Independent Accountants’ Report

To the Management of
AT&T Inc.

We have reviewed the attached Report of Management on the 2013 Process for Identifying Material Aspects Included in the Sustainability Report (“Management’s Process”) for the year ended December 31, 2013. We did not review all information included in AT&T’s Sustainability Report for the year ended December 31, 2013 (the “Sustainability Report”). We did not review the narrative sections of the Sustainability Report, except where they incorporated Management’s Process. AT&T’s management is responsible for Management’s Process, and for selection of the criteria against which the subject matter is measured and presented.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our review to obtain limited assurance about whether any material modifications should be made to Management’s Process. A review consists principally of applying analytical procedures, making inquiries of persons responsible for Management’s Process, obtaining an understanding of the data management systems and processes used to generate, aggregate and report the subject matter and performing such other procedures as we considered necessary in the circumstances. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on Management’s Process. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

Management’s Process is subject to uncertainties resulting from limitations inherent in the nature and the methods used in the assessment of such qualitative information. The selection of different but acceptable assessment techniques can result in materially different outcomes.

Based on our review, nothing came to our attention that caused us to believe that Management's Process is not presented, in all material respects, in conformity with the “Materiality Principle” in the Global Reporting Initiative’s G4 Sustainability Reporting Guidelines.

Ernst & Young LLP

May 19, 2014
Report of Management on the 2013 Process for Identifying the Material Aspects Included in the Sustainability Report

May 19, 2014

I acknowledge that, as Senior Vice President – Public Affairs and Chief Sustainability Officer of AT&T Services, Inc., I am responsible for the material aspects included in AT&T’s sustainability report and for selecting the criteria used in the determination of the material aspects. The process used to identify the material aspects included in the sustainability report is subject to uncertainties resulting from limitations inherent in the nature and the methods used in the assessment of such qualitative information. The selection of different but acceptable assessment techniques can result in materially different outcomes. I also acknowledge that I am responsible for determining that such criteria are appropriate for this purpose.

During 2013, we performed the following materiality assessment to determine the material aspects to be included in AT&T’s sustainability report. The Global Reporting Initiative (GRI) defines material aspects as those aspects “that reflect the organization’s significant economic, environmental and social impacts; or substantively influence the assessments and decisions of stakeholders.”

First, we identified a list of 47 sustainability topics to include in the materiality assessment. This list was developed based on an analysis of the following:
1. Our 2010 and 2012 materiality assessments
2. Main topics and future challenges for the telecommunications sector reported by peers and competitors and industry reporting practices, laws and regulations
3. International Standards such as the GRI G4 guidelines and the Sustainability Accounting Standards Board (SASB) Draft Material ESG Issues for the Technology and Communications Sector publication
4. Public media search

We then collected input from 10 different internal and external stakeholder groups to understand the relative importance of the topics. The 10 stakeholder groups comprised: employees; humanitarian and environmental non-governmental organizations; business, consumer and government customers; supply chain partners; industry groups working on Environmental, Social and Governance issues for Socially Responsible Investment; AT&T business unit leaders and AT&T Citizenship and Sustainability Steering Committee members (17 business executives who oversee departments engaged in these sustainability-related topics); sustainability ratings and rankers; environmental regulators; and local community organizations.

We engaged our employees and our consumer customers through a survey. We performed interviews with the non-governmental organizations, industry groups, AT&T business unit leaders and Steering Committee members, sustainability ratings and rankers, local community organizations and environmental regulators. Regarding the business and government customers as well as the supply chain partners, we performed a review of companies’ websites, sustainability reports, requests for proposals and publicly available information.

We engaged a third-party to help us gather the responses from all the stakeholders and aggregate the material aspects’ scores.

As a result of this materiality assessment process, four categories of aspects appeared as most material to our organization and to our stakeholders. They are, in no specific order, the following:
• Climate: including greenhouse gas emissions, company energy use and innovation
• Product Responsibility; including product recycling and reuse, and product design: energy efficiency
• Impact on Society; including education and innovation
• Commitment to our Customers; including customer privacy, network and data security, and access – deployment to rural/underserved areas

Annually, AT&T discloses content on material issues in its Sustainability Report.

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