Sprint 2010
Corporate Responsibility
Performance Summary

Sprint Re:source™

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A Message from Dan Hesse, Sprint CEO

We believe every business has a duty to conduct operations in a socially and environmentally responsible manner. Corporate Responsibility (CR) is a core business principle. Our progress is reviewed regularly by our CR Executive Steering Committee, which I chair.

I am honored by the ongoing recognition Sprint receives for CR efforts like the #6 ranking on Newsweek's 2010 Green Ranking; the only telecommunications company to receive a top 50 ranking on this survey. This reflects our commitment to strengthen responsibility practices across the telecom field.

Sprint is the first U.S. telecom to announce 10–year environmental–sustainability priorities complemented by aggressive, yet achievable goals. We lead the U.S. telecom industry in our portfolio of "greener" mobile phones, in wireless re–use and recycling, and in pioneering the development of environmental criteria for wireless devices.

From Sprint Foundation philanthropic outreach to an industry–changing commitment to safer driving practices and award–winning environmental initiatives, Sprint is focused on CR as a way to enhance the company's reputation, trust and brand. That's why you'll see CR integrated into everything we do.

Some of our notable environmental achievements include:

- **Operations:** Aggressive energy policies help improve energy efficiency and measure and reduce Scope 3 emissions. Our revolutionary Network Vision program will contribute to our carbon–reduction opportunity.
- **Products and services:** Leadership in this area includes a robust line of environmentally sustainable devices, responsible practices for devices at the end of their lifecycle, and a dedication to safe use of Sprint products while driving.
- **Customers:** Sprint continues to earn customer loyalty by meeting and exceeding customer expectations, being responsive to customers' needs and open to feedback, positive and negative.
- **People:** Sprint is dedicated to providing employees a superior workplace environment emphasizing health and safety, diversity and inclusion, and legal and ethical conduct. Employees are key advocates of internal programs around energy use, green–friendly commuting, paper reduction and electronics recycling.
- **Communities:** Along with the Sprint Foundation, we are committed to strengthen communities where employees and customers live and work through the investment of time, money, goods and services.

We are committed to responsible, sustainable business practices. We look forward to advancing our efforts to transparently conduct business in this manner. Please check back here often for new information and announcements.

Sincerely,

Dan Hesse

2010 Year in Review

The Sprint 2010 performance summary provides an assessment of our 2010 priorities against our 2010 objectives, our long-term environmental targets, as well as our progress on our corporate responsibility priorities. This review will give you an overall understanding of our successes as well as our challenges and a look ahead at where we are going and our plans to meet our longer-term goals.

Sprint made substantial progress on its Corporate Responsibility (CR) efforts during 2010. When we first started our in-depth CR focus in 2008, our CR management processes and reporting primarily focused on environmental performance; in this report, we are beginning to broaden that focus by integrating our progress in other areas that will be more fully incorporated into the CR management process in 2011.

Our most significant CR achievements for 2010 included our amazing continued improvement in customer-satisfaction performance, significant progress in sustainable-design and phone-recycling efforts, the development and announcement of a major network project that will allow Sprint to achieve its GHG-emissions target, and the creation of a revised CR-governance process that more fully engaged the Sprint leadership team.

This report will cover:
- 2010 CR objectives
- Sprint Sustainability Scorecard
- Progress on priority areas and assessment of 2010 results
- Challenges and Lessons Learned
- Objectives for 2011

Sprint Corporate Responsibility Priorities

CR is a dynamic field that is made up of both long-term priorities and nearer-term objectives. CR priorities provide overarching fundamentals that guide a company's practices, while objectives are the more tactical actions the company needs to take to put these priorities into action.

Sprint has outlined the following CR priorities, organized by the key drivers of our business:

Our Operations
We will reduce our impact on global climate change.
We will reduce our use of natural resources.
We will promote a socially and environmentally sound supply chain.

Our Products and Services
We will strive to reduce the environmental impact of our products and services.
We will strive to enable our customers to reduce their environmental impact through our products and services.

Our Customers
We will strive to dramatically improve customers' experience and earn their long-term loyalty.

Our Employees
We will promote a diverse and inclusive workplace.
We will promote ethical conduct.
We will promote a safe and healthy workplace.
We will promote and support environmentally friendly behaviors.

Our Communities
We will support our communities through contributions and employee volunteerism efforts that support K-12 education, positive youth development and the environment.

Sprint Corporate Responsibility Objectives for 2010

Every year, the overarching priorities listed above drive a series of concrete CR objectives. Many of our 2010 objectives had a direct correlation to a priority, while others were necessary to enhance our overall CR structure so that we can further our CR successes in the future.

Here is a list of our 2010 CR objectives along with how each objective fits into the bigger picture:

- Develop a revised supplier code of conduct that incorporates labor and environmental requirements – Supports "We will promote a socially and environmentally sound supply chain" priority
- Develop eco-specifications for "green" Sprint devices, roll-out supplier scorecard to assess all device vendors quarterly on adherence to baseline environmental criteria, establish a Sprint eco-logo for environmentally preferred devices and assess certification options – Supports our priority to reduce the environmental impact of our products and services
- Establish the operational plan for achieving the 2017 GHG-reduction target. Develop plan for Scope 3 emissions measurement and complete supply-chain Scope 3 assessment – Supports our priority to reduce our impact on global climate change
- Validate 2017 sustainability targets and complete baseline measurements – Supports our priority to Reduce our Use of Natural Resources (Operational Waste, E-Waste, Paper)
- Continue to improve customer-satisfaction performance and reduce churn – Supports our priority to dramatically improve customers' experience and earn their long-term loyalty (see detail under the customer experience priority review)
- Develop and implement a revised CR-governance structure – Enables future support of all priorities
- Formalize the CR annual-reporting process – Enables future support of all priorities along with greater overall transparency
- Initiate development of a three-year plan that will expand CR efforts more fully to include social issues – Enables future support of priorities listed under Our Customers, Our Employees and Our Communities (this will be shared in the 2011 Performance Summary)

Corporate Responsibility Leadership

- #6 of America's 500 Greenest Companies (only telecom in top 50) – *Newsweek* (Oct. 2010)

- Most improved U.S. company in customer satisfaction over the past 2 years – 2010 American Customer Satisfaction Index (June 2010)

- Sustainability Leadership Award – *International Electronics Recycling Conference and Expo* (May 2010)

- 2010 North American Green Excellence of the Year Award in Mobile and Wireless – *Frost & Sullivan* (Dec. 2010)

- Industry-leading climate change disclosure practices – *Carbon Disclosure Project* (Sept. 2010)

- 20 Most Responsible U.S. Companies (out of 4,100) – *Governance Metrics International* (Aug. 2010)

- Sprint is cited by *Forbes* as a company that is leading in the *Reputation Economy* (Aug. 2010)

- *Samsung Reclaim^{TM}:* 2010 Best of Green: Best New Cellphone Award – Science and Technology –*Treehugger.com* (April 2010) and the CES Innovation Award in 2009

TOP 10 COMPANY
Newsweek
GREEN
RANKINGS
2010

Sprint Sustainability Scorecard

Our CR priorities and objectives are important internal determinants of the actions that we must take to act in a responsible manner. Externally, we also have an important responsibility to our communities, customers, vendors, partners and other interested third parties. Transparency and accountability are the cornerstones of a strong CR program, which make clear, consistent metrics absolutely vital. To this end, we implemented the Sprint Sustainability Scorecard in 2008. The Scorecard shows our progress against our long-term environmental goals and forecasts each goal with a green, yellow or red status based on our projected compliance by 2017.

The end-of-year 2010 scorecard is below. As you can see, all but two items have a solid green rating, which means that our performance is on target to achieve the majority of our 2017 environmental goals on time or even early. The yellow indicator for our phone-recycling goal shows that our current plans in and of themselves are not expected to allow us achieve the goal, and the red indicator for our renewable-energy goal shows that we currently do not have a formal plan developed for achieving the goal. In both cases, we have convened working committees of dedicated individuals who are assessing our opportunities to achieve each goal and creating comprehensive action plans for our CR governing bodies to review and approve.

We will describe other initiative results highlighted in this scorecard in greater depth throughout this report.

Priority Area	2017 Goal	Through 2009	Through 2010	2017 Forecast
Reduce our impact on global climate change				
Greenhouse Gas Emissions	Reduce GHG emissions 15% (MT of CO2-e)	9.56%	7.32%	🟩
Total electrical use	Reduce electrical use 15% (kWh)	4.17%	3.55%	🟩
Renewable Energy	Source 10% of total kWh from renewable sources	2.51%	2.50%	🟥
Reduce our use of natural resources				
Operational Waste	Reduce operational waste sent to landfill by 30%	14.98%	25.16%	🟩
Network and IT e-waste	Reuse/recycle all Network and IT e-waste		(1)	🟩
	Metric tons of e-waste collected annually	>1,100	1,678	🟩
Water Use	Manage water use	21.47%	39.13%	🟩
Paper Use	Reduce paper volume 40%	26.16%	43.38%	🟩
Promote a socially and environmentally sound supply chain				
Supplier responsibility	90% of suppliers (based on $) compliant with Sprint social and environmental criteria		TBD	🟩
Reduce the environmental impact of our products and services				
Phone recycling	90% device collection rate for reuse/recycling	42.40%	35.91%	🟨
Sustainable Devices	Ensure 70% of devices launched quarterly meet Sprint's environmental criteria	14.80%	54.00%	🟩

(1) Within 2010, Sprint classified e-waste assets, interviewed personnel responsible for managing our e-waste exit points to identify process and reporting gaps, and instituted an Electronics Stewardship Policy. Moving forward Sprint will improve policy communication and training for employees and contractors, and audit the e-waste reporting process to ensure that we can accurately capture the collection rate.

The Sprint Campus in Overland Park, Kan.

Priority: We will reduce our impact on global climate change

Our strategy to reduce its impact on global climate change is to reduce its total energy consumption and increase its use of renewable and alternative energy sources. Sprint has three sustainability goals to support this priority:

1) Reduce its greenhouse gas emissions (GHG) by an absolute 15% by 2017
2) Reduce its electrical-energy consumption by 15% by 2017
3) Increase its use of renewable energy as a percent of total electrical use to 10% by 2017

These goals are the most aggressive of any wireless carrier in the United States. Sprint is also the only carrier to set an absolute reduction target, unlike the less rigorous efficiency-based targets set by our competitors. An absolute reduction target, such as the target set by Sprint, is only achieved when your actual carbon footprint gets smaller, regardless of the relative size of your business. On the other hand, a simple efficiency-reduction target seeks to reduce the carbon footprint proportionally to some business variable, such as revenue, units sold or (in the case of wireless providers) data traversing the network; businesses with only an efficiency-reduction target can – and in many cases *will* – actually see an *increase*, not decrease, of their environmental footprint as their business grows proportionally. While it is important to become more "carbon efficient," Sprint is proud to be the only U.S. wireless providers with a goal to absolutely reduce its carbon footprint, and in late 2010, announced it primary means of achieving that goal – Network Vision.

2010 Results
Our most significant achievement in the area of climate change in 2010 was the planning, approval and announcement of its Network Vision project. We expect the implementation of Network Vision to allow Sprint to improve performance across several of its business priorities:

- Reduce its environmental footprint (GHG and energy)
- Enhance service for its customers
- Reduce operating costs
- Create network flexibility

Energy consumption and the associated GHG emissions are expected to increase modestly during the network build-out phase, but then start to decrease in 2015. By the end of 2016, the full reduction targets for both GHG emissions and electrical-energy use should be achieved. Network Vision should reduce our energy consumption by allowing us to eliminate iDen cell sites (which require greater energy consumption than CDMA cell sites), reduce the footprint (and energy burden) of remaining cell sites, and install more energy-efficient hardware throughout our network. The "new" network should also be more flexible and able to   support multiple protocols and changes as technology evolves.

Greenhouse Gas Emissions:
- In 2010 Sprint achieved a 7.32% absolute GHG reduction against our 2017 goal of 15%. This represents 49% of our 10-year reduction target.
- Our carbon efficiency, as measured by metric tons of carbon dioxide equivalents per terabyte of data that traverses our networks, improved 22% from 2009 to 2010. This demonstrates how you can substantially improve your carbon efficiency yet increase your absolute emissions. Sprint expects its carbon efficiency to improve by nearly 80% through 2017. Although we will report our efficiency-based results, we hold ourselves accountable for the absolute target rather than an efficiency target.
- Our emissions increased 2.4% during 2010, which can be attributed to three factors: 1) an increase in network capacity to support the high growth in data traffic, 2) the acquisitions of iPCS and Virgin Mobile, and 3) a change in the wind-offset calculation of e-grid factors. We also saw decreases that resulted from a reduction in the number of retail stores and emissions reduction activities completed through our IT organization.
- Sprint was recognized by the Carbon Disclosure Project as one of 53 companies in its Carbon Disclosure Leadership Index. Sprint had a disclosure score of 88 out of a possible 100 points – the highest score in its sector.
- Sprint had its 2010 Scope 1 and 2 emissions verified by an external assurance agency in May 2011.

2007 – 2010 Greenhouse Gas Emissions Summary

In 2010 Sprint achieved a 7.32% absolute GHG reduction against its 2017 goal of 15%. This represents 49% of our 10-year reduction target.

	2007	2008	2009	2010	% Reduction '07 to '10
Direct Emissions (S1)	98,589	83,518	70,661	74,107	24.83%
Stationary Combustion	22,366	20,220	18,059	17,647	21.10%
Mobile Combustion	57,133	44,208	33,440	34,573	39.49%
Other	19,090	19,090	19,162	21,887	-14.65%
Indirect Emissions (S2)	2,149,472	2,016,343	1,971,104	2,006,444	6.65%
Total Scope 1 and Scope 2	2,248,061	2,099,861	2,041,765	2,080,551	7.45%
Reduction for Wind Purchase	-87,519	-86,635	-86,635	-78,173	
Total GHG for Goal	**2,160,542**	**2,013,226**	**1,955,130**	**2,002,378**	**7.32%**
Optional Emissions (S3)	2,115,945	2,115,945	2,105,300	2,100,702	0.72%
Business Travel	32,962	32,962	22,317	17,719	46.24%
Supply Chain emissions(4)	2,082,983	2,082,983	2,082,983	2,082,983	
Total GHG (S1 + S2 + S3)	**4,364,006**	**4,215,806**	**4,147,065**	**4,181,253**	**4.19%**

Electrical Use

- Electrical use increased 0.64% from 2009 to 2010, with a total reduction from the 2007 baseline slipping from 4.17% to 3%.
- The drivers of this increase are similar to the drivers of the GHG increase detailed above: increase of 1,100 cell sites to support data growth, the acquisitions of iPCS and Virgin Mobile, paired with partially offsetting decreases from energy-efficiency projects implemented in our data centers and a reduction in the number of retail stores.

Renewable and Alternative Energy

- Our percent of electrical energy from renewable sources decreased slightly in 2010. This was not the result of a decrease in our use of renewable energy but rather a slight increase in our consumption of electrical power.

- Sprint initiated discussions with Kansas City Power & Light regarding a potential extension of the five-year wind contract that provides 87.6M kWh of wind annually (representing more than 90% of total power needs) for the 200-acre Sprint Overland Park, Kan., headquarters campus. The current contract expires at the end of 2011.

- Sprint installed a 2.96 kW photovoltaic power system at a cell site in Hudson Falls, N.Y.

- Sprint was recognized as #19 on the EPA Green Power Partners list for Fortune 500 corporations throughout 2010.

Our newest solar-powered cell site in Hudson Falls, New York

- Sprint completed the deployment plan for an additional 250 sites for hydrogen fuel cells. Sprint has been a leader in fuel-cell technology, having deployed more than 250 hydrogen fuel cells as back-up power sources for cell since 2005. Thanks to a $7.3 million Department of Energy grant in 2009, Sprint plans to double the number of fuel cells deployed across the U.S. by early 2012 – deploying fuel cells that have a significantly increased run time of 72 hours (vs. the existing 14-20 hours). The new fuel cells will be installed throughout 2011 and the first half of 2012.

Priority: We will reduce our use of natural resources

Our approach to natural-resource management is simple – reduce, reuse and recycle. As a large corporation, Sprint has the opportunity to make a significant impact by using natural resources wisely and focuses on the following key areas – operational waste; electronic waste from our Network, IT and Real Estate operations; water use; and paper use. Within three of these key areas Sprint has aggressive goals which were enhanced during 2010.

1) Reduce operational waste to landfill by 30% by 2017
2) Reduce/recycle all Sprint facility e-waste by 2017
3) Reduce paper use by 40% by 2017

For water, Sprint has established a baseline but is still assessing usage patterns to determine if a reduction goal or maintenance goal should be established.

These goals address the natural-resource areas that are the most material based both on stakeholder feedback and importance to the business. No other wireless carriers in the U.S. have absolute reduction goals in any of these areas.

2010 Results

By the end of 2010, Sprint had established cross-functional working committees for all natural-resource focus areas. The first working committee, focused on paper, was initiated in 2009 and has become a model for other working committees to emulate. Their approach of collecting baseline data, establishing measures and targets, conferring with expert stakeholders, and then establishing a formal policy for Sprint is one that has been replicated in other working committees. Each natural-resource working committee is co-chaired by a representative of the CR other relevant functional business units and one to three external experts to provide additional counsel and thought leadership.

Operational Waste

- Sprint established its 2007 operational waste-to-landfill baseline in the first quarter of 2011. The baseline was derived from known waste and recycling measurements reported for 934 company-owned sites. Using that data, average waste-to-landfill and recycling figures were calculated per square foot of property by facility type (e.g., Retail, Commercial, Technical). Those averages then were applied to the total square footage for each facility type to develop a solid estimate for all occupied, company-owned sites.

- We have reduced our operational waste to landfill by 25.16% through 2010. The majority of the reduction (89%) can be attributed to real-estate optimization with the other 11% the result of increased recycling and composting activities (32 metric tons in 2010).

- In 2010, Sprint had recycling in one form or another at 93% of retail stores, 62% of commercial sites and 31% of technical sites (Network and IT Data Centers). Click here for a breakdown of our recycling by material and facility type in 2010.

- After benchmarking against other leading corporations and consulting with external stakeholders, we modified our operational-waste goal from "recycling 50% of operational waste" to "reducing operational waste to landfill by 30%" by 2017. This restated goal better captures our waste-management efforts – reducing what we use, finding opportunities for reuse and maximizing our recycling of the rest.

- In 2010, Sprint began working with major waste-hauling partners to consolidate waste contracts nationally. This will enable us to more effectively optimize container size and pick-up frequency for disposal at sites where Sprint directly controls waste hauling.

- Sprint has been an EPA WasteWise Partner since 2008. The WasteWise partnership helps participants like Sprint increase awareness, measurement and reduction of municipal and industrial waste. In 2010, Sprint increased the number of sites that report waste and recycling to WasteWise to 934, up from 27 in 2009.

Electronic Waste

- In 2009, we began reporting tonnage of Sprint facility e-waste recycled to external analysts. In 2010, a total of 1,180 metric tons of Sprint e-waste was collected for recycling, up 7% from 2009. Another 500 metric tons of equipment was collected in 2010 that was reconditioned and/or sold for reuse. In addition to company-owned e-waste, those totals include 29 metric tons of personal e-waste collected during two free electronics-recycling events that Sprint held for employees at its headquarters campus in Overland Park, Kan. during 2010.
- Although we had a target to collect 95% of our Network and IT e-waste for reuse and recycling, in practice, we were unable to determine how to measure what percentage remained uncollected. We knew that of the electronic waste we were collecting, over 99% was being reused or recycled. With that in mind, we decided to change our goal to collecting all of Sprint facility e-waste (from Network, IT and Real Estate) for reuse and recycling by 2017.
- Steps taken toward this new goal included: e-waste assets were classified, personnel responsible for managing e-waste exit points were interviewed to identify process/reporting gaps, and the structure for the Sprint Electronics Stewardship Policy was developed. Moving forward, Sprint will improve policy communication and training for employees and contractors and audit the e-waste reporting process to ensure that we can accurately capture the collection rate. Sprint will publish a timeline with milestones for completing these steps by the end of 2011.

Paper

- In 2010, we extended our initial paper-reduction goal and added three new goals with the publication of our Paper & Print Procurement Policy. The policy, which set a new goal of reducing the total weight of paper purchased by 40% by 2017, recognized that this reduction was only one of several key issues associated with sustainable paper and print procurement. Additional goals set in the policy include increasing:
  - o Our purchase of FSC or SFI-certified paper to 90% by 2012, 100% by 2017
  - o Paper and print suppliers' compliance with our social and environmental criteria to 50% by 2012, 90% by 2017
  - o Recycled content in paper purchased to 10% by 2012, 20% by 2017
- Sprint has achieved a 43.38% paper reduction through the end of 2010, already exceeding our revised goal. Paper use was reduced 23.33% year-over-year from 2009 with the majority of the reduction coming from our billing and marketing operations. The reduction in paper use from the Marketing team was primarily driven by cost-containment measures rather than process changes. We expect their usage to increase in 2011 and will re-evaluate our paper goal at the end of the year.
- Significant reduction activities in 2010 included:
  - o 417 metric tons: Moving select customers from detail invoicing to summary billing (providing access to their account online or by paper invoices upon request)
  - o 345 metric tons: Switching to lighter-weight paper for invoices, letters and envelopes
  - o Enhancing all point-of-sale systems to make it easier for customers to set up e-billing
  - o 50 Metric tons: Eliminating underutilized printers and fax machines
  - o 33 Metric tons: Eliminating pages used in retail store operational reporting.
- The Sprint Marketing Communications team has led our commitment to purchase paper from sustainably-managed forests. Today 99.7% of the printing paper purchased for Sprint direct marketing and in-store collateral is FSC-certified - up from 0% in 2008.

Sprint has achieved a 43.38% paper reduction through the end of 2010, already exceeding our revised goal.

Paper use (MT)	2007	2008	2009	2010	▲ 07 to 10
Marketing	14,611	12,800	12,234	9,097	37.74%
IT	9,545	8,266	5,908	4,794	49.77%
Real Estate	796.0	394	249	199	75.00%
Retail	311	319	267	215	30.87%
Total	**25,263**	**21,779**	**18,658**	**14,305**	**43.38%**

- While direct water use is less material to Sprint than other environmental issues, we understand the risk of scarcity globally and the need for fresh-water conservation. In 2010, Sprint sought to understand which of its facilities used the most water, paid the most for water and was located in areas at the greatest risk for water scarcity. By answering these questions, Sprint could focus its conservation efforts where they would have the greatest impact.

- To determine areas with risk of water scarcity, Sprint approached the National Resource Defense Council (NRDC). Using Geographic Information System (GIS)-based data provided by NRDC and Tetra Tech, Sprint mapped all of its commercial, retail and technical sites to the U.S. counties evaluated by the study. Through this exercise, Sprint determined which of its sites – by facility type, volume of water used and cost per kilogallon – are located in areas that face the greatest risk of water-supply scarcity over the next 40 years. These results were shared with Sprint CR Leadership and Steering Committees.

- The insights gained through this project led to other progress in 2010, including a further examination of water use by various Sprint business units (e.g., Sprint Network determined that two sites are responsible for 27% of its water consumption, and its top 10 sites account for 54%) and the creation of a company-wide baseline for water consumption starting in 2007. Our total water consumption through the end of 2010 was 1,121,111 cubic meters – a reduction of 40.3% since 2007, and 21.9% year-over-year from 2009. These declines can be attributed primarily to real-estate optimization in recent years.

- Sprint will form a Water Conservation Working Committee in early 2011. This cross-functional committee will be comprised of members from CR, Environmental Health & Safety, Network and Real Estate, which oversees utilities for our commercial, retail and IT data-center facilities. The committee will identify the primary drivers of our water use, develop a water-conservation strategy that addresses high-volume sites and facilities in areas at high risk for water supply scarcity, and draft a water-conservation policy.

Sprint Water Use from 2007 through 2010

Sprint has achieved a 39% reduction from 2007 through 2010, but has not yet set a reduction or maintenance target.

Water (Kgal)	2007	2008	2009	2010	▲07 to 10
Network	190,834	215,659	134,029	111,914	41.4%
Real Estate	201,140	146,887	172,824	123,380	38.7%
Retail (Direct Billed)	28,517	27,039	23,357	20,655	27.6%
Total	420,491	389,585	330,210	255,949	39.1%

Priority: We will promote a socially and environmentally sound supply chain

Sprint recognizes that a key element of its own CR performance lies in its management of its suppliers to be socially and environmentally responsible. In late 2008, we set an objective to have 90% of our suppliers (based on spend) meet our social and environmental criteria. Although we had made substantial progress within targeted supplier categories, until 2010 we had not completed a total supply-chain evaluation and worked to establish a formal plan to achieve this goal.

2010 Results

The most significant accomplishments were defining which suppliers should be included in the measurement, development of a new Code of Supplier Conduct that includes labor and environmental requirements, and the implementation of a supplier scorecard process for our handset manufacturers. Our expectation is that this scorecard process will be expanded to include supplier labor and environmental performance (at the corporate level, rather than device level) and replicated in additional supplier categories.

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Supply Chain Scoping

Sprint completed a supply-chain assessment project during 2010 as part of it Scope 3 GHG project with Trucost. As part of that assessment, Sprint was able to evaluate its supply chain and determine which suppliers to include in its measurement system. We decided to follow the practice of other large corporations with substantial supply chains and include only those suppliers for which we issue purchase orders. This classification eliminated nearly half of our "suppliers," which included entities to whom we pay fees such as taxes (state and local governments), access fees (local- access carriers), rebate fees and other non-competitive required expenses. We determined that our top 160 suppliers were responsible for more than 98% of our supply-chain spend in 2010. This is the base of suppliers that were included in the Trucost study.

The top supplier categories are as follows:

Manufacturers	67%
Professional, Scientific and Technical Services	14%
Information Management	13%
All Other	6%

There was further concentration within the manufacturing classification, with handset manufacturers making up slightly less than 50% of the total spend. This supported our decision to focus on handset manufacturers as the first category of suppliers to partner with on social and environmental performance.

Network Vision impact

In our announcement of the Network Vision project, we revealed the three suppliers to whom we had awarded contracts as part of the project – Samsung, Alcatel Lucent and Ericsson. We already do substantial business with these three suppliers, and each already appears in our list of the top 50 suppliers. We expect our spend distribution to shift starting in 2011 with a greater concentration among the top 50 suppliers. Each of these three partners already has strong supply-chain-management practices in place with Supplier Codes of Conduct following the robust Electronics Industry Code of Conduct (EICC) of United Nations Global Compact Universal Principles. The one gap we are concerned about is robust management of e-waste since this is not explicitly covered in either of their supply-chain guidelines. We will work with all three partners in 2011 to ensure they have strong e-waste management practices in place and can meet our zero e-waste target.

Supplier Code of Conduct

Sprint has had a Supplier Code of Conduct (SCOC) in place for many years; however, as we evaluated our existing code against CR expectations, it fell short. In early 2010, a cross-functional team including our Supply Chain, Ethics, Legal, CR, Human Resources and Government Affairs organizations was formed to update the SCOC. By the end of 2010, a new Supplier Code of Conduct had been drafted with three key changes:

- Re-focused conduct standards around corporate-entity suppliers; previously, the focus had been on suppliers and individuals such as consultants and contractors. Consultants and contractors are now addressed separately.
- Tighter organization of key content – Ethics, CR, Compliance to Laws and Regulations, and elimination of non-essential content
- Addition of Labor and Environmental standards (in CR section)

The new Sprint Code of Supplier Conduct was presented to Sprint Leadership and Steering Committees for final approval in March 2011.

Supplier Scorecard Process

Sprint launched its first "green" – Samsung Reclaim™ – device in August 2009. Because this was just the second device marketed as more environmentally responsible in the United States, and there were no universal green standards in place for mobile devices, Sprint created a set of aggressive Eco-Criteria and a Sprint Eco-Logo in 2010 that could be used to qualify a Sprint device as more environmentally responsible. Sprint announced two new devices that met the Sprint Eco-Criteria and earned the Sprint Eco-Logo in mid-2010 – the Samsung Restore and LG Remarq.

The final piece that was needed was a formal process to encourage device manufacturers to make all Sprint devices more environmentally responsible. To address this need, Sprint gave vendors advance notice that environmental criteria would be added to its existing

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quarterly vendor-evaluation process. Vendors receive an environmental score for each Sprint device launched during the quarter. The scorecard criteria align with the Sprint Eco-Criteria and will evolve over time. We assessed our vendors against the scorecard criteria for the final two quarters of 2010 to give them a baseline on their performance and will incorporate their results into their quarterly assessment in their first quarter 2011 review.

Priority: We will strive to reduce the environmental impact of our products and services

Sprint believes this priority is perhaps it's most important from a sustainability perspective. Our external stakeholders agree and see our performance in this area as having the greatest potential impact to reduce our long-term environmental footprint. This priority deals directly with the products we put into our customers' hands and the potential waste that results when customers are done using their mobile device. The average wireless customer uses their mobile device for only 14 months; therefore, it was critical that Sprint look at the entire lifecycle, from product design to end of life.

Sprint has set two goals for this priority:
1) Ensure 70% of our devices launched quarterly meet Sprint environmental criteria by 2017
2) Achieve a 90% device-collection rate (measured as the number of total devices collected divided by the number of devices sold) by 2017

2010 Results

Sprint fulfilled its 2010 performance objectives for "green" product development, but fell short on device-collection rates, despite an increase in collections year-over-year. This last result, a decrease in our results as a percentage but increase in voluntary collections, is more of an indicator of improved business results rather than a decline in our activity to collect devices for reuse and recycling. We calculate our collections performance by dividing total device collections into sales less returns. Our collections increased, but not at a high enough rate to keep up with our improved sales and return performance.

"Green" Device Development

- In 2010, Sprint built upon the vision for more environmentally responsible devices that it announced the previous year by launching the Sprint Eco-Logo and the specific set of eco-criteria required to earn it. As of the end of 2010, three devices in the Sprint product portfolio met or exceeded the criteria, including Samsung Reclaim, which launched in 2009, and two devices launched in 2010 - LG Remarq™ and Samsung Restore™. All three devices incorporate either bioplastics or recycled plastic in the case, meet energy-efficiency requirements, incorporate high levels of post-consumer recycled content in the packaging, have reduced levels of environmentally sensitive materials, use micro-USB interfaces and include recycling envelopes in their box.

- The Sprint Eco-logo and its criteria, the first of its kind established by any wireless carrier, served as a springboard for a partnership with UL Environment (ULE) in 2010. Sprint sought ULE as a potential certification partner for its Eco-logo. However, as discussions continued, it became clear that an international sustainability standard was needed for mobile devices. ULE agreed to initiate a standards-development process would consider the entire lifecycle of mobile-phone products – from raw-material extraction to disposal – to determine its environmental impact. Note: Interim sustainability requirements for the new standard, UL ISR 110, were released in the first half of 2011.

- In 2010, Sprint added baseline environmental criteria to its vendor scorecard for new devices. This was the first step toward achieving our goal to have at least 70% of our devices launched annually meet our environmental criteria by 2017. Beginning in third quarter of 2010, our quarterly reviews with manufacturers included discussions of performance against the environmental criteria and identifying vendors' strengths and improvement needs. While Sprint plans to enhance and add to the environmental criteria over time, the scorecard currently evaluates whether devices launched:
    o Compliant with Restriction of Hazardous Substances (RoHS) Directive
    o Meet European Union Code of Conduct on Energy Efficiency for External Power Supplies

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o Include micro-USB charger
o Made of at least 75% recyclable material
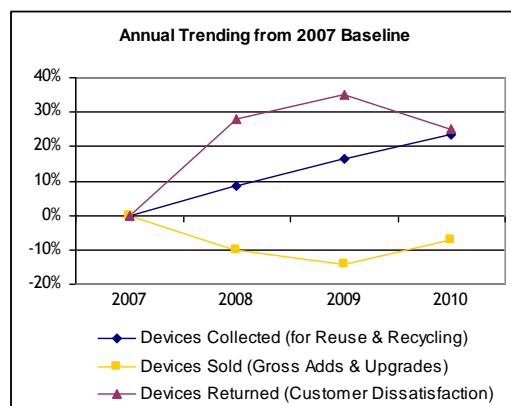o Include in-box recycling solution
o Conform to standard box size

- In addition to developing green devices and criteria, Sprint continues to receive recognition for its environmentally sustainable packaging. In 2010, our eco-friendly Samsung Reclaim packaging was awarded an Honorable Mention in the I.D. Annual Design Review. Its design included natural kraft paperboard, soy-based ink and 70% recycled materials.
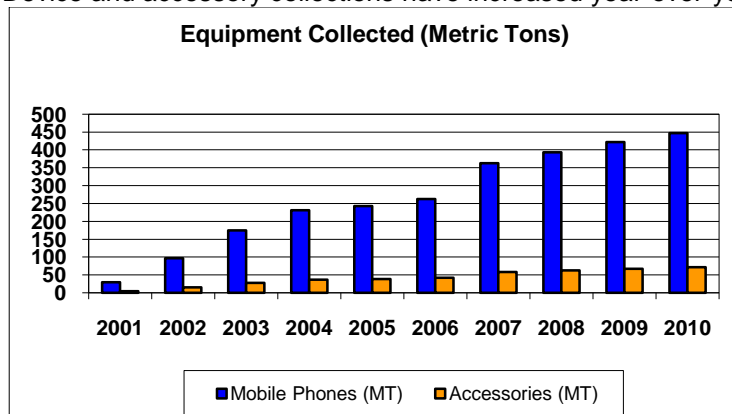
Device Collection

- Phone collections continued to rise in 2010, netting Sprint more than 3.9 million handsets during the year, up 6% from 2009 collections.

- However, progress slipped toward our industry-first goal to collect nine phones for reuse and recycling for every 10 we sell by 2017 – a 90% collection rate. Our 2010 collection rate dropped to 36%, down from 42% in 2009. While actual phone collections rose in 2010, the denominator used to calculate the collection rate (total sales adjusted for returns) rose even more. It was 25% higher year-over-year from 2009 to 2010, because of an increase in sales and decrease in returns.

- In 2010 Sprint launched its new and improved Buyback program. When it was unveiled in February 2010, we became the first major U.S. wireless provider to "buy back" phones in-store from any provider and to offer an instant credit toward the purchase of new devices and accessories.

- This enhancement to the Sprint Buyback program, combined with strong retail training and performance reporting, resulted in a 12-fold increase for Buyback transactions in Sprint-owned stores during 2010. Average Buyback transactions per store per month shot up from 5.8 in January 2010 to 73.7 in December 2010. As a whole, Buyback phone collections, including online transactions, were up 64% year-over-year from 2009 to 2010.

- Other steps taken in 2010 to boost collections included a national media campaign that offered a free Blackberry Curve for those participating in Sprint Buyback, a social media campaign to promote National Cell Phone Recycling Week featuring a video with Sprint CEO Dan Hesse, and concerted efforts to increase Sprint Buyback collections through Business Sales and Customer Care channels.

Annual Collections from Sprint Takeback Programs

Annual Trending from 2007 Baseline

- Devices Collected (for Reuse & Recycling)
- Devices Sold (Gross Adds & Upgrades)
- Devices Returned (Customer Dissatisfaction)

Device and accessory collections have increased year-over-year

Equipment Collected (Metric Tons)

- Mobile Phones (MT)
- Accessories (MT)

Priority: We will strive to enable our customers to reduce their environmental impact through our products and services

Sprint recognizes that in addition to providing more environmentally responsible products and services for our customers, we have the opportunity to enable customers and others to reduce their environmental impact through Sprint product and services or through applications and machine-to-machine (M2M) solutions that we have enabled through partners.

Products and Services

Consumer Market – For the consumer market, Sprint is helping customers reduce their GHG emissions by offering energy-efficient devices, built-in applications such as carbon calculators that help customers make better "carbon decisions," and accessories such as the Solio Mono solar charger that allows them to power their device using the sun rather than the electric grid.

Business Market – There are many business solutions Sprint offers that can help customers reduce their GHG emissions and operational waste, as well as cost. Two examples include:

- Unified Communications – Sprint collaborated with industry leaders Cisco, IBM and Microsoft Corp. to help enable unified communications (UC) for businesses and government agencies to increase productivity and customer satisfaction while driving down costs. Deploying UC supported our environmental focus by enabling companies and employees to reduce their impact through reduced commuting and travel. Sprint expanded its UC capabilities with Tango Networks Mobile UC solution during 2010.
- Sprint Workforce Locator – Sprint Workforce Locator is a Web-based tool to notify customers of schedule changes, locate the closest driver to a pickup or delivery, and handle more jobs in less time. This solution enables a significant reduction in miles driven and GHG emissions.

Mobile Applications

Mobile applications are the fastest growing wireless segment in the industry. In fact, mobile application downloads across all handsets worldwide are poised to grow from 7 billion in 2009 to almost 50 billion in 2010 – a year-over-year growth rate of 92 percent, according to Chetan Sharma Consulting. Sprint is enabling an ecosystem for the developer community and moving the company further along the open continuum. During 2010, Sprint added several new developer capabilities such as the Sprint Services Framework and an agreement with Openwave to introduce the first ecosystem to deploy enhanced services within the browser. In some cases Sprint joins with the application developer to sell the service; in other cases, Sprint simply offers access to the application through its mobile devices. Examples include:

- Sprint ID Packs: Launched in October 2010 and available on many Sprint Android devices, Sprint ID allows consumers and business customers to instantly customize their mobile experience with an ID pack, complete with apps, widgets, ringtones and wallpapers. Note: Sprint released a Green ID Pack in early 2011.
- Transportation solutions such as TurnPike RouteTracker, which allows business customers to track their GPS data, engine diagnostics, IFTA mileage reporting, odometer readings, fuel efficiency, Electronic Hours of Service, and other fleet data right from their wireless devices. TurnRouteTracker connects directly to the engine diagnostic port of vehicles.
- Actsoft mobile toolbelt solutions to increase business productivity: mobile management software solution for monitoring workers and logistics in the field, back office integration helps decrease paperwork and raise accountability, locates workers almost anywhere, anytime and provides historical routes, a remote time clock, speed and time on site, streamline your business workflow and reduce your paper use through customized forms.

Machine-to-Machine Solutions

Our green commitment now extends to one of the fastest-growing market opportunities for Sprint, known as machine-to-machine (M2M). By wirelessly connecting a vast array of electronic devices, M2M solutions create new business opportunities for our customers across many industries – and also bring unprecedented opportunities to promote sustainability on a growing scale. As M2M solutions help businesses enhance productivity, improve security and promote safety, they can simultaneously reduce environmental impacts through such benefits as increased energy efficiency and a smaller carbon footprint. For example, our M2M Connected Transportation solutions help transportation companies monitor and track truck fleets to reduce route miles, cut fuel consumption

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and reduce carbon emissions. Sprint also helps utilities implement SmartGrid solutions through wirelessly connected meters that promote increased energy efficiency.

With rising energy demand and limited resources, these and other M2M solutions give Sprint and Sprint customers a powerful emerging tool for promoting sustainability.

- **Smart Grid –** As a public wireless carrier, Sprint offers scalable and flexible network solutions for utilities and application developers in support of Advanced Meter Reading, Distribution Automation, SCADA (supervisory control and data acquisition), Demand Response and green energy solutions.
    - o SmartSynch and Sprint collaborated to introduce an advanced, electronic residential-utility meter. This smart meter allows utilities to automate their electric grid, enabling cost-effective automated metering infrastructure and demand response while using the Nationwide Sprint Network.
    - o Grid Net is working with Sprint to deliver a smart-grid solution that leverages Grid Net's software platforms to connect smart meters and smart-grid routers via the Sprint 4G network. Grid Net software platforms are designed to integrate substation automation, distribution automation, smart meters, demand response and load management while reducing capital and operating costs.
    - o Landis+Gyr qualified the Sprint 4G network as a compatible communications vehicle to interface with Gridstream™, an integrated energy management solution.
    - o Ambient Corporation and Itron Inc. received Sprint network certification in October, 2010. Itron has a history of technology leadership in utility solutions, including the OpenWay smart metering and data management solutions. Ambient has a flexible smart-grid communication architecture. Paired with Sprint network assets, they bring the promise of the smart grid one step closer to becoming a reality.

- **Connected Transportation –** Sprint enables Connected Transportation, which helps companies better manage logistics to optimize, schedule, monitor and track deliveries, personnel and vehicles. This allows drivers to waste less fuel looking for delivery destinations, gas stations and other locales, while reducing emissions and carbon footprints, decreasing costs and creating enhanced personnel comfort and organizational efficiencies. At the same time, Connected Transportation technology is helping first-time and professional drivers learn safer driving habits. Three examples of our innovative role in this rapidly expanding market include
    - o Aeris® Communications, a Sprint strategic partner, will leverage our national network to provide cellular connectivity to Hyundai Motor America's Blue Link® connected vehicle program, launching in 2011.
    - o PACCAR, parent company of Peterbilt and Kenworth Class 5-8 commercial vehicles, is working with Sprint to introduce a new integrated mobile computing, telematics, navigation and business system, branded as SmartNav for Peterbilt and NavPlus for Kenworth.
    - o Sprint is also working with ECOtality, a recognized leader in advanced transportation, energy systems and alternative fuels, to provide comprehensive wireless connectivity to more than 15,000 residential and commercial electric vehicle charging stations throughout ECOtality's nationwide Blink™ Network.

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## Priority: We will strive to dramatically improve customer experience and earn their long-term loyalty

Throughout 2010, Sprint customers continued to see unprecedented, continuous improvement in their experiences thanks in large part to the Sprint Customer Care organization. Through having an unwavering focus on the customer, Customer Care focused on "upstream drivers" – the reasons why customers have called in the first place. During the year, Sprint built upon previous momentum in improving the customer experience, recording its 12th consecutive quarter of improved customer satisfaction and first-call resolution by year-end. During this time, retention of existing customers has improved at a rate faster than that that of our competitors, while our overall cost of Customer Care operations decreased as billing adjustments and churn was significantly reduced.

2010 Results

1) Customer satisfaction, first-call solution and calls per subscriber all improved by more than 33%
2) The cost of Customer Care operations was reduced by more than 33%
3) Billing adjustments were reduced by 75%.
4) Sprint post-paid customers' churn rate was reduced to less than 2%

Sprint post-paid customer churn has steadily improved since the first quarter of 2008.
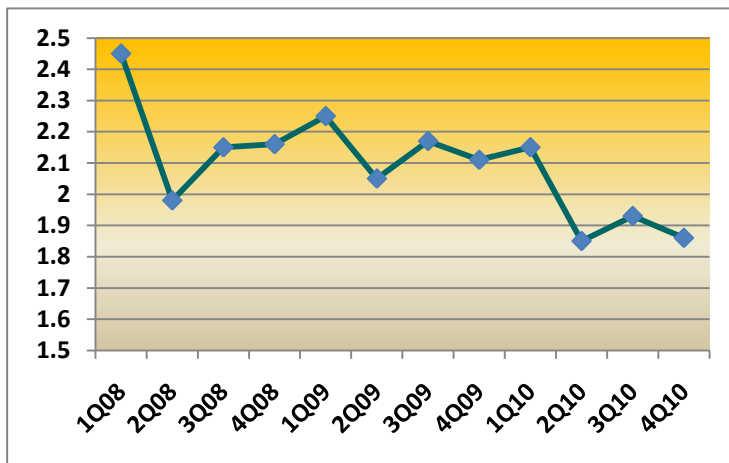
Customer Satisfaction

- In March 2010, Sprint launched the Sprint Free Guarantee. If a new customer or an existing customer adds a line of service and is not completely satisfied, they are able to deactivate and return the device within 30 days; Sprint will waive the Early Termination Fee; and they will be reimbursed for the device purchase, activation fee, any service-plan monthly recurring charges, and all associated taxes and fees. Sprint will also waive the restocking fee. No other major wireless carrier matches this guarantee.

- Also in March, Sprint expanded its Total Equipment Protection (TEP) by offering a month-long open-enrollment period to any customer who did not enroll at the time of purchase. This ensured many customers the use of their devices without the worry of paying repair or full-replacement costs should the device ever become lost, stolen or damaged.

- Starting in 2010, to celebrate the anniversary of Sprint Premier, an exclusive loyalty program, Sprint Premier customers began being offered Anniversary Rewards ranging from the choice of a $5 service credit, to 75 additional voice minutes. These loyal customers also experience our online plan optimizer, which proactively conducts a six-month plan check in search of additional value.

- Sprint launched a feature on Sprint.com that provides notifications and alerts about customers' activity on their usage, billing, payment options, devices and more.

- In November 2010, Sprint launched a family-focused microsite on Sprint.com making it easier for parents to manage their children's wireless usage, help keep them safe with new parental controls, avoid surprises on their monthly wireless bill and compare rates. Through this tool, parents are able to block texts, numbers, Web access, media downloads and picture mail – all at no additional cost. Additionally, for a $5-per-month charge, Sprint Family Locator will locate up to four phones, allowing use of our state-of-the-art GPS technology to enable a parent to use a phone or PC to locate a child's device on a map.

- Throughout 2010, Sprint added new customer-friendly capabilities to its online social-networking community of more than 50,000 registered contributors, at Sprint.com. Here, users interact with each other and Sprint employees in open forum discussions about products, services and all things wireless. In addition, Sprint customer-care representatives are engaging customers right on the community site to help answer questions and solve problems.

Care Operations

- In early 2010, Sprint partnered with Knowlagent, a leading provider of call-center talent-management solutions, to deploy technology that delivers training directly to call-center agents' desktops during periods of time when there is excess agent availability between calls. In the first quarter alone, Sprint agents and supervisors had access to more than 120 courses and had completed more than 3,400 hours of training.

- Key service metrics were revamped in 2010 in internal and vendor-operated call centers. Previously, call-center managers were asked to track more than 80 individual metrics. Now, a new performance system allows the management team to zero in on a smaller number of agent behaviors that have been shown to result in the highest customer-service performance.

- Additionally, Sprint tweaked its agreements with outsourced call centers to ensure that the vendors' performance models linked compensation to customer satisfaction.

Third parties recognized the unprecedented continuous improvement that we have accomplished in 2010:

- In J.D. Powers 2010 Wireless Customer Care Performance survey, Sprint had the largest improvement among carriers, up 17 index points from the prior survey, vs. industry-wide improvement of only four index points.

- Sprint was recognized as the most improved company in customer satisfaction, across all industries, over the last two years in the 2010 American Customer Satisfaction Index.

- Sprint won the Gartner & 1to1 Media CRM excellence award for "reinventing" the customer experience approach.

- J.D. Power & Associates ranked Sprint in 2nd place in Retail Satisfaction Study-Volume II, ahead of AT&T

American Customer Satisfaction Index Ratings
Every year, the American Customer Satisfaction Index rates customer satisfaction of many companies on a 100-point scale (0 being the worst, 100 being the best). Since 2008, Sprint has seen a dramatic year-over-year improvement.

American Customer Satisfaction Rating For Sprint, 2007 - 2010
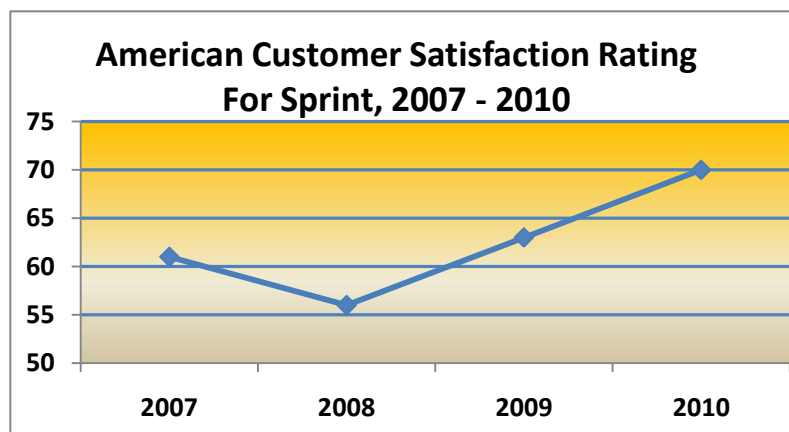
Priority: We will promote a diverse and inclusive workplace

At Sprint, we pursue diversity in all its forms, including ethnicity, gender, generational, geographical and thought. Sprint has been and continues to be recognized for our commitment to diversity and creating an inclusive workplace where all employees' backgrounds, talents and contributions are valued. Our inclusion and diversity efforts include initiatives focus on the critical areas of employee representation and engagement (promoted through internal marketing).

The specific programs that supported our inclusion and diversity priority in 2010 included our Employee Resources Groups, our Supplier Diversity Program, national strategic partnership with diverse organizations, targeted grants from the Sprint Foundation, and our participation in internal and external diversity surveys and assessments.

2010 Results

Our employee profile changed very slightly in 2010. The percentage of non-white employees decreased by about half-of-one percent (0.05%) as did the number of female employees. The most significant change was a nearly 4% increased just less than 1%, moving to 36%. Participation in our Employee Resource Groups (ERGs) was also up in 2010. Our participation rate increased 2 points year-over-year from 2009 to 2010, with 336 employees joining an ERG for a total employee participation rate of 11%.

Our supplier-diversity results were flat in 2010, and this remains an area of focus. We believe our Network Vision project may afford an opportunity to increase our diverse-supplier representation.

Employee Resource Groups

Employee Resource Groups (ERGs) are groups of dedicated employees voluntarily working together to address issues facing one under-represented cultural group. At Sprint, ERGs focus on issues that are both internal (improving skill sets, mentoring, etc.) and external (in-language marketing opportunities, community outreach, etc.).

Sprint has six ERGs: Diamond Network (African American focus); Enlace (Hispanic focus); OASIS (Asian focus); Pride (GLBT focus); VETS (Veteran focused) and WISE (Women focused).

ERGs are open to all employees at Sprint with more than 5,500 employees choosing to participate in one or more ERGs by the end of 2010. Some of the ERG successes in 2010 include:

- Offering dynamic guest speakers who inspired and informed our employees:
  - Carey Casey – CEO, National Center for Fathering
  - Jane Chu – President and CEO, Kauffman Center for the Performing
  - Amy Davis – CEO, Inspiring Moms
  - Joe Solmonese – National President, Human Rights Campaign
- Hosting nearly a dozen cultural awareness events for employees such as Black History Month, Gay Pride Month, Cinco de Mayo, Asian Pacific Heritage Month, Veterans' Day and Women's History Month.
- Supporting 240 mentor and mentee participants in the 2010 ERG Mentoring Program

Supplier Diversity

The Sprint Supplier Diversity Policy affirms Sprint's commitment to provide certified diverse suppliers with the maximum opportunity to participate in providing products and services to Sprint. Sprint is increasing its purchasing initiatives with minority, women, disabled-veteran and small businesses. These mutually beneficial relationships contribute to the economic success of both Sprint and our diverse suppliers.

- In 2010, we advanced our supplier-diversity efforts by ensuring our employees understand the business benefits of a robust diverse supply chain.
- Sprint implemented an online Supplier Diversity Training course; created job aids; coordinated onsite introductions of diverse suppliers to Sprint management and to Sprint's three major equipment suppliers for Sprint's network modernization project, Network Vision (NV).
- Sprint modified its policy language to allow diverse suppliers to be awarded business, even when they are slightly more expensive, if all other factors are equal. These efforts resulted in Sprint directly procuring services/products from small and diverse suppliers totaling $587,371,870.
- Sprint's tier II spend through contractual subcontracting requirements of Sprint's major suppliers totaled $7,046,323,074.

National Strategic Partnerships

Sprint is the proud partner of many of the top diversity-focused organizations in the country. Sprint believes these relationships are essential for building strong ties within the cultural communities that make up our employee and customer bases. During 2010, we sponsored events for:

- The Congressional Black Caucus Foundation
- The Human Rights Campaign
- The League of Latin American Citizens
- The National Association for the Advancement of Colored People (NAACP)
- The National Association of Asian American Professionals
- The National Association of Women Business Owners
- The National Council of La Raza
- The National Eagle Leadership Institute.
- The National Hispanic Corporate Council
- The National Urban League
- The United States Hispanic Chamber of Commerce
- The U.S. Pan Asian American Chamber of Commerce

One of the most significant sponsorship events of 2010 was for the NAACP Annual Convention. Sprint was a co-presenting sponsor of the 101st Annual Conference, which was held in Kansas City. Our participation was extensive and included hosting a large booth at the exhibit hall; providing judges for the National Afro-Academic, Cultural, Technological and Scientific Olympics (ACT-SO) Competition; sponsorship of the culminating event, the Spingarn Awards Dinner, which featured taped remarks from Sprint CEO Dan Hesse; and participation in most of the ongoing events and sessions.

External Recognition

Sprint participates in various external inclusion and diversity surveys and assessments as they offer an unbiased assessment of how we are doing in targeted areas. Some surveys and assessments provide feedback reports, enabling us to benchmark our performance against peers and promote successes when our efforts are particularly strong.

Sprint received quite a bit of recognition for inclusion efforts in 2010:

- *CivilianJobs.com* – Sprint was selected as the 2010 Most Valuable Employers for Military Award, which recognizes employers who value military-service experience and what it represents and who provide a supportive work environment and programs that support the military, as well as career advancement.
- *Black Enterprise Magazine* – Sprint was named to the Black Enterprise 40 Best Companies for Diversity list, which was featured in the July 2010 issue. Sprint made the list based on strengths in African American representation in our employee base, board of directors and senior management.
- *Hispanic Business Magazine* – Sprint was named to Hispanic Business Magazine's Top Companies for Diversity (ranking #39).
- *Human Rights Campaign (HRC)* – Sprint received a perfect score on the annual HRC Corporate Equality Index. Sprint has received this honor for the past six years.
- *LATINAStyle 50 Magazine* – Sprint was named to LATINA Style 50's Report (ranked at #48), which evaluates corporate America's career advancement opportunities for Latinas.

Multi-Cultural Marketing

The Sprint Marketing organization seeks to attract customers who represent traditionally under-represented cultural segments within the United States, including African Americans, Hispanics, veterans and women. Efforts include the

availability of culturally themed ringtones and screensavers, customer service and support in multiple languages, targeted Web pages in additional languages, and targeted advertising.

Our most significant multi-cultural marketing focus is on the fast-growing Hispanic segment. Sprint now offers billing, customer service and even Sprint navigation in Spanish. In 2010, we undertook two major initiatives to help better reach this market:

- We completed the groundwork for a Hispanic ID Pack, part of the line of our popular Sprint ID Packs series that allows users of select mobile phones better customization. The Hispanic ID Pack is expected to launch in 2011, along with a Relay ID Pack, which focuses on tools and usability for deaf and hard-of-hearing customers.
- Also in 2010, we finalized an agreement with the U.S. Hispanic Chamber of Commerce to provide Chamber members discounts on Sprint products and services for both corporate- and individual-liable accounts.

Sprint Diversity Profile 2007 – 2010

Below, please find information on our employee representation from 2007 through 2010, broken down by both ethnicity and race. Our All Employee diversity profile remained relatively consistent from 2009 to 2010. Our Management diversity profile changed slightly with a 4% increase in non-white management.

All Employees	2007	2008	2009	2010
Ethnicity				
Asian	6%	7%	5%	5%
Black	19%	21%	21%	21%
Hispanic	12%	13%	15%	14%
White	59%	57%	55%	56%
Other / Non-specified	4%	2%	4%	4%
Gender				
Female	42%	43%	46%	45%
Male	58%	57%	54%	55%
Total Employees	59,990	56,298	40,364	40,197

Management	2007	2008	2009	2010
Ethnicity				
Non-White	21%	22%	23%	27%
White	79%	78%	77%	73%
Gender				
Female	32%	33%	35%	36%
Male	68%	67%	65%	64%
Location				
United States	99.8%	99.8%	99.7%	99.1%
Other	0.2%	0.2%	0.3%	0.9%

Priority: We will promote ethical conduct

Ethical business practices are critically important to the conduct and success of any business. At Sprint, the Leading with Integrity program is the umbrella under which all ethics-related company programs fall. As the name implies, we expect our employees to act with integrity in all matters and to lead by example – regardless of level, position or job function.

Some of our key 2010 initiatives related to workplace ethics included:

- i-Comply is an annual certification through which Sprint employees demonstrate their understanding of and compliance with Sprint policies, procedures, obligations and expectations. Each year, our goal is for 100% and 2010. The online certification tool changes each year to ensure the content is up-to-date, interesting and engaging and allows employees to actively demonstrate their ethics knowledge and skills
- In 2010, Sprint executives again were asked to complete an executive disclosure in compliance with our company's ethics guidelines. Our goal of 100% participation has been achieved each year since inception.
- The Sprint Leading with Integrity program offers e-cards, which give employees a chance to recognize their peers who demonstrate integrity. More than 1,100 e-cards have been sent since the program launched in June 2008, with 417 sent in 2010.
- The Sprint Ethics Helpline is available 24 hours a day, 365 days a year, to assist employees in addressing their ethical questions and issues without fear of reprisal. In 2010, roughly 78% of the total calls received by the Ethics Helpline were questions about benefits, payroll, training, customer service or other non-ethics

matters, and these calls were directed to the appropriate resource within Sprint. Of the remaining calls, approximately half were from employees who need guidance on the Sprint Code of Conduct. The other half resulted in ethics investigations. Of the matters that resulted in an investigation, 47% were found to have some sort of ethical issue.

- Sprint recognizes and promotes Corporate Compliance and Ethics Week each year in May. Our activities in 2010 included adding an ethics-focused opening screen on our intranet site, sending all employee communications, recognizing our functional team Integrity Liaisons, and using this week to introduce a new Ethics Helpline poster to increase employee awareness.

Priority: We will promote a safe and healthy workplace

There are two primary groups at Sprint with responsibility for a safe and healthy work place – Human Resources (HR) and our Environmental, Health and Safety (EH&S) team. The HR team supports employee health through a strong benefit program. Sprint encourages employees to select benefit options that will allow them to take a proactive role in their own health. Much of this outreach is done through Sprint Alive!, our free and confidential wellness program for employees and their eligible dependents. In addition, Sprint has created a "well work" the EH&S team manages workplace safety such as reducing on-site accidents, properly disposing of hazardous waste, offering a wide range of Web-based safety tools and resources and conducting site assessments..

2010 Results

- Our focus on employee health has regularly earned us recognition from the National Business Group on Health (NBGH). In 2007, our first year for entering, Sprint earned a silver-level Best Employers for Healthy Lifestyles award. In 2008, 2009 and 2010, Sprint earned gold-level awards.

- During 2010, we expanded our onsite wellness activities at call centers and the headquarters campus in Overland Park, Kan.
  - o We expanded to two new locations, covering an additional 2,000 employees for total coverage of 11,000.
  - o We also offered a Biggest Winner Weight Loss Challenge at six locations in 2010, during which 494 participants lost a total of 910 pounds.
  - o We added Physical Therapy services to our Overland Park Campus Health Center. Physical Therapy services are also available on our Reston, Va., campus.

  - o At the Overland Park Campus Health Center, Sprint offered a program on Hyperlipidemia to employees. The on-site campus clinic did biometric assessments and provided prescriptions for exercise at the on-site campus fitness center. The fitness center then provided targeted exercise programs for the employee participants as requested by the Health Center. During the 12 weeks of the program, the employees also worked with a telephonic coach from Sprint Alive! on nutrition. The ultimate result was that the employees learned to eat better, exercise more, and control their cholesterol with diet and exercise rather than medication.

- Sprint offers financial incentives to employees for enrolling and completing in Sprint Alive! Health Improvement Programs. By successfully completing these programs, employees can now receive up to $100 annually in prizes to reward them for focusing on their own health and well-being, plus be entered into a quarterly drawing for an additional $150 in prizes. All prizes provided are redeemed through our reward and recognition portal.
  - o In 2010, there were almost 2,000 employees and dependents who engaged in a Health Improvement Program.

- Our key indicators for employee health and safety improved from 2009 to 2010. Our Occupational Safety and Health Association Incidence Rate decreased from 0.58 to 0.49 and our OSHA Recordable Cases decreased 27%, from 288 to 211. Our Lost Workday Incidence Rate, Lost Workday Cases, and Days Away from Work all improved. Total Hours Worked decreased and the number of fatalities remained at zero. Additional details can be seen on the chart below.

Sprint Health and Safety Statistics for 2010

All health and safety indicators improved in 2010.

	2007	2008	2009	2010
OSHA Recordable Incidence Rate	0.63	0.63	0.58	0.49
Recordable Cases	353	342	288	211
Lost Workday Incidence Rate	0.08	0.07	0.16	0.15
Lost Workday Cases	46	41	79	62
Days Away from Work	2,329	1,080	4,055	2,483
Total Hours Worked (millions)	110.3	107.6	100	85.4
Number of Fatalities	0	0	0	0

Priority: We will promote and support environmentally friendly behaviors

Sprint has a variety of programs specifically designed to engage our employees more fully and help them see the direct linkage between their personal contributions and our success. We cannot achieve our financial, environmental or social goals without the direct engagement of our employees. In 2010, we expanded our overall employee-engagement efforts, particularly around customer satisfaction, as well as our support of environmentally friendly behaviors.

- In December 2010, Sprint launched a national alternative-transportation program, Sprint Smart Commute, which provides employees with ways to "green up" their work commutes by related commutes. Sprint Smart Commute options include local mass-transit schedules, information on telecommuting, opportunities to meet nearby employees interested in carpooling to work, and other tips for employees wanting to reduce their GHG emissions from commuting to work.

- In April 2009, Sprint launched an employee environmental awareness campaign "5 Green Things" that outlines five fundamental steps Sprint employees can take to begin to reduce their environmental impact at work, and to ultimately help the company achieve its environmental goals. The program continued in 2010 and encourages employees to: manage energy usage; minimize trash; commute smarter; print less; and recycle electronics.

- For the past 10 years, Sprint has held an annual Earth Day celebration. The biggest event is held on the Sprint headquarters campus where more than 50 exhibitors, both internal and external, participate with information booths. Attendance has increased each year with this now being one of the most popular employee events on campus. The event has featured "green" cars, free tree seedlings, free CFL light bulbs, education about composting and rain barrels, EPA program and park-conservation officials, state and local government officials, and more. In 2010, the event was paired with "bring your child to work day" so that employees' children also could participate in the celebration.

- Starting in 2008, Sprint has been participating in the World Wildlife Fund's Earth Hour for climate-change awareness. Thousands of businesses around the world participate by turning off portions of their power for 60 minutes to draw attention to climate change. We promoted the program and the significance of it through

our employee intranet and our sustainability newsletter. Our iconic clock tower on campus went dark for the event and employees were encouraged to participate personally.

- In the first quarter of 2010, we expanded the distribution of our sustainability newsletter, Sprint Re:source, to all employees. The newsletter includes an executive perspective on Sprint sustainability efforts, an employee perspective, and deep dives on corporate-sustainability topics such as device recycling, hydrogen fuel cells and paper-management issues.

- Sprint has a broad range of other employee-engagement efforts for sustainability such as personal-document shredding days, e-waste collection drives, environmental-volunteerism events and recycling for batteries. We also have a dedicated employee website, ECOnnect, where employees can learn more about corporate-sustainability efforts and efforts they can adopt at home to live a more environmentally responsible lifestyle.

Sprint Employees Volunteering on a Public Rain Garden Project

Priority: We will support our communities through contributions and employee volunteerism efforts that support K-12 education, positive youth development and the environment

At Sprint, we leverage our resources – funds, people, and technology to enrich the communities where our employees live and work. Realizing that the success of a community is directly tied to the health of its business and, in turn, business can only thrive and expand if the community is vibrant, growing and inclusive, Sprint is dedicated to the creation and support of initiatives and programs that contribute to a strong community infrastructure.

The challenge we faced in 2010 was finding creative ways to meet this commitment while minimizing expense pressure on the business. Corporations must find the correct balance between financial performance and social responsibility, and economic challenges can make philanthropic support all the more difficult – but also all the more necessary. It is a testament to our commitment to the community that we were able to contribute so meaningfully in 2010.

2010 Results

Some of the highlights of our efforts in 2010 include growth in our employee volunteerism, excellent employee participation and an increase in the value of donations in our national United Way campaign and National Food Drive, high-impact national partnerships, several innovative education programs that incorporate our 4G services, support for global environmental disasters, and innovative community programs through our Boost and Virgin Mobile brands.

Employee Community Involvement

- In 2010, employees helped contribute more than 152,000 volunteer hours to community organizations across the country.

- Sprint held two national employee-giving campaigns in 2010 – one for United Way and, one for Feed America. Sprint has participated with the United Way in an annual campaign for more than 20 years, raising millions of dollars to support local social-services agencies in our employee communities. In 2010, despite challenging economic times, we raised $2.1 million with campaign events in 37 markets and access to online pledging for the remaining markets. Our first-ever national employee drive to combat hunger, Feed the Need, was launched in early 2010. This week-long campaign raised enough food and funds for more than 472,000 meals nationally.

- [4NetSafety](#) – 4NetSafety is a free resource to provide Internet-safety information to "tweens" and their parents, guardians and educators. 4NetSafety tools offer guidance on important Internet-safety topics like cyberbullying, sharing of personal information while online, and general safety tips while using social networking and online games. Sprint provided approximately $1 million in funding for the program during 2010.

- [National Safe Place](#) – In 2010, Sprint continued its support of National Safe Place through a $50,000 Sprint Foundation grant to support the Txt4Help program. Txt4Help uses technology to quickly offer teens in crisis information about the closest location where they can get immediate help and safety.

- [Do Something Now](#) – In 2010, the Sprint Foundation expanded its relationship with Do Something by providing a $225,000 grant in support of the Thumb Wars program. With the National Highway Traffic Safety Administration (NHTSA) identifying car crashes as being the leading killer of teens in the U.S. accounting for 35% of all deaths, DoSomething.org and Sprint launched a campaign to combat this growing issue. "Thumbs Wars: Teens vs. Texting & Driving" empowers teens to join the fight, get their friends involved, and report back on how they're taking a stand against texting and driving.

Support for Education

- Sprint, through the Sprint Foundation, provided $350,000 over four years to support a Kansas City-based version of Project Lead the Way, a national program designed to create a pipeline of students prepared to pursue engineering and technology-related careers. Sprint funding provided support for more than 7,000 students from 36 high schools and one middle school, and offered training for all Kansas City area high school teachers.

- Sprint teamed with the Myron B. Thompson Academy (MBTA), an online K-12 Public Charter School that provides online instruction to students in Hawaii, to empower eighth-grade students on Oahu with 3G/4G mobile hotspots from Sprint and Sierra Wireless. The goal of the program is to provide teachers with new ways to capture student work and improve student achievement through mobile technologies.

- Sprint partnered with the city of Chicago to help with its Digital Excellent Initiative, part of Mayor Richard M. Daley's Smart Communities program. Sprint provided free Virgin Mobile Broadband2Go units with online service at no charge for six months to 60 Chicago high-schoolers who participated in the 2010 inaugural Digital Youth Summer Jobs program. The goal is to achieve a "digital transformation" in five pilot neighborhoods with nearly 270,000 residents.

- The Sprint Foundation supported 41 schools and 13 school districts from across the country with grants for character-education initiatives for the 2010-2011 school year through the Sprint Character Education Grant Program. Grants went to in-school programs that address and promote youth leadership, youth $450,000 in grants for this program in 2010, bringing the three-year total for the program to more than $1.5 million.

Disaster Relief

- Haiti – Sprint provided extensive support to Haiti following the disastrous earthquake in January 2010. Sprint donated wireless equipment and infrastructure to wireless providers in Haiti and civic organizations in the United States, waived all fees and charges for Sprint customers sending text messages to and from Haiti, donated $50,000 through the Sprint Foundation, waived standard text-messaging fees for various Haiti disaster-relief short codes, provided an 80% advance payout of the $5 million in mobile-giving donations from Sprint pre- and post-paid customers (100% of the donations went to the disaster relief efforts in Haiti), and donated 2,000 mobile phones to benefit wireless users in Haiti. Sprint employees contributed more than $102,000 to the American Red Cross to support the relief effort, an amount that was matched dollar-to-dollar by the Sprint Foundation.

- Chile – Sprint supported earthquake-relief efforts in Chile by waiving standard text-messaging fees for customer mobile donations to designated relief organizations.

Other Efforts

- Sprint supported the development of a youth-development program for the National Urban League (NUL). The program is called A Journey to Personhood and Cultural Citizenship. The Sprint Foundation provided a three-year $300,000 grant that allowed the NUL to serve more than 6,000 young people from the ages of 14 to 18 and give them a standard research-based curriculum that includes a core set of activities, approaches and methodologies. The purpose of the program is to provide age-appropriate, values-based learning experiences that reconnect black youth to their heritage and to engage other youth with this vital American experience.

- Virgin Mobile USA, one of our prepaid brands, extended its popular "Free I.P." program to its continuing title sponsorship of the explosive Monster Ball Starring Lady Gaga Tour in the summer of 2010. Free I.P. gave hundreds of fans the chance to get VIP tickets by volunteering time at local homeless youth shelters. Working with Lady Gaga, Virgin Mobile also enabled her fans to donate funds by text message at each show throughout the 26-city U.S. tour.

- Boost Mobile, another Sprint prepaid brand, partnered with hip-hop artist Bun B to host a holiday food drive to benefit the Houston Food Bank. Twenty-two Boost Mobile stores throughout Houston served as drop-off locations. Visitors who dropped-off five or more cans of food received a free pair of tickets to Bun B's Dec. 18 concert. This was the second year for the effort.

Looking Forward: Challenges and Lessons Learned

Although we had *many* successes in 2010, we also faced some CR challenges as well: improved customer sales led to increased demand for natural-resource consumption and explosive data growth (which put pressure on greenhouse-gas emissions); aggressive cost-containment measures limited CR spend to those efforts with the fastest payback; and as CR adoption rapidly expanded in the United States during 2010, the bar for leading than we'd expected. As the year ended, we initiated a formal gap assessment for our CR efforts based on the Global Reporting Initiative, Dow Jones Sustainability Index, Ceres Roadmap and other SRI assessment tools and identified advisory or stakeholder organizations that could assist with our most significant gaps. With this in mind, we outlined the following six objectives for 2011:

(1) Stakeholder engagement

(2) Working Committee expansion

(3) Three-year strategy

(4) Expansion of scorecard to include social metrics

(5) Integrated CR reporting system

(6) Interactive GRI Index

Our tactical goals for 2011 include launching a three-year strategic plan for CR, implementing an external advisory panel and adding targeted working committees, improving our public reporting of our progress and challenges, and improving the infrastructure of our CR efforts, including an ISO 14001-compliant Environmental Management System and a best-in-class integrated CR reporting and management system. As our CR infrastructure and external engagement processes mature, we expect to significantly increase the pace of our CR accomplishments, the breadth of our employee engagement in our CR efforts, and the degree to which CR is embedded into our corporate strategy.

Your input requested

Thank you for your interest in our CR activities. As always, we value outside feedback; CR is a field that is changing on a daily basis, and our partnership with external individuals and organizations is vital to our continued success. If you have any questions or comments about this performance report or CR at Sprint in general, please contact us at csr@sprint.com