

# ● OUR DATA

## 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 2011, as well as our new goals for 2012.

## PEOPLE AND COMMUNITIES

### Philanthropy

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#### 2011 Goal

Conduct program evaluations of **76** grant recipients to identify best practices of high school drop-out programs, and use findings to strengthen the impact of future funding.

#### Progress Toward Goal

- In 2011, AT&T conducted program evaluations of **76** grant recipients.
- AT&T Aspire High School Success grants serve a high needs population and target resources toward students who are at-risk for poor high school outcomes.
- Prevalent programmatic approaches among Aspire-funded programs are consistent with evidence-based, promising practices for reducing the dropout rate.
- To strengthen the impact of our funding, we continued to build close relationships with leading education organizations and fund valuable research.

#### 2012 Goal

Invest **\$250 million** planned over five years to drive innovation in education, support effective local programs and create collective impact through collaboration with AT&T business units, national partners, employees and customers to ensure that more students who are at-risk of dropping out graduate from high school prepared for college and career.



## Community Engagement Service & Giving

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### 2011 Goal

- Provide Job Shadow opportunities for a cumulative total of 86,000 students by year-end 2011.
- Expand company legal department's participation in pro bono legal work in both number of participants and total hours. Goal is to continue increase in year over year participation and hours. Additionally, expand the AT&T Excellence in Pro Bono Award / Scholarship Program to all regions, and encourage additional programs within regions.

### Progress Toward Goal

- In 2011, we exceeded our goal by providing job shadow opportunities for a cumulative total of nearly 94,000 students by year-end 2011.
- AT&T achieved its 2011 goal of year over year increases in both the number of in-house counsel participating and the number of attorney hours reported in the AT&T legal department pro bono program. AT&T also successfully met its goal to expand the AT&T Excellence in Pro Bono Award/Scholarship Program to all regions served by the company, including adding additional programs at law schools within regions previously served.

### 2012 Goal

Continue to increase hours reported and numbers of in-house AT&T attorneys who provide pro bono services; expand involvement in existing AT&T approved legal pro bono programs; and increase selected law firm collaborations with AT&T in-house attorneys to do pro bono work.

**NEW:** Achieve 55 percent of current employees participating in annual giving campaign.

# OUR DATA

## Workforce Diversity

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### 2011 Goal

Continue to strive to maintain and develop a diverse and talented workforce using the high school educated national labor force as a benchmark.

### Progress Toward Goal

- In 2011, people of color comprised **39 percent** of AT&T's total workforce. This compares with 30 percent of the high school educated national labor force who are people of color.
- Among all AT&T new hires in 2011, **47 percent** were people of color, further strengthening our representation in this area.
- In 2011, women comprised **39 percent** of AT&T's total workforce. This compares with 47 percent of the high school educated national labor force who are women and 38.2 percent of management occupations that are held by women
- Among all AT&T new hires in 2011, **34 percent** were women.

### 2012 Goal

Enhance the Employee Resource Group (ERG) leadership positions to provide more experience, development and exposure for our ERG leaders with the goal of more fully leveraging these positions as a robust pipeline for diverse leadership for AT&T.

## Supplier Diversity

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### 2011 Goal

Our long-term goal is to achieve 21.5 percent spend with diverse suppliers.

### Progress Toward Goal

In 2011, we spent \$12 billion on minority-, women- and disabled veteran-owned business enterprises. This represents 23 percent of our total spend.

### 2012 Goal

Maintain our spend with diverse suppliers and continue to increase diverse suppliers' participation. Take learning from CA pilot of Operation Hand Salute to bring to scale a national program focused on Disabled Veteran Businesses.



## Ethics and Compliance

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### 2011 Goal

- Create a virtual employee community, using internal social media tools to discuss ethics and compliance topics of interest.
- Introduce Compliance Training for officers that is customized for their leadership of the company, and includes essential information on topics (Antitrust, RIM, FLSA) and suggestions for ways to enhance their advocacy of compliance and a strong ethical corporate culture.

### Progress Toward Goal

- The ethics and compliance tSpace (internal company blog) is active, with several hundred members from across the enterprise. The community shares information on national surveys and research into corporate ethics and posts internal resources and tools employees can use to promote and reward good ethical decisions. The Beacon Award, available through the tSpace community, recognizes employees who have made notable, ethical decisions with a distinctive tSpace "badge" on their individual profile pages.
- This training was delivered by video from experts within the company. The Officer Video Training provided not only the basics all employees need to know, but it also emphasized what officers could do to encourage and strengthen an ethical culture within their organizations.

## Military Support

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### 2012 Goal

**NEW:** Raise awareness and provide resources for military families, focusing on opportunities for military children.

# OUR DATA

## ENVIRONMENT

### Fleet

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#### 2011 Goal

- Continue progress to replace eligible retiring passenger vehicles with alternative fuel vehicles and deploy up to 8,000 CNG service vehicles by the end of 2013.
- Replace tractor used for the AT&T Fan Zone Tour with a bio-diesel option.

#### Progress Toward Goal

- As of year-end 2011, AT&T has deployed more than 3,400 CNG vehicles, with over 2,100 of those vehicles in California.
- AT&T expects to spend approximately \$215 million to replace more than 7,000 passenger cars with alternative fuel models through 2018.
- AT&T currently operates over 1,600 hybrid-electric passenger vehicles across the country.
- AT&T expects to spend an estimated \$350 million to purchase up to 8,000 CNG vehicles through the end of 2013.
- AT&T has also deployed three all-electric vehicles (AEVs) – a Smith Newton cargo truck in St. Louis, Missouri, two Ford Transit Connect Electric vans in Dallas, Texas and Los Angeles, Calif. – and 25 extended range electric vehicles (EREVs), Chevrolet Volts, located in nine states nationwide.
- AT&T did not undertake this conversion as originally planned in 2011. However, we plan to use B20 bio-diesel fuel on the Fan Zone Tour in 2012.

#### 2012 Goal

- Replace retiring passenger vehicles with alternative-fuel models and deploy up to 8,000 compressed natural gas (CNG) service vehicles through 2014.
- We plan to use B20 bio-diesel fuel on the Fan Zone Tour in 2012.



## Energy Consumption

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### 2011 Goal

- Reduce the electricity consumption of our company relative to data growth in our network by 17 percent as compared with year 2010.
- Alternative energy - Expand by a minimum of 5MW of additional installations.
- One hundred percent of all Corporate Real Estate management employees (with portfolio or operations responsibilities) will have energy goals in their annual performance review scorecards linked to building managers' performance.

### Progress Toward Goal

- We reduced the electricity consumption of our company relative to data growth on our network by 16.5 percent in 2011 as compared with year 2010.
- Due to longer than anticipated permitting, construction and installation timelines, some projects that were committed to in 2011 will become operational in 2012. We have re-established our goal of adding 5MW of alternative energy from fuel cell and solar production against our 2011 capacity baseline of 3,888 kW. To better measure our progress, we have added a new KPI that tracks our combined solar and fuel cell capacity (MW).
- One hundred percent of all Corporate Real Estate building management employees had energy goals in their annual performance review scorecards linked to their performance.

### 2012 Goal

- Reduce the electricity consumption of our company relative to data growth on our network by 60 percent by 2014 (baseline of 2008).
- Alternative energy - Expand by a minimum of 5MW of additional installations.

# OUR DATA

## 2011 Goal

Launch initiatives to reduce energy consumption equivalent to an annualized \$40 million when fully implemented. Specific commitments include:

- Optimize energy usage in AT&T Labs by eliminating / consolidating laboratory equipment - saving 3 percent kW/year.
- Improve power efficiency by 17 percent as computing hardware is increased by 20 percent in data centers that support internal AT&T business.
- Continue data center best practices in energy optimization, resulting in an annual power reduction of 1.8 million kilowatt hours.

## 2012 Goal

**NEW:** By end of 2012, top 500 retail stores will have Energy Champions and ScoreCards (in addition to the top 1,000 operational facilities).

## Emissions

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### 2012 Goal

Reduce our Scope 1 emissions 20 percent by 2020, using a 2008 Scope 1 baseline of 1,172,476 mtons CO<sub>2</sub>-e.\*

## Progress Toward Goal

- Completed over 4,500 projects to reduce energy consumption equivalent to an annualized \$42 million.
- In 2011, AT&T Labs retired 4,547 pieces of equipment reducing power usage on average about 20 amps per unit or about 4,000 watts per unit. The Labs also had its windows tinted and raised temperature settings in its buildings to 75 degrees. The Labs additionally installed motion detectors to turn lights on only when human presence is detected, and also increased the usage of LED lights where possible. However, even with these changes, the additional power consumption did not translate to the desired goal of decreasing its overall power consumption because the AT&T Labs grew by about one third. Today, the AT&T Labs continues its strong commitment and effort to operate more efficiently to counteract any inefficiencies in power consumption.
- We achieved power efficiency improvements of IT equipment by at least 14 percent per unit which fell short of our aggressive goal of 17 percent. Mobility and cloud services platforms grew more than expected in 2011 and were blended into the Enterprise Data Centers as part of our AT&T One Operations strategies. Shared resources amongst the Cloud, Mobility, and traditional Enterprise IT platforms made it difficult to track individual platform contribution. It should be noted that due to our efforts to virtualize and consolidate servers, our hardware needs did not increase as much as we forecasted, increasing only 16 percent compared to the planned 20 percent.
- In 2011, the energy optimization practices of ITO have resulted in energy avoidance of approximately 2.0 million kilowatt hours.



\*In 2011, we set an absolute Scope 1 GHG emissions reduction goal to reduce Scope 1 emissions 14 percent by 2014 using a 2008 baseline. When we sat down to identify our progress toward this goal at the end of 2011, we realized that improvements made in the calculation methodology and underlying source data for three of our emission sources – refrigerants, engines and portable generators – partially inflated reductions over our baseline year. In an effort to more accurately report the progress made by our emissions reductions activities and avoid an inaccurate representation of our progress, we have established a new 2008 baseline (consistent with GHG Protocol best practices) and will now hold refrigerants and engines/portable generators data steady over the duration of this goal. We will use our 2011 values for these sources, which have been assured by Ernst & Young, as a constant as we track progress for this goal. In our yearly inventory, we will continue to report these sources as we calculate them each year, and we seek to further reduce those emissions and improve the quality of these emission calculations on an ongoing basis.

## Supply Chain

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### 2011 Goal

The majority of spending will be with suppliers who track greenhouse (GHG) emissions or have stated plans to do so by 2012 (“majority” meaning more than 50 percent of spend).

### 2012 Goal

By the end of 2015, majority of spend with strategic suppliers will be with those who track greenhouse gas (GHG) emissions and have specific GHG goals.

### Progress Toward Goal

AT&T exceeded its goal, with 60 percent of our spend being with suppliers who track GHG emissions or had plans to do so by 2012.



# OUR DATA

## TECHNOLOGY

### Consumer

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#### 2011 Goal

In cooperation with device OEM suppliers, the following goals apply to new handset models in the AT&T Mobility portfolio. By the end of the year 2011:

- Reduce packaging, use non-petroleum-based inks and use recycled materials in documentation
- Have a majority comply with the GSMA Universal Charging Solution
- Attain 75 percent that meet a recyclability rate of at least 65 percent
- Comply with the EU Restriction of Hazardous Substances (RoHS) standard for reduction of hazardous substances
- Create uniform/standardized handset boxes that reduce current box size by 20 percent across the majority of handset portfolio
- Develop/design a free "eco awareness" device application to create customer awareness of sustainability

Commission a study to determine viability of off grid charging solutions for devices.

#### Progress Toward Goal

In cooperation with device OEM suppliers, the following goals were met for new handset models in the AT&T Mobility portfolio:

- Reduce packaging, use non-petroleum-based inks and use recycled materials in documentation.
- Have a majority comply with the GSMA Universal Charging Solution
- Attain 75 percent that meet a recyclability rate of at least 65 percent
- Comply with the EU Restriction of Hazardous Substances (RoHS) standard for reduction of hazardous substances
- Create uniform/standardized handset boxes that reduce current box size by 20 percent across the majority of handset portfolio
- Develop/design a free "eco awareness" device application to create customer awareness of sustainability.
- OEM proprietary studies on off grid charging solutions provided AT&T the necessary information for future product development, and we determined that our resources were better used in other areas given that sufficient studies already existed in the industry on this issue.



## 2012 Goal

Develop and launch a consumer engagement based 'eco-rating' system with a corresponding scorecard for AT&T wireless handset devices sold at retail. Beginning in the 2nd half (3Q) of 2012, all new AT&T Branded devices added to the post-paid portfolio would be evaluated against the eco-rating system.

## Enterprise

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### 2011 Goal

- Introduce methodology and research that supports the measurement tools used to calculate the environmental impacts of information and communications technology travel substitution solutions.
- Demonstrate how data center energy efficiency, driven by adoption of cloud computing, can help cut emissions and help to achieve business benefits.

### Progress Toward Goal

- We developed carbon emission measurement models, to predict and document the positive outcomes that result from using AT&T solutions for "travel replacement," including video conferencing and telecommuting. The models were created to mirror GeSI-shown sustainability benefits, travel dollars saved and productivity enhancements achieved.
- We sponsored the Carbon Disclosure Project's study, "Cloud Computing: The IT Solution for the 21st Century." Conducted by Verdantix, the study found that "Cloud computing could deliver to large US companies energy savings of **\$12.3 billion every year by 2020 and a reduction of 85.7 million metric tons of carbon annually**. That's equivalent to almost 200 million barrels of oil, or enough to power 5.7 million cars for a year." Cloud computing can:
  - Help avoid costly up-front capital investments in infrastructure.
  - Improve time-to-market, as a new server can be created or brought online in minutes.
  - Ensure greater flexibility as the Cloud allows firms to pay for excess capacity only when they need it.
  - Avoid the continual maintenance of excess capacity needed to handle spikes and improve automation that helps drive process efficiencies.

## 2012 Goal

**NEW:** Identify connection opportunities that drive efficiency and sustainability for customers in the healthcare, tracking, transportation and home energy sectors.

# ● OUR DATA

## Innovation

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### 2011 Goal

Redesign external C&S website to be more interactive.

### Progress Toward Goal

This year, we're improving the way we deliver our sustainability content to make it more interactive and understandable for our users. The new format will feature Issue Briefs that contain detailed information about key topics, as well as a newly designed interactive web-based report. Look for it in June 2012!

## Product Stewardship

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### 2012 Goal

**NEW:** Gauge consumer awareness of No Texting While Driving campaign and of the dangers of texting while driving by developing and issuing a survey during 1Q12, which will inform a goal for progress in 2013.

## Social Application

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### 2012 Goal

**NEW:** Support projects to promote the use of mobile technology to enhance teaching and learning.