



AT&T Climate Change Policy

As one of the world's largest communications companies, AT&T recognizes that climate change is happening, that greenhouse gas emissions are contributing to it, and that transitioning to a more resource efficient world will be a primary determinant of success in the 21st century global economy. We also believe that our technology is central to the success of this emerging global economy.

Accordingly, we are committed to helping our customers retain their competitive edge in the global marketplace by leveraging our broadband network and services to create more economic value while reducing their energy consumption and emissions. We are also deeply committed to ongoing research, development and innovation that will introduce future products and services to help our customers live their lives and run their businesses more sustainably.

At the same time, we must also continually strive to reduce our own energy intensity and greenhouse gas emissions in all of our operations. We are mindful that, as demand for our products and services increases, the amount of energy needed to power our network will also increase. Despite this challenge, we are committed to operating in an environmentally responsible and sustainable manner through energy and water conservation and by focusing our efforts where they will have the most impact. We are also committed to working with our suppliers to limit environmental impacts and greenhouse gas emissions in our supply chain.

Governance

AT&T's corporate governance structure is designed to help determine company priorities, align resources and help further integrate more sustainable business operations across the entire organization. The Public Policy and Corporate Reputation Committee oversees all Citizenship and Sustainability issues, including environmental sustainability and the management of company greenhouse gas emissions. The Chief Sustainability Officer reports to the committee three times per year to provide updates and receive input on the direction of sustainability work within AT&T. Separately, the Citizenship and Sustainability Steering committee is comprised of senior executives and officers from across the company who are responsible for the business areas most linked to our current sustainability priorities, including the management of our company's energy and water use and greenhouse gas emissions. Additionally, the company now has more than 30 active "expert teams" to help drive sustainability initiatives into all the business units.

We also know that some of the best ideas are born out of collaboration. AT&T regularly consults key stakeholders, including governmental agencies, academic institutions, and non-governmental organizations in decision-making processes related to sustainability and climate adaptation strategies.

Measurement and Transparency

AT&T has utilized The Greenhouse Gas Protocol developed by the World Resources Institute and the World Business Council for Sustainable Development to develop a comprehensive inventory of our greenhouse gas emissions since 2008. Since that time, we have reported this measurement on a yearly basis to CDP and through our annual sustainability report. We recognize the value of understanding our emissions inventory, so we encourage our customers, challenge our competitors, and expect our suppliers to undertake similarly transparent measurement and reporting efforts. Through this exercise, we know that electricity use and our corporate vehicle fleet are the two emissions sources that we can impact most directly, and we are actively addressing both areas. We are also driving measurement within our supply chain by conducting an annual survey designed to reinforce our expectation that our suppliers will follow sustainable business practices. The survey includes questions on energy efficiency, environmental protection, labor rights, and greenhouse gas emissions.

Electricity Use

We utilize a rigorous and systematic approach to drive electricity efficiency.

- The AT&T Energy Policy drives our efforts to achieve efficient, cost-effective and environmentally responsible energy use.
- Our Director of Energy oversees company-wide energy management efforts and drives programs to achieve energy efficiency.
- Our Energy Council is comprised of key executives charged with identifying and assessing ways to operate more efficiently.
- Our Energy Intensity metric - the ratio of our energy use to the volume of data traversing our networks - provides enterprise-level insight into our progress.
- The AT&T Energy Scorecard benchmarks and drives accountability about the energy performance of our largest energy-consuming AT&T facilities.

Corporate Vehicle Fleet

Our ground fleet represents our largest direct emission source, so we are focused on finding ways to reduce associated emissions. We have committed to investing up to \$565 million to deploy approximately 15,000 alternative-fuel vehicles over a 10-year period through 2018. This includes plans to replace up to 8,000 of our service vehicles with lower-emission compressed natural gas models and 7,100 passenger cars with alternative-fuel models.

Water

With the pressures of increased water demand and strained supply, we must be strategic about how we use this critical resource. Water management is becoming increasingly critical for industry as our society experiences more constraints associated with water. There is also a growing awareness about the relationship between water use, energy costs and greenhouse gas emissions. AT&T is using Global Reporting Initiative's Water Protocol to measure our water use as we pursue water efficiency efforts.

Goals

We measure our progress in these areas by setting meaningful goals related to our largest emissions sources. These goals evolve with time and progress will be reported and made available publically in our annual sustainability report.

In addition to targeting our own emissions, we seek to enable customers to make more sustainable choices. From consumer broadband and applications like e-commerce to technologies of the Internet of Things that transform the way we move and use goods, AT&T offers products and services that enable our customers to be more energy efficient and reduce their emissions. We do this by moving work to people rather than people to work, connecting rather than traveling, managing business remotely and in real-time and improving transportation and distribution systems. As a provider of information and communications technology, we are encouraged by the growing recognition of the role that technology solutions can play in promoting energy efficiency and enabling low-carbon solutions. We are committed to collaborating with government and industry peers to better measure the degree to which we can help others increase energy efficiency and reduce greenhouse gas emissions.