

## Conformity with ISO 14001 Environmental Management Systems

AT&T developed a combined Environment, Health and Safety (EH&S) Management System, which is designed to use elements of ISO 14001 EMS standard and applies to Environment, Health and Safety Programs. AT&T does not maintain external registrations or certifications with external registrars for this management system.

### AT&T Environment, Health and Safety Management System

ISO 14001 EMS Element	Programs Implementing Management System Elements	
4.1 General	EH&S Policy	Signed by AT&T Chairman and CEO, R. Stephenson, available on AT&T's internet applies to all AT&T entities
4.1 Planning	4.1.1 Evaluation of Environmental Aspects.	The EH&S Leadership team consults periodically with the Legal Department to discuss future programs and risks regarding compliance programs. The evaluation includes an assessment of regulatory requirements, existing compliance programs, past and present research of effects (including literature review). This exercise has been extended to occupational health and safety aspects. The Citizenship and Sustainability (C&S) team conducts similar analyses of environmental programs that are beyond regulatory requirements.
	4.1.2 Legal and Other Requirements	EH&S Technical Support directs the EH&S "leg/reg" process, which tracks and evaluates new and proposed regulation and legislation. Formal comments to legislators and regulators are developed if appropriate, in collaboration with AT&T's External and Legislative Affairs. Where appropriate based on the new or proposed regulation or legislation, EH&S Technical Support develops or revises programs, which in turn are deployed by the Strategic Compliance Partners to the business units ("BUs"), as necessary to address new and modified requirements.
	4.1.3 Objectives and Targets	Based on information from 4.1.1 and 4.1.2 above, as well as direction from the Executive Environmental Council, the EH&S Leadership team develops the objectives and targets for the EH&S organization, as part of AT&T's performance management program, "e-performance." Progress towards achievement of goals is evaluated quarterly by EH&S associates and supervisors. Each year the EH&S Leadership, through the Strategic Compliance Partners and Business Unit EH&S Coordinators, tailors the objectives and targets into BU-specific EH&S Plan Targets, which are tracked annually for completion.
	4.1.4 EMS program	The EH&S program is described on AT&T's internal EH&S website. All internal guidance documents and the online Compliance Data Management System modules can be accessed via the company intranet. Each business unit has an EH&S Plan Target document through which it implements key BU-specific requirements and responsibilities.

<b>4.3 Implementation and Operation</b>	<b>4.3.1 Structure and Responsibility</b>	<p>In addition to the Environment, Health &amp; Safety (EH&amp;S) policy signed by AT&amp;T's Chairman and CEO, R. Stephenson. Our Executive Environmental Council, which is comprised of senior leaders from across AT&amp;T's business units, AT&amp;T has an Environment, Health &amp; Safety compliance staff, whose organizational structure is organized around the Plan, Do, Check, Act model. This organizational structure includes:</p> <ul style="list-style-type: none"> <li>• <u>Technical Support</u>: Develops EH&amp;S programs to comply with legal requirements.</li> <li>• <u>Field Support</u>: Assesses business unit EH&amp;S compliance; performs over 1000 EH&amp;S assessments and reviews throughout the year with approximately 300 being conducted at randomly selected facilities.</li> <li>• <u>Compliance Data Management</u>: Implements certain centralized compliance activities, such as permitting or registration of tanks, water and air emission sources.</li> <li>• <u>EH&amp;S Information Systems</u>: Develops and updates the Compliance Data Management System (CDMS). The CDMS is used to manage environmental activities related to, among other things fuel tanks, air emissions, water quality, incident management, hazardous materials, hazardous waste, occupational safety and health, and DOT compliance.</li> <li>• <u>Strategic Compliance Partners</u>: Works with business units (via Business Unit EH&amp;S Coordinators in key BUs) on systemic opportunities for EH&amp;S improvement.</li> </ul> <p>In each of these groups, AT&amp;T has specialized professionals who serve as incident managers. These individuals manage regulatory inspections as well as any unexpected EH&amp;S-related emergencies by working with the site personnel and others in the BUs.</p>
	<b>4.3.2 Training, Awareness and Competence</b>	<p>EH&amp;S has extensive (over 100) regulatory and awareness training courses and job aids available to employees through the online system known as AT&amp;T Learning Solutions. These training programs include tests of knowledge, acknowledgments of completion, and feedback. The business unit (BU) EH&amp;S Plan Target documents contain matrices that identify which courses employees who perform certain functions in each BU must take. AT&amp;T Learning Solutions provides tracking of training completion by each of AT&amp;T's approximately 280,000 employees.</p>
	<b>4.3.3 Communication</b>	<p>There is a multilayered approach to communication about environmental, safety and health issues, including 1. Executive Environmental Council meetings and briefings; 2. BU EH&amp;S Coordinator meetings and routine collaboration through the Strategic Compliance Partners; 3. AT&amp;T Insider, AT&amp;T's internal website; 4. AT&amp;T EH&amp;S website, including a monthly EH&amp;S newsletter.</p>

	4.3.4. Environmental Management System Documentation	The documents that define and support AT&T's EH&S management system are on the EH&S website. They are primarily in the forms of practices, procedures, and job aids. The Compliance Data Management System (CDMS) is an online system that is the backbone for data management, tracking, and recordkeeping, which includes modules for the Waste Tracking System (WTS), Inventory Management System (IMS), Incident Tracking System (ITS), petroleum storage tank, permitting, and water modules. OREMIS is the data management system for air pollution sources. SHARPs and DOTTs are the systems that AT&T uses for safety administration and DOT compliance, respectively.
	4.3.5 Document Control	AT&T uses the EHS-100 Internal Operating Procedure for document classification, format, approval and routing processes, and document control.
	4.3.6 Operational Control	Several layers of operational control exist. The AT&T EH&S documents provide documentation of the roles, responsibilities, actions, and reporting required of AT&T Business Units and the EH&S Organization.
	4.3.7 Emergency Preparedness and Response	In addition to the corporate-wide Business Continuity Program, the EHS 500 series of practices documents the procedures for responding to regulatory incidents, spills and other EH&S emergencies. Emergency and regulatory incidents are required to be reported to the EH&S Hotline and tracked on the Incident Tracking System (ITS) module in the CDMS. Veteran members of the EH&S organization act as incident managers in the event of emergencies. EH&S Field Support investigates or assists the business units (Bus) in the investigation of key incidents and accidents at the site-level. EH&S has a key role in the AT&T Disaster Recovery process for large-scale actions to restore telecommunications service to communities hit by natural or manmade disasters.
<b>4.4 Checking and Corrective Action</b>	4.4.1 Monitoring and Measurement	All objectives and targets set forth in as goals in the eperformance system are developed as SMART metrics and progress is tracked on a quarterly basis. Implementation of the elements of the business units' EH&S Plan Target documents are also tracked quarterly. The Compliance Data Management teams monitor, verify, and conduct quality assurance and quality control on the Compliance Data Management System's (CDMS) data. Field Support and California Environmental Site Managers conduct over 1000 inspections and investigations per year to monitor the compliance of sites with EH&S programs and to provide feedback to business units to update equipment and chemical inventories.
	4.4.2 Nonconformance and Corrective and Preventive Actions	The Incident Tracking System (ITS) system is used to document corrective actions in event of emergencies and incidents. The Activity and the EH&S Assessment tracking systems track corrective actions from Field Support inspections and site investigations. CDMS contains an audit tracking module for management system audits conducted on EH&S programs. Nonconformance and corrective actions are escalated to the EH&S Leadership team, BU EH&S Coordinators, BU directors and other managers, as appropriate to ensure timely resolution.
	4.4.3 Records	All paper records are maintained in conformance with corporate Records Inventory

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	Management (RIM) guidelines. CDMS provides online recordkeeping for compliance and of property assessments performed to satisfy the “all appropriate inquiry” ASTM standard.
4.4.4 Environmental Management Systems Audits	AT&T’s EMS is subject to three different types of periodic programmatic audits. (1) The EHS 900 series of practices follows the ISO 1401x series for the completion of management system audits. Each fall, the EH&S auditors inform the EH&S Leadership of their audit schedule for the following year. All audit protocols, documentation, and tracking are developed in accordance with the EHS 900 series. (2) AT&T centralized internal audit staff audits a wide range of AT&T compliance activities, including one or two environmental topics per year. (3) In California, audits are conducted by 3 <sup>rd</sup> party auditors, as required under a Consent Judgment entered into with the State of California in February 2006.
<b>4.5 Management Review</b>	The Executive Environmental Council (EEC) receives updates on compliance to minimize risk to the corporation. Periodically, the EH&S Leadership team in collaboration with the Legal Department evaluates EH&S programs (based on data collected from reviews, audits, new regulatory requirements, etc.) and develops strategies and plans to improve the management system and compliance programs as part of the organizational goals and EH&S plans.

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