







Engaging Employees in Their Communities

Materiality Assessment Topics: Employee engagement; Volunteerism

Issue Summary

Successful sustainability programs depend on employee support and enthusiasm. Employees are effective agents of change and champions of important causes.

Our Position

Our sustainability commitment reaches across the company. Employees enjoy working for a company that is a responsible participant in the community and steward of the environment. We also recognize that the dedication, passion and support of our 241,810 employees, as of yearend 2012, make our sustainability efforts possible. That's why we've made a commitment to continue engaging our employees around our sustainability efforts. Furthermore, we believe when employees are actively engaged, there is a significant positive impact on the overall wellbeing of the company, and that's a benefit to our communities, customers and shareholders.

Data Highlights

Key Performance Indicators

- Number of hours volunteered through employee and retiree volunteer programs in 2012: >5.8M
- Dollar amount associated with volunteerism in 2012: >\$129M¹
- Amount of employee giving through Employee Giving Campaign in 2013: >\$35M
- Number of students provided with job shadow opportunities (in collaboration with Junior Achievement [JA]): Program ended in March 2012 with us exceeding our goal of providing job shadow experiences to more than 100,000 students
- Number of mentoring hours toward the goal to provide students 1 million hours of mentoring by our employees through the end of 2016: Between the program launch on October 1 and year-end 2012, we provided students with over 30,000 mentoring hours

¹ The financial equivalent is determined by using \$22.14 per volunteer hour, which is based on the 2012 industry standard from Independent Sector, a leading nonprofit organization that determines the financial equivalent for a variety of volunteer initiatives.









2012 Goals

Provide job shadow opportunities for a cumulative total of 100,000 students by year-end 2012.

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

Continue to increase hours reported and number 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.

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.

2012 Progress Toward Goals

In 2012, we exceeded our goal of providing more than **100,000** job shadow experiences to high school students across the country **10** months ahead of schedule.

We achieved **55.71** percent, and the average gift pledge per donor increased by double digits to **\$243**/donor.

AT&T Legal pro bono hours for 2012 increased by approximately **20** percent over the previous year. AT&T continues to work with select law firms to collaborate on various pro bono programs, including the Human Rights Initiative in the Southwest region and Wills for Heroes in the Midwest region.

In 2012:

- We saw the largest jump in ERG membership in our company history, growing from 16,000 members at the start of the year to more than 44,000 by the end of the year.
- Our third annual ERG National Conference was 50 percent larger than the 2011 conference and had more than 1,700 employees attend, including more than 100 officers and senior managers.
- In 2012, we also trained **55** national ERG leaders and **250** local chapter ERG leaders.

2013 Goals

- The newly launched 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.
- Engage our Employee Resource Group (ERG) members in opportunities for career development (training, mentoring, exposure and experiences) with the goal of enhancing the diversity of our talent pipeline.









Our Action

DO ONE THING (DOT)

DOT is a voluntary companywide effort that encourages employees to commit to regular, measurable actions (DOTs) that are good for themselves, their communities and/or the company. We believe that when employees are actively engaged in improving themselves, their communities and/or their company, there's a benefit for all involved. We developed DOT to meet the following three objectives:

- Educate employees about sustainability
- Increase internal understanding of our commitment to social and environmental good
- Create a simple way for interested employees to get involved in sustainability efforts

The vision of DOT is for every employee to be equipped and eager to engage their co-workers, neighbors and customers about what sustainability is and why it matters. Since its launch to all employees in May of 2011, more employees choose a DOT every month. As of December 2013, more than **21,000** employees voluntarily chose and tracked nearly **36,000** DOTs on the DOTspot Impact Calculator website.

In April 2013 we enhanced the Team DOT functionality, giving employees an option to increase their impact by easily starting large teams. This new feature garnered immediate interest, resulting in **686** DOT teams by the end of 2013.

Nearly **1,200** employees volunteered to become DOT Connectors, the self-designated leaders who have chosen to share DOT their fellow coworkers across the company. DOT materials supported employee awareness of our sustainability efforts and resulted in an increase

from the previous year in employees able to name three things that we are doing to be more sustainable. All across our organization, employees are unleashing their human potential with DOT. Whether it's through volunteering, recycling, innovatively using our technologies or much more, employees are activating their DOTs to save money, spark innovation, support One AT&T and build healthy communities.

VOLUNTEERISM

Community Engagement means engaging our employees to build strong, connected and thriving communities that unleash our human capabilities to create a healthy business environment and ensure that we listen to and support the communities in which we operate. In addition to our three program focus areas, Education, Building Sustainable Communities and Responsible Use of Technology, employees can choose to support what they care about. Community service is part of our roots and ingrained in our culture. For 100 years, we have been donating our time and talents to support underserved populations and strengthen our communities.

Each year, our employees and retirees, including the AT&T Pioneers and Employee Resource Groups, take time to enhance their communities. In 2012, our employees and retirees volunteered more than **5.8 million** hours of time in community outreach activities — worth more than **\$129 million**.²

3

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One of these volunteers is Kathy McKim, vice president of External Affairs in Sacramento, California. She is chairwoman of the board for City Year Sacramento, which recently dispatched **50** City Year Corps members dedicated to helping kids graduate from five high-need schools in Sacramento. Kathy is inspired by the City Year mentoring program because she has a daughter the same age as the students receiving mentoring. To support City Year and Sacramento schools, Kathy and other AT&T volunteers helped repoyate one of the five schools

Other employee and retiree volunteers show a dedicated commitment to supporting our troops. In 2012, employees collected cell phones for recycling, prepared and sent thousands of care packages for troops serving overseas, greeted soldiers at airports and hosted various other events nationwide to recognize the sacrifice of military members and their families through AT&T Pioneers, one of the largest industry-sponsored organizations in the country. Our employees also support the military and their families by contributing to scholarship funds and donations to military organizations through our annual Employee Giving Campaign and Employee Matching Gift program.

Read more about how our employees and company <u>support the military</u>, help out after <u>disaster strikes</u> and help students <u>graduate high</u> school.

ASPIRE MENTORING ACADEMY

AT&T launched Aspire Mentoring Academy in October 2012, and it is the key community engagement program of AT&T's \$350 million investment in Aspire, focused on high school success leading to college and career readiness. Aspire Mentoring Academy allows AT&T employees multiple ways to work directly with

students, providing employees an opportunity to share their knowledge and make a lasting impact on the lives of young people. Through Aspire Mentoring Academy, we are helping to raise high school graduation rates with a goal to provide students with **1 million** hours of mentoring by our employees through the end of 2016. Since the October launch, AT&T employees hosted 160 events in 71 cities — including **1,100** employee volunteers and **9,300** students providing over **30,000** hours of mentoring.

EMPLOYEE RESOURCE GROUPS

In 2012, we saw the largest jump in ERG membership in our company history, from less than 16,000 members at the start of the year to more than 44,000 by year-end. Our veteran employee resource group has more than 5,500 members, for example, who pursue activities that support veteran and military causes. Other ERGs engage employees interested in the "It Can Wait" campaign and establishing team DOTs.

Our third annual ERG National Conference in Dallas, Texas was **50 percent** larger than our 2011 conference. More than **1,700** employees attended, including more than **100** officers and senior managers, and members from **11** ERGs. The conference provided **10** different break-out sessions, **five** fireside chats, **three** officer keynotes and one conference keynote. During the ERG conference the attendees got a chance to learn about our employee programs and then take them back to their respective cities. Our members recorded a **69** percent increase in ERG volunteer hours from the previous year.