



2007

Corporate

Social

Responsibility

Report

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GRI Guidelines

Sprint Nextel uses the Global Reporting Initiative (GRI) guidelines as a basis for reporting. Some indicators are fully reported, some partially. For more information on the GRI guidelines, visit www.globalreporting.org.

All information contained in the report is accurate as of September 25, 2007. The information contained in the report is copyrighted by Sprint Nextel and cannot be used, copied, or reprinted without the express written consent of Sprint Nextel.

A letter from Gary Forsee, Sprint Nextel chairman and CEO

Responsibility and accountability are issues we take very seriously at Sprint Nextel. Whether it's a large corporate-wide practice or an individual employee dealing directly with a single customer, we want to make sure that we are always behaving in an honest and ethical manner.

In recent years, the idea of corporate social responsibility has quickly moved from a "nice to have" to an "ought to have" to today's "absolutely must have." Sprint Nextel is proud to be ahead of this movement with this, our very first Corporate Social Responsibility Report.

A company is much more than the products and services it sells; the effect a company has on the people, communities and world around it goes to the very core of the way that company conducts business. As such, Sprint Nextel's actions affect everyone our business touches – our shareholders, our vendors, our customers and certainly our 60,000 employees. I know; I am one of them.



*Gary Forsee
Chairman and CEO
Sprint Nextel*

SECTION 1:

OVERVIEW

In this, Sprint Nextel's first Corporate Social Responsibility (CSR) Report, we take pride in presenting the steps we are taking to develop socially responsible programs. The concept of being responsible is not new at Sprint Nextel. We live it daily, are proud of it and believe in its significance. We believe an effective corporate social responsibility report should provide a balanced and accurate representation of a company. As such, reports such as this should measure a company's impact to society with data that are both meaningful and easy to understand. We have worked to make this such a report. The content for this report was developed using internal data and measurements. External reference sources included the Global Reporting Initiative's (GRI) new G3 Sustainability Reporting Guidelines. The topics covered in our report are organized according to our company's structure but, when possible, can be cross referenced to GRI G3 Guidelines via the GRI index in the Table of Contents. We plan to publish our next report in 2009.

Scope of Report

Sprint Nextel has built this report on four pillars that we believe are the hallmark of an effective company: Ethics and Governance, Customers, Employees, and Community and Environmental Stewardship. By focusing on these pillars, we can address our successes as well as key challenges we face in these areas and the steps we are taking to continuously improve. We have looked at these issues across all of our business lines, so some of these topics are addressed in several sections. We have attempted to cross reference related issues wherever possible.

This report is organized as follows:

- Overview
- Sprint Nextel Vision and Values
- Ethics and Governance
- Customers
- Employees
- Community and Environmental Stewardship
- Next Steps

Most of the information presented in this CSR report reflects our progress throughout 2006 and to date in 2007, and the report is therefore a “snapshot in time” of our company at the time of publication. But many of the programs cited are under continual review with recommendations for improvement being offered every day. That is also the wonder of our business – technology offers us many opportunities to exchange and implement ideas and now, with this report, assess their effectiveness for our company.

Who We Are

Sprint Nextel offers a comprehensive range of wireless and wireline communications services bringing the freedom of mobility to consumers, businesses and government users. Sprint Nextel is widely recognized for developing, engineering and deploying innovative technologies, including two robust wireless networks; industry-leading mobile data services; instant national and international push to talk capabilities; and a global Tier 1 Internet backbone.

Chairman & CEO

Gary Forsee

Employees

Approximately 60,000 worldwide

Ownership

We are incorporated under the laws of Kansas.

Our New York Stock Exchange symbol is "S."

Headquarters

Our corporate headquarters is in Reston, Va., and our operational headquarters is in Overland Park, Kan.

Corporate Profile

Financial results for 2Q 2007

Financial Data	Quarter Ended June 30		% A	Year-to-Date June 30		% A
	2007	2006		2007	2006	
Net operating revenues	\$10,162	\$10,007	2%	\$20,253	\$20,075	1%
Adjusted operating income*	569	863	(34)%	884	1,461	(40)%
Adjusted OIBDA*	2,882	3,217	(10)%	5,465	6,161	(11)%
Income (loss) from continuing operations	19	291	(94)%	(192)	455	NM
Adjusted Earnings per Share Before Amortization*	\$0.25	\$0.32	(22)%	\$0.43	\$0.57	(25)%
Diluted earnings (loss) per share from continuing operations	\$0.01	\$0.10	(90)%	\$(0.07)	\$0.15	NM
Capex	\$1,666	\$1,359	23%	\$3,273	\$2,602	26%
Free cash flow*	\$183	\$761	(76)%	\$680	\$1,569	(57)%

The above information reflects Sprint Nextel's financial results for the second quarter of 2007, as announced on Aug. 8, 2007. For the most up-to-date information, visit Sprint Nextel's Investor Relations site at www.sprint.com/ir.

At A Glance

2006 consolidated revenues	\$41 billion
# of customers	Sprint Nextel ended the second quarter of 2007 with a total of 54 million subscribers, broken down like this: Approximately 41.6 million post-paid subscribers, consisting of 25.3 million on the CDMA platform, 15.5 million on the iDEN platform, and 850,000 PowerSource users who access both platforms; 4.5 million Boost pre-paid subscribers; 7 million wholesale subscribers; and 978,000 affiliate subscribers.
Our products and services	<p>Consumer: Sprint provides fast, easy, anytime access to news, sports, weather, music, e-mail, GPS directions and much more; exclusive real-time NFL highlights with NFL Mobile, wireless music downloads from the Sprint Music Store and exclusive NASCAR racing content—right in the palm of your hand; the power to get things done instantly with Nextel Direct Connect and GPS; a broad choice for powerful phones and plans, including state-of-the-art thin handsets in the most popular colors.</p> <p>Business: Sprint enriches workplace communications with wireline/IP solutions and extends the workplace with mobility solutions, thus giving businesses the power to make just about any place a workplace. Sprint's industry-leading solutions and powerful networks, including the largest mobile broadband and largest voice calling area, help businesses work more productively and efficiently, resulting in improved ROI. We tailor solutions to our customers' business size – from small and medium businesses to enterprise and the public sector.</p>
Network technologies	<p>Nationwide Sprint PCS Network: Code Division Multiple Access (CDMA) National Nextel Network: Integrated Digital Enhanced Network (iDEN) always-on technology</p> <p>Sprint Nextel 4G Mobility Network: Worldwide Interoperability for Microwave Access (WiMAX) IEEE 802.16e-2005</p> <p>Sprint Global IP Network: Tier 1 IP backbone; Internet Protocol (IP)</p>
Network coverage	<p>Sprint PCS plans offer one of the largest wireless voice calling areas, reaching more than 295 million people in the U.S., Puerto Rico, the U.S. Virgin Islands and Guam.</p> <p>GSM (Global System for Mobile Communications) solutions allow CDMA customers to have international roaming in over 160 countries.</p> <p>Sprint has one of the nation's largest mobile broadband network (EV-DO), reaching more than 224 million people in nearly 13,000 cities and more than 1,100 airports nationwide today.</p> <p>Sprint was the first carrier to begin rolling out an EV-DO Rev A network, and this network now covers more than 212 million people in more than 10,700 communities and more than 1,000 airports with the faster EV-DO REV A technology.</p> <p>The National Nextel Network is one of the largest, all-digital wireless networks in the U.S., covering 264 million people in 297 of the top 300 markets.</p>
Sprint Nextel Affiliates	The three Sprint PCS Affiliates are iPCS (which also owns and manages Horizon and Bright), Shentel and Swiftel.
	Accurate as of June 30, 2007; content may change.

SECTION 2:

VISION AND VALUES

At Sprint Nextel, we are committed to excellence in all we do. It is demonstrated through our leadership in the communications industry, our emphasis on innovation in our product development and the way we conduct ourselves ethically in our everyday business affairs. This goal helps us support our corporate vision of delivering the best products and services to our customers and set our sights on what we need to do to excel in our leadership role. But just achieving this goal is not enough. How we achieve it is just as important. For this, we focus on our six Sprint Nextel Values. These values are designed as a daily reminder of the standards we must meet in order to continue to remain a premiere company for our customers, employees, and shareholders.

The Sprint Nextel Values are:

- We demonstrate integrity
- We are passionate about our customers
- We deliver results
- We work and win as a team
- We care about each other
- We lead by example

The Sprint Nextel Values are instrumental in keeping our motivation high and our goals in focus.

These tools are also key components of our socially responsible culture.

SECTION 3:

ETHICS AND GOVERNANCE

ETHICS

From our Chairman and CEO to our Chief Ethics Officer to our approximately 60,000 employees, Sprint Nextel believes that operating with a constant focus on honesty and ethical behavior is an inherent part of success. Demonstrating integrity is good business and is the only way Sprint Nextel will compete. It is our responsibility to our customers, communities, employees and stakeholders to do that, and we strive to meet their expectations.

All Sprint Nextel employees and Board Members are responsible for:

- Complying not only with the letter but also the spirit of all applicable laws, rules and regulations.
- Observing high ethical standards when conducting business on Sprint Nextel's behalf.
- Asking questions when in doubt about the appropriateness of a situation.
- Reporting known or suspected violations of any applicable laws, rules, regulations, policies or procedures.
- Annually certifying familiarity and compliance with the Code of Conduct, its standards, policies and procedures.

Leading with Integrity

Sprint Nextel's ethics and compliance program, Leading with Integrity, works to ensure a clear understanding of the ethical and legal responsibilities shared by every Sprint Nextel employee and all others who represent the company.

New employees are required to complete a general awareness training course to become familiar with the Code of Conduct and ethical expectations of working at Sprint Nextel; this is subsequently followed up by an annual training requirement which is customized to address the risk profile of the employee's operational function.

Sprint utilizes an Ethics Helpline that allows employees to ask questions or voice ethical concerns. It is available 24 hours a day, seven days a week, and all calls are confidential and offer the option of making an anonymous report. Each Sprint Nextel functional area also has a designated Integrity Liaison, who serves as an additional point of contact for employees and as an ambassador for the Leading with Integrity Program. Our Ethics and Compliance Team provides managers with the tools to handle ethical situations and places great importance on integrating ethics into all aspects of the employee lifecycle. As the Sprint Nextel Board of Directors' designee, the Audit Committee of the Board receives a quarterly briefing on the Leading with Integrity program detailing current initiatives, operational metrics and future plans. The full Board of Directors receives an annual report from the Chief Ethics Officer in which the program's performance is compared to the effectiveness measures detailed by the U.S. Sentencing Commission.

Compliance

Our internal controls and compliance procedures foster an environment of ethical behavior. We are focused on maintaining an effective system of internal controls over financial reporting and rigorously monitor processes to ensure the system's effectiveness.

Sprint Nextel's internal controls include disclosure controls and procedures designed to ensure that the company's financial statements and disclosures are materially accurate and complete.

GOVERNANCE

At Sprint Nextel, our corporate governance and ethics functions are managed by a single, independent group, reporting directly to the Board of Directors. A single point of ownership such as this improves efficiency and enables the Board of Directors to appropriately respond to the needs of the company's constituencies, including its regulatory bodies.

Members of the Board of Directors

Our Board of Directors is composed of talented individuals with strong business experience in the areas of finance, academia, management and technology.

The Sprint Board has adopted a definition of director independence that meets and, in several areas, exceeds the listing standards of the New York Stock Exchange. Our Corporate Governance Guidelines require that independent directors constitute at least two-thirds of the members of the Board. As of August 2007, more than 90 percent of our Board was comprised of independent directors. In addition, our Board has a lead

independent director who possesses significant responsibilities and has the authority to act in a lead capacity to serve the best interests of our company and its shareholders.

The Nominating and Corporate Governance Committee of the Board of Directors considers all factors it deems relevant in evaluating candidates for initial board membership and for nomination or re-nomination at the annual meeting of shareholders. Factors considered include, but are not limited to, character (including a reputation for personal integrity and adherence to high ethical standards), judgment and business acumen. In addition to considering gender, ethnic and geographic diversity, the Nominating and Corporate Governance Committee of our Board of Directors also considers a candidate's ability to contribute diverse views and perspectives. As of August 2007, our Board of Directors includes two individuals of color and two women, one of whom is an individual of color. Our corporate-wide diversity efforts are explained in greater detail on page **25**.

Communicating with the Board of Directors

We value the views of our stakeholders (current and future shareholders, employees, suppliers and others). Accordingly, our Board of Directors has established a system to receive, track and respond to communications from stakeholders addressed to our Board of Directors or to our Outside Directors.

Any stakeholder who wishes to communicate with them may write to the following address or send an email to **boardinquiries@sprint.com**:

Sprint Nextel
Board Communications Designee
2001 Edmund Halley Drive
Mailstop: VARESP0513
Reston, VA 20191

Committee Structure

Our Board of Directors has four key committees, each composed of independent directors. They are the Audit, Finance, Human Capital and Compensation, and Nominating and Governance committees. Among other responsibilities, the Audit Committee assists our Board of Directors in fulfilling its oversight responsibilities with respect to the integrity of our financial statements and related disclosures.

The Finance Committee's functions include the review and approval of our financing activities.

The Human Capital and Compensation Committee's functions include developing and overseeing our compensation programs and practices for our executives in general and for our principal senior officers in particular. With input from the Nominating and

Corporate Governance Committee, this committee also reviews with management plans for the development and succession of our senior officers.

The Nominating and Corporate Governance Committee ensures we have effective corporate governance policies and procedures and an effective Board of Directors review process. As a result of the committee's efforts, our corporate governance rating issued by Institutional Shareholder Services (ISS) has increased by nearly 270% as compared to the S&P 500 since the completion of the Sprint Nextel merger in August 2005, and we are one of ISS' top-ranked companies in corporate governance in the telecommunications services industry.

The responsibilities of these committees are set forth in the company's Corporate Governance Guidelines and committee charters, all of which are posted on our Web site at www.sprint.com/governance.

Industry Governance

Sprint Nextel is regulated at the federal level by the Federal Communications Commission and in some states by the public-utilities commissions. Sprint Nextel also complies with the rules and laws of all 50 states, and we take all forms of oversight seriously.

Sprint Nextel works with policymakers to meet the needs of our customers. We seek focused communications solutions that can incorporate our capabilities to meet specific customer needs, working in a regulated environment.

The FCC regulates the licensing, construction, operation, acquisition and sale of our wireless operations and wireless spectrum holdings. FCC requirements impose operating and other restrictions on our wireless operations that increase our costs. We hold several kinds of licenses to deploy our services: 1.9 GHz PCS licenses in our Code Division Multiple Access (CDMA) network, 800 MHz and 900 MHz licenses in our Integrated Digital Enhanced Network (iDEN), 2.1 GHz Broadband Radio Service (BRS) licenses, 2.5 GHz BRS licenses, and leased 2.5 GHz BRS and Educational Broadband Service (EBS) for our first generation fixed wireless Internet access services. We also hold and lease 2.5 GHz, 1.9 GHz and other FCC licenses that we currently do not utilize in our networks or operations, but which we intend to use in the future consistent with customer demand and our obligation as a licensee.

In 2004, the FCC ordered that the 2.5 GHz band, which is the spectrum for our BRS and EBS licenses, be reconfigured into upper- and lower-band segments for low power operations and a mid-band segment for high-power operations. Transition to the new band is under way. When the transition is complete, we believe the 2.5 GHz band will be more suitable for our WiMAX next generation broadband wireless network. As part of the FCC's approval of the Sprint Nextel merger, they required Sprint Nextel to meet two deployment milestones in the 2.5 GHz spectrum band. We are working to meet both milestones.

In 2004, the FCC issued a Report and Order that included a comprehensive plan to reconfigure the 800 MHz band to allow more efficient use of the spectrum for public safety communication systems. In February 2005, Nextel accepted the Report and Order. Sprint assumed this obligation when it merged with Nextel in August 2005. The Report and Order obligated us to surrender all of our holdings in the 700 MHz spectrum and certain holdings in the 800 MHz spectrum band. It also obligated us to fund the cost incurred by public safety systems and other incumbent licensees to reconfigure the 800 MHz spectrum band. The reconfiguration process is to be completed by geographic region and involved reaching agreement and coordinating numerous processes with the incumbent licensees in that region, as well as vendors and contractors that will be performing much of the reconfiguration.

We believe we have substantially met the first milestone. The FCC granted Sprint Nextel the flexibility we sought concerning cost negotiations, which should greatly speed up the process. The 800 MHz reconfiguration is to be completed in June 2008. At the end of the reconfiguration process, the FCC will evaluate the value of the 1.9 GHz spectrum to see if it exceeds the value of the licenses we surrendered in the 700 MHz and 800 MHz bands, plus the actual costs we incur to retune incumbents and our own facilities (subject to approval from the independent Transition Administrator designated by the FCC). If the value of what we received is greater, Sprint Nextel will make a payment to the U.S. Treasury equal to that amount. These issues and other matters relating to the Report and Order are explained in our 2007 10K report, which is available at: www.sprint.com.

Industry Leadership

The National Security Telecommunications Advisory Committee (NSTAC) is a Presidential advisory body consisting of leaders from the communications industry. The committee provides experience and recommendations on national security and emergency preparedness (NS/EP) communications policy to the President of the United States. In December 2006, the President appointed Gary Forsee, Sprint Nextel's Chairman and Chief Executive Officer, as chair of the committee with responsibility for administering the yearly work plan.

The NSTAC examines threats ranging from natural disasters to terrorism to wartime scenarios. The communications infrastructure is evolving at a rapid pace due to technological advances and the rapid adoption of information services by consumers and business environments. Task forces are established to investigate the implications of these changes including the interdependencies with government and other critical sectors such as banking and power. The NSTAC provides a forum for industry leaders to come together to develop collective guidance for enhancing the security of our nation.

Public Policy Priorities

As a Fortune 100 company, Sprint Nextel's products and services impact a large majority of U.S. citizens. Sprint Nextel engages policymakers throughout the United States and globally as appropriate on issues that affect our stakeholders. Sprint Nextel's current key public policy issues include: privacy, protection of intellectual property, and the advocacy of a competitive and fair communications environment.

Sprint Nextel supports policy positions that help advance our business goals, while at the same time balancing our high standards related to ethics and integrity. We are proud of our role as a leader in the industry and take our responsibility seriously to continue the dialogue related to policies that impact our businesses and communities.

Policy Objectives

In alignment with our Corporate Values listed on page **8** of this report, we continuously strive to keep the issue of business behavior and ethics top of mind for our employees. It is a responsibility we take seriously, and as a result, we extend that focus to our development of public-policy objectives.

Sprint Nextel offers a vast array of technological advances to its customers. Because technology is highly volatile and advancing, it is continually changing. We must stay current on those changes because we are often called upon to present our positions relative to them. It is strategically important for us to offer positions that adhere to current regulations without being partisan-based. As a result, we proceed in our highly competitive communications industry with determination, understanding and leadership. This approach answers our stakeholders' interests and helps us maintain our markets as we improve our products.

Policies Related to Health Issues

We are aware of claims that the use of cell phones may be hazardous to a user's health. To date, there is no conclusive evidence that cell-phone usage impacts personal health, but we take these concerns seriously and are monitoring research in this area. More information is provided under our Customer section, on page **20** of this report.

Membership in Associations

Sprint Nextel is a member of many associations in support of the communities we serve as well as in support of our industry. We are not always aligned with the positions these organizations may take on specific issues. However, we maintain our memberships in order to keep dialogue open and flowing, and to offer our voice as a leader in this innovative industry.

Sprint Nextel is a member of the Cellular Telephone Internet Association (CTIA) and the Competitive Telecom Association (COMPTTEL). We are also a member of many other organizations including, but not limited to, local Chambers of Commerce, Business Councils, chambers and business organizations that are ethnic-based, and other leadership institutes across the United States.

Environmental, Social and Governance Indexes

Sprint Nextel Corporation has been included in the KLD Domini 400 Social Index (DS400) since 1990. The DS400 is the first benchmark for U.S. equity portfolios that select companies based on their environmental, social and governance (ESG) performance. This index is widely used to evaluate the impact of ESG factors on risk and returns and to measure the performance of screened portfolios. As of April 2007, the DS400 constituents represent 9 sectors and over US \$6.7 trillion in market capitalization.

Sprint Nextel PAC

As a separate legal entity, Sprint Nextel's Political Action Committee (Sprint Nextel PAC) supports, on a bipartisan basis, state and federal candidates whose views reflect the corporate values and business goals of Sprint Nextel.

A goal of Sprint Nextel PAC is to educate, motivate and mobilize eligible Sprint Nextel employees. Sprint Nextel PAC raises voluntary contributions from eligible Sprint Nextel employees and adheres to all federal and state regulations.

The Federal Election Commission regulates Sprint Nextel PACs activities. Records of the company's contributions are available at <http://www.fec.gov>. As a matter of company policy, Sprint Nextel does not make campaign contributions outside the United States.

SECTION 4:

CUSTOMERS

Because we realize our products have an impact on the world, Sprint Nextel is committed to developing and delivering products that meet our customers' lifestyles and needs. That's what we strive to do every day.

We listen to our customers as well. For example, we have developed a Web site, www.BuzzAboutWireless.com, which enables customers to share their opinions and/or concerns about our products and services in online discussion forums.

We also have a Customer Advisory Council to represent the interests of the Sprint Nextel business customer. Its goal is to improve the customer experience for our small-business customers and find solutions to their problems.

Products and Services that Make a Difference

Sometimes we find that our products can enhance the quality of the lives of those who have special needs. Examples of this include, but are not limited to, our services designed to enrich communications for the hearing and visually impaired and products that enhance vehicle safety for everyone.

Efforts for Visually/Hearing Impaired

Sprint Nextel technology is not only for convenience and entertainment; it also serves a vital service for those who are hearing or visually impaired. Communicating in daily life should be easy and dependable. That's why Sprint Relay Services allow callers who are deaf, hard-of-hearing or deaf-blind or who have a speech disability to contact a standard telephone user easily via a phone, teletypewriter (TTY), the Internet, a CapTel™ phone or a wireless device. We can support traditional relay services using a TTY device, and our video services allow a Sprint Video Interpreter to "translate" the conversation through American Sign Language.

We are a member of the Alliance Telecommunications Industry Standards (ATIS), which enables us to collaborate with consumer groups, phone vendors and other carriers across the country to support new products for the hearing impaired. One of the ATIS Incubator Solutions programs, for example, is currently investigating how we can enhance inter-operability between hearing aids and wireless devices.

For the hearing impaired, virtually all phones sold by Sprint Nextel are TTY compatible. We have also greatly exceeded the Federal Communications Commission's

requirements for Hearing Aid Compatibility (HAC) and offer a total of 33 acoustic and 12 T-Coil handsets on our iDEN and CDMA air interfaces.

For the visually impaired, we have worked with handset manufacturers to make handsets more accessible by including features such as text-to-speech functionality and voice-dialing capabilities. Our network-based voice recognition and dialing solution, known as VoiceCommand, works with any of our handsets and is available to visually impaired customers at no extra charge. Sprint Nextel also provides eligible visually and physically disabled customers with complimentary directory-assistance calls.

In addition, Sprint Nextel offers printed materials, such as monthly invoices, in alternative formats including Braille and large print to customers at no charge.

Vehicle Safety Initiatives

Sprint Nextel has been working with the Bluetooth Special Interest Group (SIG), a privately held, not-for-profit trade association, to support cell-phone safety of drivers on the road. In addition, we fully support the installation of aftermarket Bluetooth car kits for hands-free driving, voice-announce caller ID over the headset to prevent driver distraction, and all Bluetooth device hands-free operation profiles.

In addition, Sprint Nextel created Focus on Driving, an interactive program for teenage students enrolled in driver's education classes, which teaches them about one of the top concerns on the road – driver distraction. The program was designed in conjunction with driver's-education administrators, and instructor and student focus groups.

Knowing that teenagers listen and learn from their peers, our goal was to create a program that speaks to them in their own language, using real-world examples. The result of this collaboration is a relevant curriculum that engages students, challenging them to take responsibility for practicing safe and attentive driving.

Sprint Nextel is proud to offer Focus on Driving free of charge to teachers and school administrators. Participating schools receive a free teachers' guide, student guides, parent-student pledge cards, classroom posters and an instructional video. In addition, schools may request guest instructors from Sprint Nextel. For more information, visit www.sprint.com/focusondriving.

The Focus on Driving curriculum has been endorsed by the National Association of Secondary School Principals (NASSP), the Florida Highway Patrol, the Virginia Department of Motor Vehicles, the Virginia State Police and the Washington State Patrol.

Emergency Services

In addition to making a difference in our customers' day-to-day lives, Sprint Nextel products and services are at the forefront of communication during times of crisis. Sprint

Nextel has a long history of service to First Responders. Through location-based services and thorough disaster-readiness programs, Sprint Nextel can be there when we are needed most. Sprint has a fleet of cell sites on wheels (COWs) that are deployed during tragedies such as Hurricane Katrina and the shootings at Virginia Tech.

Amber Alerts

Sprint Nextel, in cooperation with the National Center for Missing & Exploited Children (NCMEC), CTIA-The Wireless Association and The Wireless Foundation, is proud to offer customers free AMBER Alerts to any Sprint Nextel phone. Issued in the most serious child abduction cases, an AMBER Alert is an emergency broadcast communication designed to instantly mobilize the entire community to assist in the search for, and safe return of, an abducted child. Official alerts will be sent as a text message to active Sprint Nextel phones and wireless devices that have been signed up for the service.

Location-Based Services

Sprint Nextel is a market leader for location-based services (LBS) in the United States. The number of subscribers using LBS on their mobile phones is expected to jump to more than 20 million within five years, compared with 500,000 such users today.

As of August 2007, Sprint has a significant share of the LBS marketplace, and we expect this share to continue to grow as we deliver additional capabilities to our mobile phone users.

Using LBS to Find Loved Ones

Sprint Nextel was the first U.S. wireless carrier to offer a customer-focused LBS application that enables parents to use a phone or PC to pinpoint the location of a child.

When a parent or guardian requires a child's location, Sprint Family Locator uses LBS to find the location and display it on an interactive map, along with the address and surrounding landmarks. The child is notified by a text message each time his or her location is provided to the parent or guardian. Parents also can set alerts to notify them when a child arrives at a specified location, such as school or a relative's house at a designated time.

911 Services

Wireless 911 allows individuals to access emergency assistance in situations and locations that were unthinkable with traditional wireline service. Enhanced wireless 911 technology further enhances public safety by providing the location of wireless callers in distress. Sprint Nextel has implemented a handset-based solution for both its Sprint PCS

(CDMA) and Nextel National (iDEN) Networks. In order for this solution to work, the public safety answering point (PSAP) must be technically capable of receiving this information and the handset must be GPS-enabled. All Sprint handsets sold today, and for the past several years, have this capability.

Disaster-Relief Policies

In the event of a disaster, our goal is to have service restored as quickly as possible, so that people impacted and organizations offering them relief can communicate freely. We have in place risk-control mechanisms that include well-trained response teams, cell sites on wheels (COWs), and disaster-recovery agreements with site-repair general contractors.

We have taken significant steps to reduce the effect upon our wireless networks during times of power loss, such as a hurricane. From January 2006 to June of 2007, we have:

- Invested \$27 million to expand the scope of the Sprint Nextel Emergency Response Team;
- Invested \$115 million for hurricane preparations in storm-prone coastal communities, including the installation of permanent generators for critical wireless sites;
- Installed permanent generators at more than 1,500 sites in hurricane prone communities in Florida and other Gulf Coast cities;
- Dedicated more than \$427 million to network enhancements and expansion in Florida.

As businesses, government agencies, and individual consumers become more and more reliant on wireline and wireless communications as well as remote access to information, the concept of business continuity has never been more important. Sprint takes business continuity to the next level by ensuring that it is part of the corporation's business philosophy. This philosophy promotes utilizing business continuity principles, guidelines, and standards by all company employees in their day-to-day business operations. This program includes a collection of business-resumption and disaster response plans that are designed to ensure the company has implemented cost-effective risk-reduction strategies for crucial assets such as employees, network components, processes, and facilities. Additional information on disaster relief is in our Community Involvement section on page **31**.

The Future of Wireless Technology

At Sprint Nextel, we know that wireless technology is here to stay, and every day brings about innovations that improve the lives of our customers and their families. As technology evolves, additional questions, opportunities and concerns arise. From health issues to quality innovation, Sprint Nextel is at the forefront of the ever-changing field of wireless communications.

Handset Health Issues

Cell phones have been alleged by some to pose health risks due to radio frequency emissions. Wireless devices, much like cordless phones, radios, microwaves and televisions, emit low levels of radio-frequency (RF) emissions while turned on, which is a form of electromagnetic energy like gamma rays or X-rays. Currently, no conclusive scientific evidence exists linking health problems with wireless phone use. Sprint Nextel supports the International Association for Wireless Telecommunications' position on RF emissions, which restricts RF levels to a safe and usable level for technologies the general public uses in their day-to-day lives. Sprint Nextel, working with the CTIA and the FCC, understands these issues and takes them very seriously. Health-related class-action lawsuits have been filed against Sprint Nextel and other wireless carriers, seeking damages and remedies that could increase our cost of doing business. We cannot predict the outcome of these cases nor can we predict the impact these cases may have on the mobile communications industry. Research in this area is ongoing, and we remain vigilant in studying this issue.

Forums for Future Innovation and Regional Growth

In 2006, in our continuing efforts to be innovative and community-minded, Sprint Nextel spearheaded the first in a number of "Innovation Forums" designed to develop partnerships and create new products and services. The first forum was held at the Sprint Nextel operational headquarters in Overland Park, Kan., and was an invitation-only event featuring more than 150 small technology and service business owners as well as political figures from the Kansas and Missouri areas.

A second forum was held in Reston, Va., home of Sprint Nextel's corporate headquarters, and another will be held in the technology base of Silicon Valley, Calif. The process is designed to bring to market viable, new concepts in as little as eight months.

Along the same lines, Sprint Nextel hosted the governors of Missouri and Kansas at a summit on regional growth in early 2006 at Sprint Nextel's Overland Park, Kan., campus. Our CEO Gary Forsee invited the governors to meet as a way to start discussion on ways both states can work together to stimulate economic growth in the Kansas City area, which straddles the state line. Other civic, business and community leaders were also invited to hear about opportunities the area has in developing life sciences, building higher education, and stimulating further economic development. A second summit was held in 2007 where both governors updated the community on the progress of the initiatives.

Addressing Customer and Community Concerns

Several issues, such as tower siting, phone-battery usage, and customer privacy have a

direct effect on our customer base and the communities in which Sprint Nextel does business. Sprint Nextel is vigilant in ensuring that decisions made in these areas balance the needs of our customers and the needs of our communities.

Tower Siting

Cell towers are necessary for our products to deliver their best service, and towers must be near our customers to enable them to get the best reception from our products. Sprint Nextel's goal for our cell-tower sites is to blend into the environment to the greatest extent possible. Some of our sites are flagpoles, light poles and even "tree poles" that are disguised as pine or palm trees.

Trained engineers recommend locations for our towers. They must consider land topography, natural and man-made barriers, and wireless-use patterns. They also identify areas that may require increased wireless usage, such as airports and urban areas, while avoiding obstructions that may hinder signal quality.

Sprint Nextel has relationships with hotel chains, billboard companies, utilities and even our competitors to minimize the cost and time required to locate viable tower sites. We maintain positive relationships with local and state authorities in areas where we currently or may have cell sites.

We must comply with federal, state and local regulations that govern the siting, lighting and construction of these towers and antennas. Both the FCC and Federal Aviation Administration (FAA) are involved in these regulations. In addition, laws and regulations imposed by state and local governments require us to devote legal and other resources in order to comply, which add to our costs in some instances.

Battery Safety

Sprint Nextel works with the CTIA, other carriers and handset vendors to ensure that cell-phone batteries are safe for consumers. The CTIA Battery Certification Program verifies that batteries conform to the standards set for rechargeable batteries. Phase I of the program requires handset vendors to self-certify their batteries and pass a third-party review. Phase II requires testing and certification by a CTIA authorized battery-compliance test lab. We have implemented Phase I and are on schedule to implement Phase II in December 2007.

Privacy

In terms of our customers' privacy, our goal is simple: to balance the interests and concerns of our customers' private information with their interest in receiving quality service and information about useful new products. We use administrative, technical and physical safeguards to protect sensitive personal information.

Sprint Nextel fully complies with all applicable privacy laws and regulations. Our corporate security, legal and customer care teams regularly evaluate existing safeguards to protect confidential customer information. Moreover, Sprint Nextel's Code of Conduct requires employees to safeguard confidential customer information. All employees are obligated to follow the Code of Conduct.

Sprint Nextel believes that selling confidential customer information should be banned. We are not in the business of selling our customers' Customer Proprietary Network Information (CPNI). Our policy is to allow access to CPNI only to those Sprint Nextel employees or agents with a "need to know." For example, customer service agents need to view this type of information in order to service accounts or answer billing questions. All Sprint Nextel associates with access to customer data are required to take a thorough CPNI training course.

Sprint Nextel customers are strongly advised to establish passcodes for accessing account information online and through Customer Care, and accessing voicemail on Sprint and Nextel phones. Customers must provide a passcode or answer specific authentication questions before access to a customer account will be granted. It is important to keep in mind that some customers do not remember their passcodes, but want fast and efficient customer service. Sprint Nextel's authentication processes take these considerations into account.

While we continue to vigilantly protect our customers' private information, we are also, at times, called upon to provide what may be life-saving information in emergency situations. In the normal course of business Sprint Nextel processes hundreds of thousands of emergency and non-emergency data requests (such as law enforcement requests and subpoenas) each year.

Sprint Nextel operates an office with a dedicated staff, available 24 hours a day, seven days a week, with a comprehensive and efficient process to quickly handle emergency information requests. In addition, Sprint Nextel's Subpoena Compliance Group serves as the point of contact for non-emergency law enforcement and court-ordered demands for customer information or account documents. To protect privacy, Sprint Nextel releases no confidential information without a valid legal demand, customer consent or law-enforcement request (including requests under emergency circumstances).

In May of 2007, Sprint was able to track down a boy on the waitlist for a heart transplant at a public venue using the GPS coordinates of his mom's phone. As the minutes passed, the boy was in real danger of missing his opportunity for a transplant. In instances of life and death or to track someone wanted in a homicide, Sprint is able to use GPS tracking features on our phones to assist law enforcement without a warrant from a judge, provided we have the proper authorization from law-enforcement authorities.

Sprint Nextel customers and other interested parties are encouraged to read the full Sprint Nextel Privacy Policy online at <http://www.sprint.com/legal/privacy.html>. The policy further outlines our commitment to protect confidential customer information.

SECTION 5:

EMPLOYEES

The better Sprint Nextel meets the needs of its employees, the better these employees can meet the needs of Sprint Nextel's customers. That's why Sprint Nextel has implemented a number of employee-driven programs to address key areas of importance to our associates, such as work-life balance, competitive benefits, and a diverse and inclusive workforce.

Work/Life Balance

At Sprint Nextel, we know that the more satisfied our employees are the more satisfied our customers will be.

Work/life balance refers to an employee's ability to enjoy a personal life as well as perform effectively on the job. Its premise is that employees will be more satisfied, and in turn, relay that satisfaction in providing good customer service when the opportunity is presented.

Among the many programs Sprint Nextel offers for employee work/life balance is our "work anywhere" concept. For many positions, we offer options such as telecommuting, flexible schedules and job-share arrangements.

Our employee benefits program is designed to give employees the power to plan for their future and to choose the coverage that's right for their family. Our 401(k) plan matches 100 percent of the first 5 percent of employee contributions. Our health care coverage supports dependents, including spouses, opposite and same-sex domestic partners, and children of employees and employees' spouses and partners, at the same percentage as employees.

Sprint Nextel encourages employees and their dependents to take a proactive, responsible approach to their health and wellness. Sprint Nextel offers a healthcare coverage discount for non-smoker employees and dependents living in a non-smoking household; this discount is also available for employees who smoke but enroll in a smoking-cessation program. Sprint Nextel also provides the Sprint Alive! program, which is designed to give employees and dependents access to ongoing information and support for health-related issues such as smoking, stress, exercise and weight loss. The Employee Assistance Program provides assistance for employees planning for life events, managing their finances, seeking childcare or elder care assistance, and needing legal information and resources.

Among other benefits programs, we also provide tuition reimbursement of up to \$5,250 annually and special support for advanced education in certain disciplines. Other employee efforts are also explained on page **31** under Community.

Our Employees' Voices

Twice a year, Sprint Nextel administers a company-wide Employee Experience Survey. The survey is offered to the entire employee population in the spring and a representative employee sample (approximately 10 percent) in the fall. The survey measures employee satisfaction with the company and their role within it.

In addition to the twice-yearly employee survey, we have ongoing employee input and feedback processes where ideas, concerns and specific customer complaints and solutions are submitted and handled. These include:

- **Employees Helping Customers:** A company Web site where any employee can report issues a customer – be it a friend, family member or new acquaintance – may encounter related to network, billing, installation or support issues.
- **Smart Solutions:** A resource for employees to present innovative ideas on how to simplify internal processes.
- **Sprint Nextel Innovations:** An idea bank where employees can submit proposals to develop improvements for new or existing products.
- **Customer Experience Feedback:** A mechanism that takes emails, routes them and attempts to resolve both service and sales problems.
- **Employees Take Action:** A directory to show employees how to help a customer, submit an idea, ask a question or just get involved.

Employee Satisfaction Programs

Rewards, recognition and celebration of achievements are important elements of Sprint Nextel's culture. Some of the award programs available to Sprint Nextel employees are: Legends Awards, which are named after former employees who exemplified leadership and service and given to current employees who carry on those traits; the Pinnacle Club and President's Circle for our top sales performers; and fun, informal e-Cards, which co-workers can send each other for a job well done.

Another way we support employee satisfaction is through Employee Resource Groups (ERGs). These are voluntary organizations that offer our employees who share common interests an opportunity to meet, network and further foster our corporate culture. Sprint has four ERGs: the Diamond Network (African American-focused), Enlace (Hispanic-focused), OASIS (Asian-focused) and Sprint Pride (gay, lesbian, bisexual and transgender focused). Regardless of focus, ERGs are open to all Sprint Nextel employees. ERGs are also an important part of Sprint Nextel's commitment to building a diverse and inclusive work place.

Workforce Diversity

We truly value diversity at Sprint Nextel. We believe diversity and inclusion foster an environment of creativity and innovation that sustains our competitive advantage, fuels growth and helps us to achieve superior market performance. We are committed to the success of these initiatives because we are a world-class technology company, and through such programs, we will continue to be so in the future.

Sprint Nextel's Chairman and CEO Gary Forsee chairs our Employee Inclusion Council. The purpose of the Inclusion Council is to assess and plan current and future inclusion and diversity initiatives for our company, as well as to review enterprise and division-specific inclusion scorecards.

Sprint Nextel actively engages in recruiting to bring diverse talent to our company. We have a Leadership Excellence program to ensure our talented future leaders are offered additional opportunities for growth.

We are an equal-opportunity employer. We employ, retain, promote, and otherwise treat all employees and job applicants without regard to an individual's race, color, religion, creed, gender identity, sexual orientation, age, disability, national origin or ancestry as well as citizenship, marital, veteran and family and medical leave status. Sprint Nextel has received significant attention for its commitment to inclusion and diversity. This recognition includes awards and recognition from:

- Adweek's Marketing y Medios
- Black Engineer Magazine
- Black Enterprise Magazine
- Black MBA Magazine
- DiversityBusiness.com
- DiversityInc
- G.I. Jobs Magazine
- HISPANIC Magazine
- Hispanic Business
- Hispanic Network Magazine
- Hispanic Trends
- Human Rights Campaign
- Minority Business and Professional Network
- U.S. Hispanic Chamber of Commerce (USHCC)
- Women of Color in Technology Awards

Sprint Nextel is proud of the partnerships it has established with the National Urban League, League of United Latin American Citizens (LULAC), National Association for Advancement of Colored People (NAACP), National Council of La Raza (NCLR), and the U.S. Hispanic Chamber of Commerce. Sprint was named USHCC Corporation of the Year in 2006. For three consecutive years, Sprint has received a perfect 100% rating on the Human Rights Campaign's annual Corporate Equality Index. Another important component of Sprint Nextel's commitment to inclusion is our Supplier Diversity Program. Information on Sprint's Supplier Diversity Program can be found on page **33**.

Human Rights

Human rights are a fundamental issue in the area of Corporate Social Responsibility, and Sprint Nextel continually monitors the external marketplace for human rights best practices. To further this important cause, we are also in the process of forming an internal team consisting of representatives from our Human Resources, Legal, Ethics and Governance, Product, and Environmental, Health and Safety departments to examine human-rights issues as they relate to Sprint Nextel. This team will also be responsible for producing an overarching human-rights statement for the company.

Sprint Nextel is in compliance with all labor laws within the United States.

Environmental, Health and Safety Policies

A strong Environmental Health and Safety (EHS) program adds significant value to a company, is good business and provides for a superior employee experience. Sprint Nextel's EHS program protects employee health and safety, ensures environmental and safety regulatory compliance and minimizes losses to the environment and property.

EHS Teams

The EHS teams at Sprint Nextel conduct environmental, health and safety compliance assessments at hundreds of facilities every year. These assessments review the following:

- Compliance with EPA, OSHA, and applicable state and local regulatory programs;
- Required OSHA postings;
- Means of egress, fire protection, and electrical equipment status;
- Slip, trip and fall hazards;
- Proper treatment of hazardous materials; and
- Battery rooms, generators, and fuel tanks.

In the past year, they have conducted 323 facility assessments.

The EHS teams also handle reporting for the Emergency Planning Community Right-to-Know program. This program, known as EPCRA, provides inventories of hazardous materials stored at our facilities to emergency responders and the community. These reports allow firefighters and other emergency responders to accurately assess risks that may be present at the facility when they are responding to an emergency.

Sprint Nextel obtains required environmental permits at its facilities. These permits can include air permits for our generators, hazardous materials permits for batteries used as back-up power, and flammable storage permits for fuel tanks.

When siting a new facility, Sprint Nextel conducts a Phase 1 Environmental Study on the property prior to construction. A Phase 1 Study evaluates the history of a site for contamination by hazardous materials. If contamination is suspected, Sprint Nextel conducts a Phase II environmental assessment to evaluate the appropriateness of the site for locating a facility. These assessments are reviewed by the EHS and legal teams for concurrence. Please see more about our Tower Siting on page **21**.

Sprint Nextel complies with the FCC's Environmental Policy Act of 1969 (NEPA) regulations. The FCC's NEPA regulations require environmental studies on any new construction or major change to a facility.

To support our environmental and safety compliance efforts, the EHS teams provide additional support services to our employees, including a robust internal Web site that maintains fact sheets on environmental, health and safety issues, and offers Computer Based Training (CBT) courses, supervisor-led materials, and Web-based courses.

Additional information regarding our environmental stewardship can be found on page **34** of this report. Employees with questions about safety on the job can access Sprint's Internal EH&S Web site.

SECTION 6:

COMMUNITY AND ENVIRONMENTAL STEWARDSHIP

The way a company interacts with the world around it exemplifies the way it will treat its employees, its customers and anyone else that will come into contact with it from a business perspective. That's why Sprint Nextel has taken a strong, proactive role in protecting the communities in which it does business and the environment we all share. We are proud to do our part to ensure our children are safer today and their planet is safer tomorrow.

A good corporate citizen supports and gives back to the communities in which its customers and employees live and work. Sprint Nextel has historically been a strong community partner and provided generous support through a philanthropic foundation, corporate contributions, volunteer efforts, and non-cash donations.

Sprint Nextel supports both local and national initiatives, with the greatest investments in key employee communities. These target communities include Kansas City, Washington, D.C., Atlanta, Chicago, Dallas, Denver, Los Angeles and New York City. We also provide limited funding and non-cash support for initiatives in other cities. As our employee base and customer markets change, we will evaluate adding new cities to our target list.

In the past two years, Sprint Nextel's community giving has totaled nearly \$45 million, excluding the value provided through our volunteer efforts. Of this total, \$14 million came through the Sprint Foundation, Sprint Nextel's philanthropic arm.

Sprint Foundation

Since its creation in 1989, the Sprint Foundation has provided nearly \$100 million to community organizations across the United States. The Sprint Foundation currently focuses its efforts on youth initiatives, including K-12 education, positive youth development, arts and culture outreach, safety at school, and Internet safety.

Sprint Foundation grants reached \$8 million in 2006, and are targeted to reach nearly \$10 million in 2007. Approximately \$1 million is directed to match employee and retiree contributions through our robust matching-gifts program. Eligible not-for-profit organizations may submit grant requests on-line at www.sprint.com/community.

K-12 Education Efforts

We strive to achieve excellence in education by supporting programs that focus on improving student achievement, family involvement and educator development.

- The Sprint Achievement Program provides grants ranging from \$500 to \$5,000 to public school educators in the Kansas City area to implement projects in their classrooms. In 2007, 80 grants totaling \$349,000 were awarded. This brings the three-year program total to over \$1.3 million that has been actively enriching the education experience of the public school youth in Kansas City.
- In 2006, we completed our third year of providing Connect with Kids in the Kansas City public schools, and for the first year brought this program to Washington, D.C. Connect with Kids is a character-education program that combines school curriculum with the strength of a community-wide media campaign that involves teachers, students, families and community organizations.
- The Sprint Foundation provided funding to Park University in Missouri to present a conference for K-12 teachers and administrators in 2005, 2006 and 2007. Its goal is to provide professional development opportunities for educators and share best practices.
- In 2006, the Sprint Foundation awarded a five-year, \$1.9 million grant to the Partnership for Regional Education Preparation in Kansas City. Called PREPKC, its goal is to assist public education efforts in urban Kansas City, improving math and literacy instruction, connections between teachers and students' families, and promoting teacher development opportunities.
- In 2007, the Sprint Foundation will serve as the Title Sponsor for the National Forum on Character Education in Washington, D.C. The conference is targeted at K-12 teachers, school administrators and others working to ensure our youth fulfill their potential as productive and positive citizens.

Youth Development

In 2006 and 2007, the Sprint Foundation provided funding for many organizations and programs that provide positive youth development, with particular emphasis on those programs that support under-served youth. Examples include support of the Boys & Girls Club Power Hour Homework Help program in three different cities, funding of the YouthFriends annual conference, and funding the National Youth Sports Program at Morehouse College.

Arts and Culture

The Sprint Foundation is an active supporter of youth outreach programs for arts and culture organizations in our target cities. In 2006 and 2007, we have provided grants to nearly 20 programs in this area including the Alvin Ailey Camp, New Conservancy Theatre, Van Cliburn Foundation, Woodruff Center for the Performing Arts, and Wolf Trap Foundation. We believe that exposure to and participation in the arts greatly enriches our youth and supports their academic and personal growth.

Safety at School

School safety has, unfortunately, become a growing area of concern across the country. Schools today need a level of preparedness and protection few would have ever considered fifteen or twenty years ago. The Sprint Foundation is proud to help with this effort through our recent grant to the National Education Association – Health Information Network (NEA-HIN).

The Sprint Foundation funded the production of the NEA-HIN's School Crisis Guide. The School Crisis Guide provides action steps, tips and resources to help administrators and educators prepare for emergencies; respond competently during a crisis; and help students, staff and families recover after a crisis. The crisis guides are expected to be distributed in the fall of 2007 to at least 80% of schools in the United States. Schools that do not have a crisis guide can sign up to receive one at <http://www.neahealthinfo.org/>.

Other Ways We Get Involved

In addition to the traditional financial support such as that described with the Sprint Foundation, Sprint Nextel also supports key organizations nationally including the United Way, March of Dimes and the American Red Cross.

- United Way National Drive – Sprint Nextel's pledge to United Way organizations in 2006 totaled more than \$2 million. We partnered with the NFL to feature key player appearances at employee events which culminated in a grand-prize drawing of tickets to the Super Bowl. Employees in Reston, Va., were so enthusiastic that they doubled their contributions from the previous year.
- March of Dimes – By participating in 12 walks across the country, Sprint Nextel associates raised more than \$640,000 for their local chapters of the March of Dimes in 2006, and nearly \$690,000 in 2007. In 2007, we marked our fourth year of walking for babies' health through the March of Dimes.
- American Red Cross – We teamed with vendors and business partners to sponsor the Sprint Nextel All Star Charity Golf Classic in North Carolina. Sprint has sponsored a golf tournament to benefit American Red Cross for 5 years, and in 2007, more than \$320,000 was raised to

help the American Red Cross fulfill its mission of responding to disasters. Victory Junction Gang Camp was the other beneficiary of the golf tournament also receiving over \$320,000 in contributions.

These longer-term relationships have been recently joined by new national partnerships including the National Center for Missing and Exploited Children and the NEA-HIN. More detail on these relationships is provided in the Sprint Project Connect section on page **32**.

Employee Community Involvement

At Sprint Nextel, community involvement is much more than just corporate financial support. It is also the power of our people.

Each year Sprint Nextel awards the Community Relations Team (CRT) Spirit Awards to recognize team volunteer efforts. In 2006 and 2007, a total of \$30,000 in Sprint Foundation grants was paid each year to the CRT's charities of choice in honor of their volunteerism.

Employee involvement whether through time, money, energy, talent or leadership, is a critical part of our community outreach. Today, our employees spend countless hours volunteering with non-profit organizations focused on improving the quality of education for children, raising awareness and support for critical community issues, and revitalizing the neighborhoods in which we live.

As a company, we recognize, applaud and support our employees' involvement through a variety of initiatives. We are proud of the impact they are making in the lives of people everywhere. In 2006, Sprint Nextel employees donated nearly 128,000 hours to their local communities.

Among the programs in which Sprint Nextel employees participated are:

- Our associates donated more than 558,000 pounds of food during the 2006 annual Feed the Need food drive supporting local food banks where we live and work. A total of \$37,382 was provided through matching grants from the Sprint Foundation.
- In 2006, our employees built a playground for families relocating to Houma, La., after the devastation of Hurricane Katrina. Our corporate financial support for the project was nearly \$400,000, which also included cell phones and a year of free usage for the families.
- More than 1,000 employees volunteered in 2006 for the annual Christmas in October program in Kansas City. This program repairs homes citywide by Christmas for those who cannot afford basic repairs.
- During the annual United Way Day of Caring in 2006, Sprint Nextel volunteers worked on 17 difference community projects in Kansas City.

- Among those supported were the Ronald McDonald House, Kansas City Hospice and Boys & Girls Clubs.

In North Carolina, students are using refurbished Sprint Nextel computers thanks to the efforts of a Sprint business sales employee. We plan to send a total of 400 used desktop computers to the non-profit Kramden Institute Inc. The institute delivers them to deserving middle school students in and around Cary, Raleigh and Durham, N.C.

In 2007, Sprint Nextel launched a new employee volunteer program, internal Web site, and Dollar for Doers volunteer grant program. Through July 2007, volunteer hours are up over 30% from 2006 levels.

Volunteerism Awards

In 2006, Sprint Nextel was honored in Kansas City with the Rose Brooks annual Benefactor of the Year Award for our commitment to the organization through our employee volunteerism, in-kind donations and monetary support through the Sprint Foundation.

In addition, 80 Sprint Nextel employees were recognized with the Kansas City Children's Mercy "Volunteers" of the Year award for their work preparing and serving meals weekly at the hospital's Ronald McDonald House family room. In 2006, Sprint Nextel employees donated nearly 128,000 hours to their local communities.

Sprint Project Connect

Sprint Project Connect provides cell-phone users – regardless of carrier – an environmentally safe way of disposing of their no-longer-used mobile phones. Additional information about the environmental impact of this program can be found on page **36**.

As of June 2007, 100% of the net proceeds from Sprint Project Connect help to keep kids safer online through Sprint Nextel's 4NetSafety program in partnership with the National Center for Missing & Exploited Children and the NEA-HIN, and others.

4NetSafety

Sprint Nextel is partnering with the National Center for Missing & Exploited Children and the NEA-HIN, leading advocates for child and Internet safety, to provide tools, resources and information that help:

- Kids to appreciate the power of the Internet and the implications of the decisions that they make when connected from a computer or their wireless phone.
- Educators to teach students about Internet safety.

- Parents and guardians to understand how kids are using the Internet, risks associated with this behavior, how they can minimize those risks, and how to initiate conversations with kids on Internet safety.

We encourage you to visit and use the following 4NetSafety resources funded by Sprint Project Connect:

NSTeens Website

www.nsteens.org

The NSTeens Web site was designed for young teens by Internet safety experts at the NetSmartz Workshop, a program of the National Center for Missing & Exploited Children. The site models safer online practices through engaging comic-book-style characters, and addresses topics such as social networking, cyberbullying and gaming. Educators, parents and guardians are also given tools and resources such as safety tips, suggested activities and discussion ideas to open communication with kids about safer online choices.

bNetS@vvy E-Newsletter

www.neahin.org

This online newsletter is published by the NEA Health Information Network. Designed for adults to help young teens use Internet technologies safely, this resource is packed with stories from teens, parents, educators and experts. It also offers tools and activities to help adults and kids to become more Net savvy - and safe.

Supplier Diversity

In addition to our strong direct community support programs, Sprint Nextel also believes in supporting its communities through the use of diverse suppliers.

Sprint Nextel knows that a strategic, innovative and diverse supplier base is critical to a company's ability to compete and grow in the marketplace. Aggressively engaging diverse suppliers creates a sustainable competitive advantage and directly contributes to the growth and stability of the diverse business community.

We employ a core team of professionals dedicated solely to diversity within Supply Chain Management. We use a supplier registration tool that allows potential diverse suppliers to register their company for consideration in our upcoming strategic sourcing operation.

Sprint Nextel is always looking for quality, certified, diverse suppliers who can provide solutions in a number of areas, including Business Process Engineering, Marketing, Contract Labor, Information Technology, Network Equipment and Product Development.

We understand the importance of monitoring the effectiveness of our decisions when it comes to supporting our diverse supply base. We intend to continue our innovation in this area as we do throughout our corporation.

ENVIRONMENTAL STEWARDSHIP

Sprint Nextel believes that being a part of the community is directly tied to being a good partner when it comes to managing natural resources responsibly. We recognize that, in doing business, it is inevitable to have impacts on the environment. Sprint Nextel takes seriously its environmental compliance responsibilities. Generally, these responsibilities include hazardous materials handling and permitting, spill prevention, chemical storage and reporting, and end-of-life management of its products.

Sprint Nextel requires all of its employees and contractors to comply with all applicable Federal, State, and local laws relating to protection of the environment. Sprint Nextel is always mindful that we all share in the responsibility to conduct our businesses in an environmentally responsible manner. We are taking steps this year to build an internal cross-functional team to investigate the issues related to running our company in a proactive and responsible way as it relates to our natural resources. We will continue to focus on our current programs that increase recycling and conservation of resources and seek other ways and means, including procurement practices, to reduce our environmental footprint.

Sprint Nextel is an Environmental Protection Agency Climate Leaders Partner.

Use of Resources

Sprint Nextel's operational headquarters campus in Overland Park, Kan., which holds the largest concentration of Sprint Nextel employees in a single location, has received a Leadership in Energy and Environmental Design (LEED) Certification. LEED Certification is a nationally accepted program for the design, construction and operation of high-performance green buildings.

Sprint Nextel has taken actions to reduce water use on campus by capturing the site run-off water in a pumping lake which is used for irrigation. Water-quality tests are run regularly. The facility also uses low-impact cleaning products and processes to lessen impact on water quality. The campus recycling program includes paper, aluminum, plastic, cardboard, moving boxes, pallets, batteries, computers, wireless phones, toner cartridges and office supplies. Currently, the recycling program captures approximately 50% of the waste stream. In 2006, we sold 618,900 pounds of paper for recycling.

Sprint Nextel has a partnership with the Department of Energy to conduct alternative energy research. We work with two national laboratories – Sandia in Albuquerque, N.M., and National Renewable Energy Lab (NREL) in Golden, Colo. Their projects include energy storage and photovoltaic panel research. Following successful lab testing, Sprint Nextel deployed about 100 hydrogen fuel cells with more installations taking place daily. The fuel cells use hydrogen to produce the power to keep cell sites functioning when commercial electric utility to the site is lost. Not only does this technology have zero greenhouse gas emissions, it is also extremely quiet and allows Sprint Nextel to provide increased cell site reliability without making our neighbors unhappy about noise. As the technology continues to mature, we hope to be able to significantly reduce the quantity of lead acid batteries in our network.

Sprint Nextel has the distinction of being the first telecommunications company to run a cell site using a hydrogen reformer in conjunction with fuel cells.

Other Internal Green Efforts

In 2006, Sprint Nextel announced a five-year agreement with Kansas City Power and Light (KCP&L) to build Spearville Wind Farm. As part of that agreement, Sprint Nextel agreed to purchase up to 75% of their power for our Overland Park campus from the KCP&L Wind Farm. This amounts to approximately 87,600,000 kilowatt hours (kWh) per year. This purchase represents a reduction of almost 80 thousand tons of carbon dioxide (CO₂) emissions each year and is the equivalent of:

- Taking 15,689 passenger cars off the road for one year,
- A reduction of 168,565 barrels of oil a year,
- The electricity used in 9,305 households each year,
- Or the preservation of 594 acres of forest.

As of 2006, Sprint Nextel was ranked the 20th largest purchaser of green power on the EPA's Green Power Partnership. In addition to energy reductions, Sprint Nextel is working to reduce the amount of carbon dioxide by emphasizing such things as alternative modes of communication delivery. This included data/electronic communication versus paper, teleconferencing and video conferencing versus travel, voice communication versus travel or paper, and electronic commerce versus paper bills. Sprint Nextel initiated a baseline Green House Gas (GHG) emissions study in August 2007, with results expected by mid-year 2008.

Sprint Nextel has an ongoing energy-management effort at all of the Enterprise Real Estate facilities, including both the Overland Park, Kan., and the Reston Va., campuses. Each commercial facility has been audited, and measures to reduce energy use have been evaluated and put in place. Appropriate energy consumption in these buildings is tracked and compared within competitive matrices for validation. Investments have been made in technologies such as building automation systems, Web-based meter information systems and demand response capabilities. This program has resulted in

average consumption reduction of over 9% each year and saved 17 million kWh nationally in 2006 alone.

Paperless Billing

Sprint Nextel offers paperless billing, which allows customers to view and pay their bills online without wasteful paper copies, and will be exploring moving to this method as the default billing method in the future. To encourage those customers who still receive paper bills, we offer an incentive in the form of an account credit to switch to paperless billing.

Wireless Phone Recycling

Sprint Nextel recognizes that environmental stewardship doesn't start and stop at the office. Our customers also need a viable and environmentally responsible way of disposing of no-longer-used products. That's why we offer recycling of wireless phones, wireless batteries and accessories free of charge. Wireless recycling is an important part of Sprint Nextel's environmental commitment. Recycling programs were created to help prevent millions of phones from ending up in the waste stream.

Since 2001, Sprint Nextel's wireless recycling programs have collected nearly seven million phones and generated more than \$3 million for charitable causes. Sprint Nextel's two signature phone-recycling programs are:

- Sprint Project Connect – No-longer-used wireless phones, regardless of make, model, or service provider, may be donated to this program with 100% of the net proceeds going to the 4NetSafety program. Additional information on the end use of these proceeds can be found on page **32**.
- Sprint Buyback – Sprint Nextel customers may return their no-longer-used wireless phones, if eligible, to our “buy back” program. Eligible models may be exchangeable for an account credit.

In 2007, Sprint Nextel increased its public leadership on recycling by forging new partnerships in order to reach new audiences. Currently, Sprint Nextel has wireless recycling partnerships with NFL Charities, Victory Junction Gang Camp and Keep America Beautiful:

- NFL Charities: “Sprint Interception” is a campaign by Sprint Nextel, in partnership with the NFL Charities, to recycle wireless phones through NFL venues and events. Collections began in February 2007 with Super Bowl XLI in Miami. An estimated 80,000 fans at the game received postage-paid envelopes at their seats to recycle their phones. The net proceeds from phones collected go to benefit at-risk youth.
- Victory Junction Gang: Tied closely to Sprint Nextel's philanthropic efforts with the NASCAR NEXTEL Cup Series, “Recycle for Victory” provides

NASCAR fans with the opportunity to recycle their old phones at track and away. The net proceeds from phones collected go to benefit Victory Junction Gang Camp, a year-round camping facility for children with chronic medical conditions and serious illnesses.

- Keep America Beautiful: “Wipe Out Wireless Waste” is a campaign by Sprint Nextel, in partnership with Keep America Beautiful, to promote wireless recycling and generate proceeds benefiting local community-improvement and revitalization projects. More than 1,000 Keep America Beautiful affiliate organizations across all 50 states have been invited to participate by conducting wireless phone recycling programs in their local communities.

Additional Ways Sprint Nextel Helps “Keep America Beautiful”

In addition to the phone-recycling partnership with Keep America Beautiful, the Sprint Foundation has also contributed \$200,000 to the organization in support of its annual Great American Cleanup™, which brings together more than two million volunteers each year in over 15,000 communities for more than 30,000 clean-up, green-up and fix-up events throughout the United States.

Keep America Beautiful’s Great American Cleanup activities include litter clean-ups on public lands and waterways, recycling events, tree and flower plantings, educational workshops, vacant lot restorations, and a variety of hands-on stewardship projects. In 2006, Great American Cleanup events resulted in the collection of over 228 million pounds of litter and debris through more than 7.5 million volunteer hours.

SECTION 7:

Next Steps

As you can see, Sprint Nextel takes our role as a socially responsible corporation seriously. Through our work with customers, employees and our communities we are truly making a difference in the lives of those we touch.

While we are proud of these accomplishments, we are also aware our responsibilities don't end with the publication of this report. Corporate Social Responsibility is an ongoing process. As our industry continues to grow and develop new products and services, the opportunity to have an even greater effect on the world in which we live and work grows, too.

We have outlined areas in this report where Sprint Nextel is on target to meet or exceed expectations. We recognize there are areas that still present challenges and room for improvement. Ralph Reid, Sprint Nextel's Vice President of Corporate Social Responsibility, and his team, will continue to guide Sprint Nextel's CSR efforts to ensure we address these challenges and concentrate on the areas most important to our stakeholders. We have identified three areas that we intend to focus on in our next report.

First, we intend to work to more fully develop the metrics and framework by which we are able to measure Sprint Nextel's corporate social responsibility efforts.

Second, Sprint Nextel will implement a CSR organizational framework that includes an executive council and councils for social and environmental sustainability. These councils will be responsible for our CSR strategy, objectives, and policies.

Third, Sprint Nextel will continue to actively seek feedback from key stakeholders to identify new areas of concern and suggestions for improvement. We intend to incorporate this feedback into our next report. One of these "key stakeholders" is you. We welcome the opportunity for you to provide your comments and feedback. If you have questions or suggestions, please email us at: CSR@sprint.com.

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