

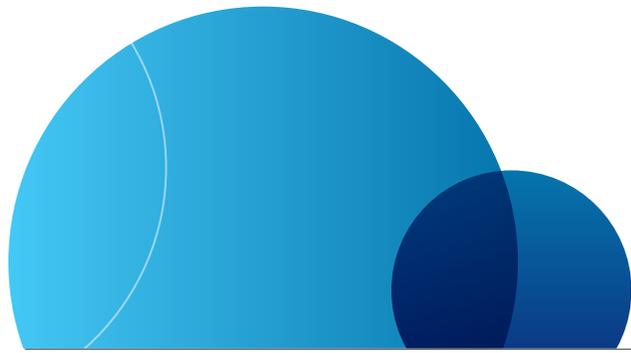
people | planet | possibilities



2014 Progress Toward Goals

In addition to knowing where we are and where we've been, it's important to know where we're going. Setting goals helps us get there. This is our progress toward the goals we set in 2014. Later this year, we will announce new longer-term social and environmental goals as part of our company's commitment to deliver the future first.

Learn more about our initiatives at
[**att.com/sustainabilityreport**](http://att.com/sustainabilityreport)



People and Community

Philanthropy

2014 GOAL

- Invest \$250 million planned by 2017 to drive innovation in education, support effective local programs and create collective impact through collaboration with AT&T business units, national partners, employers and customers to ensure that more students who are at risk of dropping out graduate from high school prepared for college and a career.
- Additionally, as part of the White House ConnectED initiative, provide \$100 million of free mobile broadband access to educational websites, applications and services, and professional development to help middle school students and their teachers over a three-year period through 2016.

PROGRESS TOWARD 2014 GOAL

We have invested \$153.3 million since March 2012. Program highlights include:

- Working with Udacity to launch the Nanodegree program, new educational online pathways to industry-relevant skills, to prepare more people with the skills needed for high-demand tech jobs requiring technological expertise. Nanodegree courses are online, self-paced and taught by leaders in tech with personalized coaches,
- Teaming up with Genesys Works, a Houston-based nonprofit, to expand a proven program that gives high school seniors at risk of dropping out of school the opportunity to work and thrive in a corporate environment and succeed in college and careers,
- Supporting Girls Who Code, a national nonprofit working to close the gender gap in the technology and engineering sectors, with a \$1 million contribution to expand its Summer Immersion Program and Girls Who Code clubs to additional cities across the country.
- AT&T Chairman and CEO Randall Stephenson joining President Obama at a White House event in July 2014 to commit \$18 million to education programs with a mentoring component.
- Selecting 30 organizations across the country to share nearly \$12.5 million to strengthen and expand their evidence-based programs that help students graduate from high school prepared for college and a career.

In 2014, AT&T committed – as part of the White House’s ConnectED initiative – to provide \$100 million of free mobile broadband connectivity for mobile learning to more than 50,000 students. During 2014, more than 35 employees from six business units across AT&T invested roughly 35,000 hours in this project. We created a new education platform that includes high-speed LTE network access for tablets, content filtering for students, and easier deployment and management software for schools. We designed this solution in-house and brought it to fruition through our Chief Technology Organization. In 2015, AT&T and the White House will announce recipient school districts that will benefit from this \$100 million commitment.

Community Engagement

2014 GOAL

- The Aspire Mentoring Academy will engage students who are at risk of dropping out of high school with 1 million hours of mentoring by AT&T employees through the end of 2016.

PROGRESS TOWARD 2014 GOAL

- Between September 2012 and year-end 2014, students have received more than 715,000 hours of mentoring by AT&T employees through Aspire Mentoring Academy, keeping us on track to achieve our 2016 goal.



Military Support

2014 GOAL

- AT&T pledges to hire 10,000 veterans by the end of 2018, which was announced in 2013 as part of the White House's Joining Forces initiative.

PROGRESS TOWARD 2014 GOAL

- AT&T's dedication to hiring veterans remains strong. We are well on our way to reaching our goal and have hired more than 7,000 veterans.

Workforce Diversity

2014 GOAL

- Engage a broader group of employees in our diversity and inclusion programs by growing membership in our international and nontraditional employee networks by 20 percent, and by providing career development opportunities to at least 50 percent of our Employee Resource Group (ERG) leaders.

PROGRESS TOWARD 2014 GOAL

- We successfully engaged a broader group of employees in 2014. We launched two new employee networks – AT&T Women in Technology and the Project Management Network – and our membership across all employee networks grew to more than 8,000 members (a 245 percent increase). In addition, we offered career development opportunities such as our ERG Leadership Academies and National ERG Conference to 52 percent of our ERG leaders.

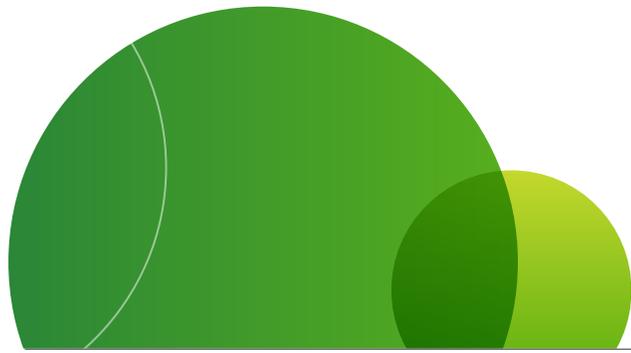
Supplier Diversity

2014 GOAL

- Continue to maintain our aggregate 21.5 percent of our corporate spend with diverse suppliers, including meeting the 1.5 percent target of corporate spend with Disabled Veteran Business Enterprises (DVBE) by the end of 2017.

PROGRESS TOWARD 2014 GOAL

- We continue to exceed our overall supplier diversity goal of 21.5 percent. AT&T remains resolute with respect to our goal to meet 1.5 percent of corporate spend with Disabled Veteran Business Enterprises (DVBE). The DVBE landscape presents unique and challenging circumstances with regard to building the requisite collaboration to attain AT&T's needs for business prospects. Due to these circumstances, we have adjusted the date to achieve our goal to align with our supplier diversity 2020 plans. Nevertheless, we did increase our DVBE spend through positive actions and strategies, with several DVBEs receiving contracts in 2014.



Environment

Energy

2014 GOAL

- Reduce the electricity consumption of our company relative to data growth on our network by 60 percent by 2020 (baseline of 2013).
- Expand by a minimum of 9 MW of additional alternative energy installations.

PROGRESS TOWARD 2014 GOAL

- Relative to our new target for electricity consumption relative to data growth (93 MWh electricity/Petabytes of network traffic), AT&T achieved an 18.9 percent reduction in 2014. The resulting energy intensity for 2014 is 189 MWh/Petabyte.
- In 2014, AT&T expanded its solar capacity by 3 MW in California and New York. Additionally, we completed a 677 kW solar installation in Texas toward the end of the year. While this falls short of our goal for 2014, 4.4 MW of fuel cell projects were deferred to the first half of 2015 due to permitting issues, and 1.868 MW of solar capacity was also deferred to late 2015/early 2016.

Water

2014 GOAL

- Realize 150 million gallons – roughly 15 percent of cooling tower water use and 5 percent of total water use – of annualized water savings by the end of 2015.
- Realize 400 million kWh in annualized electricity savings from free-air cooling projects by the end of 2015.

PROGRESS TOWARD 2014 GOAL

- Since the beginning of 2013 we've seen an overall annualized water savings of 236 million gallons, 72 million of which is directly attributable to conservation and free-air cooling projects. We've strategically optimized our investment in energy projects to include conservation, free-air cooling and real estate divestment, which resulted in exceeding our water savings goal associated with mechanic cooling improvement.
- Since the beginning of 2013, we have realized 107 million kWh of annualized electricity savings associated with free-air cooling projects.

Fleet

2014 GOAL

- Replace retiring passenger vehicles with alternative-fuel models and deploy up to 8,000 compressed natural gas (CNG) service vehicles through 2014. Deploy approximately 15,000 alternative fuel vehicles (AFVs) over a 10-year period through 2018.

PROGRESS TOWARD 2014 GOAL

- As of the end of 2014, AT&T had deployed to its fleet a total of 10,628 alternative fuel vehicles, including: 2,602 hybrid-electric, all-electric and extended-range-electric vehicles, and 8,026 CNG service vehicles.



Emissions

2014 GOAL

- Reduce our Scope 1 emissions 20 percent by 2020, using a 2008 Scope 1 baseline of 1,172,476 mtons CO₂e.

(For the purposes of tracking progress toward our goal, we are holding refrigerants, engines and portable generators steady in an effort to align performance with actual emissions changes and avoid an inaccurate representation of our progress.)

PROGRESS TOWARD 2014 GOAL

- We achieved an adjusted 1,052,504 mtons CO₂e of Scope 1 emissions, which equates to a 10.23 percent reduction compared to our 2008 base year.

Supply Chain

2014 GOAL

- By the end of 2015, a majority of spend with strategic suppliers will be with those who track greenhouse gas (GHG) emissions and have specific GHG goals.
- By the end of 2017, achieve an average score of 80 percent or higher for top suppliers on the balanced C&S Scorecard, which covers four key categories including policy breadth, rigorous goals, reporting transparency and supply chain governance.

PROGRESS TOWARD 2014 GOAL

- At the end of 2014, suppliers representing more than 50 percent of spend reported that they were tracking greenhouse gas emissions and had greenhouse gas reduction goals.
- At the end of 2014, the average score for top suppliers was more than 70 percent, up from 63 percent in 2013.



Technology

Consumer

2014 GOAL

- AT&T will expand the Eco-Rating environmental performance system to include tablets sold at retail that are new to the portfolio.
- AT&T will launch a refreshed 2.0 Eco-Rating system for AT&T-branded handset devices that raises the manufacturer performance criteria.
- In 2014, AT&T's consumer Recycle and Reuse programs will collect more than 4.5 million handset devices, as defined by the CTIA Handset Recycling Sustainability Benchmarks.*

(*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.)

PROGRESS TOWARD 2014 GOAL

- In 2014, AT&T launched [Eco-Rating 2.0](#), which expanded the system to include AT&T-branded tablet devices that are new to the portfolio in 2015. First devices assessed by the new system are expected to be available to consumers in the first half of 2015.
- In 2014, AT&T launched [Eco-Rating 2.0](#), which enhanced the device eco-rating system to provide a more holistic view of the management practices and impacts of a device's creation and lifespan. For example, the existing attribute of "responsible manufacturing" now takes into account social components that include conflict minerals usage, human rights policy application and public reporting on occupational safety management systems and factory code of conduct.
- In 2014, AT&T's consumer Recycle and Reuse programs collected approximately 4.3 million handset devices, as defined by the CTIA Handset Recycling Sustainability Benchmarks.* Falling slightly under the goal is indicative of the robust channels outside AT&T available to consumers for their used devices and a reflection that consumers are keeping their old devices. AT&T continues to refine and offer robust consumer programs that allow for the responsible disposal of used devices.

(*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.)

Enterprise

2014 GOAL

- Collaborate with information and communications technology (ICT) peers, clients and third parties to detail real-world applications of ICT solutions delivering economic, social and environmental benefits.

PROGRESS TOWARD 2014 GOAL

2014 Progress toward Goal: Peers

- Working with [GE](#), we are leading innovation around smart energy technology and solutions using the Internet of Things (IoT). Proofs of concept for energy management solutions are being developed and tested in AT&T's M2M/IoT Foundry.
- As part of AT&T's alliance with [IBM](#), we participated in the 2014 Smart America Challenge. The event focused on the socio-economic benefits of the Internet of Things (IoT), and featured our work on Smarter Cities.
- AT&T M2M technology powers [HydroPoint](#), a solution that manages water use and reduces water waste. HydroPoint uses M2M sensors to collect and monitor data, store data in the cloud, and connect it to other applications for business operations.

2014 Progress toward Goal: Industry

- AT&T collaborated with [BSR](#) on the report, "Advancing Environmental Sustainability in the Power Sector." AT&T's smart grid product solutions and research were referenced throughout the report via contributions from smart grid lead manager, Ed Davalos.
- AT&T cofounded the nonprofit [Industrial Internet Consortium \(IIC\)](#) with Cisco, GE, Intel and IBM to increase the adoption and interoperability of the Industrial Internet and IoT. IIC also advocates for increasing access to big data and the integration of data into business operations.



Emerging Devices

2014 GOAL

- Continue our established leadership in connected car technology by exploring and assessing the economic, social and environmental benefits enabled by our AT&T Drive platform.

PROGRESS TOWARD 2014 GOAL

- AT&T Drive Studio has engaged the Intelligent Transportation Society of America (ITSA) to research ways in which the “sharing economy” and changing demographics are impacting technology’s role in transportation and the associated social and environmental benefits. The AT&T/ITSA study will provide insight and direction into how the wireless and automotive industries might better serve potential user communities to maximize the positive outcomes for shared transportation.
- In November 2014, AT&T along with fellow founding members AIG and Anheuser-Busch InBev, launched a global coalition called Together for Safer Roads (TSR) to address road safety and paths to improve both human and economic impacts. In support of the United Nations’ Decade of Action campaign, TSR will leverage its private sector membership’s strengths in concert with a select expert panel to focus on vehicle-related deaths and injuries, which – if left unchecked – will be the fifth largest global cause of mortality by 2030. The coalition will accomplish this by engaging in three work groups focused on raising awareness about the importance of road safety, influencing driver behavior and advancing safer vehicles and roads through data and technology.

Product Responsibility

2014 GOAL

- Continue to drive awareness and prevent texting while driving by turning that awareness into action and by surpassing 1.2 million activations of our DriveMode® mobile app in 2014.

PROGRESS TOWARD 2014 GOAL

- AT&T continues the campaign to drive awareness and prevent texting while driving, which includes turning awareness into action by having customers activate AT&T’s DriveMode mobile app. In 2014, AT&T had more than 1.4 million activations of DriveMode, surpassing the 1.2 million activation goal.

