

# *Increasing the Sustainability of Your Products: Lessons Learned From One of America's Greenest Companies*

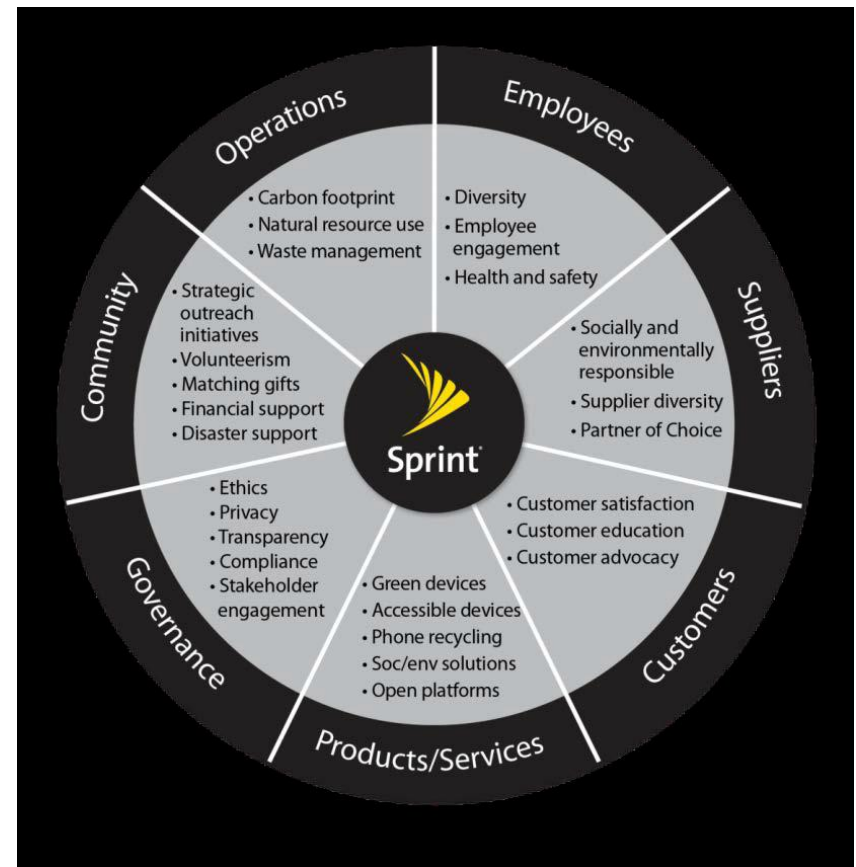
*Mary D. Lewis, MA, MBA*  
*Sourcing Manager*

*5<sup>th</sup> Annual ISM Sustainability and Social Responsibility Conference  
Manhattan Beach, CA; November 1, 2012*

# At Sprint, Corporate Responsibility Provides A Compelling Value Proposition...

*“...the most lasting achievement may be the shift in how CR is perceived and how its broader value is increasingly recognized. The strategic planning and stakeholder-engagement processes provided unique opportunities to discuss the long-term value of CR, not only to help manage and reduce costs; but also to drive revenue growth and expand investment.” \**

\*Sprint 2011 Corporate Responsibility Performance Summary



# CR Governance Model

## Structure for achieving long-term goals

<p><b>CR Steering Committee – Dan Hesse, Chair</b></p> <p><i>Guides overall Corporate Responsibility (CR) efforts, ensures adequate resources to address opportunities and challenges, approves CR policies, and ensures CR is fully integrated into Sprint business processes.</i></p>	<p><b>External Stakeholders</b></p> <p><i>Ceres to help engage NGOs, investors &amp; peers</i></p>
<p><b>CR Leadership Committee – Ralph Reid, Chair</b></p> <p><i>Responsible for performance against company CR priorities and goals and consists of Senior Vice Presidents and Vice Presidents from key business operations groups.</i></p>	
<p><b>Working Committees</b></p> <p><i>Examples of these cross-functional teams tied to scorecard goals include:</i></p> <ul style="list-style-type: none"><li>• Energy Procurement</li><li>• Paper Leadership</li><li>• Waste Reduction</li><li>• Sustainable Packaging</li><li>• Water Conservation</li><li>• E-Waste</li></ul>	



# What's Material for Sprint?

## Top three environmental priorities

### Climate Change

- Only U.S. carrier to set an absolute GHG reduction goal – 20% by 2017
- 5% of Sprint's energy portfolio comes from renewable sources
- No. 14 on Fortune 500 EPA Green Power Partner list for renewable energy used

### Product Sustainability

- Largest portfolio of eco-friendly phones in U.S.
- First U.S. carrier to set a vision for sustainable design and score manufacturer progress
- Eco-criteria led to development of ULE sustainable mobile device standard

### Device Reuse & Recycling

- First U.S. carrier to buy back competitor phones in store and offer instant credit
- First in industry to set an ambitious, long-term takeback goal – 90% collection rate

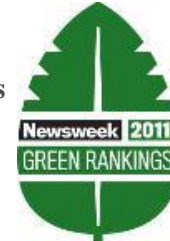


# *Sprint continues to provide leadership in environmental sustainability!*

Mobile Telecommunications Sector leader, Dow Jones Sustainability Index-North America, for both 2011 and 2012.



Highest among all U.S. telecom companies on Newsweek's 2011 Rankings of America's Greenest Companies No. 3,\* up from No. 15 in 2009.



Sprint received the 2<sup>nd</sup> highest score among the 53 top companies included in the S&P 500 Carbon Disclosure Leadership Index for 2012.

**CARBON  
DISCLOSURE  
PROJECT**

# Sprint



Honored by Frost & Sullivan with the 2010 Green Excellence of the Year Award in Mobile & Wireless.

**FROST &  
SULLIVAN**

No. 1 Buyback Program among major U.S. carriers(2011).

**COMPASS INTELLIGENCE**  
A GLOBAL CONSULTING & MARKET ANALYTICS COMPANY

Sustainability Leadership Award at the 3rd Annual International Electronics Recycling Conference and Expo, based its decision on Sprint's full lifecycle approach to product sustainability.



Received ForestEthics' 2011 Green Grades Report Card for paper management practices.



\*Sprint was named #3 again in Newsweek's 2012 Rankings

# *Where the Journey Began*

## *Built from a solid foundation*

- *Campus HQ built with the environment in mind*
- *Long-standing program for device recycling*
- *Robust EH&S team, programs and audits*
- *Innovative Real Estate initiatives*



## *Gathered critical mass five years ago*

- *In 2007, two events helped crystallized Sprint's approach to sustainability:*
  - > *Dedicated first full-time employee to environmental sustainability*
  - > *Published Sprint's first Corporate Social Responsibility report*
- *The following year, our efforts kicked into high gear based with:*
  - > *Appointment of new CEO with a personal passion for green*
  - > *Conducted first corporate responsibility materiality assessment*
  - > *Measured and published Sprint's carbon footprint for the first time*
  - > *Established set of long-term environmental goals*

# Setting Future Expectations

## ***Sprint's 2017 environmental targets***

**20%** *of greenhouse gas emissions eliminated*

**10%** *of Sprint's commercial site electricity secured from renewable sources*

**90%** *device collection rate for reuse and recycling achieved*

**70%** *of Sprint devices will meet environmental scorecard criteria*

**100%** *of Sprint facility e-waste sent for reuse or recycle*

**30%** *reduction of operational waste sent to landfills*

**90%** *of suppliers comply with environmental standards  
(based on spend)*

**40%** *reduction in paper purchased*

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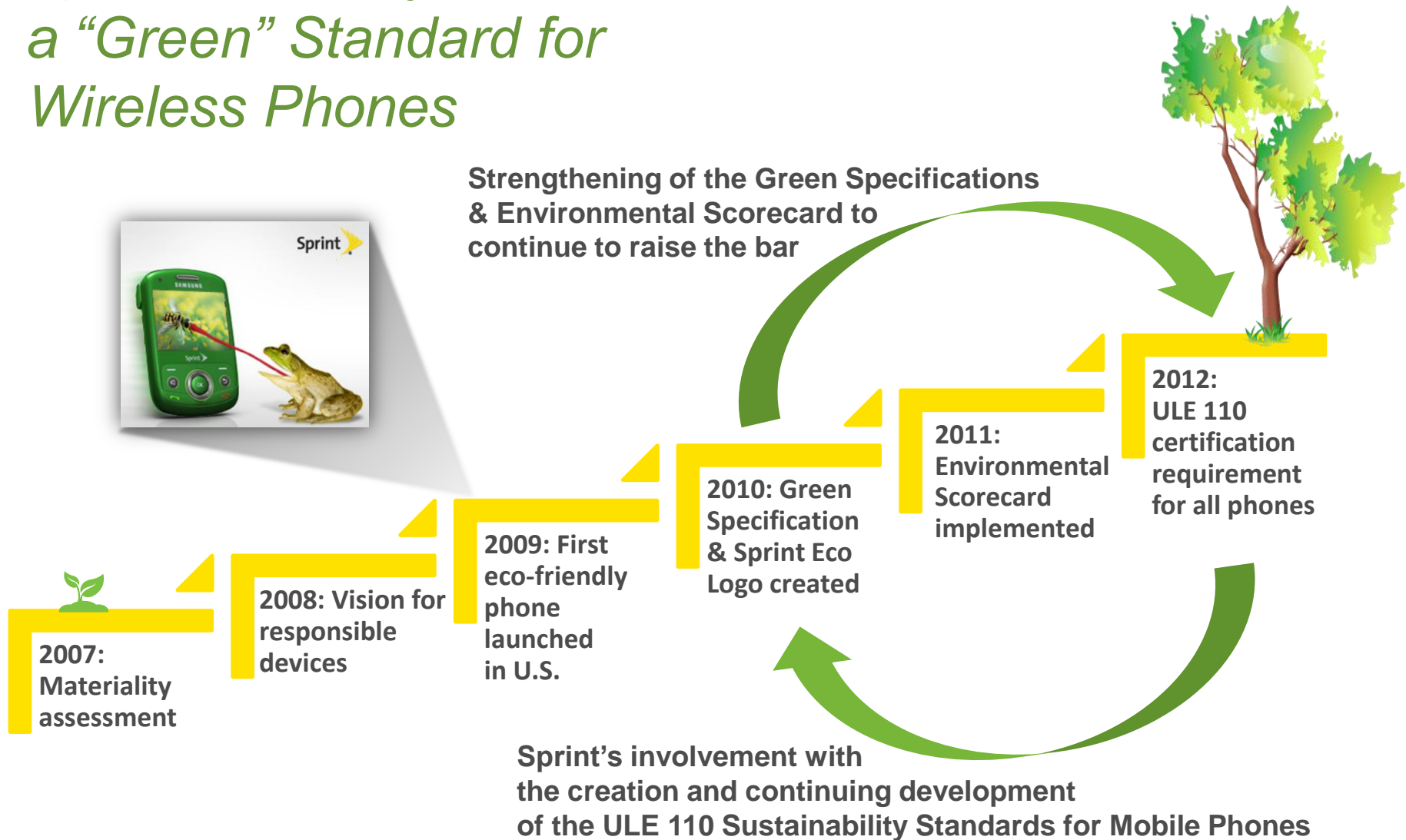
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# *Sprint's Journey Toward a "Green" Standard for Wireless Phones*

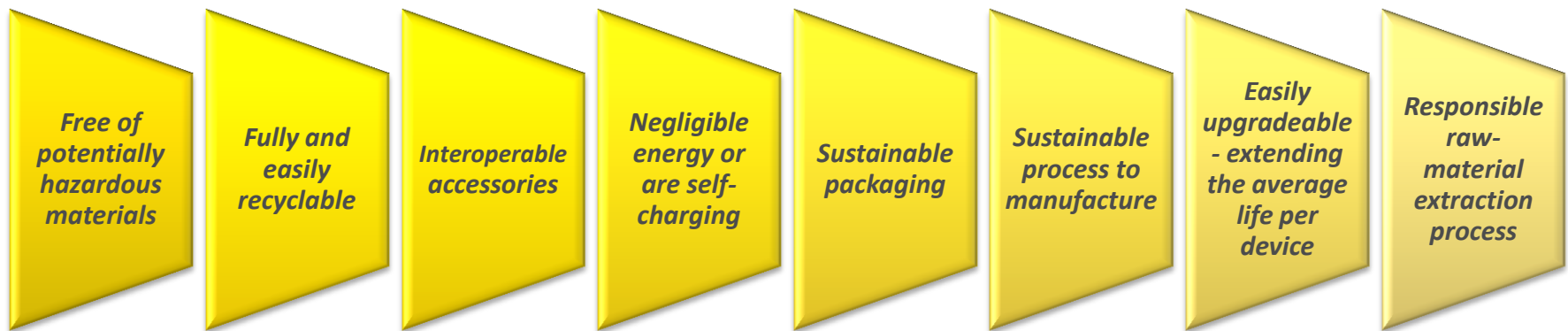


# *Sustainable Products – one of our greatest environmental opportunities*

*Needed to work through some initial challenges*

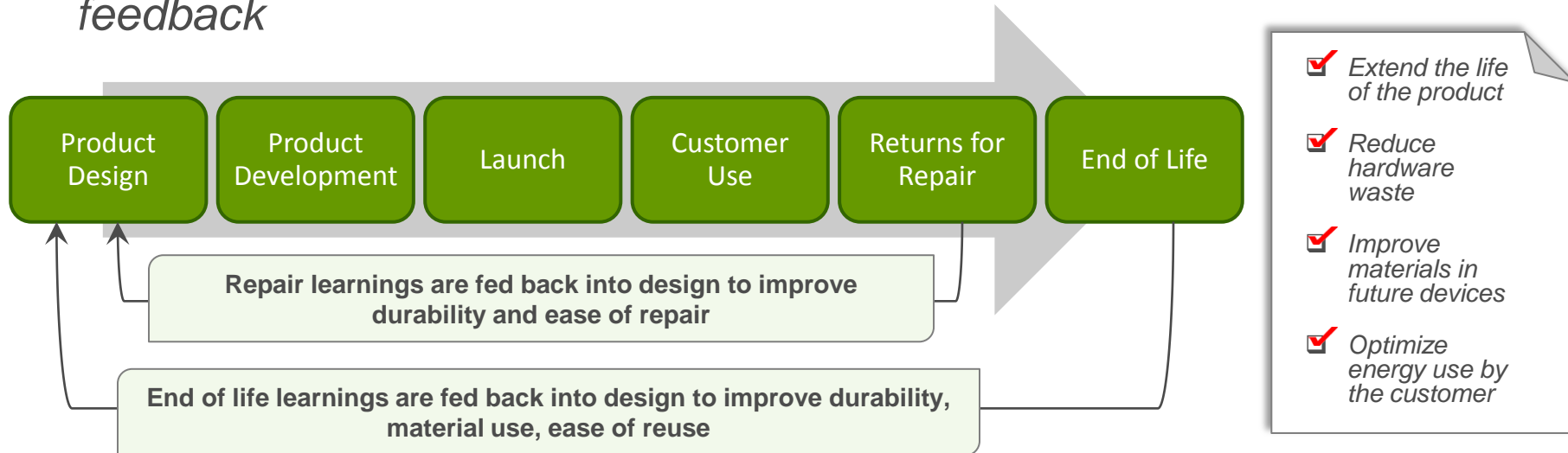
- *Telecom carrier in unique position of device “developer” and “retailer”*
  - *We own the customer but do not manufacture our products*
- *No standards in place - “greenfield” opportunity*
- *Minimal existing research on*
  - *Consumer needs*
  - *Environmental impact of phones*

*Leveraged specialist expertise plus learnings from other industries to establish a process and long-term vision for devices, to include the following elements:*



# Process for driving device sustainability

- ✓ A **full life-cycle approach**, from responsible product design through end-of-life management, aimed to continually provide improvement feedback



- ✓ Increase sustainability systematically across all devices
  - Sprint's **Environmental Specifications**
    - Outlines Required & Optional conditions for making phones more green
  - Sprint's **Environmental Scorecard**
    - Essential requirements reviewed quarterly with handset manufacturers

# Sprint's Environmental Spec and Eco Logo

- Established in the absence of an industry standard
- Criteria selected by Sprint to be both relevant to customers and environmentally meaningful
- Vetted with vendors, NGOs, and others with specialized knowledge in “green” electronics
- Updated at least annually to further strengthen the sustainability of our portfolio
- Initially used as a basis for defining Sprint's eco-iconic phones carrying our Eco Logo.  
Phones carrying the Eco Logo

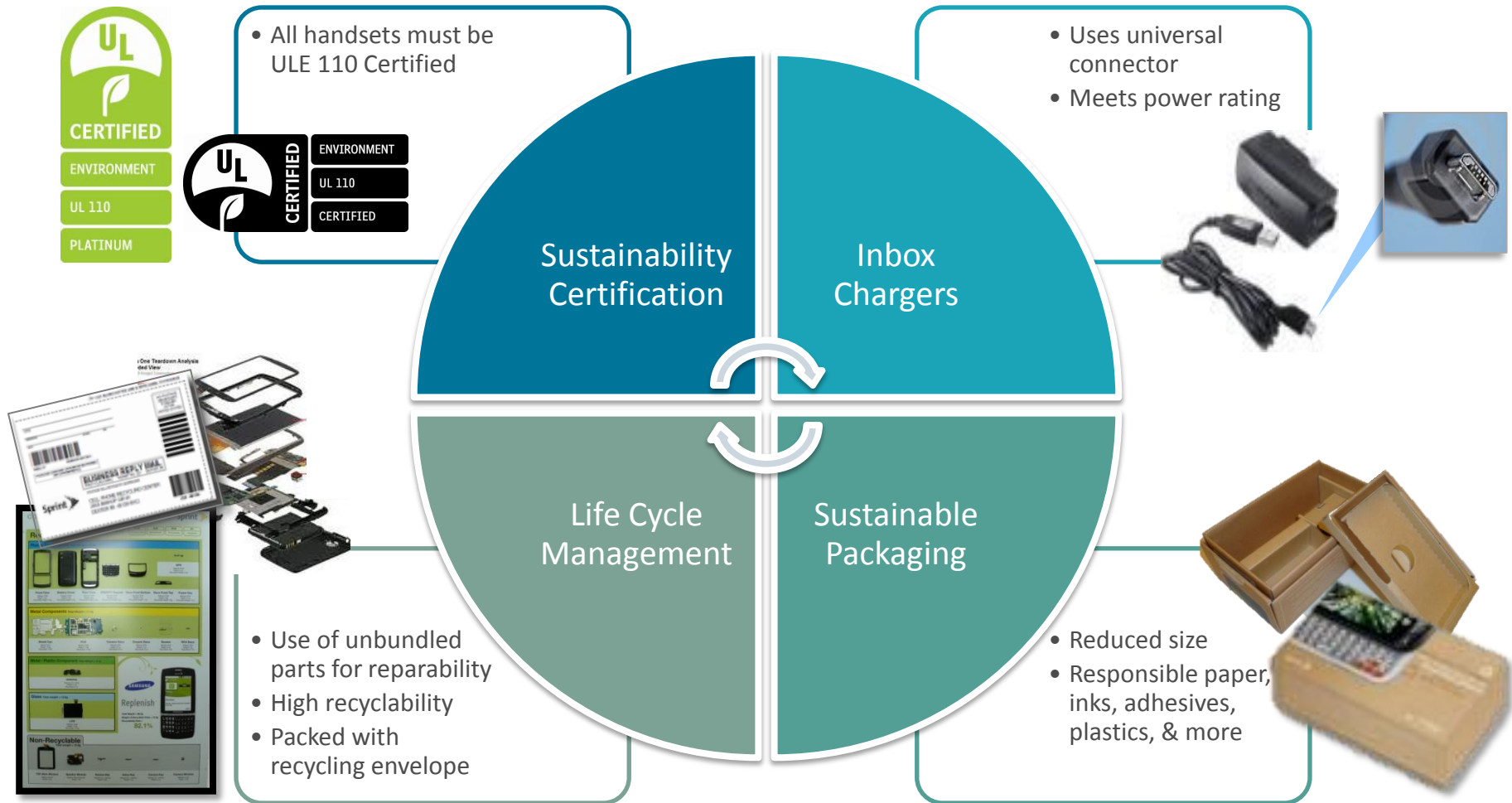
- ✓ Scored enough sustainable attributes to be marketed as “eco-friendly”
- ✓ Met all the Required criteria, plus Optional criteria based on a point system
- ✓ Points awarded for innovation to reward “first to market” attributes





# Sprint's Environmental Scorecard

- Established for 2011 scoring; strengthened annually to improve sustainability across all handsets
- Handsets must comply with all requirements to be considered “compliant” for Sprint’s public Electronic Stewardship Policy



# ULE110 Sustainability Standards for Mobile Phones

- Development began in fall 2010
- Guidelines pertain to the box and everything within the box
- Released in June '11 as an interim standard for immediate use within the industry
- Became a full UL standard in summer 2012
- ULE Standards Technical Panel (STP)
  - A broad and balanced team that includes device manufacturers, wireless carriers, parts manufacturers, recyclers, repair entities, and other experienced stakeholders
  - Responsible for the development and review of the standards
- ULE expects an official ANSI (American National Standards Institute) standard to be released at the end of the process.



The Sprint Samsung Replenish  
was the first phone to be awarded  
ULE 110 Platinum certification –  
the strongest ULE certification tier!

*June 2011*

# ULE110 Sustainability Standard for Mobile Phones

## Materials Use

Focuses natural resources that are limited in overall supply and the use of alternatives resources within the production process and in the final construction of the product.

## Energy Management

Specifies requirements for a universal power supply connector and average power supply efficiency.

## Health & Environment

Encompasses reduced life cycle impacts and toxic chemicals / emissions for both the use of the product and the best practices around occupational safety of workers during manufacturing and end of life management of the device.

## End of Life Management

Focuses on product life extension through updates and refurbishment and through the product recycling through take-back programs.

## Packaging

Encompasses the use of packaging materials, box size, and filler content.

## Manufacturing & Operations

Applies to the manufacturers' corporate sustainability and environmental health and safety policies, plans, and actions.

## Innovation

Enables credit for innovative environmental efforts the manufacturer undertakes that exhibit exceptional performance above and beyond those required within this standard as well as activities that are not covered by the criteria within this standard.



### Current Scoring

Materials Use	15 pts
Energy Management	24 pts
Health & Environment	27 pts
End of Life Management	12 pts
Packaging	13 pts
Manufacturing & Operations	18 pts
Innovation	10 pts
<b>Total:</b>	<b>109 pts</b>

### Tiers

Certified	≥ 60 pts
Platinum	≥ 80 pts

*\* Standard covers the phone, the packaging, and all accessories and filler materials packaged within the box.*

# Sprint's ULE 110 Certification Requirement

- *Replaces Sprint's Eco Logo program*
  - *Independent, 3rd party validation of attributes*
  - *Created by knowledgeable, cross-functional stakeholders*
- *Accounts for half of our Environmental Scorecard*
- *Applicable for all phones – prepaid and postpaid*
- *Works hand-in-hand with our Environmental Specifications*
  - *Some Optional ULE 110 criteria is assigned as Required in the Sprint spec/scorecard because we believe the criteria to be essential*





# Sprint Green iD Pack: helping our customers with their green commitments



## Green

- Makes it easy for users to find and use green mobile websites, apps, video, & widgets
- By just using one Green iD app, the Light Bulb Finder, Sprint customers saved
  - ✓ 3.2M CO<sub>2</sub> / year
  - ✓ 2.5 M kWh / year



Live Green	How to Go Green links by Planet Green	Green Now!	Shop Green
<ul style="list-style-type: none"> <li>■ The Nature Conservancy</li> <li>■ Green Education Foundation</li> <li>■ National Audubon Society</li> <li>■ Environmental Defense Fund</li> <li>■ Green America Tip</li> <li>■ Green You by Saasmob</li> </ul>	<ul style="list-style-type: none"> <li>■ The Basics</li> <li>■ Fashion &amp; Beauty</li> <li>■ Food &amp; Health</li> <li>■ Home &amp; Garden</li> <li>■ Tech &amp; Transport</li> <li>■ Travel &amp; Outdoors</li> <li>■ Work &amp; Connect</li> </ul>	<ul style="list-style-type: none"> <li>■ iRecycle by Earth911</li> <li>■ treehugger by Discovery Communications</li> <li>■ Treehugger TV</li> <li>■ GreenBiz</li> <li>■ Species Finder</li> </ul>	<ul style="list-style-type: none"> <li>■ Green Deals by Green America</li> <li>■ eBay Green</li> <li>■ EcoEtsy</li> <li>■ Seasonal Harvest Lite by Discoversites</li> <li>■ Light Bulb Finder by EcoHatchery</li> <li>■ National Green Pages by Green America</li> </ul>

# *Sustainability Includes Looking at the Whole Product Eco-System, Including Billing...*

- *Sprint has implemented an inventive two-in-one reusable envelope; the new ecoEnvelope™*
- *Sprint is the first wireless carrier and only one of a few select retailers, to offer the ecoEnvelope. Customers have the convenience of a paper bill, while conserving resources*
- *In just over a year, Sprint estimates the new envelope format will save more than a half million dollars in operational costs and the equivalent\* of:*
  - *447 tons of paper*
  - *1,669 tons of wood, or 11,565 trees*
  - *9,931,834 gallons of water, or 15 Olympic swimming pools*
  - *859,047 pounds of solid waste, or 31 loaded garbage trucks*
  - *2,692,185 pounds of CO<sub>2</sub>e, or 244 cars off the road/year*
  - *\* Equivalencies courtesy of the [Environmental Paper Network Paper Calculator](#)*



# At Sprint, Corporate Responsibility Also Means Accessibility

**Active Senior ID Pack** – Quick access to applications designed to enhance the smartphone\* experience for the active senior – bundled in a single, simple download. Allows seniors to:

- Listen to their favorite music with **Slacker Radio** or audio books with **Audible**.
- Always have important information at their fingertips from **AARP, WebMD, USA Today, Yahoo Finance, Accuweather** and **Stock Quote**.
- Never forget to take important medications on time with **MedsTimer**.
- Put safety first with **Fall Detector** and **ICE (In Case of Emergency)**.
- Receive word-for-word captions of everything said to them on mobile phone calls with **Wireless CapTel® by Sprint®**.
- Keep entertained and socialize with **Crossword Light** and **Senior Match**.
- Stay in touch with family and friends with **Flickr** and **Facebook**



\*LG Viper™, LG Optimus Elite™, LG Marquee™, Motorola PHOTON™ 4G, Samsung Galaxy Victory™, Samsung Conquer™ 4G, Samsung Epic™ 4G, Samsung Galaxy S® II, Samsung Transform™, Kyocera Rise and ZTE Fury™.

# Visit [www.Sprint.com/responsibility/](http://www.Sprint.com/responsibility/)

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Corporate Governance

**Corporate Responsibility**

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Message from Dan Hesse

Our Approach

Reporting

CR Performance

Governance, Ethics & Policy

**Our Operations**

Product Responsibility

Our Customers

Our People

Our Communities

Human Rights Statement

CR Partnerships

Inclusion & Diversity

Supply Chain Management

Strategic Alliances

Business Opportunities

History

Awards & Recognition

to conduct our businesses in a socially and environmentally responsible manner. We base this on the premise that a company is much more than the products and services it sells; the effect a company has on the environment, the people and the communities it serves reflects the company's dedication to being not only a good business, but to being a good corporate citizen.

And Sprint, a veteran in citizenship efforts ranging from wireless recycling and renewable energy in its networks to its character-education grants program is fully engaged in ensuring it does its part to incorporate corporate responsibility into every major touchpoint of its business.

We use the phrase "corporate responsibility" to describe our approach to balancing our business objectives with our environmental, social and economic responsibilities.

**Dan Hesse, Sprint CEO, Discusses Sustainability**

Dan Hesse  
President & CEO  
Sprint Nextel Corporation

- CR Performance Summary for 2011
- CR Performance Summary for 2010
- CR Performance Summary for 2009
- CR Performance Summary for 2007

**Related Links**

- GRI Index
- Green News Twitter feed
- Sprint.com/green
- Sprint.com/accessibility

**Newsweek 2011 GREEN RANKINGS**

**Top 10 Company**  
Sprint: #3 out of 500  
To read the report [click here](#)

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# Our Sustainability Efforts Encompass Responsible Sourcing in a Number of Areas Including... Paper

- *Support sustainable forest management*
- *Work with environmentally and socially responsible suppliers*
- *Purchase paper with more recycled content*
- *Optimize Sprint's paper use*
- *Avoid knowingly purchasing paper from illegally harvested or stolen wood or that comes from ancient, endangered, high conservation value, or controversial forests*
- *Work with suppliers and stakeholders to explore and encourage development of low-environmental-impact and commercially viable sources of paper fiber, such as agricultural residues*
- *All other decision factors equal, give purchasing preference to paper products that are processed total chlorine-free*



# Sustainability Involves Evaluating Our Supply Chain

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

<http://www.sprint.com/responsibility/performance/scorecard.html>

We've Established Our Baseline

# *Lessons Learned in Evaluating Our Supply Chain*



- We Revised the Sprint Code of Supplier Conduct
  - Incorporated specific social and environmental elements
- We established the social and environmental criteria we could use to assess performance against our supply-chain target of 90 percent
- We kept several guidelines in mind as we built our assessment process:
  - Keep it simple – Five basic questions reduces the amount of time to complete our assessment and to evaluate responses
  - It's ALL important – Suppliers must satisfactorily answer each of the five questions to meet Sprint's criteria. This ensures that all companies are evaluated in a consistent manner and that one firm's recycling efforts do not outweigh another company's GHG-reduction program.
  - Ask for information that can be independently validated without requiring qualitative or empirical performance data
  - Require public evidence of positive responses (CDP submission, Web disclosure, etc.).

# Take Aways

- When there's an industry standard, **use it** and work to **make it the best it can be**; when there's no industry standard, **work to get one created!**



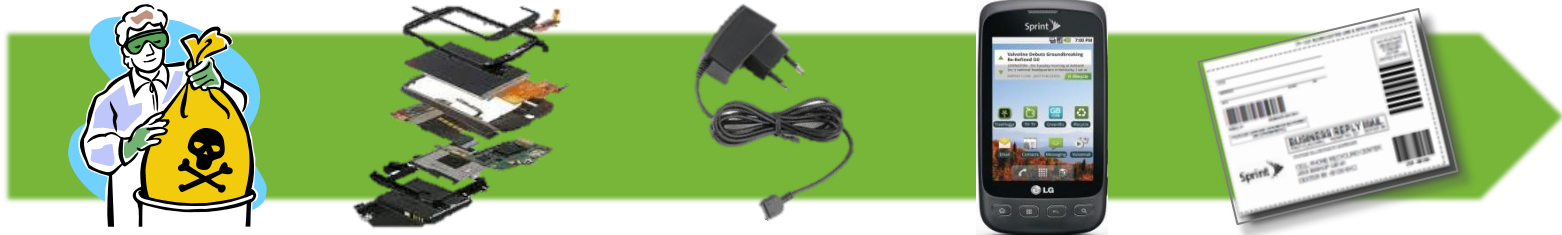


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- Take an end-to-end view of sustainability making sure you **uncover improvements along the entire lifecycle**

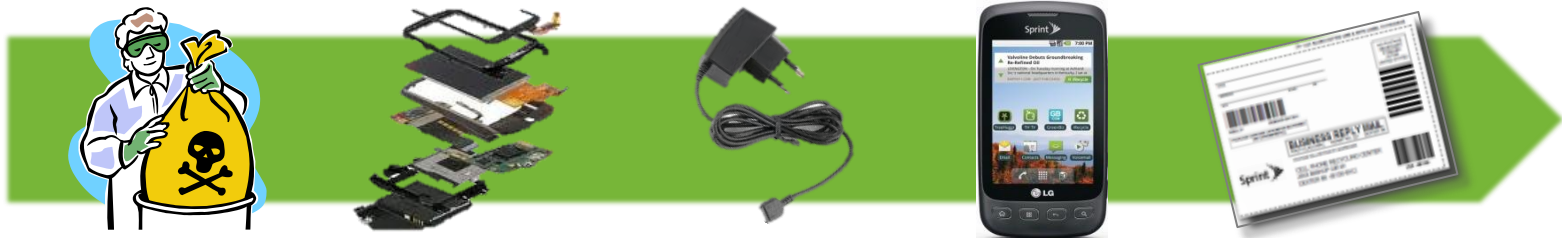


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- Your suppliers' issues are your issues
  - understand the issues and **work together for solutions**
  - Look for ways to incorporate **meaningful metrics across** the supply chain and **within** specific sourcing categories



*Thank you!*

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