

2017
Corporate Responsibility Update

Building a Better Tomorrow





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Letter from our Chairman and CEO

AT&T is dedicated to using technology to help solve some of the world's most pressing challenges—from climate change and resource conservation to improving education outcomes for students and employees.

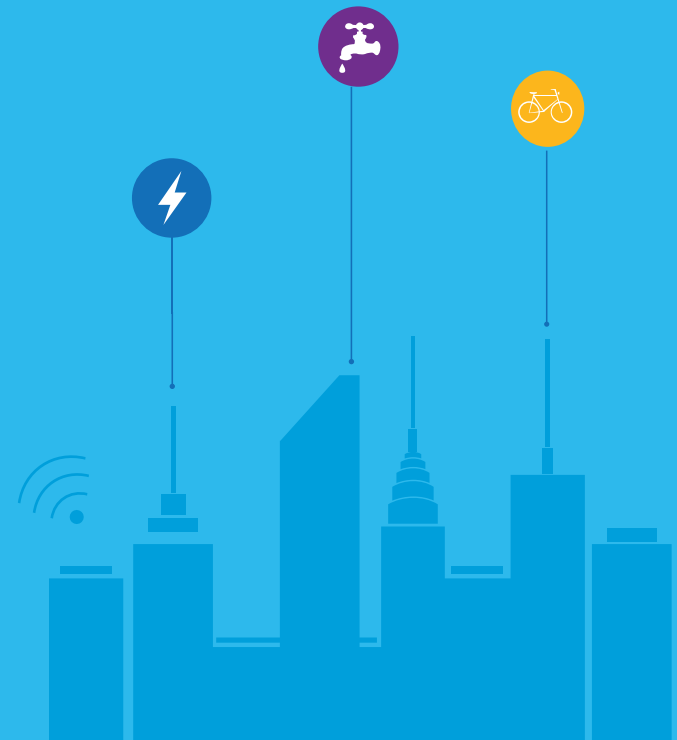
2017 was an important year in AT&T's commitment to renewable energy. We expanded our portfolio through 3 large wind-energy deals with NextEra Energy Resources. These agreements will produce 820 megawatts of wind power, making this one of the largest corporate renewable energy purchases in the U.S.¹ The projects are expected to reduce greenhouse gas emissions equivalent to taking more than 530,000 cars off the road or providing electricity for more than 372,000 homes per year.²

Another way we're addressing today's challenges is through our Smart Cities initiative, which helps cities monitor power outages, water leaks and traffic patterns to more effectively manage their resources. We're consistently innovating and looking for ways our customers can harness our technologies to help minimize their environmental impact. And, we're employing many of these solutions ourselves, helping us meet our commitment to enable carbon savings that are 10 times the carbon footprint of our operations by 2025.

On the education front, our \$400 million AT&T Aspire education initiative is preparing students for success in school and the workplace. In the U.S., we're working with proven non-profits like Year Up, Genesys Works and Girls Who Code to equip students with job-ready skills. And in Latin America, our flagship program Escuela+ has reached more than 8,800 rural schools in 8 countries.



RANDALL STEPHENSON
Chairman and Chief
Executive Officer



¹Business Renewables Center (2017). BRC Deal Tracker. <http://businessrenewables.org/corporate-transactions/>
²EPA Greenhouse Gas Equivalencies Calculator: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>



Our employees continue to step up as well. Since 2012, they have collectively spent more than 2.2 million hours mentoring more than 350,000 students.

But it's not just young people who need the right skills to succeed. We all must constantly refresh our capabilities for a world where the pace of technological change continues to accelerate. That's why we've embraced the culture of continuous learning and have backed that commitment with an employee reskilling initiative unsurpassed in size and scope.

In 2017, hurricanes, earthquakes and wildfires devastated many parts of the U.S. and Mexico, inflicting widespread damage and impacting millions of people. To aid in restoration and recovery efforts, we deployed thousands of employees and contractors to assist first responders and restore communications for customers, businesses and local governments.

We also made a \$1 million matching donation to Team Rubicon, a veteran-led disaster response organization made up of skilled volunteers who deploy when disaster strikes.

Natural disasters like these underscore why network reliability is always one of our top priorities. Over the past few years, we have invested significantly to build and enhance our networks and get ready for the transition to a mobile 5G world.

Finally, we are proud to have been selected to partner with the U.S. First Responder Network Authority, or FirstNet, to build and manage America's first nationwide public safety communications platform dedicated to first responders in times of need. When completed, this state-of-the-art network will allow public safety officials to

focus on what matters most—protecting communities and saving lives.

For 142 years, we've used technology to solve problems and improve people's lives. I invite you to learn more about our recent efforts in the following pages.



Conversations with our Chief Sustainability Officer

2017 was a year of tremendous challenges. We faced unprecedented natural disasters and massive shifts in the communications and technology industries while retraining thousands of our employees as we reach for bold, new visions.

To position our company for long-term success, we approach each social and environmental challenge in a way that will create value for our customers, employees and shareholders.

In this year's corporate responsibility update, you will see reporting on our 2017 key metrics, as well as a sampling of our work from 2017 and early 2018. As we reflected on the year, I spoke with colleagues from across our business to examine the opportunities and strategies that help us find solutions to some of today's most pressing challenges.

You'll find their responses on the pages that follow.



CHARLENE LAKE
Senior Vice President,
Corporate Social
Responsibility & Chief
Sustainability Officer



A Conversation with ...

Thaddeus Arroyo



THADDEUS ARROYO
Chief Executive Officer,
AT&T Business

Charlene Lake: *In your position as the CEO of AT&T Business, you speak about how technology and communications can help customers address challenges in their lives. Talk to me about some of your favorite solutions that your team is working on.*

Thaddeus Arroyo: We're in a unique position to help business customers use technology to improve daily lives and reduce their environmental impact. I focus on business solutions that drive these product and service innovations. For example, our network technology connects camera-enabled Aira smart glasses worn by people who are blind or have low vision. A tap of a button instantly connects the user to a remote agent who uses real-time video to provide visual assistance, helping the user better experience the world around them. On the environmental side, we also

offer many products and services, such as fleet management and asset tracking, that can help customers reduce their carbon emissions. We set a goal to enable carbon savings 10 times the carbon footprint of our operations by enhancing the efficiency of our network and delivering sustainable customer solutions.

Lake: *Technology is always evolving. What measures does AT&T take to deliver new ideas for customer solutions?*

Arroyo: We are always reviewing our offerings through the lens of the customer experience. Through the AT&T Foundry, we work with developers, startups and other companies to move ideas to market faster.

The Foundry has resulted in more than 500 projects and the deployment of

dozens of new products and services, including our work with Aira. Additional examples include: connected car solutions, Internet of Things products and services, and network connectivity for drones to address challenges such as assisting in emergency response.



A Conversation with ...

Scott Smith



SCOTT SMITH

Chief Human Resources Officer,
AT&T Communications

Charlene Lake: *We are currently undergoing the biggest technology transformation in our 142-year history. How does our workforce shape this change?*

Scott Smith: It's a huge transformation that's as much about people as technology. Think about it this way: the main component of our global network used to be hardware. We are now going through a seismic shift to software to drastically improve our customer experience. This requires skills in coding, cloud computing, data science and other related fields. And it means thousands of employees previously trained on older legacy technology need to update their skills for the new jobs available now and those still to come. The good news is many employees are making the personal decision to engage in our reskilling program, so they are prepared for our jobs of the future.

When we started this transition, we examined options to make sure we had the right people for the new jobs. We ultimately decided that the smartest strategy was to reskill our existing workforce. That's why we're providing our employees opportunities to learn and grow along with the business.

This is a massive effort that builds on our long history of education and training for our workforce. It also involves new solutions and collaborative relationships both in- and outside of AT&T.

Lake: *Can you provide some examples of these solutions and collaborations?*

Smith: Our Future Ready program is transparent: it educates employees on the competencies AT&T needs for particular roles and the training that assists employees in skilling up. Employees willing to put in the time can then take advantage of a wide range of learning resources, such as courses from AT&T University or "nanodegrees". These are technical credentials that touch areas such as Artificial Intelligence and Virtual Reality Development.

We also teamed up with Georgia Tech and Udacity to launch the first-ever online Master of Science in computer science. We're thrilled that other educational institutions have taken note and developed similar programs to prepare employees for future success.

Lake: *Why did you choose to provide reskilling opportunities for your current workforce instead of hiring new employees with the desired skills?*

Smith: Most important is that we owe our employees every consideration. They helped build AT&T and make it successful, so it's only right to give them the opportunity to continue contributing to our success. Technology is moving so fast that this now involves a commitment to non-stop, lifelong learning, which many of our employees have embraced. As they keep refreshing their skills, everyone wins. Employees enjoy personal and professional success, and the company has the dynamic workforce to lead it through new challenges.



A Conversation with ...

Valerie Vargas



VALERIE VARGAS

Senior Vice President,
Advertising and
Creative Services

Charlene Lake: *Last year, AT&T launched Hello Lab specifically to reach Generation Z. Why is it important to connect with kids and teens about social issues in a unique way?*

Valerie Vargas: We developed AT&T Hello Lab to engage younger audiences within the media where they spend time. We uniquely combine traditional celebrities and digital creators to produce content, experiences and events that are culturally relevant, build community and give voice to traditionally underrepresented creators in ways the Millennial and Gen Z audiences want to participate.

For example, in 2017, we introduced the AT&T Hello Lab Mentorship program, which gives voices to Millennial and Gen Z filmmakers and pairs them with entertainment industry leaders who can help drive their storylines forward. Young people care about making

their communities better places to live, and expect companies to demonstrate strong values and support social causes. Through Hello Lab, AT&T is bringing together young audiences and some of the influencers who can help promote those positive visions.

Lake: *Online connections, like those that Hello Lab fosters, can be great and positive or—unfortunately—negative. We launched #LaterHaters as a fresh way to address this unkind behavior, and your team worked with us to reach Gen Zers through program integration. What is a highlight of this initiative for you?*

Vargas: One of my favorite things about working with #LaterHaters is how we connected the campaign to influencers who are passionate about stopping bullying and focused on being positive online and in real life. Teens today live online and so

we reached them through our original programming, Guilty Party; Instagram; Snapchat; and at in-person events such as the Fullscreen Love is Love tour—all of which encouraged teens to post positive messages. The connections AT&T enables people to make are powerful and our goal is to make sure they are positive.

#LaterHaters





Corporate Social Responsibility at AT&T

Our Corporate Social Responsibility (CSR) approach is based on the foundational belief in the interconnection of our long-term business success and the strength of our communities and our world.

Governance

Our commitment to CSR is embedded in every company level, and oversight rests with the Public Policy and Corporate Reputation Committee of the AT&T Board of Directors. Our CSR Governance Council is led by our Chief Sustainability Officer and comprised of senior executives representing business areas linked to CSR topics deemed most material by our stakeholders. Each senior executive member represents his or her entire department, collaborating on a broader range of issues and perspectives. Below the cross-functional CSR Governance Council, there are 4 core issue sub-committees: Community; Employee Activation; Environmental; and Human Rights. These sub-committees work closely with the CSR Core Working Team and expert business unit functional teams to incorporate and address CSR issues within AT&T.

Our Code of Business Conduct puts our values in action and lays out expectations for employees, including our commitment to ethics, diversity, privacy, the environment and our communities. Our Principles of Conduct for Suppliers outlines expectations for working

with AT&T and covers topics including sustainable business practices, diversity, conflict minerals, ethics and labor rights, and we score and measure progress. Every new agreement with suppliers requires they acknowledge the principles.

Good Corporate Governance





Environment

Our technology plays a critical role in transitioning to a more resource-efficient world by addressing harmful effects of climate change, increasing business resiliency and improving daily lives. Increased use of technology brings the challenge of greater energy consumption and carbon emissions, and the need for greater reuse and recycling. These challenges drove us to establish a 2025 goal to enable carbon savings 10 times the carbon footprint of our operations. To meet the goal, we are investing in renewable energy, enhancing the efficiency of our network and delivering sustainable customer solutions.

Through 2017, we worked to expand our renewable energy portfolio, and in 2018, we announced that we will purchase 820 megawatts (MW) of wind power through 3 agreements with subsidiaries of NextEra Energy Resources. Together, these deals constitute one of the largest corporate renewable energy purchases in the U.S. As part of this purchase, we're also signing on to the **Corporate Renewable Energy Buyers' Principles**. The group is led by the World Wildlife Fund and is made up of large energy buyers working to spur progress on renewable energy and fulfill their increased demand for it. AT&T is also a member of the **Business Renewables Center**, an initiative that, along with the Buyers' Principles, forms part of the **Renewable Energy Buyers Alliance**. The large-scale renewable energy purchase is one part of our larger

commitment to the environment and the transition to a low-carbon economy.

Since 2010, we've implemented more than 83,000 energy efficiency projects resulting in annualized savings of \$575 million. By the end of 2017, we reduced fleet emissions by 174,403 metric tons of CO₂e and reduced the size of our domestic fleet by more than 1,100 vehicles. Additionally, since 2007 and through the end of 2017, we have refurbished or recycled approximately 146 million devices.

In addition to our renewable energy purchases and efficiency projects, our products can help our customers reduce their emissions. AT&T offers a wide range of products that can create efficiencies and environmental savings. We teamed up with Carbon Trust and Business for Social Responsibility (BSR), 2 credible environmental non-profits, to assemble a methodology that measures the environmental savings enabled by our products and utilizes many concepts from existing global standards. In 2017, we started applying this methodology to build case studies with our customers. Learn more at about.att.com/csr/10x. Read about our progress toward our 10x goal and other environmental goals on page 23.



Social

Safety: An increasingly mobile world brings with it new challenges. That's why we were pioneers in raising awareness of distracted driving, and remain passionate about making our roads safer, having collected more than 22 million pledges through 2017 to avoid distracted driving. We're also educating consumers about online safety. Learn more at digitalyou.att.com, laterhaters.att.com and itcanwait.com.

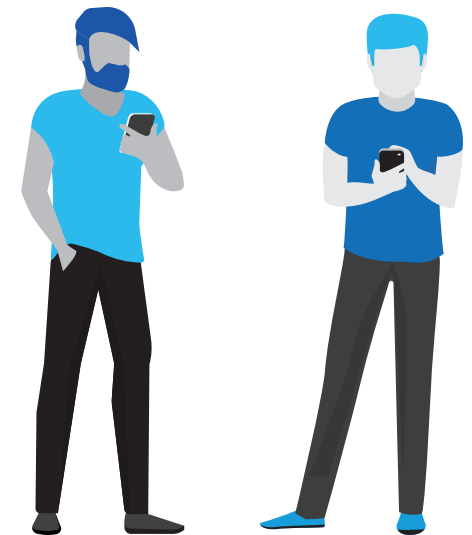
Education: Since 2008, we've committed more than \$450 million through our Aspire program to student success and career readiness. We've added more focus on technology education to help close the gap between job opportunities and needed skills. Signature efforts include affordable online master's and nanodegrees, which offer new pathways to high-demand tech jobs. Internally, we focus on a massive reskilling program for employees who want to update technical capabilities as we transition to a software-defined network. Our internal education was supported with \$220 million in training and nearly \$30 million in tuition assistance in 2017.

Inclusion and Diversity: Led by the Chairman's Diversity Council and our Chief Diversity Officer, we are honored to be No. 3 on DiversityInc's Top 50 and are committed to continuing and growing our leadership. Relevant stats: Retention rates for women and people of color are 82% and 84%, respectively; there are more than 133,000 total memberships in our 12 Employee Resource Groups; our diversity supplier spend reached \$14.4 billion. Learn more at att.com/diversity.

Contributions: In 2017, employees donated more than 1.78 million hours of time and talent, and we provided \$156 million in community support via social innovation, employee and company donations.

Our CSR progress has been validated through listings on the Dow Jones Sustainability North America Index, Bloomberg Gender Equality Index, FTSE4Good Index, Euronext Vigeo Eiris World 120 and US 50 Indices, and the Climate Change Leadership Tier of the Carbon Disclosure Project.

In the pages that follow, we highlight some of our work from this past year. We provide an overview of the progress we've made toward our goals and show year-over-year performance of key environmental, social and governance data. Our full CSR reporting is available on our website at about.att.com/csr/reporting.



2.27M

hours

of mentoring by
employees provided
to 350,000+ students
through AT&T Aspire
since 2012



2017 Highlights

Stories bring our work to life. They exemplify why and how we stay true to the values our company is built on. For us at AT&T, this isn't just a job—it's a mission to serve. In the following pages, we share some stories about the people and collaborations that made our progress possible in 2017.

Answering the Call when Disaster Strikes

Using Technology to Conserve Water and Lower Greenhouse Gas Emissions in Agriculture

Exploration with Aira

Building Skills and Creating Opportunities

#LaterHaters: Movement Empowers Teens to Flip the Script On Negativity Online

In Latin America and Mexico, our people do inspiring work every day in their communities! Read about their stories at about.att.com/csr/reporting/latinamerica

Answering the Call when Disaster Strikes

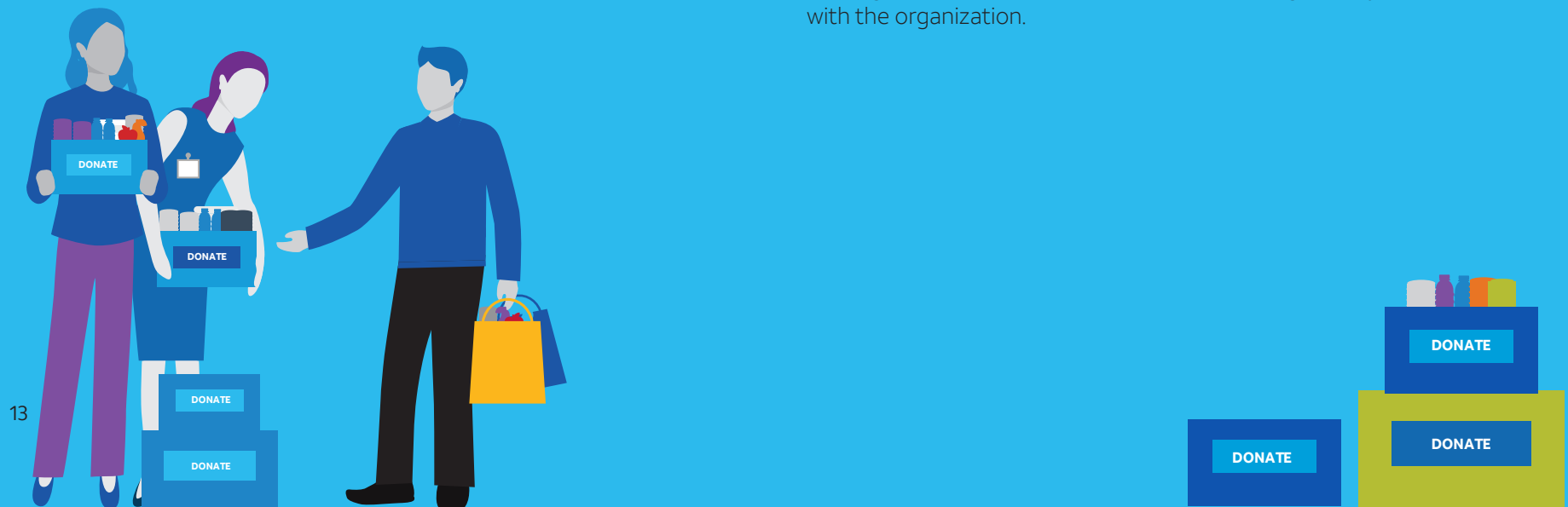
When a string of natural disasters in 2017 devastated California, Florida, Puerto Rico, Texas and a list of locations that seemed to never end, AT&T sprang into action.

Since 1992, AT&T has invested more than \$650 million in our Network Disaster Recovery program, which includes specially trained managers, engineers and technicians from across the United States. In 2017, we supported restoration efforts following hurricanes and wildfires, and we worked on a complete strategy to help communities and those affected by the earthquakes in the State of Mexico, Mexico City, Guerrero, Morelos, Puebla and Oaxaca.

We also joined forces with Team Rubicon, an organization that pairs the skills and experience of military veterans with first responders, medical professionals, volunteers and technology solutions. As a veteran-led organization, its volunteers give their time and talents to bring immediate relief and long-term recovery to communities around the globe.

“Across the world, disasters are a part of life,” said Jake Wood, CEO of Team Rubicon. “No corner of the globe is spared from severe weather. And when those disasters strike, we search for ways to respond and help.”

In December 2015, AT&T employee and veteran Chaz Palisoc was home with his family for the holidays when multiple tornadoes hit the Dallas area. He then learned his friends had been impacted by the storm. Chaz says his first instinct was to jump into action. He remembered hearing about Team Rubicon and started looking for ways to connect with the organization.





1.78M
hours
volunteered
by employees across
the world in 2017

Since then, he's deployed several times with Team Rubicon, most recently to Katy, Texas, in the wake of 2017's Hurricane Harvey.

Chaz and other volunteers spent weeks rebuilding the community, combining their diverse skillsets to help the town recover. While they were continuing their work in Texas—Florida, Puerto Rico and other parts of the country saw even more natural disasters. Never before had Team Rubicon's resources and its dedicated volunteers been so stretched.

At AT&T, Team Rubicon's mission and its commitment to performance excellence inspired and resonated with us. So, we set out to help the organization expand its reach and strengthen its efforts. In response

to the natural disasters in 2017, we launched a text-to-donate program that matched contributions to Team Rubicon up to \$1 million. With the support of those looking to help disaster-stricken communities, our efforts provided immediate funding for Team Rubicon in its gallant efforts.

Chaz—and the thousands of other volunteers who answer Team Rubicon's call—are strengthening Team Rubicon's mission is ongoing and essential. And we're proud to be a part of it.

Using Technology to Conserve Water and Lower Greenhouse Gas Emissions in Agriculture

Every year, U.S. farmers use 2.5 million acres of land to grow 6 million metric tons³ of a crop that many of us take for granted: rice.

While providing a major food staple and being an economic contributor, rice farming is water-intensive and currently uses up to 40% of the world's irrigated water every year.⁴ But water use isn't the only environmental concern related to rice growing. Rice fields use a flooding technique, creating an anaerobic environment—one without oxygen—that generates methane gas, a greenhouse gas (GHG) 28 to 36 times as potent as CO₂ over 100 years.⁵ The methane produced by rice farming constitutes about 1.5% of global GHG emissions.⁶

At AT&T, we've been exploring how we can use wireless connections to combat these challenges. Our collaboration with PrecisionKing resulted in an impactful innovation that's already improving the environment.

Here's how it works: PrecisionKing's RiceKing sensors are placed across rice fields, where they read water levels once an hour. AT&T wireless connections send water-level data to a management system that automatically signals connected pumps to turn on and off as needed.

³www.worldriceproduction.com

⁴<http://www.iflscience.com/environment/rice-and-wheat-production-use-more-water-than-all-other-crops-put-together/>

⁵<https://www.epa.gov/ghgemissions/understanding-global-warming-potentials>

⁶<http://www.wri.org/blog/2014/12/more-rice-less-methane>





This reduces water use and prevents flooding or excessive drying while also lowering methane emissions—all without requiring anyone to be in the field.

This technology is getting results. In Arkansas, instead of measuring water levels in a field by eye, Jim and Sam Whitaker connected their water-level sensors with the AT&T network and have reduced Whitaker Farms' water usage by up to 60%. And their wirelessly connected pump controls have reduced energy usage between 20–30%.

While the world has many environmental challenges, collaborations like this show how technology can be part of a broader solution. At AT&T, we're committed to using our technology to help generate carbon savings 10 times our own carbon footprint by 2025.

Tackling the impacts of activities such as agriculture is just one more step toward a more sustainable world.

Exploration with Aira

Aira at the Boston Marathon

On April 17, 2017, Erich Manser of Littleton, Mass., toed the start line with 30,000 other athletes to run his 8th Boston Marathon. But for Erich, this marathon would be like no other.

While all runners spend months or years preparing, Erich's training featured a unique challenge. He suffers from a degenerative disease that has left him partially blind. As he describes it, it's like "looking through a keyhole covered with wax paper." Enter Aira glasses

connected by AT&T. For the first time in history, a runner in the Boston Marathon competed with the help of a remote human agent.

While a sighted guide ran with Erich for safety, so did Jessica, from hundreds of miles away in Ohio. Jessica is an Aira agent with extensive training in mobility and accessibility, and she joined Erich through a pair of Aira glasses—connected with AT&T technology.





Using Aira to View the Eclipse

The glasses on Erich's face streamed live video, letting Jessica provide visual assistance.

The country watched in awe on Aug. 21 as the moon passed in front of the sun, creating a solar eclipse. For some towns, including Hopkinsville, Ky., the eclipse created near-total darkness for more than 2 hours.

James Boehm, who lost his sight later in life, was among the people who experienced the eclipse in Hopkinsville. As the eclipse started, he joined the crowd around him by putting on his "viewing" glasses. As

Hopkinsville descended into awe-inspiring darkness, James' Aira agent, Amy, described the scene to him in detail. For James, who watched his first solar eclipse 20 years ago when he was 13 and still had his sight, it was an experience he thought he may never have again.

Aira and AT&T are working together through the AT&T Foundry to develop solutions that can help benefit customers like Erich and James, bringing them more life-changing experiences.

Building Skills and Creating Opportunities

At AT&T, we're in the midst of one of the most significant transformations in our 142-year history. We've evolved from a telephone company to a world leader in communications, media and entertainment, and technology.

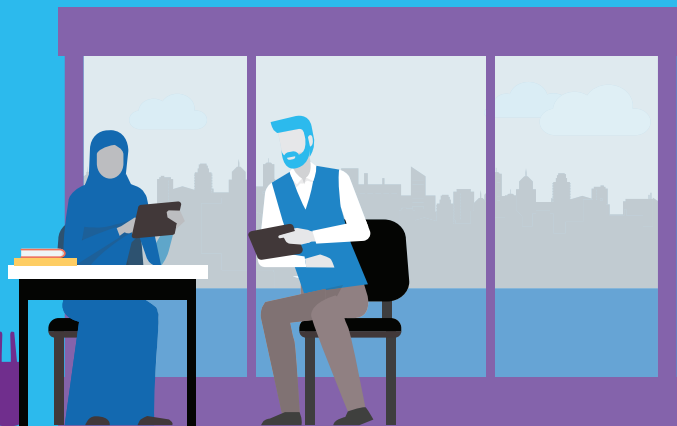
To fuel this transformation, it's critical we transform our current workforce and identify workers for the future.

Through AT&T Aspire, we provide access to the education and training people in our communities need to get and keep good jobs. We work with non-profits, such as Year Up, to create programs that teach job-ready skills to young people who might otherwise not have a chance to develop them. Year Up helps low-income youth boost their professional footing in just a year. Students spend 6 months in classroom training at a community college, followed by a 6-month internship with a corporate partner such as AT&T. The students are connected with the

needs of our workforce, receive mentoring and become candidates for full-time employment.

David Frederick is an example of why programs like Year Up are so important. He comes from a hardworking family of Haitian immigrants who had trouble making ends meet. Despite these challenges and his responsibilities at home, David was determined to go to college.

He took out a student loan to attend Miami Dade College and signed on with Year Up after hearing about the program at an on-campus event.





30K+

enrollees

since 2014 in Udacity Nanodegree courses that prepare learners for high-demand tech careers



David says that balancing school full-time, his Year Up internship and a part-time retail job was a real challenge. Yet, the program taught him not only how to manage his time, but to thrive and push himself to do even more. He interned at AT&T in a position tracking inventory on trucks, observing technicians doing field-based safety checks and completing weekly audits on performance.

Today, David is a retail consultant in one of our Miami stores. He and his wife recently purchased their first home and welcomed their second son. David has even written a book.

And he has even bigger ambitions. He plans to get a master's degree in international relations or international law and someday become more involved in international affairs.

“At AT&T, I learned to seize every opportunity—even challenging ones—because it’s obstacles that teach us the most.”



DAVID FREDERICK

Retail Sales Consultant

#LaterHaters: Movement Empowers Teens to Flip the Script On Negativity Online

Social media has changed the way we think and interact with each other. And this is especially true for today's youth, who are masters at communicating in a series of shorthand posts, tweets and snaps.

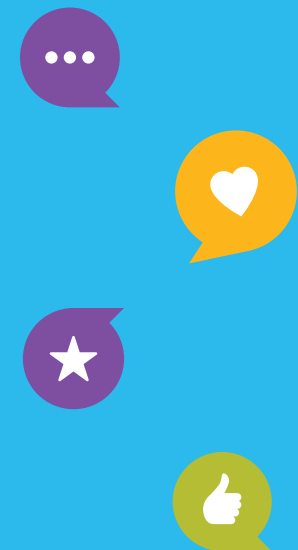
"Every hurtful word, every hurtful phrase is only 26 letters arranged in a way to cause doubt. We can arrange those same letters, and write our own path. Those 26 letters can build us up stronger if we choose to take a stand and rearrange them."

Online negativity is more prevalent in our teens' lives than ever. But, this moving message written by Melissa—a young, Gen Z writer—is rising above it all. She's 1 of 910 essayists who entered the 2017 #LaterHaters Wattpad Writing Challenge.

Each story submitted shows teens understand the collective power they have to create a more positive online environment.

As a leader in mobile connectivity, we're committed to helping young people stay safe online. For several years, we've promoted the *It Can Wait* program and **AT&T Digital You**® trainings and resources. And we are committed to doing more.

Over the last 2 years, we've worked to fill a gap in the conversation that tends to focus on cyberbullying but does not address more subtle forms of online negativity.





Together with Otter Media's [Fullscreen Media](#), global leaders in social entertainment, and [AT&T Hello Lab](#), a hub of mobile entertainment creators, we created what is now the [#LaterHaters](#) movement. Teens can find encouragement, positive reinforcement and the tools they need to boost positivity on- and offline.

In 2017, we doubled our efforts to help the movement grow. We pulled in celebrities and social media stars such as [Gabby Douglas](#), Miles McKenna and the Dobre Brothers to show teens examples of healthy social interactions.

To encourage more teens to join the conversation, we also created a unique [#LaterHaters](#) Snapchat geofilter for major youth events such as [WE Day](#). And we teamed up with [Wattpad](#) and its community of

writers who are passionate about stopping online bullying. We also integrated [#LaterHaters](#) into [Guilty Party](#), an AT&T original content series, and plugged the movement on the "Love is Love" Fullscreen Live tour.

We've reached more than 178 million people and garnered more than 9 million engagements since launching in 2016.

Our efforts in empowering teens to take time to reflect, recharge and spread positive messages online have only just begun. The larger the movement, the louder that message of love and positivity will be—helping to create a more positive internet experience for all.

Progress Toward our Goals

OUR NETWORK AND CUSTOMERS

2020 Goal

We will continue to drive reductions in emissions and increases in resource efficiency and alternative energy deployment. We will enable AT&T customers to lead more sustainable lives by expanding access to technology, further integrating sustainability solutions into products and measuring the impacts.

Goal: Reduce our Scope 1 emissions by 20% by 2020, using a 2008 Scope 1 baseline of 1,172,476 mtons CO₂e.

Progress: In 2017, we emitted 1,048,692 mtons CO₂e (Scope 1). This represents a 22.6% decrease compared to our restated 2008 baseline. Year-over-year, our Scope 1 emissions are down 8% from the 2016 level.

Goal: Reduce the electricity consumption of our company relative to data traffic on our network by 60% by 2020 (2013 baseline).

Progress: Relative to our 2020 target for energy intensity (93 MWh electricity/petabytes of network traffic), AT&T has achieved a 45% reduction compared to the 2013 baseline of 233 MWh/PB. Our electricity consumption (in MWh) per PB of data carried on our network (the AT&T energy intensity metric) for 2017 is 128 MWh/PB.⁷

Goal: Develop and deploy a robust methodology to understand the impact of the AT&T network's greenhouse gases society.

Progress: After engaging with leading non-government organizations (NGOs), industry groups and peer companies, AT&T developed a credible methodology

to measure the GHG impacts of customers' use of AT&T technology in an effort to track progress against our 10x goal. The methodology can be found on our [10x website](#).

Goal: By mid-year 2019, AT&T will have expanded its all-fiber internet access service to reach at least 12.5 million consumer locations, such as residences, home offices and very small businesses. Combined with our existing high-speed broadband network, at least 25.7 million customer locations will have access to broadband speeds of 45 Mbps or higher.

Progress: By the end of 2017, we deployed all-fiber Internet access service to more than 7 million locations. Additionally, by the end of 2017, we have achieved our commitment to deliver at least 25.7 million customer locations with access to broadband speeds of 45 Mbps or higher.

Goal: Reduce the emissions of our fleet by 30% by 2020 from our 2008 baseline (includes DIRECTV's fleet).

Progress: By the end of 2017, AT&T reduced fleet emissions by 174,403 mtons of CO₂e, or 20.1% from our 2008 baseline. 100% of passenger sedans procured in 2017 were hybrid vehicles. In addition, AT&T reduced the size of our domestic fleet by more than 1,100 vehicles.

⁷ Electricity use is the numerator and is a proxy for total energy use. Network data traffic volume is the denominator and is a proxy for our production.



OUR NETWORK AND CUSTOMERS

2020 Goal *continued*

Goal: Collect more than 200 million devices for reuse, refurbishment or recycling by end-of-year 2020.

Progress: As of the end of 2017, AT&T has refurbished or recycled approximately 146 million devices since 2007. This includes: 63 million DIRECTV refurbished devices (2007-2017); 18.5 million DIRECTV recycled devices (2011-2017); 19.3 million U-verse devices (2012-2017); and 45.1 million AT&T mobility devices (2009-2017).

Goal: Expand our on-site alternative energy capacity to at least 45 MW—more than double our 2014 capacity—by the end of 2017 and intensify our pursuit of off-site renewables with competitive financials.

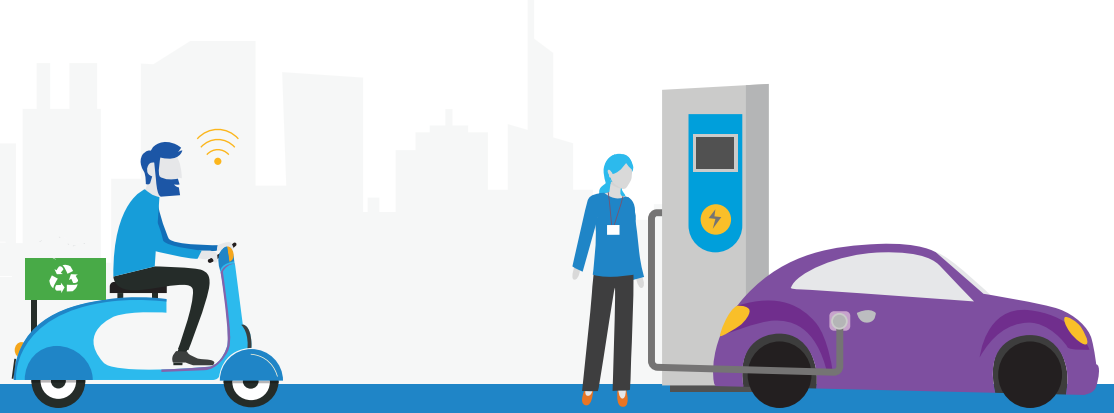
Progress: In 2017, AT&T expanded our fleet of Bloom natural gas fuel cells by 12 MW, with 27 sites commissioned in California, New York, and New Jersey. This growth brings our total on-site alternative energy capacity to 50.8 MW, exceeding the 2017 target established. The estimated combined energy production from these new facilities is almost 100 million kWh annually, and the estimated energy production of the entire renewable energy portfolio is more than 398 million kWh annually.

AT&T announced one of the largest Corporate Renewable Energy purchases in U.S. history. AT&T will purchase 820 MW of wind power through 3 agreements with subsidiaries of NextEra Energy Resources, the world's largest operator

of renewable energy projects. The Large Scale Renewable Energy (LSRE) generation is expected to start producing near the end of 2018.

Goal: Provide sustainability information for all AT&T-branded network-connected consumer wireless devices.

Progress: By the end of 2017, AT&T, working with BSR, had developed the initial roadmap for the next iteration of Eco-Ratings. Eco-Ratings 3.0 will be designed to provide consumers with an expanded base of information on environmental attributes and responsible recycling practices for all AT&T-branded network-connected wireless devices. Work will commence in 2018 with external stakeholders and device manufacturers to provide data that shapes the updated ratings system and expands to a broader portfolio of devices (i.e. Internet of Things). In 2017, 58% of devices scored under the Eco-Ratings system earned a rating of 2 or 3 stars (out of 5 stars) and were verified by UL, a credible third-party partner firm. 100% of UL-reviewed devices complied with Global Reporting Initiative sustainability reporting standards.



OUR NETWORK AND CUSTOMERS

2020 Goal *continued*

Goal: Demonstrate the environmental and social enablement power of consumer devices and solutions to live smarter, healthier and more independent lives by collaborating both internally and externally to help quantify the environmental and social sustainability enablement impacts of AT&T consumer devices and solutions (e.g., Internet of Things, connected car, education, accessibility).

Progress: In 2017, **Aira** was the first product to come out of the AT&T Foundry for Connected Health. Aira's remote technology uses wearable smart glasses to connect those with diminished vision to a network of certified agents. The visual agents, connected via our reliable and secure wireless network, provide a real-time account of what's around them so users can engage with their surroundings.

In collaboration with the AT&T Advisory Panel on Access & Aging, BSR, G3ict and World Enabled, AT&T compiled insights and proposed guidelines to launch a report titled "**Smart Cities for All: A Vision for an Inclusive, Accessible Urban Future**" in June 2017. The report centered on helping cities identify ways in which smart city technologies can adopt a people-first approach to benefit those with disabilities and older citizens. The report complemented the **Smart Cities for All** initiative launched by G3ict and World Enabled in 2016. The initiative advances a vision of making cities all over the world smarter through more inclusive, accessible design.

2025 Goal

By 2025, AT&T will enable carbon savings 10 times the footprint of our operations by enhancing the efficiency of our network and delivering sustainable customer solutions.

Goal: Deliver customer solutions to achieve a net positive ratio.

Progress: As we pursue our 10x goal, which represents a net positive ratio between our operational footprint and the carbon reductions our technology makes possible for customers using our services, we are engaging customers to understand, measure and promote the benefits they're achieving. In 2017, we began a collection of 10x case studies that demonstrate and quantify the emissions impact of 2 interesting technology-use cases—the connected shipping pallet and smart rice farming. These case studies can be found on our [10x website](#).

Goal: Enhance network efficiency to enable the achievement of the net positive ratio.

Progress: As we pursue our 10x goal, which represents a net positive ratio between our operational footprint and the carbon reductions our technology makes possible for customers using our services, we are working to enhance our network efficiency through energy management and the integration of renewable energy.



OUR SUPPLY CHAIN

2020 Goal

We will lead our supply chain to improve its social and environmental impacts by integrating sustainability performance metrics into our sourcing decisions for 80% of our spend.⁸

Goal: By the end of 2017, achieve an average score of 80% or higher for top suppliers on the Supplier Sustainability Scorecard, which covers 4 key categories including policy breadth, rigorous goals, reporting transparency and supply chain governance.

Progress: AT&T Global Supply Chain achieved its 80%-by-2017 goal a year ahead of schedule at the close of 2016 with a score of 80.3%.⁹ The goal was established in 2012 to measure the supplier base focused on our network, consumer equipment and corporate services. Going forward, we are working toward our **2020 and 2025 goals**, which include shared industry approaches in measuring sustainability.

Goal: By the end of 2018, incorporate sustainability-oriented standards or analysis into our sourcing decisions with strategic suppliers.

Progress: In 2017, AT&T Global Supply Chain continued to require suppliers to adhere to our **Principles of Conduct for Suppliers** and participate in assessments and audits. AT&T continues to make progress with efforts including: incorporating sustainability clauses into agreements and RFPs, training our sourcing managers on the principles of sustainability and providing updates to sourcing managers on supplier sustainability performance. AT&T will continue to expand incorporation of sustainability-oriented standards and analyses into sourcing decisions.

⁸ This goal is focused on network, consumer equipment and corporate services spend, and does not include video content and entertainment companies.

⁹ This does not include video content and entertainment companies. Looking ahead, we are focusing on an industry-wide measurement for assessing our suppliers.



OUR SUPPLY CHAIN

2025 Goal

We will work with our industry peers to develop and promote adoption of sustainability metrics that will transform the environmental and social impact of technology supply chains.

Goal: Establish clear, agreed-upon industry sustainability metrics.

Progress: In 2017, working with our TL 9000 industry group, [TIA-QuEST Forum](#), we helped launch an industry sustainability measurement tool, the QuEST Sustainability Assessor. This tool provides actionable best practices for organizations that help accelerate their sustainability programs. In 2017, we transitioned from our AT&T supplier assessment to this third-party industry tool and sent the new assessment tool to a few hundred of our suppliers.

Goal: Promote the use of these metrics in industry sourcing.

Progress: AT&T suppliers are currently using CDP Supply Chain and QuEST Sustainability Assessor metrics to measure and report their GHG emissions and sustainability progress. This provides our company and the other participating companies the necessary means to benchmark supplier emissions and work with suppliers on making improvements.

Goal: Develop and follow an industry roadmap toward truly sustainable performance.

Progress: AT&T is moving its suppliers along an industry roadmap with CDP Supply Chain, Joint Audit Cooperative and TIA-QuEST Forum to continuously improve measurements, benchmarking and results in sustainable supplier performance.





OUR COMMUNITIES

2020 Goal We will invest resources, develop initiatives and collaborate with stakeholders with the goal of increasing the U.S. high school graduation rate to 90% by 2020.

Goal: Invest in programs that provide access to the education and training people need to get and keep good jobs, use technology to address education challenges and help students get through high school and beyond.

Progress: We exceeded our commitment through Aspire to invest \$400 million by the end of 2017 with investments totaling more than \$450 million. Program highlights included:

- Contributing \$2.25 million to Khan Academy to launch LearnStorm, a national learning challenge designed to equip students with the skills and mindsets they need to start the school year strong.
- Contributing \$300,000 to Per Scholas to support national technology training programs that serve more than 1,000 low-income, unemployed/underemployed individuals.
- Supporting organizations that help underrepresented students develop computer science and coding skills, including a \$1.2 million contribution to Girls Who Code.
- Contributing \$2.5 million to help Communities In Schools (CIS) serve thousands of additional students, provide college and career readiness and mentoring by AT&T employees, and continue CIS' advancements in data collection, technology, research and evaluation.
- Contributing \$3.5 million to Jobs for America's Graduates (JAG) to allow the national non-profit to add new schools and/or expand existing programs through its 34 JAG state affiliates with proven success records of keeping kids in school.

Goal: Encourage technology application to solve vexing education challenges through the AT&T Aspire Accelerator for non-profits and for-profits.

Progress: In 2017, AT&T selected 8 organizations for the 3rd Aspire Accelerator class to support with a customized program that includes financial investment, access to expert services and mentorship. The 19 participants from the first 3 classes have thrived in the program and together have reached more than 12.2 million students.



OUR COMMUNITIES

2025 Goal

We will invest resources, develop initiatives and collaborate with stakeholders to close the skills gap by increasing the number of Americans with high-quality post-secondary degrees or credentials to 60% by 2025.

Goal: By the end of 2017, promote STEM training by co-developing and attracting 10,000 students to the Georgia Tech online master's degree in computer science program and 23,000 students to the Udacity Nanodegree program.

Progress: As of the end of 2017, more than 30,000 learners are enrolled in nanodegree programs sponsored by AT&T, more than 2,000 of whom are AT&T employees. These learners are earning credentials that propel them to the next stage in their careers. Additionally, as of Fall 2017, nearly 6,000 students—including 400 AT&T employees—were enrolled in the Georgia Tech online computer science program—a more than 10-fold increase since the program launched in 2014.



Key Performance Indicators



PEOPLE	2013	2014	2015	2016	2017
Network Reliability					
Network Reliability					
Investment in wired and wireless networks	\$21.2B	>\$21B	\$21B	\$22.4B	\$21.6B
Disaster Response					
Disaster Recovery					
Working hours spent on Network Disaster Recovery field exercises— cumulative since 1992	135,000	>135,000	>140,000	>145,000	>150,000
Workforce					
Provide Quality Jobs					
Percentage of union-represented employees	55	53	50	49	46
Employee Training					
Amount invested in direct employee training development programs	>\$280M	>\$250M	\$230M	\$250M	\$220M
Percent of employees who completed Code of Business Conduct training	99.6	99.6	99.4	98	99



PEOPLE	2013	2014	2015	2016	2017
Workforce Diversity					
Women Percent of total U.S. workforce	36	35	33	32	31
People of color Percent of total U.S. workforce	40	41	42	43	43
Women Percent of total U.S. management	37	37	37	35	35
People of color Percent of total U.S. management	33	35	34	37	37
Supply Chain					
Supplier Diversity					
Percent of total spend with minority-, women-, service-disabled veteran- and LGBT owned business enterprises	28.05	27.45	24.06	18.83	25.22 ¹⁰
Supply Chain Scorecard					
Average score of top suppliers on the balanced C&S Scorecard (percent)	63	>70	>74	80.3	80.3

¹⁰ Supplier diversity spend and performance excludes content and programming spend.



PLANET	2013	2014	2015	2016	2017
Greenhouse Gas (GHG) Emissions					
Carbon Footprint					
Domestic and international company-wide (GHG) emissions (mtons CO ₂ e)	9,165,124	9,313,886	8,745,810	12,275,951 ¹¹	11,618,745
GHG Emissions Intensity					
Mtons CO ₂ e /petabyte of data	144.27	119.00	75.94	79.90	66.75
Water					
Water Footprint					
Gallons of water used for domestic operations	3.113B	3.046B	3.089B	2.702B	2.600B
Water Intensity					
Gallons/petabyte network traffic ¹²	49,007	39,918	26,821	25,225	19,250
Fleet					
Fleet Operations					
Percent decrease in AT&T fleet GHG (2008 baseline) ¹³				12	20.1

¹¹ The increase in YOY emissions from 2015-2016 was due to the acquisition of DIRECTV and expanding our Scope 3 reporting to include its products

¹² Prior to 2015, AT&T reported as gallons/terabyte of network traffic.

¹³ In 2016, AT&T re-focused our strategy to include a new goal to lower AT&T fleet emissions by 30% by 2020 from our 2008 baseline. Moving forward, we are now tracking emissions reductions related to fleet rather than total alternative fuel vehicles by type. Please see our [Company Fleet and Transportation](#) issue brief for more details.



PLANET	2013	2014	2015	2016	2017
Energy					
Energy Intensity					
Intensity of data carried on our network (MWh electricity/petabyte network traffic)	233	186	145	139	128
Alternative Energy					
Solar + fuel cell production (kWh)	134.6M	154.3M	187.8M	290.4M	391.0M
Energy Projects					
Annualized energy savings from energy projects	\$40M	\$84M	\$119.1M	\$101M	\$148M
Electricity					
Total electricity use (MWh)	15.0M	15.1M	15.1M	15.4M	15.4M
Waste					
E-waste					
Number of computers, monitors, servers and other equipment that were donated, recycled or reused	>79,000	>91,000	>100,000	>68,000	>70,000
Number of cell phones reused or recycled	Approx. 4.5M	Approx. 4.3M	Approx. 7.3M	Approx. 6.98M	Approx. 8M



POSSIBILITIES	2013	2014	2015	2016	2017
Philanthropy					
Giving in Our Communities					
Total amount of corporate, employee, social investment and foundation giving	>\$130M	>\$126.9M	\$156.6M	\$139.3M	\$156M
Volunteerism					
Employee volunteering					
Number of hours volunteered through employee volunteer programs ¹⁴	>1.41M	>1.59M	>1.66M	>1.63M	>1.78M
Employee Giving					
Amount of employee giving pledged	>\$35M	>\$36.4M	>\$37.45M	\$40.8M	\$31.6M

¹⁴ In past years, we included retirees in our reporting for volunteer hours. Beginning with this year's report, we will be reporting on employee hours only.

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