AT&T 2013 Annual Sustainability Update

People | Planet | Possibilities

Learn more online

In 2014, we launched the People | Planet | Possibilities website to provide timely insight into our sustainability initiatives through blog posts, videos and other resources. Look to this section of each page for relevant links.

See what it's all about at People | Planet | Possibilities

View all our posts and share your comments on our blog

Stories at *att.com/csr*

Explore a range of People | Planet | Possibilities stories

BLOG
Speaking the Language of Business Value

by **JOHN SCHULZ**
AVP of Sustainability Operations

BLOG
Many Hands Make Light the Work

by **CARISSA CASSIN**
Director of Aspire Mentoring Academy and Volunteerism

BLOG
Exceeding Goals and Employing Veterans – Our Story of Hiring Heroes by Coalition

by **RACHEL BOOK**
Associate Director of Global Talent Attraction and Diversity

Contents

Stay up to date on AT&T sustainability

Our data portal contains our sustainability reporting efforts

Sign up for blog posts by email

Letter from our Chairman and CEO

At AT&T, we understand how technology can transform our world. We saw it in 2007, when we helped kick off the mobile Internet revolution. And today we're combining mobility and superfast broadband with the cloud to reinvent virtually everything about how we live and work.

This gives us new opportunities to address some of society's biggest challenges and helps us create a more sustainable world.

For example, for businesses to remain competitive in a global economy, they need a workforce that is prepared for the high-tech job demands of the 21st century. That's why improving education — especially in science, technology, engineering and math (STEM) fields — is so critical.

To help close the skills gap, we joined with education leader Udacity and Georgia Tech to introduce an accredited, online Master of Science degree in computer science. This degree comes at a fraction of the cost of a traditional on-campus program and puts a great education within the reach of many more people.

It is also why we launched AT&T Aspire, a philanthropic program to help improve college and career readiness for students at risk of dropping out of high school. With a financial commitment of more than $350 million,

Hear from our employee bloggers

The People | Planet | Possibilities blog features posts from our employees who are working every day to make our company and communities stronger. View posts by a few of our authors:

Posts by Charlene Lake
SVP of Public Affairs and Chief Sustainability Officer

Posts by John Schulz
AVP of Sustainability Operations

Posts by Nicole Anderson
Executive Director of Philanthropy

AT&T Aspire marks the largest education initiative in the company's history.

Technology and a spirit of innovation are also what it takes to address issues like resource scarcity and energy security.

We're more than halfway through our commitment to invest up to $565 million to deploy about 15,000 alternative fuel vehicles over the course of 10 years. Last year, we rolled out our 7,500th alternative fuel vehicle. Since the program's inception in 2009, we've saved 12.4 million gallons of gasoline. Just as important, we've shown that there is a demand for energy efficiency vehicles — spurring investment and innovation in this critical market.

One of the cornerstones of our approach is collaborating with others who share our interest in finding solutions for today's challenges. For example, we're working with Environmental Defense Fund to tackle the problem of water consumption in commercial buildings. As a result, we're not just using water more efficiently in our own offices and data centers, but our collaboration has yielded a free toolkit for businesses that could save 28 billion gallons of water each year, if scaled across all U.S. commercial buildings.

Helping markets and customers improve their own sustainable practices is a big part of our mission at AT&T. The technologies we provide make it possible for customers to better manage their environmental impact through smarter, connected homes that conserve energy and resources. Intelligent electric grids that are efficient and resilient are transforming energy distribution. And we're just getting started. The potential to harness technology to improve our world is immense.

In all of these ways and more, technology is taking our company's historic commitment to sustainability to new levels, and giving us opportunities to play an even more important role in creating a better, healthier future. We intend to set the pace. Join us at www.att.com/csr.

Sincerely,

Randall Stephenson

Randall Stephenson
Chairman and Chief Executive Officer

Connect with our team on Twitter

@johnfschulz
John Schulz
AVP of Sustainability Operations

@DutchNicole
Nicole Anderson
Executive Director of Philanthropy

@KathrynNisbet
Kathryn Nisbet
Manager, Do One Thing

@carissacassin
Carissa Cassin
Director of Aspire Mentoring Academy and Volunteerism

@kara_devita
Kara DeVita
Community Programs Director

@SamanthaLasky
Samantha Lasky
Director of Communications, Citizenship & Sustainability

@ATTAspire
Inspiring students to achieve their dreams.

AT&T aspire

#ATTimpact

Annual Update: Informing you on our progress

Each year we issue an annual sustainability update to *summarize* our work from the past year, *capture progress* toward our goals, *review key performance indicators* and discuss our present and anticipated *challenges and opportunities*.

In this document

High-level findings

Interactive website

Showcases our programs and progress throughout the year

att.com/csr

Issue Brief Library

In-depth topic information

about.att.com/content/ csr/home/issue-briefs. html

New CSR blogs

Hear from just a few of the thousands of AT&T employees passionate about solving problems

about.att.com/content/ csr/home/blog.html

Go in-depth!

Read about our targets, key stats and programs on our data portal

View videos and graphics in our multimedia gallery

2013 by the numbers

People & Communities

>5.3M volunteer hours

More than 5.3 million employee and retiree volunteer hours

Increased veteran hiring by nearly **5 times**

In 2013, AT&T hired nearly five times as many veterans as compared to 2012

Employees
40% people of color
36% women

AT&T's workforce is 36 percent women and 40 percent people of color

$94.6 million invested in AT&T Aspire

More than $94.6 million invested in AT&T Aspire over two years toward a five year, $250 million commitment

>$130M total giving
$ = $10M

More than $130 million in corporate, employee, social investment and foundation programs

28% or **$15.5B** spent w/ diverse enterprises

Spent $15.5 billion, or 28 percent of total spend, with minority, women and disabled veterans business enterprises

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Meet the people behind the numbers

BLOG
The Road to 90 Percent
by NICOLE ANDERSON
Executive Director of Philanthropy

BLOG
Get Inspired by our 2014 President's Volunteer Service Award Recipients
by CHARLENE LAKE
SVP of Public Affairs and Chief Sustainability Officer

Related Issue Briefs:
- Engaging Employees in their Communities
- Supporting the Troops
- Supplier Diversity
- Workforce Diversity
- Supporting Education: AT&T Aspire

Environment

42M gallons of H_2O saved

Realized 42 million gallons of water savings

$40M in energy savings

💡 = $10M

$40 million realized in annualized energy savings from 4,467 energy projects in 2013

>63% Avg. supply chain performance score
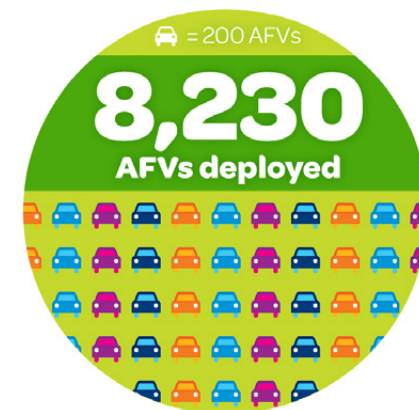
Top suppliers scored an average of 63 percent on our sustainability scorecard

Approximately **4.5M** cell phones reused or recycled

📱 = .5M

Approximately 4.5 million cell phones reused or recycled

487K lbs. cell phone batteries and accessories recycled
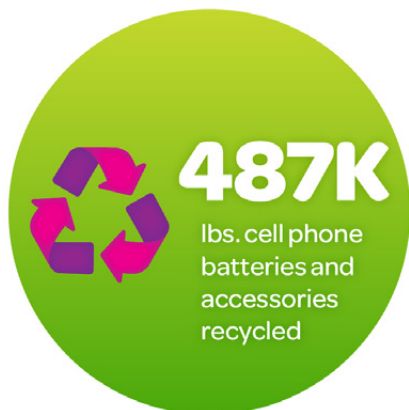
487,000 pounds of cell phone batteries and accessories recycled

🚗 = 200 AFVs

8,230 AFVs deployed

Avoided 4.6 million gallons of unleaded gasoline through 8,230 alternative-fuel vehicles (AFV)

Curious about how we conserve?

BLOG
U.S. Drought: Is This the New Normal?
by **TIM FLEMING**
Director of Sustainability Operations

BLOG
Start the Year off Fresh: Clean Out Your Drawers!
by GARY DUFFY
Director of Project Marketing Management

Related Issue Briefs:
- Energy Management
- Engaging Our Supply Chain
- Company Fleet and Transportation
- Product Recycling and Reuse
- Greenhouse Gas Emissions
- Environmental Compliance

Technology

>4M pledges

More than 4 million pledges to never text while driving through the *It Can Wait®* campaign since 2012

□ = 100

>1K apps developed

More than 1,000 prototypes of apps developed at AT&T Hackathons since 2012

$21.2 billion invested in networks

$21.2 billion invested in our networks in 2013

13K mt CO_2e emissions avoided through Telepresence

🖥 = 1K

13,000 metric tons of carbon dioxide equivalent emissions avoided through AT&T Telepresence Solution®

$38M committed to The Innovation Pipeline

Since 2009, $38 million invested in developing new ideas through The Innovation Pipeline, AT&T's internal crowdsourcing tool
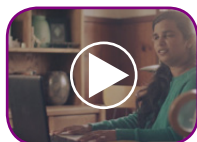

3 patents PER BUSINESS DAY

An average of more than three patents (U.S. and foreign) received per business day

See our innovation in action

Corporate Accessibility Technology Office Video

Watch the *It Can Wait®* documentary

by acclaimed filmmaker **WERNER HERZOG**

Related Issue Briefs:
- Innovation
- Network Reliability
- Network Security
- Protecting Privacy
- Accessibility
- Tackling Environmental and Social Challenges with Technology

A topline view of 2013

Big challenges also present big opportunities. We're working to tackle tough issues, including social matters such as the high school graduation rate and veteran hiring, environmental imperatives such as reducing energy and water use, and technology-related priorities such as ensuring that our products and services are used responsibly.

Visit the online homes for our sustainability pillars

People matter — to each other, to our communities and to our company

How do we connect a world of 7 billion without inhibiting our natural environment?

Innovation, investment and determination are at the core of AT&T

👥 People and Community

Education (AT&T Aspire)

Currently, one in five students does not graduate high school with their peers.[1] AT&T Aspire, our signature philanthropic initiative, is committed to investing $350 million in education between 2008 and 2017 in an

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[1] Civic Enterprises, Everyone Graduates Center at Johns Hopkins University, America's Promise Alliance, Building a Grad Nation Report Update 2013.

attempt to improve the high school completion rate and ultimately support a national graduation rate goal of 90 percent by 2020. We are taking a stand on this critical issue by engaging our employees to mentor students at risk of dropping out through our Aspire Mentoring Academy — with a goal of 1 million hours of mentoring through the end of 2016. We are also teaming up with inspiring organizations across the nation to make a measurable impact:

Organization	AT&T Action
Grad Nation campaign	Committed $5 million to America's Promise Alliance as the premier supporter of 100 Grad Nation community summits, starting in fall 2013 and lasting through 2016.
Jobs for America's Graduates (JAG)	Provided $1 million contribution to fund 28 programs across the country with proven success.
Communities In Schools (CIS)	Supported the nation's leading dropout prevention program, according to Social Impact 100, with $7 million to strengthen its network and expand to serve more students. Continued collaboration with Aspire Mentoring Academy.
Roadtrip Nation (RTN)	Funded innovative career exploration resources with $1 million that will allow RTN to extend its program offerings to 10,000 more students in six states.
Georgia Tech and Udacity Inc.	Began collaborating with Georgia Tech and Udacity to offer the first fully accredited, MOOC (Massive Open Online Course) for a Master of Science in Computer Science, supported by a $2 million contribution.
GameDesk	Together launched a new revolutionary educational Web platform: educade.org.
Genesys Works	Collaborated to provide students the opportunity to work and thrive in a corporate environment.

Learn more at att.com/aspire.

👥 🌐 💡 Discover stories from our communities

BLOG
AT&T and Girl Scouts Team Up to Inspire Girls to Pursue STEM Careers
by NICOLE ANDERSON, AT&T, and ANNA MARIA CHÁVEZ, CEO of Girl Scouts of the USA

AT&T Recognized by Civic 50 as Industry Leader in Corporate Citizenship

Driving Innovation in Education with AT&T Aspire

Military (veteran hiring)

Members of the military and their families make great sacrifices for our country, and often confront unique challenges during periods of deployment and their return to civilian life. Veteran hiring has been a longstanding commitment of our recruitment programs; in 2013, we hired nearly five times as many veterans as compared to 2012. In November 2013, we expanded a previous goal and committed to hiring 10,000 veterans and their family members over the next five years.

AT&T Resources

Military-focused career site: att.jobs/military

Military skills translator: att.jobs/MOS

Veteran Talent Network: http://veterans.att.jobs

Learn more at att.com/troopsupport.

In their own words

Champions of DOT

AT&T Helping Heroes Home

BLOG
Why Veterans Make Great Hires
by CARL TEGAN
Executive Director of Government Solutions

Environment

Energy and water

Resource efficiency not only benefits the bottom line, but also often decreases a company's environmental impact. Over the past several years we've built a strong energy efficiency program. From 2010–2013, we have realized savings of more than $191 million by implementing over 18,800 energy efficiency projects.

In 2013, we also turned our attention toward water — a critical resource for both companies and communities. We often use water to cool the buildings that house network equipment, which forms the core of our business. In collaboration with Environmental Defense Fund, we undertook a multi-year project to explore water use in cooling towers and found potential savings of 14–40 percent in trial sites.

Learn more about energy at about.att.com/content/csr/home/issue-brief-builder/environment/energy-management.html.

Learn more about water at about.att.com/content/csr/home/issue-brief-builder/environment/water-management.html.

4.6M gallons of unleaded avoided

Total gallons of unleaded gasoline avoided through the deployment of AFVs: 4.6M gallons
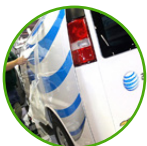
Fleet (reached AFV goal halfway milestone)

Finding cleaner, more efficient methods of powering our vehicles is important for our country's economy, security and environment. With one of the largest commercial fleets in the nation, AT&T committed to finding more efficient, cleaner methods for powering its fleet. In 2009, we set a goal to invest up to $565 million through 2018 to deploy 15,000 alternative-fuel vehicles (AFVs). Our AFVs will allow us to avoid purchasing nearly 6 million gallons of unleaded gasoline in 2014 and each subsequent year they are in use.[2]

Learn more at about.att.com/content/csr/home/issue-brief-builder/environment/company-fleet-and-transportation.html.

[2] This number was calculated based on the 7,061 AFVs in service at the end of 2012.

To empower other organizations, we developed a toolkit — the Water Management Application — that EDF estimates could help U.S. commercial buildings collectively realize up to 28 billion gallons of potential water savings annually.

Visualize environmental progress

AT&T Reaches Halfway Mark in Commitment to Deploy 15,000 AFVs through 2018

John Schinter Explains AT&T's three-pronged approach to energy management
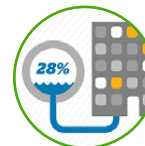
"Cooling Our Consumption" water infographic

☀ Technology

Product safety (It Can Wait®)

More than 200,000 crashes a year involve drivers who are texting.[3]

Through the *It Can Wait* program, we commit to raising awareness and changing behavior surrounding texting while driving. In 2013, we had more than 50,000 people sign up as advocates for the *It Can Wait* campaign through our *It Can Wait* website. We also involved more than 1,500 organizations, including Sprint, T-Mobile and Verizon, in the campaign. By December 2013, the movement surpassed 4 million pledges to never text while driving.

Learn more at itcanwait.com and help spread the word.

Customer empowerment

Empowering consumers to understand the life cycle of their devices is an important component to decreasing our products' environmental impact. We are also working with other companies to bring new products to market to help our enterprise customers find efficiencies in their operations.

[3] National Safety Council 2013, Annual Estimate of Cell Phone Crashes.

Our Eco-Rating system provides information on topics including energy efficiency, hazardous substances, and a device's materials recycling rate and ease of disassembly. For the portfolio of postpaid AT&T-branded handset devices evaluated against the AT&T Eco-Rating system, 95 percent were rated at Eco-Rating 3 or above out of a potential of Eco-Rating 5 — surpassing our goal. Consumers can visit our EcoSpace portal to learn more at att.com/ecospace.

We're teaming up with other well-known brands to bring connectivity to their products. In 2013, we teamed up with GE to allow machines to connect to the AT&T network and cloud, creating the first highly secure wireless communications system to realize the transformative potential for GE around the "Industrial Internet." Workers using the system will be able to remotely track, monitor, record and operate GE machinery. We also announced a collaboration with IBM to help cities and midsize utilities analyze data to find efficiencies in things like traffic patterns and electricity use.

While increased awareness is important, we want to turn this into action. We've set a goal for 2014 to surpass 1.2 million activations of our DriveMode mobile app in 2014.

Get involved: it's easy!

Take the pledge and help spread the word at itcanwait.com

Inform yourself about our Eco-Ratings at our EcoSpace portal

BLOG
Connected Cities and the Power of Data
by **TIM FLEMING**
Director of Sustainability Operations

Focusing on 2014

Looking back at where we've been helps inform where we're going. With an eye to the future, here are some of our focus areas for 2014.

See the future unfold

View our 2014 Goals and Progress Toward 2013 Goals

BLOG
Gearing Up Girls for Careers in STEM
by LaQUITA HALL
VP of Business Operations, Technology and Network Operations

AT&T at HRC's Time to Thrive 2014: Empowering LGBTQ Youth Around the Country
by SCOTT SAPPERSTEIN
Executive Director of Public Affairs

Areas of focus in 2014

ICT-based sustainability solutions

Innovative Information and Communication Technology (ICT) solutions give people and businesses the tools to be more energy efficient, reduce environmental impacts and address social challenges. At AT&T, we understand ICT's link to environmental and social sustainability. Products and services such as Digital Life®, a wireless home automation and security system, enable consumers to better manage and monitor energy and water consumption. Connected cars include sophisticated telematics and infotainment systems that can enhance safety, security and functionality, as well as potentially reduce the impact of motor vehicles on the environment. Accessible smartphones and software enable people with disabilities to use cutting-edge technology and experience the many opportunities that modern communications equipment affords.

In 2014, we're focusing on better identifying potential impact and savings of these technologies and participating in dialogues with consumers and business customers about how our technology can enable them to operate more sustainably.

Learn more at about.att.com/content/csr/home/technology.html.

Supply chain

AT&T's suppliers play an important role in the sustainability of our operations through their influence on issues like energy efficiency, alternative energy use, process improvement and packaging. This means that our supply chain is a source of significant opportunities for not only streamlining operations and reducing our own costs, but also minimizing larger environmental impacts, improving labor conditions and unlocking economic opportunity for diverse suppliers. AT&T recognizes the connectivity of our supply chain to our corporate citizenship and sustainability work. We will continue to seek out opportunities with our supply chain and to pursue our goal. By the end of 2017, top suppliers will achieve an average score of 80 percent or higher on the balanced C&S Scorecard, which covers four key categories including policy breadth, rigorous goals, reporting transparency and supply chain governance.

Learn more at about.att.com/content/csr/home/issue-brief-builder/environment/engaging-our-supply-chain.html.

Freedom of expression

We take our responsibility to protect our customers' information and privacy very seriously, and we pledge

Explore possibilities

BLOG
$1 Trillion M2M Industry Growing at Warp Speed
by **JOHN SCHULZ**
AVP of Sustainability Operations

Spotlight on Swathy Ramaswamy
Senior Sustainability Quality and Process Manager

BLOG
MOOCs: Helping to Create a Highly Skilled Workforce
by ALBERTO ZILIO
Director of Public Affairs – Europe

to continue to do so to the fullest extent possible and always in compliance with the law of the country where the relevant service is provided. Our Transparency Report, issued in early 2014, provides specific information regarding the number and types of demands to which we responded. In the future, we'll issue reports on a semi-annual basis. Our Human Rights in Communications Policy identifies and describes how AT&T respects and protects the freedom of expression of our users.

In 2013, AT&T was the first U.S. telecom to join the Telecommunications Industry Dialogue on Freedom of Expression and Privacy. Through this organization, AT&T engages with other players in the industry, NGOs and government officials to share best practices and address issues that are key to the advancement of human potential and integral to our relationship with our customers.

Learn more at att.com/privacy.

♻ Product reuse and recycling

Americans recycle just 11 percent of the more than 150 million phones that reach the end of their life each year — many still are placed in drawers and closets, and then forgotten. In 2014, AT&T's consumer Recycle and Reuse programs will collect more than 4.5 million handset devices.[4] As part of our effort to empower consumers to responsibly dispose of devices, we are increasing our

communications around device reuse and recycling. Through social media campaigns and outreach in our retail stores, we're hoping to improve recycling rates.

Learn more at att.com/ecospace.

📙 Transforming education

Continuing our commitment to education, in February 2014, AT&T announced a $100 million, three-year commitment to provide free mobile broadband access to educational websites, applications and services and professional development to help middle school students and their teachers.[5] AT&T's mobile broadband service will enable students to utilize tablets and other mobile devices for educational purposes that support student learning in new and more effective ways. The commitment supports President Obama's ConnectED initiative, which has the goal of bringing broadband connectivity to 99 percent of American students within five years.

Learn more at att.com/aspire.

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[4] Includes all wireless devices collected in-store, by mail, collection boxes, donations, trade-in and collection events with the exception of wireless devices that are returned for buyer's remorse. CTIA-The Wireless Association, Handset/Recycling Sustainability Benchmarks, October 2011.

[5] The efforts are contingent on FCC e-rate compliance requirements, and federal, state, and municipal procurement frameworks that will not prohibit or extend these types of initiatives. Eligible school locations will be subject to network congestion, availability, and performance criteria.

Look ahead with us

BLOG
Healthy Habits of Companies that Make a Difference
by JASON LEIKER
AVP, AT&T Community Engagement

AT&T to Provide $100 Million of Free Mobile Access to Educational Resources

Check out our device recycling page for more information

att.com/csr

View blog posts and dig deeper into topics of interest on the People | Planet | Possibilities website

about.att.com/csr/reporting

Visit this page for key links:

Issue Brief Library
Our issue briefs cover data and information on our sustainability topics

Key Performance Indicators
Review the metrics by which we measure progress

2014 Goals & Progress Toward 2013 Goals
Review the goals used to promote advancement against our priorities

Materiality Assessment
We engage stakeholders to identify and prioritize topics most relevant to our business success

Global Reporting Initiative
See how our reporting efforts align to internationally accepted framework

CDP Climate Change Response
Reference our response to the Carbon Disclosure Project's (CDP) Climate Change Questionnaire

Awards

FAQ, Governance, Policies

Want to connect?

Thanks for reading our 2013 Annual Sustainability Update! You are an important part of our sustainability story, and we hope you'll connect with us online.

[Sign up](#) for blog posts by email

We want to hear from you! Email us at sustainability@attnews.us

Engage with us on Twitter using **#ATTimpact**