Predominantly Black Institutions (“PBIs”), Women Institutions (“WIs”), and Hispanic Serving Institutions (“HSIs”) are key elements of its campus recruiting diversity strategy. Verizon engages with these schools primarily through the Brand Ambassador Program (“BAP”). The BAP is a program comprised of Verizon employees who volunteer to create relationships with their alma maters to build Verizon brand awareness and interest on campus. These employees, or “Brand Ambassadors,” (i) participate in campus engagement events (e.g., career fairs and

workshops); (ii) refer talent; (iii) connect with students during interview days; (iv) establish partnerships with diverse student organizations; (v) hold coffee chats; and (vi) share Verizon content on social media. There are over 1,200 ambassadors in the BAP. Although the BAP was originally designed to be a general strategy for campus recruitment, Verizon has found success with the program as a pipeline for MSIs. The program is currently focused on 28 colleges and universities, 11 of which are HBCUs. In 2022, BAP held 47 events, 43 of which were diversity-focused.

As a supplement to the BAP, Verizon has a group of executive sponsors, comprised of 29 Verizon executives and business unit leaders, who assist in diversity recruiting activities by: (i) meeting periodically with university representatives; (ii) leveraging their networks (internal and universities) to build out new partnerships; and (iii) having quarterly touchpoints with Brand Ambassadors and college campus leaders.

Verizon uses campus scorecards to evaluate target colleges and universities for its general recruiting strategy. Talent Acquisition changed its scorecard for the 2022–2023 year to ensure the allocation of recruitment resources is based on data-driven inputs, de-emphasizing the need for executive leadership relationships. Under the current scorecard, 20% of a school's score is based on diversity, specifically gender diversity (10%) and racial/ethnic diversity (10%). Talent Acquisition categorizes schools into one of two internal archetypes:

1. **Strategic Accelerator:** Schools with which Verizon has foundational partnerships, inclusive of brand awareness, organic activity, high application volume, and Verizon alumni connections, as well as schools with which Verizon has the opportunity to build relationships beyond career services based on historical organic engagement.
2. **Potential Growth:** Schools with which Verizon should initiate and evolve engagement, based on business demand. Engagement with these is less robust, more virtual, and job-wrapping in nature.

The nature of Verizon's engagement with a school changes based on its archetype. For example, Verizon may support sponsorships, student ambassadors, faculty guest lectures, adjunct opportunities, early engagement with freshmen and sophomores, and more at Strategic Accelerators schools. At Potential Growth schools, Verizon may support activities such as: panel events and guest lectures; technology immersion programs/projects; attendance at Fall/Spring Career Fairs; exclusive virtual events and 5G Lab Tours; alumni buddies who conduct resume reviews; mock interviews; info sessions; and campus engagement with affinity groups.

Verizon created a Campus Talent Network that helps the Talent Acquisition team measure and track, from a sourcing perspective, the impact of Talent Acquisition's overall efforts on college-level recruitment.

(b) Professional-Level Recruiting

A key element of Verizon's professional-level diversity recruiting is its partnerships with 27 organizations that support diverse candidates in their efforts to secure employment. These partnerships span across various demographics, including race/ethnicity, gender, sexual orientation and gender identity, military status, and disability status. While the Talent Acquisition team is responsible for overseeing these external partnerships, specific business units also maintain partnerships that are not known or tracked by the Talent Acquisition team.

Verizon's engagement strategy with these organizations includes adding the Verizon logo and wrapping job postings on partner websites, developing email and newsletter campaigns to organization members, sponsoring national conferences, and having executive leaders or ERG members attend local and national career fairs and conferences. Verizon also conducts onsite interviews at conferences organized by its diversity recruitment partners. The Talent Acquisition team reports that it is currently evaluating its slate of diversity recruitment partners in order to prioritize relationships that are most impactful to the diversity of its recruiting pipeline.

(c) ERG Engagement

In addition to the strategies discussed above, Verizon's ERGs often partner with the Talent Acquisition team on initiatives intended to develop a diverse talent pipeline. The ERGs sponsor two types of recruitment events for its members: networking sessions and informational sessions. Networking sessions for qualified candidates and hiring managers are used whenever Verizon has specific hiring needs. Informational sessions allow ERG members to learn about future career opportunities and are used primarily to build the talent pipeline. In addition to events, the Talent Acquisition team works with ERGs to fill priority job roles. The team posts open roles on ERG landing pages and tracks ERG candidate referrals for open positions.

(d) Recruitment Marketing

Verizon uses its recruitment marketing to supplement its efforts to attract diverse talent. Verizon's career-related social media accounts are used to share employees' authentic experiences and highlight diversity, inclusiveness, and culture at Verizon through quotes, videos, and personal stories. Verizon also relies on paid media, advertising, career sites and blogs, and an employee advocacy program to recruit diverse candidates. Job postings are also automatically wrapped to traditional job sites (e.g., LinkedIn, Indeed, Glassdoor, Handshake, etc.), as well as demographically-focused third party platforms such as GI Jobs, Veteran Recruiting, Diversity Jobs, LocalJobNetwork (Circa), Girls in Tech, AARP, HBCU Connect, Association of Latino Professionals For America, National Black MBA Association, and Professional Diversity Network.

(2) Non-Traditional Programs

Verizon also supports a number of non-traditional hiring programs aimed at attracting diverse candidates from unconventional talent pools, and in all but two programs, converting participants into full-time employees. These programs are reflected in the chart below.

Non Traditional Programs	
adfellows ⁴⁸	Verizon’s adfellows program provides entry-level, diverse marketing professionals with a nine-month fellowship that includes rotations in creative, media, and client-side brand marketing. Fellows are paid a salary and relocation stipend. Verizon reports the program has a 97% placement rate into full-time marketing positions across a consortium of 15 agency and 8 brand partners, and has a 95% retention rate. In 2023, the program expanded its reach to Chicago, with plans to expand into additional demand markets in the next three to five years.
Break Through Tech ⁴⁹	Break Through Tech is an organization founded in 2016 by Verizon’s former Chief Information Officer, with a vision of creating opportunities for college women from diverse racial and socioeconomic backgrounds to pursue degrees and careers in tech. Verizon was a founding sponsor of the organization, in partnership with Cornell Tech, the City University of New York (CUNY), and Accenture. Break Through Tech pairs industry partners with college students who participate in an immersive three-week winter internship program.
National Academy Foundation (“NAF”) / Be Future Ready	Verizon partners with NAF to provide a six-week internship experience for high school students in NAF schools and underserved communities. Verizon is engaged in two of NAF’s programs, FRL (Future Ready Labs) and its traditional six-week program. Verizon reports the majority of interns are people of color.
Thrive	Thrive is a 12-month apprenticeship program developed in partnership with Generation USA, an organization dedicated to providing employment, and Multiverse, a tech start-up to provide individuals with apprenticeships. The program takes individuals who are at risk of job displacement and prepares them for future jobs in areas such as Java and web development, cloud, digital marketing, data analytics, and more. Verizon reports the program seeks unemployed or underemployed individuals with diverse backgrounds. Verizon reports the program has converted 95% of participants to full-time employees.
Hiring our Heroes	Hiring our Heroes is a nationwide initiative that helps veterans, transitioning service members, and military spouses find meaningful employment opportunities in the civilian workforce. ⁵⁰ The Department of Defense established this program and it is administered by the U.S. Chamber of Commerce. ⁵¹ Verizon has partnered with Hiring Our Heroes since 2018, ⁵² offering participants a 12-week program. Although the program is a general strategy for veteran recruitment, many women and people of color have also been hired through the program.

(3) Hiring Process

Verizon is committed to skills-based hiring, a practice that de-emphasizes academic degrees and focuses on whether a job candidate possesses the skills required to succeed in a particular role. In furtherance of this commitment, Verizon is a member of the Multiple Pathways Initiative. This initiative is a multi-year effort led by the Business Roundtable, an association of CEOs from American companies promoting policies that foster economic growth,⁵³ to encourage employers to “reform[] their talent management strategies to better recognize and evaluate skills of all job seekers and to identify upward career paths that employees can navigate by acquiring new and/or different skills.”⁵⁴ Verizon is also a partner with SkillUp, a nonprofit organization that seeks to allow “workers to leverage current skills while building new skills that are suited to in-demand jobs with promising career paths.”⁵⁵ In connection with this partnership, Verizon participates in SkillUp’s “Earn & Learn” program through which participants can learn new skills while working at Verizon as a Retail Sales Associate.⁵⁶ And Verizon is a founding member of OneTen, a coalition of employers committed to skills-based hiring practices to create opportunities for Black talent.⁵⁷

Verizon’s hiring process also reflects its commitment to skills based hiring. This includes its competency-focused assessments of candidates, structured interviews, and elimination of its degree and GPA requirements for many roles. Additionally, Verizon’s Job Posting Clearinghouse, which reviews postings to ensure inclusive language, diverse slate guidance, and second-chance employment commitment also help to create an inclusive hiring process.

(a) Job Posting Clearinghouse

All Verizon job postings are sent to a Job Posting Clearinghouse (“Clearinghouse”), an internal function responsible for checking the quality of each posting. The Clearinghouse reviews all postings before they are published (the postings for campus and front-line positions, such as retail and customer service positions, are reviewed when initially created or if subsequently revised). Verizon embeds several levels of controls in the Clearinghouse review process. First, a daily audit of active postings is performed to check for non-inclusive language. As part of this review, Clearinghouse checks for gender-neutral and inclusive language, as well as for terms that connote religion, age, or other demographics. Second, a weekly check is undertaken to ensure recruiters are not issuing job postings that have not undergone Clearinghouse review. Third, the Clearinghouse conducts a monthly training with the recruiting team on best practices with respect to crafting job postings. Verizon previously used third-party AI software to provide additional guidance on job postings, but ultimately determined it could develop its own guidelines to monitor job postings and that the benefits of the software to its Clearinghouse review process were marginal.

(b) Assessments and Structured Interviews

Verizon uses competency-focused assessments to screen candidates in the hiring process for front-line roles, as well as select other roles, including those that require technical capabilities like coding. Assessments come in a variety of formats and are centrally administered. To ensure assessments of candidates are non-discriminatory, Verizon requires that all assessments follow professional and legal guidelines, standards, and best practices. Internal Verizon industrial-organizational (“I/O”) psychologists collaborate with third-party vendors to develop and conduct due diligence on assessments. These teams use data-driven studies to ensure assessments are job-related and effective in predicting likelihood of success in the relevant role. Verizon reviews job analysis and validation evidence from its assessments every two to three years, in order to determine whether refinements are needed.

Verizon also uses an I/O psychologist-informed structured interview process to mitigate potential bias in hiring. Interviews are structured to ensure that questions are consistent with the skills being recruited and that interviews are focused on the same core competencies for all candidates. Additionally, all employees involved in the interview process must complete the training module “Interviewing at Verizon” before conducting any interviews. This training provides participants lessons on how to identify and mitigate unconscious bias and must be completed at least every two years. Employees participating in the interview process are also given refresher training annually.

(c) Diverse Slates

Verizon expects diverse candidate slates for all externally posted leadership positions at or above the director level. Each external executive leadership slate is expected to have at least five candidates. This guidance is not memorialized in a guiding document. Verizon is currently exploring options for expanding the diverse slate guidance to non-executive roles. Verizon manually monitors the diverse slate guidance in executive recruiting.

(d) Second Chance Employment

Commentators have noted that formerly incarcerated persons often face difficulties reentering the labor market.⁵⁸ Research indicates that these difficulties are felt acutely by people of color in the United States, where they are disproportionately incarcerated due in part to discrimination in law enforcement and legal systems.⁵⁹ Specifically, Black men are nearly six times as likely to be incarcerated as white men, Hispanic men are more than twice as likely, and American Indian or Alaskan Native men are four times as likely.⁶⁰

Verizon has committed to promoting second chance employment for formerly incarcerated persons. As part of this work, in 2015, Verizon implemented “Ban the Box,” an initiative in which employers remove questions about criminal history from applications and delay background checks until later in the hiring process.⁶¹ Verizon also partners with external organizations to promote hiring and provide career advancement for individuals with criminal records. In 2021, Verizon, along with other members of the Business Roundtable, launched “Second Chance Business Coalition,” a nonprofit committed to expanding opportunities for people with criminal records.⁶²

(e) Degree and GPA Requirements

Commentators have noted that while degree requirements may serve as a barrier to workers of all races/ethnicities, they tend to have a disparate impact on diverse groups.⁶³ GPA requirements operate similarly. A report from Georgetown University, for example, indicated that while 70% of college students work, lower income students, who are disproportionately from diverse groups, often work longer hours in jobs unrelated to their educational goals.⁶⁴ As a result, these students have “less time . . . to devote to assignments and studying for exams, and thus their grades tend to suffer.”⁶⁵

Verizon has eliminated its college and related degree requirement for several jobs categories. In its place, Verizon has incorporated a skills and experience requirement that can be supported by education, job experience, or other credentials (such as certificates or training programs). To expand its applicant pool, Verizon has also eliminated GPA requirements in its campus recruitment efforts.

b) Compensation

Verizon's compensation philosophy is to deliver a competitive rewards package. Verizon's package includes competitive base salary and incentive awards, such as short-term incentives and long-term incentives, Verizon's broad-based StockTogether Program, and recognition awards.⁶⁶ A key part of Verizon's compensation offerings is Verizon's commitment to paying all employees performing similar work equitably, as memorialized in Verizon's Commitment to Pay Equity. Verizon embraces this commitment through use of structured market pay ranges, a salary offer tool that helps to align compensation offers with skills, experience, and peers, and internal compensation reviews. Verizon has 100% pay equity in base pay for men and women globally, and 100% pay equity in base pay with respect to race/ethnicity in the United States.

Verizon's compensation package provides employees with various reward programs, including short-term incentives, long-term incentives, "StockTogether," and recognition awards. As discussed on page 29, Verizon's short-term incentives include a dedicated ESG component that includes factors related to company performance against diversity representation goals. Long-term incentives and StockTogether are not tied to DEI. Recognition Awards are small monetary and non-monetary awards that people leaders at Verizon can award to employees at the Band 6 Manager level or below for contributing meaningfully to Verizon, including, at times, through DEI efforts. In 2021 and 2022, Verizon granted recognition awards between \$500 - \$1,000 to global ERG leaders and awards between \$250 - \$500 to local ERG leaders, whose roles are more fully described on page 37.

c) Benefits

Verizon has committed to providing leading benefits that support its entire employee population and their families. These benefits include healthcare coverage, an employee assistance program, leave policies, family building programs, retirement savings, health and wellness programs, and a commuter reimbursement program.

Verizon's benefits are designed to achieve maximum participation from employees and remove barriers to entry. In 2022, nearly 92% of Verizon's employees participated in Verizon's health care benefits. Verizon also saw over 90% participation in its retirement plan and 30% participation in its employee assistance program. Through employee escalations and complaints, the Benefits team receives feedback regarding benefits coverage and eligibility and in response has revised programs to make them more equitable and inclusive. For example, based on employee feedback, Verizon now offers many of its benefits without any waiting period and has flexible leave policies that are responsive to different employee needs. In addition, in 2022, the Benefits team engaged Aon, a consulting firm, to conduct a total remuneration study that included an analysis of Verizon's benefits through a DEI lens. The Benefits team is using the results of the study to consider how Verizon could improve its benefits offerings.

(1) Health Care

All employees, both full-time and part-time, are eligible to receive Verizon's health care benefits from the start of employment, which cover dependents through the age of 26 and domestic partners in addition to spouses. For management employees,⁶⁷ Verizon has a two-tiered structure for payment of premiums, whereby employees at the Director level and above pay 150% of the premium of other employees.

Verizon provides health care benefits sensitive to the needs of different employee populations, such as gender affirming care, Autism ABA therapy, and fertility treatments. Under all medical plans, Verizon covers gender-affirming care. Verizon relies on third party administration of medical claims.

For coverage of fertility treatments, Verizon provides a \$75,000 lifetime benefit, which it increased from \$20,000 in 2021 in response to employee feedback regarding the realistic costs of achieving a successful treatment result. Additionally, Verizon does not require an infertility diagnosis before employees are eligible for the benefit. The services include artificial insemination, in vitro fertilization, and cryopreservation. Verizon also expanded their adoption assistance program to include surrogacy and legal guardianship to further support varying ways to grow a family. As a result of the update, the program was rebranded to the “Verizon Family Assistance & Reimbursement Program.”

(2) Retirement

Verizon offers a 401(k) plan in which all employees are automatically enrolled, meaning employees do not need to affirmatively elect to participate in the program. While employees may elect to opt out, currently, over 90% of employees participate in the 401(k) plan. As an additional incentive to participate in retirement savings, for every dollar that a management employee invests in their 401(k), Verizon provides a matching dollar, up to 6% of the employee’s eligible pay per pay period.

Acknowledging that an employee’s unique circumstances may necessitate access to savings, Verizon ensures that an employee’s contributions into the 401(k) plan are accessible through loan and withdrawal provisions. Verizon ensures that employees are informed of their withdrawal options and their tax implications through educational programming. Additionally, Verizon has partnered with Fidelity to create a suite of resources that inform employees about the basics of investing and diversification as well as retirement readiness. In addition, Verizon provides monthly educational workshops to employees, with topics ranging from budgeting to debt management to Social Security.

(3) Leave Policies

Verizon provides various employee leave programs, such as bereavement leave and parental leave. Verizon’s bereavement policy provides five days of leave for a broad range of family relationships, acknowledging that meaningful connections can take myriad forms. Verizon has expanded the policy as needed to address unique employee experiences. For example, Verizon expanded its bereavement leave policy to include leave for a miscarriage for all employees. Verizon provides all management employees with paid parental leave at an employee’s full pay and benefits. In addition to parental leave, the birthing parent also is eligible for up to an additional short-term disability at full pay and benefits. Finally, Verizon allows people managers to make a determination to grant leave for employees to participate in Verizon-led volunteer opportunities.

(4) Supporting Families

In addition to providing parental leave for new parents and fertility support for family planning, Verizon also provides support for daycare, adoption, surrogacy, and legal guardianship. Verizon provides backup daycare through two separate networks of caregivers, Bright Horizons and Care.com. Through these programs, Verizon subsidizes up to 80 total hours of care per employee, per year. Verizon provides a \$10,000 per-event benefit for

assistance with adoption, surrogacy, and guardianship. For nursing parents, Verizon provides free telemedicine lactation support, free shipping of breastmilk for parents traveling for business, and free nutrition programs.

d) Observations and Recommendations

Verizon's actions to support and promote DEI in the workplace include its efforts to attract diverse talent. Verizon has designed and implemented several strategies aimed at recruiting diverse talent, mitigating bias in the hiring process, and ensuring equitable compensation and inclusive benefits. Verizon could take steps to improve upon its strong efforts to attract diverse talent, in order to sustain this growth.

With respect to Verizon's recruitment of diverse campus talent, the company relies heavily on the strong relationships it has established with HBCUs, PBIs, WIs, and HSIs. The BAP and executive sponsorships have helped to align the efforts of executive leaders, alumni, and ERGs to build a strong pipeline of diverse early career talent. These diverse campus recruiting efforts are often directed at colleges and universities with which the company has existing relationships through executive sponsors and alumni. This may lead to Verizon overlooking other schools that have high populations of diverse talent. Further, Verizon's campus scorecard, which reflects Verizon's strong intention to recruit diverse talent, considers two DEI-related factors: gender diversity and racial/ethnic diversity. There may be an opportunity for Verizon to expand the DEI-related factors it considers in its scorecard to reach other diverse populations.

Verizon has equally strong partnerships with organizations that support diverse professional-level candidates in their efforts to secure employment. Verizon engages with these partners to, among other things, sponsor conferences and career fairs, as well as wrap job postings on their websites. Different business units within Verizon may also have individualized recruiting partnerships, such as with local organizations in the communities where they operate. The Talent Acquisition team could increase its level of insight into these business-unit relationships.

Verizon also utilizes non-traditional programs like adfellows and Thrive to attract diverse talent. Its commitment to second chance employment has likely benefited individuals from all backgrounds, including diverse ones. Verizon could more consistently and definitively assess the impact of all of its non-traditional programs on diverse job candidates.

Verizon expects that hiring managers will be presented with diverse candidate slates for externally posted leadership roles, defined as Band 5 and above. Verizon's process for monitoring compliance with this diverse slate guidance consists of informal check-ins. Verizon has an opportunity to track and audit its adherence to this diverse slate expectation and the demographics of the candidates who are on those slates. Verizon also has an opportunity to provide a framework for when it might deviate from that expectation.

Verizon's benefit offerings have a high utilization rate among employees and take account of employee's lived experiences. As part of these offerings, Verizon provides a two-tiered system for its medical benefits whereby employees at the director level and above pay 150% of the premium that all other employees pay.

Finally, Verizon considers volunteerism a benefit of working at Verizon and allows managers the discretion to provide paid time off for volunteerism. Verizon does not offer paid time off for participating in company-supported volunteerism opportunities as a formal policy.

Recommendations

- To broaden the pool of diverse talent from which Verizon recruits, Verizon could consider expanding its recruitment efforts to colleges and universities with which it does not currently have an established connection or partnership. Verizon could further consider modifying its scorecard to consider other aspects of a school's diversity beyond gender and race/ethnicity.
- Verizon could consider building out its relationship tracking capabilities in order to fully understand the return on investment from each of its diversity recruiting partnerships, even those that are business-unit specific, enhancing the Talent Acquisition team's ability to make informed, data-driven decisions on the initiation, enhancement, or termination of recruiting partnerships.
- Verizon could consider building out its tracking capabilities for each of its non-traditional programs as well as its commitment to second chance employment and the elimination of degree and GPA requirements, in order to fully assess how they contribute to Verizon's efforts to attract diverse talent.
- Verizon could consider converting its diverse slate guidance into a formal requirement that applies to external executive recruiting and could consider additional guidance for nonexecutive roles. Verizon also could build out its systematic tracking, monitoring and reporting on diverse slates for both executive and non-executive recruiting. Such tracking and monitoring will assist Verizon in identifying trends and can be used to assess how diverse slates are impacting the recruitment of diverse talent.
- Verizon should review the feedback from the Aon benchmarking study and consider what feedback to incorporate into its compensation and benefits offerings.
- Verizon could consider establishing a policy that provides more of a framework for managers on providing paid time off for volunteerism, in order to more uniformly encourage volunteerism.

2. Developing Diverse Talent

Verizon provides diversity leadership development programs, broader leadership development programs that include modules on DEI, and skills programs that enable employees to develop skills they want or need for their careers.

Verizon's Global Learning & Development ("GL&D") team is responsible for Verizon's learning and development programs. The GL&D team, with the help of stakeholders from Human Resources, Diversity & Inclusion, and business units, has established development programs, skills programs, and training programs that ensure equitable development of employees. The GL&D team also collaborates with Advocates for Disability, Accessibility, Neurodiversity, and Caregiver Empowerment ("ADVANCE"), one of Verizon's ERGs, regarding program accessibility.

a) Diversity Leadership Development Programs

Verizon has had several diversity leadership development programs, such as Competitive Edge and Women of the World. In addition, Verizon has annually nominated employees for participation in McKinsey & Company’s “McKinsey Executive Leadership Program.”

(1) Competitive Edge

Competitive Edge is an eight-hour course held over a two-day period during which employees participate in workshops to identify their strengths and discuss the skills Verizon expects of its leaders. Competitive Edge is an invite-only program for diverse top talent employees at the Band 6 Manager level. These designations are made by a centralized leadership program team (the “program team”) comprised of HRBPs, Human Resources, and Talent Management who collaborate to identify employees during the annual talent assessment cycle. In 2022, 259 employees participated in the program.

When nominees are selected to participate in Competitive Edge, the program team schedules a call with participants’ managers to walk through program objectives, align on expectations, and discuss how managers can best support participants. Managers are also invited to participate in the Ally Skills for Leaders Training, an emotional intelligence training discussed on page 40, to further help them support program participants under their management. Three months after completion of the program, the program team issues a two-hour follow up module to check in with participants and their managers about their development following the program.

The GL&D team assesses the effectiveness of Competitive Edge by utilizing survey instruments to assess participant changes in learning, skills, and attitudes at periodic intervals after completion of the program. The GL&D team also reviews the participants’ horizontal and vertical movement within the company, as well as their retention post participation.

(2) Women of the World

Women of the World (“WOW”) is a three-to-six-month development program designed to help women and gender-expansive employees develop general business skills, personal branding, and network with other Verizon employees and executives. The program is designed for employees at Bands 9 through 6 and includes approximately 1,500 participants per year. In 2022, 1,235 employees graduated from the WOW program.

Employees apply for the program through a self-nomination process, and managers, peers, and ERGs often encourage employees to apply. Human Resources reviews each application to ensure that applicants are in good standing, their current roles have growth opportunities, and their managers will participate in the program alongside them. The WOW program is centered around five pillars: personal brand, self-leadership, effective communication, critical thinking, and owning your career. Participants in the program engage in self-paced learning, peer learning, and live virtual sessions designed to help them hone in on career aspirations and build their network at Verizon.

The GL&D team conducts the same effectiveness analysis with WOW as it does with Competitive Edge.

(3) Women’s CoLab

In collaboration with other Fortune 500 companies, Verizon developed Women’s CoLab, a library of free resources to help women advance and grow in their careers.⁶⁸ Partner companies include Accenture, Ferrero, Mastercard, The Estée Lauder Companies, The United Nations Foundation, Walmart, and Watermark.⁶⁹ Through Women’s CoLab, members can access free courses powered by the Degreed platform.⁷⁰ These courses are supported by Harvard Business School, The Achieve Institute, The Female Quotient, The A Effect, Blue Circle Leadership, and Scary Mommy.⁷¹

In addition, members also have access to networking through Women’s CoLab.⁷² Members of Women’s CoLab receive invitations to partner events, workshops, and networking through LinkedIn.⁷³ For example, in fall of 2022, Women’s CoLab hosted a Summit in collaboration with Luminary, where virtual and in person attendees listened to panels comprised of women leaders who spoke about their careers, growth, and success.⁷⁴ As another resource, in 2022, Women’s CoLab launched “CoLab Conversation,” brief, interactive learning sessions with female entrepreneurs, executives, and career coaches.⁷⁵ The general public can access Women’s CoLab resources by creating an account, which grants access to the Women’s CoLab learning portal.⁷⁶

b) Broader Leadership Development Programs

In addition to these leadership development programs, Verizon offers a full suite of development programs that target a wider employee audience. Verizon endeavors to include DEI components in each of these programs. For example, New Leader Experience, a skills training program for new people leaders Bands 9 through 6 includes the Lead to Inspire training module (discussed on page 40) and a two-and-a-half hour module on fostering an engaged team culture. As another example, Verizon’s VLeads program, a top talent program that aims to accelerate the development of Band 5 top talent, includes multiple DEI components. Over the five-month program, participants engage in peer learning circles, covering topics such as “Leading Multicultural Teams” and “Courageous Conversations,” and in conversations regarding social issues, including racism. As part of Raising the Bar—Verizon’s flagship executive leadership development program designed to teach people leaders about Verizon’s leadership expectations—Verizon includes modules on fostering trust and creating psychological safety. In 2022, some leadership development programs did not have a specific DEI component, such as Edge Above, a five-month long program for Band 6 Manager top talent that provides coaching, mentoring, and experiential learning. Verizon has reported that in 2023, it is focused on incorporating DEI components into all of its leadership development programs, including Edge Above. For example, the 2023 Edge Above journey includes integrated DEI components in 11 of the 12 program modules. In addition, in 2023, Verizon’s Raising the Bar program will spotlight the “foster inclusion” leadership principle that is now incorporated into people leaders’ performance objectives.

Verizon tracks participation in each of its leadership development programs and reviews demographic information to compare the demographics of participants in these programs to the demographic makeup of the company. Like with Competitive Edge and the WOW program, Verizon also conducts impact studies for some of its broader leadership development programs, specifically its top talent programs.

In 2020, Verizon developed and piloted a mentorship program. Employees that wished to participate in the program—as either a mentor or mentee—completed a questionnaire that was then used to match participants. Nearly 500 mentees were matched with a mentor in the

program. The pilot was considered successful by employees, with 4.2 out of 5 mentees willing to recommend the program, and by ERGs, whose leaders praised the pilot and reflected an interest in additional opportunities for mentorship. In 2021, Verizon discontinued the program with a plan to re-evaluate mentorship resources and programming following Verizon's migration to a new human resources information system.

c) Succession Planning

Verizon identifies high potential or emerging talent for leadership and succession planning. This process focuses primarily on Director-level talent and above, and the goal is to ensure top talent is supported with developmental resources, many of which are discussed above. To mitigate bias, people leaders are advised by HRBPs that factors such as personal characteristics (e.g., race, gender, religion, etc.) and an employee's similarity to the rater (e.g., background, skills, experience, etc.) should not be considered in the performance rating process. Verizon engages in multiple levels of review and calibration to assess the pool of top talent to ensure consistency and mitigate bias in ratings. On a quarterly basis, the VLC, Talent Management team, and Senior Vice President of Talent & Diversity meet and assess the succession pool, including its gender and racial/ethnic diversity. Verizon reviews the talent pool to assess whether its gender and racial/ethnic diversity is similar to that of the workforce at the band-level; however, Verizon does not have representational targets or goals with respect to this process. Verizon's Board of Directors reviews the results of these calibration sessions, with a particular focus on CEO and VLC succession planning as well as VP-level talent. Outside of board meetings, Directors also meet informally with one another, Verizon's CEO, and high potential members of Verizon's senior management team to deepen their understanding of the company's succession pipeline and its efforts to develop this group of talent.⁷⁷

d) Skills Programs

Verizon provides skill-based learning programs to its employees in order to develop a workforce that has the necessary knowledge and abilities to upskill and reskill in response to shifting market demands. As part of these programs, Verizon has developed opportunities for employees to seek out and develop new skills beyond the demands of Verizon's business. With SkillUp, Get Certified, and the Tuition Assistance Program, employees are able to identify skills they want or need, receive financial support to obtain certifications, and receive up to \$8,000 a year in tuition assistance.

(1) SkillUp and Talent GPS

SkillUp is a series of 30 learning plans available through Verizon's learning portal. SkillUp allows employees to identify the skills they need for certain positions or career trajectories and to develop those skills. In conjunction with Talent GPS, an intranet portal that specifies the key duties and skills required for jobs within Verizon, employees can identify the skills or certificate requirements needed for a specific role at Verizon and follow an action plan for acquiring them. Verizon monitors employee participation in SkillUp and has found that historically, participation is highest among women employees and employees of color.

(2) Get Certified

Similar to SkillUp, Get Certified is a program that is designed to meet business needs and support employees' personal development. Through Verizon's learning portal, employees can access curated learning programs that prepare employees to earn certificates. Such certificates may include certifications for business skills (e.g., Project Management Professional

(“PMP”), IT skills (e.g., Amazon Web Services (“AWS”)), security skills (e.g., Certified Information Systems Security Professional (“CISSP”)), and others. Verizon may ask employees to obtain a certificate due to a business necessity, or employees can seek out a certificate for their own personal goals. If the certificate is a business requirement, the Get Certified program covers the cost of all preparation content and the exam. For a certificate desired by an employee for personal development, Verizon covers up to two exam reimbursements per year, regardless of cost.

In 2022, Verizon’s investment resulted in the earning of 898 personal development certifications by employees. As with SkillUp, Verizon found that participation in Get Certified is highest among women and people of color.

(3) Tuition Assistance Program

Verizon’s Tuition Assistance Program provides all employees with payment assistance toward an Associate’s, Bachelor’s or Master’s degree that aligns with Verizon’s careers and is from an accredited school. The program covers all eligible tuition expenses, required textbooks, and course materials. Verizon provides up to \$8,000 of tuition assistance per year for full-time employees and up to \$4,000 of tuition assistance per year for part-time employees who work less than 30 hours a week. The program is available to all employees upon hire. The program does not have a retention agreement—employees are not required to stay with Verizon for a certain period after obtaining tuition assistance. Under the program, the company also prepays the tuition assistance, resulting in reduced initial out-of-pocket expenses for all employees. The Tuition Assistance Program supports employees attending a wide-range of schools, without any limit on the number of obtainable degrees.

In 2022, Verizon invested over \$23 million in tuition assistance for employees, with over 5,800 employees participating in the program and 898 participants obtaining degrees. In 2020, Verizon reviewed the program’s employee participation by demographics and found that women and people of color participated in the program at higher rates than their representation in Verizon’s U.S. workforce—specifically, although women and people of color comprised 59.4% of Verizon’s workforce in 2020, 73% of program participants were women and/or people of color. As part of its assessment, Verizon also found that participants had lower turnover, higher rates of promotion, and increased transfers to lateral positions than non-participants.

e) Observations and Recommendations

Verizon’s efforts to develop diverse talent are a significant component of its actions to support and promote DEI in the workplace. Verizon has established sophisticated leadership development programs centered on employee professional success and resources focused on equalizing employee mobility. As an example, SkillUp and Talent GPS demystify the skills and knowledge requirements for different job roles within Verizon and create an equitable learning path for obtaining those skills. Verizon has opportunities to further develop these programs and, in turn, further promote the progress of its diverse talent.

Verizon has offered several leadership development programs focused on specific groups of employees, such as Women of the World and Competitive Edge, and has supported participants in these programs from start to finish. Competitive Edge is short in duration, comprised of one session that lasts a total of eight hours over two days and a second a two-hour follow up session. Women of the World is a longer program with many more sessions over a six-month period. Verizon could develop additional development programs designed to address the needs of its diverse employee population.

Verizon previously developed a pilot mentorship program that was both desired by the ERGs and well received. Verizon did not develop the pilot into a full program and has not since developed an enterprise-wide mentorship program.

Recommendations

- Verizon could consider developing additional leadership programs that are designed to address the needs of its diverse employee population.
- Verizon could consider developing additional mentorship resources and programming which could be open to all employees, but targeted toward ERG members.

3. Inspire Talent through an Inclusive and Engaged Culture

Verizon has taken significant action to support and promote DEI in the workplace through its efforts to inspire diverse talent. Verizon has developed a portfolio of ten different ERGs dedicated to serving various populations at Verizon. In addition, Verizon regularly surveys employee sentiment through employee engagement surveys. Further, the Benefits, Employee Relations, and EEO/AA teams lead initiatives aimed at fostering an inclusive and engaged culture.

a) Employee Resource Groups

Verizon's ERG portfolio is a key driver of an inclusive culture. ERGs are company-sponsored and employee-led volunteer organizations. ERGs are open to all employees, including Verizon's union-represented associate population, and ERGs regularly host initiatives and programs that are similarly open to all employees. Employees may participate in more than one ERG and can join an ERG based on shared experiences or because of an interest to broaden cultural competency or be an ally. ERGs have had an ERG leadership consortium, managed by the DEI team, for over a decade. Leaders from across all 10 ERGs meet at least monthly, including for cross-collaborative events and external engagements, including volunteerism. As of 2022, Verizon had over 27,000 employees involved as members of at least one ERG.

Each of Verizon's ten ERGs is supported by multiple levels of volunteer leadership, including global leaders and regional leaders, VLC Sponsors, and the Executive Advisory Board. As noted on page 29, in 2021 and 2022, Verizon provided one-time Recognition Awards between \$500 and \$1,000 to global leaders and between \$250 and \$500 to regional leaders. In addition, ERG leaders participate in an annual ERG summit where formal awards are given for contributions.

In support of ERG leaders' work and to further support their professional development, the Diversity & Inclusion Organization developed the ERG Leadership Academy ("Academy"), a program launched in 2022 to help global leaders not only excel in their new leadership roles, but also in their day-to-day responsibilities. Verizon designed the Academy to be an additional development pipeline of diverse talent for the company.

Through the Academy, the global leaders learn to define strategies to improve personal productivity and performance, and learn of the importance of DEI leadership in the workplace. As part of the Academy, global leaders meet monthly to participate in a variety of training

modules, including modules on how to develop their personal brands, how to build relationships, and how to network.



Advocates for Disability, Accessibility, Neurodiversity and Caregiver Empowerment



Black Originators Leaders and Doers



Native Americans of Verizon



Pan Asian Corporate Excellence



Parents and Caregivers Together



Lead With Pride



The Voice of the Latinx Community



Progress through Unity (Multicultural)



Veterans and Advocates Leading the Organization Responsibly



Womxn's Association of Verizon Employees

Consistent with this idea of ERG leadership as a development opportunity, ERG leaders are strongly encouraged to include their contributions to DEI, including information regarding their leadership experiences, as part of their performance review process. To guide the inclusion of DEI contributions in the performance reviews of ERG leaders, the DEI Team has created an email template and performance review template for ERG leaders to use to highlight their ERG-related accomplishments to their managers.

ERGs also play a pivotal role in engagement, including with DEI programming. For example, after the murder of George Floyd in 2020, Verizon identified a need for safe spaces where employees could hold candid conversations about their feelings and experience. In 2020, ERGs collaborated with the Benefits team to help create these safe spaces and facilitate these discussions. In 2022, the Benefits team also developed an ERG Ambassador program to facilitate collaboration between members of ERGs and the Benefits team regarding offerings through Verizon's EAP program and other benefits. In 2023, the Benefits team partnered with PRISM ERG to host a four-part benefit webinar series to highlight Verizon's inclusive benefits, family building programs, and EAP services that are available to employees. ERGs also communicate with members regarding current events relevant to their ERG community.

Each ERG is also responsible for developing its own programming throughout the year. This programming may include speakers, employee activities, and volunteerism efforts, either as an individual event or as part of a "Cultural Moment" or "Cultural Month." Cultural Moments are individual days dedicated to recognizing the history of or bringing awareness to diverse groups, and Cultural Months are month-long celebrations, such as Black History Month, Women's History Month, and Hispanic Heritage Month. The DEI team provides ERGs with logistical and administrative support for all ERG programming and has developed a resource

that guides ERG leaders through the process for planning and seeking approval for these programs. Some examples of ERG programming include: “Be BOLD,” a push for BOLD’s members to participate in volunteering in December; “Share Your Pronouns With Pride,” a campaign by PRISM for Verizon employees to include their pronouns on their badges; “Conecta Tu Red,” a networking roundtable hosted by SOMOS; and a Voter Education Week Panel hosted by PACE.

Verizon provides each ERG with a dedicated “About You” intranet page that includes background information on the ERG. Each page provides different information regarding the respective ERG, but all pages include background information on the ERG, such as the ERG’s mission statement and history, as well as information regarding current or planned events and news related to the ERG. New Verizon employees are given information about the ERGs in their onboarding materials, which include access to a video introducing the groups and encouraging membership in one or more of them. The video informs new employees that all are welcome to join an ERG, including those who would be an ally to, or an advocate for, the members. In addition, Verizon regularly disseminates information regarding ERG events and news to employees through enterprise-wide and ERG-wide list-serves.

b) Employee Engagement

On an annual basis, Verizon conducts a Pulse survey of employees in order to assess employee engagement and inclusion. Verizon assesses the survey results at the team level to see where there are opportunities to improve employee sentiment. Verizon’s review of Pulse survey data has historically shown that employees of all genders, races, and ethnicities have similar engagement with the company. Verizon also analyzes employee sentiment against other peer companies through the use of a Gallup engagement survey instrument.

c) EEO/AA Team Programming

In addition to its work supporting anti-discrimination and anti-harassment policies as described on page 15, the EEO/AA team has also supported a number of initiatives designed to foster diversity and inclusion through Verizon’s workforce.

As part of a federal requirement for contractors with the United States Government to invite employees to self-identify their disability status every five years, in October 2020, Verizon’s EEO/AA team led “Be Counted!,” a month-long campaign that invited employees to self-identify in Verizon’s systems as an individual with a disability. As a result of the campaign, the percentage of individuals who self-identified as having a disability increased by 3.8%. In addition, the Be Counted! campaign inspired employees to make a total of 9,793 changes to self-identification across all inquiries. The campaign promoted employee reporting of race/ethnicity and veteran status in addition to disability status.

d) DEI Learning Plan

Verizon offers DEI-focused trainings that are intended to provide learning opportunities for employees with different levels of knowledge and familiarity of DEI. The initial trainings are designed to increase employee understanding of DEI principles and concepts. The next level of resources aims to help employees understand how they can assist in creating a diverse and inclusive workplace. The final set of trainings encourages employees to become active advocates for DEI in the workplace.

Verizon has made some of these training programs mandatory for new hires and new people leaders. Verizon tracks the completion rate of each of its mandatory trainings and also monitors the participation rate of all of its trainings. Verizon monitors the completion rate of its mandatory DEI trainings, and most have over 90% completion rates.

(1) Unconscious Bias/Unconscious Bias for Leaders

Unconscious Bias and Unconscious Bias for Leaders are mandatory awareness trainings for all Verizon employees and all new people leaders, respectively. These courses are designed to help learners understand the science, research, and impact of unconscious bias. The trainings help employees become aware of their own perceptions and teach employees how to develop strategies for practicing conscious awareness. In addition, the training helps learners develop action steps to mitigate bias. In 2021 and 2022, 85,495 Verizon employees participated in these trainings, for a 94.50% completion rate.

(2) Conscious Inclusion and Anti-Racism

In 2020 and 2021, Conscious Inclusion & Anti-Racism training was a mandatory training for all people leaders. This four-hour training was led by a virtual instructor who helps employees expand upon the foundation developed in the Unconscious Bias training. The Conscious Inclusion & Anti-Racism training focused on how people can create an environment where differences in employees are both appreciated and respected. The course was designed to enable employees to examine real-life examples of racism and discrimination and discuss the impact that these events have on Verizon's community. In 2020 and 2021, over 14,000 of Verizon's people leaders participated in this training, for a completion rate of 93%. In 2022, Verizon began considering how to evolve this training for future classes.

(3) Ally Skills Webinar/Ally Skills for Leaders

The Ally Skills Webinar and equivalent training for people leaders are held annually and are optional programs designed to help employees and leaders understand how to be an effective ally. The program for all employees is 60 minutes and the program for people leaders is two hours. Both programs teach learners concepts such as microaggressions, allies, and accomplices. The trainings are also designed to help learners understand how bias manifests and what to do when it does. In 2021 and 2022, 1,091 employees and 1,278 people leaders participated in the Ally Skills trainings. The training is available online throughout the year.

(4) Living/Leading Our Values and Lead to Inspire

Living Our Values is a required training for all new Verizon employees and Leading Our Values is an equivalent required training for all new Verizon people leaders. These trainings offer virtual or face-to-face classroom experiences and are highly interactive. Living/Leading Our Values includes an emphasis on topics related to DEI as well as equal employment opportunity, such as how to manage and report harassment and discrimination. In addition, these trainings contain modules on other topics designed to foster an inclusive and equitable work environment, such as how to manage an uncomfortable work environment, navigating tough situations, establishing personal boundaries, and understanding different types of discrimination. In 2021 and 2022, 9,356 employees completed Living Our Values, for a completion rate of 98.90% and 9,524 people leaders completed Leading Our Values, for a completion rate of 93.30%.

Similarly, Lead to Inspire introduces new people leaders to Verizon's DEI framework. The 90-minute course provides advice for being a successful people leader at Verizon and imparts the benefits of Verizon's DEI framework. This training was launched in April 2022, and in 2022, 2,722 people leaders participated, for a completion rate of 90%.

(5) Race & Social Justice Action Toolkit

In addition to the above described training programs, Verizon also creates and provides additional resources and guides through its partnership with the learning platform Degreed. One such additional resource created by Verizon is a guide called "5 Things to Know" that educates people leaders on having conversations about race. The document walks people leaders through different ways that they can initiate a dialogue about racism, such as hosting a panel or watching a video and having a roundtable discussion.

Through its partnership with Degreed, Verizon provides additional opportunities for employees that are designed to present a range of viewpoints and foster informed discussion. These resources teach employees about systemic racism and how to empathize with those impacted, as well as help employees learn how to have difficult conversations about racism. The resources on Degreed include informational videos, articles, and links to TEDTalks, as well as additional Verizon-created resources, including resources on diversity best practices and links to resources and discussions created by BOLD, a Verizon ERG.

e) Observations and Recommendations

As part of the actions Verizon has taken to support and promote DEI in the workplace, Verizon has worked to foster an environment where employees feel connected to the company and culture, particularly with regard to its trainings and ERGs. Verizon's ten company-wide ERGs play an important role in centering diverse employees and promoting inclusion within Verizon. Feedback received from ERG leaders as well as representatives within Verizon indicate that ERG leaders' contributions are highly valued within the company. Through use of Pulse surveys, Verizon and its Board monitor employee sentiment and DEI concerns. Covington identified a few opportunities for Verizon to further inspire talent.

Verizon has created tools to support ERG leaders in presenting their accomplishments to their peers, managers, and others. Verizon has an opportunity to generally acknowledge and recognize the work done by ERG leaders in a more formal and consistent manner.

ERGs play a pivotal role in promoting the full participation and development of diverse employees at Verizon. ERG leaders are proud of Verizon's efforts to further DEI. There is some perception that employees are unfamiliar with ERGs and that the DEI-related efforts of ERGs are not sufficiently publicized.

Verizon's 2020 Be Counted! campaign was successful in promoting employee self-reporting regarding race/ethnicity, disability status, and protected veteran status. Be Counted! did not request demographic information related to LGBTQ+ identities or disaggregate race/ethnicity data for Hispanic and Asian employees (that would allow the identification of racial subgroups). Be Counted! has not been replicated since 2020 but the company plans to do so once its migration to a new human resources information system that would allow the collection and tracking of additional demographics is complete.

Verizon has taken steps to ensure that all of its employees thrive professionally. For example, Verizon has developed DEI trainings designed to foster awareness around unconscious

bias and conscious inclusion as well as leadership development programs centered on professional success at Verizon. Verizon has an opportunity to more effectively enforce participation in its mandatory DEI trainings and incentivize participation in its voluntary DEI-related trainings.

Verizon has an opportunity to enhance its data collection practices, as training participation data at times reflects inconsistent completion rates. Some reported completion rates seem unexpectedly low, and Covington understands that data collection challenges with tracking completion against point-in-time populations might be the cause—suggesting participation percentages may actually be greater than reflected. Verizon has an opportunity to improve its completion rate data management to ensure that it accurately captures participation information in real time, in order to allow Verizon to more accurately monitor its progress toward achieving its target completion rates.

Recommendations

- Verizon could consider additional ways to formally recognize its ERG leaders for their contributions to the company. Verizon has begun to implement this recommendation through its ERG Service Excellence Award, launched in March 2023. The award is regarded as the highest level of individual recognition for ERG members. An ERG Service Excellence Award badge is posted on the About You profiles of honorees on Verizon's intranet.
- Verizon could consider developing centralized hubs of ERG information for internal, and separately external, access. Verizon could further formalize its process for engaging with ERG leaders to support communications with ERG members in response to current events. Promoting greater awareness of ERGs, and their work related to DEI at Verizon, could increase employee participation in, and support for, ERGs.
- Verizon could consider relaunching and expanding its Be Counted! campaign to include additional demographics. For example, Be Counted! could also invite employees to self-identify as LGBTQ+. Be Counted! is also an opportunity for Verizon to collect data needed to disaggregate demographic data on Hispanic and Asian employees.
- Verizon could consider stronger enforcement of mandatory people leader DEI training. Verizon could do so through, for example, preventing an employee from executing certain tasks until the training has been completed, or enlisting the help of direct people managers to encourage completion.
- Verizon could consider incentivizing employee participation in voluntary trainings, including through certificates of completion or badges on online profiles for those who have completed certain trainings.
- Verizon could consider revising its data tracking methods for program participation to ensure participation rates are accurate and can therefore be appropriately monitored.

VI. Community Initiatives

Verizon has taken significant steps to support and promote DEI in the communities where Verizon operates. Initiatives to support and promote DEI include: (i) Verizon’s commitments to Citizen Verizon, its plan for corporate social responsibility, which promotes digital inclusion, human prosperity, and climate justice; (ii) Verizon’s engagement with external stakeholders representing diverse communities, including its enthusiastic engagement with these stakeholders to advance shared public policy objectives at the local, state, and national levels and to provide financial support for community-based needs and social justice;⁷⁸ (iii) Verizon’s efforts to foster supplier diversity, including through its multi-tier Supplier Diversity program, where, in addition to Verizon’s own direct diverse supplier spending, Verizon encourages—and often contractually requires—its non-diverse suppliers to work with diverse suppliers; and (iv) Verizon’s efforts to promote responsible marketing, which has achieved measurable success in increasing diversity, both within Verizon and within its partners across the entire marketing ecosystem.

Verizon also participates in the Affordable Connectivity Program (“ACP”), a federal program that provides subsidized internet service for eligible customers.⁷⁹ The ACP is a successor to the Emergency Broadband Benefit Program (“EBB”), an FCC program that helped eligible low-income households pay for internet service during the COVID-19 pandemic. Verizon participated in the EBB program in 2021 and has participated in the ACP since the transition from the EBB program to the ACP on December 31, 2021.⁸⁰ Eligible Verizon customers can use their ACP benefit for home and mobile broadband plans, including Fios internet, 5G home internet, LTE home internet, and mobile service offerings from TracFone.⁸¹ Verizon has ACP-enrolled customers across mobile and home and via all Verizon brands, including its prepaid service offerings from Tracfone. Customers are eligible for the program if they or someone in their household participates in a federal assistance program,⁸² tribal assistance program, or if their household income is 200% or less than the Federal Poverty Guidelines.⁸³ Applications for the program are available on Verizon’s website or by calling Verizon’s customer hotline. Verizon has also engaged in public awareness activities to make customers aware of this program. After eligibility is verified by the National Verifier, applicants are enrolled in the program.

In March 2022, Verizon introduced its “Fios Forward” program to supplement the ACP benefits. Fios Forward offers free internet to customers who qualify for the ACP. Through the combination of the two programs, qualifying customers have access to high-speed internet, including 300/300 Mbps Fios service, for free and without data caps, equipment charges, or extra fees.⁸⁴ If customers require higher broadband speeds, they can choose a faster plan at a discounted rate.⁸⁵

A. Citizen Verizon

Verizon is taking actions designed to support and promote DEI in the community through Citizen Verizon, Verizon’s plan for corporate social responsibility. Launched as “Citizen Verizon” in 2020 and incorporating longstanding initiatives, the plan sets ambitious goals in three key areas: (i) digital inclusion—which includes initiatives that seek to close the digital divide by helping under-resourced communities; (ii) human prosperity—which includes initiatives that promote volunteerism and upskilling and reskilling; and (iii) climate protection—which includes initiatives to address climate justice, as well as initiatives to prepare for a low-carbon future and promote investments in renewable energy.

Verizon's Corporate Social Responsibility team manages the Citizen Verizon program, including selecting partner organizations, setting annual strategic goals, and administering the grants. The Corporate Social Responsibility team works with a third-party group, Jobs for the Future ("JFF"), to conduct surveys, data analysis, site visits, and interviews with Citizen Verizon partners, seeking to get a credible, objective, and independent evaluation of these programs. Before the results of these programs are reported publicly in the annual ESG report, the results are audited internally at Verizon and reviewed by outside auditor, PricewaterhouseCoopers.

1. Digital Inclusion

As part of Citizen Verizon, Verizon has committed to addressing barriers to digital inclusion. Verizon views digital skills training as essential to increasing gender and racial/ethnic diversity in high-skill positions and expanding Verizon's own talent pipeline for future hiring. Consistent with that commitment, Verizon has taken actions to promote digital skills training for underserved students and businesses.

Verizon operates several digital skills training programs, including: Verizon Innovative Learning, Verizon Innovative Learning Labs, Verizon Innovative Learning HQ, Verizon Innovative Learning STEM Achievers, and Verizon Small Business Digital Ready. In 2022, Verizon invested over \$125 million in market value services across all of its Verizon Innovative learning initiatives.⁸⁶ Verizon has spent more than \$1 billion across its Verizon Innovative Learning initiatives since 2012.⁸⁷

a) Verizon Innovative Learning

Launched in 2012, Verizon's signature digital inclusion program is the Verizon Innovative Learning Program ("VIL"), through which Verizon provides underserved students in Title I middle and high schools with access to technology and a quality STEM education, to better prepare these students for the digital economy. Title I schools are those in which children from low-income families make up at least 40% of enrollment.⁸⁸ As of the 2020-2021 school year, there were 58,974 Title I schools nationwide, making up nearly 60% of all public schools in the United States⁸⁹ Of the students who participated in VIL in 2022, 84% were eligible to receive free or reduced-cost lunch.⁹⁰ Verizon decided to focus on Title I schools when it launched the initiative 11 years ago because students in these schools often lack access to critical learning technology. Verizon originally targeted the program to Title I middle schools, but expanded the program in 2021 to include high schools based on feedback from school districts that they wanted their students to continue to have access to this technology in high school.

Since 2014, 561 schools have participated in the program.⁹¹ To join the program, submissions must occur at the district-level with schools meeting a range of criteria including sharing a plan for how the school will sustain their efforts once their support from Verizon ends. The application is reviewed and approved by national nonprofit Digital Promise, Verizon's partner for the execution of the VIL Schools program.⁹²

Schools receive: (i) an integrated education solution from Verizon; (ii) devices and connectivity for every student, teacher, and administrator for 24x7 usage; (iii) a STEM curriculum overlaid into each classroom; and (iv) financial support for each school's designation of an educator to serve as a "Tech Coach" responsible for assisting teachers with integrating technology into their lesson plans.⁹³ During the pandemic, these coaches were also responsible for assisting teachers at VIL schools with adjusting to online teaching.⁹⁴ Verizon funds 50% of the cost of a Tech Coach. Through the VIL program, each student receives a free Verizon device, connectivity, and applications that can be used both at school and at home. At

the start of the pandemic in 2020, Verizon allowed alumni schools to re-enter the program so that students would have access to technology to complete remote schooling.

The VIL Schools program has served 94 school districts in 37 states and the District of Columbia since its launch.⁹⁵ As reflected in the graphic below, since 2012, VIL has reached more than 1.3 million students,⁹⁶ 28% of whom identify as Black or African American and 49% of whom identify as Hispanic or Latino. Based on surveys conducted by Verizon and published in the 2022 ESG report, 77% of teachers reported that the program enhanced student engagement and 78% said that the program enhanced their ability to differentiate instruction.⁹⁷

Verizon Innovative Learning



Since 2012, VIL has reached more than 1.3 million students

There are also district-wide locations—meaning every eligible Title I middle school within a district is a Verizon Innovative Learning school, such as within Irving, Texas, a suburb of Dallas.

b) Verizon Innovative Learning Labs

Over time, Verizon expanded its school-based program to offerings beyond providing device and curriculum support for students and included technology labs in schools. Verizon also developed Verizon Innovative Learning Labs (“VIL Labs”) to enhance learning opportunities with technology ranging from augmented reality to 3D printers.⁹⁸ The labs provide schools with cutting-edge technology to promote immersive and collaborative learning experiences.⁹⁹

Verizon has partnered with several organizations to operate the VIL Labs program:¹⁰⁰ (i) Heart of America, a national education nonprofit that has renovated over 800 spaces in classrooms, library, STEAM labs, school gymnasiums, and community centers over the past 25 years;¹⁰¹ (ii) the J. Orin Edson Entrepreneurship + Innovation Institute, a program of Arizona State University that seeks to create access to entrepreneurship in historically underserved communities; and (iii) Project Lead the Way, a national nonprofit that seeks to provide transformative learning experiences for PreK-12 students and teachers by creating engaging, hands-on classroom environments and providing professional development for teachers.¹⁰²

To join the program, VIL schools must submit an application to the J. Orin Edson Entrepreneurship + Innovation Institute and receive a recommendation from Digital Promise that the school has been a successful partner in the VIL program. The J. Orin Edson Entrepreneurship + Innovation Institute is also responsible for designing the curriculum for use

in the VIL Labs, and Heart of America works with Verizon to oversee the design for each space, manage construction, and serve as a liaison between the schools and Verizon during the curriculum transformation.¹⁰³ Each lab is designed with the input of local school leadership, while leveraging best practices of design thinking and education design principles.¹⁰⁴ Project Lead the Way trains lab-specific teachers on how to create an engaging, hands-on classroom within the lab.¹⁰⁵

In 2021, Verizon provided a \$10 million grant to Heart of America in order to expand the program from 50 labs to more than 100.¹⁰⁶ As of June 2022, Verizon hosts 107 VIL Labs.¹⁰⁷ In 2022, 26% of students participating in VIL Labs identified as Black, 57% as Hispanic, and 3% as Asian American or Pacific Islander.

c) Verizon Innovative Learning HQ

In August 2021, Verizon expanded the VIL program to include “Verizon Innovative Learning HQ (VILHQ)”. VILHQ is a free, online portal where teachers in any school, regardless of VIL affiliation, can access standards-based lessons and credentialed teacher training tools. The portal is designed to provide teachers resources for integrating technology into their classrooms. For example, educators can download lesson plans about topics like environmental science, augmented reality, geographic, engineering, and space, as well as have students participate in immersive experiences, such as virtual museum visits.¹⁰⁸

Verizon has also partnered with other organizations to enhance the content available on VILHQ.¹⁰⁹ In June 2022, Verizon announced a partnership with textbook publisher McGraw Hill to create the “McGraw Hill AR” application.¹¹⁰ The free application allows students to use AR technology on their smartphones to learn geometry, algebra, and other subjects. Verizon has made lesson plans that correspond to the AR application available on the VILHQ website.¹¹¹ Verizon has also partnered with Discovery Education, an education technology company, to develop humanities-focused lesson plans, including one where students can examine the evolution of political systems and different types of government.¹¹² In 2022, there were over 476,000 unique visitors to the VILHQ website and 25,000 visits to the VILHQ lesson plan webpage. In 2023, Verizon plans to expand the program to include an eSports and Gaming curriculum and to expand device accessibility to include a web-accessible virtual reality curriculum.

d) Verizon Innovative Learning STEM Achievers Program

In addition to its school-based programs, Verizon collaborates with HBCUs, HSIs, and community colleges to provide summer programming to middle school-aged children in on-campus, immersive learning programs, in a program called the “STEM Achievers Program.”¹¹³ To administer the program, Verizon collaborates with NACCE, an organization which seeks to provide leadership and sustainable, scalable resources to foster entrepreneurship for low-income Americans.¹¹⁴ The program seeks to demystify university programs and bring students to campus during out-of-school months. As part of the program, students engage in immersive programming and explore topics like 3D design and printing, coding, application development, and virtual and augmented reality. Students also receive mentorship from college students to gain a stronger understanding of career opportunities in science, technology, engineering, and mathematics (“STEM”).¹¹⁵

STEM Achievers Program



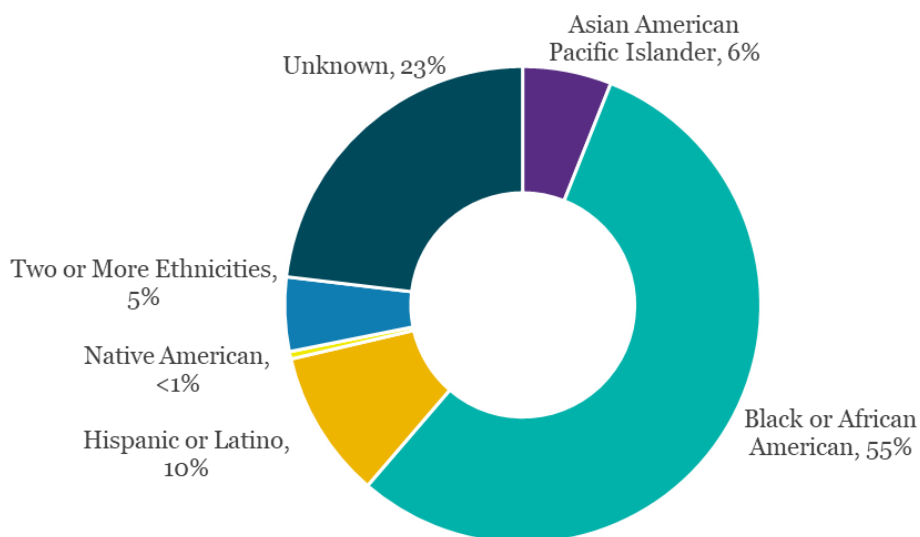
Following the program, students return to campus once a month throughout the school year to engage in a mentoring program with college students. Verizon operates the STEM Achievers Program at 44 colleges and community colleges, of which 18 are HBCUs and 5 are HSIs. In 2022, 7,470 middle school students participated in the program.¹¹⁶ In 2022, 72% of summer 2022 participants reported that they liked the program sessions more than regular school classes, and 75% said that the program increased their interest in learning more about STEM.¹¹⁷

e) Small Business Digital Ready

Launched in August 2021, Small Business Digital Ready is a free online program designed to give small businesses personalized tools to succeed in today's digital world. The program hosts over 30 courses covering a wide range of topics, such as marketing, finance, and efficiency¹¹⁸ and has conducted over 200 live and virtual events, to date.¹¹⁹ The curriculum includes learning modules, self-paced courses, live coaching events, and peer networking. Verizon is currently working to translate all of the content in the portal to Spanish. As of year-end 2022, 143,000 small businesses had received resources through the program, of which 55% were Black or African American owned, 10% were Hispanic or Latino owned, and 6% were Asian American Pacific Islander owned. As of June 2022, 53% of the businesses participating in the program were owned by women.

As part of the program, Verizon offers discounts on Verizon products (such as internet) and access to apply for capital grants. To be eligible, a business must complete any two courses, coaching events, or community events. LISC, a nonprofit that provides grants to invest in historically underinvested places and people,¹²⁰ manages the application, selection, and disbursement of grants, without any input from Verizon. Between the program's launch in September 2021 and December 2022, Verizon has awarded \$1.1 million to 110 small businesses via \$10,000 capital grants.

Demographic Audience of Small Business Digital Ready Program



2. Human Prosperity

With its Human Prosperity initiatives, Verizon seeks to create opportunities for individuals and communities to thrive and to responsibly grow Verizon’s business. Through its Human Prosperity initiatives, Verizon is committed to: (i) promoting reskilling and upskilling for jobs in the future economy; (ii) completing over 2.5 million employee volunteer hours; and (iii) leveraging Verizon’s supply chain and other partners to scale for impact.

a) Efforts to Promote Reskilling and Upskilling

Verizon partnered with four nonprofits—Generation USA, Unidos, 4H, and Break Through Tech—to provide free online training, social support, and mentorship to help maximize job creation and minimize job displacement through the “Verizon Skill Forward” program.¹²¹ Participants can explore a variety of resources targeted toward different technology focused career paths, including web development, information technology, and digital marketing.

As part of the program, participants undergo four to twelve weeks of technical, behavioral, mindset, and professional skills training, with social support services provided throughout.¹²² Graduates are connected to employment opportunities for placement, or where appropriate, further education in their field. Participants also receive mentorship during and after the program to jumpstart their learning.¹²³

Verizon’s goal is to train 500,000 individuals by 2030.¹²⁴ Over 21,000 individuals have participated in the program since its inception in 2019 through year-end 2022, of which 47% identify as Black or African American, 16% identify as Hispanic or Latino, and 11% identify as Asian American Pacific Islander.

One of Verizon’s partners, Generation USA, reports that its graduates earn three times what they were earning prior to the program. Nearly 40% of participants have dependents, and 55% have a high school education or less.¹²⁵ Moreover, 71% of Generation USA graduates

remain in the same job one year after placement, and 68% of Generation USA graduates are employed within 90 days of graduation.¹²⁶

b) Verizon Volunteerism

Volunteerism is an important part of the Citizen Verizon strategy. Verizon offers hundreds of volunteer opportunities for its employees. For example, in August 2022, Verizon teams assembled STEM backpacks to benefit the Boys & Girls Clubs of America during their back-to-school supply drive. Projects are identified by the Corporate Social Responsibility team and must align with the overall Citizen Verizon strategy. Verizon has a goal of completing 2.5 million volunteer hours by 2025, and as of December 2022, had completed over 1.6 million hours toward that goal. In 2022, 78,000 employees participated in Verizon volunteerism projects, contributing over 543,000 hours—118% of Verizon’s annual volunteer goal.

Verizon’s ERGs are a central figure in Verizon’s volunteerism ecosystem. As part of the ERG business plans, in 2022, ERGs pledged to complete 69,000 hours of volunteerism—by the end of 2022, ERGs had organized 240 volunteer events in which 22,000 unique volunteers participated and logged 53,000 hours. The DEI team and ERGs collaborate with the Corporate Social Responsibility team to curate volunteer opportunities specific to affinity groups. For example, in October 2022, Verizon sponsored an opportunity, in partnership with WAVE and SOMOS, for employees to support survivors of domestic violence by contributing to care packages for survivors and their children, in partnership with Chicanos Por La Causa—a nonprofit that provides services to people of all backgrounds, while honoring its Mexican American roots.

c) Scalable Solutions to Community Problems

(1) Houston Partnership

Verizon is in the initial stages of partnering with other companies and non-governmental organizations in Houston, Texas, to help drive economic prosperity in communities. Verizon identified Houston as a location for this work because it is a market where Verizon currently has many services and programs, including VIL, Skill Forward, and Small Business Digital Ready.

Verizon is currently in conversation with partner organizations and businesses for how the coalition might give assistance to the community in a holistic, change-driven way, including by improving access to and eliminating disparities regarding quality education, adult education, childcare, financial services, and healthcare. Verizon’s goal is to work in partnership with change-makers who are on the ground in the community.

(2) Verizon Forward for Good Accelerator

The Verizon Forward for Good Accelerator, built in tandem with innovation agency coLab, is an effort to provide mentorship and funding to startups that are developing solutions to social problems using 5G technology, artificial intelligence, and other digital technology tools. The program has two cohorts of six or seven seed stage and Series A startups per year. Each company receives opportunities to meet with mentors, community leaders, and community partners who can assist them in implementing their technological solutions. Verizon also provides members of each cohort with technology, funding, and opportunities to pitch to social innovation investors. The first two cohorts were focused on disability innovation and climate justice, and the next cohort will address health equity.¹²⁷

3. Climate Justice

Verizon has developed a number of climate justice initiatives intended to reduce the climate impact of Verizon's operations on the communities Verizon serves and to support technology innovations that do the same, including the Climate Justice Advisory Board and the Climate Justice Prize.¹²⁸

a) Climate Justice Advisory Board

Verizon has sought to engage with leaders of the climate justice movement and use its technology to advance the movement. To this end, Verizon has created the "Climate Justice Advisory Board," which advises Verizon about issues, opportunities, and solutions surrounding climate justice. The Advisory Board is comprised of ten individuals representing a variety of ethnic and racial backgrounds and perspectives. The board meets quarterly.

b) Climate Justice Prize

Verizon's Climate Justice Prize provides funding to businesses for developing climate change solutions. In February 2022, Verizon announced four prize winners that were awarded a prize pool of \$500,000 to help scale proven, in-market solutions that are focused on mitigating the disproportionate impacts of climate change on vulnerable communities.

4. Observations and Recommendations

Verizon is taking actions designed to support and promote diversity, equity, and inclusion in the community by leveraging its resources, technology, and workforce to promote economic, environmental, and social advancement. Verizon has designed and implemented programs to (i) promote digital skills training for vulnerable communities; (ii) promote reskilling and upskilling for jobs in the future economy; (iii) support technology innovations that reduce the impact of a changing climate on the communities Verizon serves; and (iv) complete 2.5 million employee hours of volunteerism.

Verizon has implemented a number of robust programs to promote digital skills training for vulnerable communities. Of particular note is Verizon's investment of over \$1 billion in its VIL initiative over the past ten years—not only has the program reached students in 561 schools in 94 school districts, but its design is sustainable, long-lasting, and informed by best practices in education curriculum, development, and design.

Verizon has also expanded upon the signature VIL program over time, by deepening its investment in VIL schools with the addition of VIL Labs, developing opportunities for students to engage with STEM and receive mentoring through the STEM Achievers Program, and providing innovative resources for educators whose schools are not part of the VIL program through the VILHQ program.

Verizon also has broad programming to address Verizon's Human Prosperity and Climate Justice commitments, including Verizon Skill Forward, Verizon Volunteerism, the Houston Partnership, Climate Justice Prize, and the Verizon Forward for Good Accelerator. In particular, the Houston Project (although in its infancy) is a strong example of how Verizon seeks to leverage its experience with digital technology and existing corporate social responsibility partnerships to create long-term, sustainable solutions. This long-term vision of change is consistent with how Verizon has approached other Citizen Verizon initiatives. Moreover, in implementing these and other programs, Verizon has leveraged the voices of experts in the field, including the Verizon Climate Justice Advisory Board.

For its Citizen Verizon programs, Verizon has systems and processes in place to collect data about each program’s effectiveness, hiring third party surveyors to collect feedback from participants. Notably, all data is audited by internal and external parties on a regular basis before being published.

Recommendation

- Verizon should continue to collect data about its Citizen Verizon programs and periodically audit this data using internal and external processes in order to assess, among other things, how these programs meet the needs of the communities Verizon serves.

B. Community and Stakeholder Engagement

Verizon builds and maintains relationships with consumer, civil, and human rights organizations in order to advance shared public policy objectives at the local, state, and national levels, to demonstrate Verizon’s commitment to being a socially responsible corporation, and to help address the needs in the communities it serves. To this end, the Public Policy and Strategic Alliances team and the State Government Affairs team develop and manage connections with a range of external stakeholders and meet regularly with these stakeholders to understand their shared goals and the ways in which Verizon can work cooperatively with them in support of those goals.

1. Public Policy and Strategic Alliances

The Public Policy and Strategic Alliances team’s primary responsibilities are to (i) promote a public policy framework that encourages growth, innovation and social mobility by advancing technology; (ii) strengthen Verizon’s relationships with key strategic partners, policymakers, thought leaders and influencers through programmatic policy initiatives; (iii) maintain Verizon’s commitment to operating as a socially responsible company through partnerships with stakeholders that represent the communities Verizon serves; and (iv) position Verizon as a corporate champion of social justice policies that align with its corporate values. The Public Policy and Strategic Alliances team regularly engages with partner organizations, including think tanks and consumer organizations, as well as over 50 civil and human rights groups, to carry out these responsibilities.

As Covington heard during the external stakeholder listening session held in October 2022, Verizon has strong relationships with its external partners, with most of the partnerships having been in place for many years. External stakeholders expressed gratitude to Verizon for its long-standing commitment to diversity, equity, and inclusion. They expressed that they value their relationships with Verizon and that they view Verizon as a leader in DEI. Several stakeholders indicated that they view Verizon as an “early adopter” of equity and inclusion initiatives and that these efforts have only “accelerated” in light of the murder of George Floyd and the nation’s recent focus on racial and social justice issues. In addition to Verizon’s efforts to promote racial justice both within and outside the company, external stakeholders commended Verizon for adopting LGBTQ+ inclusive benefits policies before they were required under federal and state laws and for Verizon’s “remarkable” efforts to advocate for individuals with disabilities. The stakeholders expressed that they were eager to continue their relationships with Verizon in the coming years.

In addition to the team's regular outreach, in 2020, Verizon's CEO Hans Vestberg went on a "listening tour" to meet with leaders from several civil rights organizations, including the NAACP, Asian Americans Advancing Justice, National Action Network, National Urban League, and UnidosUs, in an effort to solicit feedback regarding what Verizon should be doing to advance racial equity. During the stakeholder listening session, attendees expressed gratitude for this sincere and personal effort, which they viewed as consistent with Verizon's longstanding commitment to these organizations and to DEI.

Consistent with the Public Policy and Strategic Alliances team's work to build connections with civil and human rights organizations based on shared advocacy goals, the team also awards annual grants to most of its partners. For example, in 2019, the team began a partnership with UnidosUS, the country's largest Latino civil rights and advocacy organization to fund and launch the "Latinx @ Work Program." The initiative aims to close the technology skills gap among Latinos and ensure they are equipped to thrive in an increasingly digital workforce. In furtherance of that aim, the program teaches core digital and job readiness skills and provides laptops and Wi-Fi hotspots to the Latino community. To date, the program has had over 500 participants in 11 cities and has connected more than half of those participants to jobs or additional educational opportunities.¹²⁹

In 2020, following the murder of George Floyd, Verizon pledged \$10 million in grants to the National Urban League, the NAACP, National Action Network, Leadership Conference for Civil and Human Rights, Rainbow Push Coalition, National Coalition on Black Civic Participation, and the NAACP Legal Defense and Educational Fund. These recipients were chosen based on their long-standing, strong relationships with Verizon, credibility and reputation in the racial justice space, and their ability to scale their efforts with additional funding from Verizon. The \$10 million was shared equally among these organizations, with each organization receiving \$1,428,000 to fund "ongoing, outcome-focused, partner activities" that target economic empowerment, civic engagement, and criminal justice reform. Before receiving the funds, each organization submitted a proposal indicating how they would use the grant money, with grants supporting efforts like voter education campaigns, voter registration efforts, advocacy efforts to end racially-based policing, and fellowships for attendees at HBCUs. The Public Policy and Strategic Alliances team managed these grants on behalf of Verizon.

In 2021, with the rise in violence against the Asian community, Verizon's Executive Leadership team also committed \$10 million to accelerate social justice and advance racial equity. Verizon distributed \$5 million to leading national Asian American Pacific Islander ("AAPI") advocacy groups with deep relationships within the AAPI community to provide education, outreach, training, and advocacy to address the rise in AAPI attacks. National organizations with local networks, as well as regional and local organizations were identified in partnership with PACE and the Strategic Alliances, and State Government Affairs team. These organizations include Asian Americans Advancing Justice, the National Council of Asian Pacific Americans, and the Asian/Pacific Islander American Chamber of Commerce & Entrepreneurship. Before receiving the funds, each organization submitted a proposal indicating how they would use the grant money. Verizon also provided \$5 million in advertising inventory for Verizon Media Group to advocate for Asian rights, mental health, and promote small businesses in the AAPI community.¹³⁰ As with the grants to racial justice organizations, the Public Policy and Strategic Alliances team managed these grants on Verizon's behalf.

2. State Government Affairs

The State Government Affairs team is responsible for advancing Verizon's business objectives before state and local governments and regulatory agencies; additionally, the team helps advance Verizon's brand reputation and corporate purpose by partnering with communities that Verizon serves. To this end, the State Government Affairs team builds partnerships with state and local organizations, community groups and state and local leaders across the country, to support initiatives that help communities and to inform the team's advocacy efforts before state and local government leaders. This support includes sharing Verizon's expertise, supporting local events, amplifying partners' work, providing volunteer resources, and providing grants to state and local organizations.

The State Government Affairs team is divided into regions, with each region assigned a Vice President and sub-team that is responsible for identifying and managing hundreds of local partnerships. The State Government Affairs team is focused on building long-term partnerships that are transformative, rather than transactional, targeting its support to communities with the greatest needs. The team takes a "grassroots" approach to its work, engaging with community leaders, nonprofit organizations, and educators who live and work in these communities.

To identify grant applicants, State Government Affairs personnel on the ground conduct research and engage with their community contacts to determine the pressing needs in a particular community and the organizations whose work addresses those needs. For example, in San Francisco, the State Government Affairs team has awarded grants to the Chinatown Community Development Center, a grassroots development organization, to support a six-week, intergenerational digital literacy course for 20 low-income seniors, as well as a cybercafe for the entire community where Verizon employees provide volunteer tech support. In 2017, the team began a partnership with Girls Inspired and Ready to Lead ("GIRL, Inc."), a Virginia-based empowerment organization in the District of Columbia that seeks to inspire girls and young women to enter STEM professions. In 2020, Verizon awarded a grant to GIRL, Inc. to host 37 middle and high school students at a workshop to learn how to use video production software to make short films and to learn about digital storytelling, Black film directors, and careers in film production. The State Government Affairs team has also historically provided grants to support tech networking events and STEM programming to increase student interest in STEM-related careers.

Although each regional team adapts its efforts to the specific needs of the community in which they are operating, the State Government Affairs team has several methods of sharing information across regions. For example, the State Government Affairs team maintains what it calls the "Amplify Task Force," which seeks to provide the State Government Affairs team with tools and processes to communicate Verizon's community engagement, corporate social responsibility, and business initiatives to its partners.

The team also hosts a quarterly "Local Engagement Manager" forum for those employees who perform most of the local community outreach. Directors and Vice Presidents within the State Government Affairs team rarely attend these meetings, as the purpose of this initiative is to allow managers to connect as peers and to engage in candid discussions about quality partnerships and how to overcome challenges in the communities where they operate.

3. Observations and Recommendations

A significant component of Verizon's actions to support and promote DEI in the community can be found in the wide range of partnerships Verizon has developed and maintained with partners at the local, state, and national level. Verizon's relationships with these partners are deep and long-lasting, with many of these partnerships having been in place for many years. Covington heard from external stakeholders that they view Verizon as a socially responsible corporation and that Verizon has been committed to equity and inclusion for many years. Stakeholders expressed that they were eager to continue their relationships with Verizon in the coming years. Verizon has a few opportunities to expand and enhance these relationships.

The team supporting national partnerships, the Public Policy and Strategic Alliances team, has a largely informal process for sharing DEI related information with its partners. The team does not have a formal communications plan outlining the information that should be communicated to stakeholders and the frequency with which it should be communicated. During the course of its audit, Covington observed the Public Policy and Strategic Alliances team's strong partner relationships, but also noted opportunities to increase stakeholder knowledge of Verizon's internal and external DEI efforts, consistent with the Public Policy and Strategic Alliances team's goals of advancing Verizon's reputation as a socially responsible company and positioning Verizon as a champion of corporate social responsibility. Additionally, the Public Policy and Strategic Alliances team does not survey partner organizations to gauge success of the partnership and assess areas for improvement.

The team responsible for local and state partnerships, the State Government Affairs team, has developed partnerships with organizations, community groups, and state and local leaders across the country, consistent with its goals of supporting community groups, nonprofits, and local businesses and advocating for policies before state and local governments that are informed by community needs. Covington observed that this work is locally driven and focused, with the State Government Affairs team adapting its efforts to the needs of the specific community in which they are operating. Regional Managers make localized decisions as to whether to continue or develop partnerships, without formal guidelines in place to guide consistent decision making across teams. The State Government Affairs team does not survey partner organizations to assess the impact or success of its partnerships or how they could be improved.

Recommendations

- The Public Policy and Strategic Alliances team could consider formalizing its process for engaging with partners. The team could do this by developing a formal communication plan establishing the information that should be shared with external stakeholders, in addition to the method for communicating that information (such as through regular presentations to partners about Verizon's internal and external DEI efforts) and the cadence in which information should be shared.

- The State Government Affairs team could consider providing formal guidance regarding the selection of partnerships across regions to ensure that the partnerships are in furtherance of Verizon’s objectives, including DEI-related objectives, while still permitting Regional Managers flexibility to select partners that are well-suited to advance the needs of a particular local community.
- Both the Public Policy and Strategic Alliances team and the State Government Affairs team could consider soliciting formal feedback from stakeholders to gauge how they view their partnership with Verizon and areas for improvement.

C. Supplier Diversity

Verizon has been engaged in efforts to advance supplier diversity for over 20 years.¹³¹ For over 15 years, Verizon has set an annual target for its spending with diverse suppliers in connection with its short-term incentive compensation plan.¹³² For this purpose, a diverse supplier is defined as a business that is 51% owned, operated and controlled by a person of color, woman, veteran, disabled veteran, service-disabled veteran, person with a disability, lesbian, gay, bisexual or transgender person and that is certified by a Verizon approved, third-party organization or government agency.¹³³ Verizon works with 806 suppliers that meet its definition of diverse.

Verizon designates Supplier Diversity Champions (“Champions”), comprised of VLC members, executives, directors, and managers who are tasked with advocating for diverse suppliers within their respective business functions. Verizon has developed training materials for Champions that define diverse suppliers, emphasize supplier diversity as a business imperative, and provide guidance on actions Champions can take to support supplier diversity. For example, Champions are instructed to attend supplier matchmaking events hosted by community partners, discuss including diverse suppliers in Requests for Proposals (“RFP”) and direct sourcing opportunities with other members of the V Team, and inquire about whether diverse suppliers were considered in business conversations. The Supplier Diversity team is responsible for overseeing and directing the efforts of Champions. To that end, Director-level Champions meet semi-monthly with the Supplier Diversity team to discuss their respective business unit’s progress toward its diverse supplier spend goal, which is an allocated subset of Verizon’s overall diverse supplier spend target, discussed more fully below. Executives and VLC members engage in this same exercise with the Supplier Diversity team quarterly.

Additionally, Verizon has developed trainings that educate employees on its Supplier Diversity program and provides them with strategies to support the program within their respective business functions. For example, sales teams in the Verizon Business Group are given advice on how to meet customer expectations with respect to supplier diversity, including determining what products and services may be subcontracted in a particular project and working with the Supplier Diversity team to identify diverse suppliers. Additionally, in a training on the “Supplier Diversity Advocacy Experience,” employees within Global Sourcing and Verizon Business Group, as well as other employees, are given scenarios to help them identify whether a particular supplier qualifies as diverse. The training then provides participants advice on how to increase supplier diversity by focusing on impact, engagement, collaboration, and measurement in the following ways:

	Global Sourcing	Verizon Business Group	Other V Teamers
Impact	Ensure suppliers meet their contractual commitments and report their diverse spend to Verizon on a quarterly basis.	Actively think about supplier diversity.	Actively think about supplier diversity.
Engage	Volunteer to support events hosted and facilitated by the Supplier Diversity team, community partners, or ERGs.	Engage with V Teamers, customers, suppliers, and subcontractors on ways to get, keep, and grow diverse businesses.	Ask if a diverse supplier can be included if there is an opportunity that requires sourcing to locate and negotiate a contract.
Collaborate	Partner with the Supplier Diversity team and Champions on ways to actively find, keep, and grow diverse suppliers.	Early in the sales process, determine what products and services will be subcontracted and partner with the Supplier Diversity team for support in identifying diverse suppliers or when responding to RFPs.	Check to see if a diverse supplier is available when making a small purchase for goods and services.
Measure	Prequalify diverse suppliers early on in the process, for RFPs and direct sourcing opportunities.	Once the contract is executed, check in regularly, as agreed upon, to ensure diverse suppliers are properly tracked and spend is reported back to the customer.	When working with non-diverse supplier, ask if they have a Supplier Diversity program, and if they are reporting their diverse spend to Verizon.

Verizon’s efforts with respect to supplier diversity, discussed in detail below, have left a positive impression on the diverse suppliers with whom Verizon works. One diverse supplier remarked that Verizon’s “commitment to small diverse suppliers is real,” and went on to say “[Verizon is] my best partner and trusted partner. [The company] provided avenues to us we wouldn’t have been able to pursue otherwise.” Another emphasized that Verizon “set[s] the right example” for other companies. This supplier noted that Verizon is exceptional at communicating its supplier diversity philosophy and goals to both its non-diverse and diverse

suppliers.” The diverse suppliers Covington spoke with provided anecdotes describing how Verizon’s leaders, including its CEO, have prioritized supplier diversity through its vendor terms.

1. Supplier Code of Conduct

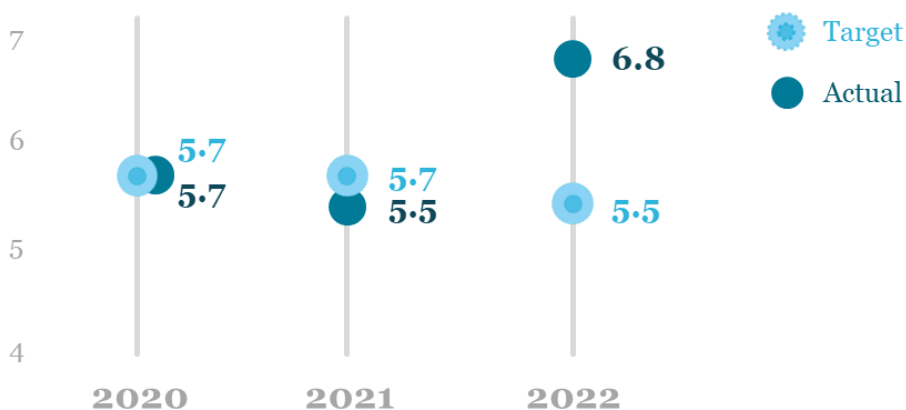
Verizon encourages its suppliers to embrace diversity and equal opportunity as fundamental principles and key components of its corporate strategy, as noted in its Supplier Code of Conduct (“Supplier Code”).¹³⁴ The Supplier Code prohibits suppliers from engaging in discrimination on any basis, prohibited by applicable law, including, without limitation, race, color, religion, age, gender, pregnancy, sexual orientation, gender identity and expression, national origin, disability, marital status, citizenship status, veteran status or military status.¹³⁵ Suppliers must also maintain a workplace culture based on respect where all forms of unlawful harassment and abuse is forbidden.¹³⁶

Verizon’s Supplier Code also references Verizon’s commitment to building an inclusive supply chain. Specifically, it notes that “[s]uppliers are encouraged to support supplier diversity efforts by utilizing diverse businesses. As such, [s]uppliers may be asked to report diverse spend, including ‘Tier 2’ spend, on a quarterly basis.”¹³⁷

2. Diverse Supplier Spend Targets

As a charter member of the Billion Dollar Roundtable since 2001, Verizon is part of a coalition of 28 companies that each spend more than \$1 billion every year with diverse suppliers.¹³⁸ Verizon maintains its own diverse supplier spend target, which includes both its Tier 1 and Tier 2 spend. Verizon’s monetary supplier diversity spend target increased from \$4.6 billion in 2016 to \$5.5 billion in 2022.¹³⁹ Verizon exceeded its 2022 target with its spending with Tier 1 and Tier 2 diverse suppliers totaling \$6.8 billion.¹⁴⁰ All supplier diversity spend data is audited by an independent third party in connection with publication in the company’s proxy statement.

Diverse Supplier Spend



3. Multi-Tier Supplier Diversity Program: Tier 1 and Tier 2 Spend Agreements

Verizon has a multi-tier approach to spending on diverse suppliers. Tier 1 spend includes payments made by Verizon directly to diverse suppliers.¹⁴¹ Tier 2 spend includes payments made by Verizon's prime, or non-diverse, suppliers with certified diverse suppliers.¹⁴² Verizon monitors the contribution of each tier toward its overall diverse supplier spend target.

Verizon strives to include diverse supplier commitments in all of its prime contracts. In the event the contract term exceeds one year, prime suppliers must provide for continuous year-over-year improvement. In lieu of these numerical commitments, Verizon may include non-numerical commitments in its supplier contracts in furtherance of its supplier diversity goals. Verizon may, for example, require suppliers to "discuss with each other in good faith during the [contract term] the development of mutually agreeable supplier diversity initiatives, and to use commercially reasonable efforts to implement such mutually agreed supplier diversity initiatives" or to "exert commercially reasonable efforts to foster diversity and inclusion in its workplace and in its employment of third-party suppliers." Verizon relies on its Global Sourcing and Legal teams to negotiate its supplier contracts and the supplier diversity provisions within them. While the Supplier Diversity team may be involved in negotiations, its primary role is assisting those directly involved in the process.

Verizon requires its prime suppliers to report Tier 2 spending within 60 days after each calendar quarter.¹⁴³ Prime suppliers can utilize two reporting methods: direct allocation or indirect allocation. Direct allocation is Tier 2 spend that is directly attributable to the products and services provided to Verizon.¹⁴⁴ Under indirect allocation, prime suppliers allocate a portion of their total spend on diverse suppliers, across their entire business, to Verizon.¹⁴⁵ The allocation is based on the percentage of the suppliers' revenue that is attributable to Verizon.¹⁴⁶

Verizon tracks its suppliers' progress toward fulfilling numerical supplier diversity commitments. The company's current tracking capabilities do not allow the company to fully monitor the supplier performance against non-numerical commitments. Verizon reports that enforcement against non-compliant suppliers depends on several factors, including the nature of the relationship.

In a limited number of circumstances, Verizon enters into Master Service Agreements ("MSAs") with its suppliers. Suppliers who have MSAs can more easily respond to RFPs, as they are not required to resubmit background information for each RFP.

4. Trainings and Matchmaking

Verizon provides education and training sessions to its prime suppliers to drive awareness of the importance of a diverse supply chain. It trains suppliers around setting up supplier diversity initiatives, including by providing a "Prime Supplier Playbook" to guide prime suppliers in developing a diverse and inclusive supply chain.¹⁴⁷ The Playbook informs prime suppliers about the business advantages associated with a diverse supply chain, including better products and services, and positive economic impact in communities.¹⁴⁸ The Playbook also includes an "Action Blueprint," a list of best practices for prime suppliers to foster supplier diversity in their companies.¹⁴⁹ Prime suppliers are advised to "[b]e proactive; develop a pipeline of diverse businesses for potential work" and "[t]rain, coach and upskill employees on the principles of Supplier Diversity and Inclusion requirements," among other things.¹⁵⁰ Lastly, the Playbook details Verizon's reporting requirements with respect to its Supplier Diversity program.

Verizon makes its Small Business Digital Ready program, described on page 47, available to diverse suppliers.¹⁵¹ Verizon separately encourages its prime suppliers to mentor diverse suppliers and partner with Verizon to host diverse supplier opportunity seminars.¹⁵² Further, Verizon seeks to expand and increase business opportunities for diverse suppliers through programs like the Premier Supplier Academy (“PSA”), an engagement and education forum that typically includes matchmaking sessions in which diverse suppliers are given the opportunity to pitch their company capabilities, and receive feedback from Verizon and other large businesses. The PSA includes one-on-one meetings, breakout sessions, and workshops. The goal of this program is to support the growth of both Tier 1 and Tier 2 diversity relationships. Verizon also organizes its Supplier Summit, which is an opportunity for diverse suppliers to hear from Verizon’s executives on key business priorities and objectives and connect with prime suppliers. Some of these programs were disrupted by the COVID-19 pandemic, requiring sessions to become smaller, virtual sessions but Covington understands the company is exploring ways to reinstate the program’s pre-COVID-19 size and scale.

5. Outside Counsel Diversity

Verizon seeks to work with “a core group of law firms that demonstrate a commitment to the hiring, retention, and promotion of diverse attorneys” with respect to its outside counsel engagements. In 2021, Verizon released a new framework to evaluate law firms’ commitment to DEI. Under this framework, Verizon requires law firms to provide the following information during the RFP process:

1. Diversity statistics, including data on the representation of women, and for U.S. attorneys only, the representation of racial/ethnic minorities, LGBTQ individuals, and individuals with disabilities among attorneys overall and in equity partner and leadership roles;
2. Efforts to hire, mentor, train, retain, and promote diverse attorneys, and information on the progress of such efforts;
3. Participation in the Mansfield Rule or similar initiative that seeks to increase opportunities for diverse attorneys to obtain senior leadership roles;¹⁵³
4. Description of the firm’s credit allocation system, including data showing the percentage of origination, relationship, and/or responsible attorney credit currently attributed to racial/ethnically diverse attorneys and women; and
5. Any other information Verizon should consider in evaluating the law firm’s commitment to DEI.

Law firms must provide Verizon with the demographic information of attorneys working on Verizon matters. Verizon requires law firms to submit invoices to TyMetrix 360°, a centralized e-billing system, in order to efficiently and accurately report diversity across legal engagements.

In 2021, Verizon’s goal was that annual fees billed by all firms working across Verizon matters totaled at least 25% from diverse attorneys—defined by Verizon as people of color, LGBTQ+ individuals, and individuals with disabilities—and at least 25% from gender diverse attorneys.¹⁵⁴ In 2022, Verizon maintained its diverse attorney goal at 25% and increased its gender diverse attorneys goal to 35%. Verizon met its 2021 and 2022 goals. For 2023, Verizon

is aiming for 27% and 37% of annual fees billed by its outside counsel to be comprised of work performed by diverse employees and gender diverse employees, respectively.

6. Diversity in Capital Markets

Verizon seeks to promote DEI in debt capital markets by working with DEI firms on unsecured debt capital markets transactions and asset-backed securities offerings. Notably, Verizon worked with nine DEI financial firms in connection with its 2021 \$25 billion bond financing related to spectrum licenses, and fees earned by these nine firms were approximately \$14 million. Since February 2019, Verizon has issued four green bonds to support its environmental goals, totaling \$4 billion in financing. With respect to the issuance of green bonds and other green financing instruments, Verizon has established a framework under which it pledges to work with financial underwriters that are diverse-owned, have a core mission to promote DEI, or have clear and impactful commitments in support of the United Nations Sustainable Development Goals. In 2022, Verizon set a target of 10% for its gross unsecured debt capital markets fee allocation to DEI firms,¹⁵⁵ and in 2022, it surpassed its own target by allocating 23.8% of fees on such transactions to DEI firms.¹⁵⁶

Additionally, Verizon has long supported diversity with respect to investment managers for its defined benefit pension plan.¹⁵⁷ For example, in 2003, 20 minority-owned investment firms managed more than \$1 billion in pension and other related assets for Verizon.¹⁵⁸ As of December 31, 2022, assets under management with DEI firms were approximately 7.4% of the defined benefit pension plan assets.¹⁵⁹

7. Observations and Recommendations

Verizon is taking actions designed to support and promote DEI in the community, as reflected through its efforts to mentor, promote, and engage with diverse businesses. Verizon exceeded its 2022 \$5.5 billion monetary spend target with diverse suppliers, spending \$6.8 billion with Tier 1 and Tier 2 diverse suppliers. Verizon has a sophisticated Supplier Diversity program that includes a multi-tier approach to diverse supplier spending, resources to foster the development of diverse suppliers, and a specific target by which it can assess its progress. The diverse suppliers Covington spoke with noted that Verizon is a leader in this space. Verizon can further build on the strong success of its Supplier Diversity program in several ways.

Verizon's supplier diversity goals are ambitious. Verizon strives to have diverse supplier commitments in all of its contracts with non-diverse suppliers. Some of these contractual commitments are non-numerical. For example, in some instances, prime suppliers are only required to "exert commercially reasonable efforts to foster diversity and inclusion in its workplace and in its employment of third-party suppliers." Verizon has an opportunity to enhance its current tracking capabilities to allow the company to fully monitor the performance of non-numerical commitments in its supplier contracts.

As part of its Supplier Diversity program, Verizon sets targets for overall monetary spend with diverse suppliers that are published in its annual proxy statement. Verizon has the ability to disaggregate its internal data, and has an opportunity to assess that disaggregated data regularly in order to better track the effectiveness of its supplier diversity efforts.

Verizon's commitment to supplier diversity goes beyond annual spend targets, as Verizon provides diverse suppliers with a comprehensive set of tools to foster their development. For example, as part of its Supplier Diversity program, Verizon provides diverse suppliers with access to its Small Business Digital Ready program, discussed in greater detail on

page 47. Covington observed that diverse suppliers can lack awareness of these tools and that the tools could be implemented in a more consistent manner.

Finally, some diverse suppliers perceive that MSAs, as opposed to Statements of Work (“SOWs”), help suppliers compete more effectively for Verizon’s business, but are difficult to obtain. A diverse supplier with an MSA spoke very highly of Verizon’s diverse supplier program, specifically expressing that the MSA his company obtained has helped it compete more effectively for Verizon’s business. He nevertheless noted his perception that MSAs are difficult to obtain and noted that, in his case, it required the strong support of a sponsor at Verizon.

Recommendations

- Verizon could consider building out its tracking capabilities to assess compliance with non-numerical contractual commitments related to diverse supplier spend. As appropriate, Verizon should hold suppliers accountable for these commitments.
- Verizon could consider regularly monitoring and disaggregating its internal data related to the demographics of the suppliers in its Supplier Diversity program and assessing that data to evaluate the effectiveness of Verizon’s efforts to promote supplier diversity.
- Verizon could consider offering formal programming, at regular intervals, to diverse suppliers. Verizon could also consider engaging with diverse suppliers on its platform in a more structured manner in order to solicit feedback on existing programs and generate ideas for new ones.
- Verizon could consider assessing whether MSAs are more advantageous to suppliers than SOWs for purposes of competing for Verizon’s business. To the extent that MSAs do provide suppliers with a business advantage, Verizon could consider assessing the percentage of diverse MSA holders. Verizon also could consider reviewing its MSA process to identify and address areas, if any, that make it more difficult for diverse suppliers to obtain MSAs. As appropriate, Verizon could consider updating the process for obtaining an MSA, supporting eligible diverse suppliers in their efforts to obtain one, or adopting broader eligibility requirements.

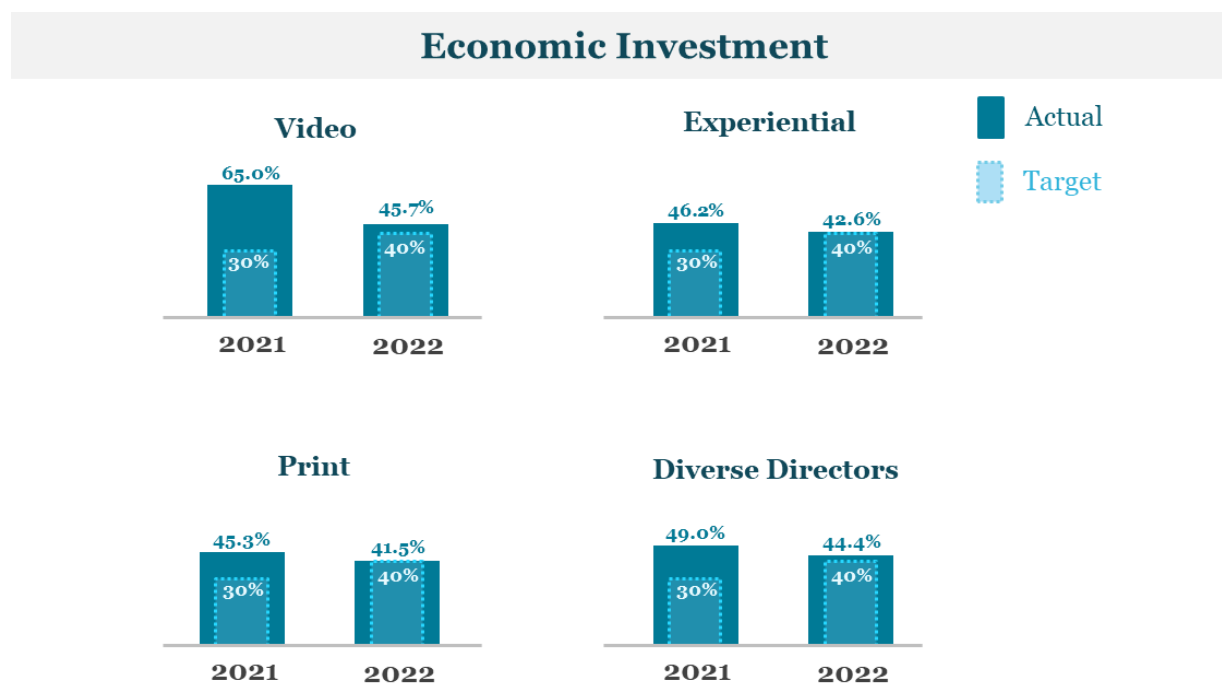
D. Responsible Marketing Action Plan

In 2020, Verizon released its RMAP. The RMAP was designed to increase diversity across the entire marketing ecosystem from economic investment to representation, both at Verizon and in its partners.¹⁶⁰ The Responsible Marketing Action Plan is centered on four pillars: (i) increase diversity and equity across the creative supply chain (“Economic Investment”); (ii) build an inclusive work environment and retain diverse talent (“Talent Diversity”); (iii) fight racism, bias, and stereotypes in advertising, content, and media (“Bias Testing and Training”); and (i) develop responsible content policies (“Brand Standards”), each of which is discussed in more detail below.

1. Economic Investment

As part of the RMAP, Verizon committed to spend 30% of its 2021 production budget on diverse-owned¹⁶¹ production companies across video, experiential, and print.¹⁶² The company also committed to increase the number of video productions using diverse directors, based on gender and racial/ethnic diversity, to 30%.¹⁶³ To meet its goals, Verizon leveraged existing relationships and sourced new partners, some of which were found through Free the Work, a nonprofit organization sponsored by Verizon which is focused on building opportunities for diverse creators.¹⁶⁴ Verizon exceeded its goal in 2021 with 65.0% of its video spend, 46.2% of its experiential spend, and 45.3% of its print spend going to diverse suppliers.¹⁶⁵ Additionally, 49.0% of Verizon’s video productions in 2021 used diverse directors.¹⁶⁶

For 2022, Verizon increased its overall diverse production spending goal across video, experiential, and print from 30% to 40%.¹⁶⁷ Verizon exceeded its goal with 45.7% of its video spend, 42.6% of its experiential spend, and 41.5% of its print spend going to diverse-owned production companies. Similarly, Verizon exceeded its goal of using diverse directors for 40% of its video productions. In 2022, 44.4% of video productions used diverse directors.



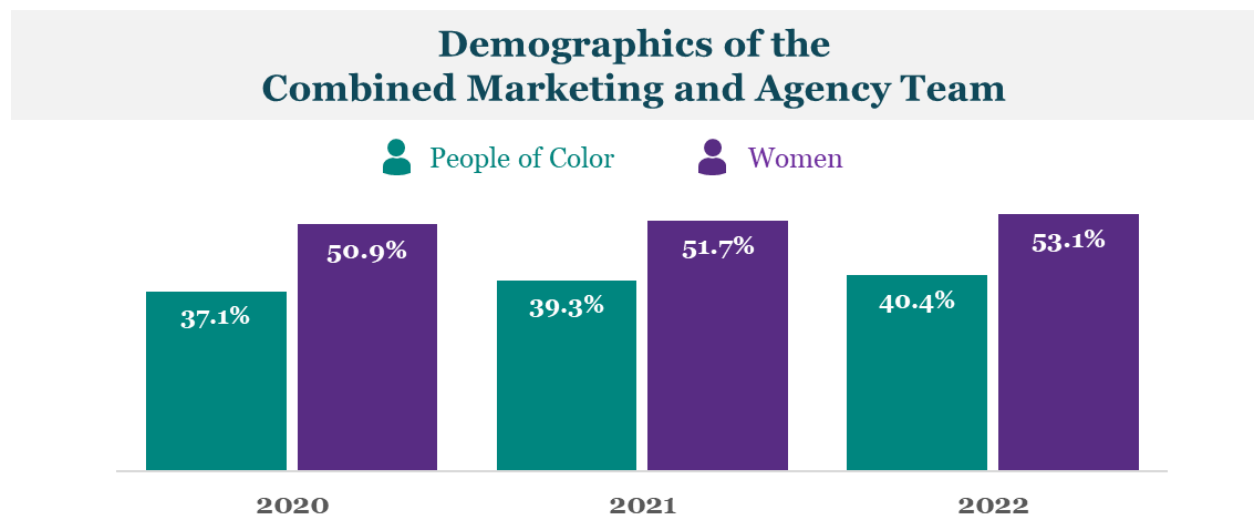
In addition to Verizon’s commitment to diverse-owned production companies, Verizon made a commitment to diverse-owned and operated media companies. This includes a specific commitment to increase spend with Black-owned and operated media companies, which in 2022 was expanded to encompass Hispanic-owned and operated media companies. Verizon also committed to increasing its spend with and providing resources to Black- and Hispanic-owned and operated media companies.¹⁶⁸ Verizon internally maintains a spending goal for this commitment, which it exceeded for 2022. Additionally, Verizon announced that it would create a series of Multicultural Publisher Summits to provide diverse media companies with opportunities to partner with Verizon and access to leaders.¹⁶⁹ In May 2021, Verizon hosted a summit focused on Black-owned and operated media companies.¹⁷⁰ After the event, Verizon reports its participants submitted feedback stating they preferred the opportunity to both pitch and discuss business ideas in smaller settings. In response, Verizon’s media team pivoted from

organizing additional summits in favor of hosting “speed networking” sessions. These sessions were organized with VM1, Verizon’s media agency, and members of Verizon’s leadership.

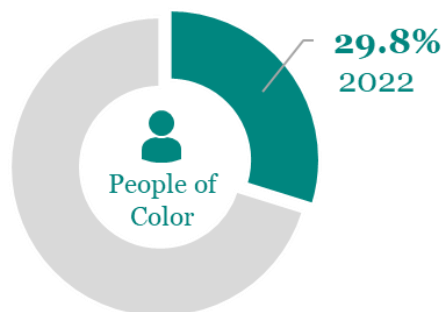
2. Talent Diversity

Verizon reviews the gender and ethnic diversity of its internal marketing team and its agency partners (“combined marketing and agency team”) to understand its progress in building an inclusive work environment and retaining top talent within this function. With respect to its agency partners, Verizon collects demographic data and meets with the leadership of its top agency partners quarterly to review their DEI statistics, initiatives, and anonymized candidate slates for available leadership roles.

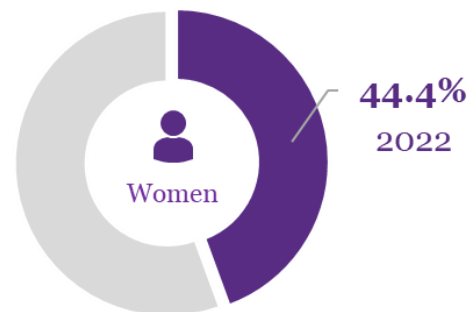
Below is a summary of Verizon’s progress with respect to talent diversity as of December 31, 2022:



Racial Demographics of the Combined Marketing and Agency Team Leadership



Gender Demographics of the Combined Marketing and Agency Team Leadership



In 2022, people of color made up 47.1% of new hires for Verizon’s combined marketing and agency team. Women made up 56.2% of new hires over this same period. The data for new hires in leadership roles indicate that 35.8% and 46.4% were made up of people of color and women, respectively.

Verizon increased the diversity of its combined marketing and agency team, in part, through adfellows, which focuses on entry-level hiring. The adfellows program is discussed on page 26. AdDisruptors, which Verizon launched in 2021, focuses on mid-level retention at Verizon’s agency partners.¹⁷¹ AdDisruptors is a six to eight month program that provides access to speakers and one-on-one mentoring from thought leaders in the marketing industry to women and people of color with five to eight years of experience who are nominated by the CEOs of their respective agencies for leadership potential.¹⁷²

3. Bias Testing and Training

Verizon relies on equality measure tools and trainings to ensure that its content does not reflect racism, bias, or stereotypes. Verizon’s Customer Marketplace Insights team measures the portrayal of race, identity, and culture in video advertising both before and after they enter the market.¹⁷³

In developing video advertising, Verizon deploys its Diversity Inclusion Equality Measure (“DIEM”), a proprietary tool that tracks the representation of race, gender, ethnicity, and identity.¹⁷⁴ Verizon reports that DIEM performs similarly to other representation measurement tools while operating with a lower cost and shorter turnaround time. Verizon also relies on SeeHer’s Gender Equality Measure (“GEM”), an industry tool that tracks accurate gender representation, to assess its advertising.¹⁷⁵ SeeHer reports that GEM has become the global measurement standard for tracking gender bias since the tool’s launch in 2016. It has analyzed more than 300,000 advertisements amounting to 87% of worldwide ad spend.¹⁷⁶

When content performs below normal levels on DIEM and GEM testing, a “DEI Flag” meeting is held within the Creative Marketing Group to discuss the results and identify ways to learn from them. Based on the results of DIEM and GEM testing, Verizon considers whether and how to improve advertisements prior to launch. All of Verizon’s television commercials went through DIEM testing in 2022.

Once video content is released publicly, Verizon continues to track its performance through quarterly DIEM and GEM testing. In 2022, Verizon began to use Cultural Insights Impact Measures (“CIIM”), a tool created by the Alliance for Inclusive and Multicultural Marketing, to track the performance of Spanish-language video ads.¹⁷⁷

Quarterly, Verizon’s Customer Marketplace Insights team produces a scorecard for the Creative Marketing Group and agency partners to share data and learnings. The report includes the results of in-market DIEM, GEM, and CIIM testing, along with observations on what factors influenced scores positively or negatively, in order to inform the development of future advertisements. Semi-annually, the Customer Marketplace Insights team organizes report read-outs with ERGs for feedback and accountability.

In 2021, all members of Verizon’s combined marketing and agency team completed anti-racism and bias training focused on identifying bias throughout the creative process, from research to production.¹⁷⁸ The training consisted of self-paced courses and live sessions. As part of the training, participants also received a “Fight Bias Toolkit,” a guide with questions, insights, and resources to help individuals fight bias at each stage of a marketing campaign. While

Verizon intends to continue to require marketing-focused anti-racism and bias training for new hires in its combined marketing and agency team, the company is still in the process of determining the style and form the training will take.¹⁷⁹

4. Brand Standards

The fourth pillar of the RMAP is comprised of Verizon's brand standards and the actions the company has taken to develop responsible content policies. In 2021, Verizon announced it revised its marketing policies to reflect its DEI values and to strengthen prohibitions against harassment, hate speech, privacy, and misinformation.¹⁸⁰ This process was informed by World Federation of Advertisers' Global Alliance for Responsible Media.¹⁸¹ Verizon's brand standards apply to the content it generates, and the individuals and entities its marketing team partners with are contractually bound by them. In 2022, Verizon achieved a 99.1% rating within the Integral Ad Science Brand Safety measure, which counts the percentage of media placements that do not violate the brand safety threshold.

5. Responsible Marketing Action Blueprint

In October 2021, Verizon publicly shared its learnings from the success of its RMAP, and the DEI initiatives that preceded it, in its Responsible Marketing Action Blueprint.¹⁸² The Blueprint is a set of free online tools designed to help other marketers embrace DEI in their business. It is focused on four steps:¹⁸³

1. Call on partners to evaluate DEI within their organizations and articulate efforts to ensure the existence of diverse voices and perspectives in the creative process;
2. Organize for DEI success by creating a DEI council to help leaders align and organize its priorities and processes around DEI;
3. Create an action plan with specific, measurable goals attached to show progress and identify areas of opportunities; and
4. Share and evaluate results.

6. Observations and Recommendations

Verizon has taken significant action to support DEI in the communities in which it operates and serves, including through the initiatives in its RMAP. Through its RMAP, Verizon has enhanced DEI in the marketing ecosystem both inside and outside of the company. In 2022, Verizon increased its diverse production spending goal across video, experiential, and print to 40% of the production budget, up from the company's 2021 goal of 30%. Verizon exceeded its goal with 45.7% of its video spend, 42.6% of its experiential spend, and 41.5% of its print spend going to diverse companies. With respect to talent, 47.1% of new hires for Verizon's combined marketing and agency team were people of color in 2022. Women made up 56.2% of new hires. The data for new hires in leadership roles indicate that 35.8% and 46.4% were from people of color and were women, respectively. Additionally, 100% of Verizon's advertising went through gender and cultural bias testing and the company achieved a 99.1% rating within the Integral Ad Science Brand Safety measure.

Verizon can enhance these significant efforts. Verizon collects information on the diversity classification of production companies (i.e., video, experiential, or print) in connection with its monetary spending goals. Verizon has an opportunity to disaggregate this data by

diverse-owned business classification in internal summary reporting. Covington understands Verizon has begun implementing this recommendation for 2023.

Recommendation

- Verizon could consider regularly disaggregating its diverse-owned production company spending data and internally assessing that data to evaluate the effectiveness of Verizon's efforts to promote diverse-owned production company spending.

This report reflects the views of Covington, which relied on data and representations provided by Verizon's management, employees, and third parties, some of which Covington was not able to confirm independently. Covington did not investigate specific allegations regarding potential legal, regulatory, or policy violations, or audit Verizon's financial statements. The material in this report is intended for informational purposes only, and does not constitute investment advice, a recommendation, or an offer or solicitation to purchase or sell any securities or other financial investments to any person in any jurisdiction in which an offer, solicitation, purchase, or sale would be unlawful under the securities laws of such jurisdiction.

¹ Verizon's Diversity Strategy: A Blueprint for Success, DIVERSITY J., 20 (Sep./Oct. 2002), https://issuu.com/diversityjournal/docs/sept_oct_2002/20.

² Lowell McAdam, *Getting Everybody on the Field to Win in the Digital Economy*, LINKEDIN, <https://www.linkedin.com/pulse/getting-everybody-field-win-digital-economy-lowell-mcadam> (last visited Jan. 13, 2023); 2020 Diversity Representation Report at 1, https://www.verizon.com/about/sites/default/files/June_2020_Diversity_Representation_Report.pdf.

³ *Verizon Credo*, VERIZON, <https://www.verizon.com/about/sites/default/files/Verizon-Credo.pdf>.

⁴ Verizon defines diversity as “[d]ifferences in backgrounds and experiences that make a person or group unique;” equity as “[a]ccess and opportunity, free from bias;” and inclusion as “[a] sense of belonging where everyone can be their authentic selves and contribute through full participation.” 2022 ESG Report, 38, <https://www.verizon.com/about/sites/default/files/Verizon-2022-ESG-Report.pdf>.

⁵ Rebecca Nicole Laming, *Introducing Citizen Verizon*, VERIZON (July 14, 2020), <https://www.verizon.com/about/news/introducing-citizen-verizon>; Emily Vicker, *Verizon expands its DE&I reach with new responsible marketing action plan*, VERIZON (Apr. 7, 2021), <https://www.verizon.com/about/news/verizon-expands-its-dei-reach-new-responsible-marketing-action-plan>; 2022 ESG Report at 72–73.

⁶ Bernadette Brijlall, *Verizon Innovative Learning celebrates 10 years and \$1B in contributions to education*, VERIZON (June 8, 2022), <https://www.verizon.com/about/news/verizon-innovative-learning-celebrates-10-years-and-1b-contributions-education>.

⁷ A diverse supplier is defined as a business that is 51% owned, operated and controlled by a person of color, woman, veteran, disabled veteran, service-disabled veteran, person with a disability, lesbian, gay, bisexual or transgender person and that is certified by a Verizon approved, third-party organization, or government agency. *Supplier diversity and inclusion requirements*, VERIZON, <https://www.verizon.com/about/supplier-diversity-requirements> (last visited Feb. 8, 2023).

⁸ For the twelve-month period ending on September 30, 2022 or November 30, 2022, depending on the tier of supplier. 2023 Proxy Statement, 32, <https://www.verizon.com/about/sites/default/files/2023-Proxy-Statement.pdf>.

⁹ Diego Scotti, *Our Responsible Marketing Action Blueprint*, LINKEDIN (Oct. 18, 2021), <https://www.linkedin.com/pulse/our-responsible-marketing-action-blueprint-diego-scotti>.

¹⁰ *Our Company*, VERIZON, <https://www.verizon.com/about/our-company> (last visited Apr. 8, 2023).

¹¹ *Id.*

¹² *A message from Verizon CEO Hans Vestberg*, VERIZON (June 1, 2020), <https://www.verizon.com/about/news/message-verizon-ceo-hans-vestberg>.

¹³ *The History of Verizon Communications*, VERIZON, 1, https://www.verizon.com/about/sites/default/files/Verizon_History_0916.pdf.

¹⁴ *Id.*

¹⁵ *Verizon Fact Sheet*, VERIZON, https://www.verizon.com/about/sites/default/files/Verizon_Fact_Sheet.pdf; *Locations*, VERIZON, <https://www.verizon.com/about/careers/locations> (last visited Apr. 7, 2023).

¹⁶ *Verizon Fact Sheet*, VERIZON, https://www.verizon.com/about/sites/default/files/Verizon_Fact_Sheet.pdf; 2022 Form 10-K, 12, https://verizon.api.edgar-online.com/EFX_dll/EdgarPro.dll?FetchFilingHTML1?SessionID=3f7-kI4E8eD1sTQ&ID=16385592.

¹⁷ *Verizon Fact Sheet*, VERIZON, https://www.verizon.com/about/sites/default/files/Verizon_Fact_Sheet.pdf; *Locations*, VERIZON, <https://www.verizon.com/about/careers/locations> (last visited Apr. 7, 2023).

¹⁸ *Verizon Fact Sheet*, VERIZON, https://www.verizon.com/about/sites/default/files/Verizon_Fact_Sheet.pdf.

¹⁹ 2022 Form 10-K at 4–6.

²⁰ *Id.*

²¹ *Id.*

²² *Management Governance*, VERIZON, <https://www.verizon.com/about/our-company/how-we-operate/management-governance> (last visited Apr. 7, 2023).

²³ *Corporate Governance*, VERIZON, <https://www.verizon.com/about/investors/corporate-governance> (last visited Apr. 7, 2023).

²⁴ *Board of Directors*, VERIZON, <https://www.verizon.com/about/investors/board-directors> (last visited Apr. 7, 2023); *Diversity and Inclusion*, VERIZON, <https://www.verizon.com/about/our-company/diversity-and-inclusion> (last visited Apr. 7, 2023); 2022 ESG Report, 7, <https://www.verizon.com/about/sites/default/files/Verizon-2022-ESG-Report.pdf>.

²⁵ Consistent with Nasdaq board diversity disclosure requirements, Verizon reports on the following demographic information for its Board of Directors: gender identity, race/ethnicity, and LGBTQ+ identity. Verizon does not report on other demographics for its Board of Directors, such as disability or veteran status. 2023 Proxy Statement at A-1.

²⁶ 2023 Proxy Statement at A-1.

²⁷ *Verizon's Executive Leadership*, VERIZON, <https://www.verizon.com/about/our-company/executive-bios> (last visited Apr. 7, 2023); *see, e.g., First principles for securing 5G*, VERIZON, <https://www.verizon.com/business/resources/whitepapers/first-principles-for-securing-5g/>.

²⁸ *The V Team*, VERIZON, <https://www.verizon.com/story/verizon-by-the-numbers/the-v-team>.

²⁹ 2022 ESG Report at 42; 2020 Human Capital Report, 32, <https://www.verizon.com/about/our-company/human-capital-report-2020>.

³⁰ 2022 ESG Report at 42.

³¹ *See, e.g.*, 2021 Employer Information Report EE-1 Consolidated Report, VERIZON, <https://www.verizon.com/about/sites/default/files/Verizon-2021-EEO-1-Report.pdf>.

³² *See, e.g.*, 2022 ESG Report at 42–48.

³³ 2014 Corporate Responsibility Report, 73, https://www.verizon.com/about/sites/default/files/2014_Verizon_Corporate_Social_Responsibility_Report.pdf.

³⁴ *Code of Conduct*, VERIZON, 9, <https://www.verizon.com/about/sites/default/files/Verizon-Code-of-Conduct.pdf>.

³⁵ *Id.*

³⁶ Verizon’s Supplier Diversity team is part of the Diversity & Inclusion Organization, which reports to Global Talent & Diversity, led by the Senior Vice President of Talent & Diversity. For the purposes of this report, the audit team discusses Verizon’s Supplier Diversity program in connection with Community Initiatives, as the program relates to the company’s relationship with external third parties.

³⁷ *Building trust through transparency*, VERIZON, <https://www.verizon.com/about/sites/default/files/esg-report/2019/approach/building-trust-through-transparency.html>.

³⁸ 2021 ESG Report at 39.

³⁹ *Id.* at 30.

⁴⁰ 2021 Proxy Statement, 33, <https://www.verizon.com/about/sites/default/files/2021-Proxy-Statement.pdf>.

⁴¹ This target applies to the twelve-month period ending September 30, 2022 or November 30, 2022, depending on the tier of supplier. 2023 Proxy Statement at 31.

⁴² This target refers to the percentage of Verizon’s U.S. -based workforce that is comprised of women and people of color. 2023 Proxy Statement at 31.

⁴³ This target refers to Verizon’s commitment to reduce its carbon intensity, which the company defines as “the amount of carbon [its] business emits divided by the terabytes of data [it] transport[s] over [its] networks.” This commitment is not within the scope of this audit. 2023 Proxy Statement at 31.

⁴⁴ 2023 Proxy Statement at 32.

⁴⁵ *Id.*

⁴⁶ Less complex investigations may include lower risk issues such as leadership coaching or interpersonal conflicts.

⁴⁷ The Talent Attraction & Programs team also has a dotted-line reporting relationship with Verizon’s DEI team.

⁴⁸ Katrina Cabrera & Elizabeth Angley, *Celebrating five years, Verizon’s adfellows announces bold plans for expansion*, VERIZON (May 5, 2022), <https://www.verizon.com/about/news/celebrating-five-years-verizons-advellows>. The following brand and agency partners support the adfellows program: Verizon, American Express; Amheuser-Busch; CVS Health; Disney Advertising; Kellogg’s; United; Walmart; Accenture; AKQA; Civic; The Community; Digitas; EP+Co; Formerly Known As; Madwell; McCann; Momentum; Pentagram; Publicis; R/GA; Weber Shandwick; and Zenith.

⁴⁹ *History & Origin*, BREAK THROUGH TECH, <https://www.breakthroughtech.org/mission-vision/history-origin/> (last visited Feb. 8, 2023).

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- ⁵⁰ Verizon Careers, *Welcoming (and hiring) our heroes*, VERIZON (Aug. 8, 2021), <https://www.verizon.com/about/news/welcoming-and-hiring-our-heroes>.
- ⁵¹ Verizon Careers, *Meet our Cohort 1 -2022 of Hiring Our Heroes*, VERIZON (Jan. 18, 2022), <https://www.verizon.com/about/news/meet-our-cohort-1-2022-hiring-our-heroes>.
- ⁵² *Id.*
- ⁵³ *Members*, BUS. ROUNDTABLE, <https://www.businessroundtable.org/about-us/members>.
- ⁵⁴ *Business Roundtable Releases Resources for Employers to Reform Hiring and Advancement Practices to Emphasize Skills*, BUS. ROUNDTABLE (Sept. 29, 2022), <https://www.businessroundtable.org/business-roundtable-releases-resources-for-employers-to-reform-hiring-and-advancement-practices-to-emphasize-skills>.
- ⁵⁵ *Our Mission*, SKILLUP, <https://www.skillup.org/about-us/mission/> (last visited Apr. 7, 2023).
- ⁵⁶ *Earn & Learn*, SKILLUP, <https://www.skillup.org/earn-and-learn/> (last visited Apr. 7, 2023).
- ⁵⁷ *Elevating our Game*, VERIZON (Feb. 1, 2021), <https://www.verizon.com/about/news/speed-february-1-2021>.
- ⁵⁸ *E.g.*, Margie Lee-Johnson, *Give Job Applicants with Criminal Records a Fair Chance*, HARV. BUS. REV. (Sept. 21, 2020), <https://hbr.org/2020/09/give-job-applicants-with-criminal-records-a-fair-chance>.
- ⁵⁹ *Expanding Economic Opportunity for Formerly Incarcerated Persons*, WHITE HOUSE (May 9, 2022), <https://www.whitehouse.gov/cea/written-materials/2022/05/09/expanding-economic-opportunity-for-formerly-incarcerated-persons>.
- ⁶⁰ *Id.*
- ⁶¹ Christina Stacy & Mychal Cohen, *Ban the Box and Racial Discrimination*, URBAN INST. (Feb. 2017), <https://www.urban.org/sites/default/files/publication/88366/ban-the-box-and-racial-discrimination.pdf>.
- ⁶² Business Roundtable and Partners Launch Second Chance Business Coalition to Improve Access to Employment, Advancement for People with Criminal Records, BUS. ROUNDTABLE (Apr. 26, 2021), <https://www.businessroundtable.org/business-roundtable-and-partners-launch-second-chance-business-coalition-to-improve-access-to-employment-advancement-for-people-with-criminal-records>.
- ⁶³ Peter Q. Blair and Shad Ahmed, Opinion, *The Disparate Racial Impact of Requiring a College Degree*, WALL ST. J. (June 28, 2020), <https://www.wsj.com/articles/the-disparate-racial-impact-of-requiring-a-college-degree-11593375171>.
- ⁶⁴ Georgetown University Center on Education and the Workforce, *Balancing Work and Learning: Implications for Low-Income Students*, <https://cew.georgetown.edu/cew-reports/LearnAndEarn/> (last visited Feb. 8, 2023); Georgetown University Center on Education and the Workforce, *Balancing Work and Learning: Implications for Low-Income Students, 2018*, 11, <https://cewgeorgetown.wpenginepowered.com/wp-content/uploads/Low-Income-Working-Learners-FR.pdf>.
- ⁶⁵ *Id.*
- ⁶⁶ The description of compensation and benefits generally applies to U.S.-based employees other than union-represented employees, whose compensation and benefits are governed by the applicable collective bargaining agreements.
- ⁶⁷ Management employees are Verizon employees who are not represented by a union. Union-represented employees' compensation and benefits are governed by the applicable collective bargaining agreements.
- ⁶⁸ Women's CoLab, WOMEN'S COLAB, <https://www.linkedin.com/company/womens-colab/> (last visited Feb. 8, 2023).

⁶⁹ Rebecca Laming, *Verizon convenes Fortune 500s for Women's CoLab free career development event*, VERIZON (Mar. 2, 2022), <https://www.verizon.com/about/news/verizon-fortune-500s-womens-colab-career-development-event>.

⁷⁰ *Id.*

⁷¹ *Id.*

⁷² *Id.*

⁷³ Donna M Navedo Sexton, *Join the Women's CoLab.*, VERIZON (Mar. 3, 2022), <https://www.verizon.com/about/news/speed-join-womens-colab>.

⁷⁴ Jennifer Bennett, *Women's CoLab powers up its Fall Summit for women empowered by Verizon + Luminary*, VERIZON (Sept. 15, 2022), <https://www.verizon.com/about/news/womens-colab-fall-summit-verizon-luminary>.

⁷⁵ Jennifer Bennett, *Women's CoLab introduces 'CoLab Conversations' series*, VERIZON (July 7, 2022) <https://www.verizon.com/about/news/womens-colab-introduces-colab-conversations-series>.

⁷⁶ Donna M Navedo Sexton, *Join the Women's CoLab.*, VERIZON (Mar. 3, 2022) <https://www.verizon.com/about/news/speed-join-womens-colab>.

⁷⁷ 2023 Proxy Statement at 11.

⁷⁸ Verizon also is involved in various ongoing regulatory efforts to develop a framework for evaluating digital equity and closing the digital divide. For example, Verizon is engaged with the Federal Communications Commission ("FCC") on developing rules to define and prevent digital discrimination, and is a member of the Communications Equity and Diversity Council, an FCC advisory committee chartered in 2021 to make recommendations on advancing digital equity and removing barriers to broadband infrastructure and development. These efforts remain underway. Federal Communications Commission, "FCC Announces Working Group Members of the Communications Equity and Diversity Council," Public Notice, DA 22-41, Jan. 13, 2022, <https://docs.fcc.gov/public/attachments/DA-22-41A1.pdf>.

⁷⁹ *Affordable Connectivity Program*, VERIZON, <https://www.verizon.com/home/promo/affordable-connectivity-program/> (last visited Feb. 8, 2023); Caroline Brooks, *Verizon helps make internet accessible for millions through Affordable Connectivity Program*, VERIZON (May 10, 2022) <https://www.verizon.com/about/news/verizon-internet-accessible-affordable-connectivity-program>.

⁸⁰ 2021 ESG Report at 62.

⁸¹ *Affordable Connectivity Program*, VERIZON, <https://www.verizon.com/home/promo/affordable-connectivity-program/> (last visited Feb. 8, 2023).

⁸² This includes programs like Medicaid, the Supplemental Nutrition Assistance Program, Special Supplemental Nutrition Program for Women, Infants, and Children, Supplemental Security Income, Federal Public Housing Assistance, Free and Reduced-Price School Lunch Program, and the Federal Pell Grant program.

⁸³ *Am I Eligible for Monthly Savings?*, VERIZON, <https://www.verizon.com/prepaid/affordable-connectivity-program> (last visited Feb. 8, 2023).

⁸⁴ Rich Young, *The facts on Verizon's broadband deployment*, VERIZON (Jan. 20, 2023) <https://www.verizon.com/about/news/facts-verizons-broadband-deployment>; *Get Free Verizon Home Internet with ACP and the Verizon Forward Program*, VERIZON, <https://www.verizon.com/home/free-verizon-internet/> (last visited Feb. 8, 2023).

⁸⁵ 2022 ESG Report at 65.

⁸⁶ *Id.* at 69.

⁸⁷ Bernadette Brijlall, *Verizon Innovative Learning celebrates 10 years and \$1B in contributions to education*, VERIZON (June 8, 2022), <https://www.verizon.com/about/news/verizon-innovative-learning-celebrates-10-years-and-1b-contributions-education>.

⁸⁸ *Improving Basic Programs Operated by Local Educational Agencies (Title I, Part A)*, U.S. DEP'T OF EDUC., <https://www2.ed.gov/programs/titleiparta/index.html> (last visited Feb. 8, 2023).

⁸⁹ *Table 3—Common Core of Data, America's Public Schools*, NAT'L CTR FOR EDUC. STAT. (2021) https://nces.ed.gov/ccd/tables/202021_summary_3.asp#r1. Percentage taken by dividing 58,974 by 98,609.

⁹⁰ 2022 ESG Report at 70.

⁹¹ *Id.*

⁹² *Id.* at 69.

⁹³ Derek Burnett, *Technology coaches lead the way to help districts transition to distance learning*, VERIZON (June 10, 2022), <https://www.verizon.com/about/news/technology-coaches-lead-way>.

⁹⁴ *Id.*

⁹⁵ Bernadette Brijlall, *Verizon Innovative Learning celebrates 10 years and \$1B in contributions to education*, VERIZON (June 8, 2022), <https://www.verizon.com/about/news/verizon-innovative-learning-celebrates-10-years-and-1b-contributions-education>.

⁹⁶ 2021 ESG Report at 63.

⁹⁷ 2022 ESG Report at 70.

⁹⁸ *How it Works*, VERIZON, <https://verizon.digitalpromise.org/how-it-works> (last visited Feb. 8, 2023).

⁹⁹ HEART OF AMERICA, <https://www.heartofamerica.org/verizon> (last visited Feb. 8, 2023).

¹⁰⁰ *How it Works*, VERIZON, <https://verizon.digitalpromise.org/how-it-works> (last visited Feb. 8, 2023); *The impact of Verizon's Innovative Learning Lab*, VERIZON, <https://www.verizon.com/about/responsibility/the-impact-of-Verizons-Innovative-Learning-lab> (last visited Feb. 8, 2023).

¹⁰¹ *Who We Are*, HEART OF AMERICA, <https://www.heartofamerica.org/who-we-are#Mission> (last visited Feb. 8, 2023).

¹⁰² *Reinventing the Classroom Experience*, PLTW, <https://www.pltw.org/> (last visited Feb. 8, 2023).

¹⁰³ *Heart of America Announces Landmark Grant and Continued Partnership with Verizon*, HEART OF AMERICA (Dec. 13, 2021), <https://www.heartofamerica.org/verizon>.

¹⁰⁴ *Id.*

¹⁰⁵ *The impact of Verizon's Innovative Learning Lab*, VERIZON, <https://www.verizon.com/about/responsibility/the-impact-of-Verizons-Innovative-Learning-lab> (last visited Feb. 8, 2023).

¹⁰⁶ *Heart of America Announces Landmark Grant and Continued Partnership with Verizon*, HEART OF AMERICA (Dec. 13, 2021), <https://www.heartofamerica.org/verizon>.

¹⁰⁷ All but one of these labs are located within a VIL school.

¹⁰⁸ *Learning*, VERIZON, <https://www.verizon.com/learning> (last visited Feb. 8, 2023); *Lesson Plans*, VERIZON, <https://www.verizon.com/learning/lesson-plans> (last visited Feb. 8, 2023).

¹⁰⁹ Bernadette Brijlall, *McGraw Hill and Verizon bring learning to life with free augmented reality app*, VERIZON (June 27, 2022), <https://www.verizon.com/about/news/mcgraw-hill-verizon-free-augmented-reality-app>.

¹¹⁰ *Id.*

¹¹¹ *Id.*

¹¹² *Id.*

¹¹³ 2022 ESG Report at 69. This program was previously called “Verizon Innovative Learning Out of School.”

¹¹⁴ *Id.*

¹¹⁵ *Id.*

¹¹⁶ *Id.* at 70.

¹¹⁷ *Id.*

¹¹⁸ *Verizon Small Business Digital Ready*, VERIZON, <https://www.verizon.com/about/responsibility/digital-inclusion/small-business-training> (last visited Feb. 8, 2023).

¹¹⁹ *Id.*

¹²⁰ *About*, LISC, <https://www.lisc.org/about-us/> (last visited Feb. 8, 2023).

¹²¹ *Verizon Skill Forward*, VERIZON, <https://www.verizon.com/about/responsibility/human-prosperity/reskilling-program> (last visited Feb. 21, 2023).

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¹²⁵ *Verizon: New Multi-Year Strategic Partnership*, GENERATION USA, <https://usa.generation.org/partners/verizon/> (last visited Feb. 21, 2023).

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¹²⁷ *Verizon Forward for Good Accelerator*, VERIZON, <https://www.verizonforwardforgood.com/> (last visited Feb. 21, 2023).

¹²⁸ Within the scope of this audit, the team is auditing only the climate justice component of this work, and not Verizon’s operational progress toward carbon neutrality.

¹²⁹ Press Release, *UnidosUs and Verizon Continue to Bridge Digital Skills Gap Among Latinos*, UNIDOS US (Sept. 16, 2021), <https://unidosus.org/press-releases/unidosus-and-verizon-continue-to-bridge-digital-skills-gap-among-latinos/>.

¹³⁰ Hans Vestberg, *We Stand with the Asian Community*, VERIZON (Mar. 18, 2021) <https://www.verizon.com/about/news/speed-we-stand-with-asian-community>.

¹³¹ *See, e.g.*, Diversity Commitment Makes Verizon a Standout, VERIZON (Oct. 2, 2002), <https://www.verizon.com/about/news/press-releases/diversity-commitment-makes-verizon-standout>.

¹³² 2022 ESG Report at 51.

¹³³ *Supplier diversity and inclusion requirements*, VERIZON, <https://www.verizon.com/about/supplier-diversity-requirements> (last visited Feb. 8, 2023). Verizon recognizes certifications from third party organizations and government agencies approved by the supplier diversity and inclusion program. Some of those certifications include: National Minority Supplier Development Council; Women’s Business Enterprise National Council; WECconnect International; NGLCC: National LGBT Chamber of Commerce; Disability:IN; National Veteran Business Development Council; California Public Utilities Commission, which Verizon requires when a supplier is located in the state of California; federal, state, local government offices; and public utility commissions. *Supplier Diversity & Inclusion FAQs*, VERIZON, <https://www.verizon.com/about/our-company/supplier-diversity-faqs> (last visited Feb. 8, 2023).

¹³⁴ *Supplier Code of Conduct*, VERIZON (Apr. 2021) <https://www.verizon.com/about/our-company/supplier-diversity/supplier-code-of-conduct>. The audit team reviewed the Supplier Code Verizon implemented in April 2021. This version of the Supplier Code supersedes all prior versions, the most recent of which was published in June 2020.

¹³⁵ *Id.*

¹³⁶ *Id.*

¹³⁷ *Id.*

¹³⁸ *Supplier Diversity, Equity & Inclusion*, VERIZON, <https://www.verizon.com/about/our-company/supplier-diversity> (last visited Feb. 8, 2023). According to the Billion Dollar Roundtable, membership includes several requirements, but primary among them is that corporations must spend at least \$1 billion annually and directly with certified diverse suppliers on a Tier 1 basis. Members must also submit to an annual audit by an independent third party. For Billion Dollar Roundtable purposes, certified means that U.S. suppliers have been confirmed by a third-party certification agency as being at least 51% owned, operated, and controlled by one of the five diversity certification organizations it recognizes. The five diversity certification organizations are: National Minority Supplier Development Council; Women's Business Enterprise National Council; National Gay Lesbian Chamber of Commerce; National Veteran's Business Development Council; and Disability:IN. JPMORGAN CHASE & CO., CUMMINS, & BILLION DOLLAR ROUNDTABLE, BILLION DOLLAR ROUNDTABLE GLOBAL ECONOMIC IMPACT REPORT 2022, 11–12, https://billiondollarroundtable.org/wp-content/uploads/2022/12/BDR_ImpactReport_2022_Dec06.pdf.

¹³⁹ 2017 Proxy Statement at 38, https://www.verizon.com/about/sites/default/files/annual_reports/2016/downloads/Verizon_2017_proxy.pdf.

¹⁴⁰ 2023 Proxy Statement at 32. For the twelve-month period ending September 30, 2022 or November 30, 2022, depending on the tier of supplier. 2023 Proxy Statement at 32.

¹⁴¹ PRIME SUPPLIER PLAYBOOK, VERIZON, <https://verizon.turtl.co/story/prime-supplier-playbook/>.

¹⁴² *Id.* at 10.

¹⁴³ *Id.* at 11.

¹⁴⁴ *Id.*

¹⁴⁵ *Id.*

¹⁴⁶ *Id.*

¹⁴⁷ *Id.* at 3.

¹⁴⁸ *Id.* at 6.

¹⁴⁹ *Id.* at 7.

¹⁵⁰ *Id.*

¹⁵¹ *Id.* at 14.

¹⁵² *Supplier diversity and inclusion requirements*, VERIZON, <https://www.verizon.com/about/supplier-diversity-requirements> (last visited Feb. 8, 2023).

¹⁵³ The Mansfield Rule is an effort to boost and sustain DEI in the legal industry. The current certification process, led by Diversity Lab, requires law firms to consider at least 30% historically diverse lawyers—women lawyers, underrepresented racial and/or ethnic lawyers, LGBTQ+ lawyers, and/or lawyers with disabilities—when appointing to leadership roles, promoting to equity partnership, and more. *Mansfield Rule*, DIVERSITY LAB, <https://www.diversitylab.com/pilot-projects/mansfield-overview/> (last visited Feb. 25, 2023).

¹⁵⁴ Information related to racial/ethnic minorities, LGBTQ+ individuals, and individuals with disabilities is required for U.S. attorneys only.

¹⁵⁵ DEI firms must meet the same definition and certification standards Verizon uses for all of its diverse suppliers.

¹⁵⁶ 2022 ESG Report at 52.

¹⁵⁷ *Minority-Owned Investment Firms Reach \$1 Billion Milestone at Verizon*, VERIZON (July 8, 2003), <https://www.verizon.com/about/news/press-releases/minorityowned-investment-firms-reach-1-billion-milestone-verizon>.

¹⁵⁸ *Id.*

¹⁵⁹ 2022 ESG Report at 52.

¹⁶⁰ Diego Scotti, *Our Responsible Marketing Action Blueprint*, LINKEDIN (Oct. 18, 2021), <https://www.linkedin.com/pulse/our-responsible-marketing-action-blueprint-diego-scotti>.

¹⁶¹ Diverse-owned production companies must meet the same definition and certification standards Verizon uses for all of its diverse suppliers.

¹⁶² Emily Vicker, *Verizon expands its DE&I reach with new responsible marketing action plan*, VERIZON (Apr. 7, 2021), <https://www.verizon.com/about/news/verizon-expands-its-dei-reach-new-responsible-marketing-action-plan>.

¹⁶³ *Id.*

¹⁶⁴ FREE THE WORK, <https://freethework.com/>.

¹⁶⁵ Katrina Cabrera, *One year after Responsible Marketing Action Plan, Verizon delivers meaningful DE&I results*, VERIZON (June 2, 2022), <https://www.verizon.com/about/news/one-year-after-responsible-marketing-action-plan-verizon>.

¹⁶⁶ *Id.*

¹⁶⁷ *Id.*

¹⁶⁸ Emily Vicker, *Verizon expands its DE&I reach with new responsible marketing action plan*, VERIZON (Apr. 7, 2021), <https://www.verizon.com/about/news/verizon-expands-its-dei-reach-new-responsible-marketing-action-plan>.

¹⁶⁹ *Id.*

¹⁷⁰ *Id.*

¹⁷¹ Katrina Cabrera, *One year after Responsible Marketing Action Plan, Verizon delivers meaningful DE&I results*, VERIZON (June 2, 2022), <https://www.verizon.com/about/news/one-year-after-responsible-marketing-action-plan-verizon>. The program was designed in response to people of color leaving companies during the Great Resignation, a period of increased voluntary resignations during the COVID-19 pandemic. See Amiah Taylor, *Microaggressions, diversity, and career advancement: Why Black workers are joining the Great Resignation*, FORTUNE (Apr. 15, 2022), <https://fortune.com/2022/04/15/microaggressions-diversity-career-advancement-why-black-workers-are-joining-the-great-resignation/>.

¹⁷² Katrina Cabrera, *One year after Responsible Marketing Action Plan, Verizon delivers meaningful DE&I results*, VERIZON (June 2, 2022), <https://www.verizon.com/about/news/one-year-after-responsible-marketing-action-plan-verizon>; *Building the Networks That Move the World Forward*, LEADERS (July 2021), https://www.leadersmag.com/issues/2021.3_Jul/Diversity_Inclusion/LEADERS-Diego-Scotti-Verizon.html.

¹⁷³ Katrina Cabrera, *One year after Responsible Marketing Action Plan, Verizon delivers meaningful DE&I results*, VERIZON (June 2, 2022), <https://www.verizon.com/about/news/one-year-after-responsible-marketing-action-plan-verizon>.

¹⁷⁴ *Id.*

¹⁷⁵ *Id.*

¹⁷⁶ *What is GEM?*, SEEHER, <https://www.seeher.com/what-is-gem/> (last visited Feb. 8, 2023).

¹⁷⁷ *About CIIM*, ALL FOR INCLUSIVE AND MULTICULTURAL MKTG., <https://www.anaaimm.net/resources/ciim> (last visited Feb. 8, 2023).

¹⁷⁸ Katrina Cabrera, *One year after Responsible Marketing Action Plan, Verizon delivers meaningful DE&I results*, VERIZON (June 2, 2022), <https://www.verizon.com/about/news/one-year-after-responsible-marketing-action-plan-verizon>.

¹⁷⁹ Katrina Cabrera, *One year after Responsible Marketing Action Plan, Verizon delivers meaningful DE&I results*, VERIZON (June 2, 2022), <https://www.verizon.com/about/news/one-year-after-responsible-marketing-action-plan-verizon>.

¹⁸⁰ Emily Vicker, *Verizon expands its DE&I reach with new responsible marketing action plan*, VERIZON (Apr. 7, 2021), <https://www.verizon.com/about/news/verizon-expands-its-dei-reach-new-responsible-marketing-action-plan>.

¹⁸¹ *Id.*

¹⁸² Diego Scotti, *Our Responsible Marketing Action Blueprint*, LINKEDIN (Oct. 18, 2021), <https://www.linkedin.com/pulse/our-responsible-marketing-action-blueprint-diego-scotti>.

¹⁸³ *Responsible Marketing Action Blueprint*, VERIZON, <https://verizon.turtl.co/story/responsible-marketing-blueprint/> (last visited Feb. 8, 2023).