



# **2015 Corporate Responsibility Supplement**

**verizon**<sup>✓</sup>

**2015  
Corporate  
Responsibility  
Supplement**

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# President's letter



**Rose Stuckey Kirk**

Chief Corporate Responsibility Officer &  
President, Verizon Foundation

The power of our technology gives us a big responsibility and a big opportunity. Because our technology can solve critical needs and drive social change, we make it our business to use our assets to make the world a better place for us, and for future generations. Across all that we do, we work to benefit the communities we serve, starting by being transparent in our business practices, operating with integrity while upholding the highest ethical standards in all our relationships, and doing everything we can to make the world greener.

But we know we must do more than that. We must use our resources and expertise to create innovative solutions that help the most vulnerable in our society. That's why our focus is on education. We're investing the majority of our time and energy in education programs that create brighter futures for marginalized youth. We appreciate their great potential to change the world, and we can only imagine the breakthroughs they'll be able to make when they have the right tools and opportunities.

In the pages that follow, you'll read about the work we've done to create opportunities for students who lack resources. We've reached more than 100,000 so far, and we're just getting started. In the coming years, we'll reach even more communities, equip even more classrooms with vital technology and help even more children unleash their true potential.

Also in this report, you'll see our approach to corporate citizenship in our Corporate Responsibility Framework. You'll also learn how the power of our technology is driving innovation through what's known as the Internet of Things. This work

includes empowering chronic disease patients with digital tools that help them live healthier lives, as well as creating solutions for our customers to reduce their carbon footprint while we're hard at work reducing our own. And, you'll see the diligence and discipline in measuring our impact every step along the way so that we can continue to refine our efforts to yield meaningful results. You'll see that our work is having a positive impact. Every day, in many exciting ways, we are delivering on the promise of the digital world: a brighter future for everyone.

A handwritten signature in black ink that reads "Rose".



Students at Vista Innovation and Design Academy in Vista, Calif., are acquiring technology skills needed to succeed in the jobs of the future.

# Our Corporate Responsibility Framework



## Social-impact model



Leverage innovative technology to address societal challenges

## Benefits to business



Create license to operate and freedom to enter new markets

## Targeted stakeholder engagement across all focus areas



### Human rights

Address human rights risks associated with information and communications technology (ICT) products and services



### Supply chain

Address supply chain risks that could negatively impact Verizon



### Sustainability/environment

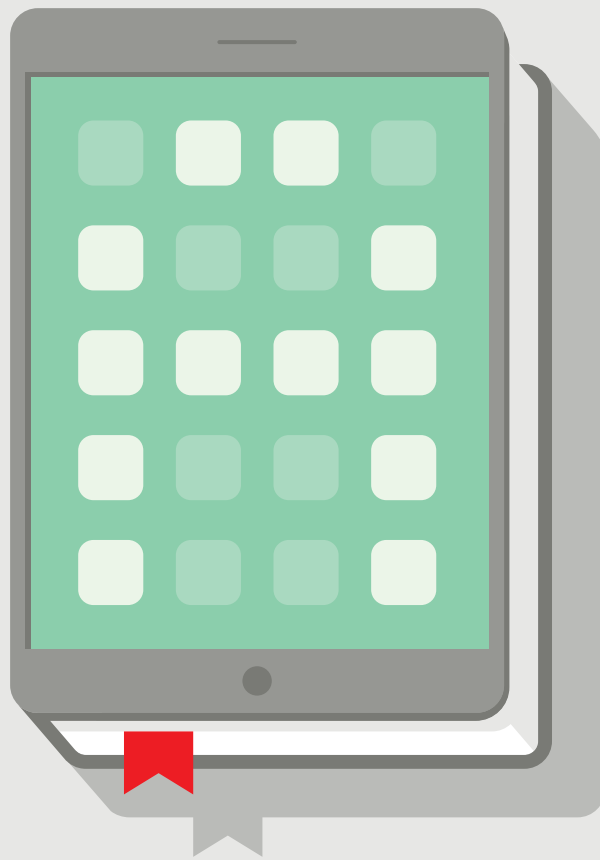
Address stakeholder expectations with respect to environmental citizenship



### Product responsibility

Address stakeholder expectations with respect to product responsibility

# Social innovation



# Social innovation — education

**When the best  
technologies  
of today  
are available  
to more  
architects  
of tomorrow,  
the future  
gets brighter —  
one student  
at a time.**





## **Tech proficiency is the new literacy.**

**Every day, all of us become more digitally connected.**

**That's great. The future of technology in America is important to us. Our vision is to deliver on the promise of the digital world. It's why we get up in the morning.**

**We're engineers building the tools to share the world we want to live in. The problem is that not everyone has access to these tools, and the repercussions are serious.**

**We need a new generation of creators and builders if we want to live in the future we're imagining. That's why we're investing our engineering expertise and resources to bring technology and innovative learning to communities that might not otherwise have the opportunity to explore their full potential.**

**Verizon believes that with technology and education, anyone can do great things for the world. The underserved communities we have worked with have already shown us the power of opportunity and access.**

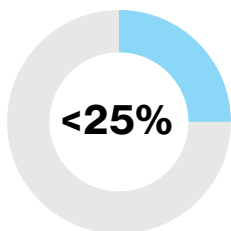
**Engineers find a way to fix a problem in a way that lasts. Inspiring the future makers and opening their eyes to endless possibilities is how we truly can deliver the promise of a digital world.**

## The issue

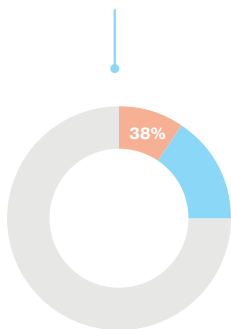
**Lack of access to technology leaves too many youths unprepared for future STEM jobs.**

We are addressing two factors that, when combined, threaten to leave the U.S. without enough qualified people to fill the huge and growing demand for workers in science, technology, engineering and math (STEM) fields.

First, millions of school-age children in America do not have high-speed Internet service at home, and lower-income and minority students are far less likely than affluent kids to have it.



● **Less than 25 percent of students enter STEM majors in college**



● **Of the 25 percent that enter STEM majors, 38 percent do not graduate with a STEM degree**

Second, young people are not pursuing STEM fields as often as they did in the past. While the education system currently sees enough talent in math and science to fill the need for traditional STEM workers, less than 25 percent of students are choosing STEM majors in college, and of those that do, 38 percent do not graduate with a STEM degree.

What's more, women and minorities are going into STEM fields even less often than young people in general.

At the same time, demand for STEM workers is growing fast. STEM employment has grown three times faster than non-STEM employment over the past 10 years – and it's expected to nearly double non-STEM employment by 2018. STEM jobs pay better than non-STEM jobs, with the average salary being 26 percent higher in the STEM field.

## Our solution

**Deliver technology-based experiential learning to increase student engagement and interest in STEM**

We have created signature programs in partnership with leading educational nonprofits to benefit underserved students in communities across America. These programs give students greater access to technology and opportunities to learn skills such as coding and app development, as well as design thinking, collaboration and entrepreneurship.



# Verizon Innovative Learning Schools

When we started working in underserved schools in 2012, we recognized that if we could train teachers on how to use smartphones and tablets in the classroom, we could help them change the way they teach and the way students learn. That's how our Verizon Innovative Learning Schools (VILS) program began. We worked in partnership with the International Society for Technology in Education (ISTE) to provide teachers professional development on how to effectively integrate technology in the classroom. We started with 12 schools in the 2012–2013 school year, and added 12 schools the next school year. The results of this program have been consistently positive: In year one, students in the VILS program performed better on standardized tests than those in comparison schools by roughly nine percentage points; in year two, VILS students performed better by roughly three percentage points.



## 2015 Results

VILS students are improving in areas that pave the way to STEM careers. According to their teachers:

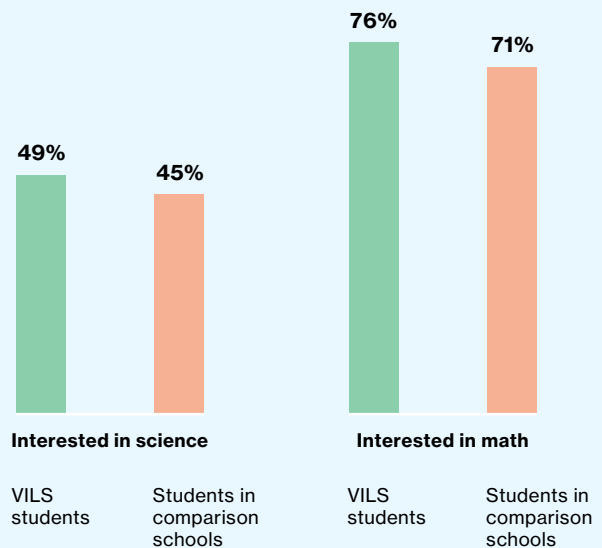
**37%**

of students were better at problem-solving

**25%**

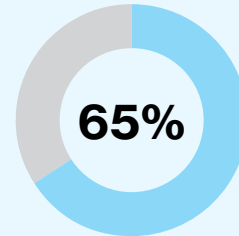
of students asked more questions about STEM careers

And, they're more interested in STEM than non-VILS students.



## Expanding the program

We added eight middle schools to the VILS program in the fall of 2014, and working in partnership with the nonprofit Digital Promise, we provided tablets with two-year data plans to every student and teacher within them. In addition, we implemented training to enable meaningful learning opportunities in and out of school that leverage mobile technology to prepare students for college and STEM careers. After a successful pilot, we expanded this program to 13 more middle schools in the fall of 2015.



of participating VILS students are eligible to receive free or reduced-cost lunch.

## Extending our reach

Since the fall of 2014, we've made the professional development that we built in the VILS program widely available to educators across the country through the Verizon Mobile Learning Academy. The free, moderated, 10-week online learning program, delivered in partnership with ISTE, offers continuing education units from Johns Hopkins University Center for Technology Education.



### 2015 Results

We exceeded our goal to train educators at 100 schools.



**54%**

of educators said they provided students more opportunities to work on projects

**66%**

of educators said they collaborated more with peers to incorporate mobile technology into their teaching

# Verizon Innovative App Challenge

In early 2015, we announced the winners of the third Verizon Innovative App Challenge, our nationwide contest for middle- and high-school students. This unique hands-on learning program challenges students to create real-world solutions using technology. In the process, students learn STEM skills and coding, problem-solving and collaboration – and get a taste of entrepreneurship.

Ninety student teams were named Best in State, 24 were named Best in Region and eight were named Best in Nation. National winners received \$20,000 for their schools, tablets for every team member and the opportunity to work with experts from the Massachusetts Institute of Technology Media Lab to turn their winning concepts into working apps.

In the fall of 2015, we launched the fourth App Challenge, and we will announce the winners in early 2016. So that even more students get the opportunity to work with technology to create solutions, all the members of Best in State teams in 2016 will receive tablets. And, we'll get the public in on the fun by voting for a Fan Favorite from among the Best in State winners.

## Young female entrepreneurs do well by doing good

When six girls at Resaca Middle School in Los Fresnos, Texas, noticed how difficult it was for their blind friend to find his way around the school campus, they had an idea. They entered that idea – an app called Hello Navi that would help the visually impaired navigate independently on school campuses – into the Verizon Innovative App Challenge. Not only did they win \$20,000 for their school as a 2014 Best in Nation team, but they also earned a tidy sum for themselves when they sold their app to Visus Technology. This year, Visus purchased Hello Navi to broaden and complement its suite of applications that will integrate wearable technology into mobile health products.



## 2015 Results

Students who participated in the App Challenge showed increased interest in technology and tech careers.

49%

of App Challenge winners were female

88%

of winners are likely to pursue STEM careers

47%

said the App Challenge confirmed their interest in a STEM career

## Since 2012:



**24,565**

students have participated in the App Challenge



**24**

apps have been developed and placed on a mobile app marketplace



The apps have been downloaded at least **23,500** times

# Minority Male Makers

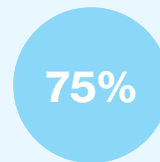
In the summer of 2015, we launched a program designed to demonstrate how technology and entrepreneurship education can help young minority men achieve success in school and in the jobs of tomorrow. Minority Male Makers, a two-year program created in partnership with four historically black colleges and universities (HBCUs), started with summer immersion classes on campus and continued with ongoing mentoring throughout the school year.

At each HBCU, minority middle-school boys learned 3-D Design and printing, coding, robotics and entrepreneurship. Mentors were identified and trained by the National CARES Mentoring Movement.

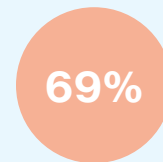


## 2015 Results

Boys in the Minority Male Makers program showed increased interest in STEM.



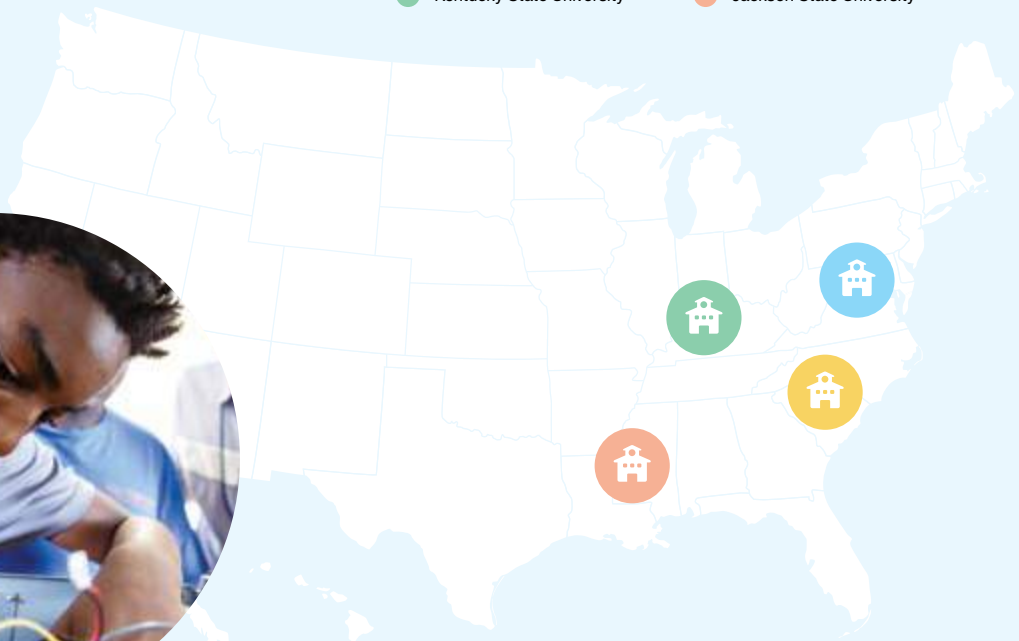
showed increased interest in STEM subjects



showed increased interest in STEM careers

## Historically black colleges and universities (HBCUs)

- Morgan State University
- North Carolina A&T
- Kentucky State University
- Jackson State University



## Innovative design thinking

To connect more underserved students with coding and app development skills, and to introduce them to entrepreneurship, we teamed up with Arizona State University on a program for underserved high schools. Teachers in the program were provided with professional development focused on design thinking, innovation and STEM skill-building. Students were paired with local small businesses to build innovative business solutions and apps to help the companies attract customers.

A pilot program was launched in the fall of 2014 serving 355 students and 11 educators in four schools. Based on the pilot's success, four schools were added in the fall of 2015.

### 2014–2015 Results

During the pilot phase that ended in 2015:

100

apps and business plans were created

58%

of participating students performed better in their subjects overall

Based on the pilot's success, four schools were added in the fall of 2015.





## Our progress

We are building a movement to ignite every student's entrepreneurial spirit, delivering the promise that the digital world holds for them – the promise of a brighter future. And we're meeting and exceeding our goals.

Here is what we said we would do, and the progress we made in 2015.

### Verizon Innovative Learning Schools

**Goal:** Add 12 underserved middle schools to our program

**Progress:** We added 13 underserved middle schools to the VILS program in 2015, providing nearly 9,000 students and teachers with a tablet and two years of Internet access:

- Washtenaw International Middle Academy and Ypsilanti Community Middle School in Ypsilanti, Mich.
- McNair Middle School in College Park, Ga., and Holcomb Bridge Middle School in Alpharetta, Ga.
- Edmonds Middle School and Lyman C. Hunt Middle School in Burlington, Vt.
- Kalama Intermediate School in Makawao, Hawaii, and Lokelani Intermediate School in Kihei, Hawaii
- Crossroads Middle School, Pathways Middle School and Meridian Middle School in Meridian, Idaho
- Carter Middle School in Strawberry Plains, Tenn., and Bearden Middle School in Knoxville, Tenn.



**Goal:** Publish impact reports from 2014 cohort

**Progress:** We published impact reports from the 2014 cohort and shared results with each district.

**Goal:** Launch a website to share mobile-technology-implementation best practices with teachers across the country

**Progress:** Educator-storytellers in the VILS schools document best practices and post them on an ongoing basis to the program website.

### Verizon Mobile Learning Academy

**Goal:** Train teachers in more than 100 schools on effective mobile-technology implementation

**Progress:** We exceeded our goal, training 677 educators across 105 school teams.



## STEM initiatives

**Goal:** Launch an Introduction to Computer Science course in more than 100 U.S. underserved middle schools

**Progress:** In partnership with Project Lead The Way, we launched an Introduction to Computer Science course in 152 underserved middle schools, exceeding our goal.

**Goal:** Expand our STEM initiatives to reach under-represented populations such as minority males, Native Americans and girls

**Progress:** We launched a program in partnership with four historically black colleges and universities that served minority middle-school boys.

Working with the Bureau of Indian Education (BIE) and the Department of Interior (DOI), we launched a program

to close the learning gap in the Native American community. More than 740 Native American students at eight Bureau of Indian Education dormitories, where students live while attending public school away from their reservations, are being provided free high-speed wireless service. In addition, we partnered with Boys & Girls Clubs of Indian Country to provide digital programming to increase the students' STEM and cultural competency, and with Microsoft to provide tablets.

We also provided middle-school and high-school girls hands-on coding experience in a year-long program in partnership with Black Girls Code, and continued support for a summer immersion program for high-school girls in partnership with Girls Who Code.

## Verizon Innovative App Challenge

**Goal:** Train 24 regional and national winning teams in the App Challenge to code and publish their app concepts

**Progress:** We trained 24 teams. Eight Best in Nation winners received in-person training from experts at the MIT Media Lab to code their apps and upload them to mobile app marketplaces. Sixteen Best in Region teams were provided with resources to help them code and develop their apps.

**Goal:** Launch the 2015–2016 Verizon Innovative App Challenge

**Progress:** The 2015–2016 App Challenge was open for submissions from August 4, 2015 through November 24, 2015. More than 1,200 app concepts were submitted, nearly a 10 percent increase over the previous year's totals.



## What's next

In 2016, we will reach more schools and students in underserved communities. We'll provide even more opportunities for students to engage in innovative, hands-on learning opportunities with technology, both inside and outside of the classroom.

### Verizon Innovative Learning Schools

**Goal:** Continue to expand the VILS program, adding 25 schools by September 2016

### Verizon Innovative App Challenge

**Goal:** Launch the fifth annual Verizon Innovative App Challenge

### Minority Male Makers

**Goal:** Expand the Minority Male Makers program to include eight additional university partners, reaching 800 students

### STEM initiatives

**Goal:** Continue to provide middle-school and high-school students with coding, 3-D Design, and entrepreneurial skills training in over 300 schools and out-of-school programs

**Goal:** Pilot hands-on experiential learning programs in community locations, such as Verizon retail stores and mobile buses

**Goal:** Provide the opportunity for 70 high-school students to intern with Verizon



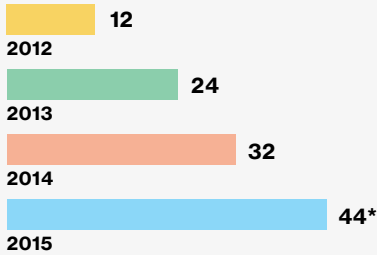


# 2015 performance dashboard

## Reach

### Verizon Innovative Learning Schools (VILS)

In 2015, we added 13 schools through our partnership with Digital Promise, bringing us to 44\* schools:



\* Originally, there were 45 schools. One is no longer participating.

Across four cohorts during the school year that began in 2015, there were:



**44**  
participating schools



**22,070**  
participating students



**1,457**  
participating teachers

**65%**

of participating VILS students are eligible to receive free or reduced-cost lunch

## Outcomes for cohorts 1 and 2



**178** participating teachers

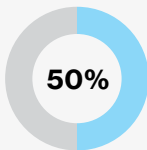


**9,486** participating students

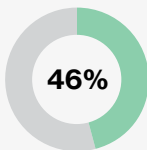


**23\*** schools

### Teacher practices changed

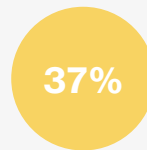


50% of teachers said they gave more individualized support

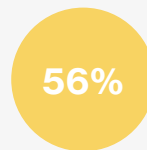


46% of teachers said their classes were doing more hands-on work

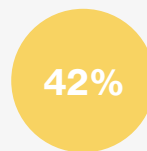
### Student behaviors changed



37% showed more engagement with their subjects

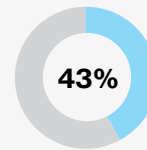


56% showed more proficiency with technology

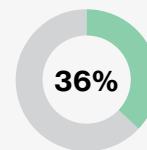


42% were completing work more promptly

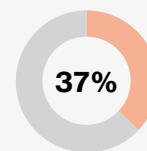
### Student performance improved



43% exhibited more sophisticated projects or products



36% received higher scores on classroom assessments



37% improved overall academically

\* Originally, there were 24 schools. One is no longer participating.

## Verizon Mobile Learning Academy

### Reach



**677**  
educators



**44,436**  
students



**105**  
school teams

### App Challenge

**7,500**

participating students

**49%**

of the winners  
were female

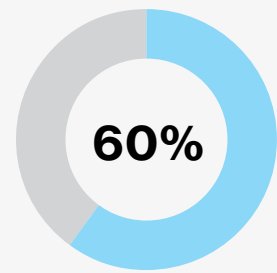
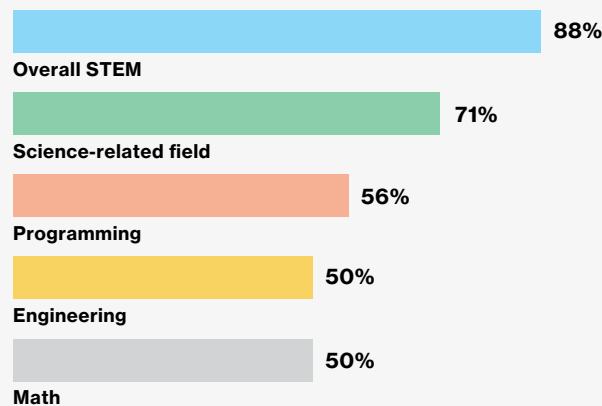
**8**

apps developed

**910**

downloads of  
winning apps

#### Percentages of students likely to pursue careers in ...



of winners were more  
interested in computer  
programming than before  
they participated

### Minority Male Makers



**4**

HBCUs directed  
programs



**582**

products  
developed



**473**

middle-school  
boys participated

#### Interest in STEM

● % increase



**100% of participating students  
demonstrated increased mobile  
technology proficiency.**

# Social innovation — healthcare

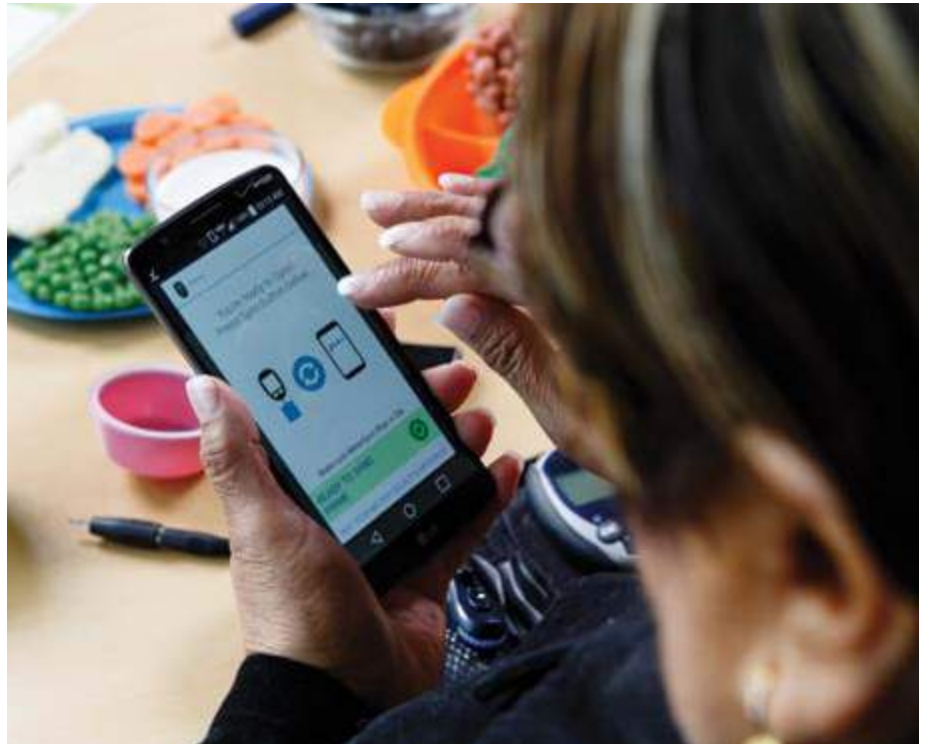
**Chronic  
conditions like  
obesity, high  
blood pressure  
and diabetes  
are among  
America's  
biggest  
healthcare  
challenges.**



## The issue

As of 2012, about half of American adults, roughly 117 million people, had one or more chronic health conditions. And these conditions are costly. The total estimated cost of diagnosed diabetes in the U.S. in 2012, for example, was \$245 billion. Over a quarter of the cost was due to decreased productivity – costs associated with people being absent from or less productive at work or not being able to work at all because of diabetes.

For some patients who lack access to quality healthcare, chronic conditions can be devastating. It's these people whose lives can be transformed through the use of technology to provide better access to remote providers, and to give them resources for managing their own health and care that's tailored just for them.



## Our solution

### Using mobile technology to improve health

In 2015, we launched new programs and made good progress with existing programs that use mobile technology to improve the health of people who can't always get the healthcare support they need. Some are lower-income people struggling with chronic diseases, some are older people isolated due to language or cultural barriers, some live in rural and hard-to-reach areas, and some are teenagers living in unstable home environments. Through partnerships with community groups, nonprofit healthcare providers and other groups, we're delivering technology and education to

empower these men, women and children to take control of their health.

In one new program, we're helping patients with diabetes in partnership with Baptist Health Foundation in Little Rock, Ark. We've provided 104 lower-income, predominantly African-American participants with smartphones connected to devices that track blood sugar. Baptist Health Foundation remotely monitors the participants' results and follows up when readings are out of range. Participants also get reminders and disease-specific education support on a regular basis. The program has made a big difference in the lives of some participants.

Take James Payne, for example. "I just didn't want to face life," James said, thinking back two years, shortly after his diagnosis with Type 2 diabetes. "I was by

**We're delivering technology and education to empower men, women and children to take control of their health.**

In 2015, we screened

**6,843**

**children in  
Minas Gerais, Brazil.**



myself with nobody to talk to.” As part of the program from Verizon and Baptist Health, James attended group meetings twice a month that taught individuals to better manage their diabetes. Through these educational sessions, James learned how to take care of himself at home using all the new technologies furnished to him through the program at no cost. He used his new smartphone with a diabetes-management app, blood pressure cuffs, monitoring devices, scales and a Fitbit to watch his sugar levels, blood pressure and weight every day. And having the support of a group made a dramatic impact on how James views life with diabetes. “You can have diabetes and lead a full life,” he said.

In another program, we’re helping elderly patients manage dangerously high blood pressure. The patients are Cambodian immigrants who speak very little English.

Working with The Children’s Clinic in Long Beach, Calif., we provided 48 patients with tablets equipped with health management software, and created a demonstration video in their native Khmer language on how to properly take their blood pressure. About halfway through the program, 83 percent of participants have increased adherence to their care plans, 75 percent are able to use technology to manage their blood pressure, and 87 percent actually have reduced their blood pressure.

In remote, rural areas, and particularly in developing countries, chronic conditions can be left untreated. When a case of strep throat, which might otherwise be managed simply with antibiotics, goes untreated, it can turn into Rheumatic Heart Disease (RHD). That’s what we’re working to prevent in Brazil, with a program we started two years ago with the Washington, D.C.–based Children’s

National Medical Center. We supplied tablet devices, Open Video technology, and Terremark Cloud capabilities to local healthcare workers who screen children for RHD. Any abnormal results are uploaded to the cloud for further assessment by cardiologists at Children’s National in D.C. and the Universidade Federal de Minas Gerais in Brazil. In 2015, we educated 10,205 people and screened 6,843 children in Minas Gerais, Brazil. Of those screened, 374 children were found to be RHD-positive and are now connected to critical care. Because the pilot showed promise, we expanded it into rural areas of Australia in partnership with South Australian Health & Medical Research Institute and with Children’s National joining as a consultant. The program is expected to launch in early 2016.

## Children's Health Fund

Teens without stable homes in San Francisco received help in getting active, eating better, controlling asthma and quitting smoking through our partnership with the Children's Health Fund. The program used text messages to encourage healthier behavior. One teen – we'll call her "Pamela" to protect her privacy – is a great example. A petite brunette with pink painted fingernails, Pamela looks like a typical 17-year-old, her phone an ever-present accessory. But unlike most teens, for Pamela, the smartphone is much more than a luxury item. It is in many ways a lifeline to support and stability, two things that have never been a constant in her life. She moved from Daly City to San Bruno, Calif., when she was 10 years old. She's now in 11th grade. Her home, rather than being a place of refuge, is a chaotic environment with an absent mother and little in the way of parental comfort or guidance.

On the other end of Pamela's digital lifeline is a team of professionals who have spent hours listening to her, learning about her life, and helping her learn how to survive. Three times a week she has a text conversation with health professionals at the Teen Health Van, a children's health services clinic on wheels that serves at-risk and homeless youth in the San Francisco Bay area. In addition to getting free, comprehensive healthcare from the van, Pamela also participates in a new, pioneering texting program from Verizon.

The program sends patients empowering tips and information about health topics of their choice through an interactive texting game. Through these games, Pamela is learning about digestive health. Use of these simple texting games is already having an effect. "Your body talks to you, and you can choose to listen or not," said Pamela, who likes the practicality of the information she gets from the program. She said the app is easy to use and has helped her make changes in her life, like improving her relationships with others and giving her tools that make it easier to talk about her problems.





## Our progress

Last year, we said we would expand our work in healthcare to help tackle heart disease, diabetes, obesity and respiratory conditions in underserved communities. Following are the goals we set for 2015 and the progress we've made toward achieving them.

**Goal:** Continue our commitment to children's health through three partnerships that use technology to help underserved children manage their health: an obesity program in Miami, an asthma-management program in Boston, and an asthma, obesity, nutrition and smoking-cessation program in San Francisco

**Progress:** We continue to support children's health by providing youth with technology, training, access to medical professionals and other resources to help them lead a better life.

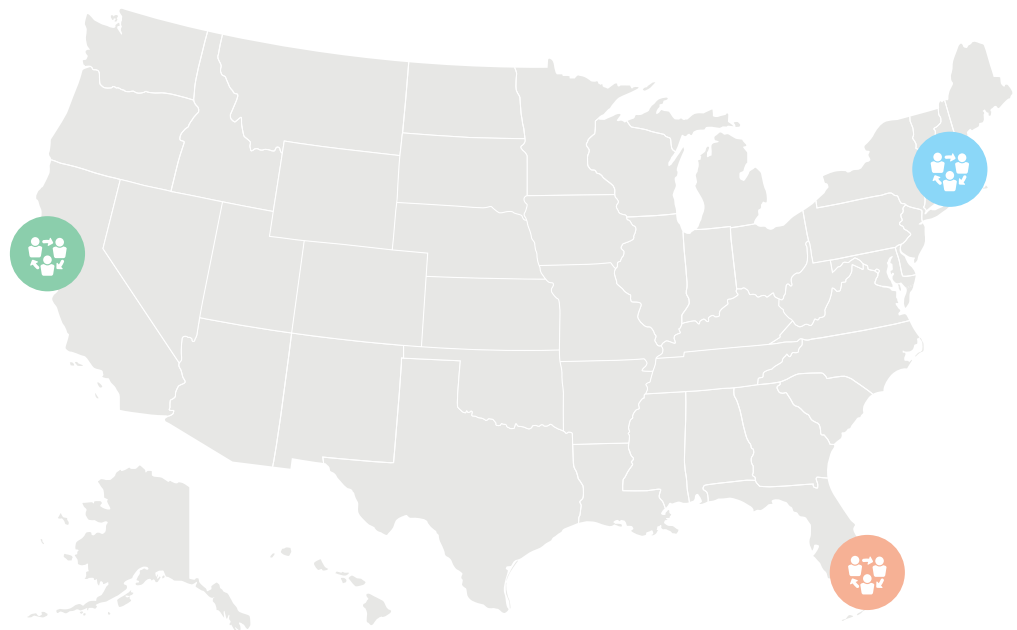
- In Miami, in partnership with Children's Health Fund, we launched an obesity-intervention program that uses mobile devices to grant low-income children access to dietitians and other medical-subspecialty providers. Ninety-one percent of participating patients kept at least half of their telehealth appointments.
- In San Francisco, also in partnership with Children's Health Fund, we continued to support an obesity, asthma, nutrition and smoking-cessation program geared toward vulnerable adolescents.

- And in Boston, our partner Boston Children's Hospital completed the planning and creation of an app that will allow patients, their parents and school nurses to remotely input data on asthma symptoms and care, and deliver essential information to providers to improve preparedness for in-person visits.

**Goal:** Conduct two programs addressing the high rates of diabetes in multicultural populations: a program in Arkansas targeting low-income African-Americans, and a program in Texas targeting low-income Hispanics. Both of these populations are disproportionately impacted by diabetes.

### Three partnerships that use technology to help underserved children manage their health:

- Asthma-management program in Boston
- Obesity program in Miami
- Asthma, obesity and smoking-cessation program in San Francisco





**Progress:** We launched two programs in 2015, in partnership with Joslin Diabetes Center in Texas and Baptist Health Foundation in Arkansas. In the Latino rural community of Edinburg, Texas, with Joslin Diabetes Center's Latino Diabetes Initiative (LDI) and Doctors Hospital at Renaissance (DHR), we are providing 48 Latino diabetes patients with telehealth services, including video consultations, text reminders, remote education and nutritional counseling via smartphones and tablets. Patients' activity levels, blood sugar and dietary habits are being tracked with Fitbits and other technologies. In Little Rock, Ark., we're working with

Baptist Health Foundation to help 104 adults, most of whom are African-American, use smartphones and connected monitoring devices to better manage their diabetes.

**Goal:** Support the ability of seniors to remain in their own homes by rolling out three additional programs targeting older adults. These programs demonstrate the use of technology by senior populations to digitally manage disease and ultimately "age in place."

**Progress:** We launched three programs helping older adults to use technology to better manage their health and ultimately "age in place."

- Our Digital Aging Mastery Program, launched in February 2015 in partnership with the National Council on Aging (NCOA), is showing that older adults' use of mobile technology can improve their quality of life and help them age in place. We provided a diverse group of 226 older adults with tablets that have an older-adult-friendly interface, curated content, age-appropriate training, and ongoing peer support provided at senior centers. So far, program participants have nearly tripled their technology use, and they are doing more lifelong learning and engaging more socially than before starting the program.





- In partnership with Morristown Medical Center, we launched a program in November that provides remote monitoring of congestive-heart-failure patients through a topical patch and mobile app technology and tablets. Live monitoring allows medical teams to identify patients who have worsening conditions and make immediate adjustments to treatment, avoiding medical complications and hospital readmissions.
- In partnership with Duke University, we launched an mHealth program for patients with Peripheral Artery Diseases. Patients are provided with smartphones and remote monitoring (of their exercise, blood pressure and sugar levels) as well as educational content they can access through smartphones.

**Goal:** Address the disparity in healthcare for rural populations by launching a program serving low-income diabetic populations in rural Georgia

**Progress:** In partnership with the National Rural Health Association (NRHA), we launched a program in July 2015 that provides patients with resources and technology to self-manage their diabetes. Local community health workers in Murray County and Whitfield County, Ga., are tracking 121 participants' blood sugar levels and physical activity.

## What's next

### Goals for 2016

We will continue partnerships that help older adults, youth and underserved populations better manage their medical conditions through technology.

We will continue to track and report on program outcomes, demonstrating how technology can positively impact patients' healthcare.

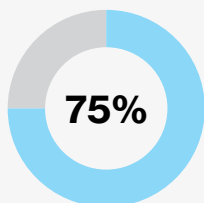
# 2015 performance dashboard

## The Children's Clinic

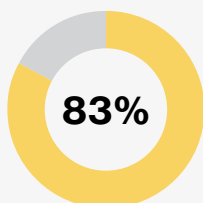
Providing older Cambodian patients who have hypertension with tablets, health-monitoring equipment



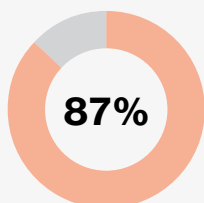
**48 patients**  
participating



of participating patients understood how to use the provided technology to manage their disease



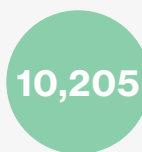
of participating patients showed increased adherence to their care plans



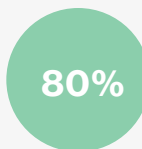
of participating patients showed reduced blood pressure

## Children's National Medical Center

Using technology and the cloud to educate and screen children in remote rural areas of Brazil for rheumatic heart disease (RHD)



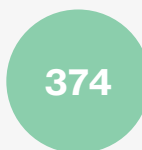
children educated



children demonstrated increased knowledge



children screened



children tested positive for RHD

## Children's Health Fund

Using secure texting and telemedicine to improve health behaviors for at-risk youth



**1,309 patients**  
participating

### Miami



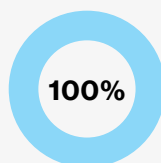
Patients kept at least half their telehealth appointments



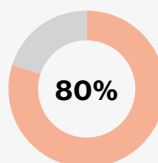
Patients using the app/Fitbit 3X a week

### San Francisco

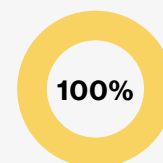
Patients still enrolled after 3½ months:



of those enrolled in the healthy eating and exercise program



of those enrolled in the asthma program



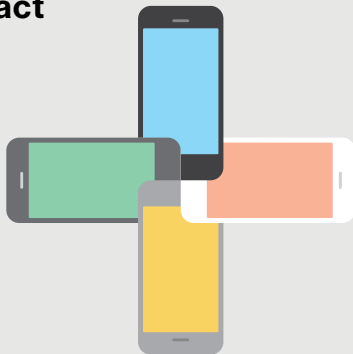
of those enrolled in the smoking-cessation program

# **Social innovation — domestic violence prevention**

**Help for  
domestic  
violence  
survivors**



## Our impact



Collected nearly

**700,000**

mobile phones in 2015

Donated nearly

**\$7 million**

in cash grants to nonprofits that support domestic violence-prevention initiatives in 2015

Donated more than

**14,000**

mobile phones with voice and text-messaging service for use by victims and survivors in 2015

Since 2001, more than

**12 million**

mobile phones have been collected

## Taking action against domestic violence

We have a long-standing commitment to helping those affected by domestic violence, a national problem that deeply affects our communities.

We are working to make our assets – our network and technology, as well as our people – part of the solution.

Survivors of domestic violence typically can't use their old mobile devices once they've left their abusers. Verizon's HopeLine program helps them by collecting mobile devices, batteries, chargers and accessories that are no longer used but still in good condition, and turning them into valuable resources for nonprofit organizations and agencies that support domestic violence victims and survivors nationwide.

This year, we continued to collect and donate phones through the HopeLine Program and to support domestic violence-prevention organizations and agencies with cash grants. During October, in honor of Domestic Violence Awareness Month, Verizon – through its HopeLine program – donated \$1 to the National Domestic Violence Hotline for every purple accessory purchased (up to \$100,000). We also supported the Joyful Heart Foundation with a \$100,000 donation as part of our promotion of the new HTC bundle at WalMart.

One of our goals is to raise awareness about domestic violence issues, and in 2015, we had help from several powerful spokespeople. Pittsburgh Steelers cornerback William Gay brought his own story to our campaign, recounting how his own mother was killed by an abusive partner. "That's why I love sports so dearly, because it helped me go in the right direction and gave me the platform I have today to share my mother's story," he told *People* magazine in April 2015. "I want people out there to know that someone in the NFL has been that child who lost their mother and is willing to do anything

to end domestic violence." The actress Uzo Aduba, from *Orange Is the New Black*, and pop star Christina Aguilera, who was affected by domestic violence as a child, were also spokespeople for the program.

## What's next

Children who witness domestic violence can suffer lifelong negative consequences, including learning challenges. In 2016, we will pilot efforts aimed at connecting these kids with early-intervention programs to foster increased hope and improved academic performance, and to create a pathway toward a brighter future.

# The Internet of Things



# The Internet of Things creates even more opportunities.

In California, a vineyard uses sensor data and analytics to conserve water and energy and monitor crop growth, resulting in increased and consistently predictable crop yields. Across the country in New Jersey, skin patches track an elderly man's blood pressure, sending alerts to his doctor when his health appears to be worsening. And in North Carolina, city managers are able to cut energy use dramatically by integrating real-time data on power demand with conservation education.

These are examples of how the Internet of Things (IoT) is revolutionizing the way people live and work, integrating wireless connectivity with cloud and data analytics to deliver practical solutions to everyday problems. Verizon has taken the lead in

exploring this technology's capabilities to address societal challenges, and in the process facilitating smarter, more sustainable communities. Our new IoT platform, ThingSpace, creates an environment for innovation, allowing developers to create applications, customers to manage devices, partners to market their services, and Verizon to launch integrated vertical solutions.

IoT is more than an exciting business opportunity. New technologies will give consumers, communities and companies the tools to consume resources more wisely, educate students more effectively, and keep people safer, healthier and more productive in a digitally integrated age. We believe IoT technology is an important element in meeting the UN's Sustainable Development Goal #11: Make cities inclusive, safe, resilient and sustainable.



## Global eSustainability Initiative (GeSI)

Realizing the potential of the IoT will require collaboration and ideas from many different sources. Verizon is proud to be part of the Global eSustainability Initiative (GeSI), an organization that brings together the resources of companies and nongovernmental organizations to understand the role that Internet communications and broadband technology can play in fostering a low-carbon, more sustainable global economy.



## SMARTer 2030 report: demonstrating the value of IoT to sustainability and business

In June 2015, GeSI released a report, SMARTer 2030, that quantifies the tremendous impact that Internet communications technology can have on the environment and the economy, including:

- Enabling a 20 percent reduction of global CO<sub>2</sub>e emissions by 2030
- Connecting 2.5 billion more people to the "knowledge economy" by 2030
- Giving 1.6 billion more people access to healthcare
- Providing 500 million people with education through e-learning tools
- Boosting agricultural yields by 30 percent, via smart agriculture

**The UN's Sustainable Development Goal #11: Make cities inclusive, safe, resilient and sustainable**

## What is an IoT solution?



### Sense

Data processed and transmitted by a connected device



### Transport

Data passed over networks



### Store

Information stored in the cloud



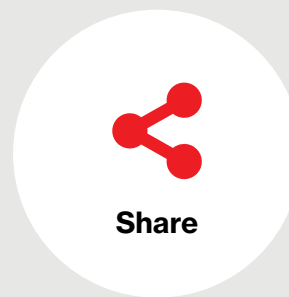
### Analyze

Insights extracted and presented



### Control

Alerts sent to people, systems or devices to take action



### Share

Data exchanged with other systems, monetized and enriched with third-party data



In 2015, Verizon completed a three-year partnership with Pecan Street Inc., a nonprofit research and development organization headquartered at the University of Texas at Austin. Together, we connected 140 low-income apartments in Austin with home energy-management solutions. We found that when participants received increased access to technology, via tablets and access to a mobile app that monitored energy use, they consumed less energy. This suggests that under reasonable circumstances – that is, when temperatures are moderate – renters who have access to technology and appropriate training will modify their behavior to reduce consumption.

## Verizon offers products that leverage the IoT.

Innovation and collaboration among companies like Verizon and governmental agencies, community organizations and nonprofits will make the economy more efficient, and we are already working on a number of these exciting initiatives.

**Smart Grid:** Verizon Grid Wide, launched in the summer of 2015, is a 4G LTE-enabled, cloud-hosted platform that combines smart metering, demand response, meter data management, and distribution monitoring and control in an all-in-one solution.



### Vehicles:

- hum by Verizon is a smart car platform that can be quickly and easily installed in most cars after purchase.
- Networkfleet, our wireless telematics product, gives fleet managers GPS and engine-performance information on each of their cars and trucks, helping them plan more efficient routes, improve maintenance and foresee mechanical breakdowns – saving time, mileage and fuel.

**Smart Cities:** Verizon's Smart Cities technology can make whole cities more efficient through data-driven management of energy and water use, traffic flow, parking capacity and outdoor lighting.

Click [here](#) for more information on Verizon's IoT solutions.



## We're making an impact.

This year, we engaged the well-respected nonprofit Carbon Trust to review the model we use to calculate the carbon-reduction value that Verizon products and services deliver to our customers.

The Carbon Trust updated some key assumptions in our model to be consistent with the SMARTer2030 report as well as other recent research. The result is that – despite an increase in the number of Verizon products enabling our customers to reduce their carbon footprints – the total carbon savings for 2015 are significantly less compared to what we reported last year.

The major changes in assumptions we made this year include:

### Telecommuting

- Reduced total number of telecommuters (people working from home) and average number of days worked from home based on new U.S. Department of Labor statistics

### Telematics

- Reduced the assumptions on fuel savings from vehicle telematics based on our customers' real-world experience with our Networkfleet product



### Intelligent Building Management

- Assumptions did not change for this category.

### Smart Meters and Demand Response

- Assumptions for demand response did not change.
- Decreased percentage savings of household energy from the use of smart meters, as well as the method for counting the number of smart meters

This year, we gained a better understanding of how our customers use our IoT services to deploy smart meter technology. Even though the number of active meters on our network increased by more than 1 million units in 2015, the ratio used to calculate the carbon savings was reduced, resulting in a significant decrease in total carbon avoided.

The table shows the results in comparison to the U.S. carbon footprint.

Overall, our IoT products and services are delivering increasing carbon-reduction value to our customers. We are committed to updating the model we use to calculate the value to be in line with the most recent research, and to report our progress in a transparent way.

## Summary of 2015 CO<sub>2</sub>e reductions enabled by Verizon solutions

Benefit category	Solution	Metric	2015 CO <sub>2</sub> e avoided (metric tons)	
			Minimum	Maximum
Travel substitution	Telecommuting	# of miles reduced (avoided gallons of gas consumed)	3.45M	5.15M
Transportation	Telematics (Networkfleet, Trimble, others)	# of miles reduced (avoided gallons of gas consumed)	0.52M	0.95M
Buildings	Intelligent building management	# of kWhs reduced	0.0026M	0.010M
Power grid	Smart meters and demand response	# of kWhs reduced (reduced T&D losses, lower peak demand and energy efficiency)	0.78M	1.19M

Total gross 2015 CO<sub>2</sub>e avoidance enabled by Verizon

**4.7M–7.3M**

% of total U.S. annual carbon emissions

**0.09%–0.14%**

The reduction in greenhouse gas emissions is equivalent to taking more than

**1 million cars off the road.** 

# Environment



## Sustainable solutions for Verizon and our customers

A small business uses data to manage its fleet of trucks more efficiently, cutting fuel costs and reducing greenhouse gas emissions. A customer replaces an aging set-top box with one that is more energy-efficient, saving money and reducing his environmental footprint. A group of Verizon coworkers organizes a drive to recycle used phones, computers and other technology products, providing people throughout the office with a more sustainable e-waste disposal option. At every level of Verizon – from our broadest strategies to the way we operate our business, to our products and services, to the way we live and work as individuals – we seek to minimize environmental impact.

### A new public commitment to climate change mitigation

This year, Verizon signed the American Business Act on Climate Pledge, joining 153 other companies that have signed on to support clean energy, reduce waste and reduce environmental footprints.

We also committed to CDP and We Mean Business, a coalition of organizations working with thousands of the world's most influential businesses and investors, to publicly show our support for a low-carbon economy.

A connected world is a more sustainable world. Information and communications technology (ICT) is essential to reducing global carbon emissions. The GeSI Mobile Carbon Impact report found that mobile technology is already reducing global carbon emissions by 180 million tons per year and that this reduction will grow threefold over the next five years to about 500 million tons annually.

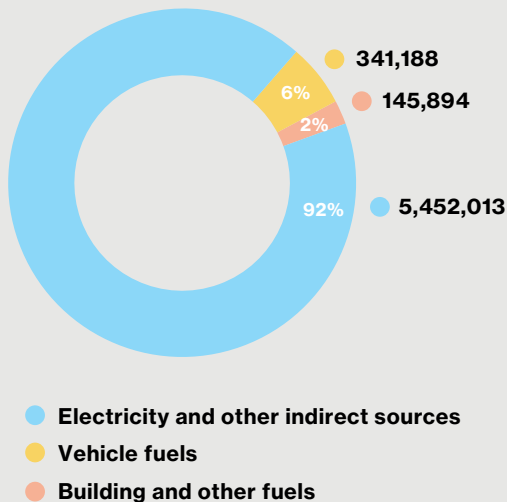
We continue to challenge ourselves to become more energy- and carbon-efficient even as we grow. Verizon has pledged to reduce our carbon intensity – the amount of carbon our business emits divided by the number of terabytes of data we transport over our networks – by 50 percent over our 2009 baseline by 2020.

**We have made two important commitments to CDP and We Mean Business:**

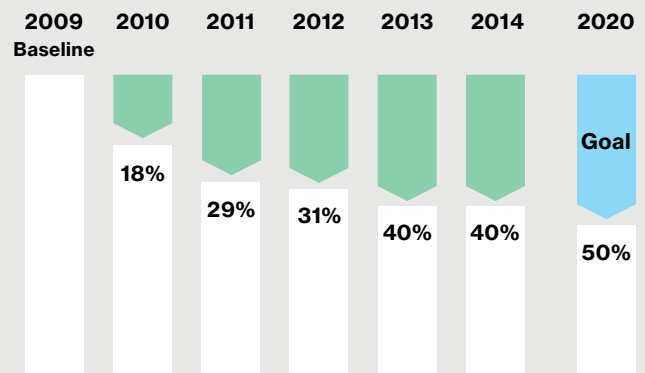
**To report climate change information in mainstream reports as a fiduciary duty**

**To engage responsibly in climate policy**

## Emission profile (CO<sub>2</sub>e metric tons)



## CO<sub>2</sub>e per terabyte reduction over the 2009 baseline



## Emissions reductions

More than 90 percent of Verizon's carbon emissions comes from the electricity we use to power our networks. These networks are growing fast, and that's good; they create powerful new opportunities to connect people and use resources more efficiently.

Our challenge, however, is to continue to grow while making our networks more carbon-efficient, and ultimately to de-couple carbon from our growth. Since 2009, we have reduced our carbon intensity by roughly 40 percent. We've done this through data center improvements, copper-to-fiber migrations,

green energy investments, building improvements and changes in fleet operations.

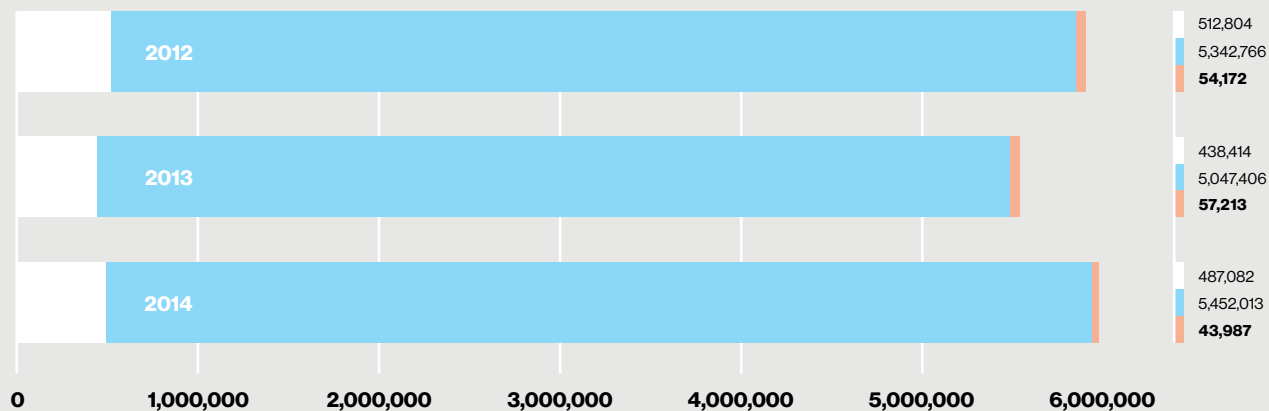
One way we reduce emissions is by making our cooling systems more efficient with economizers. Economizers bring outside air into the HVAC systems when it is cooler outside than inside; this reduces the amount of time that the cooling system's compressor has to operate and decreases energy use. In 2015, we installed 6,780 new economizers, bringing the total in use to 17,387 units. By using economizers, Verizon has reduced electrical consumption by an estimated 112 million kilowatt-hours and CO<sub>2</sub>e emissions by 77,000 metric tons.

Ernst & Young provided independent external assurance on our 2014 Scope 1, 2 and 3 (exclusively corporate travel) greenhouse gas emissions and carbon intensity. Its assurance report can be read [here](#). For more information, please refer to our [GHG Emissions Reporting Standards](#).

We are currently undergoing independent external assurance on our 2015 Scope 1, 2 and 3 (exclusively corporate travel) greenhouse gas emissions and carbon intensity and will report the results in our 2016 CDP Investor Response and corporate responsibility website when they become available later this year.

## Emissions by Scope (CO<sub>2</sub>e metric tons)

● Scope 1    ● Scope 2    ● Scope 3



	2012	2013	2014	Year-over-year change
Scope 1	512,804	438,414	487,082	11.10%
Scope 2	5,342,766	5,047,406	5,452,013	8%
Total Scope 1 and 2	5,855,570	5,485,820	5,939,095	8.30%
Scope 3	54,172	57,213	43,987	-23.10%



## Fleet efficiency

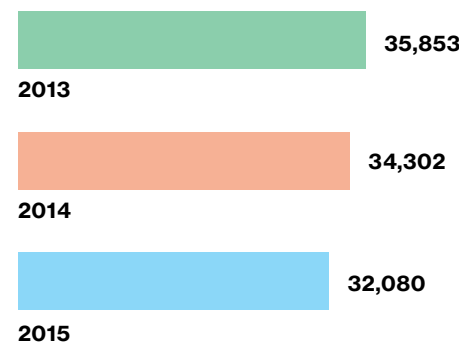
Our vehicle fleet offers us one of our biggest opportunities for efficiency improvements.

We've started by reducing the number of trips our drivers have to take – by offering user-friendly installation and troubleshooting tools that make it easy for our customers to solve their technology challenges without a visit from a Verizon technician. And because our network is so reliable, there are fewer issues to fix in the first place.

When we do send vehicles out on the road, we help drivers conserve fuel with Networkfleet, our telematics product for fleet management. This system helps managers keep trucks operating at peak efficiency and gives drivers tips on saving fuel – like shutting off the engine when stopped for longer periods. By the end of 2015, 28,974 of the vehicles in our internal fleet were equipped with Networkfleet.

The end result: Year after year, our fleet uses less fuel.

## Fuel consumption (1,000 gallons)



# Energy management

## Renewables

Over the past three years, Verizon has made a major push to incorporate green energy – such as solar and fuel-cell technology – into our facilities. In 2015, we completed the installation of two green energy projects: a 1,589 kilowatt solar parking canopy and an 800 kilowatt fuel-cell system. These two additions bring our total green energy investment between 2013 and 2015 to more than 24 megawatts installed.



## ENERGY STAR and LEED certification

Just how green are Verizon's buildings? Green enough to be named an EPA ENERGY STAR® Partner of the Year for three years in a row. We seek ENERGY STAR certification at 100 percent of our eligible retail stores.

Most of our ENERGY STAR-certified stores are equipped with LED lighting, energy management systems, and time-controlled heating, ventilation and air conditioning units.

**Goal:** Gain EPA ENERGY STAR certification for all eligible retail stores in 2015

**Progress:** Verizon reached a total of 189 ENERGY STAR certifications in 2015 at retail stores, equal to 100 percent of our eligible stores in the fourth quarter. Verizon has earned 206 ENERGY STAR certifications in total, including offices and distribution centers.

**What's next:** In 2016, Verizon plans to certify 100 percent of eligible buildings, including retail stores, office buildings and central offices.

## Winning the Battle of the Buildings

The ENERGY STAR Battle of the Buildings encourages friendly competition among organizations as they measure, track and work to improve their buildings' monthly energy and water consumption. Verizon entered 38 buildings in the 2014 contest: Nine achieved awards for a 20 percent or greater energy improvement, and the tenth improved by 19.9 percent.

The Verizon store in Inglewood, Calif., won the top prize in the Retail category with a 46.5 percent reduction in energy use, topping 232 other retail buildings. Two more Verizon stores joined Inglewood in the Top 10 in the Energy Reduction category: Montclair, Calif., and Arvada, Colo.

We entered the 2015 Battle of the Buildings with the goal to be a top performer among more than 6,500 competitors nationwide. At the midpoint, we had two buildings with a nearly 20 percent average reduction in water use. Final results will be released in the second quarter of 2016.





**Goal:** Employees will reduce 8 million pounds of greenhouse gas emissions during the 2015 ENERGY STAR Change the World campaign, which runs Earth Day to Earth Day each year.

**Progress:** In the 2014 campaign (which ran April 2014–April 2015), we challenged our employees to reduce a total of 5.2 million pounds of greenhouse gas emissions in their homes. We exceeded the pledge amount, reaching 293 percent of the goal and reducing more than 15 million pounds of greenhouse gas emissions.

The 2015 Change the World campaign kicked off on Earth Day, April 22, 2015, and we set a goal for our employees to reduce an additional 8 million pounds of greenhouse gas emissions in their homes. As of December 14, 2015, we'd reached 123 percent of the pledged goal, saving more than 10 million pounds of greenhouse gas emissions.

**Goal:** Earn LEED (Leadership in Energy and Environmental Design) certification for 225 retail stores by the end of 2015

**Progress:** By the end of 2015, 289 of our retail stores had earned LEED certification.

## Earth Hour

On March 28, 2015, Verizon observed Earth Hour by dimming the lights at nearly 500 of our buildings in 38 countries and territories around the world, totaling approximately 25 million square feet



of real estate. This annual event brings together individuals, companies and other organizations to raise awareness around resource use and conservation. Green Team members were amongst the 6,927 participating Verizon employees in 27 countries and territories.

## Smart technology making our data centers more efficient

Data centers are the backbone of our communications network, providing reliable access to the Internet and wireless service for our customers. Yet data centers use significant amounts of power. By making them more efficient, we can reduce our environmental footprint.

In 2015, 87 Verizon data center sites, including 84 in the U.S. and three overseas, employed Vigilant energy management technologies to manage power use. These systems consist of hundreds of wireless temperature sensors connected by a network to software that continually optimizes energy use. Every day, minute by minute, information about environmental conditions in each facility feeds into the system. The system then analyzes and fine-tunes its recommendations for power consumption.

These systems are designed to help us use only as much energy as we need to maintain our network in top condition, helping optimize our energy efficiency.





## Commuting

Our employees are reducing their personal energy consumption by biking to work, sharing rides and using greener technologies.

2015 was Verizon's third year participating in the Department of Energy's Workplace Charging Challenge focused on installing electric vehicle (EV) charging stations for employees. We'll be expanding EV charging for employees, customers and fleet vehicles to 50 total locations by 2018.

**Goal:** Expand the employee electric vehicle charging program to 15 locations by the end of 2015

**Progress:** We installed EV charging stations at eight new locations in 2015, bringing our total to 16 employee locations.

Verizon partnered with Zimride by Enterprise to develop a carpool program for employees, free of charge. Zimride is an online ride-matching service that connects drivers and passengers heading to the same destination, helping facilitate a sustainable transportation-management solution.

Since the official launch in September, the program has grown to almost 100 administrative locations across the U.S., attracting over 500 participants in just a few short months. Through this program, Verizon employees have been able to reduce their personal vehicle use by over 90k miles and avoid over 70k lbs. of carbon emissions so far.

The Green Team's Bike to Work program encouraged 968 Verizon employees in 21 countries to pedal to the office. In 2015, Verizon employees drove 914,471 fewer miles by biking to work.

## Waste & water

We understand that our products are a part of our environmental footprint. We're taking steps to reduce waste and be more environmentally responsible with our products, equipment and paper use.

## Environmental notices

In 2015, Verizon received 72 notices regarding compliance with state and local environmental regulations. Most were for record-keeping or other minor issues and did not affect the environment. Verizon is taking steps to address the notices.

## Giving our customers sustainable choices

How environmentally friendly is your mobile device? You can find out by reviewing its Underwriters Laboratory Environment (ULE) certification on our [product pages](#).

Underwriters Laboratory has been evaluating factors including energy use, manufacturing processes, raw materials, packaging and product performance to rate mobile devices for sustainability. Customers who know how their devices rank are empowered to make choices that reduce their environmental impact.



**Goal:** Ensure that 50 percent of postpaid devices and 25 percent of prepaid devices receive ULE certification

**Progress:** We exceeded these goals. 72 percent of retail mobile products have been ULE-certified. Moreover, 65 percent of those products attained platinum certification.

## Sustainable packaging

Verizon strives to reduce, reuse and recycle packaging to reduce impact on the environment. We made significant progress toward our goals:

### Understanding packaging's environmental impact

**Goal:** Compile data on the environmental impact of all packaging for smartphones, tablets, basic phones, jetpacks, connected devices and home service devices

**Progress:** We continued to collect and analyze packaging sustainability data through our established packaging scorecard tool and process for Verizon-branded products:

- We reached 93 percent compliance with four of the five Cellular Telephone Industry Association (CTIA) goals on all postpaid packaging (Apple products not included): use of nonpetroleum-based inks; using less than 10 percent volatile organic compounds (VOCs) in finishes; label packaging with international symbols for recycling; using self-sealing tab lockboxes and water-based adhesives.
- We reduced the environmental impact of devices, including the Samsung Note 4 device, by packaging them in smaller boxes made entirely of paperboard rather than plastic.

## Green packaging for prepaid devices and accessories

**Goal:** Continue to report the use of recycled paper content or paper content from responsible sources for all Verizon-branded accessory packaging

**Progress:** In 2015, packaging for all Verizon-branded prepaid devices and accessories used materials sourced from sustainably managed forests and land, as certified by the Forest Stewardship Council (FSC).

## Labels that help consumers recycle

**Goal:** Introduce a standardized labeling system to clearly communicate recycling instructions to the public

**Progress:** The How2Recycle labeling system, introduced in 2015 for Verizon-branded prepaid devices, raises awareness about how to recycle packaging and encourages consumers to do their part. We added a How2Recycle label to three postpaid devices that are packaged with multiple materials, to help customers recycle each element properly.



**At least 50%** of the paper we buy every year includes 10% post-consumer waste.

## Paper

Verizon looks for ways to reduce our impact through sustainable sourcing – for example, by buying paper made partly from recycled materials – and by cutting back on the unnecessary use of paper.

We have reduced the amount of material printed for customer orders by 24 percent from the 2014 baseline. For 2015, this savings represented approximately 127 tons of paper – or the equivalent of approximately 2,500 trees.

You can read more about our policies on paper [here](#).

**Goal:** First, we have pledged to make sure that at least 50 percent of the paper we buy every year includes 10 percent post-consumer waste (PCW), meaning that at least 10 percent of it is made from materials that have been used and recycled.

**Progress:** In 2014, we exceeded this goal with over 53 percent of our sourced paper including at least 10 percent PCW content.

**Goal:** Second, we committed that, by 2017, 90 percent of the paper Verizon sources will be certified by the Forest Stewardship Council (FSC) as having been manufactured in an environmentally friendly, socially responsible and economically viable manner

**Progress:** We made important progress in 2014, when over 83 percent of our paper met this goal.

We are calculating our 2015 progress now.

## e-Waste

Verizon aims to reduce our e-waste by reusing or recycling phones, set-top boxes and other products so that they don't end up in landfills. Our goal is not

just to recycle used products, but also to refurbish them so that they can be used again. We also remove, refurbish and redistribute Fios set-top boxes, sending them out to new customers in good-as-new condition so that the used boxes don't contribute to solid waste.

**Goal:** Recycle 90 million pounds of Verizon assets between 2014 and 2016

**Progress:** We recycled 40.7 million pounds of Verizon e-waste in 2015, bringing our total for 2014–2015 to 83.2 million pounds recycled.

We encourage other companies and individuals to recycle by holding recycling rallies in communities across the U.S. In 2015, we held 42 recycling rallies and office supply swaps. Through these events, we gathered 264,702 pounds of material for recycling, enough to offset 413 tons of CO<sub>2</sub>e emissions.

**Goal:** Collect 2 million pounds of e-waste by the end of 2015 (since 2010)

**Progress:** Through the recycling rallies, we surpassed our five-year goal by collecting 2.17 million pounds of e-waste. We have started working towards a new goal of recycling 4 million pounds of e-waste by 2020.

## Recycling

In 2015, we recycled more than 98 million pounds of combined batteries, paper, cardboard, telecommunications equipment and other items.

Managing our impact means making sure that the lead acid batteries we use to serve our customers and ensure network reliability are recycled properly.

Our practices for recycling these batteries exceed regulatory mandates. Verizon sends materials for recycling to approved facilities in the U.S. or Canada. These facilities are audited at least every five years. In addition, we require suppliers to send their used batteries to approved recycling facilities that meet Verizon's Environmental, Health and Safety Standards.

### Device recycling

Verizon is working to keep our customers' used mobile devices out of landfills.

**Goal:** Recycle 37 percent of used mobile devices

**Progress:** In 2015, we had a 33 percent device recycling rate.

## 100 percent landfill avoidance

Through our return-to-customer, return-to-market, and recycling programs, Verizon channels all used wireless devices to destinations other than landfills. It's important to note that while landfill diversion is our goal for each used device as a whole, some subcomponents of these devices may be consumed during the repair and refurbishment processes.

2015 recycled materials	(pounds)
Lead acid batteries	8,529,686
Other batteries	98,852
Paper/cardboard	11,948,840
Telecoms equipment	32,225,373
Municipal recycling	45,558,000
<b>Grand total</b>	<b>98,360,751</b>

## NFL partnership

Through our partnership with the NFL, Verizon takes advantage of the popularity of one of the world's most widely watched sporting events – the Super Bowl – to help reach our sustainability goals.

In connection with Super Bowl 49, we held a recycling rally in Phoenix, Ariz., attracting 350 participants and collecting nearly 24,000 pounds of e-waste.

We also used Super Bowl 49 as an opportunity to make the world a little



greener through six different tree-planting events (two in 2014, four in 2015), establishing more than 160 new trees. And in April 2015, we went to San Francisco to plant more trees in celebration of the upcoming Super Bowl 50 in the Bay Area.

Through our partnership with American Forests, we sponsored the planting of a total of nearly 19,000 trees during 2015, with an additional 21,000 trees being planted in early 2016 in support of our Super Bowl partnership.

Our goal for 2016 is to sponsor the planting of 50,000 trees.





## What's next

### We are focusing on four major environmental goals:

#### Carbon intensity

Reduce by 50 percent over the 2009 baseline by 2020

#### Energy-efficient buildings

Receive ENERGY STAR certification for 100 percent of eligible buildings

Earn LEED certification for 315 retail stores

#### e-Waste

**Internal** – Recycle 90 million pounds of Verizon assets between 2014 and 2016

**External** – Collect 4 million pounds of e-waste at public and employee events between 2009 and 2020

#### Water

Reduce water usage by 7 percent over the 2014 baseline by 2020

## Water

Global demand for water is growing as populations increase. Verizon is doing our part to conserve water by understanding and managing our consumption of this precious resource.

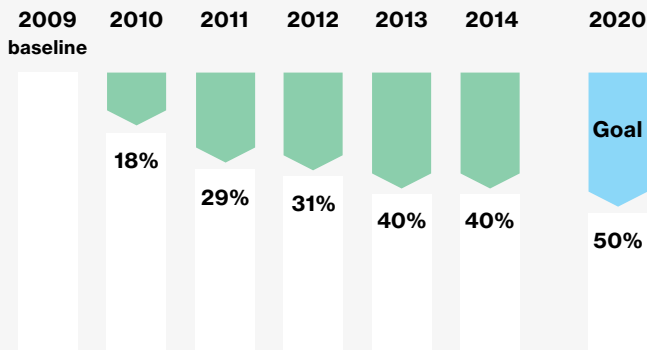
In 2014, Verizon used approximately 3.1 billion gallons of water.



# 2015 performance dashboard

## Improving energy efficiency

**Goal:** Cut carbon intensity in half by 2020\*



\* Our 2015 progress will be published on our website later this year.

## Greener stores and buildings



**289**  
total LEED-  
certified stores



**189**  
**100%** of eligible retail stores (in the fourth quarter)  
ENERGY STAR-certified



**206 ENERGY STAR-certified**  
buildings, including offices and  
distribution centers

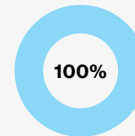


**ENERGY STAR Partner of the Year**  
Sustained Excellence recognition

## Reducing waste



**98 million pounds**  
of materials recycled

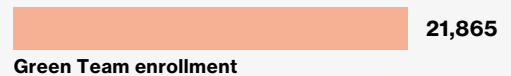
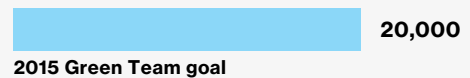


**100%**  
**landfill diversion**  
for used wireless devices



**2.17 million pounds**  
of e-waste collected at  
recycling rallies between  
2009 and 2015

## Encouraging responsibility



**29** countries & territories have  
Verizon Green Team members



**180** Green Team events were held



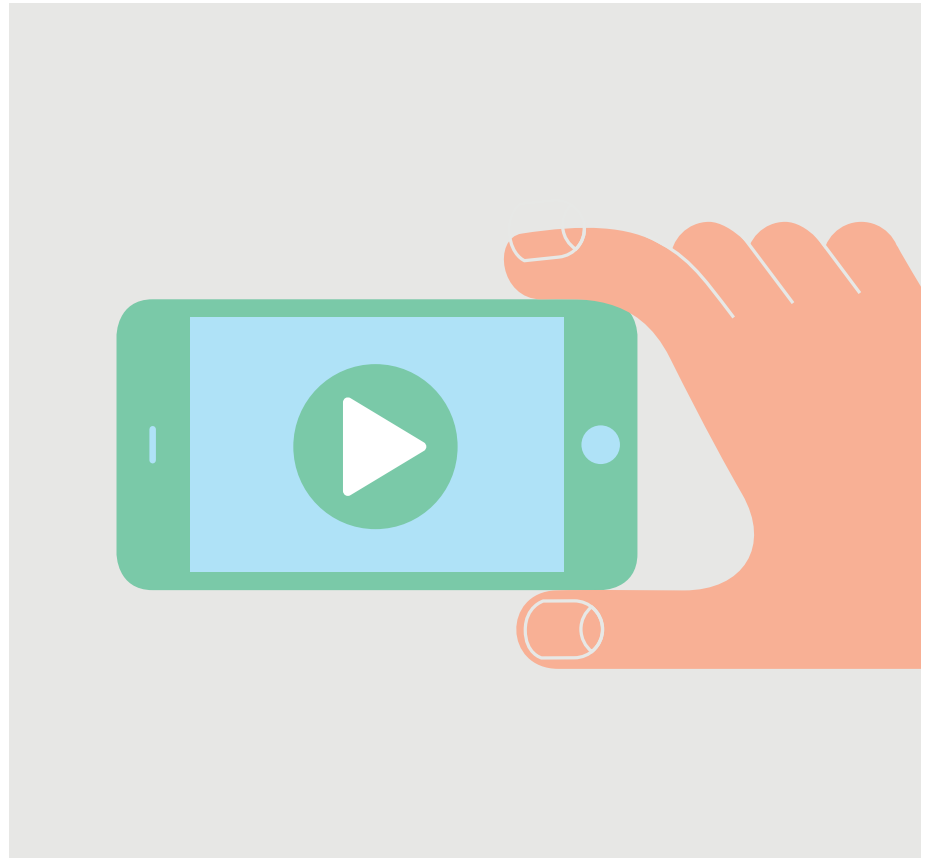
# Product responsibility



## Ensuring that technology is safe for everyone

Customers use our technology every day to entertain and educate their children, oversee their retirement accounts, monitor their health, and connect with friends and coworkers. As the Internet of Things grows and develops, customers will employ our solutions and network to manage even more aspects of their lives, from the cars they drive to the homes they live in. Privacy and security have never been more important to our company or our customers.

**Privacy and security have never been more important to our company or our customers.**



## Privacy and security

### Privacy

**Goal:** Enhance our privacy-compliance guidelines to reflect new technologies, products and services as well as new and evolving industry standards

**Progress:** As we develop new products and services, deploy new technologies and develop new uses for information, we examine relevant privacy questions. And we review and update [our Privacy Policy](#)

when needed to explain any additions or changes.

Protecting our customers' privacy is an important priority at Verizon. We are committed to maintaining strong and meaningful privacy protections. We are transparent about the information we collect, how we use it, and what options are available regarding certain uses of information.

Securing our customers' information is a priority that Verizon takes seriously, and we have safeguards in place to shield customer information from unauthorized access, use or disclosure.



## Government requests for information

In addition to advertisers, government and law enforcement agencies sometimes request customer information (such as calling records). While Verizon has a legal obligation to provide customer information to law enforcement in response to lawful demands (e.g., a subpoena or order), we take seriously our duty to provide such information only when required by law. Our dedicated teams carefully review each demand and reject those that fail

to comply with the law. If a demand is overly broad or vague, we will not disclose any of the information called for in the demand, or we will work to narrow the scope of the information we provide. Some demands are for information that we simply do not have, and sometimes we have some, but not all, of the information sought; accordingly, we will provide no information at all or only some of the information sought by these demands from law enforcement.

We strive to be transparent about these requests, as well. In January 2014, we

became the first telecom company to issue a Transparency Report, and we have issued updated reports every six months, including our most recent report in January 2016. Those reports share data on the number of law-enforcement requests for consumer information that Verizon receives in the U.S. and in other countries where we do business. You can read our latest Transparency Report [here](#).

We will continue to update this report twice a year.

the **1<sup>st</sup>** telecom company  
to issue a Transparency Report

## Online safety

The Verizon network enables consumer choice and provides customers with access to a broad range of content over a variety of devices, platforms and networks. We are committed to providing customers with the information and tools to make informed choices on what is appropriate for themselves and their families.

## Content Policy

Verizon first developed and published our Content Policy for Verizon Networks in 2008. Since then, we have continually updated the policy to make sure it remains relevant in the evolving digital landscape. Our policy is built on the following fundamental principles:

- We believe in helping customers make informed choices about the content and services they want to access;
- We are committed to supporting content management tools and access to educational materials; and

- We respect our customers' freedom of expression and ability to freely access all lawful content.

You can learn more about our Content Policy [here](#).

Through our Content Policy, we ensure that content is age-rated, that it conforms to recognized third-party content-rating systems when available, and that it is consistent with industry standard practices. We are committed to supporting our customers' ability to self-manage access to content by providing content management tools.

For instance, our Fios TV parental controls go well beyond the rating-based filters offered by other streaming services, allowing parents to block content by age group, control the display of certain programming and information on the on-screen guide, or even block specific channels or categories. The My Fios app enables parents to control how much time their kids spend online through per-device Internet usage limits, and lets them set daily or weekly time limits on any connected device.



We also provide information regarding [wireless content filters](#) that enable parents to decide what type of content their children should be able to access via their phones and other wireless devices.

Our Verizon [Internet Security Suite](#) protects computers, personal information and children from a wide array of online threats.

We also provide tools to help people learn more about online safety and connect with others to solve problems, including:

[Family Online Safety Institute \(FOSI\)](#)

Verizon is a board member of FOSI, an international, nonprofit organization dedicated to making the online world safer for kids and families through enlightened public policy, industry best practice and FOSI's Good Digital Parenting initiative.

[Mobile Living](#) is an online destination that provides our customers with information on today's technology. Online safety experts provide "Tips for Parents" to educate parents about common areas of technology concern, tools to help them solve problems, and information to bridge the technology gap between them and their children.





#### Family Safeguards and Controls

This is a website that lets customers follow, share and participate in the ongoing conversation about digital safety and security.

To access Verizon context tools and educational resources, please click [here](#).

## **Closing the digital divide**

Verizon's core business – information and communications technology (ICT) – is remaking the way people live and work, giving them access to new opportunities and streamlining communications to help them perform everyday tasks more efficiently.

## **Rural empowerment**

Rural communities do not always have timely access to the latest technology. In 2010, Verizon created the LTE in Rural America (LRA) program, a collaborative partnership with rural carriers to accelerate the deployment of rural wireless broadband services.

Under LRA, participating carriers lease valuable 700-MHz radio spectrum from Verizon and build their own networks, enabling them to offer 4G LTE services more quickly and economically. A dedicated



team of Verizon technology experts works directly with the rural carriers as they develop and deploy their networks.

By the end of 2015, all 21 of our partners in the LRA program had launched LTE service in their leased areas, building a growing network of over 1,200 active sites. The leases for the 21 participants cover nearly 2.9 million people in 15 states and more than 225,000 square miles.

## Serving people with accessibility issues

Using a cell phone or Internet connection can be challenging for people who are hearing-impaired or have a vision, cognitive, speech or mobility disability. Verizon strives to make all of its products and services accessible to people with accessibility issues.

**Goal:** Add features to and continue development of the National Accessibility Customer Service Center, and launch videophone with American Sign Language service

**Progress:** The Verizon Wireless National Accessibility Customer Service Center

(NACS) opened in 2014 to support customers who need additional assistance to meet their wireless needs. The NACS complements our existing Center for Customers with Disabilities, which serves Verizon's "wireline" customers. We continue to advance our plans to provide videophone-based care in American Sign Language in the NACS.

You can watch a video about how this team serves customers with accessibility issues [here](#).

**Goal:** Work with the National Braille Press on a tablet for the visually impaired

**Progress:** Although we explored this idea with the National Braille Press, the project did not proceed past initial discussions.

**Goal:** Develop accessibility solutions for our Fios video product that includes voice activation features via the remote and/or an interactive media guide

**Progress:** We are on track to deliver additional accessibility features to our Fios TV service.

**Goal:** Continue to explore new ways to improve location-identification accuracy for emergency calls and texts

## Universal design

Some consumers may be unable to use digital products because they are not designed to meet their specific needs. In 1987, Verizon embraced a set of Universal Design Principles that commit our company to providing products and services that are accessible by the broadest range of customers, including youth, individuals with disabilities and seniors. You can read the full text of our Universal Design Principles [here](#).





**Progress:** In 2015, Verizon and other industry partners began developing a common test bed to analyze new technological solutions to improve location-identification accuracy for 911 voice calls from mobile phones. This industry effort includes emergency response organizations and is also informed by a broad advisory group of additional stakeholders, including state and local emergency response interests and disability advocacy groups.

## Distracted driving

Safe driving is everyone's responsibility. Verizon wants people to arrive at their destinations safely. In 2000, we became the first wireless carrier to support state legislation banning handheld mobile phone use while driving. Today, we're still engaged in responsible driving initiatives, advocating for common-sense legislation and spearheading consumer education efforts to raise awareness about driving.

- In September 2015, [Verizon and the Michigan State Police](#) announced

**Safe driving  
is everyone's  
responsibility.**



a partnership to educate Michigan high-school students on the dangers of distracted driving.

- Verizon is also supporting [technology-driven solutions to distracted driving](#). The Israeli start-up [i4drive](#) was a finalist in this year's Verizon [Powerful Answers](#) contest, submitting an app that transformed a mobile phone from a driving distraction to a helpful tool for responsible driving.
- And students at Governors School in Virginia proposed a solution that was simpler but just as powerful. Their concept for an app called "Block It Out," submitted for the [Verizon Innovative App Challenge](#), describes an app that would respond automatically to texts and voice calls with preset messages such as, "I'm driving."

For more information about responsible driving, please visit [here](#).

## Radio-frequency emissions

Verizon is committed to providing our customers with information concerning the potential health effects of radio-frequency (RF) emissions from cell phones.

This information may include ways in which to access scientific research and FCC regulations. For those concerned about possible health effects, we provide information on steps for reducing exposure to RF emissions.

Verizon makes this information available in a number of places: on our [website](#), in a standalone bucksliip provided in the box of every new or refurbished cell phone, and in all Verizon retail stores, where a sign is posted advising that such information is available on request.

# Supply chain



# Aligning our suppliers with our values

## Supplier Code of Conduct

We ask our suppliers to work with us toward achieving high ethical standards by agreeing to our Supplier Code of Conduct.

That means committing to acting with integrity, obeying all applicable health, safety and environmental laws, and protecting confidential and proprietary information.

The Code also:

- forbids the use of child labor, forced labor and discrimination;
- protects employees' rights to freedom of association and collective bargaining, as permitted by local laws;

- forbids the use of "conflict minerals" in products provided to Verizon; and
- describes how suppliers should work with us on compliance and enforcement issues.

## Supplier evaluation

We work through a third party, EcoVadis, to measure how well our vendors are protecting the environment, safeguarding human rights, treating workers fairly and making sure their own suppliers are sustainable. Verizon has assessed 350 suppliers since July 2013 through the EcoVadis online platform.

After our suppliers complete their questionnaires, EcoVadis checks their responses and compares them with those of their peers, drawing on information from NGOs, the media and other public sources to set benchmarks. When we think suppliers can improve, Verizon works with them to create a plan for achieving new goals. The result: a reduction in risk for both Verizon and the supplier.

In 2014, we set a goal to conduct environmental assessments on 50 percent of our mobile device accessory suppliers. We surpassed this goal by assessing 77 percent of accessory vendors in 2015. This year, we've announced an additional goal to improve supplier sustainability: By 2017, we aim to make sure that 75 percent of our assessed suppliers meet our environmental standards.

Verizon is a member of the Joint Audit Cooperation (JAC), an association of telecom operators that promotes shared and coordinated on-site corporate responsibility audits of suppliers. Over 200 supplier audits have been completed since JAC's inception in 2010; 61 were completed in 2015.

Verizon joined JAC in 2013 as the first U.S.-based member and serves on both the Leadership Assembly and Operational Board. Other members include Deutsche Telecom, Orange, Telecom Italia, Belgacom, KPN, Swisscom, Telenor, TeliaSonera and Vodafone.





## Conflict minerals

Part of the world's supply of metals, such as tin, tantalum, tungsten and gold, comes from war-torn countries, including the Democratic Republic of the Congo. Buying materials from conflict-ridden countries can help finance further unrest and suffering. As a result, we ask our partners to take steps to ensure that their products do not include materials that either directly or indirectly finance or benefit armed groups in the Democratic Republic of the Congo (or in any adjoining country).

You can read more about these issues in our [Conflict Minerals Statement](#).

Verizon's most recent Conflict Minerals Report on Form SD can be found [here](#).

## Our progress

### Raising the bar on monitoring supplier compliance

**Goal:** Increase the number of JAC audits and continue to work with the companies in our supply chain to address issues of non-compliance

**Progress:** In 2015, we completed 61 JAC audits, up from 35 in 2014. We are also continuing our work with EcoVadis to create plans for improvements with suppliers who have not yet met our standards.

## What's next

**Goal:** Continue work with JAC and EcoVadis to improve compliance

**Goal:** Ensure that 75 percent of our assessed suppliers meet our environmental standards by 2017

In 2015, Verizon purchased

\$  
**4.25**  
**billion**

**in goods and services  
with diverse suppliers.**

## Supplier diversity

Working with suppliers from a variety of backgrounds helps us build long-term value for our customers. Diversity is important for our own success as well as that of our suppliers.

In 2015, we purchased \$4.25 billion in goods and services from diverse suppliers including minority-, women- and

veteran-owned businesses. This brings our total spend with diverse suppliers to nearly \$25 billion over the past five years.

We continuously work to expand our diversity and inclusion efforts and monitor our progress. We have a robust Tier 2 program that encourages collaboration between our primary and our diverse suppliers.

You can read more about our supplier diversity programs [here](#).

## 2015 awards for supply chain diversity

- *Minority Business News USA* named Verizon to its “Corporate 101” list in recognition of supporting diverse businesses.
- The Women’s Business Enterprise National Council included Verizon in its “Top Corporations” in support of women-owned business enterprises for the 10th consecutive year.
- The U.S. Hispanic Chamber of Commerce Million Dollar Club recognized Verizon for spending over \$1 billion with Hispanic business enterprises and for integrating these businesses into our sourcing and procurement process.
- DiversityBusiness.com ranked Verizon No. 5 on its 2015 “Div50” list for multicultural business opportunities.
- Verizon is a charter member of the Billion Dollar Roundtable, a coalition of 20 companies that spend more than \$1 billion each year with diverse suppliers.
- *Black Enterprise* magazine included Verizon on its “35 Top Companies for Supplier Diversity” list, recognizing best practices for diverse representation within supply chains.

# Employee experience





## Empowering our people to achieve purpose

At Verizon, we're more than just a place to work. We are a place where talented people come to collaborate, inspire one another and achieve a purpose – for work, for life, for our world. And when we succeed, it's because our team of employees succeeds – not just at work, but in life.

Purpose is what drives us, and when that purpose is aspirational, we can achieve

great things. Our V Team, the thousands of people who collaborate across the planet, is purpose-driven. How? Simple. It's all about doing work that matters, that improves how our customers live, work and play, and that creates great customer experiences by delivering the promise of the digital world.

When we do that, it means we're building both successful careers and prosperous lives. Every day, in many different ways, we enable our employees to succeed. A mid-career professional uses our award-winning training to learn new skills to help him qualify for a better job. V Teamers connect on our social collaboration platform to share ideas and then seed the beginning of a new Internet of Things app by submitting their brain-storming

thoughts to our employee idea engine. An engineer from a minority background becomes a mentor and role model to young girls learning to code. A disabled veteran puts to work the skills that she learned while serving her country at her new civilian job at Verizon.

We create an engaging employee experience in which our work makes a difference. Our culture encourages our people to innovate and thrive on challenges, build the world's most awesome networks, and deliver personal technology solutions that make life better. Our commitment to one another and our customers starts with the Verizon Credo, an aspirational foundation for who we are and how we work.



# The Verizon Credo

## High-quality communications services

We have work because our customers value our high-quality communications services. We deliver superior customer experiences through our products and our actions. Everything we do we build on a strong network, systems and process foundation. The quality and reliability of the products we deliver are paramount. Customers pay us to provide them with services that they can rely on.

## Focus outward on the customer

We focus outward on the customer, not inward. We make it easy for customers to do business with us, by listening, anticipating and responding to their needs. We know our products and can explain them to customers. We focus on fundamental execution. We are accountable, and we follow through with a sense of urgency. We know that having the highest ethical standards is a competitive advantage.

## Teamwork

We know teamwork enables us to serve our customers better and faster. We embrace diversity and personal development not only because it's the right thing to do, but also because



it's smart business. We are driven not by ego but by accomplishments. We keep our commitments to each other and our customers. Our word is our contract. We respect and trust one another, communicating openly, candidly and directly since any other way is unfair and a waste of time. We voice our opinion and exercise constructive dissent, and then rally around the agreed-upon action with our full support. Any one of us can deliver a view or idea to anyone else, and listen to and value another's view regardless of title or level. Ideas live and die on their merits rather than where they were invented.

## Integrity is at the core of who we are.

We believe integrity is at the core of who we are. It establishes the trust that is critical to the relationships we have. We are committed to doing the right thing and follow sound business practices in dealing with our customers, suppliers, owners and competitors. Our competitors are not enemies; they are challengers who drive us to improve. We are good

corporate citizens and share our success with the community to make the world in which we work better than it was yesterday.

## Best is our strength

We know that bigness is not our strength, best is our strength. Bureaucracy is an enemy. We fight every day to stay "small" and keep bureaucracy out. We are more agile than companies a fraction of our size because we act fast and take risks every day. We see crisis and change as opportunities, not threats. We run to a crisis, not away. Change energizes us. We work hard, take action and take personal accountability for getting things done. Our actions produce measurable results.

## Our corporate values

Everything we do is built on the strong foundation of our corporate values. We work 24x7 because our customers depend on us 24x7. We know our best was good for today. Tomorrow we'll do better.

**Goal:** Require the leadership team and Supply Chain Services organization to once again complete the Conflict of Interest Questionnaire (COIQ)

**Progress:** All (100 percent) of the active leadership team and Supply Chain Services organization completed COIQs in 2015.

**Goal:** Require all employees to complete mandatory training on our updated Code of Conduct and continue our communications about the Code

**Progress:** The Code of Conduct was updated for 2015. All (100 percent) active employees completed the new Code of Conduct training course. Relevant and proactive ethics-related communications to our employees continued in 2015.



**We believe health and wellness are fundamental to success, in business and in life.**

## Health and wellness

We believe health and wellness are fundamental to success, in business and in life. That's why we make them a priority in our workplace experience. We cultivate a culture of health through comprehensive services and benefits that encourage and enable preventive care, early detection, chronic-condition management (for diabetes, cardiovascular disease, etc.), emotional wellness and healthy living for our V Team members and their families.

## Supporting resilience and emotional health

We want the V Team to be healthy, happy and productive. We all have those times when we can use a little help with life's challenges. That's why Verizon provides comprehensive resources designed to assist all team members as well as their families during challenging times. We encourage employees to use these resources when needed.

Our Resilience Toolbox provides managers with resources to support team members who might be struggling with

challenges in their lives. These valuable tools help to raise awareness and educate our people leaders about how to respond if a team member is having difficulties. Managers all over the world are equipped with the knowledge and resources to be able to point V Teamers to important assistance aimed at supporting emotional well-being.

In addition, a comprehensive Employee Assistance Program (EAP) provides easy access to tools and resources designed to help V Teamers lead healthier,

happier lives. The EAP is free and is also available to employees' dependents and household members. It's confidential and accessible 24 hours a day, 365 days a year. This valuable resource assists thousands on the V Team every year, providing information and connecting them with professional assistance for child services, elder care services, adoption assistance, mental health problems, financial challenges, substance abuse, stress management and many other family services.

Our online and mobile resource myStrength – The health club for your mind™ – is available through the EAP for managing stress, anxiety, depression, substance abuse and other issues. This resource is available to V Teamers and their household members and offers free access to tips, exercises, videos and more – all tailored to help us better manage the stressful and anxiety-ridden moments of life.



## Making our fitness and health a priority



**24,530**

employees participated in our "Wellness 365: Building a Better You" program. They logged the following:



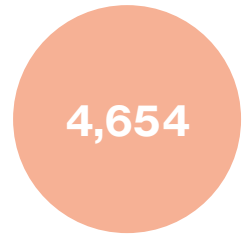
glasses of water consumed



days on which fruits and vegetables were eaten



goals accomplished



acts of random kindness



activities of personal interest



days on which relaxation techniques were used



nights of 7-8 hours of sleep



lbs. lost

## Diabetes prevention and management

According to the most recent statistics, as of 2012, more than 29 million Americans had diabetes, while an additional 86 million had pre-diabetic conditions that might lead to the disease. The number of U.S. adults with diabetes is projected to double or triple by 2050 if current trends continue. Verizon is working to help employees and their family members identify the signs of this disease early and, ultimately, to lessen

the toll it takes. Our partners in health, like Anthem Blue Cross Blue Shield and WebMD, play a big role in providing services that make a difference in the quality of life for our team members. In 2015:

- More than 950 employees and their family members received nurse outreach from Anthem about important screenings.
- Out of 19,850 unique members identified with at least one care gap, 11,994 were reached through

Anthem's Vascular at Risk Outbound Call Campaign.

- Through WebMD, more than 1,100 participants completed a pilot weight-management-coaching program. Participants worked with coaches telephonically and via mobile devices, tracking progress over 12 months, with 71 percent losing or not gaining weight. We're expanding this pilot to a full program along with lifestyle coaching services for other risk factors in 2016.

## Care for expecting parents and healthy babies

V Teamers and their spouses or partners expecting a baby have access to prenatal and postnatal maternity care. This year, 45 percent of the new additions to our families were delivered with the help of our Healthy Pregnancy Program from Anthem Blue Cross and Blue Shield. This program helps to assess any risks to the mom or baby during pregnancy and after delivery, and provides helpful information and coaching by specialized nurses.

We welcome these new V Teamers by enabling their parents to spend quality bonding time with them through our paid parental leave. Under this benefit, eligible new parents, both moms and dads, can take up to 10 days of paid leave to spend time with their newborn or adopted child. Parental leave, in addition to traditional maternity benefits covered under our disability plan, along with other paid-time-off benefits such as vacation and personal time, allow new parents to maximize bonding time with their new family members. For mothers, these benefits can add up to as much as three months of paid time off after giving birth.

## Staying on top of our game with fitness centers

V Teamers use our 45 Verizon Health & Wellness centers to learn about their health and to participate in activities that will keep them healthy. Fitness center membership was at 16,000. In 2015:

- More than 615,000 workouts took place in our on-site H&W centers (in addition, more than 312,000 visits occurred, including nutritional consultations, equipment orientations, fitness assessments, health discussions, goal-setting sessions and other wellness events).
- Over 66,000 personal training/group training sessions were conducted by coaches with team members.
- The “Wellness 365: Building a Better You” program was launched across the nation. In 2015, 24,530 employees participated (see graphic on page 62 for details).
- 3,211 V Teamers participated in the “Choose to Move” Verizon challenge to track their healthy habits for eight



weeks. Employees formed teams with colleagues for extra motivation or participated as individuals to track steps taken, exercise minutes and weight loss.

And for members of our team who do not work near one of our 45 locations with an on-site H&W center, our Global Fit program provides a discount on gym memberships at approximately 8,000 locations across the U.S.

# 615,000+

**workouts took place in our on-site Health & Wellness centers in 2015.**



## From high risk to healthy and running a 10K

**At age 24, V Teamer Daniel Pajak realized it was time for a change, and our Verizon fitness coaches helped him to succeed. Here's his story:**

I was already on high blood pressure medication and at high risk for diabetes. I was at my heaviest, having grown from a chubby kid into a heavy adult. I had tried fad diets and exercised, but nothing seemed to work. I wanted to be healthier, so a teammate and I decided to give the company's Health & Wellness Center a try.

The coaches didn't just point to the problems I already knew – namely that my diet and exercise programs were not on target. Instead, we created a plan and we executed on that plan, pushing my activity level a bit more every day and evolving my eating habits. Small steps, such as focusing on lean protein over carbs and working out several times a week, were my foundational blocks.

I lost the weight I wanted, and I have kept it off. I also ran my first 10K race, which is twice the distance I envisioned for my first competition.

At age 24, I knew I had to make a change or be unhealthy my entire life. Having someone in your corner, guiding and pushing you in the right direction, created success for me. I thank my workout partner and Verizon's Health & Wellness coaches for giving me the gift of better health.

Beyond our H&W centers, we promote a healthy V Team through a comprehensive range of on-site services delivered as part of our “Be Well, Work Well” programs. In 2015, we delivered more than 200 on-site health and wellness events that delivered valuable health services to thousands of V Teamers. These included free biometric health screenings, mammography screenings and flu shots.

- 4,890+ employees received a free health screening for cholesterol, blood sugar, blood pressure and body mass index.
- 19,600 employees received flu shots.
- 570+ women age 40+ took advantage of the on-site mammography screenings.

Verizon also provides and promotes other online and mobile tools and resources on the WellConnect and Verizon HealthZone (powered by WebMD) portals to help team members who are on the move keep up with healthy habits.

## Mobile tools for healthy lives: WellConnect

V Teamers and their families have access to a wide range of health and wellness resources at any time through the WellConnect portal. Information is available on preventive care, tobacco cessation, physical activity, nutrition, mobile tools, wearable devices and much more. In 2015, 60,913 employees used the WellConnect portal. In addition, 57,649 participants logged in to their personalized “My Health Vault” to check their Health Assessment score, Health Screening results and Lifestyle Incentive Tracker as part of actively managing their health.





## Work-life balance

Life's busy. We get it. Balancing work and life is especially hard in today's digitally connected world, where people carry their job with them everywhere they go. Understanding the need for balance between the demands of work and life, we strive to ensure that our V Team members have the flexibility they need to tend to life, whether it's celebrating good times, making that dance recital or baseball game, or taking time to care for themselves or their family.

We help employees meet both work and family obligations in a variety of ways, including a generous time-off package, alternative work arrangements and an array of family-friendly benefits and services.

Vacation, holidays and personal days provide a generous amount of paid time off and, when combined with our flexible leave-of-absence programs, form a solid core of time-off options that can be adapted to individual needs.

In 2015, more than 5,000 V Teamers regularly leveraged our alternative work programs, such as Flex-Time with its adjustable start-stop times, Compressed Workweek, and Telework, to help them achieve a healthy and productive work-life balance.

Among the family-friendly benefits and services we provide are: 10 days of paid parental leave for parents to bond with a newborn or adopted child; emergency child and elder care service; the Bright Horizons Special Needs program for parents with special needs children; and the myStrength stress-reduction tool that can be tailored to the needs of each participant. Also, our comprehensive Employee Assistance Program, available to our V Team members and their families 24x7x365, provides answers, information and support for many of the work-life questions and issues that come up in day-to-day life.



## Working dad. Growing son. Career aspirations.

Being a working parent has its challenges. Rohan Mehta joined Verizon in 2011, motivated to work for a company that values his desire to be there for his son while also using his skills in customer service.

Four years later, Rohan continues to be the dad who does both. But without the flexibility to balance work and life, he would face challenges – meet customer needs or make that T-ball game?

Rohan, a solutions specialist in Albuquerque, N.M., is a single working parent. Before joining Verizon, he worked at a hotel that constantly changed his

schedule and made it hard for him to spend time with his young son, Andrey. Interviewing at Verizon, he learned that his customer skills would be an asset and that he'd have a regular schedule that would allow him to take care of his son. From his first conversations with Verizon's staffing team, he felt confident that advance planning for shifts, for example, would remove the uncertainty he had previously faced when scheduling child care.

"It's a good feeling to know that I can be an active dad in Andrey's life and be able to grow my career," he says.

Rohan started his Verizon career as a customer service representative and soon became a technical support coordinator, building on his interests in technology products and services. With his growing knowledge of the business, it wasn't long before he became a transition coach, helping new team members get ready for their jobs. Ultimately, he served as an acting supervisor for his team.

Rohan is now training for his new position as a retail solutions specialist, where he will be able to interact face-to-face with customers, something he has realized he particularly enjoys. "My supervisors encouraged me to go after this opportunity and nominated me for an eight-month pre-leadership program to prepare me for this role," says Rohan.

## Competitive pay and benefits

When people are financially and personally secure, they can focus on achieving their goals at work and in life. That's why we support the V Team financially, professionally and personally with a leading package that delivers a combination of competitive pay and first-class benefits.

Comprising base pay, incentives, an industry-leading 401(k) savings plan that matches up to 6 percent of salary, and high-quality, affordable healthcare coverage that includes medical, dental and vision care along with disability and insurance programs, our total rewards package provides what V Teamers and their families need for today and for tomorrow. Just consider that in 2015 we covered more than 670,000 beneficiaries,

investing more than \$3.2 billion to deliver healthcare benefits and services alone.

Our benefits also cover opportunities for continuing education to grow and develop, time off, and flexibility to balance work and life, as well as substantial resources that promote physical and emotional health and well-being for our team members and their families.

## Career growth and training opportunities

One thing's for sure – Verizon is a place where people are encouraged to grow so that our business can grow. V Teamers are challenged to continuously learn new things and collaborate so they can innovate and develop solutions that benefit our customers and keep Verizon at the forefront of the technology sector.

Our learning and development resources are recognized as among the best in the world. We actively deliver leading-edge learning platforms and tools to enable the V Team to continually learn, grow and develop their skills. We leverage our own technology – mobile devices and cloud-based computing powered by our network – to deliver content in multiple formats. These include virtual instructor-led modules, self-paced online courses, gamification, books online and VZTube instructional videos.

In 2015, we invested more than \$308 million to strengthen our business and our culture of learning. Our talented workforce actively takes advantage of the 22,000 courses we provide, having completed 8.8 million hours of training in 2015 – an average of 50.7 hours per team member. Over the past three years, our team has completed more than 25 million hours of training as part of our pursuit to be the best.





In 2015, more than

# 22,500

**employees used our Global Tuition Assistance Program to continue their education.**

### **Learning via the portal and mobile-support solutions**

At the heart of our learning and development platform is the Verizon Learning Portal – where employees can enroll in face-to-face as well as virtual training and find Skillssoft and other online courses, Books 24x7, Verizon Leadership University, VZTube videos, podcasts and much more. The portal maintains a record of all training completed and allows employees to rate and share comments about courses. Best of all, online content is accessible from work, from home or when on the go, making it available 24x7x365. Our mobile learning and performance-support solutions allow V Teamers to access information in real time to best support our customers wherever and whenever needed.

### **Assisting with tuition**

Our Global Tuition Assistance Program provides team members with up to \$8,000 annually to fund higher-education studies for enhancing their careers at Verizon. The program reinforces how we encourage V Teamers to grow, and the number of participating employees and our investment has been increasing steadily over the past three years. In 2015, more than 22,500 employees used the program to continue their education and advance their career goals.

### **Collaborating with talented people**

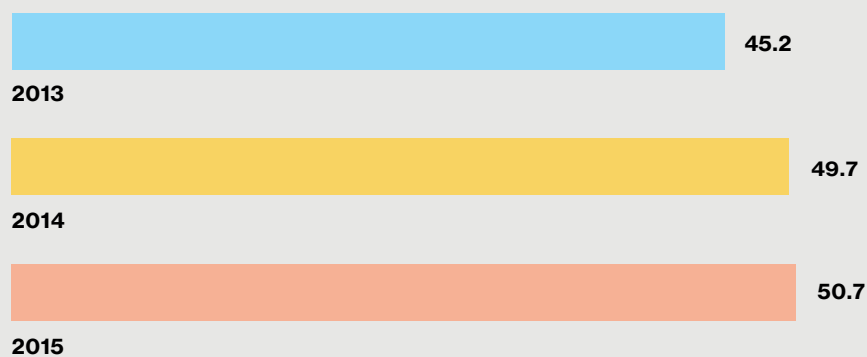
Learning and development in today's fast-paced, technology-driven world is occurring in new and different ways. At Verizon, our community of talented people at all levels of the company work with one another through social networking tools that promote knowledge- and idea-sharing, cross-collaboration among teams, and exchanges about business challenges.

Many V Teamers connect through Chatter and our Jive-powered CrowdAround social platforms. They also take part in live chats during which they can ask questions and receive real-time answers directly from senior leaders. In 2015, live-chat topics included the Internet of Things, Telematics, Marketing and Information Technology.



## Employee training

Average annual hours of training per employee



### Recent employee training achievements

- Continued “Training Top 10 Hall of Fame” status. First inducted by *Training* magazine in 2014 after ranking in the top 10 for four consecutive years, including #1 in 2012 and 2013.
- Ranked #7 for Learning and Development, in 2015 and 2014, by the Association for Talent Development.
- Rated #5 among Growing Strong Leaders in 2015 by *Chief Executive* magazine.
- Won two 2015 Brandon Hall Group Awards: Gold for Excellence in Technology for Best Advance in Learning Management Technology – GEMS: Global Engagement Management System, and Bronze, in partnership with ELI, for Best Unique or Innovative Learning and Development Program – Civil Treatment for Leaders®.

## Verizon tuition assistance

Year	Participants	Expenditure
2013	21,912	\$86.3 million
2014	22,066	\$88.1 million
2015	22,585	\$94.1 million



## Be Safe

Smart. Aware.  
Focused. Equipped.

**We promote a culture of safety through our Be Safe principles to reinforce four fundamental safety practices:**

**Be Smart  
by knowing  
your safety  
procedures.**

**Be Aware of  
your work  
environment.**

**Be Focused  
on performing  
your job safely.**

**Be Equipped  
for your job.**

## Safety

At Verizon, we believe that a safe work environment is fundamental to the employee experience. And while safety at work is important, our focus is broader because we want the V Team to be safe all the time, everywhere.

Why is safety so important? Simple. Our people are Verizon. Our culture of safety begins with our Be Safe principles. We share safety information with all V Teamers so they can be safe at work, at home and on the road, and also share it with their families. Working safely from heights, around electricity, when using tools, by protecting your eyes, and by avoiding distractions while driving are some of the topics our safety training covers.

A safe work environment is also good for our customers. A safe workplace helps the V Team innovate, collaborate and deliver a great experience – whether our people are working in a research lab, a call center, a garage work center, a store or office building, on the road in our fleet, or at a customer's location.

To make safety a part of how we work, we focus on three key elements:

- *Providing* the V Team with the appropriate tools, safety equipment and training to perform a job safely.
- *Conveying* targeted information and processes to enable and motivate our employees to work safely.
- *Conducting* internal compliance checks and hiring outside experts to perform safety audits globally to ensure that environmental policies and safety management processes are being followed.

Our focus on safety has driven results. In 2015:

- We delivered six new safety courses on topics such as working in confined spaces, lead awareness, vehicle inspections and defensive driving, many via mobile devices.
- Our occupational injuries and illnesses rate was 1.32 per 100 employees – significantly lower than the Bureau of Labor Statistics' telecommunications industry average of 2.20.



## Diversity and inclusion

When you're in the business of connecting people across the planet, diversity needs to be part of your DNA, your blueprint for success.

The Verizon Credo sets the direction: "We embrace diversity not only because it's the right thing to do, but also because it's smart business." By acknowledging and tapping into the diversity of thoughts, capabilities and backgrounds among our team members, suppliers and customers, we strengthen our ability to reach higher levels of achievement in business and in life.

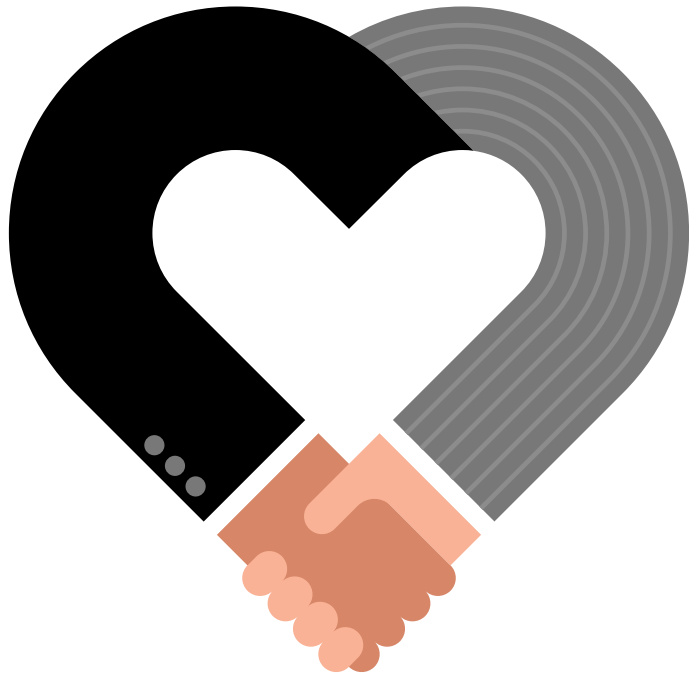
One way we operationalize our commitment to diversity and inclusion is through our Equal Employment Opportunity policy. Our policy provides protection to all persons, without regard to race, color, religion, age, gender, sexual orientation, gender identity and expression, national origin, disability, military status, citizenship status, veteran status or any other legally protected categories.

### Connecting employees through resource groups

We value our Employee Resource Groups (ERGs) as vibrant contributors to the Verizon experience and our ability to create a collaborative, inclusive and diverse environment where V Teamers can bring the best of who they are and their talents to the table. People who share the same heritage, background or work-life

experiences can connect through our ERGs, which help participants to improve, grow and succeed.

Why do thousands of V Teamers participate in these volunteer organizations? It's because they provide a forum through which members can develop their talents, collaborate with professionals who share similar interests, and channel their energy for benefiting society. With members across our global footprint, ERGs foster partnerships, information-sharing, and connections across our diverse base of customers, suppliers and communities. They offer mentoring, leadership training, professional and personal development seminars, and networking events. They also provide members with opportunities to pursue their passion for volunteer work, helping one another and giving back to the communities where we work and live.



#### Verizon Employee Resource Groups

- Asian-Pacific Employees for Excellence
- Consortium of Information and Telecommunications Executives (African-Americans)
- Disabilities Issues Awareness Leaders
- Gay, Lesbian, Bisexual and Transgender Employees of Verizon and Their Allies
- Hispanic Support Organization
- Native American People of Verizon
- South Asian Professionals Inspiring Corporate Excellence
- Veterans Advisory Board of Verizon
- Women's Association of Verizon Employees



## 2015 diversity awards and honors

Due to our continued commitment to creating a diverse and inclusive workplace, Verizon has been recognized as a leader for diversity and inclusion. Below are some of the awards and honors we've received recently.

### **Working Mother – 100 Best Companies**

Lots of things can make a company a great place to work for working mothers. Maternity leave, flexible work arrangements, adoption assistance and daycare discounts are just a few examples of the benefits that Verizon offers its employees. And they're only part of the reason why Verizon, for the 15th consecutive year, was named one of *Working Mother's* 100 Best Companies.

**DiversityInc** recognized Verizon as being one of the top 50 companies for diversity for the 15th consecutive year. In fact, we're one of only two companies to have been ranked #1 twice. Every year Verizon has been recognized for its efforts in hiring, developing and retaining diverse talent.

**Black Enterprise** recognized Verizon as one of the 40 Best Companies for Diversity – with particular strengths in the diversity of our Board of Directors and Supplier Diversity Program.

**Human Rights Campaign/Corporate Equality Index** – Verizon scored 85 percent and is in the top 20 Fortune 1000 companies on the Human Rights Campaign 2016 Corporate Equality Index (CEI), which evaluates employment policies and practices supporting equality for LGBT (Lesbian, Gay, Bisexual and Transgender) communities. Companies are rated based how well they do with

regard to non-discrimination policies and practices in the workplace.

**Disability Equality Index (DEI)** – Verizon participated in the 2014 DEI survey (completed in early 2015), receiving a score of 80 points and perfect scores in the areas pertaining to enterprise-wide access for individuals with disabilities, employment practices (such as accommodations, benefits, recruitment, education, retention and advancement) and community engagement.

**Hispanic Association of Corporate Responsibility (HACR)** rated Verizon in various categories including employee resource groups, executive sponsorship, recruiting and retention, internship programs and governance/leadership. Verizon received an overall score of 85 points, and was highlighted as one of the companies that improved its ratings year-over-year.

**G.I. Jobs/Military Friendly** ranked Verizon in the top 25 military-friendly companies for our continued support of military heroes. We are proud to have been named to the 2015 list of Military-Friendly Employers, and ranked #3 for our industry, by Victory Media, which is the publisher of *G.I. Jobs* and is a service-disabled, veteran-owned business.

## Tapping military skills and experience

Veterans make tremendous sacrifices for our country, and they deserve opportunities when they transition from the military. They also bring important skills to the workforce – and particularly to high-technology employers like Verizon.

We offer veterans the tools to navigate the shift to civilian life. For instance, the “Hiring

Our Heroes” app provides résumé-building and networking services for job-seeking veterans. For veterans not sure where they would fit in at Verizon, our career website has a “Military Skills Matcher,” which identifies job openings that correlate to a candidate’s military experience.

Veterans have been integral to our success as a company, so we’ve increased our veteran recruiting and hiring efforts. Our dedicated military recruitment team of eight full-time team members, including veterans from each branch of service as well as a military spouse, works year-round on this mission. Through our Military Talent Network, we enable vets seeking jobs to keep in touch with the team and receive job alerts for their areas of expertise. Last year, team members attended nearly 200 military job events and participated in 15 virtual recruitment fairs.



## Veteran-friendly recognition

**Ranked #1  
Best for Vets**

*Military Times*  
magazine 2015

**Ranked #1  
Vet Friendly  
Employer**

Veteran Recruiting  
2014

**Freedom Award**

Secretary of Dept. of  
Defense 2012

**Top 25  
Military-Friendly  
Companies**

*G.I. Jobs* magazine  
2015

**Pro Patria,  
Seven Seals,  
Patriot Award**

ESGR state committees  
2011, 2012 and 2015  
respectively

**Through our employee idea engine, we implemented 202 ideas from employees in 2015, generating an estimated**

**\$7.9 million**  
in financial benefits to the company.

	Ideas	Ideas per day	Collaboration	Challenges	Implemented	Est. ROI
<b>2015</b>	12,268	33.6	534,531	15	202	\$7.9 million
<b>2012–2015</b>	65,437	44.8	1,528,189	61	442	\$22.3 million

In 2015, we hired 1,086 veterans. We now employ nearly 12,000 veterans across Verizon. That's one reason why we were ranked #1 by *Military Times* on its Best for Vets: Employers 2015 list.

We also offer career opportunities for military spouses, helping them navigate the work-life challenges that come with deployments and relocations.

Our military leave policy allows our service men and women to continue serving their country. When V Teamers are called up to active duty, we bridge the gap between military pay and Verizon pay to ensure the family members and their financial needs are cared for.

Once veterans join the V Team, they benefit from an active network of service members to help them adjust to civilian life. Our Veterans Advisory Board employee resource group also provides mentoring and other opportunities for vets to further engage with the Verizon community.

## Listening to the V Team

To reap the greatest benefit from diversity, we value contributions from our entire team. Our Verizon Credo guides us: "Any one of us can deliver a view or idea to anyone else, and listen to and value another's view regardless of title or level."

For instance, every other year, we invite V Teamers to complete our Viewpoints employee opinion survey. The point is to make our business better by listening to the voice of the employee. The survey focuses on four key areas that are critical to our business success – Customer Focus, Business Priorities, V Team Culture and Employee Experience. The 2014 Viewpoints Survey drew our highest participation ever, and we look forward to hearing from our team members in 2016 so we can use their feedback to improve customer and employee experiences.

Another important way we amplify the voice of the V Team to make our business better is through our employee idea engine. We encourage employees



to submit ideas and improve on them through a platform that allows them to vote, comment and improve. A team reviews every idea. Those identified as having merit are supported with developmental resources.

Our idea engine also serves as a way for leaders to engage with their teams through what we call business challenge sessions. Leaders post challenges we're looking to tackle, and employees collaborate to develop solutions. In 2015, V Teamers submitted 12,268 ideas, an average of 33.6 ideas a day, collaborated 534,531 times and participated in 15 business challenge sessions.

## Creating an ongoing conversation

Beyond listening to the V Team, we create an ongoing conversation among employees through an array of

communications channels. We connect our people at all levels worldwide so they can collaborate, innovate and deliver for our customers. Dialogue is central to the V Team experience, part of a culture that's rooted in the open, candid and direct exchange of ideas.

Our central communications channel is VZWeb, a rich, social and customizable company intranet that's available on all desktops and mobile devices. It connects employees with company and industry news, policies and resources, as well as collaboration tools. Thousands of V Teamers post comments on and replies to the news, submit their own ideas, and carry on discussions with colleagues across the globe.

VZWeb also provides V Teamers with a robust, personalized experience. They can explore career and training opportunities, access and manage their pay and benefits information, and use tools to balance

### Engagement

Verizon employees give generously of their time, money and skills, and we support their passion for community engagement with company resources.

work and family life, improve health and wellness, and manage work. They can also pursue their personal passions, such as participating on the Verizon Green Team or seeking volunteer opportunities in the communities we serve.

Employees also connect through our Chatter and Jive-powered CrowdAround social platforms, and with senior management via webcasts and live-chat technology. They can speak directly with Chairman and CEO Lowell McAdam during his quarterly all-employee webcasts. Our senior leaders regularly host webcasts, having conducted 94 in 2015. The conversation continues through smaller, informal town hall meetings and roundtables held by leaders across the globe.

We're continuously looking for new and better ways to enable the V Team to communicate, connect and collaborate because it's central to our ability to achieve our purpose to deliver the promise of the digital world to our customers.





## Our progress

### How we gave in 2015:

#### 387,719 volunteer hours

were donated by employees to support nonprofit organizations.

#### Nearly \$9.6 million

was donated by employees to schools and nonprofits.

#### Nearly \$11.0 million

was given through Verizon's Matching Gifts program – supporting employees' donations of time and money to charitable organizations and schools.

**Green Team:** The Green Team is a voluntary, grass-roots effort that builds sustainability into everything we do. In 2015, 21,865 employees in 29 countries and territories were part of the Green Team. Green Team participants work to help Verizon reduce its environmental

impact at work and to reduce their personal impact at home. For 2015, we set a goal of promoting 150 Green Team events – which we dramatically exceeded with more than 180 events, everything from planting trees to cleaning up green spaces to beautification projects.

For instance, our Green Team hosted seven “Green Bag” Sessions – 30- to 60-minute webinars on environmental topics, including Electric Vehicle Charging, Earth Hour, Wise About Water, Rain Barrel 101, Summer of Conservation, and Carpooling Made Easy. Twelve editions of the VZ Green Insider newsletter were published globally to employees highlighting monthly environmental project results, upcoming initiatives and engagement opportunities. Green Team members led electronic recycling events for employees at 30 different locations across the U.S. to celebrate America Recycles Day. Green Team members in 169 different locations participated in the Holiday Card Program and the cards that



were collected were sent to St. Jude's Ranch for Children.

In 2015, 183 Green Team members, other employees, and their families completed 594 volunteer hours.

In 2016, we're raising the bar with a goal to support 200 Green Team events and plant 50,000 trees.



## Employee profile as of 12/31/15 (ethnic diversity) with AOL

Ethnic groups	Profile		2014 U.S. labor force
	Total workforce (2015)	% of total WF	
American Indian/Alaskan Native	791	0.5%	0.7%
Asian	11,260	6.8%	5.2%
Native Hawaiian/Pacific Islander	540	0.3%	0.2%
Black/African-American	31,926	19.3%	11.4%
Hispanic/Latino	18,470	11.2%	15.5%
Two races or more	3,670	2.2%	2.1%
White	98,822	59.7%	64.9%
<b>Total U.S.</b>	<b>165,479</b>	<b>93.1%</b>	
<b>International</b>	<b>12,221</b>	<b>6.9%</b>	
<b>Total worldwide</b>	<b>177,700</b>	<b>100.0%</b>	

U.S. employee profile as of 12/31/15 (by gender)			2014 U.S. labor force
Female	60,462	36.5%	47.2%
Male	105,017	63.5%	52.8%
<b>Total U.S.</b>	<b>165,479</b>	<b>100.0%</b>	

International employee profile as of 12/31/15 (by gender)			
Female	3,053	25.0%	
Male	9,168	75.0%	
<b>Total international</b>	<b>12,221</b>	<b>100.0%</b>	

Gender worldwide			
Female	63,515	35.7%	
Male	114,185	64.3%	
<b>Total worldwide</b>	<b>177,700</b>	<b>100.0%</b>	

Ethnic minorities represent 23.4 percent of the total U.S. senior management base (vice president and above).

Women represent 29.2 percent of U.S. senior management (vice president and above).

## Working with labor unions

We have a long history of working with the Communications Workers of America and the International Brotherhood of Electrical Workers – the two main unions that represent about 45,000 of our employees.

We meet with national and local union leaders to talk about key business topics, including issues such as safety, customer service, plans to improve operational processes, our business performance and the impacts that changing technology and competition are having on our customers, our employees and the company.

In 2015, we opened negotiations with the CWA and IBEW on 28 contracts that cover approximately 36,500 V Teamers who

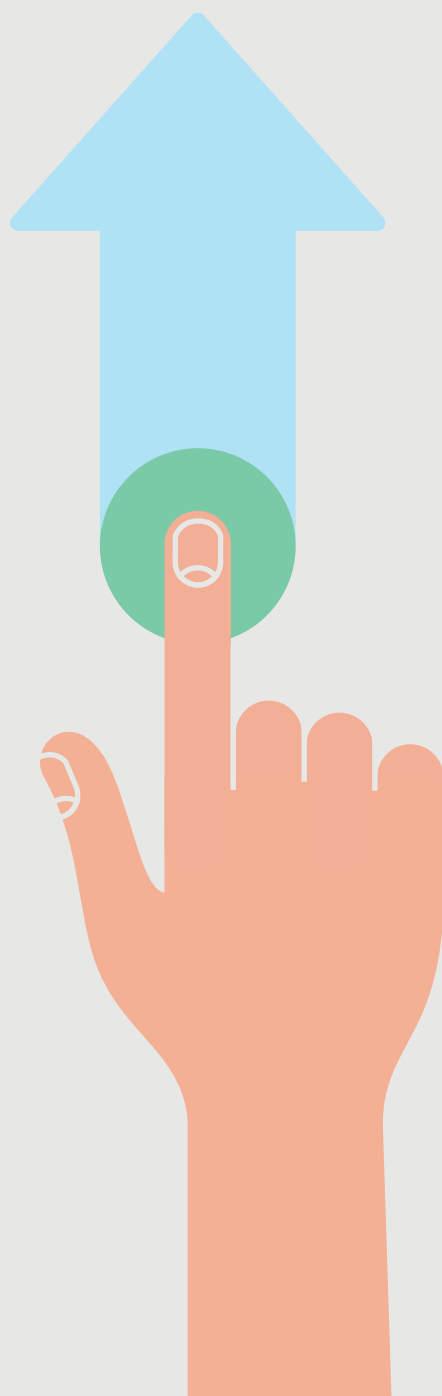
serve customers in our Mid-Atlantic and Northeast service areas. The company and unions continued to negotiate into 2016 to achieve new labor agreements that will continue Verizon's history of providing good jobs with competitive wages and valuable benefits that rate among the best in our industry.

## Company profile

Investing in our communities (in billions)

	2013	2014	2015
<b>Capital investment</b>	\$16.6	\$17.2	<b>\$17.8</b>
<b>Cash paid for income tax and other taxes paid</b>	\$3.8	\$7.2	<b>\$8.4</b>
<b>Salaries and wages</b>	\$15.3	\$16.6	<b>\$16.1</b>
<b>Purchases from diverse suppliers</b>	\$6.3	\$5.3	<b>\$4.25</b>
<b>Cash dividends paid to shareowners</b>	\$5.9	\$7.8	<b>\$8.5</b>
<b>Pension and other retirement payments</b>	\$3.3	\$3.1	<b>\$2.3</b>

# Governance



# Verizon's corporate governance structure is rooted in our core values of integrity, respect and accountability.

These values are incorporated into our Credo and Code of Conduct, which together provide a framework for our daily operations. Our Board of Directors is committed to the highest standards of corporate governance and has adopted a set of guidelines to provide a framework of effective oversight and accountability.

[View Verizon's corporate governance guidelines.](#)

## Ethics and compliance

Our commitment to operating a responsible and ethical business starts with integrity.

We live up to that ideal through a comprehensive ethics and compliance program that's built on our [Verizon Code of Conduct](#). The program provides ongoing educational communications,

mandatory training requirements and readily accessible tools. All employees are encouraged to raise questions, report concerns and acquire information about ethics.

Our employees can take advantage of a global set of resources to help fulfill that commitment, including:

- The VZ Compliance Guideline, which is available 24 hours a day at 844-VZGUIDE or 844-894-8433 (in the U.S.), and (+)800-0-624-0007 (internationally), or online at [www.verizonguideline.com](http://www.verizonguideline.com).
- Our Security Control Center, operated by our global security organization, which employees can reach 24 hours a day at 800-997-3287 (in the U.S.) and 972-615-4343 (internationally) to report or inquire about issues ranging from international cybersecurity to legal compliance.
- Our Reporting/Inquiry Channel for accounting matters, managed by our Internal Audit group at [accountingcomplaints@verizon.com](mailto:accountingcomplaints@verizon.com) (or through the VZ Compliance Guideline).
- Environmental and Safety Hotlines for reporting emergencies, arranging for waste disposal or getting on-site help from the company's environmental and safety specialists at 800-386-9639 (in the U.S. and internationally).

We have a strong track record of protecting customers' privacy. And with today's rapid pace of technological change, our commitment to maintaining meaningful privacy protection is stronger than ever.

We back that up by providing employees with training and communications that explain their obligation to safeguard confidential and sensitive information. We go beyond spelling out the company policies and legal requirements. We emphasize that protecting privacy is crucial to earning and maintaining our customers' trust.

We have a zero-tolerance policy for unethical business practices. These include bribery or corruption of any type. Relevant employees receive anti-corruption training and communications that clearly articulate this core principle. Our training, illustrated by practical examples, helps employees understand and comply with various anti-bribery laws, including the U.K. Bribery Act and the U.S. Foreign Corrupt Practices Act. We instruct employees to seek legal approval before giving anything of value to a public official.

For teams with heightened compliance requirements, we supplement this general training with targeted communications and in-person training.



## Risk management

Environmental, social and governance (ESG) factors are among the many risk factors that we measure and manage. As part of our companywide risk management processes, Verizon tracks risks ranging from concerns over sustainable operations to privacy concerns created by the use of data in the Internet economy. By keeping track of our progress – and continually raising our expectations in these areas – we can reduce our exposure to risk while generating positive social impact.

## Human rights

Our [Human Rights Statement](#) articulates our respect for the broad principles outlined in the United Nations Universal Declaration of Human Rights, which serves as a blueprint for global businesses on how to build good relationships around the world and work successfully among different customs and cultures.

## Ensuring accountability

The Verizon Leadership Committee manages corporate responsibility activities across the company. The committee establishes benchmarks and goals, assigns and enforces accountability, and tracks the results for corporate responsibility initiatives. The committee – made up of senior executives from various operating units and staff groups – reports directly to Chairman and Chief Executive Officer Lowell McAdam.

**We listen carefully to many different types of stakeholders and seek solutions.**

Corporate responsibility activities are overseen by the Corporate Governance and Policy Committee of the Verizon Board of Directors.

Transparency is an important element of accountability. We strive to make it easy for our stakeholders to understand our positions and progress on issues that matter to them. For instance, we provide:

- A semiannual [Transparency Report](#), which lists all the law-enforcement requests for customer information that we have received in the U.S. and other countries in which we do business.
- A semiannual [Political Contributions Report](#) that discloses all of Verizon's PAC contributions, corporate political contributions and independent expenditures.
- A [statement on net neutrality](#), which outlines our commitment to an open Internet that provides consumers with competitive broadband choices and Internet access when, where and how they want it.

## Stakeholder engagement

Verizon has a diverse group of stakeholders – our employees, our customers, our vendors, the communities we operate in, the nonprofit partners we work with, policymakers and other thought leaders – whose point of view is important to us. To refine our strategy, we listen carefully to many different types of stakeholders and seek solutions that benefit both our business and the larger world.

Our long-standing Consumer Advisory Board, which consists of a diverse group of leading public-interest advocates from across the country, meets twice a year and gives us an unfiltered view of business and social issues. Their opinions and advice play a role in the development of many important policy and business decisions.

We generate numerous discussions through our website and social media. These forums provide us with valuable information that helps us to improve the solutions we offer our customers.

All of this feedback informs the important areas where Verizon can help meet business objectives while creating value for society. Our stakeholders have indicated that access to technology, healthcare and education represent a compelling opportunity for Verizon to create both business and social value.



# GRI Index

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<b>Strategy and analysis</b>		
G4-1	CEO Letter	Page <a href="#">2</a>
G4-2	Key impacts, risks, and opportunities	Page <a href="#">81</a>
<b>Organizational profile</b>		
G4-3	Organization name	Verizon Communications Inc.
G4-4	Primary brands, products, and services	<a href="#">Our Company</a>
G4-5	Headquarters location	New York, NY
G4-6	Where the organization operates	<a href="#">Locations</a>
G4-7	Nature of ownership and legal form	Verizon Communications Inc. is a corporation organized and incorporated under the laws of the State of Delaware and is listed on the New York Stock Exchange and the NASDAQ Global Select Market
G4-8	Markets served	<a href="#">Countries</a>
G4-9	Scale of the organization	<a href="#">Who We Are</a>
G4-10	Total number of employees by type	Page <a href="#">77</a>
G4-11	Collective bargaining agreements	Page <a href="#">54</a>
G4-12	Supply chain description	Page <a href="#">54</a>
G4-13	Organizational changes during the reporting period	<a href="#">Annual Report</a>
G4-15	External charters, principles, or other initiatives	CDP/We Mean Business Commitment to Action, American Business Act on Climate Pledge, United Nations Universal Declaration of Human Rights (UDHR)
G4-16	Membership associations	CTIA, Committee Encouraging Corporate Philanthropy (CECP), The Conference Board, Business for Social Responsibility (BSR), Boston College Center for Corporate Citizenship, Family Online Safety Institute, Business Roundtable, NJ Audubon Corporate Stewardship Council, Penn State Smeal Sustainability Advisory Board, USGBC Platinum membership
<b>Identified material aspects and boundaries</b>		
G4-17	Entities included in financial statements	Verizon Communications Inc.
G4-19	Material aspects included in the report	Page <a href="#">81</a>
G4-22	Restatements	None
G4-23	Changes from previous reports in terms of scope and/or boundaries	None

**GRI Index** continued

General Standard Disclosures		Reference
<b>Stakeholder engagement</b>		
G4-24	Stakeholder groups	Page <a href="#">81</a>
G4-25	How stakeholders were identified	Page <a href="#">81</a>
G4-26	Approach to stakeholder engagement	Page <a href="#">81</a>
G4-27	Topics raised during stakeholder engagements	Page <a href="#">81</a>
<b>Report profile</b>		
G4-28	Reporting period	January 1, 2015 – December 31, 2015
G4-29	Date of most recent report	March 2015
G4-30	Reporting cycle	Annual
G4-31	Report contact	<a href="mailto:responsibility@verizon.com">responsibility@verizon.com</a>
G4-32	“In accordance” option, GRI Index and report assurance	This report is in alignment with the GRI G4 Guidelines. Use of the index on pages 82–85 summarizes where GRI disclosures can be found.
G4-33	Policy regarding report assurance	Data presented in Verizon's 2015 Corporate Responsibility Supplement are subject to internal reviews and, for selected content, external reviews. Ernst & Young provided independent external assurance on our 2014 Scope 1, 2 and 3 (exclusively corporate travel) greenhouse gas emissions and carbon intensity. Its assurance report can be read <a href="#">here</a> .
<b>Governance</b>		
G4-34	Governance structure of the organization	<a href="#">Corporate Governance</a>
G4-35	Process for delegating authority for sustainability topics from the board to senior executives and other employees	<a href="#">CDP Response</a>
G4-36	High-level accountability for sustainability topics	<a href="#">CDP Response</a>
G4-38	Composition of the board and its committees	<a href="#">Corporate Governance</a>
G4-39	Whether the chair of the board is also an executive officer	<a href="#">Corporate Governance</a>
G4-40	Nomination and selection processes for the board and its committees	<a href="#">Corporate Governance</a>
G4-41	Board conflicts of interest	<a href="#">Corporate Governance</a>
G4-46	Board role in reviewing risk management processes for sustainability topics	<a href="#">CDP Response</a>
G4-48	Highest committee or position that formally reviews and approves the organization's sustainability report	<a href="#">CDP Response</a>
G4-51	Remuneration policies for the board and senior executives	<a href="#">Proxy Statement</a>

**GRI Index** continued

General Standard Disclosures		Reference
G4-52	Process for determining remuneration	<a href="#">Proxy Statement</a>
<b>Ethics and integrity</b>		
G4-56	Code of conduct	<a href="#">Our Company</a>
G4-58	Mechanisms for reporting concerns about unethical or unlawful behavior	<a href="#">Our Company</a>

Category	Specific standard disclosures		Reference
Economic			
Economic Performance	G4-EC1	Economic value	Pages <a href="#">6–17</a> , <a href="#">29–32</a>
	G4-EC2	Climate change risks	<a href="#">CDP Response</a>
	G4-EC3	Benefit plan coverage	Pages <a href="#">65–68</a> ; <a href="#">Benefits</a>
Indirect Economic Impacts	G4-EC7	Infrastructure investments	<a href="#">Our Technology</a>
	G4-EC8	Indirect economic impacts	<a href="#">CDP Response</a>
Environmental			
Energy	G4-EN3	Energy consumption (Scope 1 + 2)	Pages <a href="#">35–38</a> ; <a href="#">CDP Response</a>
	G4-EN4	Energy consumption (Scope 3)	Page <a href="#">36</a> ; <a href="#">CDP Response</a>
	G4-EN5	Energy intensity	Pages <a href="#">34–35</a> ; <a href="#">CDP Response</a>
	G4-EN6	Energy reductions	Pages <a href="#">34–39</a> ; <a href="#">CDP Response</a>
Emissions	G4-EN15	GHG emissions (Scope 1)	Pages <a href="#">34–36</a> ; <a href="#">CDP Response</a>
	G4-EN16	GHG emissions (Scope 2)	Pages <a href="#">34–36</a> ; <a href="#">CDP Response</a>
	G4-EN17	GHG emissions (Scope 3)	Page <a href="#">36</a> ; <a href="#">CDP Response</a>
	G4-EN18	GHG emissions intensity	Pages <a href="#">34–35</a> ; <a href="#">CDP Response</a>
	G4-EN19	Reduction of GHG emissions	Pages <a href="#">34–39</a> ; <a href="#">CDP Response</a>
	G4-EN23	Waste by type and disposal method	Pages <a href="#">40–44</a>

**GRI Index** continued

Category		Specific standard disclosures	Reference
Transport	G4-EN30	Environmental impacts from product distribution and employee travel	<a href="#">CDP Response</a>
Supplier Environmental	G4-EN32	New suppliers screened using environmental criteria	Pages <a href="#">54–56</a>
<b>Social</b>			
<b>Social sub-category: Labor practices &amp; decent work</b>			
	G4-LA2	Benefits provided to full-time employees	Pages <a href="#">65–68</a> ; <a href="#">Benefits</a>
	G4-LA6	Rates of injury, occupational disease, lost days, absenteeism, and work-related fatalities	Page <a href="#">70</a>
Training & Education	G4-LA9	Average hours of training for employees	Page <a href="#">69</a>
Labor Practices Grievance Mechanisms	G4-LA16	Grievances about labor practices	Page <a href="#">78</a>
<b>Social sub-category: Human rights</b>			
	G4-HR2	Employee training on human rights	<a href="#">Policies</a>
Supplier Human Rights Assessments	G4-HR10	New suppliers screened for human rights	Page <a href="#">54</a> ; <a href="#">Supplier Code of Conduct</a>
	G4-HR11	Human rights impacts in the supply chain	<a href="#">Supplier Code of Conduct</a>
<b>Social sub-category: Society</b>			
Local Communities	G4-SO1	Local community engagement, impact assessments and development programs	Pages <a href="#">71–78</a>
Public Policy	G4-SO6	Political contributions	<a href="#">Political Contributions Report</a>
Supplier Assessment for Impacts on Society	G4-SO9	New suppliers screened for impacts on society	<a href="#">Supplier Code of Conduct</a>
<b>Social sub-category: Product responsibility</b>			
	G4-PR5	Surveys measuring customer satisfaction	<a href="#">Customer Service</a>
Customer Privacy	G4-PR8	Complaints regarding breaches of customer privacy and losses of customer data	<a href="#">Privacy Policy</a>