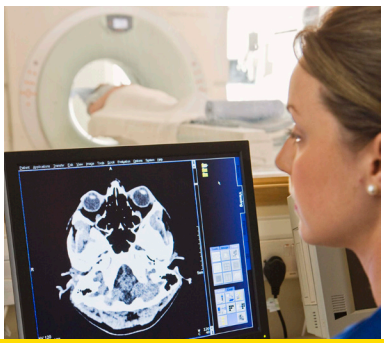
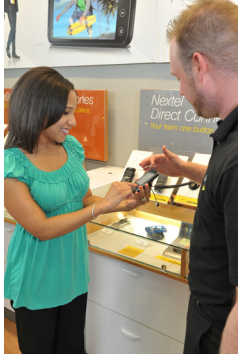


Sprint Buyback



Newsweek 2011 GREEN RANKINGS

Top 10 Company

Sprint

Sprint 2011

CORPORATE RESPONSIBILITY PERFORMANCE SUMMARY

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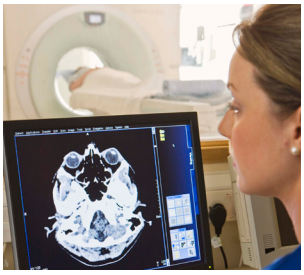

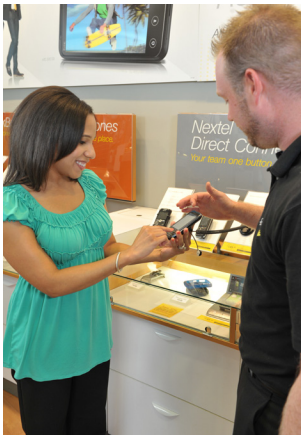

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Note: Sprint's GRI Index is provided at sprint.com/responsibility/reporting/gri.html

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MESSAGE FROM DAN HESSE

DAN HESSE – CEO, SPRINT

I believe business leaders affect the lives and livelihoods of many people: employees, customers, shareholders, suppliers, and community members. It is up to values-driven leaders to protect and improve our way of life.

At Sprint, our focus is on doing the right thing. It is a fundamental part of who we are and can be seen across numerous actions we make as a company. For example, we have set aggressive goals to minimize our company's environmental impact. We are committed to protecting our customers' privacy and providing multiple security and safety solutions. We strive to make our products and services accessible for all. We have set a high standard of corporate governance and ethical responsibility while creating a culture of inclusion. And, our recently launched Sprint Good Works initiative helps bring our programs on employee giving, employee volunteerism, philanthropic contributions, and educational outreach on distracted driving and Internet safety to communities across the country.

Our progress in each of these areas is reviewed regularly by Sprint's Corporate Responsibility Executive Steering Committee, which I chair. Between Sprint, Sprint employees and the Sprint Foundation, we have made great progress.

Newsweek named us No. 3 among America's Greenest Companies, the only telecommunications company to receive a top 25 ranking on this survey. We lead the U.S. telecom industry in our portfolio of eco-friendly devices and in wireless re-use and recycling. We were the first U.S. carrier to deploy Code Factory's Wireless Accessibility application to make Android devices fully accessible for the visually impaired. We serve as the nation's largest Telecommunications Relay Service (TRS) provider to assist customers who are Deaf. We are named as a top place to work for military veterans and diverse managers.

Being recognized as a leader in Corporate Responsibility and doing the right thing is foundational to Sprint's success and enhancing our reputation, trust and brand.

Sincerely,

Dan Hesse

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2011 YEAR IN REVIEW

The Sprint 2011 Corporate Responsibility Performance Summary report provides a qualitative review of our achievements against our Corporate Responsibility (CR) Objectives and Operating Priorities, as well as insights into our successes and challenges. It is best used in conjunction with our interactive GRI index and our CR website, www.sprint.com/responsibility, each of which provide more detailed information on the various CR initiatives and efforts we've undertaken.

Sprint Corporate Responsibility

2011 was an important year for Sprint. We improved our performance on all of our long-term sustainability goals, completed the majority of our 2011 CR Performance Objectives and made significant progress on each of our CR Operating Priorities. However, the most lasting achievement may be the shift in how CR is perceived and how its broader value is increasingly recognized. The strategic planning and stakeholder-engagement processes provided unique opportunities to discuss the long-term value of CR, not only to help manage and reduce costs; but also to drive revenue growth and expand investment. We will discuss this change in perception and its significance in the Looking Forward section of this report.

Some operational highlights from the past year include convening our first formal stakeholder-advisory panel in partnership with Ceres; finalizing our commitments for the World Wildlife Fund's Climate Saver's Program and being formally accepted into the program; gaining approval to implement a CR Data Management system; expanding the availability of Assurance Wireless for the economically challenged in 10 new states; engaging with key stakeholders in the visually impaired community to better understand their needs and interests; and continuing to set improvement records in our customer-care performance. We've had the satisfaction of helping create lasting impacts within the telecommunications industry through initiatives like establishing a sustainability standard for mobile phones and an industry-leading cell-phone recycling program, which continues to expand.

This report will cover:

- Performance against our 2011 CR objectives
- Sprint Sustainability Scorecard
- Progress on priority areas and an assessment of 2011 results
- Highlights of new social-engagement efforts
- Challenges and lessons learned
- Objectives for 2012

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APPROACH AND OPERATING PRIORITIES

Sprint's Corporate Responsibility (CR) efforts are informed by our CR Operating Priorities, long-term sustainability targets, stakeholder engagement and business objectives. Our 2011 report focuses on the same set of Operating Priorities as our 2010 report, but includes a new section called Social Engagement to share work in progress on some of the n topics that will appear in our 2012 Operating Priorities.

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.

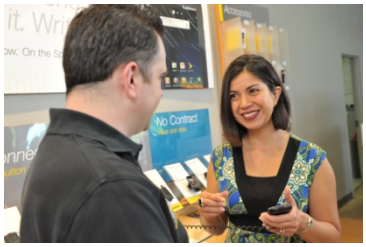
OUR PRODUCTS AND SERVICES

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.

During 2011, Sprint developed a three-year plan and an expanded set of CR Operating Priorities, which was finalized in 2012. The strategy provides greater emphasis on environmental and social solutions for our customers, and expands our efforts more broadly into social aspects of CR including privacy, accessibility and safety. The revised and expanded Operating Priorities are detailed on our CR website.

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PERFORMANCE AGAINST 2011 OBJECTIVES

Each year, Sprint's centralized Corporate Responsibility team creates a specific set of CR objectives for the organization. The objectives incorporate our business goals, stakeholder feedback, sustainability targets and operating priorities, and are actions we believe will have the greatest impact on advancing our CR maturity during that year. In this section we provide a summary of our 2011 objectives and our performance against each.

● Achieved ◖ Partial ○ Not achieved

OBJECTIVE	OUR PERFORMANCE 2011	STATUS
Corporate Responsibility Governance		
Establish an external Stakeholder Advisory Panel	We established a formal Stakeholder Panel through Ceres. The panel consists of leaders from non-governmental organizations (NGOs, typically non-profits), investor groups, HP and a telecom industry expert. Our first meeting was in June 2011; feedback from this meeting is provided on our CR website.	●
Expand the CR Working Committees	Several Working Committees were added in 2011: phone recycling, renewable energy, distracted driving, operational waste, packaging and accessibility (for the hearing- and vision-impaired.) We also formed a working committee formed for the selection of the CR Reporting Tool.	◖
Complete a three-year CR plan and expand the Sustainability Scorecard to include social metrics	We developed a plan, including revised and expanded CR Operating Priorities and reviewed it with our Leadership Committee and Stakeholder Panel; but were challenged by our Steering Committee to further expand the scope of our CR efforts. The metrics will mirror the new plan, which is yet to be approved.	◖
Reporting and Engagement		
Complete a self-reported "B" interactive index for the Global Reporting Initiative (GRI)	We submitted a "B" rated interactive index for 2010. For our 2011 efforts, plan to submit a self-reported "A" to GRI and request they verify our report	●
Join Ceres and the World Wildlife Fund (WWF) Climate Savers Program	Sprint was accepted into Ceres in May 2011 and the WWF Climate Savers Program in October 2011.	●
Complete a submission to the Dow Jones Sustainability Index	This was our first submission, and we were pleased to not only be included as a member of the North America Index, but to be recognized as the sector leader.	●
Secure 3rd-party verification of Greenhouse Gas (GHG) Emissions	Sprint was the first U.S.-based mobile communications company to complete external GHG assurance.	●
Implement a CR Data Management System	We undertook a lengthy vendor-evaluation process, including a pilot of two different solutions. We selected a vendor by the end of 2011, but deferred contract execution and implementation until 2012.	◖
CR Performance		
Assess our Environmental Management System (EMS) against the ISO 14001 standard	We asked BSR to research the use of ISO 14001 certified EMS in the U.S. and in the telecom industry as a whole. We also selected an outside firm to complete a full assessment of Sprint's EMS, but the project funding was deferred to 2012. (The assessment did take place in 2012; the results are available on our CR website.)	◖
Develop a plan to achieve to our renewable energy target	A CR Working Committee was established in the second half of the year with interim recommendations made to Sprint's CEO and CFO by the end of the year. Recommendations included a large Renewable Energy Certificate (REC) purchase that was completed early in 2012, and permission to explore the viability of long-term power purchase agreements (PPAs). The plan was accepted.	◖
Complete and publish an electronic stewardship policy.	Click here to see a copy of the Policy and click here to read more details about Sprint's e-waste program.	●
Complete an assessment of Greenhouse Gas Emissions from Sprint's Supply Chain	Click here for a summary of the report.	●
Complete our baseline measurement for our supplier target	Our progress in this area is detailed later in this report.	●

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2011 ACCOLADES

ENVIRONMENTAL

- Sprint is No. 3 among America's greenest companies (only telecom in the top 25) – *Newsweek* (Oct. 2011)
- Joined exclusive Climate Savers Program; one of only 29 global partners selected since 1999 – World Wildlife Fund (Oct. 2011)
- Sustainability Leadership Award – International Electronics Recycling Conference and Expo (May 2011) (optional)
- Sprint had the highest ForestEthics Green Grades Report Card for paper policies and practices – ForestEthics (July 2011) (optional)
- Sprint Buyback Program ranked No. 1 among major carriers – Compass Intelligence (November 2011)
- Sprint Honored with top design award at 12th Annual Global Green Sustainable Design Awards for Samsung Replenish (Nov 2011)
- Recognized by EPA as one of only three companies to sign national electronics stewardship policy (July 2011) (optional)

SOCIAL

- Sprint and the City of Chicago win the top Award of Excellence Public/Private Partnership for Sprint's commitment to Chicago's Smart Communities initiative, which aims to shrink the Digital Divide– The U.S. Conference of Mayors (Jan 2011)
- Sprint Ranked Highest (in a Tie) Among Full-Service Providers in J.D. Power and Associates Wireless Purchase Experience Study (Aug 2011)
- Sprint Relay Earned Top Honors for Best Overall Customer Care and Speed of Service from Paisley Group (April 2011)
- Sprint "#1 most improved company in customer satisfaction, across all industries, over the last three years," according to the American Customer Satisfaction Index (May 2011)
- Sprint earned best practices award for its Video Relay Services from ABILITY magazine (April 2011)

ENVIRONMENTAL AND SOCIAL

- Accepted into Ceres Network of Companies (May 2011)
- Named to Dow Jones Sustainability Index (DJSI) North America – DJSI (Sept. 2011)

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SUSTAINABILITY SCORECARD

In addition to CR Operating Priorities and performance objectives, we have a measurement and reporting system that tracks sustainability performance year over year. We use our Sustainability Scorecard to report progress against our long-term environmental goals, both internally and externally. Internally, the scorecard allows us to keep our annual performance in perspective, showing us where we've come from and where we need to go. Externally, it fulfills an important responsibility to share our progress with our communities, customers, vendors, partners and other interested third parties. Transparency and accountability are the cornerstones of a strong CR program – which means clear, consistent metrics are absolutely vital. Sprint's Sustainability Scorecard also provides a forecast for each goal with a green, yellow or red status based on our current and projected performance.

The end-of-year 2011 scorecard is below. All but three goals have a solid green forecast, meaning performance is on target to achieve the majority of our 2017 environmental goals. Red and yellow goals are explained thusly:

- Renewable Energy (Red): The red indicator for our renewable-energy goal shows that during 2011, we did not have a formal plan on how we would achieve this goal. We established a CR Working Committee focused on renewable energy in the second half of 2011. The team spent several months meeting with suppliers from across the renewable-energy supply chain and determined that Sprint's best approach will be to explore long-term Power Purchase Agreements (PPAs) while purchasing RECs in the near term. We purchased 20,000 MWH of RECs in August 2011 that increased our total renewable energy spend to just over 3 percent. The team will provide its next recommendations to senior management in mid-2012.
- Phone Recycling (Yellow): The yellow indicator for our phone-recycling goal shows that we have a plan, but that the plan may not be sufficient to allow us to achieve our 2017 goal. Although we made significant progress in our phone-recycling efforts in 2011, improving from just under 36 percent to 39 percent, we remain concerned about our ability to achieve our goal of 90 percent. We provide a detailed explanation of our concerns and measurement approach on our CR website.
- Operational Waste (Yellow): The yellow indicator is a change from our 2010 results. As Sprint has come to better understand the waste generated by nearly 2,300 manned sites across the U.S. and the limitations of our reporting capabilities, we're unfortunately unable to accurately capture our 2007 baseline. We've therefore modified our approach to this goal and are working to create a new baseline, which we expect to have by the end of 2013 (or sooner). We're not yet certain whether we'll need to change the goal; we provide a detailed explanation of our challenges and plans later in this report and on our CR website.

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

Priority Area	2017 Goal	Through 2009	Through 2010	Through 2011	2017 Forecast
Reduce our impact on global climate change					
Greenhouse Gas Emissions	Reduce GHG emissions 20% (MT of CO2-e)	9.53%	7.34%	10.35%	
Total electrical use	Reduce electrical use 15% (kWh)	4.17%	3.00%	3.44%	
Renewable Energy	Source 10% of total kWh from renewable sources	2.53%	2.48%	3.06%	
Reduce our use of natural resources					
Operational Waste	Reduce operational waste to landfill by 30%				
	% of Square Footage (OC) reporting	50.06%	66.21%	74.80%	
	% Recycled operational waste (MT)	31.22%	22.92%	26.73%	
Network and IT e-waste	Reuse/recycle all Network and IT e-waste		(1)	(1)	
	Metric tons of e-waste collected annually	>1,100	1,678	1,448	
Water Use	Manage water use	20.04%	21.24%	27.49%	
Paper Use	Reduce paper volume 40%	26.16%	43.38%	64.58%	
Promote a socially and environmentally sound supply chain					
Supplier responsibility	90% of suppliers (based on $) meet Sprint social and environmental criteria			55%	
	% Sourceable Spend Assessed			91%	
Reduce the environmental impact of our products and services					
Phone recycling	90% device collection rate for reuse/recycling	42.40%	35.91%	40.0%	
Sustainable Devices	Ensure 70% of devices launched meet Sprint's environmental criteria	14.80%	54.00%	66.3%	

(1) Sprint has identified all sources for e-waste and is implementing processes to prevent any unintentional e-waste disposal. Sprint rolled out e-waste collection bins in 2011 at employee break sites.

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PRIORITY: WE WILL REDUCE OUR IMPACT ON GLOBAL CLIMATE CHANGE

2011 RESULTS

- 3.25 percent reduction in GHG emissions
- 0.4 percent reduction in electrical use
- 22.83 percent increase in renewable energy use

CARBON INTENSITY VS. ABSOLUTE REDUCTION

Our carbon efficiency, as measured by metric tons of carbon-dioxide equivalents per terabyte of data that traverses our networks, has improved year-over-year since 2007, with a 60 percent improvement from 2007 through 2011 (half of which was achieved during 2011). Though Sprint cites absolute (or total) emissions as the primary measurement, we have also highlighted emissions-intensity metrics – which, though we see this metric as less rigorous, is becoming increasingly common within the telecommunications industry.

As a technology company, we believe we should be on the cutting edge of solutions that have the ability to reduce our emissions. We face a challenge in the form of an energy-intensive network, which expends 84.8 percent of our total energy use. Finding creative solutions to reduce our emissions while still growing our business can be a tough balancing act – so we're pleased to report we've found a way to do just that.

Our plan to reduce Sprint's impact on global climate change consists of three interdependent goals: reducing our GHG emissions by an absolute 20 percent, increasing our use of renewable energy to at least 10 percent of our total electrical use and decreasing our absolute energy consumption by 15 percent – all by 2017, and all while we absorb an expected increase in network traffic (as measured in terabytes of data) of more than 250 percent. If you combine Sprint's expected absolute GHG reduction with its expected data growth, you'll find that we expect to also improve carbon efficiency (as measured by Metric Tons of CO_2-e per terabyte of data) by 75 percent during this period.

These goals are the most aggressive of any wireless carrier in the United States, and Sprint is the only carrier to set an absolute reduction target that includes both scope 1 and scope 2 emissions. An absolute reduction target is only achieved when a company's actual carbon footprint gets smaller, regardless of the relative size of its 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. Sprint is also the only U.S. wireless carrier to set a renewable energy target as a percent of total electrical use.

GREENHOUSE GAS EMISSIONS

Electrical use (scope 2 emissions) is the single largest driver of Sprint's controllable (scope 1 and 2) GHG emissions, contributing 97.7 percent of the total. Sprint's direct emissions account for only 2.3 percent of controllable emissions and include fuel use for stationary and mobile emergency-power generators, natural-gas usage for heating at a relatively small number of sites, jet-fuel usage, fuel used by fleet vehicles (approximately 1,500 cars and vans), minor fire-suppression discharges, and minor leak discharges associated with heating and cooling systems throughout the enterprise.

In 2011, we improved performance against our 2017 reduction goal, decreasing total reported emissions (scope 1 and scope 2, less renewables) by 3.25 percent and nearly reaching our emissions intensity reduction goal of 75

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percent. The three biggest contributors to this reduction were emissions-reduction activities (responsible for 42 percent of the change), an increase in renewable-energy purchases (27.5 percent) and Network Vision readiness (26 percent). Our emissions-reduction activities included fleet improvements such as replacing six-cylinder vehicles with four-cylinder SmartWay-certified vehicles and operational improvements such as installing air-conditioner zone controls, proximity lighting and variable-frequency drives at data-center sites.

We were surprised at the impact of both our fleet changes and Network Vision —Sprint's initiative to consolidate multiple network technologies into one new, more-efficient network. The fleet changes alone were responsible for nearly 30 percent of the total reduction in 2011 – driving home the point that although our fleet is small, major changes can still make a difference on our total GHG performance. The Network Vision changes were a surprise only in their timing; we hadn't initially anticipated getting such significant energy savings in the first year. Through Network Vision, we reduced the CO_2-e associated with our iDEN network by nearly 17,000 MT, representing 26.22 percent of our total CO_2-e improvement for 2011. In addition to reducing our carbon footprint, Sprint expects Network Vision to enhance service for our customers, reduce operating costs and improve network flexibility. The table below provides a summary of our GHG reduction results from 2007 to 2011, by scope. As you can see, we are more than halfway toward our goal to reduce emissions by 20 percent by 2017.

Metric Tons of CO_2e	2007	2010	2011	Reduction '10 to '11	Reduction '07 to '11
Direct Emissions (S1)	92,522	68,039	45,751	32.76%	50.55%
Stationary Combustion	16,299	11,579	11,324	2.20%	30.52%
Mobile Combustion	57,133	34,573	15,107	56.30%	73.56%
Other	19,090	21,887	19,320	11.73%	-1.20%
Indirect Emissions (S2)	2,149,472	2,006,443	1,981,794	1.23%	7.80%
Total Scope 1 and Scope 2	2,241,994	2,074,482	2,027,545	2.26%	9.57%
Renewable Energy (Offset)	-87,519	-78,173	-96,021		
Total GHG for Reporting Goal	**2,154,475**	**1,996,309**	**1,931,524**	**3.25%**	**10.35%**
Value Chain Emissions (S3)		2,100,702	2,406,133	N/A	N/A
Business Travel	32,962	17,719	14,560	17.83%	55.83%
Purchased Goods and Services *	2,082,983	2,082,983	2,090,381	-0.36%	-0.36%
Capital Goods		**	266,565	N/A	N/A
Waste in Operations		**	1,067	N/A	N/A
Upstream Transportation/Distribution		**	33,560	N/A	N/A
Total CO_2e (S1 + S2 + S3)	**2,154,475**	**4,097,011**	**4,337,657**		

* First measured in 2010 and applied to prior years for reporting purposes

** Included in Purchased Goods and Services in 2010 year measurement

WORLD WILDLIFE FUND PARTNERSHIP

As one of only 28 companies to be admitted into the elite World Wildlife Fund Climate Savers Program (fellow members include IBM, The Coca-Cola Company and Johnson & Johnson), Sprint bolstered our already aggressive goals to reduce our climate impact. In May 2012, Sprint agreed to have its 2011 Scope 1, Scope 2 and business-travel portion of Scope 3 emissions verified by an external assurance agency, measured against the following commitments:

- Reduce Sprint's own greenhouse-gas emissions by 20 percent.
- Partner with device manufacturers/suppliers to measure, report and reduce their emissions.
- Identify opportunities to reduce emissions associated with customers charging their mobile devices.
- Identify opportunities for Sprint to help other companies reduce their emissions, particularly through our machine-to-machine partnerships.

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ELECTRICITY USE

Sprint's actual electrical use decreased only slightly in 2011 – just under half of one percent. Although the percentage is small, with electricity use accounting for nearly 98 percent of total, modest changes can make a significant difference in our emissions. With network traffic growing at such a fast pace, achieving an energy reduction at all is a significant achievement. Sprint's approach for reducing greenhouse gas (GHG) emissions is to reduce our demand for electricity while improving our energy efficiency. Even though Sprint's network is responsible for the majority of Sprint's electrical use, we assign electrical-reduction targets to each of our four organizations: Network, Real Estate, IT and Retail. Real Estate is responsible for 7 percent of our energy use, IT 3 percent and Retail 2 percent. Some of the energy projects we deployed in 2011 include: continuing to add building-automation systems to all major sites, replacing inefficient heating and cooling systems with high-efficiency systems, installing LED lighting in selected sites and training facility managers on energy-efficiency opportunities. Our IT team achieved the most significant reduction from 2010 to 2011 – 6.57 percent. The organization identified, consolidated and removed redundant or unused applications and focused on air handling and lighting infrastructure.

RENEWABLE AND ALTERNATIVE ENERGY

Sprint has committed to reduce our reliance on fossil fuels and increase use of renewable-energy sources for electricity. Specifically, Sprint's goal is to secure 10 percent of total electricity through renewable sources by 2017. By expanding use of clean-energy sources, we're able to diversify our energy supply, hedge market volatility in traditional fuel markets caused by supply problems, reduce the environmental impact of our electricity use and stimulate clean-energy demand and innovation. In 2011, we increased our use of renewable-energy sources by nearly 23 percent, bringing our total from 2.48 percent of our total electricity use to 3.06 percent. Highlights from the year include:

- Allowed our five-year wind contract with Kansas City Power & Light (KCPL) to expire at the end of the year in 2011. Sprint and KCPL are exploring other renewable-energy partnership options.
- Sprint purchased 20,000 MWH of Green-e certified Renewable Energy Certificates (RECs) in August 2011. In January 2012, we purchased 156,000 MWH of Green-e RECS in wind power, solar power and mixed renewables.
- Sprint was recognized as among the top 20 on the EPA Green Power Partners list for Fortune 500 corporations throughout 2011.
- 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 network sites since 2005. Thanks to a $7.3 million Department of Energy grant in 2009, Sprint added nearly 100 additional fuel-cell sites in 2011 and plans to double the number of fuel cells deployed across the U.S. by the end of 2012.

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PRIORITY: WE WILL REDUCE OUR USE OF NATURAL RESOURCES

2011 RESULTS

From ethical sourcing and waste reduction to reuse and recycling, Sprint seeks to manage resources from a full life-cycle perspective. In 2011, we continued to make excellent progress against our goals, enhanced the focus of our reporting and identified areas for continuous improvement. Highlights included:

- Increased landfill-waste reporting to cover 75 percent of the square feet in our real-estate portfolio where we have operational control
- Increased volume of recycled material reported by 52 percent from 2010
- Published Electronic Stewardship Policy
- Reduced paper use by another 28.2 percent, bringing our total through 2011 to 64.6 percent
- Reduced year-over-year water use by 8 percent, providing a total reduction of 27.5 percent through 2011

Sprint strives to efficiently manage the resources used in our business operations. By working to procure just what's needed and optimizing how we dispose of our waste, we are reducing our environmental footprint while improving the company's bottom line. Our efforts focus on four key areas: operational waste; electronic waste (e-waste) from our Network, IT and Real Estate operations; water use; and paper use.

Sprint has set aggressive 2017 goals within four key areas:

1) Reduce operational waste to landfill by 30 percent
2) Reduce/recycle all Sprint facility e-waste
3) Reduce paper use by 40 percent
4) Reduce the amount of annual purchased water by 30 percent

These goals address the natural-resource impacts that are most material to our stakeholders and business operations. Sprint continues to be the only wireless carrier in the U.S. with absolute reduction goals in any of these areas.

OPERATIONAL WASTE

During 2011, Sprint made tremendous strides in understanding operational-waste data and establishing a repeatable, auditable process to measure and report on landfill-diversion performance.

TRACKING AND REPORTING

Sprint established a 2007 operational waste-to-landfill baseline in the first quarter of 2011. As we've come to better understand our waste and the limitations of our reporting capabilities, we are modifying our measurement and reporting approach.

The main challenge was that non-reporting sites, where there is little to no visibility into actual waste practices, comprise the majority of Sprint facilities. This likely resulted in overestimated waste-to-landfill figures. Sprint's public reporting of landfill waste will now focus on sites where we maintain Operational Control (OC) – representing 84 percent of the square feet in Sprint's entire facility portfolio. Sprint has increased reporting visibility at OC sites by consolidating waste-removal services nationally. By the end of 2011, Sprint received reporting for sites representing 75 percent of the total square feet in our OC portfolio, or 63 percent of its entire facility portfolio – a 30 percent increase since 2008.

Sprint will also only report data provided by waste-removal vendors, a measure that offers a more consistent means of tracking landfill diversion. We may be much closer to 100 percent reporting for OC sites by the end of 2012, and we'll likely reset the baseline year for the original waste-to-landfill goal to 2012. Moving forward, we will seek opportunities to encourage vendors and the waste industry to address issues for improvement such as on-board truck scales to weigh waste removed, and standard industry-wide conversion rates.

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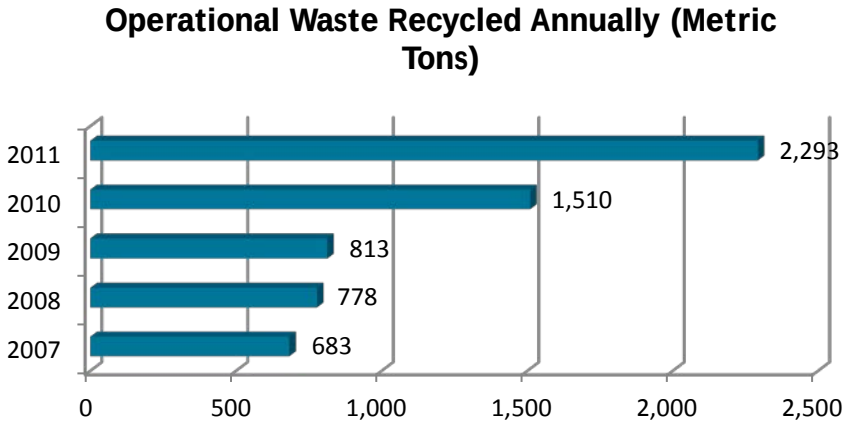
WASTE-TO-LANDFILL

The total waste generated in 2011 by those Sprint OC sites that provided reporting was 5,871 metric tons. Of that amount, 1,569 metric tons was diverted from landfills via recycling, resulting in a landfill-diversion rate of 27 percent. Highlights of our waste-to-landfill efforts in 2011 are provided below:



Click here for a breakdown of our recycling by material and facility type in 2011.

- We established a goal to convert the Sprint headquarters campus into a "zero waste" environment – which means all operational waste will be collected for recycling, composting or use as an alternative source of fuel.
- We will be using a nearby waste-to-energy facility to handle the residual operational-waste stream; this facility provides power for cement production more cleanly than the coke and coal upon which it has solely relied in the past.
- Sprint piloted an expanded recycling/composting center in one building at our headquarters campus, resulting in a 70 percent decrease in the volume of landfill trash collected. Based on this success, we're rolling out recycle centers to the rest of that building, allowing us to divert all of its residual operational waste to the waste-to-energy plant. We will continue to roll out the new recycling centers for the rest of the campus at a financially feasible pace in 2013 and beyond.
- The Sprint Foundation provided $35,000 in grants to fund the Kansas City-based By-Product Synergy (BPS) program in 2011. Through regular meetings and an online marketplace, participants identify by-products generated and ideas for how these materials can be used as inputs for another company's production and operations.

RECYCLING

Sprint implemented a national roll-out of waste-hauling services in 2011, shifting waste services from myriad vendors to just two and expanding the waste services these two vendors provide. This program is enabling Sprint to implement recycling in more than 400 retail, commercial and network facilities. Sprint has increased waste recycling, as reported by its OC and non-OC sites, from 683 metric tons in 2007 to 2,293 metric tons in 2011 – more than three-fold.

ELECTRONIC WASTE

In May 2011, Sprint became the first wireless provider to publish an Electronics Stewardship Policy outlining goals and commitments to address the full lifecycle of the electronics we buy and sell. In the policy, Sprint announced goals to collect for recycling 100 percent of facilities' e-waste by 2017, and for 70 percent of Sprint-branded devices launched annually.

- In 2011, a total of 1,448 metric tons of Sprint e-waste was collected for recycling.
- As part of Sprint's efforts to roll out recycling to hundreds of sites across the country, vendors began conducting periodic waste audits. The first audits, conducted in the spring of 2012 at 12 Sprint sites, identified a near absence of e-waste in the dumpsters at inspection sites.
- The International Electronics Recycling Conference awarded Sprint their Sustainability Leadership Award for the second consecutive year.
- In July 2011, U.S. Environmental Protection Agency (EPA) Administrator Lisa Jackson commended Sprint for its leadership in signing a voluntary commitment to promote the use of certified recyclers, provide downstream assurance and increase the transparency of its recycling operations.
- Employees at Sprint's headquarters and the surrounding area had the opportunity to recycle their personal used electronics for free at four e-waste recycling events.

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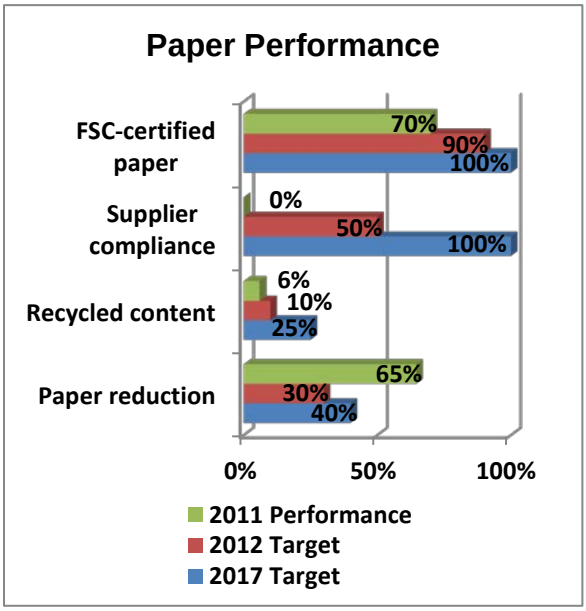
PAPER

Paper is one of Sprint's strongest areas of sustainability performance. Our first CR Working Committee, called the Paper Leadership Council (PLC), focused on paper; and the PLC continues to pave the way for other CR Working Committees. One of the most important contributions has been the development and publication of Sprint Paper and Print Procurement Policy. In addition to developing the policy, the PLC has led Sprint to reduce paper consumption by nearly 65 percent since 2007, and to increase use of FSC certified paper to 70 percent.



SPRINT PAPER AND PRINT PROCUREMENT POLICY

Sprint published its Paper and Print Procurement Policy in early 2011. The Policy details Sprint's four performance goals in this area:

- Reduce our paper consumption by 40 percent by 2017
- Increase our purchase of FSC or SFI-certified paper to 90 percent by 2012 and 100 percent by 2017
- Ensure our paper and print suppliers comply with our social and environmental criteria - 50 percent by 2012 and 90 percent by 2017
- Purchase paper with 10 percent recycled content by 2012 and 20 percent by 2017

PAPER CONSUMPTION

From 2007 through 2011, Sprint achieved a 64.6-percent reduction in annual paper purchases and saved a cumulative estimated total of $64 million dollars. We started the year with a 2017 paper-reduction target of 30 percent, and as we achieved that, we increased it to 40 percent. To our surprise, we were able to achieve a reduction of 28 percent against our 2010 consumption totals.

- The most significant year-over-year reduction (49 percent) occurred in Marketing, as the level of retail collateral and direct marketing required for the year was minimized.
- Paper purchases by IT Care & Billing Services dropped 17 percent based on increased paperless-billing adoption (30 percent of customer accounts converted to this option by year-end 2011) and a transition to more streamlined billing formats.
- Real Estate reduced consumption by 14 percent through further optimization and removal of office-printing devices and use of paperless office tools.

In anticipation of the company's continued growth, Sprint's Paper Leadership Council plans to retain the current 40 percent reduction goal for 2017 and to continue to hold paper purchases at that level or better moving forward.

FSC CERTIFICATION

In 2011, 70 percent of the paper Sprint purchased was FSC-certified, up 11 percent from 2010. This was achieved by shifting customer-invoice forms and remit envelopes to FSC-certified paper (in addition to the paper Sprint's Marketing and Real Estate teams were already purchasing with that designation). We expect to achieve 90 percent against this goal in 2012 based on changes that are already in progress within the Billing team. (Note: SFI-certified paper remains an option in Sprint's purchasing portfolio if FSC market supplies tighten and we have an immediate need for paper.)

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WATER

Sprint recognizes that water conservation is a critical global issue. While the company uses relatively little water compared to those in many other industries, we strive to be a responsible steward of the water we purchase and consume.

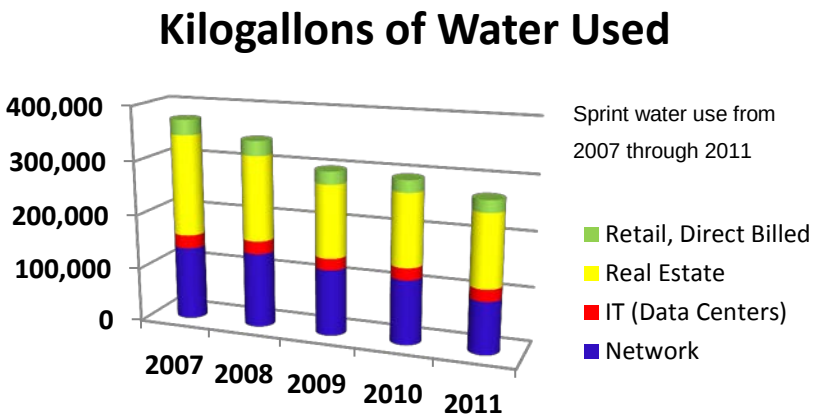
GOVERNANCE AND REPORTING

Informed by a National Resource Defense Council assessment of Sprint's facilities located in areas facing the greatest risk of water scarcity, we formed a Water Conservation Working Committee in early 2011. The committee meets regularly to evaluate innovative, cost-effective opportunities to increase water conservation in high-volume sites and those located in areas at high risk for water scarcity. The committee established Sprint's first water-conservation goal: to reduce by 30 percent the amount of annual purchased water use by 2017 (using 2007 as the baseline, when Sprint consumed 1,414,180 cubic meters of water). The figures are reported for sites where Sprint maintains Operational Control; these OC sites represent 48 percent of the square feet in Sprint's facility portfolio. After identifying some anomalies in the 2007 to 2010 data, we worked with a utility expense-management vendor to review and correct all water entries from 2007 through 2011. The 2011 water figures have been reviewed and assured by Trucost, an independent environmental-impact assessment firm. We do not believe any other U.S. carrier has assured their water results.

CONSERVATION

Sprint achieved an 8 percent year-over-year reduction in water use in 2011, bringing the total reduction from 2007 to 2011 to 27.5 percent. Our 2011 reduction was achieved primarily by increasing the efficiency of water-cooling towers at two large network-switch sites. The remaining 19 percent reduction is mostly the result of a right-sizing initiative that Sprint implemented in 2008 and 2009, which reduced the amount of property in our commercial and retail portfolio. Highlights of our 2011 water-conservation efforts include:

- The identification of air conditioning as the key driver of our water use. We are now focused primarily on seeking more water-efficient solutions for keeping our facilities cool. These solutions can range from reducing the demand for cooling to identifying new technology.
- Sprint continued to benefit from a rainwater-recapture system at our headquarters campus, conserving and reusing millions of gallons of water annually. An eight-acre lake and more than seven acres of wetlands serve as catch basins for storm-water runoff. A computer-driven irrigation system pumps water from the lake and then minimizes usage by rationing usage based on calculated rainfall and evaporation. Sprint used 99,207 cubic meters of captured rainwater for irrigation at its headquarters campus in 2011 instead of purchased water. This was a 47-percent increase over the prior year, reflecting the increased demand driven by a hot and dry summer.
- In 2010 and 2011, the Sprint Foundation donated $40,000 to fund Sowers of Sustainability, a program offering free workshops for community volunteers to learn how to plan, design, install and maintain rain gardens, thereby reducing the burden on Kansas City's storm-sewer system.



Sprint water use from 2007 through 2011

Looking ahead, Sprint may experience a temporary increase in water use for cooling through the end of 2013 related to Network Vision.

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PRIORITY: WE WILL PROMOTE A SOCIALLY AND ENVIRONMENTALLY SOUND SUPPLY CHAIN

2011 RESULTS

- 55 percent of our sourceable spend is with suppliers that meet our social and environmental criteria (2017 target is 90 percent)
- Expanded the sector-specific requirements for device manufacturers
- Measured the carbon impact of our supply chain, breaking it into the new Scope 3 Categories
- Created sector-specific requirements for our print and paper suppliers
- Evaluated sector-specific issues in the lead-acid battery supply chain
- Established e-waste management requirements for our Network Vision partners (Ericsson, Samsung, Alcatel Lucent)
- Added social and environmental provisions to our RFPs and procurement contract templates

We believe this priority is one of the most important in Sprint's CR journey. Success requires that we fully understand any interdependencies with our suppliers' social and environmental efforts, and that we work with them to eliminate or reduce any risks from the independencies or replace them with a supplier that poses less risk. Although we'd been assessing some of our suppliers (such as device manufacturers and e-waste vendors) based on sector-specific requirements, we had not yet established a method to assess all vendors and determine performance against our goal to ensure 90 percent of our suppliers (based on spend) met our social and environmental criteria. We completed this fundamental work in 2011; we now have a good understanding of how our top suppliers are performing against our criteria and the areas they'll need to improve if they wish to remain Sprint suppliers. We also advanced several of our sector-specific supply chain efforts and published our first Statement on Human Trafficking.

PERFORMANCE AGAINST OUR TARGET

During 2011, we revised Sprint's Code of Supplier Conduct to incorporate specific social and environmental elements and shared these revisions with our suppliers. Our next step was to establish the social and environmental criteria we could use to assess performance against our supply-chain target of 90 percent. The criteria are based on the Code of Supplier Conduct and apply to the largest of our suppliers – the 200 or so that make up 90 percent of our "sourceable" spend (where we have a choice among suppliers). We kept several guidelines in mind as we built our assessment process:

- Keep it simple – Use just five questions to assess performance against our target, and minimize optional questions to reduce the amount of time and effort required to complete our assessment and to evaluate responses.
- It's ALL important – Suppliers must satisfactorily answer each of the five questions to meet Sprint's criteria. This ensures that all companies are evaluated in a consistent manner and that one firm's recycling efforts do not outweigh another company's GHG-reduction program.
- Ask for information that can be independently validated without requiring qualitative or empirical performance data.
- Require public evidence of positive responses (CDP submission, Web disclosure, etc.).

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FIVE QUESTIONS TO DETERMINE WHETHER A SUPPLIER MEETS OUR CRITERIA:

1. Does Supplier have a publicly available plan to measure and reduce its Greenhouse Gas Emissions for the operations within Supplier's Operational Control?
2. Has Supplier completed a materiality assessment of its natural-resource impacts (e.g. water, energy, raw materials) and does it have a plan in place to address the resources identified as most critical?
3. Does Supplier have a publicly available human-rights statement/policy that covers, at a minimum, all of the following: hiring, employment, non-discrimination, harassment, coercion, child labor, freedom of association, working hours and compliance of applicable laws and regulations?
4. Does Supplier have a publicly available policy that provides employees a safe and healthy work environment in compliance with all applicable laws and regulations?
5. Does Supplier's environmental policy promote operating in a manner that protects the environment and ensures compliance with all applicable environmental laws, regulations and standards (including laws related to air emissions, water discharges, hazardous-waste disposal, environmental permitting and reporting and product labeling and warning requirements)?

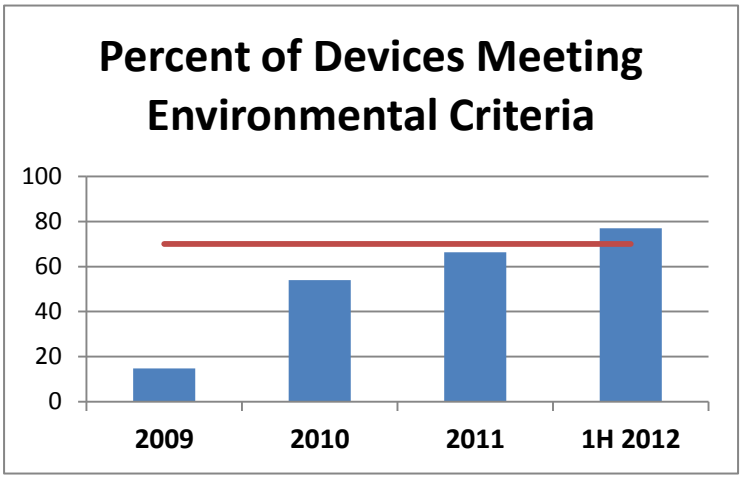
We have defined what we consider "passing" for each of these criteria, but in all cases public (available to anyone at any time) disclosure is required. A supplier is not considered passing unless they pass all areas. We assessed 91 percent of our supply-chain spend and concluded that 55 percent of our sourceable spend in 2011 was from suppliers who fully met our social and environmental criteria. In 2012, we will begin working with suppliers to improve their results and advance their CR practices. Based on our baseline assessment and a review of the top vendors that currently do not meet our requirements, we believe we will be able to achieve our 2017 performance goal of 90 percent.

EXPANDING THE ENVIRONMENTAL CRITERIA FOR OUR DEVICE MANUFACTURERS

One of Sprint's CR priorities in the Products and Services area is reducing the environmental impact of our devices. The primary tool we use for this is our Vendor Scorecard. We added environmental criteria to an existing scorecard that our Product Management team reviews quarterly with our device suppliers. Each device is assessed against a set of rigorous criteria; the score for all devices is aggregated; and vendors are then ranked against each other so they know how they are performing relative to our other device suppliers. Environmental criteria account for 5 percent of each supplier's total score, and the criteria are modified annually to reflect increased expectations for environmental performance. We notify suppliers nine months in advance of the coming year's criteria so they have the opportunity to modify their manufacturing processes or manage supplier issues prior to the new scoring taking place. Our vendor performance is fairly tight, which means their ranking can change based on performance differences in any area, including environmental. As illustrated in the table below, our suppliers are working hard to meet our criteria and improving their performance year-over-year, even as we make the criteria more challenging.

For the 2011 vendor scorecard, we included the following criteria:

- RoHS compliance
- Use of a universal micro USB charger
- Energy Star certification or equivalent
- High recyclability rate
- Inclusion of Sprint's inbox recycling envelope
- Compliance with Sprint's standard packaging sizes



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In late 2011, we announced even more substantial changes, which garnered significant recognition of the impact these regulations are expected to have on the industry as a whole. These changes included a requirement that all devices go through a Underwriter's Laboratory Environment (ULE) assessment for certification against ULE 100 (the new standard Sprint was instrumental in creating), requirements to make the device more easily reparable and more aggressive packaging requirements. Details of these changes can found in the Product Responsibility section of our CR website. When a corporation the size of Sprint requires a certain level of performance by its suppliers, the suppliers have incentive to modify their products and processes to meet the requirements – providing improved products and processes for the entire industry.

SUPPLY CHAIN CARBON FOOTPRINT

In 2010, Sprint was the first wireless company to measure and fully disclose the carbon emissions of its supply chain. Working with Trucost, we determined that the top 160 suppliers (responsible for more than 98 percent of our 2010 supply chain spend) had a carbon footprint of just over 2.1M Metric Tons of CO_2e. Following the completion of the Scope 3 protocol in early 2011, Sprint again partnered with Trucost to assess suppliers' carbon impact, but now also breaking carbon into the newly defined Scope 3 categories where possible – those areas were Purchased Goods and Services, Capital Goods, Waste Generated in Operations and Upstream Distribution, and Transportation. Our 2011 assessment included portions of non-sourceable spend since we expanded the study to include spend from sewerage and waste companies where we do not have a choice among suppliers. The total carbon footprint of the 2011 assessment was just under 2.4M MT of CO_2e.

SUPPLY CHAIN CARBON FOOTPRINT

Additional information regarding this assessment and a copy of the Highlight Report from Trucost is published on our CR website. Based on this assessment, Purchased Goods and Services is the Scope 3 category with the most carbon emissions, although Upstream Transportation and Distribution has greater carbon intensity. Both represent improvement opportunities. We expect our new supplier assessment and management process will help us reduce these impacts and also help us meet the supplier GHG commitments we made through our Climate Savers agreement with the World Wildlife Fund.

OTHER SUPPLY CHAIN EFFORTS COMPLETED IN 2011

For several sectors, Sprint has developed or implemented environmental or social requirements in addition to the basic criteria that all suppliers must meet. The most significant efforts included our work with paper and print suppliers, lead-acid battery suppliers (manufacturers, distributors, installers, de-installers and recyclers) and our Network Vision suppliers.

- Print Suppliers: Our Paper and Print Policy was created to better steward our use of paper and the resources required to produce it. We worked with an NGO partner, Canopy, to determine the environmental impacts of this sector and to then establish requirements that would help mitigate those impacts. The additional requirements include:
    - Recycle 99 percent of paper waste
    - Recycle 100 percent of waste ink, coatings and press wash
    - Meet target VOC emissions for sheet and web fed inks, coatings, fountain solutions and wash solutions
    - Report hazardous air pollutants (HAPs) used.
    - In 2012, we will train our print partners on the requirements and roll out our tracking and scoring process.
- Lead Acid Battery Suppliers: Sprint received a letter from the Institute of Public and Environmental Affairs (IPE), an environmental NGO in China, regarding a relationship we appeared to have with a lead-acid battery manufacturer in China that had a poor record for environmental health and safety. We researched the issue and determined that we not purchasing any batteries from this supplier and received written confirmation. This transaction led to an overall assessment of our supply-chain practices for lead-acid batteries. This sector has environmental health and safety risks

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well beyond most of our other supplier sectors and warranted special review. IPE connected us with OK International in the U.S.; since the end of 2011, we have been assessing our supplier selection, management and performance processes both on the front-end (purchasing batteries from responsible suppliers) and back-end (ensuring retired batteries are safely recycled or reused).

- Network Vision Partners: Sprint's Electronic Stewardship Policy, originally published in 2010, included our goal to eliminate all e-waste from our own operations. We also announced our Network Vision project at the end of 2010 – a massive network project that includes the teardown of our iDEN network and retooling our CDMA network to support multiple protocols, including LTE. Sprint announced three partners for the project: Ericsson, Alcatel Lucent and Samsung. Each will play a role in both the iDEN de-installation and the protocol expansion at CDMA sites. Both efforts could potentially generate large amounts of e-waste that would need to be carefully managed to ensure we'll still meet our e-waste commitments. A team of Sprint's e-waste experts met with each of the three vendors to review their management practices, and created a separate e-waste management agreement with each. At the beginning of 2012, Sprint submitted an RFP to multiple vendors for overall e-waste management of the project.

Each of these efforts provides lessons for future sector-specific engagements. We have clearly benefited from the help of independent and NGO experts, recognize the need to share the issues and practice options with the actual suppliers and have worked to create meaningful tools to measure supplier performance. We have not identified "sticks" to punish our vendors if their performance doesn't yet meet our standards, nor have we incorporated our environmental and social criteria into our supplier contracts. In most cases, our management approach is relationship-based: we focus on the issues that matter, work with independent experts to inform our opportunities and process, and provide support to our vendors to improve their processes. We still consider this a work in progress, but we are pleased with the effectiveness we've seen so far.

PRIORITY: WE WILL STRIVE TO REDUCE THE ENVIRONMENTAL IMPACT OF OUR PRODUCTS AND SERVICES

With an energy-intensive network, 56 million customers and a product offering that has consumers seeking a new cell phone every 14 months, a telecommunications company like Sprint has much to consider in our quest to reduce our environmental impact. We work internally and with our partners throughout our supply chain to mitigate our footprint as well as offer our customers more sustainable products to help reduce their footprints. This requires us to look at the entire lifecycle, from design to purchase to disposal, reuse and recycling.

Sprint has two primary goals in this area:

1) Ensure 70 percent of our devices launched meet Sprint environmental criteria by 2017
2) Achieve a 90-percent device-collection rate (measured as the number of total devices collected divided by the number of devices sold) by 2017

SETTING THE STANDARD – DEVICE DEVELOPMENT

After launching the first technologically advanced eco-friendly device in 2009, Sprint recognized that a sustainability standard for mobile phones needed to be developed. We believed a product marketed as "green" should follow a strict set of criteria and obtain third-party verification. We partnered with Underwriters Laboratory Environment (ULE), widely seen as the world's most trusted third-party testing and certifying partner for environmental products, to develop what is now the first environmental standard for wireless mobile phones: ULE 110, which was launched in early 2011.

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Also in 2011, Sprint began to work with Samsung to develop the first mobile phone to meet the ULE 110 standard. In May 2011, the Samsung Replenish from Sprint became a reality. It was the first wireless mobile device in the United States to receive ULE 110 certification and the first to achieve the highest possible certification, Platinum (the phone went on to garner best product design by Global Green, USA). Sprint has since launched seven more Platinum-certified devices, even launching eco-friendly devices on our pre-paid brands Virgin and Boost – and we continue to lead the industry in offering more Platinum-certified devices than any other U.S. wireless carrier. Early 2012 results indicate that our suppliers are doing a good job producing devices that meet ULE 110 criteria, which should result in a strong performance result on our sustainable-device goal next year.

ULE 110 STANDARD GUIDELINES:

- Sensitive-materials usage
- Energy management
- Manufacturing and operations
- Impact to health and environment
- Product performance
- Packaging
- Product stewardship
- Sustainable innovation

ENVIRONMENTAL SCORECARD = IMPROVED PRODUCT DESIGN

When a corporation the size of Sprint requests specific environmental performance from its suppliers, the suppliers have incentive to modify their products and processes to meet the requirements – providing improved products and processes for the entire industry. To continue the momentum behind third-party certification, we announced in late 2011 that Sprint would be updating our environmental vendor scorecard. Those changes included:

- All devices must go through ULE assessment
- More easily repairable devices
- More aggressive packaging requirements

These changes will ultimately reduce Sprint's overall impact on the environment and save the company money. By the end of 2012, we believe more than half of the phones Sprint launches will meet our scorecard requirements and do not see any risk in achieving our 2017 device sustainability goal.

DEVICE COLLECTION

Sprint was the first in the industry to announce an ambitious, long-term goal for device collections. We aim for a 90-percent collection rate by 2017 (i.e., to collect nine devices for reuse and recycling for every 10 devices sold annually). Sprint's collection rate for 2011 was 40 percent, nearly halfway to our goal. This is quite an accomplishment, considering that on average only 10 percent of mobile devices in the U.S. are turned in for recycling. See the table to view the trend behind Sprint's annual collection rate since 2007.

SPRINT'S DEVICE COLLECTION RATE FOR RECYCLING AND REUSE

Year	Collection Rate
2011	40%
2010	36%
2009	42%
2008	34%
2007	22%

As you can see from the table, collection rate has varied significantly over the past five years, reaching a high of 42 percent in 2009. This variation is the result of several important factors and must be understood in order to put our results into context. First: Variables in both the numerator (collected devices) and denominator (devices sold) impact the results. The numerator includes devices collected through our Buyback, Project Connect, Insurance and Repair programs, as well as Satisfaction Guarantee Returns and Exchanges. The denominator includes new device sales, Satisfaction Guarantee device exchanges and device replacements for Insurance and Normal Wear & Tear. So, although collections through our Buyback program have grown dramatically, the overall rate has remained relatively consistent as the denominator has increased through both increased sales and a decreased number of returns by dissatisfied customers.

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Second, we recognized problems with the reporting methodology used prior to 2011. This year, we established and documented a more robust measurement process for 2012 and beyond. Unfortunately, we will not be able to restate results prior to 2010, so will have to maintain the numbers we've reported in years past. We will note this measurement change in relevant disclosures. We believe the 2011 result of 40 percent is an accurate reflection of our year-end result and attribute the significant improvement we experienced to our success with the Sprint Buyback program in retail stores.

Sprint Buyback

RECOGNITION AND LEADERSHIP

- Compass Intelligence calls Sprint's buyback program the best in the industry (November 2011).
- In 2010 and 2011, Sprint received the Sustainability Leadership Award from the International Electronics Recycling Conference & Expo.
- Sprint was the first major U.S. wireless provider to:
  - Financially reward customers for trading in eligible phones from any provider in store
  - Offer an instant buyback credit for new purchases
  - Launch a wireless-recycling/ buyback site dedicated to Spanish-speaking customers
  - Launch a buyback program for a prepaid brand – Boost Mobile

CUSTOMER OUTREACH

In February 2010, Sprint became the first major U.S. wireless provider to buy back eligible phones from any provider in store and to provide customers with an instant credit for that trade in. This program enhancement was backed with training and support for the company's retail associates and a system to track performance. The results were impressive: By the end of 2011, Sprint-owned retail stores posted nearly a threefold increase in the average number of purchases that had a recycling transaction tied to it. During that same time, Sprint's preferred dealer stores achieved more than a tenfold increase.

In addition to in-store and online offers, we've been actively working to integrate takeback offers across the customer experience. When customers call Sprint Care and speak to a representative for any reason other than insurance or repairs (two matters that can result in device collections through means other than the Sprint Buyback program), they will receive an invitation to participate in Sprint Buyback. Shortly after customers purchase a new device, they also will receive a free text message from Sprint that indicates how much their old phone is worth and provides a link to the Sprint Buyback website. Sprint even offers a free, postage-paid recycling envelope in the box of nearly every new device sold.

VALUE TO THE BUSINESS

Sprint's device-collection programs continue to provide tremendous value to the company, capturing millions of used mobile devices, diverting them from landfills and even helping Sprint to avoid more than $1 billion in cost. They supply devices and accessories that can be remanufactured by Sprint and used in place of new ones to support our Service & Repair operations, Insurance program and customers looking to save money by purchasing pre-owned, certified phones. Our Sprint Buyback program also continues to incent customers for recycling their eligible devices. To date, customer proceeds have exceeded $100 million. We've pledged to continue finding new, creative and compelling ways to increase customer participation in the program.

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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 direct customers, we have the opportunity to more broadly enable others to reduce their environmental impact through applications and machine-to-machine (M2M) solutions that we have enabled through partners.

PRODUCTS AND SERVICES

Consumer Market – Sprint is helping customers reduce their GHG emissions by offering energy-efficient devices, Sprint's Green ID Pack with built-in applications such as carbon calculators help customers make better "carbon decisions," and accessories such as the Solio Bolt solar charger that allows device recharging using the sun rather than the electric grid.

Business Market – Sprint offers many business solutions that can help customers reduce GHG emissions, operational waste and cost. In general, the solutions can be classified as conferencing/collaboration, telecommuting/mobility, metering and monitoring, fleet/telematics and, of course, energy-efficient mobile devices with sustainable packaging. Some of these solutions are called "converged" as they combine wireline and wireless solutions; while others are mobile applications or machine-to-machine solutions (M2M).

MOBILE APPLICATIONS

Mobile applications represent the fastest growing segment in the wireless industry. Sprint has been working to empower and enable the developer community to succeed and get their applications noticed, therefore moving the company further along the open continuum. In 2010, we 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 a mobile browser. In 2011, we helped address one of the biggest hurdles developers face in the fast-growing Android Market: getting a new application noticed. The benefit of new programs like Place Your Ad (which we developed with WMC Global) is that developers of any application, including sustainability-oriented applications, receive a welcome boost in visibility.

In addition to offering developers a chance to directly offer their applications, Sprint packages application bundles, called ID Packs, by special-interest areas. In 2011, we released a Green ID Pack that includes access to the following content on four screens, each with its own theme:

- **Green Now:** Includes green news from TreeHugger.com, Earth911.com and GreenBiz.com, plus direct access to video shorts from TreeHugger TV. Earth911.com's iRecycle app also makes it easy to locate recycling drop-off sites anywhere across the country, for materials ranging from computers and compact fluorescent bulbs to paper and paint.
- **Live Green:** Includes a widget that delivers weekly tips from Green America, a link to Saasmob's Green You app (a personal carbon-footprint calculator) and shortcuts to green ideas for nearly every aspect of one's life from TreeHugger's "How to Go Green" index.
- **Shop Green:** Includes a widget from GreenDeals.org, eBay Green, EcoEtsy, Seasonal Harvest Life and the Light Bulb Finder. This suite of applications lets customers easily shop a wide selection of sustainable home products, eco fashion, green gadgets and more.
- **Take Action:** Includes links to the National Audubon Society, the Environmental Defense Fund and the Green Education Foundation.

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MACHINE TO MACHINE (M2M)

Sprint's commitment to sustainable-product design extends to one of the market's fastest growing opportunities: M2M (machine-to-machine). 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, Sprint's M2M Connected Transportation solutions help companies monitor and track truck fleets to reduce route miles, cut fuel consumption and reduce carbon emissions. These capabilities turn vehicles into multi-dimensional communication centers that help improve driver performance, reduce accidents, provide significant safety benefits, enhance fleet management logistics and have a potentially profound impact on environmental sustainability.

By helping companies better optimize, schedule, monitor and track deliveries, personnel and vehicles, Connected Transportation Means drivers waste less fuel looking for delivery destinations, gas stations and other locales; while their employers reduce emissions and carbon footprints, decrease costs and create enhanced personnel comfort and organizational efficiencies. At the same time, Connected Transportation technology is helping first-time and professional drivers learn safer driving habits.

Some of Sprint's 2011 M2M efforts that help others reduce their environmental impact include:

- Sprint partnered with Trimble's fleet solution to enable businesses of all sizes and of differing global markets to increase fleet productivity while reducing fuel costs, decreasing fuel emissions, improving safety and streamlining productivity and operations.
- Aeris® Communications, a Sprint strategic partner, leverages Sprint's national network to provide cellular connectivity to Hyundai Motor America's Blue Link® connected vehicle program.
- Sprint also helped 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 its customers a powerful emerging tool for promoting sustainability.
- Sprint and Neptune announced that Neptune's ARB® FixedBase™ Automated Metering Infrastructure (AMI) and ARB® FixedBase™ Automated Meter Reading (AMR) Systems are now available with Sprint 3G network communications backhaul. By leveraging the unique strengths of Neptune's 115+ years of experience and Sprint's reputation among enterprise customers for voice and data services, water utilities will now have access to one of the best AMR/AMI system solutions in the industry.
- Sprint and Proliphix partnered on a connected thermostat solution that helps small- to medium-sized retail-business owners reduce energy expenses and remotely monitor their storefronts while achieving a positive return on investment in just months. It supports three external wired sensors, which can sense temperature or dry contact closures from external equipment. Each of the sensors can provide independent alarms via email or text message when needed.

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- Sprint worked with SmartLabs INSTEON, a plug-n-play system that allows property owners to access and control energy consumption from a Web portal or a Sprint smartphone. INSTEON-compatible products enable energy management, demand response and scheduled load-shedding with real-time reporting and alerts. Property owners can schedule electrical devices to be turned on or off based on time of day, occupancy, weather conditions or ambient light levels. They can also opt for the utility to turn devices off when the local demand for electricity is exceedingly high. INSTEON can be used to control indoor and outdoor lighting, security systems, heating and cooling (HVAC), appliances, door locks and more while using existing wired infrastructure. Sprint has been testing this solution at a Sprint retail store; we've already seen energy savings there of more than 28 percent.

PRIORITY: WE WILL STRIVE TO DRAMATICALLY IMPROVE CUSTOMER EXPERIENCE AND EARN THEIR LONG-TERM LOYALTY

2011 KEY RESULTS

1) Sprint improved its score to 72 in the 2011 American Customer Satisfaction Index, tying for the No. 1 spot among wireless carriers for customer satisfaction.
2) Sprint postpaid customers' churn rate remained below 2 percent.
3) Billing adjustments were reduced by nearly 25 percent.

Throughout 2011, Sprint customers continued to see unprecedented, continuous improvement in their experiences – thanks in large part to the Sprint Customer Care organization.

Through an unwavering focus on the customer, we addressed "upstream drivers:" the reasons customers call us. During 2011, we built on previous momentum. By mid-year, Sprint recorded a 14th consecutive quarter of improved customer satisfaction and first-call resolution. During this time, retention of existing customers improved at a rate faster than that that of our competitors, and our overall cost of Customer Care operations decreased by 3.5 percent as churn and billing adjustments decreased.

CUSTOMER SATISFACTION AND BILLING ADJUSTMENTS

Sprint uses both internal and external indicators for customer satisfaction. Our internal indicators, which track customer satisfaction for the majority of our customer segments (prepaid, postpaid, wireless, wireline, consumer, business), indicate continued year-over-year improvement through 2011. We ended the year with a 3 percent improvement from 2010. Since 1Q08, customers who rate at the highest level have increased by 68 percent and our first-call resolution metrics show a 42 percent increase.

- We continue to focus on resolving customer issues on the first call (hitting an all-time high in 4Q11), removing reasons for customers to call us, driving quality and efficiency in customer interactions, providing consistency across all customer channels and touch points, anticipating our customers' needs and growing customer loyalty with every contact. By focusing on these priorities, we have reduced bottom-box survey responses (those customers rating us at the lowest satisfaction levels) to an all-time low.
- As a result of improved issue resolution, as well as improved pricing plans such as Any Mobile Anytime and Simply Everything, we have been able to reduce calls per subscriber by 10 percent year-over-year, and by 40 percent since 1Q08.

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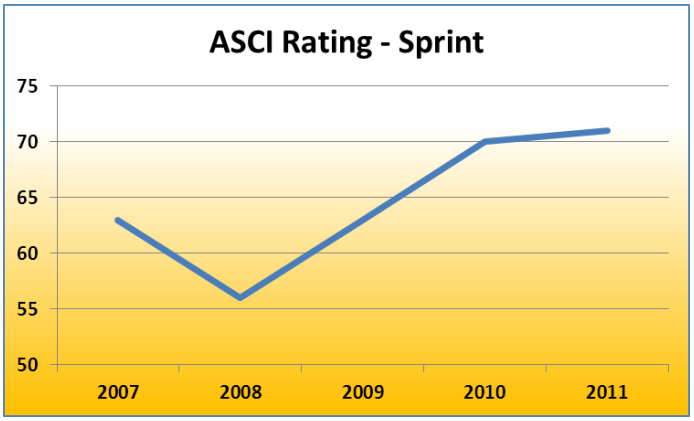
- Instead of “buying satisfaction” with bill credits, we’ve reduced Customer Care credits by 24.5 percent year-over-year and by 77 percent since 2008.
- Throughout 2011, Sprint added more customer-friendly capabilities to our online social-networking community of more than 50,000 registered contributors. Community users at sprint.cm interact with each other and with Sprint employees in open-forum discussions about products, services and all things wireless. In addition, Customer Care representatives are engaging customers on the Community site to help answer questions and solve problems.
- Additionally, we tweaked our agreements with vendor-operated call centers to ensure that performance models linked compensation to customer satisfaction.

We also track our customer satisfaction through external indicators such as the Nielsen Overall Customer Satisfaction measure, JD Powers Ratings and the American Customer Satisfaction Index (ACSI). Each uses a slightly different methodology. The external rating we are most proud of is ASCI. Every year, ACSI rates hundreds of 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 and in 2011 was the only major carrier whose score did not drop.



The ACSI survey finds wireless customers continue to feel a greater sense of loyalty to Sprint. Sprint is unbeaten among national carriers for our customer-loyalty rating and is the only national carrier to see consistent improvement in this area since 2010. Sprint was also cited in the ACSI survey as No. 1 in call-center satisfaction.

In the J.D. Power and Associates (JDPA) 2011 Wireless Customer Care Performance survey, Sprint had the largest year-over-year improvement among carriers, up 10 index points. J.D. Power also ranked Sprint in 1st place in Purchase Experience Study-Vol. 2, the fifth JDPA award of the year. Boost Mobile, a Sprint prepaid brand, won four JDPA awards in 2011 for Non-Contract Customer Service and Purchase Experience (Vol. 1 and 2).

CHURN

Sprint’s churn performance continued to improve in 2011. We report churn based on customers who purchase a two-year contract and have their device cost subsidized by Sprint (postpaid), and customers who purchase without a contract and pay full price for their device (prepaid). Prepaid churn was at 3.68 percent at the end of the fourth quarter of 2011, compared to 4.93 percent for the fourth quarter of 2010 and 4.07 percent for the third quarter of 2011. The quarterly year-over-year and sequential improvements in prepaid churn were primarily a result of improvements in the Virgin Mobile and Boost brands, and growth in the number of Assurance Wireless customers, who on average have lower churn than the remainder of our prepaid subscriber base.

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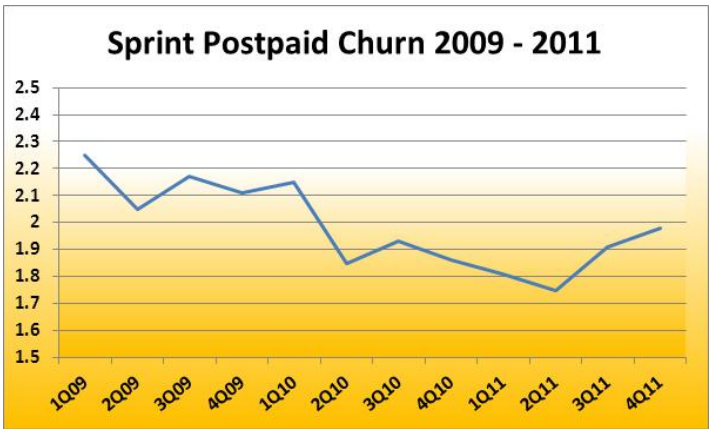

As you can see from the chart, Sprint postpaid churn had been steadily improving since the first quarter in 2008, but increased somewhat in the third and fourth quarters of 2011. This increase was the result of higher involuntary deactivations, which occur when Sprint disconnects a customer due to lack of payment or violations of terms and conditions. We expect this to be a temporary increase since it was associated with pricing actions taken primarily through Sprint's indirect channels. Our response was to tighten our credit standards to reduce the impacts of these types of promotional activities.

PRIORITY: WE WILL PROMOTE A DIVERSE AND INCLUSIVE WORKPLACE

2011 RESULTS

- Our Employee Resource Group participation rate at the end of 2011 was at an all-time high, with combined membership of 5,570 participants, representing nearly 14 percent of our employee population.
- Our employee-diversity profile remained fairly consistent from 2010 to 2011.
- Sprint directly procured services and products from small and diverse suppliers totaling $700,264,518 – a 19 percent increase from 2010. We provided performance targets for each business unit owner in 2011.
- We expanded our marketing focus with the Hispanic segment.

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 focus on the critical areas of employee representation and engagement; supplier diversity; participation in diverse, national strategic partnerships; and multi-cultural marketing.

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. Sprint had more than 5,500 employee participants in one or more ERGs as of the end of 2011, with particularly strong growth in our WISE ERG, one of the newer groups.

ERGs play a significant role in promoting inclusion both within Sprint and externally – often through activities such as the Sprint Beyond Borders Executive Speaker Series, an in-person and online event where employees can hear from diverse corporate leaders on relevant and timely business topics ranging from diversity in the workplace to the latest in marketing or international business. In addition, ERGs help their fellow employees celebrate culturally relevant holidays and events. Highlights from 2011 include:

- Sprint hosted the Chancellor of Kansas University, Bernadette Gray Little, and executives from four large corporations for a panel discussion on diversity as a force for innovation.

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- Throughout the year, ERGs hosted nearly a dozen cultural awareness events to recognize Black History Month, Gay Pride Month, Cinco de Mayo, Asian Pacific Heritage Month, Veterans' Day, Women's History Month and more.
- Sprint ERGs supported 230 mentor and mentee participants during 2011.

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 our company. We strive to increase purchasing initiatives with minority, women, service disabled-veteran, HUBZone and small businesses. These mutually beneficial relationships contribute to the financial success of both Sprint and our diverse suppliers. Sprint has a separate team that specializes in working with Sprint business units to increase spend with diverse suppliers.

- In 2011, we continued to educate our employees on the business benefits of utilizing diverse suppliers as a core component of our supplier-chain strategy. Education tools include an online supplier-diversity training course.
- The Supplier Diversity team regularly meets with both Sprint executives and the executives at Sprint's major suppliers to discuss opportunities to increase our diverse spend. Each Sprint Business Unit has specific supplier-diversity goals and reports its results quarterly to the Sprint executive team.
- Supply Chain also partners with the Sprint Sales Organization to identify small and diverse businesses that could qualify as vendors and/or customers.
- We continue to promote executive participation in national supplier-diversity events and the development of diverse suppliers via our Diverse Supplier Mentoring Program.
- Sprint policy allows business units to spend slightly more to secure a diverse supplier if all other decision factors are equal. These efforts resulted in a 19 percent increase in the procurement of services/products from small and diverse suppliers totaling $700,264,518.
- Sprint also has a diverse-spend policy in place for major suppliers – who are required to subcontract from 5 to 13 percent of their annual earned revenue from Sprint to diverse suppliers. In 2011, the diverse-supplier spend reported to Sprint from Tier 2 suppliers totaled $10,560,767,614 – a 50 percent increase from 2010.This significant increase is an indicator of improved reporting compliance, not necessarily increased diverse-supplier spend.

NATIONAL STRATEGIC PARTNERSHIPS

Sprint is the proud partner of many of the top diversity-focused organizations in the country; we believe these relationships are essential for building strong ties with the cultural communities that make up our employee and customer bases. During 2011, we sponsored events for:

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

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.

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During 2011, Sprint was recognized for inclusion and diversity from organizations such as:

- Human Rights Campaign (HRC) – Sprint received a perfect score on the annual HRC Corporate Equality Index; we've received this honor for the past seven years.
- CivilianJobs.com – Sprint was selected for the 2011 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 career-advancement opportunities. This is our fourth consecutive year on this list.
- Black Enterprise Magazine – Sprint was named one of 2011's Black Enterprise 40 Best Companies for Diversity. 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 #46).
- LATINA Style 50 Magazine – Sprint was named to LATINA Style 50's Report (ranked at #46), which evaluates corporate America's career-advancement opportunities for Latinas.

MULTI-CULTURAL MARKETING

The Sprint Marketing organization seeks to attract customers from traditionally under-represented cultural segments within the United States, including African Americans, Hispanics, Asians, veterans and women. Efforts include a focus on our Android portfolio of phones, which fosters customization with the vast availability of applications that meet individual needs (including in-language/in-culture and an array of international plans and services).

Our most significant multi-cultural marketing focus is on the fast-growing Hispanic segment. Sprint offers billing, navigation and tools such as automated usage information in Spanish. Over the past two years, our efforts have included:

- A Spanish-language buyback site (www.sprint.com/recompra) to allow Hispanic customers a more environmentally responsible option for recycling any eligible unwanted devices – and receiving a credit of up to $300.
- The launch of three Hispanic-oriented Sprint ID packs: Lo2Yo Mujer, Lo2Yo Latino and Lo2Yo Futbol. Sprint ID Packs allow users of select mobile phones to customize their devices with a tailored set of applications, at the press of a button. Our Hispanic customers also have access to the Sprint Relay ID Pack, which offers tools and usability for deaf and hard-of-hearing customers.
- Sprint has a special agreement with the U.S. Hispanic Chamber of Commerce that provides Chamber members with discounts on our products and services for both corporate- and individual-liable accounts.

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All Employees	2007	2008	2009	2010	2011
Ethnicity					
Asian	6%	7%	5%	5%	5%
Black	19%	21%	21%	21%	21%
Hispanic	12%	13%	15%	14%	15%
White	59%	57%	55%	56%	55%
Other/Non-specified	4%	2%	4%	4%	4%
Gender					
Female	42%	43%	46%	45%	45%
Male	58%	57%	54%	55%	55%
Total Employees	59,990	56,298	40,364	40,197	40,217

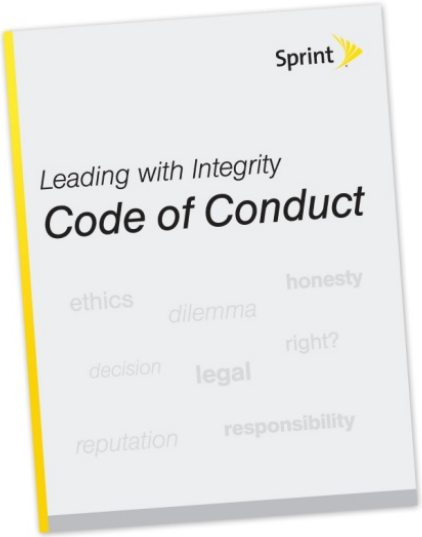
Management	2007	2008	2009	2010	2011
Ethnicity					
Non-White	21%	22%	23%	27%	24%
White	79%	78%	77%	73%	76%
Gender					
Female	32%	33%	35%	36%	35%
Male	68%	67%	65%	64%	65%
Location					
United States	99.8%	99.8%	99.7%	99.1%	99.5%
Other	0.2%	0.2%	0.3%	0.9%	0.5%

SPRINT DIVERSITY PROFILE 2008 – 2011

The two charts at left provide a synopsis of our employee profile over the past four years. As you can see, the total number of employees has decreased by more than 16,000 since 2008, with most of the reduction taking place in 2009. Our headcount has remained fairly consistent since 2009. In our total employee population, the representation of non-white and female employees has remained fairly consistent. The percentages have also been fairly consistent within our management team, with females increasing slightly from 33 percent in 2008 to 35 percent in 2011, and non-white management increasing from 22 percent to 24 percent. Employees outside of the U.S. remain low, representing less than 1 percent of the total for all four years.

PRIORITY: WE WILL PROMOTE ETHICAL CONDUCT

Sprint is committed to conducting business ethically and legally, and places all ethics-related company programs under the umbrella Leading with Integrity. 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 Sprint's key 2011 initiatives related to workplace ethics included:

- We updated our Code of Conduct and Code of Supplier Conduct. These ensure that our good intentions consistently take the form of appropriate actions. Our internal Ethics website was redesigned to be a self-serve, content-rich resource for employees seeking information on ethics, compliance and the Code of Conduct.
- i-Comply is an annual certification through which Sprint employees acknowledge their understanding of and compliance with corporate policies and guidelines. Employees navigate through the training, browsing resources and reading a series of statements that explain Sprint's expectations. Over the past four years, Sprint employees have consistently achieved a 100 percent completion rate.
- In 2011, Sprint's executives completed an executive disclosure in compliance with our company's ethics guidelines. Our goal of 100 percent participation has been achieved each year since inception.

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In addition, Sprint maintains the Sprint Ethics Helpline – a 24-hour resource for employees and other stakeholders to confidentially and safely seek advice or report any suspected violation of the Code of Conduct. The Ethics Helpline offers a toll-free number, an online form, an email address and a physical mailing address, allowing individuals to contact the program in the way that's most comfortable for them. Callers may remain anonymous, and any form of retaliation or adverse action for reporting in good faith is not tolerated. Of the matters that resulted in an investigation in 2011, 44 percent related to Human Resources issues, 29 percent involved a claim of falsification of records, 12 percent related to employee/company security, 11 percent involved a conflict of interest and 4 percent related to other matters. In 2011, Sprint met or exceeded internal and benchmark standards for substantiation rate and days to complete investigations.

PRIORITY: WE WILL PROMOTE A SAFE AND HEALTHY WORKPLACE

There are two primary groups at Sprint with responsibility for a safe and healthy workplace: Human Resources (HR) and our Environmental, Health and Safety (EH&S) team. The HR team supports employee health through a strong benefit program that encourages employees 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" environment by creatively and holistically working health into many on-site programs and policies.

The EH&S team helps reduce on-site accidents, injuries and illnesses through loss-prevention efforts, safe-driving programs, safety and health-training programs via Sprint University, a wide range of Web-based safety and health tools and resources, and site assessments by EH&S professionals.

2011 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. From 2008 to 2011, we earned gold-level awards.
- Our OSHA recordable Incident Rate and OSHA Recordable Cases rate were at their lowest point in four years.

EMPLOYEE HEALTH

We made great progress on this priority during 2011, expanding our fitness options, providing new online support services, increasing our health-education resources and promoting use of our on-site health centers. Highlights included:

- We expanded our on-site wellness activities at call centers and the headquarters campus in Overland Park, Kan.
- Sprint offered discounted benefit premiums to employees living in tobacco-free homes who completed a confidential Health Assessment. The assessment, which alerts employees of potential wellness concerns, had an 82-percent completion rate.
- Sprint launched our first-ever nationwide fitness competitions, enabling employees to compete as a team and have access to social networking and free, confidential wellness coaching:
    - The 12-week Sprint Get Fit Challenge (spring/summer 2011) focused on exercise minutes, weight loss and pedometer steps; 6,293 employees completed this challenge.

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- The six-week Sprint Get Fit & Festive Challenge (fall/winter 2011) focused on relaxation, exercise and healthy eating; 1,974 employees completed this challenge.

- We expanded on-site support via Wellness Ambassadors and Wellness Champions in seven new locations.
- Sprint piloted a program in two Texas call centers with a full-time on-site Wellness Ambassador, marketing program support and a personal Health Advocate connection for each employee. Over the six-month pilot, we saw 500 enrollments in company wellness programs.
- We launched an all-employee wellness-education campaign, Stay Healthy, including intranet and e-newsletter content focused on monthly health topics.
- We increased on-site fitness center membership by 133 people, to 2,039. Sprint has fitness centers on our Overland Park, Kan. and Reston, Va., campuses for employees and their eligible dependents.
- We increased visits to our confidential on-site health centers by 1,231 visits, or nearly 10 percent. We have health centers on our Overland Park, Kan. and Reston, Va., campuses for employees and their eligible dependents.
- Encouraged use of Sprint's bike-commuting program, which rewards employees who ride their bikes to work with reduced Fitness Center membership. The program had 3,768 uses in 2011.
- Sprint offers financial incentives to employees who enroll in and complete Sprint Alive! Health Improvement Programs. Participants can now receive up to $100 annually in prizes, plus be entered into a quarterly drawing for an additional $150 in prizes. All prizes provided are redeemed through our reward and recognition portal. In 2011, Sprint provided $215,500 in incentives for employees/dependents for completing programs.

SAFETY

During 2011, we continued our strong EH&S efforts at providing and promoting a safe and healthy environment, both at work and while away from work. For example, we:

- Completed 269 EHS Site Assessments (exceeding our goal by 34 percent)
- Began the planning and development of a Retail Store EH&S Visitation Program for 2012
- Continued improving and updating our Off-the-Job Safety & Health Website, to help protect our employees when they are away from their jobs
- Maintained a 24-hour EH&S Help Line for employees that have safety and health concerns.

Performance on several of our key indicators for employee health and safety improved from 2010 to 2011. Our Occupational Safety and Health Administration Recordable Incidence Rate decreased from 0.49 to 0.46, and our OSHA Recordable Cases decreased 10 percent, from 211 to 191. Our Lost Workday Incidence Rate, Lost Workday Cases and Days Away from Work increased from 2010 to 2011. While the Lost Workday Incidence Rate of 0.17 did increase 13 percent, it remained

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significantly below the benchmark Telecommunications Rate (from the Bureau of Labor Statistics – BLS) of 1.2. 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 2011

	2008	2009	2010	2011
OSHA Recordable Incidence Rate	**0.63**	**0.58**	**0.49**	**0.46**
Recordable Cases	**342**	**288**	**211**	**191**
Lost Workday Incidence Rate	**0.07**	**0.16**	**0.15**	**0.17**
Lost Workday Cases	**41**	**79**	**62**	**74**
Lost Time Severity Rate	**2**	**8.1**	**5.82**	**7.06**
Days Away from Work	**1,080**	**4,055**	**2,483**	**2,946**
Total Hours Worked (millions)	**107.6**	**100**	**85.4**	**83.4**
Number of Fatalities	**0**	**0**	**0**	**0**

PRIORITY: WE WILL PROMOTE AND SUPPORT ENVIRONMENTALLY FRIENDLY BEHAVIORS

There's little doubt that employee engagement is a key ingredient in any company's path to sustainability; this has a significant impact on how we recruit, train and relate to our 40,000 employees. Sprint has a variety of programs specifically designed to engage our employees more fully and help them see the direct link between their personal contributions and our success. We cannot achieve our financial, environmental or social goals without the active participation of our employees.

As with all business matters, we consider "diversity of thought" to be a critical part of our inclusive workplace; to this end, we recognize that employees have varying opinions and that not everyone should be expected to become a "green" advocate within Sprint. We expect all employees to be aware of Sprint's commitment to sustainability and to take actions needed to achieve our long-term goals. We encourage employees with a strong interest to directly participate in our sustainability programs and consider becoming a sustainability champion within their own department. We now have nearly 200 employees participating in one or more of our sustainability working committees, and are aware of many more employees who are driving green efforts locally or within their business function.

In 2011, we continued to engage employees in the area of sustainability and support their environmentally friendly behaviors in a variety of ways:

- In December 2010, Sprint launched a national alternative-transportation program, Sprint Smart Commute, which provides employees with ways to "green up" their journey to work. Smart Commute options include local mass-transit schedules, information on telecommuting, opportunities to meet nearby employees interested in carpooling and other tips for employees wanting to reduce their commuting-related greenhouse-gas emissions. In 2011, our nearly 2,000 participants logging their greener commutes saved approximately 400,000 pounds of CO_2 emissions.

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- Sprint's annual Earth Day events bolster our company culture and foster a sense of shared purpose and community by highlighting our dedication to green business practices in a way that's fun and accessible. The 2011 event at Sprint's Overland Park, Kan., headquarters campus hosted more than 2,000 associates and included live entertainment, food, games and more than 50 internal and external speakers and Sprint volunteers. Smaller events were held at 12 other sites across the country. Our Earth Day events offer a fun way for employees to engage directly with each other and with our sustainability efforts. They're supplemented throughout the year by employee-driven events, contests and celebrations such as a "green marketing" event so that employees can learn more about Sprint's eco-friendly devices, personal-document shredding/ recycling days and personal e-waste recycling days.
- Since 2008, Sprint has participated in 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 its significance through our employee intranet and our sustainability newsletter. Our iconic campus clock tower went dark for the event, and employees were encouraged to participate personally.
- Sprint has a broad range of employee-engagement efforts for sustainability such as environmental-volunteerism events and battery recycling. We also have a dedicated employee website, Green Leadership, where employees can learn about corporate-sustainability efforts and actions they can adopt at home to live a more environmentally responsible lifestyle.

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.

Businesses and the communities in which they operate are interdependent. Businesses contribute to their communities by providing employment, wages, purchases, investments and taxes. Meanwhile, communities contribute to businesses by offering a location where employees want to live, educating both existing and prospective employees and, ideally, partnering with businesses on ideas and projects. The result is a vibrant, growing and inclusive community with a sound tax base and satisfied residents and employees. Sprint is dedicated to the creation and support of initiatives and programs that contribute to a strong community infrastructure while still maintaining our responsibility to shareholders. We carefully choose our community and civic investments in order to maximize impact and remain cost effective. It is a testament to our commitment to the community that we were able to contribute so meaningfully in 2011.

SPRINT ENGAGES WITH AND SUPPORTS THE COMMUNITIES IT SERVES IN SEVERAL WAYS:

- Community Support – grants, sponsorships and in-kind donations
- Employee Engagement
- Social Programs
- Disaster Relief

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COMMUNITY SUPPORT – GRANTS, SPONSORSHIPS AND IN-KIND DONATIONS

Sprint's charitable programs are managed through our centralized Community Affairs team. This team's efforts include screening requests for sponsorships to determine which best fit with Sprint's giving priorities, have the greatest need and present the greatest opportunity for positive impact. Similar processes are engaged when reviewing requests for grants from Sprint's separate philanthropic arm, the Sprint Foundation. During 2011, Sprint provided charitable support for nearly 900 unique organizations, including more than $4 million in grants from the Sprint Foundation. Examples of community support efforts in 2011 included:

- A million-dollar grant to establish an endowed professorship at the University of Missouri-Kansas City (UMKC). The professorship will reside in the soon-to-be-established Urban Education Research Center and is part of a larger UMKC strategic plan for the School of Education in creating transformational changes in educational research, equity, access and policy and practice.
- A million-dollar grant to the University of Kansas Cancer Center's Hematology/Oncology Division Directorship position for the next five years. The grant was a critical part of the effort to gain National Cancer Center Institute (NCI) designation in the Kansas City area, an achievement that was reached in summer 2012.
- Sprint's 4G team provided Sprint 4G service, 4G-enabled notebooks from Dell and Overdrive 3G/4G Mobile Hotspots from Sierra Wireless to 31 Teach for America teachers and classrooms across the United States. The classrooms were selected based on their teachers' answer to this question: "What could America's best and brightest do with 4G?" Teach for America is the national corps of outstanding recent college graduates of all academic majors and career interests who commit two years to teach in public schools and become leaders in the effort to expand educational opportunity.

- The Sprint Local Giving Program provides annual Sprint Foundation grants to non-profit organizations in the cities of Atlanta, Dallas/Fort Worth, Denver and New York that support our philanthropic focus areas. In 2011, more than $200,000 was provided through this program.
- Sprint provided nearly $750,000 in community sponsorships to support local non-profit organizations; donated nearly $400,000 in in-kind support such as tickets to events, devices and wireless service; supported Sprint-employee board members at over 150 local non-profit organizations and contributed as a member to more than 30 community organizations including Chambers of Commerce, Foundations, Bureaus, Societies and not-for-profit organizations across the nation.

EMPLOYEE ENGAGEMENT

- In 2011, Sprint employees helped contribute more than 152,000 volunteer hours to community organizations across the country, worth an estimated $3.2 million. Sprint supports employee action committees that organize and run group volunteer events in their local communities.
- We held two national employee-giving campaigns in 2011 – one for United Way and one for Feeding 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 2011, Sprint donated more than $2.4 million nationwide, an increase of 14.3 percent versus the 2010 donation total. During this campaign, we also engaged more than 500 employees to manage the campaign and increase awareness and participation. Sprint's 2011 Food Drive provided more than 515,000 meals nationwide in partnership with Feeding

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America and Harvesters in Kansas City. This was a 12 percent increase over 2010's total, which was the company's first-ever nationwide food drive. As a result of these efforts, Feeding America awarded Sprint the Feeding America Network's Group Volunteer of the Year award in 2011.

- The Sprint Foundation provides Dollars for Doers grants to employees who report 40 hours of volunteer time to qualified non-profits during a calendar year. The Sprint Foundation also provides Matching Gifts for employee donations to qualified nonprofits. Between these two programs, employees were able to direct nearly $600,000 to the non-profits they personally support.

SOCIAL PROGRAMS

- 4NetSafety – Sprint has been a leading advocate for Internet-safety education for young people since 2007. Our 4NetSaftey program is designed to help tweens and teens understand the impact of the decisions they make online and the potential dangers they face. It also educates parents and guardians about the online habits of young people, and helps educators implement Internet-safety education. Sprint contributed more than $1 million to 4NetSafety in 2011, bringing our total contribution since 2007 to more than $4 million. In 2011, Sprint partnered with organizations such as the National Center for Missing & Exploited Children, the National Education Association Health Information Network, the Boys & Girls Clubs of America and the Family Online Safety Institute to distribute educational content, which is provided in a variety of formats and delivered in the way that will be most meaningful for the intended audience. Examples include animated videos and online games for kids, safety tips and ideas for parents and classroom guides for educators.
- Distracted driving – Sprint recognizes the risk customers and others face when they drive distracted; and we've taken a strong position to provide free education about the dangers of distracted driving and provide solutions that help reduce the risk. Top efforts in 2011 included:
    - We introduced Sprint Drive First, a safe-driving application available on Android phones that automatically detects movement above 10 miles per hour and locks the phone. Incoming calls are directed to voicemail and incoming texts receive a standardized response. When the driver stops, the application automatically "unlocks" the phone and allows normal wireless behavior.
    - We released DriveCam – a device which turns on a camera when g-forces indicate a driver is driving dangerously. American Family Insurance offer DriveCam program at no charge to all of its families with insured teen drivers.
    - We partnered with ABC and the television program, Extreme Makeover: Home Edition, to benefit a family affected by distracted driving. The special two-hour episode spotlighted dangers of texting while driving and a Texas family that turned a tragic loss into a mission to educate drivers on unsafe wireless use behind the wheel.
    - Sprint also supported DoSomething.org's Thumb Wars campaign, which provided thumb socks as a visual reminder to stop teens from texting while driving.

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- RE*Generation – Virgin Mobile, one of Sprint's prepaid brands, focuses on the issue of youth homelessness through several projects. Perhaps the best known of these programs is the annual Virgin Mobile Freefest, where festival goers are asked to donate a minimum of $10 to support the construction of a homeless-youth shelter. 2011 donations built the Virgin Mobile RE*Generation House, a homeless-youth shelter in Washington, DC, that was developed in partnership with Sasha Bruce Youthwork, a nationally recognized non-profit dedicated to transforming the lives of young people. Freefest has raised nearly $600,000, generated more than 75,000 hours of volunteer time and created more 25,000 outreach kits. The 2011 FreeFest, which included presenting sponsor Kyocera, included opportunities to support disaster relief in Japan, allowing fans to donate to those in need through its onsite activities.

DISASTER RELIEF

- U.S. Tornadoes – 2011 was a terrible year for tornadoes in the Midwestern and Southern sections of the U.S. In the first week of May, strong storms and tornadoes ravaged the southern U.S., producing extensive damage in Alabama, Arkansas, Georgia, Missouri, North Carolina, Oklahoma, Tennessee and Texas. Sprint provided a van equipped with mobile-calling capabilities to enable Sprint customers and other wireless users in and around Pleasant Grove, Ala., to call their families and friends, access the Internet, charge batteries, get their wireless devices fixed or replaced, order replacement phones and initiate insurance claims. Sprint's Emergency Response Team (ERT) provided several local sheriffs' offices, hospitals and trauma centers with Cell Sites on Wheels (COWs), Satellite Cells on Light Trucks (SatCOLTS) and Sprint ERT Go-Kits™ to provide immediate access to mobile-communications tools for their recovery efforts. We also provided a $100,000 donation through the Sprint Foundation to American Red Cross relief efforts, and waived standard text-messaging fees for mobile donations in support of the storm relief.

Sprint Cell Sites on Wheels (COWs)

Credit:123RF Stock Photo

- Joplin, Mo., Tornado – Within two weeks of the widespread tornado outbreak in the southern and Midwest U.S., a catastrophic EF5 multiple-vortex tornado struck Joplin, Mo.– located just a few hundred miles from Sprint's Overland Park, Kan. headquarters. The tornado reached a maximum width in excess of 1 mile during its path through the southern part of the city. The Sprint Foundation provided $100,000 to the American Red Cross in support of Joplin tornado relief and deployed a Sprint Mobile Services Van to provide wireless calling, Internet and wireless-device support services to customers needing help. Seven hundred Sprint employees assembled and donated 10,000 sack lunches to Joplin families impacted by the tornadoes. Through its Virgin Mobile brand, Sprint partnered with KB Mobile in Springfield, Mo. to provide 50 Joplin residents with free mobile phones and two months of free service. Sprint's ERT provided critical communications resources and personnel to aid local first responders, public-safety officials and emergency medical workers managing the recovery in Joplin. And, we waived late fees, overage charges and roaming charges to local residents.

Credit:123RF Stock Photo

- Japanese Earthquake – Within days of the tragic earthquake and resulting tsunamis in Japan in March 2011, Sprint announced free calling and texting to and from Japan to help customers reach their loved ones and emergency personnel in the area. Sprint also waived standard text-messaging fees for various Japan disaster-relief short codes and mobile-donation campaigns.

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SOCIAL ENGAGEMENT

Sprint recognizes the opportunity to understand and help mitigate potentially negative impacts of this mobility revolution, and to remove physical and economic barriers that isolate portions of our population. We did not specify these areas in our CR operating priorities for 2011, but we could not ignore the opportunity and began working aggressively in these areas during 2011.

ACCESSIBILITY – OVERCOMING PHYSICAL AND ECONOMIC ACCESS TO MOBILE TECHNOLOGY

Many of us have unfettered access to mobile technology, but many people don't. Whether a physical barrier such as blindness or deafness keeps someone from effectively using the full range of mobile-communication services or the person who can't afford even a no-frills wireless phone to help with their job search, "access" to mobile technology is not available to all. We can't forget about these often-over - looked segments of the population who have so much to offer but aren't able to participate in mobile communication in the same way or as easily as most of us. We are determined to change that.

You've read about our environmental efforts and our commitment to customers, employees and communities, but not yet our commitment to society – our interest or, more aptly put, responsibility to act as a positive force in the world at large. Few can deny the social impacts that have come with the expansion of mobile technology. People and machines are connected in ways we never thought possible just a decade ago. You see cell phones in the hands of nearly every person at work, at play and on the street. With this seeming ubiquity comes challenge. There are new concerns about privacy, safety and security when data is shared in ways never imagined. There are people left isolated, who – through physical or economic difficulty – do not have equal access to the rich benefits the mobility revolution provides.

ACCESSIBILITY FOR THE PHYSICALLY CHALLENGED

Sprint is the largest and most technologically advanced Telecommunications Relay Service provider in the United States, with more than 20 years of experience in providing relay services that help persons who are deaf, hard-of-hearing, deaf-blind or have a speech disability to communicate with hearing persons over the phone. Relay service is funded by states, which individually contract with service providers such as Sprint Relay. Sprint Relay added two new states in 2011, Wyoming and Kentucky, bringing its total to 32 states, plus the federal government, New Zealand and the Commonwealth of Puerto Rico. 2011 was a busy year for the Sprint Relay team, as they added several new services to expand our capabilities and quality of communications for people who have a speech or hearing disability. Highlights included:

- Launched Wireless CapTel, powered by Raketu, which allows users to read conversations with real-time word-for-word captions on wireless Android phones (OS 2.2 or higher). Callers are no longer limited to using a specialized Captioned Telephone to place and receive their calls.
- Released Sprint Mobile IP Relay, which allows users to make and receive relay-facilitated mobile calls on Sprint devices running Android OS 2.1 or higher. A relay-facilitated call is one where an agent acts as the "translator" between the two callers, translating spoken word into text and vice-versa. With Sprint Mobile IP Relay, these calls can now take place through an Android wireless device.
- Announced the Sprint Relay ID Pack, which offers a customized bundle of applications, links, tips, icons, widgets and wallpapers that have taken into consideration the unique informational and entertainment needs of deaf and hard of hearing customers. The Sprint Relay ID Pack includes applications for Video Relay Service (for sign-language users), calendar, visual alerts and notifications, TuneWiki to read and learn the lyrics to songs, movie captioning, and Google Voice.

Sprint Relay earned Ability Magazine's Best Practices Award for its innovative implementation of Video Relay Service and for its spirit of inclusion, both in the workplace and in the consumer marketplace. Sprint Relay also earned top

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honors in customer care and speed in the 2011 Paisley Group National Relay TTY Performance Index. Sprint was the only provider to earn a perfect score in the overall customer-care category.

In the middle of 2011, Sprint established a Corporate Responsibility Working Committee focused on providing services to the physically challenged, with an initial focus on service offerings for blind and visually impaired customers. By the end of the year, we completed a roadmap for devices and applications that would meet the needs of these customers. We also increased our stakeholder engagement in this specialized community, gathering their thoughts on our opportunity and incorporating their feedback into our plan.

ACCESSIBILITY FOR THOSE WITH LOW INCOMES

Sprint's newest brand is Assurance Wireless, which provides eligible consumers with the basics they need to stay connected to potential employers and medical and childcare providers: a free cell phone, 250 free monthly voice minutes, a voicemail account, call waiting, caller ID and access to 911. Customers can choose from other options to pay for additional minutes, texting, international calling and other features at competitive rates.

Assurance Wireless is a Lifeline Assistance program funded through the federal Universal Service Fund designed to ensure that essential telecommunications services are available to low-income consumers at affordable rates. The Lifeline program is available to eligible low-income consumers in every state, territory and commonwealth and on Tribal lands. To be eligible, consumers must either have an income that is at or below 135 percent of the federal Poverty Guidelines or participate in one of several federal or state assistance programs. Eligibility varies by state, and customers must provide supporting documentation to prove eligibility. Prospective customers can learn more at Assurance Wireless.

People who don't qualify for Assurance Wireless but who are struggling financially and searching for affordable, high-quality mobility services can take advantage of payLo by Virgin Mobile. payLo was designed with value-conscious wireless consumers in mind, offering plans for as little as $20/month for 400 minutes or 90 days of service for $20 at a rate of $0.20/minute. payLo is available at more than 40,000 retail stores, including Best Buy, RadioShack and Target. Prospective low-income customers who find they are not eligible for Assurance Wireless may learn more about Virgin Mobile's no contract payLo Plan options by visiting Virgin Mobile.

Assurance Wireless was launched in 2009 with service in four states, making it available to 14 percent of Lifeline-eligible consumers. By the end of 2010, Sprint added another 10 states, expanding its coverage to 44 percent; in 2011, we added 16 states and the District of Columbia, increasing coverage to 67 percent of Lifeline-eligible customers. We expect Assurance Wireless to launch in additional states in 2012.

PRIVACY, SAFETY AND SECURITY – THE BENEFITS AND RISKS OF THE CONNECTED WORLD

The explosion of mobile connectivity is creating new challenges that content providers, carriers, corporations and individuals are struggling to understand and respond to: protecting personal data that users store on mobile devices or send to others; restricting content and communication capabilities for minors; keeping devices safe from hackers, viruses, thieves or just plain damage; and providing use guidance and tools that keep people from communicating unsafely (while driving, flying or even walking in some cases). On the flip side, we are seeing incredible benefits in our ability to respond to disasters, find missing people, report a crime, assess damage for insurance claims, provide widespread instant alerts and more.

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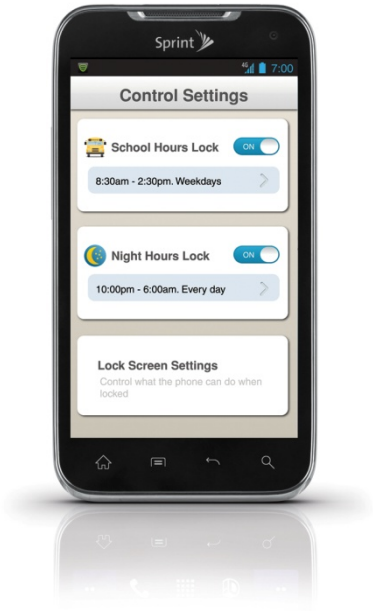

- Established the Mobile Security Council to raise awareness and offer solutions to address mobile protection, safety and security needs. The Mobile Security Council is an open forum for players in the mobile ecosystem and meets quarterly. The initial objectives of the Mobile Security Council include:
    - Assess the current mobile-security landscape and define an ideal state of security across the industry
    - Influence baseline security standards for the industry (device, software and network)
    - Increase level of awareness of security issues and options for the end user
    - Encourage strong participation and buy-in from industry players
- Launched the Total Equipment Protection Application to improve customers' protection against loss, theft or damage. With this application, customers can locate a lost device by sounding an alarm on the smartphone, doing a real-time locate via GPS technology or viewing the phone's location history on a map via a Web interface. They can also remotely lock their phone, erase contacts in the address book and backup, manage and restore contacts.
- Provided easy customer access to McAfee Mobile Security and McAfee Family Protection Android Edition through our Sprint Zone or the Sprint Tab in the Android Market. These solutions improve consumers' ability to protect important information stored on their mobile devices and also provide parents an application that will allow them to filter inappropriate websites on their child's mobile device.
- Launched Sprint Mobile Controls powered by Safely, which will allow parents to see rich graphical representations of how their family calls, texts and uses applications, and to lock phones remotely at specific times. Parents benefit from an easy-to-read dashboard of phone usage, including voice and text messages broken down by time of day, the ability to set limits by phone number, time of day and day of week, and the option to set alert notifications for new contacts, school hours, and many more essential management capabilities to ensure their children are using their mobile device appropriately and that their safety and privacy is well protected.
- Launched Sprint Drive First, a new application that automatically locks a mobile phone when a car is moving more than 10 mph, disabling phone functionality, directing incoming calls to voicemail, and silencing distracting alerts for emails and text messages.
- Became the first U.S. carrier to launch wireless emergency alerts (WEA) on its mobile network (in partnership with the Federal Emergency Management Agency [FEMA]). The alerts will be from the president of the United States, the National Weather Service and state and local emergency operations centers. Sprint performed the first trial of the technology for the system in the fall of 2010, working with the California Emergency Management Agency and the San Diego County Office of Emergency Services, and subsequently participated in the nation's first test of the WEA system in New York City in 2011.

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LOOKING FORWARD: CHALLENGES AND LESSONS LEARNED

FEEDBACK

If you have any questions or comments about what we've shared in this report, in our GRI index, or in our CR website, or if you have ideas or best practices we should consider, please contact us csr@sprint.com. Part of our vision is to advance CR practices within the Information and Communications Technology (ICT) sector. Our ability to achieve this is based on our willingness and effectiveness in sharing our own CR best practices, and in learning from others. Thank you for supporting our journey.

We believe 2011 should be seen as a pivotal year in Sprint's CR journey. Although we'd previously made significant progress towards many of our goals, for the most part the efforts were functionally led and intended to either reduce costs or support our corporate reputation. These are both important goals, but deliver only a portion of the value CR can bring to an organization once it takes action to use CR as an engine for revenue growth. Sprint now recognizes that CR can be used to drive cost out of the business (e.g., eliminating waste and improving resource efficiency), create revenue by providing social and environmental technology solutions, and increase capital investment by targeting long-term Socially Responsible Investors (SRI). We've also seen the less measurable but equally important impact CR has in engaging our employees, increasing their loyalty to Sprint and enabling us to recruit the best and brightest who seek a company that mirrors their personal values. This recognition gives us a greater sense of purpose, allows us to more fully engage the creativity of our employees, suppliers, customers and other stakeholders to develop, sell and maintain products and services that enhance our environment and society as a whole.

As should be expected, this year of pivotal change came about through challenges: challenges regarding the role of CR in Sprint's strategy, the breadth of what should be included in our CR efforts, the discomfort of increasing disclosure on a broad range of topics and becoming advocates for regulation that benefitted our customers, the environment and society rather than just our own company. These challenges get at the heart of our culture and corporate identity and, in the end, with support from the top and bottom of our employee base, Sprint embraced this new vision. In 2012, we will begin bringing this message to bear both internally and in the market.

Throughout this report, we've shared our successes and roadblocks. Although we've made tremendous progress, there is so much more we can do. We now recognize the unlimited potential CR offers in fueling ingenuity, collaboration, satisfaction and, ultimately, business success. Capturing this potential and moving from recognition to business integration will not be easy, so in 2012, we have the following objectives to further our vision and ensure continued operational success:

(1) Formalize the responsibility of the Board of Directors in overseeing Sprint CR efforts

(2) Finalize and execute against a multi-year CR strategy and expand the scorecard to include social metrics

(3) Expand external assurance of our CR activity: GHG emissions, water, Global Reporting Initiative (GRI)

(4) Implement a CR Data Management System

(5) Intensify and expand our stakeholder-engagement efforts across the breadth of our CR priorities

(6) Explore options to more directly link executive and employee compensation or incentives to CR performance

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