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PREPARED SUPPLEMENTAL TESTIMONY OF
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SUBMITTED ON BEHALF OF
CENTER FOR ACCESSIBLE TECHNOLOGY

TABLE OF CONTENTS

- 1. Introduction..... 1
- 2. Discussion..... 2
 - a. Diversity, Equity, and Inclusion..... 3
 - i. Definitions..... 3
 - ii. Foundational Principles of DEI 4
 - iii. Companies Must Intentionally Implement Diversity Initiatives to Ensure Meaningful Diversity, Equity, and Inclusion..... 8
 - iv. Eliminating Diversity Initiatives Not Only Reduces Company Diversity But Can Also Cause Economic Harms to Companies..... 12
 - b. Verizon’s Elimination of its DEI Programs Will Harm the Public Interest in California. 13
 - i. Mr. Reyes’ Testimony Fails to Meaningfully Address the Public Interest Harms of Verizon’s Diversity Failure. 14
 - ii. Verizon’s Assertion that “All Small Businesses Matter” Will Harm Diverse Communities..... 16
 - iii. The Proposed Transaction Would Eliminate a Provider that has Not Committed to Eliminating its DEI initiatives. 19
 - iv. If the Commission Approves the Transaction, the Combined Company’s Lack of DEI Initiatives will cause Public Interest Harms..... 20
 - c. Mr. Reyes’ Testimony is Further Evidence of Verizon’s Cavalier Attitude Towards Compliance. 20

1 **1. Introduction**

2 My name is Paul Goodman, and I am Legal Counsel at Center for Accessible Technology,
3 3075 Adeline St. #220, Berkeley, California 94703. My Statement of Qualifications was
4 included as Attachment A to my May 1, 2025 testimony. The purpose of my testimony is to
5 respond to Issue 7 in the Amended Scoping Memo, which states:

6 The Verizon Letter details broad changes that Verizon will make to its DEI
7 practices.

- 8 a. Are the commitments detailed in the Verizon Letter consistent with the
9 requirements of Pub. Util. Code Sections 8281-8290.2, with GO 156, and
10 with any other relevant provisions of California law?
- 11 b. How should the Verizon Letter commitments impact the Commission’s
12 review of this transaction pursuant to Pub. Util. Code Section 854,
13 including consideration of whether the transaction is in the public interest
14 under Pub. Util. Code Section 854(c)?
15

16 The Verizon Letter referenced in Issue 7 refers to a letter sent from Verizon to Chairman Brendan
17 Carr of the FCC stating that Verizon was eliminating all of its programs addressing diversity,
18 equity and inclusion (DEI).

19 Additionally, this testimony responds to the June 18, 2025 Supplemental Testimony of
20 Rudolph M. Reyes (on behalf of Verizon) and Allison M. Ellis (on behalf of Frontier). The
21 supplemental testimony of the Applicants was provided as directed by the Amended Scoping
22 Memo and was intended to respond to a set of eight specific questions asking how the
23 commitments made in the Verizon Letter would impact various policies and practices of the two
24 carriers, as well as their compliance going forward with California state law and the
25 Commission’s General Order 156 addressing supplier and workforce diversity.

26 Both Mr. Reyes and Ms. Ellis’ testimony characterize Verizon’s decision to eliminate
27 programs that have increased workforce diversity and driven billions of dollars towards diverse
28 businesses and communities as completely out of Verizon’s control, stating that “changes” in the

1 regulatory and policy landscape towards DEI required Verizon to take that action. Nothing
2 could be further from the truth. Verizon affirmatively chose to acquiesce to unreasonable and
3 regressive demands from the Federal Communications Commission (FCC) to obtain approval of
4 its proposed acquisition of Frontier in as expedient a manner as possible. Verizon could have
5 challenged the FCC's demands, as it has done in the past with other FCC rulings, such as those
6 regarding net neutrality.¹ It did not do so here. Instead, it chose to act as an apple-polisher for a
7 policymaker who is striving to roll back digital equity and dismantle consumer protections.

8 Verizon's actions demonstrate that it prioritizes approval for its desired merger over its
9 corporate efforts to ensure that people with disabilities, people of color, women, LGBTQ+
10 individuals, and other diverse communities enjoy fair access to economic opportunities. The
11 Commission should correct this faulty reasoning and inform Verizon that California's diversity
12 initiatives are not a bargaining chip to trade away for merger approval, but rather a critical
13 component of the Commission's public interest determination.

14 **2. Discussion**

15 In their testimony, Mr. Reyes and Ms. Ellis attempt to thread the needle between
16 capitulating to the anti-diversity aims of the Federal Communications Commission while still
17 attempting to convince the CPUC that there will be no loss of diversity at Verizon and no harms
18 to California's public interest from Verizon's elimination of diversity-focused staff positions,
19 diversity training, diversity-based compensation metrics, diversity data collection, supplier
20 diversity goals, recruitment efforts, Verizon's diversity website, and philanthropy directed to
21 diverse communities. However, as discussed in further detail below, this claim runs counter to
22 the generally accepted diversity, equity, and inclusion framework, which holds that focused,

¹ See Goodman Testimony at pp. 13-14.

1 intentional efforts are required to eliminate unconscious bias and address historical inequities,
2 and that this is necessary to achieve diversity in an organization.

3 **a. Diversity, Equity, and Inclusion.**

4 Before addressing the Amended Scoping Memo’s questions, I would like to present a
5 review of generally accepted principles of diversity. What is most important to keep in mind is
6 that there is a large body of evidence demonstrating that diversity, equity, and inclusion
7 initiatives not only benefit diverse communities, but also, when correctly implemented, deliver
8 cognizable benefits to a company’s workforce and profits.

9 **i. Definitions**

10 While the words “diversity,” “equity,” and “inclusion” may be lumped together in the
11 term “DEI” and used interchangeably in everyday conversations, the language of this field is
12 intentional and nuanced. These terms each have specific meaning, as follows:

- 13 • *Diversity* is about differences or varieties of a particular identify, for example
14 disability, race, ethnicity, gender, or sexual orientation. Diversity is a measure of
15 an entity’s composition, i.e., whether its leadership and workforce reflect the
16 population of the communities it serves.²
- 17 • *Equity* is about resources. Additional or alternative resources are distributed so
18 comparable, favorable outcomes across groups are reached. Equity is based on the
19 unmistakable fact that not all communities start on the same level. In fact, some
20 communities — people with disabilities, people of color, indigenous people and
21 various immigrant communities, for example — have historically been more
22 underserved in America and have experienced poverty in different ways and at
23 different rates. In order to achieve a fair economy and a stronger America, we
24 must understand wise investments need to be made now through an equity lens in
25 order for historically unserved and underserved communities to contribute fully to
26 California’s prosperity and future.³
- 27 • *Inclusion* is about internal practices, policies, and processes. It speaks to how
28 community members of a shared identity experience their environment. It is

² See Danielle Beavers, Diversity, Equity, and Inclusion Framework: Reclaiming Diversity, Equity and Inclusion for Racial Justice at p. 3 (Mar. 2018), available at <https://greenlining.org/wp-content/uploads/2018/05/Racial-Equity-Framework.pdf> (last accessed Jun. 27, 2025).

³ *Id.*

1 critical to note that inclusion benefits *existing* populations (i.e., current
2 employees), meaning that spaces can be inclusive of particular groups but lacking
3 representation (i.e. diversity) of others. Additionally, spaces can be inclusive at
4 one level (e.g., entry-level employees) or at one department (e.g., human
5 resources) of a community but not others (most typically, management or
6 leadership).⁴

7 In order to identify inequities and create effective DEI initiatives, an organization must
8 understand the specific language in use and the theories of change behind those initiatives.

9 **ii. Foundational Principles of DEI**

10 Diversity is about *economic opportunity*. Specifically, diversity efforts are focused on
11 ensuring that traditionally unrepresented and underrepresented groups—including people with
12 disabilities, people of color, women, LGBTQ+ individuals, and low-income families—have
13 access to the same economic opportunities as everyone else. Underemployment often places
14 those groups in a “poverty trap:” for example, “persons with disabilities experience heightened
15 levels of poverty and deprivation while incurring additional costs associated with their
16 disabilities. These costs include health-related expenses, daily care assistance, and transportation,
17 all of which further contribute to their poverty.”⁵ Examples of equitable access to economic
18 opportunity include:

- 19 • A company’s workforce and leadership being representative of the community or
20 communities in which it operates;
- 21 • A company’s outside contractors being representative of the community or
22 communities in which it operates; and
- 23 • A company’s philanthropic spending given to organizations being representative
24 of the community or communities in which it operates.⁶

⁴ See Danielle Beavers, Diversity, Equity, and Inclusion Framework: Reclaiming Diversity, Equity and Inclusion for Racial Justice at p. 3 (Mar. 2018), available at <https://greenlining.org/wp-content/uploads/2018/05/Racial-Equity-Framework.pdf> (last accessed Jun. 27, 2025).

⁵ Qiu et al., The impact of disability-related deprivation on employment opportunity at the neighborhood level: does family socioeconomic status matter? (Aug. 9, 2023), available at <https://pmc.ncbi.nlm.nih.gov/articles/PMC10445173/> (last accessed Jun. 27, 2025).

⁶ See Policylink, Equity is the Superior Growth Model for an All-In Nation, available at <https://www.policylink.org/sites/default/files/Equity-Primer.pdf> (last accessed Jun. 27, 2025).

1 The reasoning behind this principle is not difficult to understand: if a company is extracting
2 profits from a community, it should also reinvest in that community, in the form of jobs, outside
3 contracts, and philanthropy, among other factors.

4 Unfortunately, reinvestment in historically unrepresented and underrepresented groups
5 has typically been the exception, not the norm. The practice of profiting from a community
6 while failing to reinvest in that community is generally referred to as extraction, a term which
7 originates in the historical practice of companies extracting natural resources from poorer
8 countries or communities, and paying far less than the fair value of those natural resources. In
9 the United States, this practice of diverting profits collected from lower-income communities to
10 enhance service in higher-income communities is a particularly pernicious practice that has
11 evolved out of historical redlining.⁷

12 In the communications sector, extraction is unfortunately all too common. For example,
13 as I noted in my opening testimony, Verizon has a history of focusing network maintenance and
14 upgrades on its network in more profitable (i.e., higher income) areas and neglecting
15 maintenance and upgrades on its network in lower income areas.⁸ This practice benefits
16 shareholders and households in higher-income communities (who can take advantage of the
17 more advanced telecommunications infrastructure built in their neighborhoods) to the detriment
18 of low-income communities. Companies can partially obviate extraction-based harms to low-
19 income communities by utilizing the reinvestment strategies described above. Wages,
20 contracting, and philanthropy all reinvest some of the money extracted from communities.

⁷ Redlining was the government-sponsored practice of restricting where black, brown, and Jewish families could own homes and obtain mortgages and mortgage insurance.

⁸ Goodman Testimony at p. 5.

1 Second, diversity is *restorative*. People from historically unrepresented and
2 underrepresented communities have faced, and continue to face, discrimination that deprives
3 them of the jobs and other economic opportunities that others have access to. The extractive
4 practices described above disparately impact historically unserved and underserved groups. As a
5 result, those individuals and their families have had less opportunity to accumulate generational
6 wealth, access higher education, and obtain high-paying jobs. Diversity programs and goals help
7 counteract the historically uneven playing field those communities have faced and help remedy
8 historical discrimination.

9 Finally, diversity seeks *outcomes*—specifically, equal opportunity, not intentions.⁹ All
10 too often, discussions of the importance of diversity devolve into conversations about intent (i.e.,
11 “our decision to deploy in this area was based on our business judgment, and not on race”) or
12 fault (“that was a long time ago, I haven’t done anything discriminatory”). While those
13 discussions may be important for building a shared understanding, they can distract from the
14 work of creating effective solutions to support diversity. Additionally, arguments about “intent”
15 disregard the fact that a major driver of inequity is implicit bias—unconscious attitudes or
16 stereotypes that impact decisions and actions. Implicit bias is a result of the “human tendency to
17 sort people into groups based on characteristics such as age, gender, race, ethnicity, sexual
18 orientation, disability, and religion”¹⁰ Additionally:

19 [W]e tend to favor, prefer, and associate positive characteristics with members of
20 the group to which we belong--people who are most like us and share similar
21 interests, experiences, and backgrounds. This is known as affinity, in-group

⁹ NERRC Economic Resilience Learning Collaborative, Introduction to the Access, Process, and Outcome Framework for Equity in Economic Development at pp. 8-9 (June 2023), *available at* https://www.eda.gov/sites/default/files/2023-06/NERRC_Quarterly_Equity_Research_Brief_Final.pdf (last accessed Jun. 26, 2025).

¹⁰ American Bar Association Commission on Disability Rights, Implicit Biases & People with Disabilities, *available at* https://www.americanbar.org/groups/diversity/disabilityrights/resources/implicit_bias/ (last accessed Jun. 26, 2025).

1 favoritism or in-group bias. All of us belong to cultural groups defined by traits
2 such as race, ethnicity, religion, gender, disability, sexual orientation, national
3 origin, family, or social or professional status. In-group bias is so strong that, even
4 when randomly assigned to a group, people report a preference for that group.
5 Accordingly, we tend to associate negative characteristics with or disfavor
6 members of groups to which we do not belong. This is referred to as out-group
7 bias.¹¹

8 Implicit bias leads to discrimination in education, employment, health care, housing, and
9 criminal justice.¹² While implicit bias can fade, it is often slow to do so, and does not fade
10 at the same rate for every group. One 2022 study found that over fourteen years, implicit
11 biases about sexuality dropped 64 percent, but implicit biases about disability only
12 dropped three percent.¹³

13 Diversity opponents often incorrectly claim, as Mr. Reyes and Ms. Ellis appear to, that
14 diversity is about setting hiring quotas or preferential treatment for certain groups.¹⁴ However,
15 as discussed above, diversity is about providing *equal opportunity*. A hiring manager deciding
16 between two candidates, one who best meets the job description and uses a wheelchair and one
17 who is less qualified but does not use a wheelchair, may prefer the second candidate not because
18 that candidate is more qualified, but because of an unconscious out-group bias against people
19 with disabilities. However, if a hiring manager has had training on implicit bias, they are more
20 likely to consider the possibility of bias when making their decision, and therefore make a more
21 informed, and better, hiring decision. Diversity programs are not about directing who companies
22 should hire—rather, they are intended to support efforts to give employees who make hiring

¹¹ *Id.*

¹² *Id.*

¹³ The Harvard Gazette, Why disability bias is a particularly stubborn problem (Jan. 10, 2022), *available at* <https://news.harvard.edu/gazette/story/2022/01/why-disability-bias-is-a-particularly-stubborn-problem/> (last accessed June 26, 2025).

¹⁴ Reyes Second Supplemental Testimony at p.

1 decisions the information, skills, and insight to select the best candidate. As a result, companies
2 avoid missing out on candidates that will deliver the best results for the company.

3 **iii. Companies Must Intentionally Implement Diversity Initiatives to**
4 **Ensure Meaningful Diversity, Equity, and Inclusion.**

5 As discussed above, diversity practices lead to benefits to unserved and underserved
6 communities, typically in the form of employment, contracting, and philanthropy. Additionally,
7 diversity practices bring cognizable and verifiable benefits to the companies that implement
8 them. Research comparing more diverse companies to less diverse companies consistently
9 shows that diverse teams are more innovative, better and faster at decision-making, more
10 productive, and more engaged.¹⁵ Companies that have diverse workforces and leadership have
11 better corporate culture and employee retention and are more likely to attract top talent.¹⁶
12 Finally, diverse companies can be as much as 39 percent *more profitable* than less diverse
13 companies.¹⁷

14 Some opponents of diversity initiatives argue that their general hiring and contracting
15 practices will naturally result in the hiring of diverse candidates, a concept which could be
16 considered the “trickle-down” theory of diversity. While this concept may be attractive,
17 particularly for a company that does not wish to put meaningful effort into its hiring practices or
18 one that is looking for a justification for eliminating its DEI initiatives, real-world data shows the
19 opposite. It is important to recognize that diversity, equity, and inclusion, and the benefits

¹⁵ Jason Miller, The Power of Diversity and Inclusion: Driving Innovation and Success (Aug. 16, 2023), *available at* <https://www.forbes.com/councils/forbesbusinesscouncil/2023/08/16/the-power-of-diversity-and-inclusion-driving-innovation-and-success/> (last accessed Jun. 27, 2025).

¹⁶ McKinsey & Company, Diversity matters even more: The case for holistic impact (Dec. 5, 2023), *available at* <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-matters-even-more-the-case-for-holistic-impact> (last accessed June 27, 2025).

¹⁷ *Id.*

1 associated with DEI, do not occur organically. Rather, increased DEI is attributable to several
2 deliberate practices.

3 As discussed above, people tend to favor others who share their characteristics, and
4 disfavor those that do not. This can lead companies to reject qualified candidates or contractors
5 because, for example, they are “not a good culture fit,” or because the candidate has a disability
6 that makes the person making the hiring decision uncomfortable. Implicit bias training allows an
7 employee making a hiring decision to check for possible biases that might cause them to select a
8 less-qualified candidate.

9 Implicit bias can also harm employee performance. For example, congratulating an
10 employee with a disability for accomplishing the same task as a non-disabled person may be
11 well-intended, but can have a negative impact on that employee’s morale.¹⁸ These kinds of
12 interactions, known as “microaggressions,” often seem minor or innocuous to someone who is
13 not a target.¹⁹ However, individuals from unrepresented and underrepresented groups often face
14 a barrage of constant microaggressions from multiple people; while an individual
15 microaggression might be easy to shake off, dozens of daily cumulative microaggressions have a
16 much greater impact.²⁰ Organization-wide training can reduce the frequency of these
17 microaggressions, improving a diverse employee’s morale, productivity, and retention.
18 Additionally, when workplaces are free of discrimination and bias and protect employees,
19 employee satisfaction and psychological safety increases for employees of all backgrounds.

20 Similarly, diversity initiatives can ensure that companies recruit from the largest possible
21 pool of qualified candidates. When trying to fill a vacant position (or build a new team),

¹⁸ Derald Wing Sue et al., Racial Microaggressions and the Asian American Experience at p. 73, *Cultural Diversity and Ethnic Minority Psychology*, Vol. 13, No. 1, 72– 81 (2007).

¹⁹ *Id.*

²⁰ *Id.*

1 companies often rely on established avenues for recruitment. For example, when advertising job
2 postings, companies often rely on recruitment networks or platforms that may have led to
3 previous successful hiring, e.g. specific school career centers or specific web-based services like
4 LinkedIn, without regard for whether these platforms provide diverse applicants. This can lead
5 to a feedback loop: when a particular network or platform leads to a successful hire, companies
6 increase reliance on that network or platform and fail to consider whether that reliance is causing
7 them to miss out on other qualified candidates.

8 These outcomes are not abstractions, and are directly relevant to communications
9 providers in California, and the impacts of implicit bias on diversity have previously been
10 acknowledged by Frontier. In 2015, in the context of Frontier’s request to acquire Verizon’s
11 wireline facilities, The Greenlining Institute²¹ raised concerns about the lack of diversity in
12 Frontier’s workforce. This included the fact that Frontier’s job postings did not appear to be
13 reaching people of color. After negotiation, Frontier agreed to “to work on a wide range of
14 efforts intended to attract minority candidates at all levels throughout Frontier’s footprint in
15 California.”²² This included communicating through ethnic media and focusing on outreach to
16 young women and men in communities of color.²³ Notably, Ms. Ellis’ testimony on behalf of
17 Frontier states that these practices were not discriminatory or improper,²⁴ and the result has been
18 an increase in Frontier’s diversity performance.²⁵

19 It is worth noting that the less diverse a company is, the more likely that it will fail to
20 notice that lack of diversity or take steps to increase diversity. One of the best features of

²¹ At the time Frontier and Greenlining engaged in these discussions, I was employed by Greenlining and was the assigned attorney responsible for negotiating the agreement that followed.

²² D.15-12-005, Appendix C.

²³ *Id.*

²⁴ Ellis Second Supplemental Testimony at p. 6:25-29.

²⁵ See Goodman Testimony at pp. 17-18.

1 corporate diversity efforts is increased awareness, which can facilitate the ability of members of
2 unrepresented or underrepresented groups to observe and report inequities, allowing a company
3 to make adjustments or implement new policies to correct those problems. These varied
4 perspectives not only increase diversity, but also better inform companies about the needs of the
5 customers they serve, leading to increased profitability.

6 Organizational homogeneity, implicit bias, and reliance on historical policies and
7 practices can inadvertently result in an organization that not only lacks understanding of
8 diversity, equity, and inclusion, but also misses out on the cultural and financial benefits that a
9 diverse workforce and supplier base create. If unacknowledged and unaddressed, these factors
10 will hamper, if not fully stop, hiring of candidates that reflect the communities in which the
11 company operates. Without leadership and employees from the community, companies will be
12 less able to identify community needs, making it more difficult to attract and retain customers.
13 Accordingly, a company that merely takes a “broad view of inclusion and opportunity”²⁶
14 approach to recruitment and retention without actually engaging in focused efforts to increase
15 diversity will most likely fail to attract, hire, and retain diverse employees, because its hiring
16 practices are not intentional about attracting and identifying candidates from diverse
17 communities.²⁷ Recruiting and retaining a workforce that is representative of the communities a
18 company serves is one step towards a company that benefits all communities equally.
19 Accordingly, to ensure diversity, equity, and inclusion, companies must intentionally create
20 meaningful and effective diversity initiatives.

²⁶ Reyes Second Supplemental Testimony at p. 4:5.

²⁷ Again, these practices are not about quotas or preferential treatment. They are about ensuring that companies reach out to diverse communities to find the best possible candidates, and ensuring that the hiring process is not tainted by unconscious biases.

1 **iv. Eliminating Diversity Initiatives Not Only Reduces Company**
2 **Diversity But Can Also Cause Economic Harms to Companies.**

3 Verizon claims that its elimination of its DEI programs (which it disingenuously refers to
4 as “updating” its policies) is minor and will have no significant impact in California.²⁸ However,
5 Verizon fails to consider that its elimination of DEI programs could cause serious economic
6 harms to Verizon’s business. About 75 percent of employees and job seekers list diversity as an
7 important factor in evaluating a company or job offer, and about one third of employees and job
8 seekers state that they would not apply to a company where there is a lack of diversity among its
9 workforce.²⁹ A company that does not focus on diversity will likely find it harder to attract
10 talent. Similarly, employee satisfaction is higher at companies with inclusive environments.³⁰

11 Additionally, companies that roll back DEI programs are at risk of significant customer
12 backlash. Since Target announced that it was eliminating its DEI programs in January of 2025, it
13 has experienced a \$12.4 billion loss of market value, a 3.1% sales decline, and a 5.7% drop in
14 foot traffic, driven primarily by Black and Hispanic shoppers.³¹ This in turn led to a lawsuit and
15 backlash from investors.³² McDonald’s is currently facing a similar consumer response.³³ While
16 it may be politically popular to claim that the DEI landscape has changed,³⁴ many leaders in the
17 business community appear to think otherwise: 98% of Costco’s shareholders voted down an

²⁸ See Reyes Second Supplemental Testimony at p. 2:13-22

²⁹ Glassdoor.com, Diversity & Inclusion Workforce Survey (Oct. 1, 2020), available at <https://www.glassdoor.com/blog/diversity-inclusion-workplace-survey/> (last accessed June 27, 2025).

³⁰ Novak et. al., Inclusion Isn’t Just Nice, It’s Necessary, available at https://web-assets.bcg.com/4c/ca/dfd11bc1457a8668048a10606859/bcg-inclusion-isnt-just-nice.-It's-Necessary_Feb-2023.pdf (last accessed June 27, 2025).

³¹ Diversity.com, Target’s DEI Fallout: How Much Did the Boycott Really Cost?, available at <https://diversity.com/post/target-dei-boycott-financial-impact> (last accessed June 27, 2025).

³² *Id.*

³³ McDonald’s faces boycott over DEI rollback: Who’s protesting and when, available at <https://www.yahoo.com/news/mcdonald-faces-boycott-over-dei-201502580.html> (last accessed June 27, 2025).

³⁴ See Reyes Second Supplemental Testimony at p. 3:3-4.

1 anti-DEI plan, and most institutional shareholders believe having a diverse workforce and
2 customer base are good for business.³⁵

3 **b. Verizon’s Elimination of its DEI Programs Will Harm the Public Interest**
4 **in California.**

5 While Mr. Reyes attempts to put the rosiest possible glow on his supplemental testimony,
6 that testimony clarifies that Verizon has unconditionally surrendered to the FCC’s demands in
7 order to obtain FCC approval of its proposed transaction. However, it appears that Verizon did
8 not sufficiently consider the Commission’s longstanding interest in equity for diverse
9 communities, including Environmental and Social Justice (ESJ) Communities. For example, my
10 previous testimony contained a lengthy discussion of concerns about the risk of Verizon
11 discontinuing its DEI initiatives.³⁶ Verizon submitted its Rebuttal Testimony on May 15—the
12 same day it notified the FCC that it would discontinue its DEI programs—which responded to
13 my concerns with a single sentence, “Verizon’s policy is to comply with all applicable laws,
14 regulations, and orders.”³⁷ It appears that Verizon considered diversity a minor issue which
15 should not affect the Commission’s review. This perspective is mirrored in Mr. Reyes’
16 supplemental testimony.³⁸

17 Mr. Reyes’ testimony consists of three major themes:

- 18 • It focuses on compliance, rather than the public interest impacts of the Verizon
19 Letter.
- 20 • It attempts to advance a patently incorrect, “all lives matter,” trickle-down
21 rationale purporting to justify Verizon’s actions.

³⁵ DEI is winning with Costco, Apple, and Levi’s shareholders, *available at* <https://www.cnn.com/2025/05/02/business/costco-apple-levi-shareholders-dei> (last accessed June 27, 2025).

³⁶ Goodman Testimony at pp. 13-21.

³⁷ Rebuttal Testimony of Panel Witnesses Tom Nugent, Paul Sullivan, Paul Vasington on Behalf of Verizon Communications, Inc. at p. 72:21-22.

³⁸ Reyes Second Supplemental Testimony at pp. 2:28, 3:1.

- 1 • It downplays the fact that the proposed transaction would eliminate a provider that
2 has not acquiesced to the FCC’s unreasonable demands from the California
3 market.

4 As I will discuss below, Mr. Reyes’ testimony does not address the significant harms that
5 Verizon’s elimination of its DEI initiatives would do to the public interest.

6 **i. Mr. Reyes’ Testimony Fails to Meaningfully Address the Public**
7 **Interest Harms of Verizon’s Diversity Failure.**

8 Mr. Reyes’ supplemental testimony attempts to distract from the public interest harms
9 caused by Verizon’s rollback of its diversity initiatives by primarily discussing how Verizon
10 plans to comply with General Order 156, which addresses the Commission’s supplier diversity
11 program. Mr. Reyes’ testimony focuses on the legal niceties of the combined company’s
12 planned compliance with G.O. 156, rather than explaining how Verizon’s decision will impact
13 the broader public interest of the state. In fact, Mr. Reyes’ supplemental testimony appears to
14 acknowledge that there will be public interest harms, but then argues that the Commission should
15 *ignore* those harms, stating that “These updated [diversity] policies will not lead to any public
16 interest harm *that the Commission should evaluate* in its consideration of the transaction.”³⁹ I
17 believe this statement is a reference to Mr. Reyes’ thinly veiled threat within the supplemental
18 testimony that Verizon may challenge the constitutionality and lawfulness of the GO 156
19 program in court.⁴⁰

20 It is notable that Verizon is willing to jettison its long-standing diversity initiatives in
21 order to obtain prompt FCC approval of its proposed transaction and that it is threatening to
22 engage in presumably protracted litigation about the constitutionality of California’s supplier
23 diversity program if the Commission does not swiftly approve the proposed transaction. These
24 positions indicate that Verizon’s elimination of its DEI initiatives was not a necessary response

³⁹ Reyes Second Supplemental Testimony at pp. 2:28, 3:1 (emphasis added).

⁴⁰ Reyes Second Supplemental Testimony at p. 4: 8-11.

1 to a changing regulatory landscape, as it tries to claim, but rather a self-serving act to obtain FCC
2 approval as quickly as possible. Given Verizon’s desire that the Commission also act as quickly
3 as possible, its threat to challenge the constitutionality of the supplier diversity program is likely
4 hollow. However, I acknowledge that I may be incorrect in reaching this opinion. Accordingly,
5 the Commission may wish to stay this proceeding until Verizon has clarified whether it intends
6 to challenge California’s supplier diversity program and, if it does, for the courts to resolve the
7 issue.

8 Verizon’s intentions aside, Mr. Reyes’ claim that Verizon can comply with California’s
9 statutory requirements and GO 156 going forward,⁴¹ notwithstanding the statements made in the
10 Verizon Letter, is factually incorrect. Public Utilities Code section 8283 directs the Commission
11 to require that wireless telecommunications providers “submit annually a detailed and verifiable
12 plan for increasing procurement from women, minority, disabled veteran, and LGBT business
13 enterprises.”⁴² This plan must include “short- and long-term goals and timetables.”⁴³ Similarly,
14 GO 156 requires that “[e]ach utility and other covered entity shall set substantial and verifiable
15 short-term (one year), mid-term (three years), and long-term (five years) goals for the utilization
16 of eligible suppliers under the Commission’s Supplier Diversity Program. Goals shall be set
17 annually for each major product and service category which provides opportunities for
18 procurement.”⁴⁴

19 Mr. Reyes’ claim that Verizon can meet the requirements of GO 156 is contradicted by
20 the plain language of both the statute and GO 156. Verizon cannot meet the requirements of
21 section 8283 and General Order 156 if it does not set quantitative goals for diverse spending.

⁴¹ Reyes Second Supplemental Testimony at p. 17:17.

⁴² Cal. Pub. Util. Code § 8283(a).

⁴³ Cal. Pub. Util. Code § 8283(b).

⁴⁴ GO 156, §8.

1 GO 156 explicitly sets out requirements for reporting entities, and Verizon does not get to pick
2 and choose which required elements to include. Given the commitments in the Verizon Letter,
3 Verizon cannot comply with the requirements of GO 156.

4 **ii. Verizon’s Assertion that “All Small Businesses Matter” Will Harm**
5 **Diverse Communities.**

6 In his testimony attempting to address the impacts of Verizon’s elimination of diversity
7 initiatives, Mr. Reyes makes the patently incorrect argument that Verizon’s intended general and
8 untargeted hiring and contracting practices will somehow “trickle down” from generic efforts
9 into diverse communities. For example, Mr. Reyes states that when hiring internally, Verizon
10 “will continue to recruit and develop top talent from all backgrounds, create a caring and
11 inclusive culture, and make a meaningful societal impact.”⁴⁵ Mr. Reyes does not explain how
12 Verizon will ensure that it recruits employees from diverse communities without workforce
13 diversity goals⁴⁶ or employee feedback from diverse employees meant to increase morale,
14 engagement, and retention,⁴⁷ and after elimination of references to DEI in all employee training
15 materials⁴⁸ and elimination of compensation incentives for workforce diversity.⁴⁹

16 Similarly, when discussing supplier diversity, Mr. Reyes states that while Verizon will no
17 longer rely on DEI policies, its practice promoting all small business suppliers will result in
18 benefits to diverse small businesses.⁵⁰ Mr. Reyes specifically describes this as “expanding
19 opportunity to all,”⁵¹ essentially responding to “opportunities for diverse businesses matter” with
20 “well, opportunities for *all* businesses matter.” In attempting to change the subject from the

⁴⁵ Reyes Second Supplemental Testimony at p. 10:11-13.

⁴⁶ Reyes Second Supplemental Testimony at p. 11: 22-25.

⁴⁷ Reyes Second Supplemental Testimony at p. 11: 8-9.

⁴⁸ Reyes Second Supplemental Testimony at p. 10:28-29, 11:1-4.

⁴⁹ Reyes Second Supplemental Testimony at p. 3:29-31.

⁵⁰ Reyes Second Supplemental Testimony at p. 19:5-7, 15-17.

⁵¹ Reyes Second Supplemental Testimony at p. 8:19.

1 question at issue, Mr. Reyes does not explain how Verizon will ensure that it contracts with
2 diverse businesses without quantitative supplier diversity goals or pay-based incentives.⁵²

3 Mr. Reyes fails to acknowledge the overwhelming evidence, as I discussed above, that
4 the creation of diversity, equity, and inclusion requires intentional and meaningful use of
5 diversity initiatives. Verizon cannot just stumble into diversity. Rather, to successfully ensure
6 that it serves the communities in which it operates, it must have affirmative initiatives in place to
7 identify, recruit, hire, and retain diverse employees and contractors. The importance of these
8 initiatives is effectively demonstrated by Verizon's own past practices. Verizon not only
9 implemented comprehensive DEI initiatives, but also engaged a third party to audit its efforts
10 and provide recommendations for *increasing* those efforts in 2002.⁵³ The subsequent 2023 audit
11 report reviewing Verizon's DEI initiatives (which, according to the terms of the Verizon Letter,
12 appear to have been eliminated), identified the following actions taken by Verizon:

- 13 • Creation of a separate recruiting sub-team, the DEI Strategy, Experience, and
14 Hiring sub-team;⁵⁴
- 15 • Mandated training for all recruiters and hiring managers about unconscious bias;⁵⁵
- 16 • Focused recruiting from Historically Black Colleges and Universities (HBCUs),
17 Women Institutions (WIs), and Hispanic Serving Institutions (HSIs);⁵⁶
- 18 • A system of structured market pay raises, salary offer tools, and internal
19 compensation reviews that ensured pay equity;⁵⁷
- 20 • Compensation-based incentives for increasing diversity;⁵⁸

⁵² Reyes Second Supplemental Testimony at p. 11:10-14. Verizon was not making a show of promoting outreach to “all small businesses” until it acquiesced to federal pressure to remove diversity initiatives; the change of subject serves to stall conversations about how to effectively promote diversity.

⁵³ Covington, A Report to Verizon Communications Inc. on the Progress of Verizon's Diversity, Equity, and Inclusion Efforts (April 2023) (Covington Report). A copy of the Covington Report is included as Attachment A.

⁵⁴ Covington Report at p. 23.

⁵⁵ Covington Report at p. 23.

⁵⁶ Covington Report at p. 23.

⁵⁷ Covington Report at p. 29.

⁵⁸ Covington Report at p. 12.

- 1 • Employee DEI training, including trainings on unconscious bias (for both
2 employees and leaders), conscious inclusion and anti-racism, and ally skills, and
3 the creation of a Race and Social Justice Toolkit.⁵⁹
- 4 • Designating “Supplier Diversity Champions” tasked with advocating for diverse
5 suppliers;⁶⁰
- 6 • Educating employees on the Supplier Diversity Program to identify and work
7 with diverse suppliers;⁶¹
- 8 • Setting (and exceeding) diverse supplier spend targets;⁶² and
- 9 • Promoting DEI in capital markets.⁶³

10 It is illogical to believe that Verizon went to such great lengths to implement, review, and
11 improve focused DEI efforts if it could have achieved the same diversity results simply by
12 “recruiting talent from all backgrounds.” Similarly, it is illogical to believe that Verizon’s
13 sudden acquiescence to the FCC’s demands will not have an effect on diversity, equity, and
14 inclusion. In 2023, Verizon Chairman and CEO Hans Vestberg stated that “[b]y championing
15 digital responsibility and inclusion, promoting diversity, mitigating climate risk and creating
16 meaningful work for our employees, we are forging a purpose-driven and resilient business, with
17 long-term growth and strong financial stability.”⁶⁴ It is obvious that Verizon previously viewed
18 its DEI initiatives as an important part of promoting diversity, which in turn benefitted Verizon’s
19 business, long-term growth, and financial stability. The elimination of those initiatives will
20 reduce Verizon’s investment in the communities it serves, reduce jobs for diverse employees,
21 reduce contracting with diverse suppliers, and potentially result in significant harm to Verizon’s
22 business, as well as to the broader interests of California.

⁵⁹ Covington Report at p. 29.

⁶⁰ Covington Report at p. 55.

⁶¹ Covington Report at p. 55.

⁶² Covington Report at p. 57.

⁶³ Covington Report at p. 60.

⁶⁴ Verizon ESG Report 2023 at p. 5. A copy of this Report is included as Attachment B. This was not a new perspective for Verizon. In 2002, Chairman and CEO Ivan Seidenberg stated that “when diversity is a part of a company’s culture, as it is at Verizon, everyone benefits, including customers, suppliers, and employees.” Covington report at p. 3.

1 **iii. The Proposed Transaction Would Eliminate a Provider that has**
2 **Not Committed to Eliminating its DEI initiatives.**

3 Mr. Reyes argues that there are no relevant differences between the positions of Verizon
4 and that of Frontier on DEI issues because “[t]he changes in the policy and regulatory landscape
5 apply to both Frontier and Verizon independent of the close of the transaction.”⁶⁵ However, Mr.
6 Reyes omits one highly relevant distinction: while Verizon has capitulated to the FCC’s demands
7 to eliminate DEI activities, Frontier has not.

8 Mr. Reyes states that “Verizon intends to carry through its updated policies to Frontier
9 upon close of the transaction.”⁶⁶ However, if the transaction does not close, Frontier will not
10 adopt those updated policies:

11 Frontier’s procurement and hiring practices are fundamentally the same since the
12 change in administration, including Frontier’s compliance with G.O. 156.
13 Frontier’s non-discriminatory hiring and procurement programs are unchanged
14 because they already comply with both state and federal law. In short, Frontier
15 has policies and practices in place which align with the FCC’s non-discrimination
16 objectives and that would not change if the transaction did not close.⁶⁷

17 As I noted in my original testimony and above, Frontier has its own diversity initiatives, some of
18 which were the result of engagement and discussions with community stakeholders.⁶⁸

19 In his supplemental testimony, Mr. Reyes fails to acknowledge that if the Applicants
20 complete the transaction, it will result in a combined company that does not have any meaningful
21 diversity initiatives and one that considers compliance with the reporting requirements of GO
22 156 to be sufficient activity within state law. However, if the transaction fails, there will be two
23 companies—Verizon, which has abandoned its commitment to DEI, and Frontier, which will not
24 only continue its DEI initiatives, but has also demonstrated a strong commitment to supplier

⁶⁵ Reyes Second Supplemental Testimony at p. 16:5-8.

⁶⁶ Reyes Second Supplemental Testimony at p. 16:8-9.

⁶⁷ Ellis Second Supplemental Testimony at p. 5:13-18. Mr. Reyes’ testimony acknowledges this fact. Reyes Second Supplemental Testimony at p. 16:9-11.

⁶⁸ Goodman Testimony at p. 18.

1 comply with those conditions.⁶⁹ The subtext of Mr. Reyes’ testimony appears to repeat that
2 pattern. It appears that Verizon agreed to FCC Chairman Carr’s demands in order to obtain FCC
3 approval of its proposed transaction, without considering what effect that might have on this
4 proceeding. While Mr. Reyes states that “California is a key market for Verizon,”⁷⁰ Verizon’s
5 actions demonstrate that the company does not take California’s commitment to DEI seriously.
6 Based on Verizon’s past actions, I suspect that Verizon will agree to mitigation measures in
7 California to support diversity efforts, but then delay compliance in the hopes that the
8 Commission will eventually relieve the combined company of its obligation. This would not
9 only be an affront to the Commission’s authority, but would also deprive consumers of critical
10 protections meant to safeguard the public interest. Accordingly, should the Commission approve
11 the merger, it should take strong action to ensure Verizon’s compliance with any mitigation
12 measures regarding diversity including a strong and prompt enforcement mechanism.

⁶⁹ Goodman Testimony at p. 11.

⁷⁰ Reyes Second Supplemental Testimony at p. 15:18.

ATTACHMENT A

Covington Report on Verizon's Diversity Efforts



A Report to

Verizon Communications Inc.

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

April 2023

COVINGTON

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Contents

I.	Executive Summary	1
II.	Introduction	4
III.	Methodology	5
	A. ERG Roundtable.....	6
	B. External Stakeholder Listening Session	7
IV.	Verizon’s Approach to DEI	8
	A. About Verizon.....	8
	B. Structural Ownership.....	10
V.	V Team Initiatives.....	14
	A. Anti-Discrimination Policies and Investigations.....	15
	B. Workforce DEI Initiatives	22
VI.	Community Initiatives.....	43
	A. Citizen Verizon	43
	B. Community and Stakeholder Engagement	51
	C. Supplier Diversity	55
	D. Responsible Marketing Action Plan.....	61

I. Executive Summary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

II. Introduction

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

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

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

III. Methodology

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

Specifically, Covington sought to answer three questions:

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

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

To answer the questions above, Covington:

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

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

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

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

A. ERG Roundtable

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

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

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

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

B. External Stakeholder Listening Session

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

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

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

IV. Verizon's Approach to DEI

A. About Verizon

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

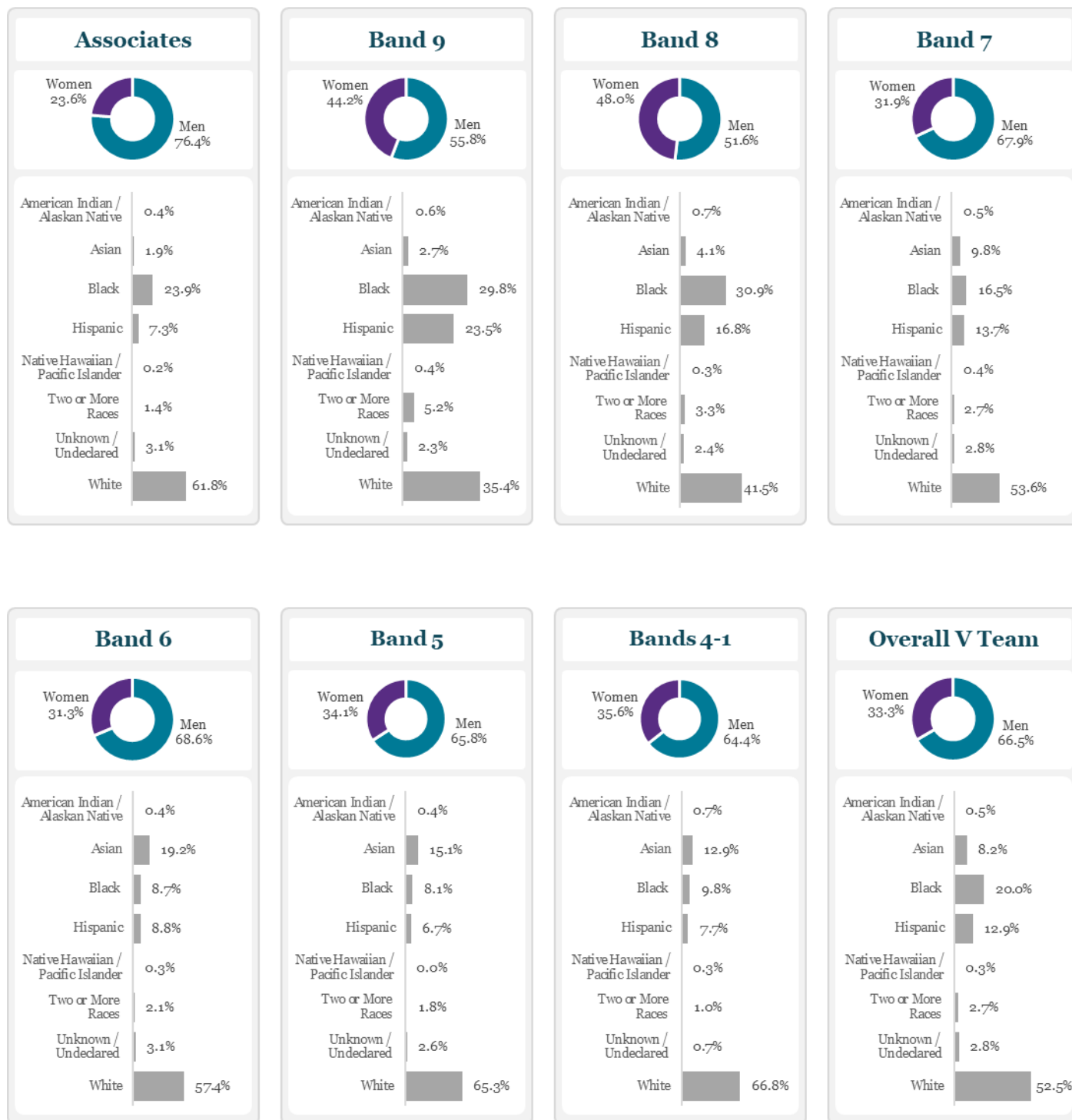
Verizon offers voice, data, and video services and solutions on its networks and platforms.¹⁸ The company operates two core business segments: Verizon Consumer Group and Verizon Business Group.¹⁹ The consumer segment includes wireless and wireline products and services that are available to retail customers,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

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

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

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

Diversity Across the V Team



Notes:

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

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

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

B. Structural Ownership

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

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

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

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

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

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

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

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

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

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

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

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

1. Observations and Recommendations

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

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

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

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

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

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

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

Recommendations

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

V. V Team Initiatives

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

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

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

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

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

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

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

A. Anti-Discrimination Policies and Investigations

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

1. Anti-Discrimination Policies and Procedures

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

a) Code of Conduct

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

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

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

b) Harassment and Discrimination Policy

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

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

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

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

c) Equal Opportunity Employment and Affirmative Action Policy

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

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

d) Other Policies

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

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

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

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

e) Observations and Recommendations

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

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

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

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

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

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

Recommendations

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

2. Employee Relations Team and EEO/AA Team

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

a) Employee Relations Team

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

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

b) EEO/AA Team

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

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

c) Case Tracking and Reporting

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

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

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

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

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

d) Disciplinary Actions for Substantiated Misconduct

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

e) Trainings

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

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

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

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

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

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

f) Observations and Recommendations

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

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

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

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

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

Recommendations

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

B. Workforce DEI Initiatives

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

1. Attracting Diverse Talent

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

a) Talent Acquisition

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

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

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

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

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

(1) Diverse Recruiting Efforts

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

(a) Campus Recruiting

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

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

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

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

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

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

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

(b) Professional-Level Recruiting

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

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

(c) ERG Engagement

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

(d) Recruitment Marketing

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

(2) Non-Traditional Programs

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

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

(3) Hiring Process

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

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

(a) Job Posting Clearinghouse

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

(b) Assessments and Structured Interviews

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

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

(c) Diverse Slates

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

(d) Second Chance Employment

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

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

(e) Degree and GPA Requirements

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

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

b) Compensation

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

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

c) Benefits

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

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

(1) Health Care

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

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

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

(2) Retirement

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

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

(3) Leave Policies

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

(4) Supporting Families

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

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

d) Observations and Recommendations

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

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

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

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

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

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

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

Recommendations

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

2. Developing Diverse Talent

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

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

a) Diversity Leadership Development Programs

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

(1) Competitive Edge

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

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

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

(2) Women of the World

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

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

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

(3) Women’s CoLab

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

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

b) Broader Leadership Development Programs

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

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

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

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

c) Succession Planning

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

d) Skills Programs

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

(1) SkillUp and Talent GPS

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

(2) Get Certified

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

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

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

(3) Tuition Assistance Program

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

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

e) Observations and Recommendations

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

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

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

Recommendations

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

3. Inspire Talent through an Inclusive and Engaged Culture

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

a) Employee Resource Groups

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

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

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

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

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



Advocates for Disability, Accessibility, Neurodiversity and Caregiver Empowerment



Black Originators Leaders and Doers



Native Americans of Verizon



Pan Asian Corporate Excellence



Parents and Caregivers Together



Lead With Pride



The Voice of the Latinx Community



Progress through Unity (Multicultural)



Veterans and Advocates Leading the Organization Responsibly



Womxn's Association of Verizon Employees

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

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

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

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

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

b) Employee Engagement

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

c) EEO/AA Team Programming

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

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

d) DEI Learning Plan

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

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

(1) Unconscious Bias/Unconscious Bias for Leaders

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

(2) Conscious Inclusion and Anti-Racism

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

(3) Ally Skills Webinar/Ally Skills for Leaders

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

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

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

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

(5) Race & Social Justice Action Toolkit

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

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

e) Observations and Recommendations

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

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

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

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

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

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

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

Recommendations

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

VI. Community Initiatives

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

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

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

A. Citizen Verizon

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

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

1. Digital Inclusion

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

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

a) Verizon Innovative Learning

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

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

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

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

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

Verizon Innovative Learning



Since 2012, VIL has reached more than 1.3 million students

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

b) Verizon Innovative Learning Labs

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

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

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

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

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

c) Verizon Innovative Learning HQ

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

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

d) Verizon Innovative Learning STEM Achievers Program

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

STEM Achievers Program



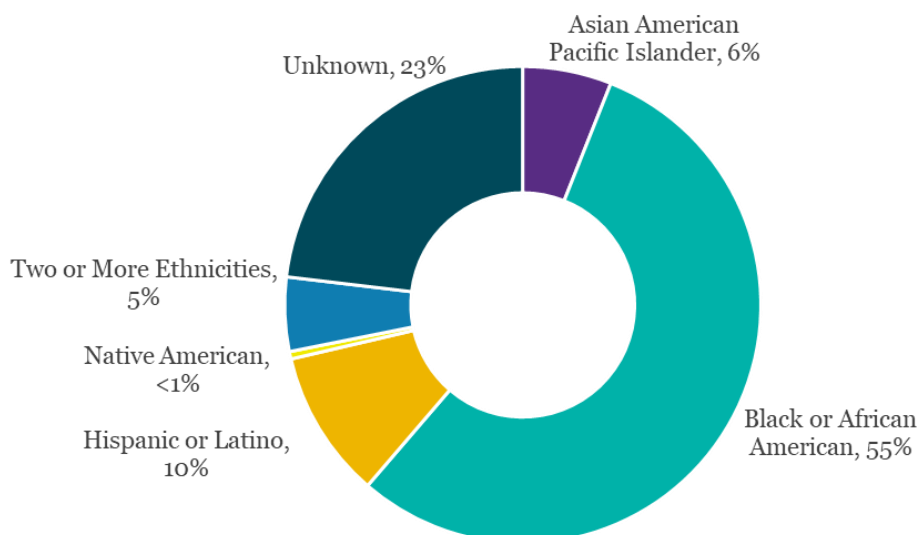
Following the program, students return to campus once a month throughout the school year to engage in a mentoring program with college students. Verizon operates the STEM Achievers Program at 44 colleges and community colleges, of which 18 are HBCUs and 5 are HSIs. In 2022, 7,470 middle school students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

e) Small Business Digital Ready

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

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

Demographic Audience of Small Business Digital Ready Program



2. Human Prosperity

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

a) Efforts to Promote Reskilling and Upskilling

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

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

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

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

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

b) Verizon Volunteerism

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

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

c) Scalable Solutions to Community Problems

(1) Houston Partnership

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

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

(2) Verizon Forward for Good Accelerator

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

3. Climate Justice

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

a) Climate Justice Advisory Board

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

b) Climate Justice Prize

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

4. Observations and Recommendations

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

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

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

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

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

Recommendation

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

B. Community and Stakeholder Engagement

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

1. Public Policy and Strategic Alliances

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

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

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

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

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

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

2. State Government Affairs

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

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

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

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

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

3. Observations and Recommendations

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

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

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

Recommendations

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

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

C. Supplier Diversity

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

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

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

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

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

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

1. Supplier Code of Conduct

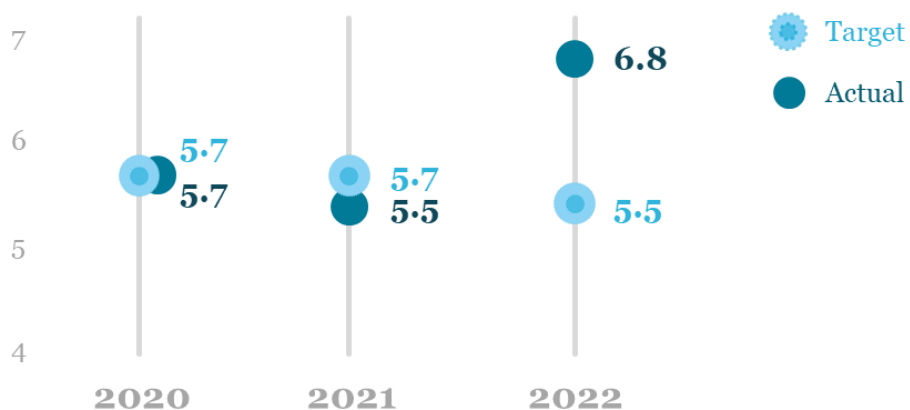
Verizon encourages its suppliers to embrace diversity and equal opportunity as fundamental principles and key components of its corporate strategy, as noted in its Supplier Code of Conduct (“Supplier Code”).¹³⁴ The Supplier Code prohibits suppliers from engaging in discrimination on any basis, prohibited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

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

2. Diverse Supplier Spend Targets

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

Diverse Supplier Spend



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

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

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

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

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

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

4. Trainings and Matchmaking

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

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

5. Outside Counsel Diversity

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

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

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

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

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

6. Diversity in Capital Markets

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

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

7. Observations and Recommendations

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

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

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

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

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

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

Recommendations

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

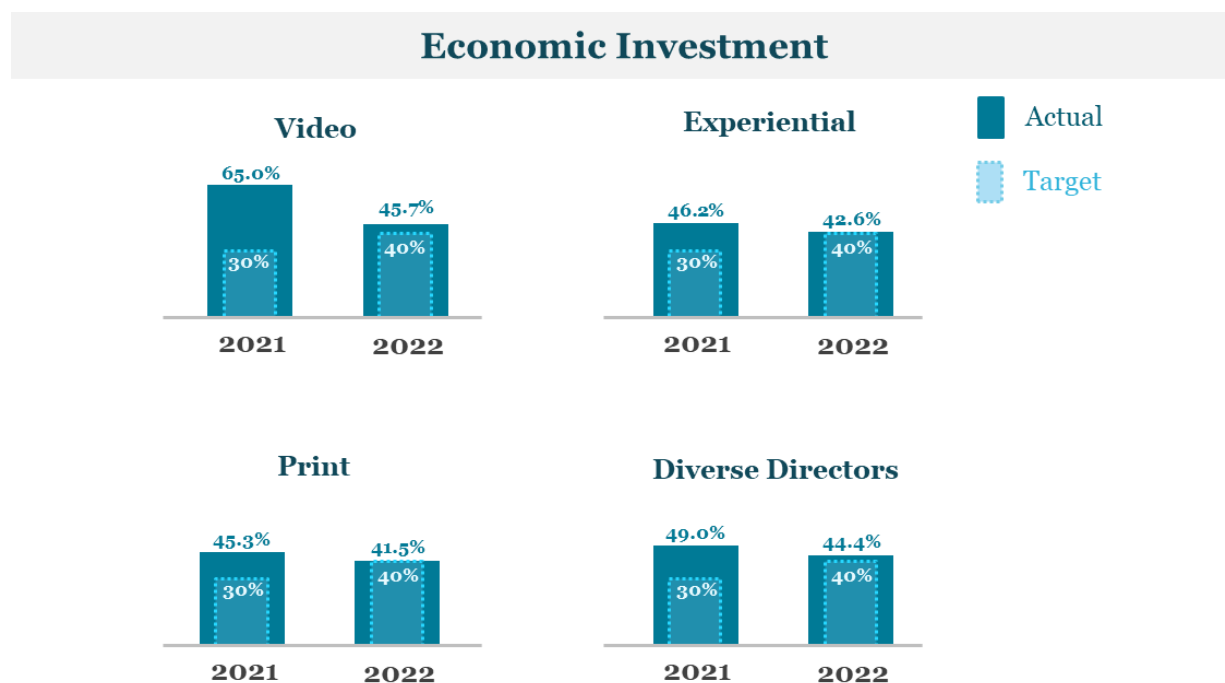
D. Responsible Marketing Action Plan

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

1. Economic Investment

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

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



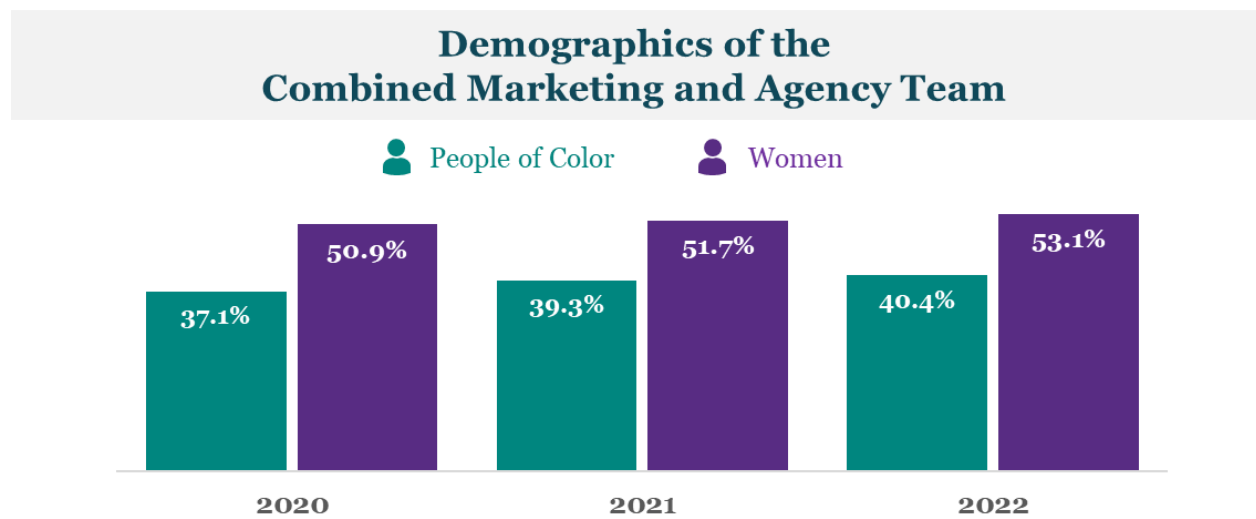
In addition to Verizon’s commitment to diverse-owned production companies, Verizon made a commitment to diverse-owned and operated media companies. This includes a specific commitment to increase spend with Black-owned and operated media companies, which in 2022 was expanded to encompass Hispanic-owned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

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

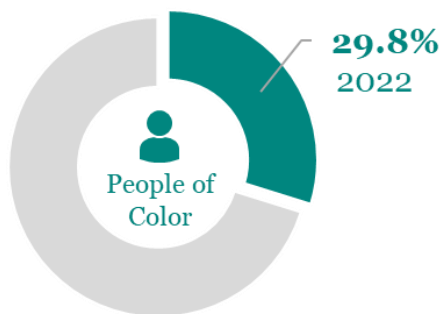
2. Talent Diversity

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

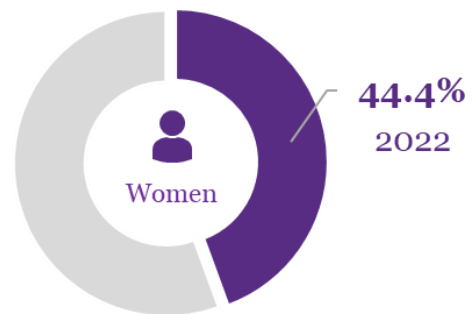
Below is a summary of Verizon’s progress with respect to talent diversity as of December 31, 2022:



Racial Demographics of the Combined Marketing and Agency Team Leadership



Gender Demographics of the Combined Marketing and Agency Team Leadership



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

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

3. Bias Testing and Training

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

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

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

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

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

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

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

4. Brand Standards

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

5. Responsible Marketing Action Blueprint

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

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

6. Observations and Recommendations

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

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

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

Recommendation

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

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

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

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

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

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

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

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

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

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

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

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

¹¹ *Id.*

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

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

¹⁴ *Id.*

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

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

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

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

¹⁹ 2022 Form 10-K at 4–6.

²⁰ *Id.*

²¹ *Id.*

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

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

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

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

²⁶ 2023 Proxy Statement at A-1.

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

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

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

³⁰ 2022 ESG Report at 42.

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

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

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

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

³⁵ *Id.*

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

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

³⁸ 2021 ESG Report at 39.

³⁹ *Id.* at 30.

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

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

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

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

⁴⁴ 2023 Proxy Statement at 32.

⁴⁵ *Id.*

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

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

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

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

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

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

⁷⁰ *Id.*

⁷¹ *Id.*

⁷² *Id.*

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

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

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

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

⁷⁷ 2023 Proxy Statement at 11.

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

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

⁸⁰ 2021 ESG Report at 62.

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

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

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

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

⁸⁵ 2022 ESG Report at 65.

⁸⁶ *Id.* at 69.

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

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

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

⁹⁰ 2022 ESG Report at 70.

⁹¹ *Id.*

⁹² *Id.* at 69.

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

⁹⁴ *Id.*

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

⁹⁶ 2021 ESG Report at 63.

⁹⁷ 2022 ESG Report at 70.

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

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

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

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

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

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

¹⁰⁴ *Id.*

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

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

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

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

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

¹¹⁰ *Id.*

¹¹¹ *Id.*

¹¹² *Id.*

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

¹¹⁴ *Id.*

¹¹⁵ *Id.*

¹¹⁶ *Id.* at 70.

¹¹⁷ *Id.*

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

¹¹⁹ *Id.*

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

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

¹²² *Get to Know Us*, GENERATION USA, <https://usa.generation.org/about/> (last visited Feb. 21, 2023).

¹²³ *Id.*

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

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

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

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

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

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

¹³² 2022 ESG Report at 51.

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

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

¹³⁵ *Id.*

¹³⁶ *Id.*

¹³⁷ *Id.*

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

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

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

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

¹⁴² *Id.* at 10.

¹⁴³ *Id.* at 11.

¹⁴⁴ *Id.*

¹⁴⁵ *Id.*

¹⁴⁶ *Id.*

¹⁴⁷ *Id.* at 3.

¹⁴⁸ *Id.* at 6.

¹⁴⁹ *Id.* at 7.

¹⁵⁰ *Id.*

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

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

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

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

¹⁵⁶ 2022 ESG Report at 52.

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

¹⁵⁸ *Id.*

¹⁵⁹ 2022 ESG Report at 52.

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

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

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

¹⁶³ *Id.*

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

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

¹⁶⁶ *Id.*

¹⁶⁷ *Id.*

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

¹⁶⁹ *Id.*

¹⁷⁰ *Id.*

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

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

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

¹⁷⁴ *Id.*

¹⁷⁵ *Id.*

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

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

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

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

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

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

ATTACHMENT B

Verizon ESG Report 2023

Verizon ESG Report 2023

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About this report

This report details our ESG performance and contains non-financial disclosures covering the period from January 1, 2023, through December 31, 2023, unless otherwise stated. The inclusion of information contained in this report should not be construed as a characterization of the materiality or financial impact of that information. Our financial disclosures for this period can be found in our [2023 Annual Report on Form 10-K](#).

This report covers all of Verizon's operations included in the 2023 financial statements, unless otherwise stated. On November 23, 2021, we completed the acquisition of TracFone Wireless, Inc. (TracFone). The reported metrics related to greenhouse gas emissions, on-site renewable energy, fleet fuel, water, waste and carbon abatement do not include TracFone results. Where relevant, data measurement techniques, the bases of calculations and changes in the basis for reporting or reclassifications of previously reported data are included as footnotes.

Note on non-financial reporting

Non-financial information is subject to measurement uncertainties resulting from limitations inherent in the nature of, and the methods used for determining, such data. Some of our disclosures in this report are based on assumptions due to these inherent measurement uncertainties. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

Data assurance

Annually, Verizon obtains independent assurance of our emissions profile, as well as other select ESG indicators and analyses. Read the

[assurance reports](#) for more information. For information that is not specifically identified as being independently assured, Verizon relies on the application of internal policies (including those requiring the creation and maintenance of accurate records and the establishment of internal controls over externally reported financial and non-financial information) and compliance with data quality standards and verification procedures set forth in our ESG information governance and control frameworks to validate such information.

Forward-looking statements

Given the inherent uncertainty in predicting and modeling future conditions, caution should be exercised when interpreting the information provided. In this report, we have made forward-looking statements, including statements regarding our ESG goals, targets, commitments and other business objectives. These statements are based on our estimates and assumptions and are subject to risks and uncertainties. Forward-looking statements include information about our possible or assumed future results of operations and include statements using words such as “aims,” “anticipates,” “believes,” “estimates,” “expects,” “forecasts,” “may,” “plans,” “strategy,” “target,” “goal” or similar terms. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. For a list of important factors that could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements, refer to Verizon's Annual Report on Form 10-K.

Table of contents

Approach	4	Operational integrity	27	Community	51
Message from our Chairman and CEO	5	Business ethics	28	Citizen Verizon goals	52
Our ESG strategy	6	Our approach to human rights	31	Digital equity and inclusion	53
ESG governance	8	Supply chain	32	Climate protection	55
ESG prioritization assessment	10	Digital responsibility	35	Human prosperity	56
				Community engagement and support	58
V Teamers	12	Environment	40	Appendix	59
Recruiting talent	13	Climate goals	41	SASB Standards index	60
Competitive compensation and benefits	14	TCFD summary	42	GRI index	66
Open, welcome and safe work environment	15	Verizon's emissions profile	43	UN SDG-aligned goals and progress	70
Upskilling and reskilling	16	Carbon reduction strategy	44	Endnotes	71
Diversity, equity and inclusion	17	Reducing our environmental impacts	47		
Workforce diversity profiles	19	Helping customers reduce their emissions	49		
Employee engagement	25	Network resilience	50		
Labor relations	26				

Approach

In this section:

Message from our Chairman and CEO	5	Management councils and committees	9
Our ESG strategy	6	Stakeholder engagement	9
Key 2023 initiatives and results	6	Reporting	9
Four pillars of ESG	7	ESG prioritization assessment	10
ESG governance	8	Assessment process	10
Board oversight	8	Assessment results	10

Message from our Chairman and CEO

At Verizon, running our business responsibly is the foundation of our strategy, driving long-term financial success by building a more sustainable future for our shareholders, customers, employees and society.

Operating as a responsible business is essential to earning our customers' trust and building a world-class brand. By championing digital responsibility and inclusion, promoting diversity, mitigating climate risk and creating meaningful work for our employees, we are forging a purpose-driven and resilient business, with long-term growth and strong financial stability.

Citizen Verizon, our company-wide responsible business plan, is an investment in the communities we serve that helps our customers today and builds our customer base for tomorrow. We believe that Verizon and society benefit when everyone can meaningfully participate in the digital economy and have set ambitious goals to spur economic advancement in the communities where we live and work, including a commitment to provide 10 million youths with digital skills training by 2030. I am proud to share that, through our transformative Verizon Innovative Learning initiative, we have provided over 7 million students nationwide with digital tools and resources so far.

We know that responsible business is good business, and our approach to climate considerations is tied to, and embedded in, our business strategy and

operations. Our green bond program allows us to finance our renewable energy program on terms that are often less expensive than our typical bonds.

Since we are a major consumer of renewables, our moves here also encourage the greening of the electric grid and the development of a renewable energy economy that will serve our needs, along with society's. In support of this effort, we have a target to source 100% of the energy we use in our networks from renewables by 2030.

Of course, none of these accomplishments would be possible without the tireless efforts of our V Team. Delivering on Verizon's strategy takes more than the best technology; it takes the best people. Providing our V Teamers with the skills to execute on our business priorities, offering opportunities for career advancement and ensuring a collaborative and inclusive work environment gives us a competitive edge now and into the future.

We believe integrity is at the core of who we are. Verizon has dedicated cross-functional teams to execute responsible business principles in our core operations, from our supply chain to product

development to our stewardship of customer information. These teams identify and manage the evolving risks and opportunities presented by our dynamic operating environment, including in technology such as artificial intelligence (AI). In 2023, we released a set of Responsible AI Principles to guide our enterprise-wide efforts to leverage new AI technologies in ways that positively impact our stakeholders and establish Verizon as a trusted brand and partner with respect to AI.

The ways in which we care for our customers, communities, environment and employees define our company. I hope you share my excitement about the progress we made last year and the many opportunities ahead to deliver meaningful value to all our stakeholders for years to come.



Hans Vestberg
Chairman and Chief Executive Officer



















“The ways in which we care for our customers, communities, environment and employees define our company.”

Our ESG strategy

At Verizon, our world-class networks are at the center of our business strategy to drive innovation and growth. We are building the interconnected future and creating networks to move the world forward for everyone. As we execute on our strategy, we consider how our business can create long-term, measurable value for a broad set of stakeholders – our shareholders, customers, employees and society.

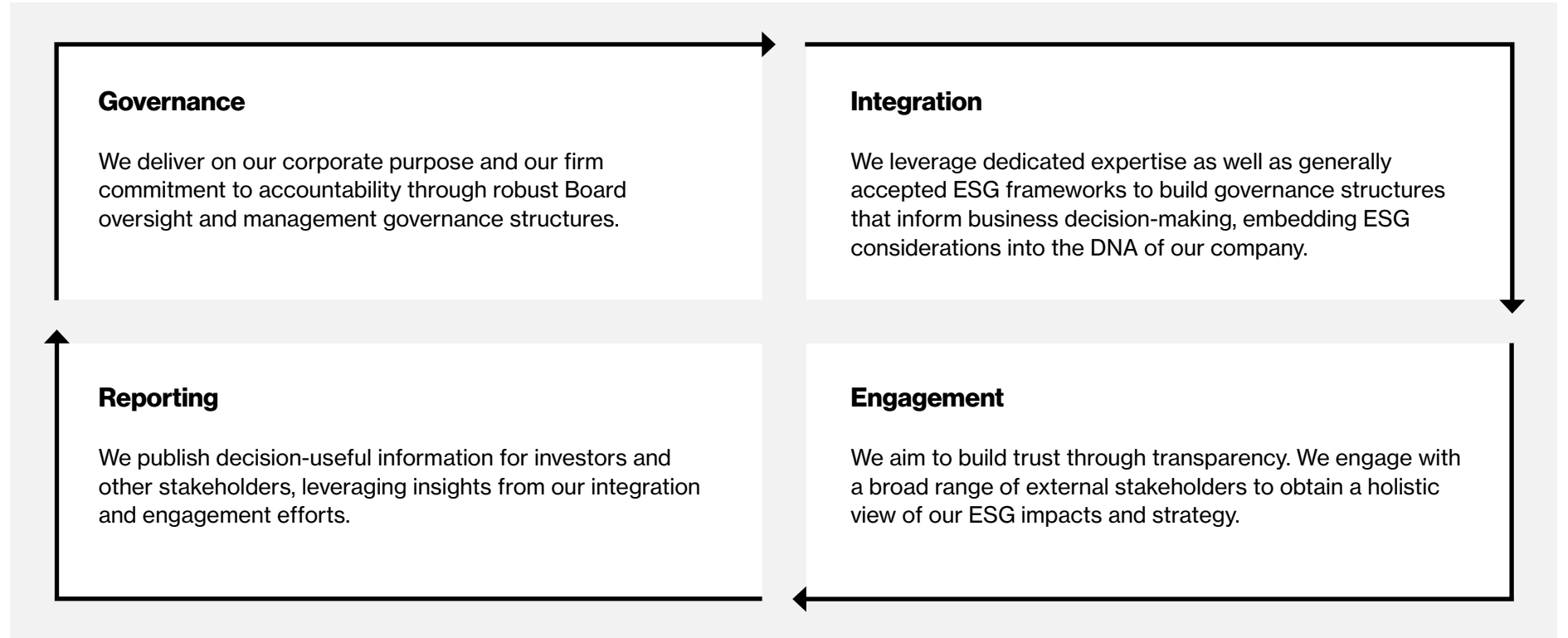
Key 2023 initiatives and results

V Teamers	Operational integrity	Environment	Community
 <p>100% pay equity in salary for women and men globally and with respect to race/ethnicity in the U.S.</p>	 <p>728 key suppliers assessed through EcoVadis since 2013</p>	 <p>23.3% reduction in scopes 1 and 2 emissions and 15.1% reduction in scope 3 emissions (2019 – 2022)</p>	 <p>2.1+ million hours volunteered since 2019</p>
 <p>\$173.8 million invested in learning and development initiatives for our employees</p>	 <p>\$54.3 billion spent with diverse suppliers over the past 10 years</p>	 <p>~3.6 GW of anticipated renewable energy under contract as of February 2024</p>	 <p>7+ million youths provided with digital skills training since 2012¹</p>
 <p>60.3% of U.S.-based workforce composed of women and minorities</p>	 <p>100% of employees trained on our Code of Conduct</p>	 <p>\$6 billion in green bonds issued as of February 2024</p>	 <p>45,000+ individuals prepared for jobs of the future since 2019</p>
 <p>\$2.6 billion invested in healthcare benefits and services</p>	 <p>15+ years of publishing our Data Breach Investigations Report</p>	 <p>20+ million trees planted since 2009</p>	 <p>273,000+ small businesses provided with resources to thrive in the digital economy since 2021</p>

Note: As of year-end 2023 unless otherwise noted.

Four pillars of ESG

Our ESG strategy is built upon four pillars: governance, integration, engagement and reporting. Each of these pillars dynamically supports the others, providing us with a foundation for informed decision-making, transparent communication and effective governance over and accountability for Verizon's most impactful ESG risks and opportunities.



ESG governance

We implement effective governance over and accountability for our key ESG issues through Board and management oversight, stakeholder engagement and transparent reporting.

Board oversight

Our Board of Directors oversees Verizon’s ESG risks and opportunities with the assistance of four standing committees composed solely of independent Directors. An independent Lead Director shares governance responsibilities with the Chairman and CEO and facilitates forthright communication and independent oversight of management’s performance.

We are committed to the highest standards of corporate governance. See how our policies and practices align with the Investor Stewardship Group’s corporate governance principles for U.S. listed companies [here](#).

Board diversity

Good governance starts with independent and engaged directors who respect differing viewpoints. In its ongoing refreshment process, our Board seeks a diverse group of candidates who possess the requisite judgment, background, skill, expertise and time, as well as diversity with respect to race, ethnicity and gender, to strengthen and increase the overall diversity, breadth of skills and qualifications of the Board. As of December 31, 2023, our 12-member Board included four women and five Directors who self-identify as racially or ethnically diverse.

ESG strategy and risk oversight

Each Verizon Director brings to the boardroom skills or experience in one or more of our priority ESG issues. While the Corporate Governance and Policy Committee has primary responsibility for overseeing our ESG strategy, commitments, stakeholder engagement and reporting, the full Board regularly addresses ESG issues during business operations reviews and strategy discussions. Each Board committee oversees the ESG risks and opportunities that fall under that committee’s purview, with each committee chair regularly updating our full Board on its ESG-related activities. ESG topics frequently included on committee agendas or addressed during management updates are listed in the table to the right.

For more information on how our Board and committees oversee ESG risks and opportunities, see the “Oversight of ESG strategy and risks” section in our [2024 Proxy Statement](#).

Board-level ESG oversight

Audit Committee	<ul style="list-style-type: none"> • Business ethics • Climate-related business risks • Cybersecurity • Data privacy
Corporate Governance and Policy Committee	<ul style="list-style-type: none"> • ESG strategy, commitments, engagement and reporting • Human rights • Political activities and lobbying • Public policy and technology issues impacting corporate reputation • Social impact and community initiatives
Finance Committee	<ul style="list-style-type: none"> • Capital allocation strategy • Green finance strategy • Renewable energy exposure
Human Resources Committee	<ul style="list-style-type: none"> • Diversity, equity and inclusion (DEI) and employee engagement • Employee health and safety • ESG metrics in incentive compensation • Talent acquisition, retention and development

Management councils and committees

To gain a holistic perspective and appropriately assess risks and opportunities when making important decisions for the business, we have established a number of cross-functional management councils composed of members of our executive leadership team. These councils meet regularly to address a wide range of matters that are critical to our company's success, including business and technology strategies, network and product development, customer experience and brand management, capital and expense allocation, emergency preparedness and responsible business initiatives. The Strategic Leadership and Responsible Business councils are instrumental to the integration of sustainability considerations into our overall strategy and business operations, overseeing the establishment and execution of our climate-related and social impact goals.

Our management councils operate using a year-round planning and execution process. This process unites strategy development, financial planning and budgeting, talent management and execution to make sure that each organization is coordinated as it implements Verizon's strategy. Each organization tracks key performance measures in the execution of individual initiatives. These are compiled into one corporate-wide scorecard that includes key performance measures for our operational net zero goal, employee engagement and DEI initiatives.

We also have cross-functional management committees, supported by dedicated teams of experts, which oversee our implementation of policies and programs governing accessibility, artificial intelligence (AI), business continuity, climate, cybersecurity, DEI, global supply chain management and privacy.

Stakeholder engagement

We proactively engage with our investors, customers and other key stakeholders on Verizon's ESG activities and priorities. These engagements may include participation, when requested and appropriate, from our independent Lead Director, the chair of the Audit Committee or other Directors. We believe that these transparent and collaborative exchanges strengthen corporate accountability, improve decision-making and ultimately create long-term value. We regularly share what we learn with our Board and senior management. In 2023, the topics most frequently addressed during these engagements included scope 3 emissions, human capital management, data privacy and cybersecurity.

We also seek to develop meaningful partnerships with external stakeholders to help ensure that Verizon's policy positions are informed by the communities we serve. Our Consumer Advisory Board (CAB), a diverse group of stakeholders that advises Verizon on a variety of consumer and policy issues, continued to meet throughout 2023. CAB members serve as an informal focus group to test out new policies, practices and products and offer fresh thinking and key consumer insights on discrete business projects, pilots and case studies.

Reporting

Our ESG reporting is aligned with leading sustainability disclosure frameworks and informed by emerging ESG-related laws and regulations, our stakeholder engagement and the results of our ESG prioritization assessment. Our ESG reporting and policies, as well as a downloadable ESG data table, can be found on our [ESG Resources Hub](#).

ESG Center of Excellence

Our ESG Center of Excellence, composed of teams from Enterprise Risk Management, Legal and Accounting Policy, is implementing an expanded internal control framework for ESG information to facilitate our compliance with ESG-related laws and regulations.

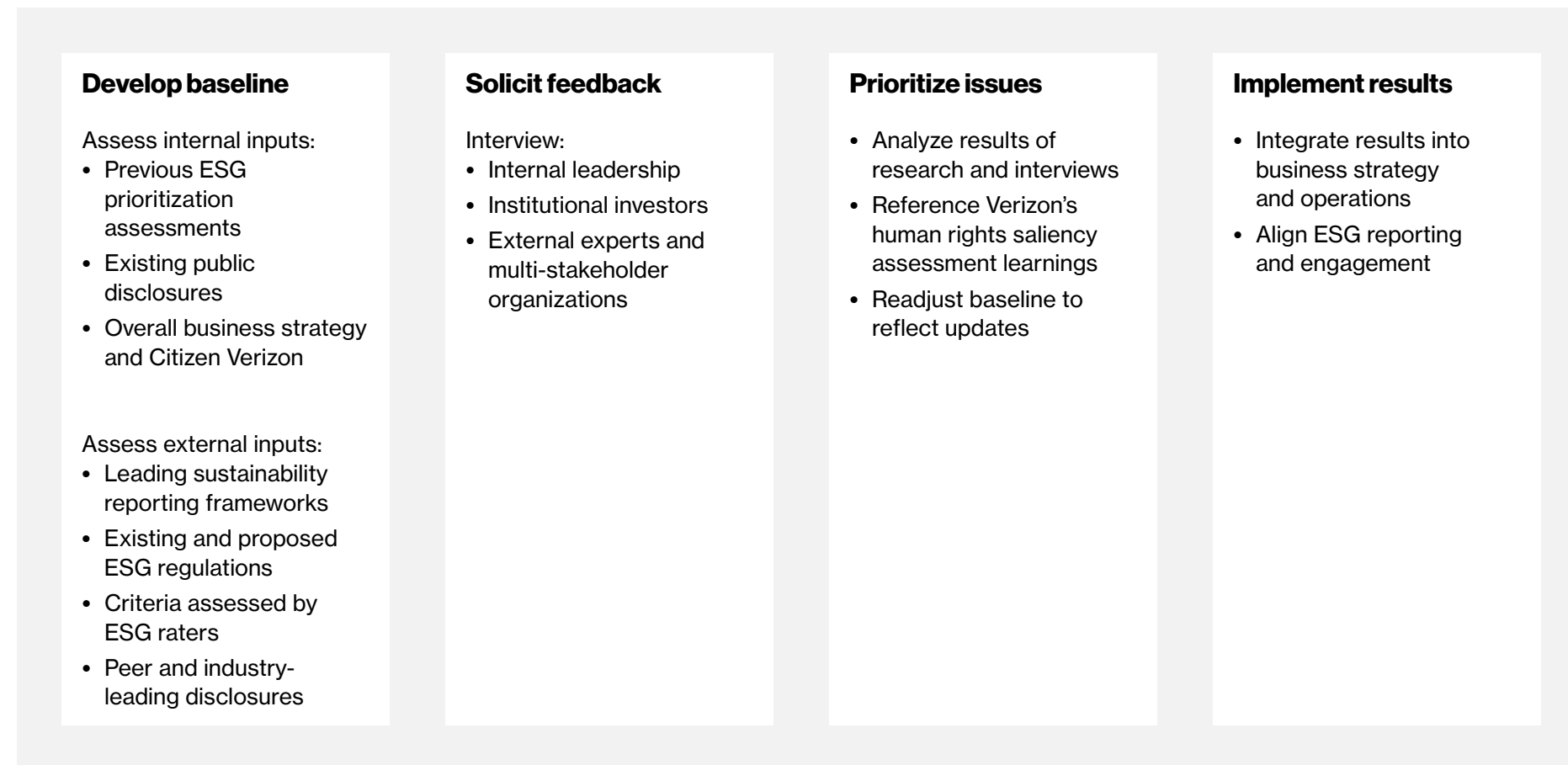
Reports published on our ESG Resources Hub

- ESG reports
- TCFD reports
- SASB Standards index
- Political engagement reports
- Transparency reports
- Green bond impact reports
- Human rights due diligence statements
- Consolidated EEO-1 report
- Current assured emissions and energy data
- Downloadable ESG data table

ESG prioritization assessment

We have been conducting periodic third-party assessments over the past 10 years to identify the ESG issues that are the most relevant and impactful to our business and our four key stakeholders – our shareholders, customers, employees and society. We use the results of these assessments to guide our ESG strategy, focus our reporting and stakeholder engagement and prioritize our ESG integration efforts.

Assessment process



Assessment results

In 2023, we partnered with a third-party consultant to refresh our prioritization assessment. Our latest assessment was conducted with the understanding that operational integrity – namely our robust business ethics, governance and human rights policies and programs – is foundational to our ESG management strategy. We have categorized our assessment results into high-priority, priority and emerging issues, all of which we actively manage. Our high-priority issues align with our mission to create the networks that move the world forward. In light of the current geopolitical environment, our stakeholders identified regulatory engagement and supply chain management as higher priority issues as compared to our 2021 assessment. Human capital management, including employee health and safety, labor practices and talent attraction and retention, remains a priority issue. Minimizing negative environmental impacts and creating digital opportunities for our communities also continue to be priority issues for us. Given the increased public attention on the development and use of AI, our stakeholders identified responsible AI as a newly emerging ESG issue for Verizon.

Our assessment results and topic definitions are detailed on the following page.

High-priority issues

Climate change	Managing climate-related risks and opportunities for our business and our customers.
Cybersecurity and data privacy	Employing strong policies and controls to manage cybersecurity risk and protect the privacy of customer, employee and business partner data. Providing a safe and secure online experience.
DEI	Promoting equity and inclusion for our employees, business partners and communities by providing equal access and opportunity, free from bias.
Network resilience (including disaster response)	Maintaining reliable network connectivity through infrastructure investment, operational preparedness and effective disaster response.
Regulatory engagement	Engaging with regulators and lawmakers on policy issues, including through lobbying and political contributions.
Supply chain management	Managing ESG risks throughout our supply chain, including human rights, labor and environmental issues.

Priority issues

Digital inclusion	Extending high-quality connectivity to underserved communities, making devices and connectivity available without significant cost restrictions and leveraging our resources to foster the skills necessary to thrive in the digital economy.
Employee health and safety	Managing workplace safety incidents and caring for employee physical and mental health.
Labor practices	Complying with labor laws, upholding workers' rights and managing the company's relationship with organized labor.
Product end-of-life management (including e-waste)	Reducing the end-of-life environmental impact of our products and network equipment (including e-waste) by managing the reuse, recycling and disposal of products and component parts.
Talent attraction and retention	Strategically recruiting talent, supporting professional growth through skill-building and development opportunities and inspiring employees with a collaborative and inclusive work environment.

Emerging issues

Responsible AI	Deploying AI technologies to improve operational efficiency and enhance customer experience while identifying and mitigating potential risks, such as bias and privacy concerns.
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Note: Topics are presented in alphabetical order within respective categories.

V Teamers

In this section:

Recruiting talent	13	Safety culture	15	Promoting inclusion	17
Strategic recruitment	13	Partner safety	15	Capability building	18
Competitive compensation and benefits	14	Upskilling and reskilling	16	Continuing the work	18
Compensation	14	Promoting a culture of continuous learning	16	Workforce diversity profiles	19
Leave policies	14	Supporting career growth and development	16	Employee engagement	25
Family-friendly benefits	14	Diversity, equity and inclusion	17	Annual employee survey process	25
Health and wellness	14	Global DEI strategy	17	Labor relations	26
Open, welcome and safe work environment	15	Pay equity	17		
Non-discrimination policy	15	DEI incentive compensation measure	17		

Recruiting talent

Delivering on Verizon's corporate purpose to create the networks that move the world forward takes more than the best technology; it takes the best people.

Human capital strategy

Verizon's global network of over 106,000 employees is one of our most valuable investments. Our human capital strategy to build a workforce with the skills, potential and motivation to give the company a competitive edge now and into the future rests on three pillars:

- Attract and maintain a diverse workforce with the necessary skills and talent to execute on our business priorities
- Develop our employees' potential by offering educational opportunities that keep pace with changes happening across our industry
- Inspire our employees by providing meaningful work and opportunities for career advancement in a collaborative and inclusive environment

Verizon's Board of Directors and its Human Resources Committee oversee our human capital strategy to attract and develop talent, inspire employee engagement and create a diverse, equitable and inclusive workplace culture.

Strategic recruitment

Our approach to recruitment is grounded in our talent plan, which defines the talent we need across the business to support how and where we want to grow. This extends to recruiting a diverse workforce through multiple channels, including robust strategies for campus and military hiring and nontraditional talent pipelines. We review our job postings to make sure they leverage inclusive language and do not impose degree or certification requirements where they are not needed for the particular role. We conduct a consistent hiring process that considers all qualified candidates in a fair and equitable manner.

Campus

Through university partnerships, our campus program identifies emerging talent with critical skills aligned with Verizon's talent plan. We maintain competitive and robust internship and co-op skill accelerator programs that provide real-world experiences to students and serve as pipelines for potential new talent. Further, we are building partnerships with high school, college and professional organizations, such as the National Academy Foundation, to enhance the diversity of our pipelines. We engage year-round with Historically Black Colleges and Universities, Hispanic-Serving Institutions and Asian American and Native American Pacific Islander-Serving Institutions through executive sponsorship and brand ambassador programs.

Military

We have a dedicated military recruitment team to connect veterans, transitioning service members and military spouses with employment opportunities at Verizon. Our Skillbridge and Hiring our Heroes Fellowship programs provide opportunities for transitioning service members to gain critical skills in areas such as cybersecurity, field operations and supply chain management.

Diverse talent

Verizon partners with many diversity-focused organizations to build our employer brand and recruit diverse talent, including AfroTech; Society of Women Engineers; National Society of Black Engineers; Society of Hispanic Professional Engineers; Hispanic Alliance for Career Enhancement; Women in Cybersecurity; the Asian American Foundation and Human Rights Campaign. We post open positions on diversity-focused third-party platforms, such as GI Jobs, Girls in Tech, AARP and HBCUConnect, in addition to traditional job sites. We also recruit from Verizon's paid Thrive Apprenticeship program, which gives participants with diverse backgrounds and experiences the opportunity to develop professional and technical skills.

Competitive compensation and benefits

We strive to be an employer of choice by supporting our employees across our five wellness pillars: financial, physical, emotional, social and career.

Unless otherwise noted, the following description of compensation and benefits generally applies to U.S.-based employees other than union-represented employees, whose compensation and benefits are governed by the applicable collective bargaining agreements. Benefits for employees outside the U.S. vary by jurisdiction.

Compensation

Verizon's comprehensive total rewards program includes competitive base pay, incentive pay and a robust 401(k) savings plan that matches 6% of eligible contributions. Beginning in 2024, the match is also available to employees who make payments toward their qualified student loans. Our global broad-based equity award program, [Stock Together](#), provides a discretionary award of Verizon restricted stock units to our U.S. employees, including union-represented employees, and a discretionary cash bonus opportunity that tracks the value of Verizon stock units to our international employees. We pay overtime and wage premiums as required by law and in some additional instances. We are a member of The Worker Financial Wellness Initiative and recognize the importance of helping our employees build financial literacy and resiliency.

When a reduction in force is deemed necessary, we provide separation benefits to eligible employees to ease their career transitions, including pay replacement based on the role and length of service with the company, the continuation of medical, dental and vision insurance under COBRA for the duration of the applicable severance period and out-placement services to assist with finding a new job.

Leave policies

Paid time off. Employees receive eight paid company holidays, six paid personal days and, depending on years of service, three to six

weeks of paid vacation. Verizon offers one week of paid unscheduled illness/absence time per year for full-time employees and a one-week equivalent for part-time employees to be used in the case of employee illness, a family member's illness or other unplanned event. We also offer up to five days of paid bereavement time.

Military leave. When employees, including union-represented employees, are called up to active duty, our military leave program helps to bridge the gap between military pay and Verizon pay.

Family leave. Verizon offers eligible employees up to eight weeks of parental leave, paid at 100% of base pay, to bond with a newborn or adopted (new to family) child, with eligibility beginning on their first day of employment. Between short-term disability and parental leave, mothers who give birth are eligible for up to 16 weeks of paid maternity leave with the preservation of benefits and the flexibility to take additional, unpaid time off.

Unpaid leave. We also offer an unpaid leave program for up to 12 months, which includes six months of benefits protection.

Family-friendly benefits

Verizon employees receive an up to \$15,000 per child adoption assistance benefit that also applies to surrogacy and guardianship. We offer fertility benefits through our medical insurance plans for employees, including union-represented employees, with a \$75,000 lifetime maximum to ensure coverage of multiple cycles. Verizon offers a healthy pregnancy program through our medical third-party administrators for pre- and postpartum support and uses a third party to ship breast milk for business travel.

We offer a dependent care spending account so employees can use pre-tax dollars to pay for qualified child care expenses. Employees are

eligible for up to 80 hours of backup child care or elder care, either in-center or at-home, as well as a number of discounts on child care services. Employees also have access to special needs educational support, college coaching and up to 50 hours per year of tutoring support.

Health and wellness

Verizon provides high-quality comprehensive medical, dental, vision, life insurance and disability coverage to all of our U.S.-based employees. Our benefit plans cover same-gender and opposite-gender domestic partners. While the Affordable Care Act requires medical coverage for child dependents through age 26, Verizon also offers dental, vision and supplemental life insurance. When covered medical services are not available within a reasonable geographic distance from an employee's home, our plans provide for the reimbursement of certain expenses related to travel to obtain the covered service. In 2023, Verizon invested \$2.6 billion to provide healthcare benefits and services to over 450,000 employees, eligible retirees and their dependents.

Core to Verizon's commitment to well-being is making sure our employees have the resources and support to care for their mental health. Our new partnership with Spring Health connects employees to a continuum of free care through confidential and easily accessible services, such as live therapy and on-demand digital wellness exercises. The platform is available 24 hours a day, 365 days a year to all U.S. employees. Employees can leverage six free therapy and six free coaching sessions per year, either virtually or in-person, before receiving referral assistance to other behavioral health services.

Other free wellness resources available to U.S. employees include on-site flu shots and health indicator screenings, as well as online resources for wellness goals such as tobacco cessation, increased physical activity and improved nutrition and sleep.

Open, welcome and safe work environment

We have adopted and enforce policies to provide a workplace culture where all V Teamers feel welcomed and safe.

Non-discrimination policy

Verizon's policy is to provide equal employment opportunity to all persons. Verizon is committed to a workplace free from unlawful discrimination and harassment and does not tolerate discriminatory or harassing behavior of any kind. Our zero-tolerance policy applies to any conduct that has the purpose or effect of creating an intimidating, hostile or offensive work environment. Our non-discrimination and anti-harassment commitment is reinforced through a variety of employee training programs, including our annual all-employee Code of Conduct training and training for new hires and new people leaders. Any employee who believes they have been the subject of, or is aware of, discrimination, harassment or retaliation can report this to their supervisor, local human resources department or Verizon Ethics at ethics@verizon.com or [verizonethics.com](https://www.verizonethics.com). Complaints are handled in a confidential manner, and information is shared only on a need-to-know basis. All complaints are investigated, and misconduct, including any acts of discrimination, harassment or retaliation, is addressed with appropriate corrective action, up to and including termination of employment. In addition, Verizon prohibits any form of retaliation against employees who file these types of complaints, and committing an act of retaliation alone can be cause for appropriate corrective action, including termination of employment. Verizon Ethics is available 24 hours a day, seven days a week, and can accommodate calls in numerous languages and anonymous reports.

Safety culture

We are dedicated to maintaining a safe workplace. We regularly update our health and safety standards, programs and training materials to educate employees about best practices and working safely. Safety training for employees who work in the field includes working at heights, driving defensively, establishing work zone protection and safeguarding against electricity. General workplace safety topics include ergonomics and slip, trip and fall hazards.

Verizon's culture of safety begins with our be SAFE (Smart, Aware, Focused and Equipped) values. These values emphasize keeping V Teamers safe at work, at home and on the road. Our [Lifesaving Principles](#) address activities with the highest safety risks to prevent serious incidents and fatalities and remind employees to take personal responsibility for their safety and the safety of those around them. Employees conduct pre-job hazard surveys to identify and mitigate potential hazards before proceeding.

In 2023, our occupational injuries and illnesses rate was 1.1 per 100 employees, well below the Bureau of Labor Statistics telecommunications industry average of 1.9.

Partner safety

Verizon's policy to maintain a safe workplace and environmentally responsible work practices extends to the suppliers that perform services and supply products to us. Our Supplier Code of Conduct contains safety-specific requirements including compliance with applicable laws, regulations and industry codes; adherence to Verizon's Environmental, Health and Safety Policy and the adoption of procedures and systems to prevent incidents and track and implement corrective actions for safety violations.

Verizon maintains an incident reporting portal where suppliers and their subcontractors are required to report any incidents, injuries, environmental releases, property damage, regulatory inspections, near misses and hazards working on Verizon projects or premises. The environment, health and safety performance of each supplier is monitored to ensure that corrective actions are implemented.

We engage Avetta, a third-party assessment firm, to screen our suppliers' safety and environmental performance. Avetta reviews the suppliers' environmental, health and safety program documents and metrics and compares them against industry benchmarks and Verizon standards.

Upskilling and reskilling

Creating tomorrow's networks doesn't happen with yesterday's skills. V Teamers at all stages of their careers have access to world-class resources to maximize their potential and remain competitive.

We support the V Team's professional growth through continuous skill-building and development that keeps pace with the dynamic changes happening across our business. We measure the effectiveness of learning solutions through participant evaluations, skill ratings and performance changes.

Promoting a culture of continuous learning

Learning Portal

Embracing a learning mindset is a core part of our culture. All full- and part-time employees have access to curated development opportunities on Verizon's Learning Portal, which includes content from Degreed, LinkedIn Learning and Udemy. The portal provides a platform for the creation of custom learning pathways to build technical and leadership skills, understand business functions and pursue personal development. In 2023, the portal provided upskilling content aligned with the top skills needed for nearly every role at Verizon. Upskilling content is available in a self-serve format, allowing employees to learn at their own pace.

Verizon conducts formal mid-year and year-end performance reviews for all full- and part-time management employees. As part of the annual review process, managers have the option of developing individual training plans through the Learning Portal.

Technical upskilling

We upskill employees across the enterprise to keep pace with our evolving business transformation. We provide extensive training across sales and customer service, as well as emerging technical areas, such as data science, 5G technology and AI. Our 5G Resource Center provides an additional array of resources to help V Teamers gain the knowledge they need to succeed.

Supporting career growth and development

Leadership training

We invest in a range of formal and informal development opportunities to strengthen the leadership capabilities of the V Team. As employees grow in their careers and take on new leadership roles, we support their success through a robust leadership development portfolio, including targeted curricula for new people leaders, mid-level leaders and executives. Leadership training is available to all full- and part-time employees.

Get Certified

Verizon's Get Certified program provides access to industry-leading certification preparation courses, guidance and funding to support the V Team's professional development.

Tuition assistance

Verizon employees are provided with up to \$8,000 annually through our Global Tuition Assistance Program to fund higher education studies from a wide range of accredited schools. Employees can access education advising services at no charge for guidance on school selection and undergraduate degree programs. In 2023, over 4,700 employees took advantage of our tuition assistance program. Verizon invested over \$20 million in this program in 2023.

Talent GPS

Our Talent GPS initiative supports overall career growth and development at Verizon. All employees and people leaders have access to a transparent job library that includes insights into the types of roles available across all job families and departments, as well as top skills and key competencies for each role. Talent GPS also includes a suite of resources for employees and managers to support individual career and team development planning.

Learning and development investment

In 2023, we invested \$173.8 million in learning and development initiatives for our employees.

Diversity, equity and inclusion

We believe that Verizon is a stronger and more competitive company when we recognize and champion each person's unique strengths and talents. We are committed to sustaining a culture of diversity, equity and inclusion (DEI) within our company and our communities.

Global DEI strategy

Verizon's approach to DEI is based on an integrated, shared responsibility framework. Our dedicated DEI team oversees a global strategy to align DEI to business goals, drive accountability and implement programs and practices to promote an inclusive culture. As stated in our Credo and Code of Conduct, the entire V Team is expected to contribute to an open and respectful workplace.

Our DEI strategy focuses on four key areas where we can make the greatest impact:

- **Workforce.** Attract, develop and inspire diverse talent
- **Culture.** Foster an inclusive and engaging culture that creates a best-in-class customer experience
- **Capability.** Accelerate DEI as an organizational capability to create a competitive advantage
- **Society.** Make a meaningful global and societal impact that further promotes and differentiates our brand

Pay equity

In 2023, across all of Verizon, we had 100% pay equity in salary for women and men. In the U.S., we also had 100% pay equity in salary with respect to race/ethnicity. Consistent with our [Commitment to Pay Equity](#), we remain committed to:

- Identifying and promoting best practices in compensation, hiring, promotion and career development
- Making hiring, promotion and compensation decisions that promote pay equity

In support of this commitment, Verizon has removed from our employment applications all questions seeking current or past salary information.

DEI incentive compensation measure

Verizon has a longstanding practice of including a performance measure related to workforce diversity in our short-term incentive plan. Our current plan incorporates a dedicated ESG component that includes measures related to workforce and supplier diversity.

Promoting inclusion

Employee resource groups

We support 10 global employee resource groups (ERGs) that promote inclusion throughout Verizon by elevating diverse voices, fostering professional development and raising cultural awareness. Our ERGs are employee-led and company-funded. To ensure support for our ERGs at the highest level, each ERG is matched with a C-suite leader who serves as an advocate for the group both internally and externally. The executive champions support their ERGs, promoting the group's mission, mentoring its leaders and driving engagement within the company and with our customers and communities. We regularly highlight our ERGs and their impact on Verizon and our communities through company webcasts and service excellence awards.

Disability inclusion

Consistent with our corporate policy statement on accessibility and disability inclusion, Verizon strives to advance disability inclusion in every aspect of our business. Under the guidance of our cross-functional Accessibility Leadership team, our accessibility program fosters a culture where all employees are empowered and equipped to thrive. In addition to hosting our annual Accessibility Summit, Verizon celebrates Global Accessibility Awareness Day and Disability Pride Month. Our Disability Advisory Board, an external board of trusted leaders from disability organizations, met with senior Verizon leaders throughout 2023 to support our accessibility journey by providing expert advice on key strategic relationships and initiatives.

LGBTQ+ inclusion

Verizon continues to celebrate our LGBTQ+ community. Our LGBTQ+ ERG, Prism, is one of our longest-standing groups and continues to develop programming and trainings that drive inclusivity and support LGBTQ+ employee leadership development. In 2023, Prism sponsored a series of deep dives into health and wellness benefits of particular relevance to the LGBTQ+ community, including family planning, mental health and gender-affirming care. In partnership with the DEI team, Prism leads enterprise-wide activities that expand awareness around Global Pride Month, International Trans Day of Visibility, Ally Week and World AIDS Day.

Supporting our veterans

We are a Chairman's Circle Member of the U.S. Chamber of Commerce Foundation's Veteran Employment and Military Spouse Employment Advisory Councils and a sponsor of the Hiring Our Heroes Corporate Fellowship program. Through member spotlights, awareness campaigns and ongoing events, VALOR, our veteran-focused ERG, drives veteran recognition throughout the enterprise.

Embracing identity

In 2023, Verizon expanded voluntary options for employees to self-identify race, ethnicity, sexual orientation, gender identity and pronouns in order to better understand our workforce representation and to continue to grow meaningful programs and services for the V Team.

Capability building

Learning pathways

We offer learning pathways that cement our workplace as one that values diversity, equity and inclusion. DEI learning plans on topics such as unconscious bias and allyship are made available to all employees. We also include DEI content in many leadership development programs.

Programs and partnerships

We continue to invest in growth opportunities, including the examples below, for the V Team and members of our communities.

- WOW Connect, an expansion of our previous Women of the World program, offers opportunities for personal and professional skill building and community connection through interactive virtual workshops and on-demand resources.
- Break Through Tech offers curriculum, career advising and community building with a mission to increase the number of women graduating with degrees in computer science and related tech disciplines. Verizon partners on a number of initiatives, including the Sprinternship program, which facilitates paid internships for first and second year college students during their winter breaks.
- Adfellows, a nine-month paid fellowship designed to promote diversity in the marketing industry, provides participants with the opportunity to gain both company and agency experience. In 2023, 24 Adfellows graduated from the program, and 96% of the cohort obtained full-time roles in marketing or advertising after graduation. Since 2017, 158 Adfellows have graduated from the program.

Continuing the work

We have made significant investments over many years in workforce diversity, a workplace culture of belonging and community outreach. To guide our strategy, we engaged a respected third party to undertake an audit of our DEI practices both internally within Verizon and externally in the communities we serve. The process was overseen by our Board of Directors and informed by input from employees responsible for leading Verizon's DEI efforts, representatives from our ERGs and leaders from the civil and human rights communities. In 2023, we released the [results](#) of the audit.

We remain steadfast in our commitment to fostering a culture of diversity, equity and inclusion both within Verizon and in the communities we serve. We are continuing to integrate the learnings from this audit into our ongoing DEI efforts.

Workforce diversity profiles

We publish our consolidated [EEO-1 reports](#) and also provide detailed charts covering employee gender and race/ethnicity broken down by Verizon’s major business units and employment position below. Across the enterprise, associates through Band 8 are hourly employees, Band 7 is a mix of hourly and salaried employees and the remaining bands are salaried employees. Percentages may not add up to 100% due to rounding.

Diversity across the V Team

Global gender



■ **31.7%** Female
 ■ **68.0%** Male
 ■ **0.3%** Unknown/undeclared

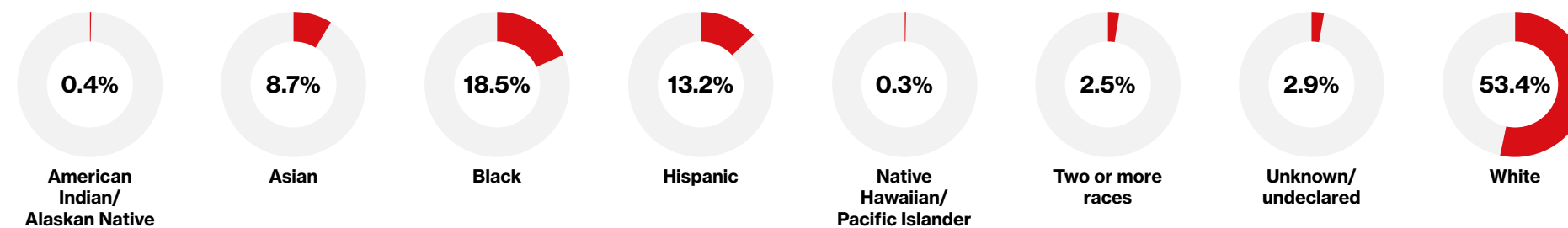
Global gender by position

	Female	Male	Unknown/undeclared
Associates	23.2%	76.7%	0.0%
Band 9	30.8%	68.6%	0.6%
Band 8	51.6%	47.6%	0.8%
Band 7	32.2%	67.4%	0.4%
Band 6	31.6%	68.3%	0.1%
Band 5 (Director)	35.2%	64.8%	0.0%
Bands 4, 3, 2 and 1 (Senior management)	36.4%	63.6%	0.0%

U.S. race/ethnicity by position

	American Indian/Alaskan Native	Asian	Black	Hispanic	Native Hawaiian/Pacific Islander	Two or more races	Unknown/undeclared	White
Associates	0.4%	1.9%	23.6%	7.4%	0.2%	1.4%	3.3%	61.9%
Band 9	0.6%	3.6%	21.1%	28.5%	0.5%	4.9%	2.3%	38.6%
Band 8	0.7%	3.5%	32.8%	16.9%	0.3%	3.6%	2.5%	39.6%
Band 7	0.4%	9.9%	16.7%	14.5%	0.4%	2.7%	2.8%	52.6%
Band 6	0.3%	19.5%	8.8%	9.1%	0.3%	2.1%	3.1%	56.9%
Band 5 (Director)	0.4%	15.4%	7.7%	6.4%	0.0%	1.8%	2.6%	65.7%
Bands 4, 3, 2 and 1 (Senior management)	0.4%	14.4%	9.2%	6.6%	0.4%	1.1%	1.1%	66.8%

U.S. race/ethnicity



Diversity across the Verizon Business Group

Global gender



■ **36.5%** Female
■ **63.1%** Male
■ **0.4%** Unknown/undeclared

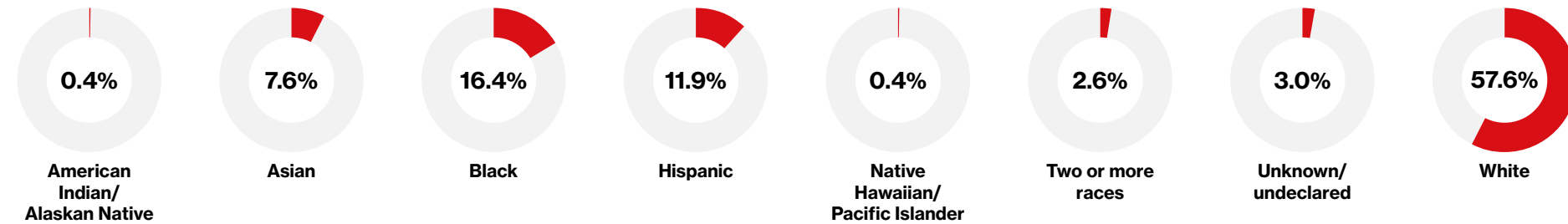
Global gender by position

	Female	Male	Unknown/undeclared
Associates	74.9%	25.0%	0.1%
Band 9	28.6%	71.4%	0.0%
Band 8	50.1%	48.5%	1.3%
Band 7	32.9%	66.6%	0.5%
Band 6	30.6%	69.2%	0.2%
Band 5 (Director)	31.6%	68.4%	0.0%
Bands 4, 3, 2 and 1 (Senior management)	30.0%	70.0%	0.0%

U.S. race/ethnicity by position

	American Indian/Alaskan Native	Asian	Black	Hispanic	Native Hawaiian/Pacific Islander	Two or more races	Unknown/undeclared	White
Associates	0.6%	1.1%	35.3%	7.4%	0.0%	0.9%	4.8%	49.9%
Band 9	0.0%	0.0%	42.9%	28.6%	0.0%	14.3%	0.0%	14.3%
Band 8	0.2%	4.0%	31.4%	15.1%	0.5%	3.0%	3.2%	42.6%
Band 7	0.4%	6.8%	17.4%	16.2%	0.6%	3.4%	2.6%	52.5%
Band 6	0.5%	10.2%	8.3%	7.9%	0.4%	2.1%	2.9%	67.6%
Band 5 (Director)	0.7%	13.0%	7.4%	6.7%	0.0%	1.5%	3.0%	67.8%
Bands 4, 3, 2 and 1 (Senior management)	0.0%	16.7%	2.1%	8.3%	2.1%	2.1%	0.0%	68.8%

U.S. race/ethnicity



Diversity across the Verizon Consumer Group

Global gender



■ **42.0%** Female
 ■ **57.9%** Male
 ■ **0.1%** Unknown/undeclared

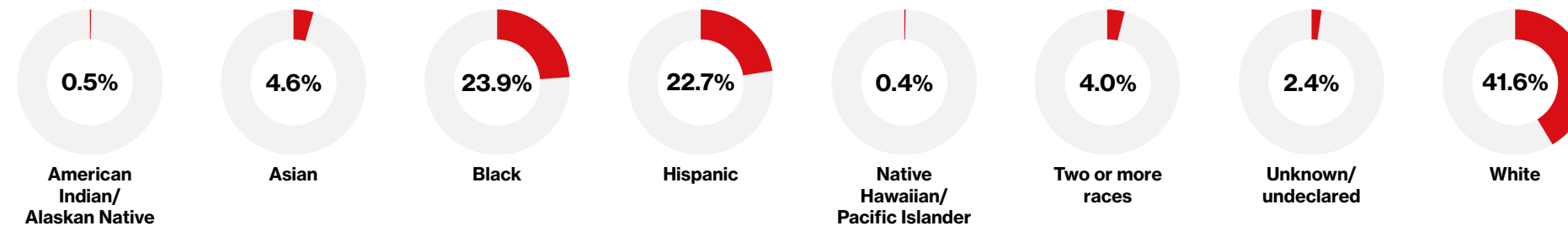
Global gender by position

	Female	Male	Unknown/undeclared
Associates	69.4%	30.6%	0.0%
Band 9	30.8%	69.1%	0.2%
Band 8	61.3%	38.7%	0.1%
Band 7	40.9%	59.0%	0.1%
Band 6	41.8%	58.2%	0.0%
Band 5 (Director)	33.8%	66.2%	0.0%
Bands 4, 3, 2 and 1 (Senior management)	40.0%	60.0%	0.0%

U.S. race/ethnicity by position

	American Indian/Alaskan Native	Asian	Black	Hispanic	Native Hawaiian/Pacific Islander	Two or more races	Unknown/undeclared	White
Associates	0.5%	3.0%	37.9%	13.7%	0.1%	2.2%	3.7%	38.8%
Band 9	0.6%	3.5%	21.0%	28.5%	0.5%	4.9%	2.3%	38.7%
Band 8	0.6%	1.5%	38.3%	19.1%	0.3%	4.3%	2.3%	33.7%
Band 7	0.4%	4.4%	22.2%	23.1%	0.4%	3.6%	2.1%	43.9%
Band 6	0.3%	10.9%	14.2%	15.6%	0.4%	2.8%	2.3%	53.4%
Band 5 (Director)	0.3%	8.9%	7.9%	11.3%	0.0%	1.7%	4.1%	65.6%
Bands 4, 3, 2 and 1 (Senior management)	2.0%	4.0%	14.0%	14.0%	0.0%	2.0%	0.0%	64.0%

U.S. race/ethnicity



Diversity across the Verizon Global Network and Technology Group

Global gender



■ **16.9%** Female
 ■ **83.0%** Male
 ■ **0.1%** Unknown/undeclared

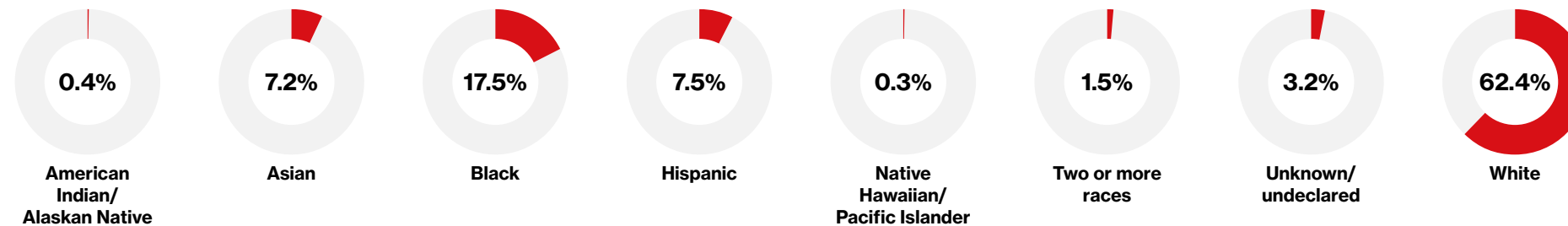
Global gender by position

	Female	Male	Unknown/undeclared
Associates	15.3%	84.6%	0.0%
Band 9	0.0%	0.0%	0.0%
Band 8	19.1%	80.8%	0.1%
Band 7	18.6%	81.1%	0.3%
Band 6	19.4%	80.6%	0.1%
Band 5 (Director)	23.8%	76.2%	0.0%
Bands 4, 3, 2 and 1 (Senior management)	27.0%	73.0%	0.0%

U.S. race/ethnicity by position

	American Indian/Alaskan Native	Asian	Black	Hispanic	Native Hawaiian/Pacific Islander	Two or more races	Unknown/undeclared	White
Associates	0.4%	1.8%	21.6%	6.8%	0.2%	1.3%	3.2%	64.7%
Band 9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Band 8	1.1%	7.0%	17.3%	11.1%	0.7%	1.8%	3.1%	57.7%
Band 7	0.4%	10.8%	13.9%	9.4%	0.4%	1.9%	3.2%	60.0%
Band 6	0.3%	23.1%	7.0%	7.1%	0.3%	1.7%	3.4%	57.2%
Band 5 (Director)	0.0%	18.2%	8.6%	6.3%	0.0%	2.0%	2.0%	62.9%
Bands 4, 3, 2 and 1 (Senior management)	0.0%	13.9%	11.1%	0.0%	0.0%	0.0%	0.0%	75.0%

U.S. race/ethnicity



Diversity across Verizon Corporate

Global gender



■ **54.8%** Female
 ■ **45.0%** Male
 ■ **0.2%** Unknown/undeclared

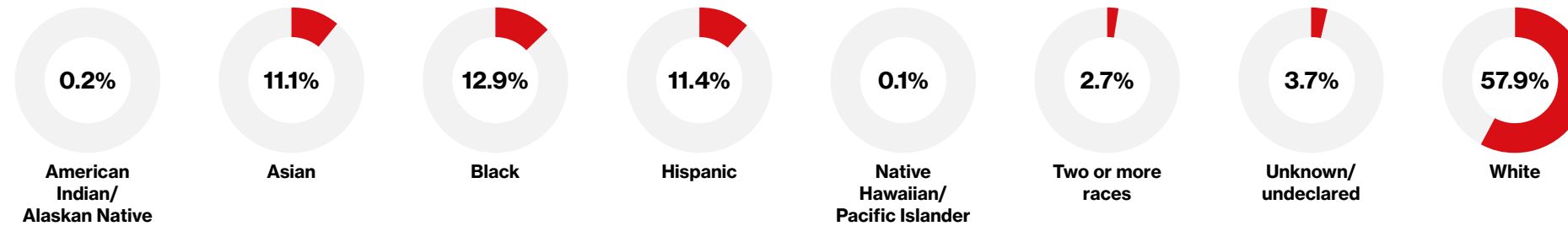
Global gender by position

	Female	Male	Unknown/undeclared
Associates	90.0%	10.0%	0.0%
Band 9	0.0%	100.0%	0.0%
Band 8	67.1%	32.9%	0.0%
Band 7	57.0%	42.6%	0.3%
Band 6	53.6%	46.2%	0.2%
Band 5 (Director)	47.7%	52.3%	0.0%
Bands 4, 3, 2 and 1 (Senior management)	45.5%	54.5%	0.0%

U.S. race/ethnicity by position

	American Indian/Alaskan Native	Asian	Black	Hispanic	Native Hawaiian/Pacific Islander	Two or more races	Unknown/undeclared	White
Associates	0.0%	0.0%	40.0%	10.0%	0.0%	0.0%	0.0%	50.0%
Band 9	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Band 8	0.0%	7.7%	20.9%	20.9%	0.0%	2.7%	3.8%	44.0%
Band 7	0.2%	9.6%	18.1%	15.8%	0.3%	2.3%	2.4%	51.4%
Band 6	0.2%	12.5%	9.3%	9.4%	0.1%	3.0%	5.1%	60.4%
Band 5 (Director)	0.7%	11.0%	8.6%	3.9%	0.0%	2.7%	2.2%	70.9%
Bands 4, 3, 2 and 1 (Senior management)	0.0%	11.4%	11.4%	4.5%	0.0%	1.1%	2.3%	69.3%

U.S. race/ethnicity



Diversity across Verizon Global Services

Global gender



■ **34.4%** Female
 ■ **64.6%** Male
 ■ **1.0%** Unknown/undeclared

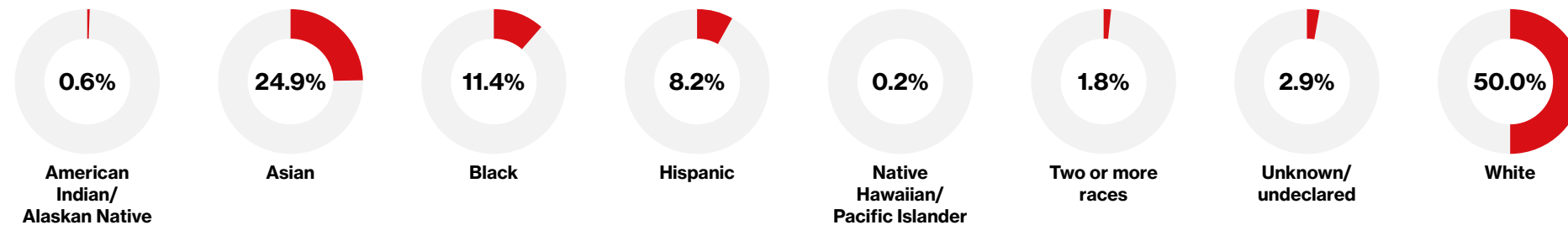
Global gender by position

	Female	Male	Unknown/undeclared
Associates	28.6%	71.4%	0.0%
Band 9	29.1%	8.1%	62.8%
Band 8	47.6%	50.4%	2.0%
Band 7	36.5%	62.7%	0.8%
Band 6	28.3%	71.6%	0.2%
Band 5 (Director)	34.2%	65.8%	0.0%
Bands 4, 3, 2 and 1 (Senior management)	30.0%	70.0%	0.0%

U.S. race/ethnicity by position

	American Indian/Alaskan Native	Asian	Black	Hispanic	Native Hawaiian/Pacific Islander	Two or more races	Unknown/undeclared	White
Associates	0.4%	1.6%	20.7%	7.2%	0.1%	1.9%	2.7%	65.4%
Band 9	0.0%	66.7%	16.7%	0.0%	0.0%	0.0%	16.7%	0.0%
Band 8	2.1%	8.6%	25.1%	14.2%	0.0%	2.8%	1.6%	45.7%
Band 7	0.8%	20.5%	12.9%	10.4%	0.2%	2.1%	3.2%	49.9%
Band 6	0.3%	38.0%	5.4%	5.7%	0.2%	1.4%	3.1%	45.8%
Band 5 (Director)	0.3%	26.1%	5.8%	5.2%	0.0%	0.9%	1.8%	60.0%
Bands 4, 3, 2 and 1 (Senior management)	0.0%	28.6%	6.1%	6.1%	0.0%	0.0%	2.0%	57.1%

U.S. race/ethnicity

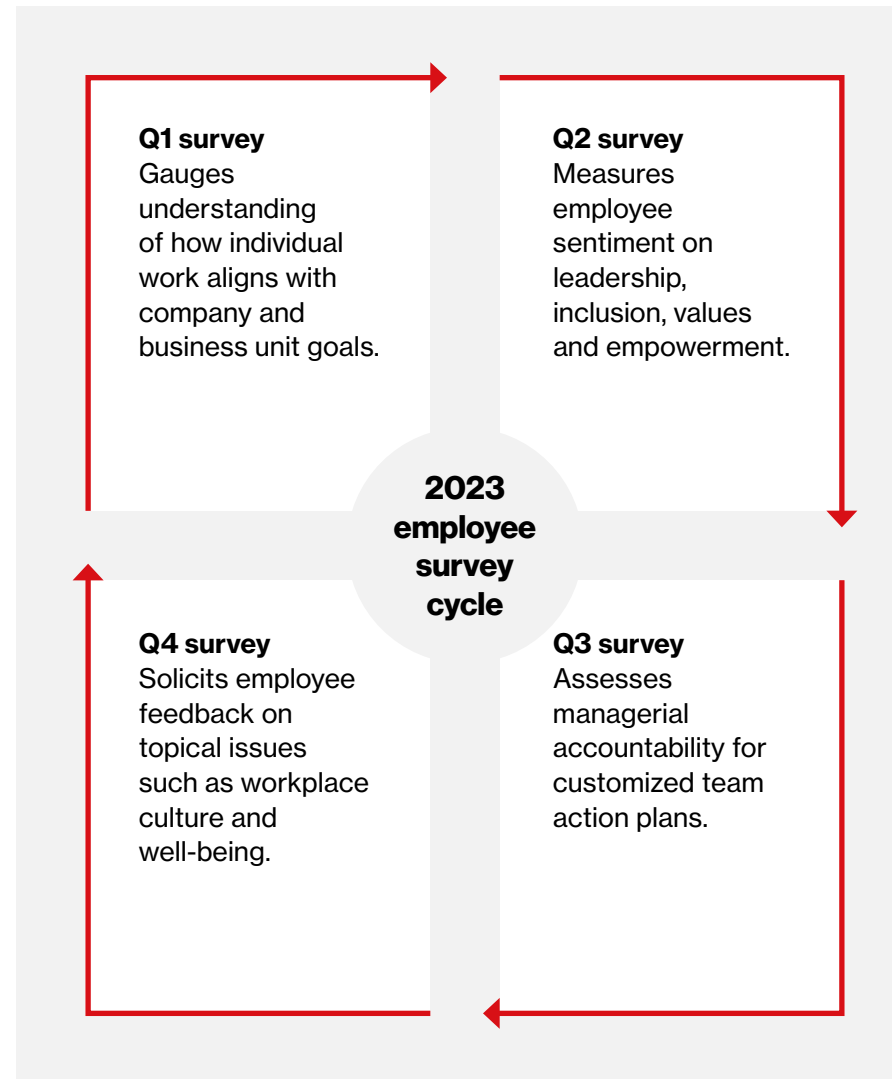


Employee engagement

Our employees are at the center of our success. To drive business performance, we regularly solicit their feedback across a range of workplace topics.

Annual employee survey process

Verizon partners with Gallup, an industry leader in workplace analytics and insights, to conduct surveys that capture global employee sentiment and track progress around our engagement goals. We strongly encourage all of our employees to participate in these regular surveys, which solicit feedback on a range of issues relating to workplace culture and business strategies. Our Chief Human Resources Officer shares the top-line results of employee surveys at least annually with our Board of Directors and more frequently with senior leadership and all employees.



VZPulse+ survey

VZPulse+, our signature and most robust survey of the year, focuses on employee engagement using the Gallup Q12 index. This survey is designed to measure sentiment on performance management, leadership, inclusion, values and empowerment. Confidential, aggregated results of the VZPulse+ survey are cascaded, as applicable, to leaders throughout the company and jumpstart an annual action-planning process. Leaders are expected to share their team-specific results and create a customized action plan to be implemented over the next 12 months. Subsequent surveys measure the implementation and efficacy of the plans.

The 2023 VZPulse+ survey achieved an employee participation rate of 88%. Our results ranked in the 83rd percentile in overall employee engagement, 82nd percentile for a culture of inclusion and 76th percentile in overall satisfaction compared to Gallup's company-wide database. Our results indicate that, compared to other organizations, Verizon's culture is more caring, providing employees with frequent recognition and regular progress discussions.

Other engagement channels

In addition to our Gallup surveys, Verizon conducts employee life cycle surveys, including onboarding, learning and development and exit surveys, to assess the effectiveness of our programs and policies. The results of these surveys are shared with the program owners.

Our senior leaders engage with and solicit feedback from our employees during periodic town halls and leadership forums. Our CEO and senior leaders regularly join company webcasts, including after each quarterly earnings release, to discuss developments across our business and topical societal issues and answer employee questions.

Labor relations

Verizon's workforce includes a large presence of union-represented employees. The Communications Workers of America (CWA) and the International Brotherhood of Electrical Workers (IBEW) together represent approximately 24% of our employees as of December 31, 2023.

Informed by the International Labour Organization Declaration on Fundamental Principles and Rights at Work, as well as the United Nations Global Compact, Verizon respects our employees' rights to freedom of association and collective bargaining in compliance with applicable law, including the right to join or not join worker organizations (labor unions). We respect our employees' rights to engage in concerted, protected activity. When our employees elect to be union-represented, Verizon engages in constructive labor relations with the union representing the employees and participates in good-faith bargaining. The current collective bargaining agreements that cover our union-represented employees who serve customers in our Mid-Atlantic and Northeast service areas extend through August 1, 2026. In addition, where applicable outside of the U.S., we engage with employee representative bodies such as works councils.

We have a long history of maintaining open dialogues with national and local leaders of the CWA and IBEW, as well as works council leaders outside the U.S., on key business topics such as worker safety, customer service, plans to improve operational processes and our business performance and the impacts of changing technology and competition on our customers, employees and business strategy.

We invest in ongoing educational opportunities for our workers. Training occurs across a variety of in-person and online platforms and through virtual and simulated environments. Newly hired employees launch their Verizon careers through intensive orientation sessions, on-the-job shadowing and, where applicable, technical training and skill application days. We help keep our workers and, ultimately, our customers safe by weaving safety components, including required courses and certification programs, into every technical training curriculum.

We encourage our employees to refresh and build their skills on an ongoing basis. Verizon employees can take advantage of our [Global Tuition Assistance Program](#), through which they receive a capped reimbursement for covered expenses to continue their education at any level. All employees have access to our complete catalog of learning courses.

We regularly instruct our local managers and supervisors to appropriately engage with employees and abide by all applicable federal, state and local laws. We also train them on our open-door policy for employees to raise issues or concerns, as well as the appropriate processes to respect and redress such issues. Verizon maintains several avenues through which all employees, including union-represented workers, may raise concerns, including through our global ethics hotline and online web portal discussed in [Business ethics](#).

Operational integrity

In this section:

Business ethics	28	Our approach to human rights	31	Digital responsibility	35
Guiding principles	28	Business & Human Rights Program	31	Cybersecurity	35
Enterprise-wide compliance program	28	Strategic human rights assessments	31	Data privacy	36
Ethics team	29	Supply chain	32	Responsible AI Program	38
Anti-corruption	29	Supplier diversity	32	Verizon's Responsible AI Principles	38
Antitrust compliance	29	Supply chain management	33	Digital accessibility	39
Political contributions and engagement	30	Supplier assessments	33	Digital safety	39
Global tax policy	30	Responsible procurement	34		

Business ethics

We are committed to operating responsibly and with integrity. We have adopted enterprise-wide policies to reinforce ethical business conduct and provide mechanisms for accountability.

Guiding principles

Credo

Grounded in our core values of integrity, respect, performance excellence, personal accountability and social responsibility, our [Credo](#) guides our actions and empowers our decision-making while inspiring us to drive inclusive growth.

Code of Conduct

Our [Code of Conduct](#) is a powerful tool that helps employees put our core values into action. It provides employees with clear standards, helpful examples and information on where to go for guidance about ethical decision-making or to raise compliance concerns – including the [Verizon Ethics hotline](#) that allows for anonymous reporting or “whistleblowing.”

All Verizon employees receive mandatory training on our Code of Conduct at their time of hire, and its provisions are continually reinforced through annual training and periodic communications. The Code and training are available to employees in 11 languages.

The current version of the Code, like every prior iteration, features extensive coverage of anti-corruption issues, including Verizon’s absolute prohibition on bribery, our policy requirement to obtain legal approval before providing anything of value to any government official, the need for adequate controls over third parties who may interact with government officials on our behalf and the importance of maintaining records that fully and accurately document all business transactions.

Enterprise-wide compliance program

Verizon’s enterprise-wide compliance program is overseen by the Audit Committee of our Board of Directors and managed by our Chief Compliance Officer. We design our compliance program to promote a culture of integrity and accountability throughout Verizon, including its subsidiaries, by:

- Establishing standards of conduct, including the Code of Conduct, corporate policy statements and other guidelines
- Educating employees on ethical decision-making, legal obligations and compliance risks through training and communications
- Assessing legal and ethical risks and providing insights regarding those risks to business leaders
- Providing subject matter expertise and advice regarding specific risk areas
- Providing employees and third parties with mechanisms to seek guidance, raise concerns and report allegations of misconduct
- Investigating instances of potential misconduct
- Ensuring appropriate corrective action for substantiated cases of misconduct
- Providing regular reports to the Audit Committee of the Board of Directors

Verizon conducts regular compliance risk assessments and audits. These assessments are led by our Chief Compliance Officer, who reports directly to the Audit Committee of the Board of Directors. Annual compliance executive risk assessments of business units and corporate functions are designed to identify and assess existing, evolving and emerging risk areas and develop appropriate risk mitigation plans. The Chief Compliance Officer also oversees periodic risk assessments of specific compliance risk areas, such as anti-corruption.

Third-party risk is assessed by the [Third Party Risk Management Program](#), which maintains a formal process to analyze risk and appropriately mitigate concerns involving suppliers and partners. Additionally, Verizon Internal Audit, an independent function that also reports directly to the Audit Committee of the Board, conducts a wide range of audits each year, including audits focused specifically on Verizon's compliance with applicable laws and regulations.

Ethics team

Verizon's integrated ethics and compliance organization delivers consistent guidance on integrity issues, so that as we create the networks that move the world forward, we do it the right way. Verizon Ethics serves as the primary resource for employees seeking ethics guidance and has two primary functions: fielding questions about ethics issues and responding to concerns and complaints about potential misconduct. The team:

- Provides a confidential online portal and a 24/7 global ethics hotline that can accommodate calls in numerous languages for anyone who wants to seek guidance or report ethics concerns
- Triage concerns and allegations raised and, when appropriate, makes sure that they are assigned to the correct teams in the Finance, Human Resources, Legal and Security organizations
- Provides ethics advice to employees seeking guidance in applying the Code of Conduct and company policies to business decisions or outside interests
- Manages the International Ethics Advisors network, which acts as a force multiplier to provide local, in-country ethics support to employees outside the U.S.
- Administers the annual conflict of interest questionnaire

Verizon thoroughly investigates all claims of misconduct. Teams within the Human Resources, Legal and Security organizations are specially trained to probe potential violations of the Code and provide updates and case resolutions, as appropriate, to reporters of ethics concerns. Our Internal Audit and Enterprise Risk Management teams provide additional support with investigations as needed. Verizon consistently reinforces to all employees that retaliation against anyone submitting complaints or cooperating with an investigation is strictly prohibited, and anyone engaging in retaliation is subject to discipline, up to and including termination of employment. This prohibition is reiterated in training, communications and during investigatory interviews. We also ensure transparency in investigations by having our Chief Compliance Officer regularly report serious Code violations to the Audit Committee of the Board of Directors.

Anti-corruption

Verizon's anti-corruption program is designed in accordance with the U.S. Department of Justice's corporate compliance program guidance. We enforce a zero-tolerance policy for bribery or corruption of any kind and maintain strong anti-corruption standards designed to prevent, detect and remedy such risks. All employees receive general anti-corruption training as part of their annual Code of Conduct training. In addition, employees in relevant operational roles receive targeted anti-corruption training and communications that clearly articulate our expectations, core principles and zero tolerance for any corrupt practices. Our training helps employees understand and comply with various anti-bribery laws, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act. We require employees to obtain legal approval before giving anything of value to a public official, including requests by government officials for Verizon to make "expediting" or "facilitating" payments. We have internal controls in place, such as the monitoring of travel, gifts and expenses, to help deter and detect high-risk transactions.

Every two years, we formally review and assess our anti-corruption program in order to identify areas for improvement. Our Chief Compliance Officer reports the findings to the Audit Committee of the Board of Directors. Risk assessments of individual programs, groups and activities within the company are conducted as needed. These assessments identify risks, including corruption-related risks, and recommend process improvements to address those risks in all areas of the business.

Antitrust compliance

Verizon consistently promotes a culture of antitrust compliance across the enterprise. Our dedicated in-house antitrust team continually monitors the business and regulatory environment, assesses risk and dynamically refreshes our global antitrust program for maximum reach and effectiveness. The antitrust team embeds antitrust flags and reporting mechanisms into product development and review processes to scale and systematize identification of potential competition issues by design.

We provide global and tailored antitrust trainings. We also require all employees at the manager level and above, plus lower-level employees in identified higher exposure teams, to take an antitrust foundations course at their time of hire. We periodically refresh this training. We make the antitrust foundations course, as well as numerous more-in-depth courses, available to all Verizon employees on-demand.

Our Code of Conduct mandates compliance with applicable antitrust laws. The antitrust and compliance teams investigate any conduct suspected to violate antitrust laws and the Code of Conduct. Employees in violation face repercussions ranging from retraining to termination.

Political contributions and engagement

We participate in the policymaking process at the federal, state and local levels in order to inform public officials of Verizon's views on policy issues. Government policies can have a significant impact on our business, whether they involve decisions on taxes, technology regulation or consumer issues like protecting user privacy and stopping illegal robocalls. We participate in these conversations so that government decision-makers understand how these policies could affect Verizon and our customers, employees and shareholders.

Lobbying

As part of our advocacy, we engage in lobbying at all levels of government through our own employees and through outside consultants. Our Public Policy and Government Affairs organization approves any engagement of lobbyists on behalf of Verizon, and we strictly comply with all lobbying laws requiring disclosure of our activities and expenses.

Political contributions

Political contributions are one way we support the democratic electoral process and participate in the policy dialogue. Verizon makes political contributions where law permits and also operates several political action committees (PACs) that support candidates at the federal, state and local levels. All contributions by Verizon and our PACs are made to promote the interests of the company, our shareholders and our customers and without regard to the personal political interests of Verizon executives. We support candidates of any political party who share our key strategic business and policy priorities, even if we do not agree with them on every issue. We do not make corporate political contributions or PAC contributions to presidential candidates or federal SuperPACs.

Third-party organizations

Verizon supports trade associations and issue advocacy organizations for a number of reasons, including to reflect our interest in the community, acquire valuable industry and market expertise and support our strategic policy positions, business goals and interests. We recognize that we may not always agree with every position of each organization or its members and that these groups often have a diversity of members, interests and viewpoints that may not always reflect Verizon's views or priorities. In order to mitigate reputational risks associated with our engagement with these organizations, we regularly review our participation to confirm ongoing alignment with our corporate priorities and goals. When we disagree with a position of an organization we support, we communicate our concerns through the senior executives who interact with these organizations.

Governance, transparency and disclosure

Verizon participates in policy dialogues with appropriate governance, oversight and transparency mechanisms to mitigate reputational risk. Verizon's political activity is directly overseen by the Legal and Public Policy and Government Affairs organizations. All of our political activity is subject to robust internal controls set forth in our [Code of Conduct](#) and other corporate policies. The Corporate Governance and Policy Committee of our Board of Directors oversees our participation in the political process, including political giving, memberships in trade associations and reputational risk, and receives a comprehensive briefing on these activities at least annually.

Verizon understands that transparency regarding our political engagement is critical to maintaining the trust of our employees, shareholders and the public, so we publish our [Political Engagement Report](#) twice a year. This report describes our current policy priorities, provides information about lobbying activities and our Public Policy and Government Affairs organization's significant memberships in trade associations and issue advocacy organizations, and lists all of our PAC contributions, corporate political contributions, support for ballot initiatives and independent expenditures for the period covered.

Global tax policy

Verizon is a responsible taxpayer that timely and accurately files all applicable tax returns, pays all applicable taxes and accurately reports taxes in our financial statements. We are committed to maintaining a transparent and positive working relationship with tax authorities in the jurisdictions in which we operate. We also partner with tax authorities and governments to advocate for tax guidance and legislation that provides clarity, is administrable, reduces tax disputes and is socially and fiscally responsible.

Verizon has implemented formal tax governance policies, procedures and controls that strive to meet or exceed best practices on tax governance. Our tax control framework is SOX-compliant and subject to periodic review by the Senior Vice President & Deputy General Counsel – Corporate Taxes, Verizon Internal Audit and our external auditors. Verizon's tax principles, and compliance with them, are overseen by the Audit Committee of our Board of Directors, as well as the Chief Financial Officer and Chief Legal Officer.

Verizon's [Global Tax Policy](#) provides that Verizon only engages in transactions that are supported by a non-tax business purpose. As such, we only operate in jurisdictions based on the needs of the business and the requirements of our multinational customers. We do not utilize zero or low tax jurisdictions outside the U.S. to minimize our taxes, and we do not engage in tax shelter transactions or transactions that have been identified as "listed transactions" or "transactions of interest" by the U.S. Internal Revenue Service and other taxing authorities. In addition, Verizon's transfer pricing policies are based on the arm's length principle and compliance with guidelines and documentation requirements set by the taxing authorities in the jurisdictions in which we operate.

Our approach to human rights

Verizon's [Human Rights Statement](#), grounded in our [Credo](#), sets forth our commitment to respecting internationally recognized human rights. Our approach to human rights governance is guided by the human rights due diligence framework set forth in the United Nations Guiding Principles on Business and Human Rights.

Business & Human Rights Program

Verizon's dedicated Business & Human Rights Program leads our human rights governance efforts. We take a structured approach to integrating and embedding human rights considerations into decision-making processes across the company. Our efforts include attention to the human rights impacts of our products, services, strategy and operations and to our engagements with employees, customers, communities, governments, business partners and suppliers. The Business & Human Rights Program undertakes these efforts with support from a global cross-functional team of internal partners and with oversight from the Corporate Governance and Policy Committee of our Board of Directors.

Our Business & Human Rights Program provides Verizon employees with tools, guidance and targeted training to support the company's efforts to operate in a manner that is consistent with our commitment to respect human rights. A learning module is available to all Verizon employees with information on international human rights, our company's efforts to respect human rights and the work of the Business & Human Rights Program.

Strategic human rights assessments

Our Business & Human Rights Program conducts ongoing human rights due diligence to identify, understand and address human rights risks that may intersect with our business. Our due diligence efforts include [strategic human rights impact assessments](#), when appropriate. These strategic human rights assessments are informed by consultation with internal teams and external stakeholders from industry, civil society, academia and the communities where we do business.

Corporate-wide saliency assessment

Our human rights work focuses on our salient issues: the right to privacy, the right to be free from discrimination, the right to freedom of expression and opinion, rights in the workplace and rights in the supply chain. In 2023, we undertook a refresh of our saliency assessment and considered both changes to our business and the impacts of external trends. The 2023 refresh confirmed and provided new insights on our salient issues and the focus areas of our human rights work.

Human rights impact assessment of 5G and emerging technologies

We conducted a human rights impact assessment focused on our impacts and opportunities in a 5G-enabled technology era. This assessment examined 5G technology from the perspective of a network operator and looked at the roles and responsibilities of different actors in respecting human rights in an increasingly interconnected 5G technology ecosystem.

Child rights impact assessment

In 2022, we published [findings](#) from Verizon's first child rights impact assessment. The assessment examined Verizon's potential impacts on children across all aspects of our operations, including impacts in connection with digital access, inclusion and skills; digital safety; product design and our supply chain.

For more information on our human rights due diligence and assessments, see our [Human Rights website](#).

Focus on digital rights

Our Business & Human Rights Program works closely with internal teams to build governance mechanisms and provide transparency about Verizon's approaches to privacy, free expression and non-discrimination. For example, our newly published approach to AI governance that guides our development, acquisition, deployment and use of AI includes a principle relating to respect for human rights and responsibility to society. For more information, see our [Responsible AI Program](#).

We continue to support our digital rights work through our membership in the Global Network Initiative, the leading multi-stakeholder initiative in the information and communications technology sector.

Supply chain

Verizon's supply chain is the foundation of our secure network. Our suppliers range from the world's largest original equipment manufacturers to smaller providers of equipment, hardware, software and various services. We have implemented risk mitigation processes and an active supplier engagement program to build a diverse, resilient and responsible supply chain.

Supplier diversity

Supply chain

Our enterprise-wide supplier diversity initiative aims to build a supply chain that is as diverse as the communities we serve. We believe that accelerating diverse business development strengthens the supplier ecosystem.

Verizon's Center of Excellence for Supplier Diversity leads our enterprise-wide supplier diversity program, working with a network of business unit "supplier champions" from across the company to set internal supplier diversity targets, track our diversity spend goals and reporting obligations, implement training for employees and suppliers and monitor progress through regular analytics and reporting. Our Supplier Diversity team also works closely with our Sourcing organization to confirm that suppliers from traditionally underrepresented, disadvantaged or minority groups are positioned to compete for new contracts and opportunities. We are a charter member of the Billion Dollar Roundtable, a coalition formed in 2001 of companies that each spend more than \$1 billion every year with diverse businesses.

Capital markets

Verizon continues to demonstrate leadership in promoting the growth of diverse firms in the debt capital markets. Over the past year, we partnered with 10 diverse firms across all of our eligible unsecured debt capital markets transactions and asset-backed securities (ABS) offerings. We also allocated 40.6% of gross unsecured debt capital markets fees to diverse firms and awarded 9.6% of ABS underwriting fees to diverse firms. Outside of the debt capital markets, we continue to support diverse managers in our defined benefit pension plan. Assets under management with diverse firms constituted 5.3% of the defined benefit pension plan assets as of December 31, 2023.

Marketing ecosystem

Verizon's Responsible Marketing Action Plan seeks to increase diversity and equity across the creative supply chain; build an inclusive environment for talent that reflects the communities we serve; strengthen practices aimed at fighting bias and stereotypes in all advertising, content and media and maintain the gold standard of brand safety. Our [Responsible Marketing Policy](#) prohibits Verizon creative from being placed or run in broadcast or digital environments where hateful, denigrating, discriminatory or other types of harmful content appear. Annually, we aim to spend over 40% of our production budget with diverse-owned production companies and engage diverse directors on at least 40% of our productions.

Legal profession

Verizon has a longstanding program to promote DEI in the legal profession. We collect and regularly review our outside counsel firms' diversity representation metrics, staffing across Verizon matters and other relevant information to evaluate the firms' DEI efforts and work together on opportunities for enhancement, as appropriate. We also collaborate with a number of our outside counsel firms on paid internship programs that foster DEI in the legal pipeline.

Diverse supplier spend

In 2023, Verizon spent \$6.1 billion in goods and services directly and indirectly with diverse suppliers, including businesses 51% owned, operated and controlled by people of color, women, veterans, service-disabled veterans, LGBTQ+ and people with disabilities.² Over the past 10 years, we have spent \$54.3 billion in goods and services with diverse suppliers.

To further strengthen our efforts, our short-term incentive plan for management employees has included a performance measure related to supplier diversity for over 15 years.

Supply chain management

Third Party Risk Management Program

Verizon's Third Party Risk Management Program supports the company's responsible sourcing efforts. Managed by a dedicated team, the program enables Verizon to identify, assess, monitor and manage a range of supply chain risks, including those that may be associated with the social and environmental impacts of supplier activity. The Third Party Risk Management team works closely with teams across the company to implement a risk management framework and make recommendations regarding future supplier engagement. This work happens throughout the supplier life cycle, including during planning, due diligence, contracting, ongoing monitoring and termination. The Third Party Risk Management team is responsible for providing program oversight, coordination and support to stakeholders across Verizon. Supply chain risk management is reviewed with the Audit Committee of the Board of Directors as part of business risk reviews held throughout the year.

Supply Chain Resilience Management Program

A resilient supply chain is an effective supply chain. Verizon's Supply Chain Resilience Management Program identifies, assesses, monitors and manages supply chain risks, including disruptions caused by natural and human-induced events, to better coordinate our supply chain activities and aid the effectiveness of our controls. The program monitors how Verizon employees and business partners manage the life cycle phases of our physical products, software, firmware and services. The program also assesses whether stakeholders need to improve their procedures to more effectively mitigate supply chain risks as they relate to four key categories: security, integrity, resilience and quality. This work is guided by our corporate policy statement on supply chain resilience management and overseen by our cross-functional Global Supply Chain Resilience Governance Council.

Business partner standards of conduct

Suppliers. Verizon expects all of our suppliers to comply with our [Supplier Code of Conduct](#) (Supplier Code) and maintain policies and procedures to guard against illegal activity such as corruption, extortion, embezzlement and bribery. Our Supplier Code also forbids the use of child labor and forced labor, protects employees' rights to freedom of association and collective bargaining, as permitted by local laws, and prohibits discrimination on any basis prohibited by applicable law. We reserve the right to review or audit our suppliers' compliance with the Supplier Code.

Sales agents. We recognize that our reputation is affected by the actions of the agents authorized to participate in the sale of our services and equipment to customers. Our Sales Agent Standards of Conduct (Sales Agent Standards) detail the behavior and values that we expect our sales agents to uphold. The Sales Agent Standards also require our sales agents to implement an appropriate management process to ensure ongoing compliance with applicable laws, regulations and customer requirements, as well as with the standards. We reserve the right to review or audit our sales agents' compliance with the Sales Agent Standards.

Promoting compliance. Verizon provides mandatory training on our Supplier Code and Sales Agent Standards for our key suppliers and sales agents. We have established processes for parties to promptly report questions or concerns relating to our Supplier Code and Sales Agent Standards. Any party can raise questions or concerns or report potential or actual violations by contacting Verizon Ethics via email or through our confidential portal and hotline, available at [verizonethics.com](https://www.verizonethics.com).

Supplier assessments

We leverage third-party platforms and industry partnerships to embed responsible business practices throughout our supply chain.

EcoVadis

In addition to submitting our own annual EcoVadis response, we use the EcoVadis assessment tool to evaluate our suppliers' responsible performance. We monitor and assess supplier performance in four areas: environment, labor and human rights, ethics and sustainable procurement. Since 2013, we have assessed 728 key suppliers through our partnership with EcoVadis. When weaknesses are identified, we work with the supplier to create a corrective action plan to improve their current activities, benefitting both Verizon and the supplier.

Joint Alliance for CSR

Verizon is a member of the Joint Alliance for CSR (JAC), an association of telecommunications operators that collaboratively audits common suppliers and looks for opportunities to improve supplier responsibility across our industry. JAC audits are based on a common verification, assessment and development methodology, including the generation of corrective action plans. Topics covered by these audits include child labor, forced labor, worker health and safety, freedom of association, non-discrimination, disciplinary practices, working hours, wages and compensation, environmental protection and business ethics. Through 2023, 1,060 supplier audits had been completed since JAC's inception in 2010, with 150 audits completed in 2023.

Responsible procurement

Verizon is dedicated to responsible sourcing practices that support human rights, ethical conduct and environmental protection. We collaborate with suppliers and industry partners to strengthen responsible sourcing practices around the world.

Modern slavery and human trafficking

Verizon is committed to assessing and addressing the risk of modern slavery and human trafficking within our business operations and supply chain. Our Business & Human Rights Program, Business Risk, Sourcing and Third Party Risk Management teams review the nature and extent of our exposure to the risk of modern slavery on an ongoing basis, focusing on areas of Verizon's supply chain that may be at higher risk. Our efforts are also informed by engagement with industry peers through organizations such as JAC.

Our Business Risk team is trained on modern slavery and human trafficking risk and carries out reputational risk due diligence on new and existing suppliers. The team escalates any potential risk factors to the Third Party Risk Management and appropriate legal teams for review. We describe our efforts in more detail in our country-specific [human rights due diligence statements](#).

Conflict minerals

Verizon's conflict minerals due diligence framework was designed to align with the Organization for Economic Cooperation and Development's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Our approach takes into account our position in the conflict minerals supply chain and the fact that Verizon does not typically contract to manufacture the products associated with our business. We require our suppliers, when appropriate, to take steps to verify 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. We also participate in industry initiatives and partnerships to support responsible raw material sourcing in high-risk countries and regions, including the Responsible Business Alliance and the Public-Private Alliance for Responsible Minerals Trade. Our Chief Financial Officer is the signatory on our Conflict Minerals Report, whenever such filing is required.³

Digital responsibility

We recognize that we have a responsibility to our customers, employees, business partners and shareholders to guard against the risks that come with operating in an increasingly digital world.

Cybersecurity

Verizon's comprehensive cybersecurity program is designed to identify and protect against cybersecurity risks and to position Verizon to rapidly detect, respond to and recover from cybersecurity incidents that impact our company. The program is built on the following pillars:

- **NIST Cybersecurity Framework.** Our program is aligned to the National Institute of Standards and Technology's Cybersecurity Framework, which outlines the core components and responsibilities necessary to sustain a healthy and well-balanced cybersecurity program.
- **Risk identification.** We continually assess the cybersecurity threat and vulnerability landscape using various commercial, government and publicly available information sources.
- **Risk detection.** We use both manual and automated detection methods on a scheduled and ad-hoc basis to identify vulnerabilities within, and threats to, our operations and network infrastructure.
- **Risk evaluation.** Once a cybersecurity vulnerability is detected, we assign a threat severity classification based on the risk profile associated with the vulnerability.
- **Remediation.** Verizon's information security team reports all cybersecurity vulnerabilities and their associated threat classification to the appropriate business team for remediation. Deadlines for remediation are set based on the severity of the threat and closely tracked in a central system of record. In the instances when a remediation deadline cannot be met, the information security and business teams work together to deploy appropriate mitigating or compensating controls until the remediation work is complete.

- **Metrics and analysis.** We track the performance of our cybersecurity program by collecting, retaining and analyzing a broad range of data related to our threat identification, detection and response activity. We use this data to assess threat trends, for strategic planning purposes and to enhance management accountability for cybersecurity.

Verizon has a comprehensive enterprise cybersecurity incident response plan, which is activated in the event of a cybersecurity incident. The plan is a detailed playbook that specifies how Verizon classifies, responds to and recovers from cybersecurity incidents and includes notification procedures that vary depending on the significance of the incident. When warranted by the severity of the incident, our Chief Executive Officer and other senior executives are part of the notification chain.

Verizon validates enterprise cybersecurity maturity every two years through a third-party maturity assessment. This assessment measures Verizon's ability to identify, prevent, detect, respond to and recover from threats to systems, assets and data. The results of the assessment serve as the baseline for enterprise cybersecurity across the company. In addition to this baseline, certain subsets of our technology environment are subject to incremental cybersecurity certification and periodic third-party validation under applicable regulatory or contractual requirements.

Integrated cybersecurity risk management

Verizon's Senior Vice President and Chief Information Security Officer (CISO) has responsibility for the management of cybersecurity risks at the company. The CISO and her team are responsible for Verizon's information security strategy, policy, standards, architecture and processes.

Verizon effectuates cybersecurity management by providing for close cooperation among the CISO's team and other teams within the company, as well as by integrating cybersecurity risk into our overall enterprise risk management structures and processes. Each of our business units and certain functional groups have a Business Information Security Officer, who is an integral member of that unit or group but reports to the CISO. This structure provides the CISO with line of sight across the enterprise.

The Verizon Executive Security Council (VESC) oversees and evaluates the work of the CISO and her team. The VESC provides oversight of all aspects of Verizon's cybersecurity program and, at regular intervals throughout the year, evaluates key cybersecurity metrics as well as planned and ongoing initiatives to reduce cybersecurity risks. Verizon's Management Audit Committee (VMAC), which includes our Chief Financial Officer, Senior Vice President of Internal Audit and other senior executives, is responsible for overseeing components of our overall risk management strategy. The VMAC receives quarterly updates from the CISO on Verizon's cybersecurity program.

Verizon also operates a robust internal audit program. Each year, Verizon's internal audit team conducts an overall business risk assessment, which includes an evaluation of cybersecurity risks. The results of the assessment are presented to the leaders of the relevant business teams, who are responsible for prioritizing and addressing the risks identified.

Board oversight of cybersecurity risk

The Audit Committee of the Board of Directors has primary responsibility for overseeing our risk management and compliance programs relating to cybersecurity and data privacy. The CISO leads an annual review and discussion with the full Board dedicated to Verizon's cybersecurity risks, threats and protections. The CISO provides a mid-year update to this annual review to the Audit Committee and, as warranted, additional updates throughout the year. The Audit Committee also receives a report from senior management on Verizon's cybersecurity posture and related matters at each of its other meetings during the year at which the CISO is not present.

Third-party risk management

We have implemented processes to identify and manage risks from cybersecurity threats associated with our use of third-party suppliers. Our Third Party Risk Management team establishes governance, processes and tools for managing various supplier-related risks, including information security. As a condition to working with Verizon, suppliers who access sensitive business or customer information are expected to meet certain information security requirements.

Data Breach Investigations Report

Verizon's perspective on data security is based, in part, on our annual [Data Breach Investigations Report](#) (DBIR), a comprehensive study of data security incidents from around the world. In 2023, the DBIR analyzed over 16,300 cybersecurity incidents. This actionable intelligence helps companies large and small better understand the threat environment and plays an important role in shaping Verizon's own cybersecurity efforts.

Data privacy

Verizon recognizes that protecting the privacy of customer, employee and business partner data is an essential part of operating and growing our business. We have established measures to protect the privacy and security of the data entrusted to us and to support compliance with current and emerging international, federal and state data privacy legislation. Our Chief Privacy Officer oversees this work and reviews data privacy risks and mitigating actions with the Audit Committee of our Board of Directors at least annually.

Verizon has adopted corporate policies and operating procedures governing the use, retention and protection of the data we collect. Detailed information about Verizon's privacy policies and practices can be found at our [Privacy Center](#), which contains links to our Privacy Policy, supplemental policies for some of our apps and services and privacy policies maintained by our affiliated companies. We update our privacy policies to reflect developments in products, services and technologies. We do not use personal information in a manner that is materially different from the terms of the privacy policy that was in place at the time that information was collected without providing notice and obtaining consent.

Our policies and procedures are subject to numerous controls. We utilize internal audits and employee, contractor and supplier training to promote ongoing compliance. Verizon has implemented a privacy governance framework to map privacy requirements to specific operational controls, which are assigned to appropriate owners. As part of the framework, Verizon tests and monitors the controls and develops remediation plans where necessary. Key employees include terms related to their ownership of controls in their annual performance agreements.

Verizon continuously monitors for legislative and regulatory developments and updates our policies and processes as needed. We continue to advocate for a uniform federal privacy framework that would apply to all participants in the technology ecosystem.

Our stewardship of personal information

We are committed to handling the personal information we collect from and about our customers, employees and business partners appropriately throughout every phase of the data life cycle, including collection, use, disclosure, retention and destruction. We disclose our practices and have in place policies related to each phase. We conduct privacy reviews when we develop and modify products, systems or other initiatives and purchase or sell assets. Our privacy impact assessment process discussed on the next page provides a platform for formalized review of initiatives that involve the personal information entrusted to us. We have also implemented a third-party risk management process that identifies, assesses and mitigates risks throughout the life cycle of our engagement with suppliers.

Collection and use. We collect and use personal information as we describe in our publicly available privacy policies and in some cases, for business customers, in accordance with contractual requirements. We seek to minimize the amount of personal information that we collect and retain, and we provide customers several ways to review and keep their account information up to date. We provide customers with easy-to-understand privacy choices based on the sensitivity of the personal information and how it will be used or disclosed. We have implemented specific controls around consumers' most sensitive data.

Disclosure. We share personal information within Verizon and with suppliers, contractors and partners for a variety of purposes as described in our privacy policies. We require suppliers and contractors that process personal information to use it only for the purpose for which it was provided or otherwise as permitted by law and to put in place data security measures that provide the same material protections as those we use at Verizon. We enforce these requirements through binding contractual provisions that are put in place before personal information is shared.

Data retention and destruction. We maintain corporate policies governing data retention and destruction and review relevant practices as part of our privacy impact assessment process. We retain personally identifiable records only as long as reasonably necessary for business, accounting, tax or legal purposes. We meet the requirements of our enterprise customers by contractually agreeing to custom data retention timelines and data destruction practices when needed.

Our employees are responsible for cooperating with and assisting business owners in fulfilling the obligations and requirements of our information security policy, as well as in complying with applicable laws. We impose our information security requirements on suppliers who handle customer data, as well as additional privacy requirements on suppliers who handle international personal data.

Training. Verizon's annual Code of Conduct training, which is mandatory for all full- and part-time employees, has substantial privacy and information security content. For targeted groups of employees, we supplement this general course with training on the handling of customer proprietary network information and other privacy and information security topics. We provide periodic reminders and communications to employees highlighting information security and privacy issues. Verizon also provides privacy and information security training to employees of third parties who have access to Verizon customer information. We are focused on continued improvement of the quality, quantity and cadence of third-party training.

Customer and data subject rights. Customers and other individuals in the U.S. can obtain from Verizon the personal information that we have collected from or about them and may request that we correct or delete personal information. We honor requests to delete personal information except to the extent such information is needed to provide service to the

customer or for legal purposes. Our wireless and wireline customers can use the [Verizon Privacy Dashboard](#) to request data access, correction or deletion. Where provided by law, consumers have the right to appeal decisions. Outside of the U.S., data subjects may ask to access or delete personal data consistent with local laws.

Consumer inquiries. Customers and others can contact Verizon's Privacy Office electronically and by postal mail. Dedicated privacy team members review these inquiries and respond to questions related to our privacy practices around specific products, services or programs and help customers exercise their privacy and marketing choices.

Privacy impact assessment processes

We utilize a privacy impact assessment process to understand how a new product or system collects, uses, retains and shares data and to identify applicable legal, regulatory and policy requirements. This process aligns in many respects with the policies outlined in the U.S. Office of Management and Budget's Guidance for Implementing the Privacy Provisions of the E-Government Act of 2002 (OMB M-03-22). We also evaluate certain activities through a data protection assessment process designed to identify risks for certain types of activities that present heightened privacy impacts.

Children's privacy

We comply with applicable laws related to the privacy rights of minors, including the Children's Online Privacy Protection Act (COPPA). When Verizon operates online services covered by COPPA, we do not knowingly collect personal information from children under age 13 without parental consent, except where such collection is expressly

permitted under COPPA for purposes of internal operations. We provide parents with information about their rights under COPPA, including instructions about how they can review information collected from children.

Privacy and security by design

To consider and mitigate privacy, security and human rights issues from the earliest stages of new product development, we apply a "privacy and security by design" approach. We take other appropriate steps to provide our customers with meaningful post-launch privacy and security protections.

Requests from law enforcement

Verizon publishes semi-annual reports that present the number of demands for customer information we receive from law enforcement in the U.S. and other countries in which we do business. To learn more about how we handle these requests, see our most recent [Transparency Report](#).

Responsible AI Program

Verizon, like many companies, uses AI to improve our products, services and business operations. We understand that poorly governed AI applications can result in unintended consequences, including potential bias or discrimination, whether in design, implementation or the data sets used to train AI models. Verizon’s Artificial Intelligence and Data organization, together with our Data and Analytics Office, manages and implements Verizon’s centralized, enterprise-wide Responsible AI Program.

Our Responsible AI Program is overseen by a dedicated team with support from other internal subject matter experts, including our Privacy team and Business & Human Rights Program. This program is governed by a risk-based approach and informed by emerging global definitions, concerns, frameworks, regulations and legislation in AI and related fields.

We are guided by a set of foundational principles that provide direction to the many V Teamers using AI and align Verizon’s use of AI with the values of our Credo, as summarized in the table to the right. While these principles do not represent the full breadth of AI issues, they are intended to inform common terminology for AI-related efforts, guide our efforts to leverage new AI technologies in ways that positively impact our stakeholders and establish Verizon as a trusted brand and partner with respect to AI.

Verizon’s Responsible AI Principles

Governance

Verizon employs a risk-based framework for developing, using and overseeing AI. We have processes to oversee Verizon’s development and use of AI, and our highly skilled employees have an important role to play in considering the risks, impacts and benefits of using AI.

Respect for privacy

Verizon recognizes that AI systems must incorporate a privacy-by-design approach, including consideration of the data used to train models and the data used to make business decisions. Verizon’s use of AI must comply with our privacy policies and applicable laws.

Respect for human rights & responsibility to society

We design and train Verizon systems using strategies to identify and reduce unfair bias and societal harm. We address the risk of unlawful or unintended bias in AI systems with appropriate governance and mitigation measures.

Technical robustness

Verizon uses industry-accepted metrics to evaluate AI solutions’ ability to generate accurate, reliable and reasonably consistent outputs. We employ a security-by-design approach, which proactively and holistically monitors for and mitigates against security threats.

Transparency

Verizon understands that in order to provide reliable and positive user experiences, our use of AI systems requires transparency. Verizon is committed to clearly explaining its governance, use and monitoring of AI systems.

Digital accessibility

Verizon provides products and services that are accessible to the broadest range of customers. We have a diverse team of accessibility professionals who are continuously working to make each customer's experience the best it can be. Our commitment to "accessibility by design" means that we are constantly working to incorporate the needs of people with disabilities into our initial design process of new products, services, digital information systems, web content, physical spaces and other facilities. We collaborate with our Advocates for Disability, Accessibility, Neurodiversity and Caregiver Empowerment (ADVANCE) employee resource group, as well as industry partners, to remain informed about accessibility issues and to improve user experiences.

Verizon's dedication to providing a digitally accessible experience begins with compliance. To optimize the digital experience for all of our customers, we strive to meet or exceed the online accessibility standards recommended by the World Wide Web Consortium in its Web Content Accessibility Guidelines (WCAG 2.1 AA). For more information, see our [Accessibility Resource Center](#).

Our services and tools are made for the way our customers communicate and include support like visual assistance, accessible content, auditory support and mobility tools. We continually test the accessibility of our products using the same assistive technology as our users: screen readers, keyboard-only navigation and alternate-input devices. We also check color contrast, closed captioning and transcriptions. We have standardized processes and procedures for proactive and reactive testing to resolve accessibility bugs across our products. These initiatives are critical to our ongoing efforts to level the digital playing field.

Digital safety

Helping parents keep children safe online

Verizon provides parents with products and services that empower them to make the best decisions about how to guide and moderate their children's online experiences.

We work to keep parents up to date on the latest online safety advice through our [Parenting in a Digital World portal](#), which features guidance for parents of children of all ages. Parents can easily find practical advice on topics that range from screen time for toddlers to teen driver safety. Information on the portal is carefully vetted and comes from a variety of expert sources.

Verizon also offers parents a portfolio of products and services that give them the ability to customize their children's digital experience through robust parental controls and differentiated product offerings. Verizon's Smart Family application gives parents the tools to monitor their child's online activity, block harmful content, track location and view driving behavior. Verizon also offers a suite of products designed specifically for children, which is featured on Verizon's [Family Tech hub](#).

Combating online child exploitation

We recognize that we have an important role to play in combating the use of the internet to exploit children. As a leading provider of internet access services and cloud storage, we understand that the same tools that empower our customers to communicate with family and friends and safeguard their digital memories can also be misused to disseminate child sexual abuse material.

Verizon's work to combat online child sexual abuse and exploitation begins with close partnerships with two organizations on the frontline of the fight: the National Center for Missing and Exploited Children (NCMEC) and the Technology Coalition. Verizon is a Protector-level sponsor of NCMEC. We also chair the Board of Directors of the Technology Coalition, the leading industry working group fighting online

child exploitation. Through our work with the coalition, Verizon has helped enable Project Protect, an ambitious and multifaceted plan to eradicate online child sexual exploitation and abuse through investments in technology, collective action, transparency and accountability, information and knowledge sharing and independent research.

In addition to our strong partnerships, we have implemented measures to protect our platforms from child predators that include:

- Scanning images and videos uploaded to Verizon Cloud with PhotoDNA and CSAI Match, technology products that enable us to match uploaded media against databases of known child sexual abuse material
- Conducting human reviews to evaluate the material flagged by our scanning technology and take action on user reports of child sexual abuse material. All confirmed child sexual abuse material is reported to NCMEC, which acts as a clearinghouse for law enforcement

Robocalls

We provide our customers with ways to directly protect themselves from robocalls. A robocall is an automatically generated and/or prerecorded phone call that can be a nuisance, and in many cases, a threat. Learn more about Verizon's tools to identify and filter robocalls [here](#).

Radio frequency emissions

Verizon equipment complies with Federal Communications Commission requirements that all wireless communication devices sold in the U.S. meet guidelines for safe human exposure to radio frequency energy. We provide more information on radio frequency emissions on our [website](#).

Environment

In this section:

Climate goals	41	Reducing our environmental impacts	47
TCFD summary	42	Environment, health and safety management	47
Verizon’s emissions profile	43	Responsibly managing natural resources	47
External assurance	43	Responsibly managing waste	48
Carbon reduction strategy	44	Helping customers reduce their emissions	49
Scope 1 strategy	44	Network resilience	50
Scope 2 strategy	45	Business continuity and event management	50
Scope 3 strategy	46	Disaster response	50

Climate goals

We recognize that climate change poses a serious threat to society and may impact how we operate our business and networks both today and in the future. Climate-related risks can include transition risks relating to potential market and policy changes resulting from the transition to a low-carbon economy and physical risks, such as extreme weather and long-term changes in climate. We have set long-term goals and interim targets to address climate-related risks.

Metric	Goal/interim target	Time frame	Progress
Emissions			
Scope 1 and 2 emissions*	Goal: Expect to achieve net-zero operational emissions	By 2035	As of year-end 2022, achieved a 23.3% reduction in our scope 1 and 2 emissions (market-based)
	Target: Expect to achieve a 53% reduction in our scope 1 and 2 operational emissions to limit global warming to 1.5°C (over a 2019 baseline)**	By 2030	
Scope 3 emissions	Goal: Expect to achieve a 40% reduction in our scope 3 emissions from our value chain to limit global warming to well-below 2°C (over a 2019 baseline)**	By 2035	As of year-end 2022, achieved a 15.1% reduction in our scope 3 emissions
Energy			
Renewable energy sourced	Target: Expect to source renewable energy equivalent to 50% of our annual electricity usage	By 2025	In 2022, sourced renewable energy equivalent to 13% of electricity usage
	Target: Expect to source renewable energy equivalent to 100% of our annual electricity usage	By 2030	

* Scope 1, 2 and 3 emissions are independently assured.

** These targets were approved by the Science Based Targets initiative (SBTi).

TCFD summary

To provide a comprehensive view of how we understand and manage the risks and opportunities associated with climate change at Verizon, we have published three standalone reports aligned with the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD). This summary highlights information provided in our TCFD reporting.

Board oversight

Our Board of Directors oversees Verizon's strategy for managing climate-related risks and opportunities directly and through its committees. The Corporate Governance and Policy Committee, which oversees corporate responsibility, sustainability and public policy, monitors our progress on meeting climate-related goals. The Audit Committee, which oversees Verizon's enterprise risk management program, reviews risks related to network reliability and resilience, energy and emissions management and climate-related regulation during annual business risk reviews. The Finance Committee oversees our renewable energy purchase and green finance programs.

Management responsibility

Verizon's Executive Climate Oversight Committee, composed of the leaders of our Finance, Legal, ESG, Sustainability and Centralized Operations teams, has direct responsibility for assessing our climate-related risks and opportunities and recommending changes to our strategy. The Responsible Business Council, Strategic Leadership Council and Board of Directors are regularly updated on our strategy for managing climate-related risks and opportunities and our progress in meeting our climate-related targets.

Risk identification and management

We have processes that allow us to proactively identify, assess and prepare for climate-related risks. We also continue to integrate climate risk variables into our overall risk management process and establish formal, cross-functional processes that engage both our Board of Directors and management team.

Our annual enterprise-wide climate-related risk assessment asks senior leaders and subject matter experts to identify and evaluate the impact of climate-related risk on our business, strategy and financial planning over short, medium and long time horizons. We share the results of the assessment with senior leaders who have primary responsibility for addressing risks related to the operations within their purview. Decisions on whether and how to prioritize, mitigate, accept or adapt to a particular identified climate risk are made at the business unit level and reviewed with the Executive Climate Oversight Committee.

We leverage information from third-party sources, as well as lessons learned from severe weather and other natural events, to integrate climate-related risks into planning for Verizon's network operations. We use geospatial analysis to evaluate the impact of climate-related events, including storm surge from hurricanes, flooding, wildfire, high straight-line wind and tornadoes on our current and future operational and network models. This analysis highlights necessary investments to increase infrastructure resilience.

Strategy

Verizon's business strategy is centered around our world-class networks. To mitigate the potential effects of transition and physical climate-related risks on our business, we:

- Maximize the energy efficiency of our networks, facilities and fleet and transition to renewable energy where practicable
- Reduce waste and responsibly manage natural resources
- Develop solutions to help our customers transition to a low-carbon economy
- Upgrade and harden our infrastructure to be prepared for a changing climate

TCFD report archive

Verizon has published three TCFD reports since 2019. Our most recent TCFD report was published in November 2023. All of our TCFD reports are available on our [ESG Resources Hub](#).

Verizon's emissions profile

Even as our network grows, our emissions continue to decrease. While Verizon has voluntarily disclosed the greenhouse gas (GHG) emissions associated with our operational energy consumption (scope 1 and 2) since 2004, 2019 was the first year for which we reported our value chain (scope 3) emissions. As such, 2019 serves as the baseline year for our climate goals.

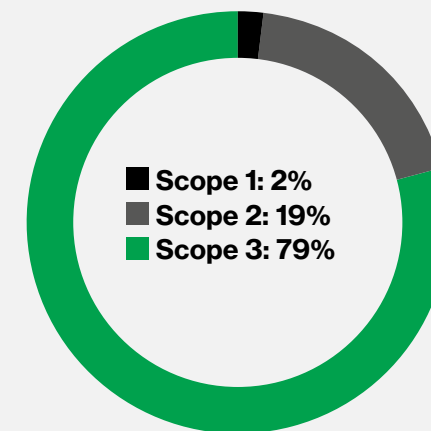
Scope 1	Scope 2	Scope 3
All direct sources of emissions owned or controlled by Verizon, with the main categories being fuel to power our fleet, heat our buildings and power our backup generators.	Indirect emissions from energy purchased by Verizon. The largest category is electricity to power our networks and data centers, with a small amount of steam and heat purchased to heat our buildings.	Indirect emissions associated with Verizon's upstream and downstream value chain. The largest categories are purchased goods and services, capital goods, fuel- and energy-related activities (not included in scope 1 or 2) and use of sold products.

External assurance

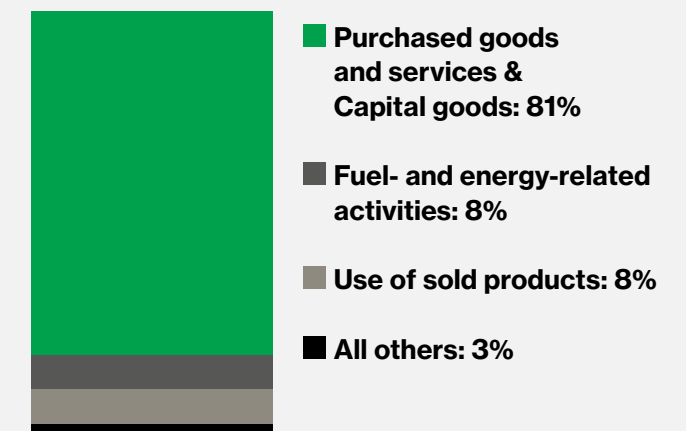
We obtain independent limited assurance of our scope 1, 2 and 3 GHG emissions annually. See the [Independent Accountants' Review Reports](#) for more information. Our 2023 data are being assured and will be reported later in 2024 on our [Emissions reporting webpage](#).

GHG emissions CO ₂ e	2020	2021	2022	% Change 2019 vs. 2022
Scope 1	336,831	310,145	273,904	-24%
Scope 2 (location-based)	3,753,660	3,554,155	3,498,643	-13%
Scope 2 (market-based)	3,627,972	3,222,342	3,075,077	-23%
Total scope 1 & 2 (location-based)	4,090,491	3,864,300	3,772,547	-14%
Total scope 1 & 2 (market-based)	3,964,803	3,532,488	3,348,981	-23%
Scope 3	15,640,414	15,267,192	14,401,431	-15%

Total emissions (location-based)



Total scope 3



Note: Numbers may not add up to totals due to rounding.

Carbon reduction strategy

As we plan for a low-carbon future, we are minimizing our environmental footprint through emissions and energy management across Verizon and our value chain. To embed climate awareness across the enterprise, Verizon’s short-term incentive plan for management employees includes a performance measure related to carbon intensity reduction.

We are reducing operational (scope 1 and 2) emissions by phasing out use of fossil fuels in our buildings and fleet, improving energy efficiency across our networks and facilities and transitioning to renewable energy. We are tackling our value chain (scope 3) emissions through strategic supplier engagement and product life cycle management. To address residual emissions that we are ultimately unable to abate, we plan to pursue carbon removal solutions.

Scope 1 strategy

Strategic building decarbonization

Verizon’s Strategic Decarbonization Audit program is designed to identify and implement cost-effective energy conservation initiatives across our real estate portfolio. Each year, we select sites for the program based on criteria including on-site fuel use, building age and size, overall energy performance and the impact of state and local building performance standards. These sites undergo an extensive, year-long audit, focusing on the electrification of HVAC systems, as well as solutions customized to the particular challenges present in many of our technical facilities. The most impactful electrification, energy conservation and retro-commissioning measures are then implemented over a one- to two-year project cycle.

Fleet decarbonization

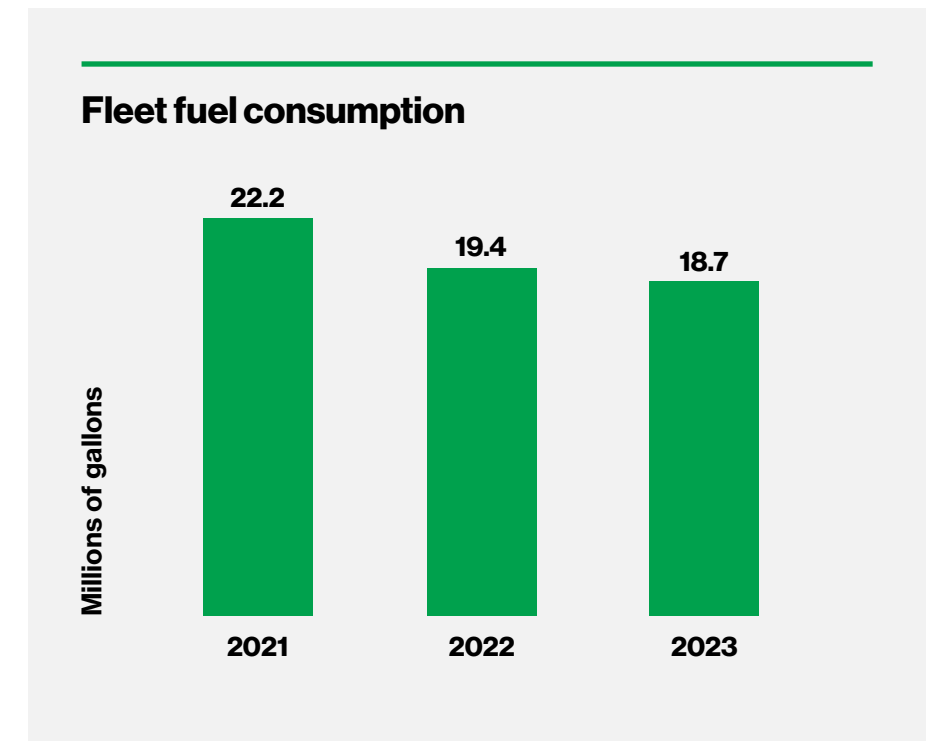
We are taking a multifaceted approach to reducing our fleet emissions. We have replaced aging bucket trucks, other than those outfitted for special uses, with trucks with hybrid drive systems. These vehicles utilize a battery system to power the aerial lift, eliminating the need for

the truck’s engine to be on to perform work on Verizon infrastructure. We are pioneering technology to replace gas-powered generators in fiber splicing vans with an electric battery system capable of powering equipment for days at a time. In 2021, we conducted an engine calibration on nearly all of legacy Fios vans not yet at end-of-life to decrease the vehicles’ emissions without compromising their functional abilities. We are also reducing fleet emissions by utilizing optimized vehicle dispatching technology to minimize the miles driven to service our networks.

The lack of electric vehicle (EV) models suitable for our commercial operations poses a challenge to our fleet electrification efforts. While production of light-duty EVs has been increasing to meet a variety of consumer uses, there are few – if any – EV options for the larger, specialized commercial vehicles on which our operations depend. Despite these challenges, we are in the process of transforming our fleet from relying on internal combustion engines to using clean energy technologies. We are planning to electrify a substantial portion of our customer-facing fleet by replacing our oldest light-duty vehicles with EVs. We are purchasing these EVs at a rate aligned with available products and charging infrastructure suitable for our operations. As EVs are introduced into our fleet, we are training impacted members of the V Team on the fundamentals of EVs, high voltage system safety and safe EV operation.

In addition, we are closely collaborating with manufacturers and actively participating in industry organizations to spur the manufacture of special-use-case commercial EVs in order to electrify our non-customer-facing light-duty vehicles, as well as our medium- and heavy-duty operational vehicles, to the greatest extent practicable. We are also collaborating with manufacturers, utilities and fellow fleet operators to discuss opportunities to advance commercial fleet decarbonization

efforts in the U.S. Verizon is an active member of the National Association of Fleet Administrators, the Advanced Energy Group, the General Motors EV Vision Board, the National Truck Equipment Association’s Green Truck Association and the Corporate Electric Vehicle Alliance.



Scope 2 strategy

Energy efficiency management

Effective energy management is not only necessary for the transition to a low-carbon economy but also lowers operating costs now and into the future. We are reducing energy use across our networks, data centers and building portfolio.

Network. Verizon's strategic focus on network modernization and decommissioning (i.e., powering down) of legacy equipment that no longer serves business or customer needs continues to result in significant energy savings. As part of a wireline network transformation initiative, we have been discontinuing copper-based services or migrating these services to fiber technologies, allowing us to decommission energy intensive switches and utilize our newer intelligent edge network platforms. Our fiber-delivered broadband services are at least 100 times more efficient on a kilowatt hour (kWh) per gigabyte basis than copper-delivered broadband services.⁴

We shut down our 3G wireless network as of January 2023 and powered off all 3G wireless cell sites. We are also implementing a variety of initiatives to effectively manage energy consumption throughout our active 4G and 5G networks, including:

- Powering down radios when they are not in active use
- Relocating heat-generating network equipment from indoor locations to outdoor locations
- Upgrading cell site HVAC systems
- Auditing sites to understand where improvements are needed to meet our high standards of energy efficiency
- Partnering with suppliers to enable more energy-efficient network equipment

We are pursuing opportunities to transition our networks to clean energy sources. For example, we are partnering with the National Renewable Energy Laboratory to study the feasibility of solar power installation at remote off-grid sites that rely on fuel-powered generators.

To further maximize energy efficiency, we implement network cooling processes that reduce overall site energy usage and maintenance costs while extending the life expectancy of our equipment. We optimize settings at our network facilities to reduce cooling system demand. These adjustments are based on well-established industry guidelines and have no detrimental effect on network performance or reliability. We are deploying artificial intelligence (AI) solutions across a number of technical network facilities to enhance cooling system capacity and telecommunications equipment capabilities. We are replacing and upgrading older cooling systems with newer, high-efficiency systems that meet or exceed the latest industry energy-efficiency standards. These upgrades include systems equipped with “free cooling” economizers, which bring outside air into the HVAC system when it is cooler outside than inside, significantly reducing cooling energy consumption.

Data centers. We design and operate our data centers for optimal energy efficiency. Our data centers leverage the full range of environmental tolerances allowed by most server, storage and network hardware suppliers, enabling us to implement energy-saving practices such as free cooling, waterside economizers, evaporative cooling, aisle containment and passive exhaust. We also leverage the full limits of our power and cooling infrastructure by monitoring and managing the power demand profile at each layer of distribution. In some locations, we use AI and machine learning algorithms to support energy conservation.

Administrative and technical buildings. We continue to install energy-efficient systems and employ energy management best practices at our buildings. Facility improvements include mechanical and whole-building control systems installation, LED lighting upgrades, high-efficiency motor replacement, steam and water leakage reduction, on-site solar deployment and HVAC system overhauls that replace aging equipment with heat pumps and adiabatic coolers. We continue to deploy IoT sensor networks to more intelligently manage building controls, optimizing for set temperatures and equipment energy consumption.

Both domestically and globally, we are consolidating our real estate portfolio to more efficiently co-locate people and equipment, thus eliminating unnecessary building emissions. For example, we are currently moving a large technical facility in New York City into an

existing office space. The project is utilizing cutting-edge energy technologies, including heat recovery chillers and submetering, which enables us to use meter-level data to understand operational efficiency on a micro level (e.g., lighting, HVAC, telecom equipment, etc.).

Verizon is proud to partner with the U.S. Environmental Protection Agency (EPA) ENERGY STAR program by pursuing ENERGY STAR certification for 100% of our eligible facilities. We have achieved 677 ENERGY STAR certifications for our properties since 2001. For the 11th consecutive year, the EPA named Verizon an ENERGY STAR Partner of the Year and again recognized us with a Sustained Excellence designation.

AI innovation. We are utilizing AI and machine learning capabilities to drive energy efficiency initiatives across Verizon. Projects under development include:

- Developing an algorithm to enable solar panel battery storage systems to discharge energy during peak periods when energy prices are highest
- Creating a model to identify cell sites with anomalous energy consumption
- Utilizing automation to reduce the number of truck rolls needed for Fios dispatches

Transition to renewable energy

Because most of our operational carbon footprint comes from the electricity that powers our networks, we have set targets to source renewable energy equivalent to 50% of our annual electricity usage by 2025 and 100% by 2030. To demonstrate our commitment to the global transition to renewable energy, Verizon joined RE100 in 2023.

Renewable energy purchase program. Our renewable energy purchase program is focused on supporting the transition to a greener U.S. electrical grid. As our U.S network operations are located across the country and require a constant supply of electricity, we are dependent on sourcing power from the grid. Today, much of that is “brown” power, produced from conventional fossil fuels, such as coal and oil. We are working to bring additional renewable energy to the grid by entering into

long-term renewable energy purchase agreements (REPAs) for solar and wind power under development. The agreements provide the developers of renewable energy facilities with long-term revenue certainty, enabling them to obtain the capital they need to construct new solar and wind energy facilities.

REPAs can help reduce Verizon's long-term exposure to energy price volatility. REPAs do not require physical delivery of energy. Rather, the facility operator sells the energy into the wholesale market, and we typically receive the renewable energy credits (RECs) associated with the energy sold. We retire these RECs against our actual electricity consumption to track our progress toward meeting our renewable energy targets.

Outside the U.S., we aim to procure most of our electricity from renewable sources and obtain guarantee of origin certificates from our utility providers.

On-site green energy. We are developing on-site green energy generation at our administrative offices and technical facilities. Since 2013, we have installed 37.6 megawatts of on-site green energy generation currently in operation at our facilities. In addition to contributing to the achievement of our climate-related goals, our on-site solar installations are a powerful signal to our employees and communities of Verizon's dedication to sustainability.

Green financing. We continue to seek ways to integrate sustainability considerations into our corporate finance processes, including through capital raising, investor communications and impact reporting. Verizon is one of the largest corporate green bond issuers in the U.S. Our green bond program is instrumental to our efforts to meet our interim renewable energy targets and long-term operational net zero goal. As of February 2024, we have issued a total of \$6 billion of green bonds and have allocated approximately \$5 billion of the net proceeds primarily to REPAs for new renewable energy projects.

Our [Green Financing Framework](#) articulates our sustainable finance strategy and explains how our intended use of proceeds and selection of projects supports our environmental goals and advances the United Nations Sustainable Development Goals (UN SDGs). Our Green Financing Framework also includes a pledge to only engage green bond

underwriters that have established clear and impactful commitments in support of the UN SDGs, are a diverse-owned firm or have a core mission of promoting DEI. Our annual [Green Bond Impact Report](#) details the allocation of green bond proceeds and related impacts.

Scope 3 strategy

Value chain engagement

Most of Verizon's emissions are generated by upstream activities outside of our direct operations. While accelerating decarbonization throughout our value chain is one of our biggest challenges, it also creates an opportunity for us to collaborate with our business partners to build a more resilient and sustainable supply chain for our sector.

Supplier engagement. We are leveraging our participation in CDP's global disclosure platform to drive emissions reduction in our value chain:

- As part of the CDP Supply Chain program, we invited 318 of our key suppliers to join us in responding to the 2023 CDP Climate Change survey.
- Through the CDP Science-Based Targets Campaign, we are pressing high-impact companies to commit to and set a science-based emissions reduction target aligned with a 1.5°C scenario through the SBTi.

We have conducted a carbon maturity analysis of our key suppliers to identify where to focus our engagement efforts. We encourage all of our key suppliers to set emissions reduction targets, which we track through disclosure and assessment platforms such as CDP and EcoVadis.

Standardized reporting and improved scope 3 data quality enable us to better understand the emissions from our value chain and ultimately manage them more effectively. As part of our supplier engagement, we convey our expectation for accurate and complete emissions data and we encourage independent external review and assurance.

Industry collaboration. Industry collaboration is critical to reducing scope 3 emissions. Within the telecommunications sector, we are partnering with the Global Enabling Sustainability Initiative and the Joint Alliance for CSR to develop scope 3 emissions reduction strategies.

We also participate in the MIT Climate & Sustainability Consortium, an academia-industry collaboration working to accelerate the implementation of climate solutions across sectors.

Product life cycle management. We are working to reduce supply chain emissions throughout the life cycle of our products and accessories from design to end-of-life. Verizon maintains a teardown lab in which a team of engineers and cost modeling experts systematically deconstructs network equipment and devices to assess the efficacy and efficiency of their design. The lab's core objective is to offer insights on design optimization to enhance product sustainability from production to disposal. To further reduce the emissions associated with our physical products, we are building out our internal life cycle assessment calculator. Our Circular Supply Chain team partners with teams across the company to extend the useful life of devices and other network equipment through repurposing.

Renewable energy portfolio

Verizon is one of the leading corporate buyers of renewable energy in the U.S. and a member of the Clean Energy Buyers Association. As of February 2024, we had in place 27 long-term REPAs for a total of approximately 3.6 gigawatts (GW) of anticipated renewable energy generating capacity. As of such date, 15 projects related to our REPAs were in commercial operation. We have contracted for approximately 1.8 GW of the generating capacity of these projects, which represents over 50% of the anticipated aggregate generating capacity of our REPA portfolio. The remaining projects are under development. The renewable energy capacity that we have contracted for is expected to enable the avoidance of over 4.7 million metric tons of CO₂e annually.⁵

Reducing our environmental impacts

We are committed to minimizing our environmental impact and have implemented policies and programs designed to responsibly manage the natural resources we use and the waste we produce.

Environment, health and safety management

Verizon's [Environmental, Health and Safety Policy](#), endorsed by Verizon leadership, describes our commitment to protecting the environment and the health and safety of the V Team, the public and the communities where we operate.

Verizon's Environment, Health and Safety (EHS) department is responsible for our EHS management system, which provides a framework for identifying, controlling and reducing the risks associated with our operations and reinforcing environmental stewardship. Besides performing regular management system assessments, we also conduct internal and third-party annual compliance audits and inspections at facilities worldwide. These assessments aim to identify site-specific issues and to educate and empower employees to take corrective actions. Our EHS efforts are directed and sustained by experienced professionals who support our global operations and facilities.

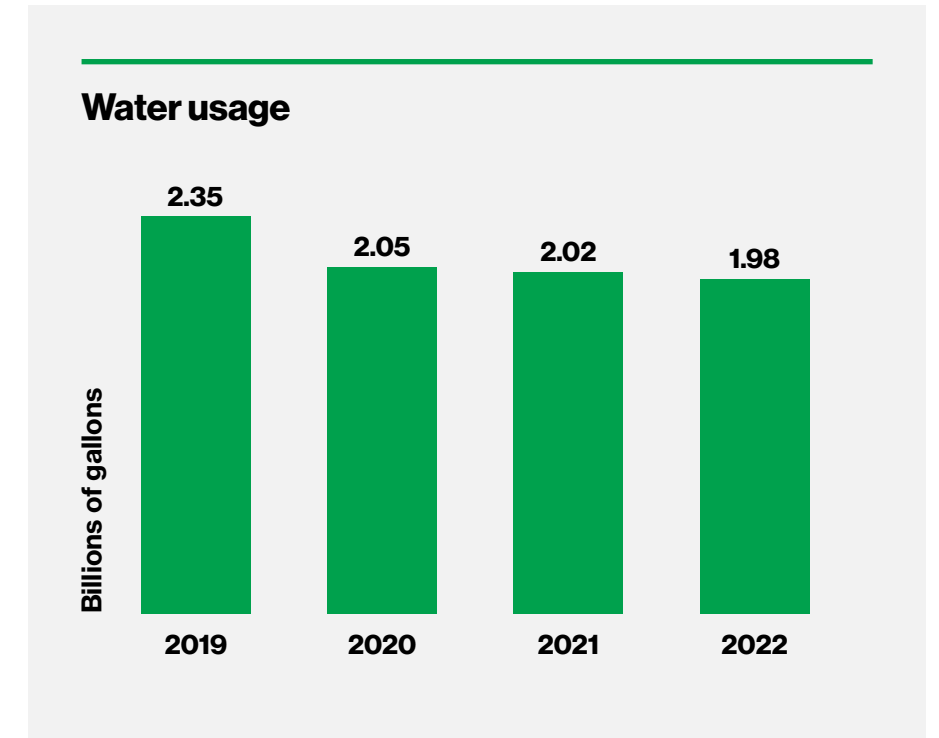
Verizon's EHS department maintains International Organization for Standardization (ISO) 14001 (environmental) and ISO 45001 (occupational health and safety) certifications for our EHS management system. Certification shows that our EHS department's processes meet international best practices, drive continual improvement and create business value.

Responsibly managing natural resources

Water conservation

As water is a critical natural resource, we implement water conservation measures throughout our operations. Verizon consumes the most water at our technical facilities, which require a controlled, cool environment for network equipment. We manage water consumption in these facilities through cooling tower and cable dehydrator upgrades and maintenance. Our continued implementation of energy efficiency measures in our technical buildings also helps to reduce water consumption. We are further conserving water as we consolidate leased and owned buildings and adjust our HVAC systems in our administrative offices to reflect our adoption of a hybrid work environment. We reduced our water usage by 16% from 2019 to 2022.

External assurance. We obtain independent limited assurance of our annual water usage results at our administrative offices, retail stores, data centers, central offices, equipment, garage work centers, warehouses and motor vehicle maintenance centers. Sites that do not routinely use water (e.g., network cabinets and huts, microwave equipment, towers and antennas) are excluded from the results. For details, including our full calculation methodology, read the [Independent Accountants' Review Report](#). Our 2023 water usage is currently undergoing independent limited assurance and will be reported in the Independent Accountants' Review Report for 2023, which will be posted on our website later in 2024.



Paper policy

Verizon is committed to the sustainable sourcing and use of paper. At least 50% of the paper we source annually will include at least 10% recovered fiber content and/or at least 10% post-consumer waste (PCW) content. This excludes billing segments that are not able to be printed on recycled content paper because of machinery issues. See our [Paper Sourcing and Use Policy](#) for more information.

Responsibly managing waste

Our EHS and Circular Supply Chain teams work internally across the company and externally with partners and suppliers to reduce, reuse and responsibly recycle materials. We recycled or reused nearly 79 million pounds of materials, including e-waste, in 2023.

E-waste: reducing, reusing and recycling

Verizon defines electronic waste, or e-waste, as electronic products and component parts that are at the end of their useful life and/or have been returned by customers. E-waste generated by our business operations includes cell phones, chargers, set-top boxes, network equipment, batteries and associated plastic components. In 2023, Verizon reused or recycled nearly 47 million pounds of e-waste, including 1.3 million pounds of plastic and 1.9 million pounds of lead-acid batteries.

We strive to divert 100% of e-waste from landfills by reusing or responsibly recycling materials. To the extent practicable, we reuse electronic products and parts internally. When internal reuse is not possible, we market these materials for reuse through approved partners or work with suppliers to responsibly recycle them. Verizon's Circular Supply Chain team partners with Corporate Sourcing to incorporate terms into our supplier contracts for the responsible end-of-life management of our products.

Many of Verizon's recycling practices exceed regulatory mandates. We engage e-waste suppliers that manage our waste in accordance with high industry standards for environmental stewardship such as R2 and e-Stewards. Our practice is to require lead-acid batteries from our U.S.

operations to be sent to Verizon-approved recycling facilities in the U.S. or Canada and to require our suppliers to provide certificates of recycling for the batteries. We regularly audit facilities, including battery smelters, that manage Verizon's hazardous or regulated waste.

Device trade-in

Verizon's [device trade-in program](#) supports our circular economy approach to extending the lifespan of mobile devices and accessories. The program enables both Verizon and non-Verizon consumers to return qualifying, pre-owned devices in exchange for a Verizon credit or gift card. We repair, repurpose and resell these devices before pursuing responsible recycling at the end of their useful life. We refurbish and redistribute our home internet devices for 4G and 5G fixed wireless access and Fios service to customers. Consumers can also return obsolete devices for responsible recycling.

Reducing plastic and other waste

We are working to reduce the environmental impact of plastics in our products and product packaging, as well as in our day-to-day business operations. Our reduction efforts include:

- Incorporating PCW, recycled plastic resin and ocean-bound plastics in customer-premise equipment, such as routers, set-top boxes and remote controls
- Eliminating single-use plastic packaging from our reverse logistics operations (i.e., product take-back). Products impacted by this change include home routers, optical network terminals and set-top boxes

- Modifying our supply chain product requirements for all customer-premise products to state that product packaging should be designed to eliminate or minimize the use of single-use plastics and non-recyclable materials and that products should be designed to use post-consumer recycled content to the greatest extent possible
- Using responsibly sourced packaging materials for Verizon-branded screen protectors
- Collaborating with teams across the company to develop new uses for the plastic harvested from old Verizon products. For example, plastic from routers and set-top boxes has been given new life as road signs, park benches and office chairs

Other waste reduction initiatives

- Eliminating single-use plastics from our cafeteria and kitchen facilities at our corporate headquarters
- Reselling and/or responsibly recycling surplus office furniture related to building renovations and sales
- Designing assets for large marketing events, such as trade shows, using repurposable materials that are more easily reused at future events or responsibly recycled at their end of life

Helping customers reduce their emissions

We believe that IoT technologies will be a major enabler of carbon reduction as we transition to a low-carbon economy, and we are working in our 5G and innovation labs to develop new low-carbon and climate-resilient solutions for our customers and communities.

Verizon's technology solutions are already achieving efficiencies not only in our own operations but also for our customers. Our products, such as our smart building and smart transport solutions, enable our business customers to significantly reduce their energy consumption. We partner with cities to design infrastructure and systems that elevate the way they provide services in new and cost-effective ways. Our smart city solutions include intelligent lighting, intelligent traffic management and parking optimization. Verizon's fleet management solutions help our customers improve fleet operations and reduce fuel consumption. Verizon's networks also enable emissions reductions for our business and consumer customers through virtual connection solutions, including telecommuting and telehealth. Our 5G Home Internet offering is more efficient than 4G on an energy-per-bit basis and allows for customer self-installation of the service, reducing the need for a Verizon technician to drive to the customer.

We partner with The Carbon Trust to measure the yearly CO₂ equivalent (CO₂e) emissions avoided by our customers through Verizon's products and services. In 2023, we undertook a comprehensive review of our model, including the data that we provide to The Carbon Trust, and refined our model to enhance its relevance. Based on our refined model, Verizon solutions enabled the avoidance of over 20.1 million metric tons of CO₂e in 2023, which exceeded our previous expectations.⁶ Since 2018, Verizon solutions have enabled the avoidance of over 93 million metric tons of CO₂e.

Emission source	Verizon solution	Measurement	CO ₂ e avoided (metric tons)
Travel to work	Telecommuting	Reduction in miles driven (gallons of gas not used)	8,195,406
Transportation	Telematics		7,658,614
Parking	Smart parking meters		45,433
Building	Smart building management	Reduction in kilowatt hours (kWh) of energy used	1,694,950
Power grids	Smart meters and demand response units		2,039,474
Health care	Remote patient monitoring	Reduction in miles driven and number of days in hospital	497,565
2023 CO₂e avoided (metric tons)			20,131,442

Network resilience

Verizon is an industry leader in operating reliable and resilient networks that support our customers' needs and keep them connected. Our networks in the U.S. include design elements, technologies and business processes that work together to enhance the reliability of our services. For more information about Verizon's business continuity planning and disaster response efforts, see our latest [TCFD report](#).

The resilience of our networks reflects many years of significant investment that allows us to continue to serve our customers even in times of crisis, from extreme weather to other emergency events. We make enhancements to our facilities and networks based on assessments of the relevant geographic area and corresponding types of risks, for example:

- **Fire.** In fire-prone areas, we proactively eliminate brush and waste around our buildings and cell sites that could fuel fires.
- **Hurricanes.** In Florida, our "super switch" facilities can withstand Category 5 hurricane winds to enable us to continue to serve our customers.
- **Tornadoes.** In Missouri, our underground storage unit protects emergency vehicles and network equipment.
- **Blizzards.** Our sub-zero switch in North Dakota is housed in a building designed to withstand extreme snow, ice and flooding.
- **Rising sea levels and flooding.** Along the coast, we have elevated our cell towers and base stations to shield our power supply, generators, cooling systems and transport interface from rapidly rising waters.

To mitigate the impact of power disruptions on our operations, we have battery backup at every switch and every macro cell. We also utilize backup generators at a majority of our macro cells and at every switch location. In addition, we have a fleet of portable backup generators that can be deployed as needed. In the case of fiber damage resulting from severe weather events, we may deploy satellite and microwave links to serve as alternative paths while the original infrastructure is repaired or replaced. For more information, see [Managing systemic risks from technology disruptions](#) in our SASB Standards index.

Business continuity and event management

Our Business Continuity and Event Management (BCEM) organization identifies risks, develops action plans and coordinates response and recovery efforts for all major disasters. An executive steering committee, composed of senior executives from across the enterprise, oversees our BCEM framework and programs. The BCEM framework, which follows Verizon's corporate policy statement on national security emergency preparedness, is designed to protect and support Verizon personnel, critical operations and infrastructure during emergencies and disasters, including human-induced and weather-driven events. The framework supports operational preparedness, mitigation, response and recovery by weaving BCEM into Verizon decision making; focusing on internal and external partnerships; optimizing BCEM tools and technology and developing a comprehensive training program for the BCEM team, strategic partners and employees.

The BCEM organization operates our Global Event Management Center (GEMC), which actively monitors and assesses potential threats to Verizon's operations around the world. When a potential threat or significant event has been identified, the GEMC performs a risk assessment, consulting with internal and external subject matter experts, and disseminates situation information and intelligence to key response groups within Verizon. The GEMC leverages Verizon's in-house weather monitoring platform that uses multiple sources of weather data to identify potential impact areas and conduct pre-storm risk preparation activities. Restoration teams and equipment are then stationed in those areas to protect our facilities and personnel. The GEMC also leads our event response efforts, including our crisis management teams.

As a global company, Verizon aligns our internal business continuity program with several domestic and international industry standards, including, but not limited to, ISO 22301:2019 and ISO 22320:2018(E), FEMA NIMS and OSHA 29 CFR 1910.38.

Disaster response

During times of crisis, Verizon stands ready to support first responders, communities, our customers and our employees with disaster response and recovery efforts. [Verizon Frontline](#), our advanced network and technology product offering for first responders, provides on-demand emergency assistance to government agencies, first responders and public safety officials nationwide during crisis situations. Verizon has a collection of deployable assets standing ready to assist public safety teams, including two 53-foot mobile emergency calling centers, mobile cell sites, generators and repeaters, tethered drones and satellite communication capabilities. Our Tactical Humanitarian Operations Response vehicle, the first and only of its kind, serves as a mobile command center capable of deploying Verizon Frontline technology, including Verizon 5G Ultra Wideband and other high-quality communications and applications, under nearly any condition.

After major natural disasters, the Verizon Response Team is on-site and available 24/7 to provide our affected customers and communities with critical resources, including Wi-Fi access and charging stations. The public can access real-time updates on Verizon's relief and recovery efforts through our [Emergency Resource Center](#), where we also share tips and resources on how to prepare for potential natural disasters.

Community

In this section:

Citizen Verizon goals	52	Climate protection	55	Human prosperity	56
Digital equity and inclusion	53	Green Team	55	Verizon Forward for Good Accelerator	56
Advocacy	53	Employee EV charging	55	Technology-focused career training	56
Access	53	Community recycling rallies	55	Moving forward by giving back	56
Affordability	53	Tree planting	55	Community engagement and support	58
Adoption	54			SGA community partnerships	58

Citizen Verizon goals

Through [Citizen Verizon](#), our company-wide responsible business plan, we are moving the world forward for all and creating social impact through the power of technology. Citizen Verizon focuses on three key areas where we believe we can have the greatest impact: digital inclusion, climate protection and human prosperity. We have set ambitious goals across these pillars against which we measure and report our progress. We partner with nonprofits, educational institutions and local governments, in addition to mobilizing V Teamers around the world, to achieve these goals.

Focus area	Goals/targets	Progress*
Digital inclusion		
Address barriers to digital equity and inclusion and enable connectivity for those who need it most	<ul style="list-style-type: none"> • Provide 10 million youths with digital skills training by 2030 • Provide 1 million small businesses with resources to help them thrive in the digital economy by 2030 	<ul style="list-style-type: none"> • Over 7 million youths provided with digital skills training since 2012¹ • Over 273,000 small businesses provided with resources to thrive in the digital economy since 2021
Climate protection		
Reduce the impact of our direct operations and innovate to minimize climate impact on communities	<ul style="list-style-type: none"> • Expect to achieve net-zero operational emissions by 2035 • Expect to source renewable energy equivalent to 100% of our annual electricity consumption by 2030 	<ul style="list-style-type: none"> • As of year-end 2022, achieved a 23.3% reduction in our scope 1 and 2 emissions over a 2019 baseline (market-based) • In 2022, sourced renewable energy equivalent to 13% of electricity usage
Human prosperity		
Create opportunities for individuals and communities to thrive and grow our business in a responsible, inclusive manner	<ul style="list-style-type: none"> • Prepare 500,000 individuals for jobs of the future by 2030 • Achieve 2.5 million employee volunteer hours by 2025 	<ul style="list-style-type: none"> • Over 45,000 individuals prepared for jobs of the future since 2019 • Over 2.1 million hours volunteered since 2019

*Progress as of year-end 2023 unless otherwise noted.

Digital equity and inclusion

As Verizon builds the networks that move the world forward, we aspire to equip our communities with the tools needed to navigate an increasingly digital world. Our digital equity and inclusion efforts are focused in four key areas: advocacy, access, affordability and adoption.

At Verizon, digital equity and inclusion means:

- **Advocacy.** Urging policymakers to create long-lasting solutions to address the digital divide
- **Access.** Providing access to connectivity with sufficient speeds to communities in remote and underserved areas
- **Affordability.** Making available devices and connectivity that offer quality service without significant cost or resource restrictions
- **Adoption.** Leveraging connectivity to provide meaningful services and fostering the skills necessary to use those services

Advocacy

We continue to advocate for long-term solutions to address the challenges of digital equity and inclusion. Our CEO chairs the World Economic Forum's EDISON Alliance, which aims to mobilize industry sectors to quicken the pace of digital development and accelerate the opportunity for every person to participate in the digital economy. Our CEO also serves as a member of the UN Broadband Commission for Sustainable Development, driving progress toward achieving universal connectivity.

Access

We are focused on expanding broadband access to a greater number of rural U.S. households. The Investment in Infrastructure and Jobs Act (IIJA), passed by the U.S. Congress in late 2021, includes a historic investment of \$65 billion to address these challenges and help states close the digital divide. States and localities may also use American Rescue Plan (ARP) funds to help build out high speed internet infrastructure. Verizon is reviewing available state and local subsidy programs and actively applying for funds to help bring our services to more locations where it makes sense for our network. We have already been awarded substantial ARP funding to deploy new broadband infrastructure within our wireline footprint, with more proposals still pending, and we are looking carefully at where funding from the IIJA, once available, could help support additional deployment.

In addition to landline broadband service, we also offer fixed wireless access (FWA) through our 5G and 4G LTE wireless networks. FWA broadband can provide more robust and affordable internet access than may otherwise be available to consumers in certain markets. We continue to invest in our wireless network in rural and underserved U.S. markets, building new cell sites to provide additional coverage and expanding capacity on our existing cell sites to improve the performance of the network and our customers' experience.

Affordability

As part of our ongoing mission to help make dependable and high-speed internet access affordable for all, we participate in the Lifeline program and will continue to participate in the Affordable Connectivity Program (ACP) if it is extended by Congress. The Lifeline and ACP programs are federal programs overseen by the Federal Communications Commission that provide subsidized internet services for eligible low-income customers. In addition, we voluntarily provide discounts on Fios and fixed wireless services to low-income families through our Verizon Forward Program. Verizon also offers consumers a wide range of affordable, prepaid wireless services with 5G access and low-cost device choices through our portfolio of brands, including TracFone, Straight Talk, Visible and Total by Verizon. Consumers who qualify and are participating in the Lifeline program or the ACP can leverage their benefits to find zero-cost prepaid service plans under our SafeLink brand.

Verizon Business Group's Digital Inclusion program provides eligible users with connectivity at discounted rates through agreements with state agencies, political subdivisions and nonprofit organizations. Eligible users include those who participate in the National School Lunch Program, Pell Grant recipients or members of households (as defined by federal tax guidelines) with a household income that is lower than 135% of the income designated by the Federal Poverty Guidelines.

Adoption

When it comes to the digital world, affordable access is only the beginning. Our programmatic concentration on building digital skills for students, teachers and small businesses is accelerating digital equity in communities nationwide with high potential but limited access to technological opportunities.

Verizon Small Business Digital Ready

[Verizon Small Business Digital Ready](#), created in partnership with Next Street and Local Initiatives Support Corporation, aims to help under-resourced small businesses and historically underrepresented entrepreneurs thrive in the digital economy. The program provides customized, free business support through an online portal that includes self-paced courses, 1:1 coaching, peer networking and access to grant funding and other incentives. To better serve the Spanish-speaking business community, Verizon Small Business Digital Ready offers Spanish language courses, coaching and community events. We provide \$1 million in grant funding annually to program participants. Active portal users are invited to apply for a \$10,000 grant to upgrade technology, expand marketing capabilities or support operational costs.

Verizon Innovative Learning

Launched over a decade ago, [Verizon Innovative Learning](#) is helping to close the digital divide, offering new and engaging learning experiences with technology-integrated curriculum for students, extensive support for educators and administrators and access to emerging technologies and free internet, including 5G. Since 2012, working through nonprofit partners, Verizon Innovative Learning has invested nearly \$1.2 billion in market value to support digital equity and inclusion in education. In 2023, we invested nearly \$116 million in market value in Verizon Innovative Learning.

In collaboration with nonprofit partner Digital Promise, our signature [Verizon Innovative Learning Schools program](#) provides students and teachers at select Title 1 schools nationwide with large concentrations

of low-income students with free technology, internet access and innovative STEM learning programs. The program also provides schools with dedicated technology coaches and support from Digital Promise to train teachers to effectively integrate technology into the classroom across all subjects.

[Verizon Innovative Learning HQ](#), an online portal offering next-generation learning tools and resources, scales the reach of Verizon Innovative Learning and its proven approach to integrating technology into the classroom. The portal provides K-12 educators with free access to a curated library of immersive learning experiences, lesson plans with customizable learning options and interoperability with other ed-tech tools, professional development resources and interdisciplinary, next-generation educational content.

Through our partners, Heart of America and the J. Orin Edson Entrepreneurship + Innovation Institute at Arizona State University, we have been equipping select Verizon Innovative Learning schools with custom-designed, state-of-the-art labs since 2018. Providing access to a variety of emerging technologies like augmented reality (AR), virtual reality (VR) and 3D printing, our [Verizon Innovation Learning Lab](#) program expands learning opportunities with a robust, project-based online curriculum that teaches students design thinking and social innovation to positively impact their communities. We are also bringing 5G technology to over 100 Verizon Innovative Learning Labs across the country. We have partnered with leading ed-tech innovators to create classroom-ready applications that help schools get the most out of technology, including 5G connectivity, and have made the applications freely available to all educators through Verizon Innovative Learning HQ.

[Verizon Innovative Learning STEM Achievers](#) offers middle school students project-based STEM learning experiences in 3D design and printing, coding and app development, AR and VR and more through summer sessions and year-round workshops. The program is held in partnership with the National Association for Community College Entrepreneurship on the campuses of Historically Black Colleges and Universities, Hispanic-Serving Institutions and community colleges across the country. Students are paired with mentors, exposing them to career opportunities in STEM, technology and entrepreneurship.

Impact by the numbers

Verizon Innovative Learning Schools	Teacher feedback*
592 total schools since 2014	75% said program enhanced student engagement
64,217 students in 2023	73% said program enhanced ability to differentiate instruction
84% students in 2023 were eligible to receive free or reduced-cost lunch	
Verizon Innovative Learning Stem Achievers	Student feedback*
11,775 middle school students in 2023	90% said they enjoyed learning new things that involved STEM
	83% said they can use STEM to impact issues affecting their communities, nation and the world

*Percentages are based on completed surveys received from participating students and teachers. For Verizon Innovative Learning Stem Achievers, surveys relate to the summer session.

Climate protection

At Verizon, we are mobilizing our resources, partnerships and people to help protect the planet for future generations.

Opportunities to be a force for good for the planet are everywhere:

- We have set enterprise-wide targets to reduce the environmental impacts of our operations. For more information about our efforts to achieve net-zero emissions in our operations by 2035 through our renewable energy and energy efficiency initiatives, see [Carbon reduction strategy](#).
- The V Team is actively engaged in our efforts to realize our goals and reduce our collective impact on the environment.
- We are supporting technological innovation to help the communities where we work and live adapt to climate impacts and the transition to a low-carbon economy.

Green Team

The Verizon Green Team is a collective of employees dedicated to environmental stewardship and raising awareness around resource use and conservation. Green Team members around the world work to reduce Verizon's environmental impact, as well as their own personal impact, by participating in a variety of curated volunteer and educational activities. These activities include green space cleanups, beautification projects and tutorials on topics such as eating green, composting and clean energy. In 2023, we celebrated our tenth year of partnership with NFL Green to host sustainability events in and around the host city of the Super Bowl, including tree plantings, river cleanups and school supplies donation drives for traditionally under-resourced communities.

At year-end 2023, over 51% of V Teamers across 50 countries and territories were part of the Green Team, surpassing our goal of having 50% of Verizon employees participating by 2026.

Employee EV charging

To encourage our V Teamers to use EVs with ease and confidence, we provide access to EV charging at 76 Verizon locations.

Community recycling rallies

To support our communities in safely recycling e-waste, Verizon sponsors free recycling events open to our employees and the public. Community members can bring in e-waste items, from personal computers to televisions to toasters, for safe disposal. We aim to collect and recycle 10 million pounds of e-waste from our communities by 2026. Since 2009, we have collected approximately 8 million pounds of community e-waste for recycling.

Tree planting

Verizon is a member of the U.S. chapter of 1t.org, the trillion trees platform led by the World Economic Forum and American Forests to support the global movement to conserve, restore and grow one trillion trees worldwide. From replanting forests for hurricane recovery to supporting urban forestry, we are focused on restoring lost tree canopies and enabling cleaner air and healthier communities. Since 2009, we have sponsored the planting of over 20 million trees, surpassing our goal to plant 20 million trees worldwide by 2030.

Community solar

We believe that the benefits of renewable power, such as reduced energy costs and increased resilience, should be available to members of our communities. That's why we have invested in community solar programs in Massachusetts, New York, Arizona, Florida and California to deliver renewable power to local residents who otherwise could not access clean energy.

Climate Resilience Prize

We established the Climate Resilience Prize in 2022 to help scale proven, in-market solutions that mitigate the disproportionate impacts of climate change on vulnerable communities. In 2023, we awarded a total of \$500,000 to four winners leveraging advanced technology, including 5G, to develop climate resilience solutions. In addition to prize money, our 2023 winners will receive consulting services and may have the opportunity to pilot their product in partnership with Verizon.

Human prosperity

Our human prosperity efforts aim to connect people, especially those in marginalized communities, with the resources and opportunities necessary to achieve economic stability and realize their ambitions.

Our company-wide commitment to human prosperity includes:

- Supporting the development of technologies that tackle major societal challenges
- Providing free upskilling and reskilling training programs
- Creating opportunities for employees to make a positive impact through volunteerism

Verizon Forward for Good Accelerator

The Verizon Forward for Good Accelerator supports startups using leading-edge technologies to tackle major societal challenges, such as climate justice, disability innovation and health equity. Over the course of a 16 week-program, the startups receive \$50,000 in non-dilutive funding, technology coaching, expert mentorship, access to workshops with industry leaders and networking opportunities with potential partners and funders.

Technology-focused career training

In 2023, we invested over \$27 million in programs to prepare members of our communities for jobs in the digital economy. We reimagined our [Verizon Skill Forward](#) program and widened its reach by offering tuition-free technical and professional learning pathways through a new strategic partnership with leading global online learning platform edX. Designed for participants without college degrees, Verizon Skill Forward offers self-paced, expert-led online courses, including Spanish language courses, created by leading universities. Verizon Skill Forward learners can access courses to build key job skills, including coding, communication, business intelligence, data analysis and finance.

Our Verizon Community Forward initiative repurposes existing community infrastructure, such as libraries, recreation centers and community colleges, to provide community members – from youth to seniors – with dedicated learning centers. The initiative partners with local facilitators to offer STEM, workforce development, entrepreneurship and digital literacy programming. In 2023, we opened new centers in Houston, Texas, and Pittsburgh, Pennsylvania.

Since 2019, our programs have prepared over 45,000 individuals for jobs in the digital economy now and in the future.

Moving forward by giving back

Employee volunteerism

We leverage the V Team's talents, passions and entrepreneurial spirit to make a positive contribution to our communities across our three Citizen Verizon pillars. We aim to dedicate 2.5 million volunteer hours by 2025. Since November 2019, the V Team has collectively volunteered over 2.1 million hours to support our communities in areas including youth mentorship, older adult digital literacy, environmental conservation and veteran career coaching.

Matching employee donations

The Verizon Foundation matches V Teamers' donations up to \$1,000 for personal charitable donations and up to an additional \$5,000 for donations to eligible higher education institutions per year. Employees who volunteer at least 50 hours at an eligible nonprofit during a calendar year can generate a \$750 donation from the Verizon Foundation to the

organization. Within each calendar year, employees may generate up to two donations totaling \$1,500 either to a single nonprofit or to two separate nonprofits.

To support V Teamers displaced from their homes due to a natural or personal emergency, such as fire, flood, severe weather or domestic violence, the Verizon Foundation matches employee donations to the VtoV Employee Relief Fund.

Supporting second chances

We provide financial and volunteer support to social justice organizations working toward economic empowerment, civic engagement and criminal justice reform.

We partner with the Campaign for the Fair Sentencing of Youth (CFSY) to support the human dignity and prosperity of people who were initially sentenced as children to life in prison and who are now returning to their communities. To further our work to connect these individuals to job training, employment and skill development, Verizon employees offer mentorship and training through our ADVANCE (Advocates for Disability, Accessibility, Neurodiversity and Caregiver Empowerment) and BOLD (Black Originators, Leaders and Doers) ERGs.

Together with American University and Verizon's VALOR (Veterans and Advocates Leading the Organization Responsibly) ERG, we created a digital guide that explains the importance of Veterans Treatment Courts as an alternative to incarceration of veterans suffering from mental health or substance abuse disorders. The [guide](#) features the stories of veterans who have successfully completed a treatment program.

Pro Bono Program

Our Pro Bono Program supports vulnerable members of our community, including survivors of domestic violence, veterans claiming their rightful benefits and immigrants seeking to uphold their rights under the law. Our volunteers provide legal guidance to nonprofits and small businesses, enabling them to meet their obligations and focus on their core missions. We also mentor students from disadvantaged communities to show them the possibilities of careers at workplaces like Verizon.

Our criminal justice reform initiatives include assistance with criminal records expungement, juvenile criminal sentence reduction in partnership with the CFSY and exoneration of wrongful incarceration in partnership with the Innocence Project. In 2023, volunteers from Verizon and our partner law firms staffed a day-long legal clinic hosted by the National Urban League in Houston, Texas.

Community engagement and support

Our local community engagement program focuses on building impactful, long-term partnerships on a grassroots level with community leaders, nonprofit organizations and educators. Our ongoing community dialogues give us a deeper understanding of the challenges facing the communities we serve, target our support and investment in the areas with the greatest need and create effective corporate partnerships.

SGA community partnerships

Verizon's State Government Affairs (SGA) team engages with local communities and supports corporate responsibility initiatives in all 50 states. Examples include:

Digital inclusion

- In Chicago, Verizon worked with local partners to design an e-Commerce Learning Lab to scale diverse-owned businesses and move brick-and-mortar companies into the digital space. The Learning Lab leverages resources from the Verizon Small Business Digital Ready platform.
- In New York, Verizon launched a Cyber Seniors program to help older adults build digital skills and learn how to use wireless technology. We also partnered with local community centers to offer workshops for seniors on how to stay safe online.
- In the Washington, D.C. metro area, Verizon partnered with Rosie Riveters to build girls' confidence through STEM learning experiences, including through mentoring workshops led by Verizon employees.

Climate protection

- In Florida, Verizon supported Conservation Florida, a statewide accredited land trust working to protect Florida's natural landscapes and critical wildlife habitats, sponsoring three educational community events.
- In San Diego, Verizon provided funding and volunteer support for carbon sequestration, habitat restoration projects and climate justice efforts. Hear from our three community partners about these projects in this [video](#).

Human prosperity

- In Atlanta, Verizon partnered with Goodr to organize a mobile grocery store, bringing food to food insecure families across the city.
- In New England, following conversations with community leaders and detailed analyses of local priorities, Verizon worked with the local library system to fund digital inclusion programming focused on workforce development.
- In St. Louis, Verizon partnered with Gateway Global to create a summer career program to boost local workforce development, expose youth from under-resourced communities to engineering career paths and offer mentoring with Verizon network engineers.

Appendix

In this section:

SASB Standards index	60
GRI index	66
UN SDG-aligned goals and progress	70
Endnotes	71

SASB Standards index

For the year ended December 31, 2023

Published March 2024

SASB Standards, now managed by the International Financial Reporting Standards (IFRS) Foundation, enable companies to disclose consistent and decision-useful ESG information to investors. This index provides information with respect to the disclosure topics and accounting metrics in the SASB Standard for Telecommunications. In the following tables, quantitative data is followed by narrative information that contextualizes the data where appropriate and is also responsive to any qualitative metrics. The inclusion of information in this index should not be construed as a characterization regarding the materiality or financial impact of that information. See our Annual Report on Form 10-K for the year ended December 31, 2023, and other publicly filed documents, which are available on our Investor Relations [website](#).

Unless otherwise indicated, quantitative data is provided as of or for the years ended December 31, 2021, 2022 and 2023, where available. Where relevant, data measurement techniques, the bases of calculations and changes in the basis for reporting or reclassifications of previously reported data are noted. On November 23, 2021, we completed the acquisition of TracFone Wireless, Inc. (TracFone). Other than the metrics reported pursuant to TC-TL-000.A, TC-TL-000.C and TC-TL-220a.2, the metrics reported herein exclude TracFone results.

Data assurance. Annually, Verizon obtains independent assurance of our emissions data and other select ESG indicators, including the metrics reported pursuant to TC-TL-000.D and TC-TL-130a.1 in this index. Read the [Independent Accountants' Review Reports](#) for more information. For information that is not specifically identified as being independently assured, Verizon relies on the application of internal policies (including those requiring the creation and maintenance of accurate records

and the establishment of internal controls over externally reported financial and non-financial information) and compliance with data quality standards and verification procedures set forth in our ESG information governance and control frameworks to validate such information. We will update this index to include the 2023 metrics that are currently undergoing independent assurance when the Independent Accountants' Review Report with respect to those metrics has been issued.

Note on non-financial reporting. Non-financial information is subject to measurement uncertainties resulting from limitations inherent in the nature of, and the methods used for determining, such data. Some of our disclosures in this index are based on assumptions due to these inherent measurement uncertainties. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

Activity metrics

SASB code	Metric	2021	2022	2023
TC-TL-000.A	Number of wireless retail connections	142,806,000	143,253,000	144,751,000
	Wireless retail connections are retail customer device postpaid and prepaid connections as of the end of the period. Retail connections under an account may include those from smartphones and basic phones (collectively, phones), postpaid and prepaid fixed-wireless access (FWA), as well as tablets and other internet devices, wearables and retail IoT devices.			
TC-TL-000.C	Number of broadband connections	7,588,000	8,936,000	10,717,000
	Total broadband connections are the total number of connections to the internet using Fios internet services, Digital Subscriber Line and postpaid, prepaid and IoT FWA as of the end of the period.			
TC-TL-000.D	Network traffic in petabytes	114,413	134,202	Pending independent assurance
	Beginning in 2022, we made adjustments to assumptions and estimations used in the calculation of network traffic. As a result, the 2021 metric was recast.			

Accounting metrics

Environmental footprint of operations

SASB code	Metric	2021	2022	2023
TC-TL-130a.1	Total energy consumed in gigajoules (Gj)	40,802,503	41,167,721	Pending independent assurance
	Percentage grid electricity	87.1	88.9	Pending independent assurance
	Percentage renewable energy	6.7	11.3	Pending independent assurance
<p>Total energy consumed is calculated based on emissions sources included in scope 1 and 2 GHG emissions, namely natural gas, gasoline, diesel, jet fuel, propane, kerosene, compressed natural gas, B02, B05, B11, B20, E85, methanol, ethanol, electricity, steam and chilled water.</p> <p>Percentage grid electricity is calculated as total electricity consumed as purchased from the grid (and reported for scope 2 GHG emissions) divided by total energy consumed.</p> <p>Percentage renewable electricity is calculated as total renewable electricity generated on-site or purchased in the form of energy attribute certificates divided by total energy consumed.</p> <p>For information on our emissions profile, climate goals and targets and carbon reduction strategy for our scope 1, 2 and 3 emissions, see the Environment section of our ESG Report, as well as our Emissions reporting webpage.</p>				

Data privacy

SASB code	Metric	2021	2022	2023
TC-TL-220a.1	Description of policies and practices relating to targeted advertising and customer privacy			
	See Data privacy for a discussion of Verizon's corporate policies and operating procedures governing how we collect, use, retain and protect data.			
TC-TL-220a.2	Percentage of customers whose information is used for secondary purposes	100	100	100
	The reported metric is 100% because, as described in the Verizon Privacy Policy, Verizon uses customer data to improve our products and services, which is one of the ways that the SASB Standard defines "secondary purposes" for purposes of this metric.			
TC-TL-220a.3	Total amount of significant monetary losses as a result of legal proceedings associated with privacy	Not significant	Not significant	Not significant
	For purposes of reporting this metric, we have established a significance threshold that is lower than the materiality threshold for reporting legal proceedings in our SEC reports and will report any loss of \$100 million or more, individually or in the aggregate.			
TC-TL-220a.4	Number of U.S. law enforcement requests for customer information	156,000+	155,000+	173,000+
	Number of customer selectors whose information was requested	292,000+	311,000+	315,000+
	Percentage resulting in disclosure	90.4	90.3	89.6
	The metrics include subpoenas, warrants and orders that we receive from federal, state and local law enforcement in the U.S., but do not include wiretap orders, pen register and trap and trace orders, national security demands and emergency requests, which we separately report in our Transparency Report. A customer selector is an information point, such as a telephone number, used to identify a customer. Verizon does not maintain a record of unique customers whose information was requested because multiple selectors may refer to the same customer (e.g., the same person may have multiple phone numbers) and selectors may be duplicated across requests (e.g., the same phone number requested in two subpoenas is counted as two selectors). We define a disclosure as a full or partial disclosure of information in response to a request.			
	For more information on our processes and procedures for releasing customer information in response to law enforcement requests, see our Transparency Report .			

Data security

SASB code	Metric	2021	2022	2023
TC-TL-230a.1	Number of data breaches	Not available	Not available	Not available
	Percentage that are personal data breaches			
TC-TL-230a.1	Number of customers affected	Not available	Not available	Not available
	Except as required by law, Verizon does not report this information.			
TC-TL-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards			
	For information about our approach to managing data security risks, see Cybersecurity .			

Product end-of-life management

SASB code	Metric	2021	2022	2023
TC-TL-440a.1	Materials recovered through take-back programs in pounds	35,525,183	43,428,528	46,970,629
	Verizon defines e-waste as electronic products and component parts that are at the end of their useful life and/or have been returned by customers. E-waste generated by our business operations includes cell phones, chargers, set-top boxes, network equipment, batteries and associated plastic components.			
	For more information on our e-waste recycling and device trade-in programs, see E-waste: reducing, reusing and recycling .			

Competitive behavior and open internet

SASB code	Metric	2021	2022	2023
TC-TL-520a.1	Total amount of significant monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Not significant	Not significant	Not significant
	<p>For purposes of reporting this metric, we have established a significance threshold that is lower than the materiality threshold for reporting legal proceedings in our SEC reports and will report any loss of \$100 million or more, individually or in the aggregate.</p> <p>For information on Verizon's global antitrust program, see Antitrust compliance.</p>			
TC-TL-520a.2	Average actual sustained download speed in Megabits per second (Mbps) of (a) owned and commercially-associated content and (b) non-associated content	Not available	Not available	Not available
	<p>Verizon does not measure download speeds on the bases specified in the standard (i.e., owned and commercially associated content versus non-associated content). We are committed to an open internet and have been at the forefront of innovation in the broadband ecosystem, advocating consistent policies aimed at creating a robust, level and dynamic playing field for all participants in the internet environment.</p> <p>For information on the expected and actual performance of our networks and our network management practices, see Network performance.</p>			
TC-TL-520a.3	Description of risks and opportunities associated with net neutrality, paid peering, zero rating and related practices			
	<p>See Verizon's SEC reports for our disclosures relating to the risks and opportunities associated with laws and regulations addressing net neutrality. Verizon's Interconnection Policy for Internet Networks establishes separate requirements for each of our three regional internet networks, with the requirements scaled for each network.</p>			

Managing systemic risks from technology disruptions

SASB code	Metric	2021	2022	2023
TC-TL-550a.1	System average interruption duration, system average interruption frequency and customer average interruption duration	Not available	Not available	Not available
	Verizon does not currently calculate and report metrics relating to the frequency and duration of system disruptions in the manner specified in the standard.			
TC-TL-550a.2	Discussion of systems to provide unimpeded service during service interruptions			
	<p>Verizon is an industry leader in operating resilient and reliable networks that support the needs of our customers. Our networks in the U.S. include various design elements, technologies and business processes that work together to enhance the reliability of our services.</p> <p>Designed with dual path and equipment redundancy. Verizon’s network design includes redundancy on critical paths and for critical network components to mitigate the impact of network events on customers. We use forward-looking risk assessments to plan and maintain our fiber backhaul configuration for critical network sites. Such sites may contain traffic aggregation points, data centers or other technical facilities and typically have fiber backhaul deployed in a resilient ring or hub configuration, as well as dual diverse entrance facilities supporting our core infrastructure. Verizon has also implemented a “meshed” core network architecture, which enables network equipment to switch traffic almost instantly across multiple available transmission paths between two endpoints. When available, this enables the network to self-recover promptly from outages to physical facilities (e.g., a fiber cut).</p> <p>Use of battery and generator technology. To minimize the impact of power disruptions at critical sites, we deploy reserve power in the form of batteries and/or generators. Our switching facilities are equipped with battery backup power and generators. Macro sites have battery backup power as well, and the majority are equipped with generators. In addition, we have a fleet of portable backup generators that can be deployed as needed.</p> <p>Reliability-focused business processes. To minimize the likelihood of congestion on our networks, Verizon proactively manages and augments network capacity based on defined thresholds associated with the expected voice, video, application and data traffic patterns across our network. To help ensure appropriate network diversity and redundancy, we perform several internal audits per year. Our engineering standards for strategic directional platforms require high availability equipment with auto-failover capabilities to protect critical services. Requirements for diversity and redundancy for critical paths and network sites are reviewed and addressed as part of network planning, engineering and operations activity.</p> <p>Overlapping spectrum and coverage areas. Verizon designs its wireless network to provide for overlapping spectrum and coverage areas in many cases. If a particular cell site goes offline, devices may switch to a different site and maintain connectivity. Different spectrum bands deployed on our 4G and 5G networks can provide customers with additional options for connectivity and capacity if certain bands or nodes experience an increase in usage. Most customer devices have the option to move seamlessly between our 4G and 5G networks and available Wi-Fi networks to provide our customers with a high degree of reliability.</p> <p>For more information on how we manage business continuity risk and the measures we have undertaken to make our networks more resilient, see Network resilience and our latest TCFD Report.</p>			

GRI index







Disclosure	Disclosure title	2023 response
GRI 2: General disclosure		
2-1	Organizational details	Verizon Communications Inc. is a publicly held holding company, listed on the New York Stock Exchange (NYSE: VZ) and NASDAQ exchange (VZ). Our Corporate Headquarters are located in New York, New York, while our Operational Headquarters are located in Basking Ridge, New Jersey. Our countries of operation can be found on our website .
2-3	Reporting period, frequency and contact point	January 1, 2023 – December 31, 2023, unless otherwise noted Annual ESG.reporting@verizon.com
2-4	Restatements of information	None
2-5	External assurance	Externally assured ESG data
2-6	Activities, value chain and other business relationships	Sector: Telecommunications Description of value chain: 2023 ESG Report – Operational integrity – Supply chain
2-7	Employees and other workers	2023 ESG Report – V Teamers
2-9	Governance structure and composition	2023 ESG Report – Approach – ESG governance – Board oversight, Management councils and committees 2024 Proxy Statement
2-10	Nomination and selection of the highest governance body	2024 Proxy Statement
2-11	Chair of the highest governance body	2024 Proxy Statement
2-12	Role of the highest governance body in overseeing the management of impacts	2023 ESG Report – Approach – ESG governance – Board oversight, Management councils and committees
2-13	Delegation of responsibility for managing impacts	2023 ESG Report – Approach – ESG governance
2-17	Collective knowledge of the highest governance body	2024 Proxy Statement
2-19	Remuneration policies	2024 Proxy Statement
2-20	Process to determine remuneration	2024 Proxy Statement
2-21	Annual total compensation ratio	2024 Proxy Statement
2-22	Statement on sustainable development strategy	2023 ESG Report – Approach – Message from our Chairman and CEO
2-23	Policy commitments	2023 ESG Report – Operational integrity – Business ethics, Our approach to human rights

Disclosure	Disclosure title	2023 response
2-28	Membership associations	Clean Energy Buyers Association (CEBA) Corporate Electric Vehicle Alliance (CEVA) EDISON Alliance Global Enabling Sustainability Initiative (GeSI) Joint Alliance for CSR Public-Private Alliance for Responsible Minerals Trade (PPA) RE100 UN Broadband Commission for Sustainable Development
2-29	Stakeholder engagement	2023 ESG Report – Approach – ESG prioritization assessment 2023 ESG Report – Approach – ESG governance – Stakeholder engagement
2-30	Collective bargaining agreements	2023 ESG Report – V Teamers – Labor relations
GRI 3: Material topics		
3-1	Process to determine material topics	2023 ESG Report – Approach – ESG prioritization assessment
3-2	List of material topics	2023 ESG Report – Approach – ESG prioritization assessment
3-3	Management of material topics	2023 ESG Report – Approach – ESG prioritization assessment
GRI 203: Indirect economic impacts		
203-1	Infrastructure investments and services supported	2023 ESG Report – Environment – Helping customers reduce their emissions, Network resilience 2023 ESG Report – Community – Digital equity and inclusion, Community engagement and support
203-2	Significant indirect economic impacts	2023 ESG Report – Environment – Helping customers reduce their emissions, Network resilience 2023 ESG Report – Community – Digital equity and inclusion, Community engagement and support
GRI 301: Materials		
301-1	Materials used by weight or volume	2023 ESG Report – Environment – Reducing our environmental impacts – Responsibly managing natural resources, Responsibly managing waste
301-2	Recycled input materials used	2023 ESG Report – Environment – Reducing our environmental impacts – Responsibly managing natural resources, Responsibly managing waste
3-1	Reclaimed products and their packaging materials	2023 ESG Report – Environment – Reducing our environmental impacts – Responsibly managing natural resources, Responsibly managing waste

Disclosure	Disclosure title	2023 response
GRI 302: Energy		
302-1	Energy consumption within the organization	2023 ESG Report – Environment, SASB Standards index 2023 TCFD Report
302-4	Reduction of energy consumption	2023 ESG Report – Environment, SASB Standards index 2023 TCFD Report
GRI 303: Water and effluents		
303-1	Interactions with water as a shared resource	2023 ESG Report – Environment – Responsibly managing natural resources – Water conservation
303-3	Water withdrawal	2023 ESG Report – Environment – Responsibly managing natural resources – Water conservation
303-5	Water consumption	2023 ESG Report – Environment – Responsibly managing natural resources – Water conservation
GRI 305: Emissions		
305-1	Direct (scope 1) GHG emissions	2023 ESG Report – Environment 2023 TCFD Report Verizon Emissions Reporting
305-2	Energy indirect (scope 2) GHG emissions	2023 ESG Report – Environment 2023 TCFD Report Verizon Emissions Reporting
305-3	Other indirect (scope 3) GHG emissions	2023 ESG Report – Environment 2023 TCFD Report Verizon Emissions Reporting
305-5	Reduction of GHG emissions	2023 ESG Report – Environment 2023 TCFD Report Verizon Emissions Reporting
GRI 306: Waste		
306-2	Management of significant waste-related impacts	2023 ESG Report – Environmental – Reducing our environmental impacts – Responsibly managing waste
306-4	Waste diverted from disposal	2023 ESG Report – Environmental – Reducing our environmental impacts – Responsibly managing waste
GRI 308: Supplier environmental assessment		
308-1	New suppliers that were screened using environmental criteria	2023 ESG Report – Operational integrity – Supply chain – Responsible procurement

Disclosure	Disclosure title	2023 response
GRI 403: Occupational health and safety		
403-1	Occupational health and safety management system	2023 ESG Report – Environment – Reducing our environmental impacts – Environment, health and safety management 2023 ESG Report – V Teamers – Open, welcome and safe work environment
403-5	Occupational health and safety training provided to workers	2023 ESG Report – Environment – Reducing our environmental impacts – Environment, health and safety management 2023 ESG Report – V Teamers – Open, welcome and safe work environment
403-9	Work-related injuries	2023 ESG Report – Environment – Reducing our environmental impacts – Environment, health and safety management
GRI 405: Diversity and equal opportunity		
405-1	Diversity of governance bodies and employees	2023 ESG Report – Approach – ESG governance – Board oversight – Board diversity 2023 ESG Report – V Teamers – Recruiting talent, Diversity, equity and inclusion, Workforce diversity profiles
405-2	Ratio of basic salary and remuneration of women to men	2023 ESG Report – V Teamers – Diversity, equity and inclusion – Pay equity
GRI 413: Local communities		
413-1	Operations with local community engagement, impact assessments and development programs	2023 ESG Report – Community – Digital equity and inclusion, Community engagement and support
GRI 414: Supplier social assessment		
414-1	New suppliers that were screened using social criteria	2023 ESG Report – Operational integrity – Supply chain
GRI 415: Public policy		
415-1	Political contributions	2023 ESG Report – Operational integrity – Business ethics – Political contributions and engagement 2023 Political Engagement Report
GRI 418: Customer privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2023 ESG Report – Operational integrity – Digital responsibility – Data privacy

UN SDG-aligned goals and progress

	UN SDG targets	Verizon goals/targets	Progress*
	<p>4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship</p>	<ul style="list-style-type: none"> By 2030, provide 10 million youths with digital skills training By 2030, prepare 500,000 individuals for jobs of the future 	<ul style="list-style-type: none"> Over 7 million youths provided with digital skills training since 2012¹ Over 45,000 individuals prepared for jobs of the future since 2019
	<p>7.2: By 2030, increase substantially the share of renewable energy in the global energy mix</p> <p>7.3: By 2030, double the global rate of improvement in energy efficiency</p>	<ul style="list-style-type: none"> Source renewable energy equivalent to 50% of our total annual electricity consumption by 2025 and 100% by 2030 Achieve net zero emissions in our operations (scope 1 and 2) by 2035 	<ul style="list-style-type: none"> Approximately 3.6 gigawatts of anticipated renewable energy capacity under contract As of year-end 2022, achieved a 23.3% reduction in our scope 1 and 2 emissions over a 2019 baseline (market-based)
	<p>8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p> <p>8.4: Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead</p> <p>8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p>	<ul style="list-style-type: none"> By 2030, provide 1 million small businesses with resources to help them thrive in the digital economy By 2030, enable the avoidance of 20 million metric tons of CO₂e annually with Verizon solutions Annually, have 100% pay equity in salary for women and men globally, as well as with respect to race and ethnicity in the U.S. 	<ul style="list-style-type: none"> Over 273,000 small businesses provided with resources to thrive in the digital economy since 2021 Over 20.1 million metric tons of CO₂e avoided in 2023 Across all of Verizon, we had 100% pay equity in salary for women and men. In the U.S., we also had 100% pay equity in salary with respect to race and ethnicity
	<p>13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>	<ul style="list-style-type: none"> By the end of 2026, enroll 50% of Verizon's workforce as Green Team members 	<ul style="list-style-type: none"> Over 51% of employees are Green Team members
	<p>15.1: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements</p>	<ul style="list-style-type: none"> By the end of 2030, sponsor the planting of 20 million trees globally 	<ul style="list-style-type: none"> Over 20 million trees planted since 2009
	<p>We aim to promote inclusive societies where the rights of all people are respected and where rule of law is observed by identifying and managing our human rights impacts; establishing comprehensive policies and processes to address corruption and bribery; and through our advocacy, volunteering and financial donations, supporting issues such as criminal justice reform and the prevention of online child exploitation.</p>		

*As of year-end 2023 unless otherwise noted.

Endnotes

1	To protect the identity of the youths reached, Verizon does not collect personally identifiable information. Because the same individual may be reported as reached by multiple teachers/educators, the metric calculation uses conservative assumptions and, where applicable, the latest available National Center for Education Statistics school data to reach a unique student count.
2	For the 12-month period ended September 30, 2023, or November 30, 2023, depending on the tier of supplier.
3	Verizon was not required to file a Conflict Minerals Report in 2023 for the period from January 1, 2022, to December 31, 2022, because we did not manufacture or contract to manufacture products subject to reporting.
4	This statement has been independently assured by ERM Certification Verification Services. See the Independent Assurance Statement for more information about the reporting boundaries and assumptions.
5	Emissions calculated using the EPA Regional eGRID U.S. 2021 (Released January 2023).
6	To reflect the current state of technological advancements, in 2023, we eliminated dematerialization, the reduction in production of physical products such as newspapers, CDs and DVDs, as a contributor to our model for measuring emissions avoided by Verizon's products and services. Retaining dematerialization in the model would have resulted in approximately 20.9 million metric tons of CO ₂ e avoided through the use of Verizon solutions in 2023.