

Letter from our Chairman and CEO



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AT&T is proud to be in the center of it all. Everything we do is designed to harness the power of connectivity to change the world.”

- Randall Stephenson,
Chairman and CEO

Our world has never been more connected than it is today. From smartphones and smartwatches to smart homes and cities, connectivity is changing virtually everything about how we live, work and solve problems. And AT&T is proud to be in the center of it all. Everything we do is designed to harness the power of connectivity to change the world.

Consider the impact technology is having on one of humanity's biggest challenges: protecting the environment. Thanks to the Internet of Things — millions of wirelessly enabled sensors and devices — cities, companies and consumers have the ability to operate more efficiently, use less energy and reduce their impact on the environment. Smart traffic management, for example, can route cars in ways that save fuel. Smart homes can conserve power by knowing when we're not around. And smart irrigation systems can slash water usage by watering plants only when they need it.

Last year, we set an ambitious goal: by 2025, we will enable carbon savings that are 10 times the footprint of our total operations. To get there, we will leverage technology to deliver energy-saving customer solutions, increase the efficiency of our network and build on the thousands of projects we've implemented to reduce our energy and water consumption. Additionally, projects like our rapid transition to a software-centric network will allow us to move more data traffic while using less energy to do so.

Technology is also helping people prepare for jobs in the digital economy. AT&T has embarked on a multi-year effort to give our employees the skills they need for tomorrow's high-tech jobs. We teamed up with Udacity in 2014 to launch

the Nanodegree program, which provides employees — and potential employees — with affordable, online credentials for tech skills such as web development and coding. We're making 1,200 scholarships available for underserved students through qualified non-profit organizations and providing up to 100 paid internships for high-performing graduates.

We're also empowering students to gain the skills they'll need for the future. Our \$350 million AT&T Aspire commitment prepares them for success in school and the workplace. We're teaming up with best-in-class organizations — like Girls Who Code, Code.org and Black Girls Code — to help students develop computer science and coding skills. And we're using our technology to connect AT&T mentors with students wherever they are.

We've further broadened our efforts to drive innovation in education through AT&T Aspire Accelerator, which funds groups that are working to bring educational technology products or services to market. In 2015, we graduated our first class of five different ventures that are using technology to help students and start-ups succeed.

It's still early. We're just beginning to explore the potential of the connected world. But what we've seen so far is incredibly exciting. These tools will inevitably become smarter and more powerful over time. As they do, our ability to solve some of society's biggest challenges will increase exponentially.

And I can promise you that AT&T will be right there, leading the charge.

To learn more, please visit us at www.att.com/CSR.

