

S&P Global Sustainable1 Assurance

AT&T assurance statement: AA1000AS v3

S&P Global Sustainable1, a business of S&P Global Inc. (hereafter, ‘Sustainable1’) was engaged by AT&T to provide assurance of the environmental data held within its 2022 CDP Response.

Sustainable1 verified the environmental impacts, as calculated by AT&T, within the table in the next page.

Intended users

The intended users of this assurance statement are the management and stakeholders of AT&T.

Responsibilities of AT&T and assurance provider

The management of AT&T has sole responsibility for the preparation and content of its annual sustainability report and CDP Climate Change Response (hereafter, “CDP”). Sustainable1’s statement represents its independent and balanced opinion on the content and accuracy of the information and environmental data held within.

Assurance standard

Sustainable1 undertook the assurance in accordance with AA1000AS v3 (2020) Type 2 moderate-level assurance, covering:

- ✓ Evaluation of adherence to the AA1000AP (2018) Principles of inclusivity, materiality, responsiveness and impact (the Principles)
- ✓ The reliability of specified environmental performance information (energy use, greenhouse gas emissions)

Sustainable1 used the Global Reporting Initiative (GRI) and the GHG Protocol to evaluate AT&T’s performance information and adherence to the Principles.

Scope and limitations

Sustainable1 was engaged to assure the data and claims in AT&T’s 2021 external reporting, encompassing the period of 1 January 2021 – 31 December 2021. Sustainable1 was asked to assure reporting for specific KPIs. AT&T took an operational control approach.

SCOPE	SOURCE	UNIT	QUANTITY
GHG Scope 1	Natural gas		73,602
	Propane		4,779
	#1 Fuel oil		1,271
	#2 Fuel oil		1,480
	Diesel		5,995
	Gasoline		338
	Stationary Engines		112,827
	Portable Engines		7,780
	Flight Operations	Metric tonnes CO ₂ e	6,142
	Ground Fleet		517,290
	Refrigerants		265,626
Solar (RECs)		0	
GHG Scope 2	Electrical Power - Location Based		5,201,773
	Electrical Power - Market Based		4,539,649
	Steam		8,444
	Chilled Water		2,487
GHG Scope 3	Waste		73,053
	Business Travel - Air Travel		71,774
	Business Travel - Car Travel	Metric tonnes CO ₂ e	30,357
	Business Travel - Rail Travel		40
	Customer Product Electricity Use		1,658,054
Energy Use Scope 1	Solare (RECs)	MWh	1,100
Energy Use Scope 2	Electric Power	MWh	13,962,861
	Steam		127,209
	Chilled Water	MMBtu	47,204

Methodology

Sustainable1's assurance activities included the following:

- Review of the processes by which AT&T defines the sustainability issues that are relevant and material to its operations and its stakeholders.
- Interviews with managers responsible for sustainability performance and data collection.
- Assessment of the extent to which AT&T's sustainability activities adheres to the Principles.
- Review of processes and systems used to gather and consolidate environmental data. The data sources that Sustainable 1 reviewed includes invoices, spreadsheets and other data points.
- Verification of data accuracy for a selection of sites, including an audit of conversion factors, and calculations.

*These values are rounded to the nearest whole number. The accuracy of emissions totals is somewhat limited by the categorization of various emission sources under overarching reporting categories.

PRINCIPLE	COMMENTS
<p>Inclusivity: the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability</p>	<p>AT&T considers customers, employees, suppliers, governments, investors, industry associations, peers in the telecommunications space, and NGOs as primary stakeholders. These stakeholders are identified with the help of the reporting team and responses.</p> <p>To engage with stakeholders, AT&T circulates surveys to around eight internal and external stakeholder groups globally. It also conducts qualitative interviews with the members of its CSR governance council, representing officers from different business operations. AT&T also has feedback sessions associated with stockholders, employees, suppliers, etc. In addition, AT&T has an internal system known as 'Raise your hand' where employees can communicate ideas; for instance, an idea regarding EV charging infrastructure by one of the employees was integrated into AT&T's EV infrastructure planning.</p>
<p>Materiality: determining the relevance and significance of an issue to an organization and its stakeholders</p>	<p>AT&T conducted the latest materiality assessment in 2021 with climate change, GHG emissions being identified as the most important material topics and energy efficiency & renewables, product life cycle management, water usage, and hazardous waste being the other important material topics. It has ESG metrics for each of these material topics, which are reported at least annually.</p> <p>To address the material topic of GHG emissions, AT&T has set science-based targets and committed to reducing Scope 1 and Scope 2 emissions by 63% from 2015-2030 and carbon neutrality by 2030-2035. In addition, it is focused on energy efficiency and is committed to transitioning to zero-emission fleet.</p>
<p>Responsiveness: an organization's response to stakeholder issues that affect its sustainability performance and is realized through decisions, actions and performance, as well as communication with stakeholders</p>	<p>AT&T has several broad communication channels through which concerns are communicated such as emails, annual cultural surveys, feedback from the investor relations team or the CEO, or by leaders at AT&T. Departments are expected to address the stakeholders' concerns at their department level to ensure that there is an alignment with the top-level leadership and the senior management. AT&T tries to solve these concerns as soon as possible but the duration can vary depending on the type of concern and the stakeholder who has raised the concern.</p> <p>The feedback and concerns received by AT&T serve to strategize for broader ESG-related issues; for instance, one of the investors came with a concern regarding the AT&T's EV transition strategy which resulted in AT&T setting up a committee representing the 8 business units across AT&T, which has several individuals working for developing EV transition strategy and conducts pilot projects.</p>
<p>Impact: Organizations should monitor, measure and be accountable for how their actions impact broader ecosystems</p>	<p>AT&T has developed a climate analysis tool, that helps to identify infrastructure that may be at risk due to climate change. It has also identified that its climate strategy has an impact on the economy, environment, society, stakeholders, and itself. It has set certain goals to mitigate the impact such as aligning to SBTi targets by 2030 and achieving carbon neutrality by 2035. In order to be more accountable, AT&T is focused on reducing emissions associated with customers and developing and selling climate solutions to customers to reduce their impact on the environment. Also, for FY 2021, AT&T had an emission reduction goal of 25.2 from 2015-2021, which, based on the preliminary assessment, is ahead of its target.</p>

Findings, conclusions and recommendations

The Principles:

Nothing came to Sustainable1's attention to suggest that AT&T's CDP Response does not adhere to the AA1000 Principles.

Data reliability:

AT&T has implemented rigorous processes to collect and aggregate global energy consumption, GHG emissions, water use and waste generation. Upon evaluating this system, Sustainable1 found that data was accurate overall and any minor corrections were made as necessary.

Assurance provider

Sustainable1 has been researching, standardizing and validating corporate environmental performance data since 2000. Sustainable1's research team has the relevant professional and technical competencies and

experience to conduct an assurance to the AA1000 standard.

Sustainable1 has conducted this assurance independently and impartially and in compliance with S&P Global's policies and procedures, including its Code of Business Ethics that provide a framework relating to ethical conduct, conflict of interest and compliance with law.

S&P Global Sustainable1, a business of S&P Global Inc.

London, April 2022



Steven Bullock

Managing Director, Global Head
of ESG Innovation and Solutions



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