2012 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 2012, as well as our new goals for 2013.

PROGRESS TOWARD GOALS:
PEOPLE AND COMMUNITY

Philanthropy

2012 GOAL	PROGRESS TOWARD 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.	We invested $43,665,918 to date. Of that: • 71 percent went toward programs focused on local impact, • 15 percent went toward programs focused on social innovation, • 6 percent went toward programs focused on connecting people (including our employee volunteerism efforts) and • 8 percent went toward other efforts such as research and evaluation. Among our many recipients were 47 schools, school districts and nonprofit organizations across the country who competed for dollars through a competitive RFP process. AT&T also engaged consumers around the topic, leading to a $90,000 contribution to Aspire programs through a causes.com campaign.

2013 GOAL

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Community Engagement

2012 GOALS	PROGRESS TOWARD GOAL
Provide job shadow opportunities for a cumulative total of 100,000 students by year-end 2012.	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.
Achieve 55 percent of current employees participating in annual giving campaign.	We achieved 55.71 percent, and the average gift pledge per donor increased by double digits to $243/donor.
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 within AT&T in-house attorneys to do pro bono work.	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.

2013 GOAL

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.

Military Support

2012 GOAL	PROGRESS TOWARD GOAL
Raise awareness and provide resources for military families, focusing on opportunities for military children.	AT&T has a long history of support for and work with the military, and 2012 was a year that accelerated that support, specifically in the area of supporting military families.

- Through financial and employee volunteer support, we enabled Big Brothers Big Sisters (BBBS) of North Texas to expand their military mentoring program for youth. The expanded funding will enable 400 mentor pairs, matching children from military families with a volunteer mentor with a military background.
- To date, BBBS has achieved a total of 242 of the 400 military matches. Additionally, a contribution to the Military Child Education Coalition helped support the expansion of student-led, curriculum-based training for students of military families who are transitioning from one school or community to another.
- We were also honored to support the launch of Cell Phones For Soldiers' new program, Helping Heroes Home, with a social media campaign on causes.com and with a financial contribution.
- This is all in addition to our relationships with organizations such as Tip of the Arrow, Military Spouse Employment Partnership, the Department of Veterans' Affairs and state veterans' agencies and commissions.

Workforce Diversity

2012 GOAL	PROGRESS TOWARD 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.	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 GOAL
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.

Supplier Diversity

2012 GOAL	PROGRESS TOWARD 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.	In 2012, we:

- Spent 12.8 billion with minority-, women- and disabled veteran-owned business enterprises.
- Increased diverse supplier participation from 23 percent in 2011 to 23.96 percent in 2012.
- Took Operation Hand Salute to a national level and increased graduates from 4 in 2011 to 14 in 2012.

2013 GOAL
Continue to maintain our aggregate 21.5 percent of our corporate spend with diverse suppliers, including meeting the 1.5 percent target of corporate spend with Disabled Veteran Business Enterprises (DVBE).

PROGRESS TOWARD GOALS:
ENVIRONMENT

Fleet

2012 GOALS	PROGRESS TOWARD GOAL
Replace retiring passenger vehicles with alternative-fuel models and deploy up to 8,000 compressed natural gas (CNG) service vehicles through 2014.	As of year-end 2012, AT&T had deployed a cumulative total of 7,061 alternative-fuel vehicles (AFVs), with more than 5,200 CNG vehicles, and over 2,600 of those vehicles in California. We: • Expect to spend approximately $215 million to replace more than 7,000 passenger cars with alternative-fuel models through 2018 and expect to spend an estimated $350 million to purchase up to 8,000 CNG vehicles through 2014. • Operate a cumulative total of over 1,800 hybrid-electric passenger vehicles around the country in 699 cities in 42 states and DC. • Deployed three all electric vehicles – a Smith Newton cargo truck in St. Louis, Missouri, two Ford Transit Connect Electric vans in Dallas, Texas and Los Angeles, California – and 26 extended range electric vehicles, Chevrolet Volts, located in 10 states nationwide.
We plan to use B20 bio-diesel fuel on the Fan Zone Tour in 2012.	In August 2012, the AT&T Fan Zone tour switched to using B20 bio-diesel fuel for all its travel across the United States.

2013 GOAL

Replace retiring passenger vehicles with alternative-fuel models and deploy up to 8,000 compressed natural gas (CNG) service vehicles through 2014.

Energy Consumption

2012 GOAL	PROGRESS TOWARD GOAL
Reduce the electricity consumption of our company relative to data growth on our network by 60 percent by 2014 (baseline of 2008).	We reduced the electricity consumption of our company relative to data growth on our network by 57 percent compared to our 2008 baseline.
By the end of 2012, the top 500 retail stores will have Energy Champions and Scorecards (in addition to the top 1,000 operational facilities).	We identified Energy Champions and launched a retail-specific Energy Scorecard at 1,000 retail stores in 2012.
Alternative energy - expand by a minimum of 5 megawatts (MW) of additional installations.	We surpassed our goal and added an additional 7 MW of alternative energy power in 2012.

2013 GOALS

Reduce the electricity consumption of our company relative to data growth on our network by 60 percent by 2014 (baseline of 2008).

Expand alternative energy deployment by a minimum of 10 MW of additional installations.

Water

2013 GOALS

Realize 150 million gallons — roughly 15 percent of cooling tower water use and 5 percent of total water use — of annualized water savings by the end of 2015.

Realize 400 million kWh in annualized electricity savings from free-air cooling projects by the end of 2015.

Include water goal question in Supplier Survey by the end of 2013 with the intent of motivating our suppliers to reduce their water use.

Develop regional outreach plan for five water-stressed regions to expand awareness, increase use of the water efficiency toolkit and begin outreach to key stakeholders by the end of 2013. The plan should include analysis of potential savings and metrics to evaluate success.

Emissions

2012 GOAL

Reduce our Scope 1 emissions 20 percent by 2020, using a 2008 Scope 1 baseline of 1,172,476 mtons CO_2-e.[1]

PROGRESS TOWARD GOAL

We achieved an adjusted 937,917 mtons CO2-e of Scope 1 emissions which equates to a 20 percent reduction as compared to our 2008 baseline.[2]

2013 GOAL

Reduce our Scope 1 emissions 20 percent by 2020, using a 2008 Scope 1 baseline of 1,172,476 mtons CO_2-e.[1]

[1] For the purposes of tracking progress toward our goal, we are holding refrigerants, engines and portable generators steady in an effort to align performance with actual emissions changes and avoid an inaccurate representation of our progress.

[2] The primary contributor to this significant reduction in emissions is the progress we have made in increasing the efficiency of our fleet operations. The total Scope 1 reduction occurred faster than we anticipated because our use of natural gas was substantially lower than we expected due to a warm winter and a slower ramp-up of natural gas used for our Bloom Box fuel cells. We plan to keep our Scope 1 goal in place because we expect to see an increase in our use of clean natural gas as we bring more Bloom Box fuel cells online in coming years. This will reduce electricity consumption from the grid but will increase our natural gas consumption.

Supply Chain

2012 GOAL

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

PROGRESS TOWARD GOAL

We are actively engaging our strategic suppliers and are on track for the 2015 goal with an increasing portion of our annual spend being with suppliers who track GHG emissions and have specific GHG goals.

2013 GOALS

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

By the end of 2017, achieve an average score of 80 percent or higher for top suppliers on the balanced C&S Scorecard, which covers four key categories including policy breadth, rigorous goals, reporting transparency and supply chain governance.

PROGRESS TOWARD GOALS:
TECHNOLOGY

Consumer

2012 GOAL	PROGRESS TOWARD 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 postpaid portfolio would be evaluated against the Eco-Rating system.	AT&T developed its Eco-Rating system in cooperation with original equipment manufacturer (OEM) device suppliers and BSR. This system, designed to educate consumers about the sustainable attributes of their devices, rates the sustainable attributes of a device on a 15-point system. It launched in July of 2012 and rates each new AT&T-branded postpaid handset device.

2013 GOALS

Expand the AT&T Eco-Rating system to include prepaid AT&T-branded handset devices and select accessories sold at retail that are new to the portfolio.

In 2013, for the portfolio of postpaid AT&T-branded handset devices that are evaluated against the AT&T Eco-Rating system, 60 percent will be rated at Eco-Rating 3 or above out of potential of Eco-Rating 5.

Enterprise

2012 GOAL	PROGRESS TOWARD GOAL
Identify connection opportunities that drive efficiency and sustainability for customers in the healthcare, tracking transportation and home energy sectors.	We announced several new technology solutions to increase the efficiency and sustainability of our customers, including tools related to electric vehicles, patient health records and enabling the next generation of smart homes.

2013 GOAL

Drive awareness and market adoption of ICT solutions for both enterprise business and state/local government entities by defining the increased efficiencies, performance and competitive advantage these products create.

Emerging Devices

2013 GOAL

Launch a platform that will empower our customers to understand and manage their home security and energy use remotely.

Product

2012 GOAL	PROGRESS TOWARD GOAL
Gauge customer 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.	• 30 percent of survey respondents indicated that texting while driving messages have an impact on their driving habits. • More than 1.3 million no texting while driving pledges were generated through channels including ItCanWait.com, Facebook, Twitter and text-to-pledge.

2013 GOAL
Continue to increase the awareness of texting while driving so that greater than 65 percent of consumers recognize the danger.

Social Application

2012 GOAL	PROGRESS TOWARD GOAL
Support projects to promote the use of mobile technology to enhance teaching and learning.	AT&T: • Provided $250,000 contribution to fund the development of the Young Developers Program (YDP) at Seton Hall University to teach underserved high school students to develop mobile apps that serve a social good, to motivate and prepare them to pursue a college education and to instill community service values. The YDP is designed to serve as a national model that can be replicated by other educational institutions. • Contributed $250,000 to support the development of an online and mobile math course by Curriki, a national nonprofit providing technology based resources for educators and students. • Provided advice and counsel to Southern Regional Education Board on development of mobile app for the Free Application for Federal Student Aid (FAFSA) for high school students.