Good Corporate Governance

**Issue Summary**

Good corporate governance is a necessary foundation for ethical and responsible business practices and is directly related to business success.

**Our Position**

How we do business is just as important as what we do. Living up to the highest standards of honesty, integrity and respect is the most important commitment we can make — to each other, our customers, our business partners and our shareholders.

**Our Action**

**CODE OF BUSINESS CONDUCT**

AT&T’s Code of Business Conduct (CoBC) puts our values into action across the globe. More than just a set of rules, the CoBC is a guide to help us make the right decisions every day.

The CoBC addresses common ethical and compliance issues covering a range of topics including diversity and nondiscrimination, conflicts of interest, customer and employee data privacy and our commitment to the environment. In addition, we maintain an easy-to-use website that provides access to specific policies and more detailed guidance around key CoBC issues. Each employee — from our part-time workers to our CEO — is responsible for reviewing the CoBC and understanding its provisions.

In 2012, we accomplished an approximately 99.7 percent completion rate on our CoBC training. In addition to the videos mentioned below, we also target compliance training on particular topics to appropriate groups of employees — particularly employees new to the company — to improve their understanding of our commitments. These training courses include: the Fair Labor Standards Act, records management, sexual harassment, privacy, anti-corruption/anti-bribery and a variety of Environment, Health & Safety courses.

We learn from our CoBC violation reports whether to introduce training or additional communications about a particular area. Our training, which is mostly Web-based, involves hypothetical compliance situations and other techniques to get employees fully engaged in the learning process. We are adding video training options for many compliance courses, and we are working on versions of training that our field forces can access via their mobile devices.
In addition, we require documentation of ethical and compliant behavior in our managers’ annual appraisals.

**Employees Who Seek Guidance or Wish to Raise a CoBC Concern Have a Variety of Available Resources:**

- A supervisor or anyone in the employee’s reporting chain
- A functional expert in our Legal department, Internal Audit department, Corporate Compliance organization, Human Resources department or Chief Security Office
- The AT&T Ethics Office
- For U.S. employees, the AT&T Hotline 1-877-871-COBC (2622), which is staffed by a third-party vendor and allows for anonymous and confidential reporting
- Online Reporting, available through the same third-party vendor’s portal
- AT&T’s Asset Protection organization

An employee who seeks advice, raises a concern or reports misconduct is following the CoBC and doing the right thing. We do not tolerate retaliation against such a person. Allegations of retaliation are investigated and appropriate action taken.

We also have a separate Code of Ethics that applies to all employees, and also to our board of directors. The Code of Ethics emphasizes honest and ethical behavior, avoiding conflicts of interest and the importance of SEC filings and related statements that are fair and accurate.

**COMPLIANCE**

We offer many resources to employees who have questions about the laws, regulations and policies affecting our business. In addition to upholding our CoBC and policy website, our Corporate Compliance organization seeks to maintain an open dialogue about compliance issues.

Our Corporate Compliance Program focuses on key compliance risks. The Corporate Compliance organization works with each business unit on an ongoing basis to determine that the proper controls are in place to operate our business with the utmost integrity. The process includes an annual risk assessment reported to the Compliance Oversight Committee and to the Audit Committee of AT&T’s board of directors, which oversees the Corporate Compliance Program.

To emphasize key policies, the Corporate Compliance organization uses a policy review tool that exposes targeted audiences of employees to key policies by email. This tool retains a record of the employees who reviewed these policies via the tool. In 2012, we applied the tool to several policies including the Suppliers Policy, the Social Media Policy and the Antitrust Policy.

**ANTI-CORRUPTION/ANTI-BRIBERY**

Around the world, we follow ethical business practices in our dealings with public officials, other companies and private citizens. We do not seek to influence them, directly, indirectly, through the payment of bribes or kickbacks or any other unethical payment. Such activity erodes our integrity and, in most cases, violates the law. We strive to avoid even the appearance of improper influence. In particular, we are
especially vigilant when dealing with government officials.

HUMAN RIGHTS

We try to do business with suppliers, third parties and business partners who enhance our level of service and provide products and services of quality. We seek suppliers who share our commitments to human rights (including labor rights), diversity and ethical and sustainable business practices.

Visit our Frequently Requested Information page for our Human Rights in Communication Policy.

POLITICAL CONTRIBUTIONS

We comply with all applicable laws concerning political contributions. Political contributions, where permitted, are an important part of the political process. Visit our Investor Relations Corporate Governance website to see our full statement on political contributions.

EXECUTIVE/BOARD COMPENSATION

Our Corporate Governance Guidelines cover subjects such as CEO and director compensation. They are published on our website and available in print to any stockholder who requests them. To view them, please visit our Investor Relations Corporate Governance website.

CORPORATE GOVERNANCE

Please visit our Investor Relations Corporate Governance page for more information on our corporate governance structure and contact details.

SUSTAINABILITY GOVERNANCE

Our commitment to citizenship and sustainability reaches the very highest levels of our company. The Public Policy and Corporate Reputation Committee of the AT&T Board of Directors has oversight of citizenship and sustainability.

Separately, our Citizenship & Sustainability Steering Committee comprises senior executives and officers from across the company with responsibility for the business areas most linked to our current citizenship and sustainability priorities. Each officer represents her/his entire department on the committee so as to reach a broader range of issues and perspectives.

Some of the areas for which the executives on the committee have responsibility include human resources, AT&T Labs, IT, data center operations, legal, investor relations, finance, compliance, network planning and engineering, network operations, consumer marketing and devices, public policy, privacy, supply chain, fleet operations, external corporate communications, call center operations, employee communications, corporate real estate, energy management, enterprise/business marketing and sales, public affairs, AT&T Foundation and corporate citizenship and sustainability.
Citizenship & Sustainability Steering Committee

- Jeff Bradley, Senior Vice President — Devices, AT&T Mobility
- Len Cali, Senior Vice President — Global Public Policy, AT&T Services, Inc.
- Gerry Chicoine, Senior Vice President — Audit Services and Chief Compliance Officer, AT&T Inc.
- Rick Felts, Senior Vice President — Information Technology Operations, AT&T Services, Inc.
- Peggy Garber, Senior Vice President and Assistant General Counsel, AT&T Services, Inc.
- Tim Harden, President — Supply Chain and Fleet Operations, AT&T Services, Inc.
- Bill Hogg, Senior Vice President — Network Planning and Engineering, AT&T Services, Inc.
- Susan A. Johnson, Senior Vice President — Investor Relations, AT&T Inc.
- Charlene Lake, Senior Vice President — Public Affairs and Chief Sustainability Officer, AT&T Services, Inc.
- Esther Lee, Senior Vice President — Brand Marketing, Advertising and Sponsorship, AT&T Services, Inc.
- Glenn Lurie, President — Emerging Enterprises and Partnerships, AT&T Mobility
- Robin G. MacGillivray, Senior Vice President — One AT&T Integration, AT&T Services, Inc.
- Roman Pacewicz, Senior Vice President — Marketing and Global Strategy, AT&T Services, Inc.
- Krish Prabhu, President — AT&T Labs and Chief Technology Officer, AT&T Services, Inc.
- Mark Schleyer, Senior Vice President — Corporate Real Estate, AT&T Services, Inc.
- Bill Smith, President — AT&T Network Operations, AT&T Services, Inc.
- Scott Smith, Senior Vice President — Human Resources Operations, AT&T Services, Inc.
- Larry Solomon, Senior Vice President — Corporate Communications, AT&T Services, Inc.
- Debbie Storey, Senior Vice President — Talent Development and Chief Diversity Officer, AT&T Services, Inc.

Charlene Lake, our chief sustainability officer, leads our efforts to achieve a wide range of specific, sustainable business objectives — working with the Public Policy and Corporate Reputation Committee of the board of directors, the chairman’s office and AT&T’s executive team to further integrate sustainable business practices across AT&T and our supply chain.

In addition, we operate a number of expert teams to help drive the initiatives into the business.
AT&T Sustainable Business Practices Expert Team Structure

CITIZENSHIP & SUSTAINABILITY TEAM

Diversity

Community

People & Communities

Social Policy

Innovation

Technology

Customer Engagement

Environment

Resource Efficiency

Supply Chain

Waste Management

Access & Aging

Volunteerism

Philanthropy

Do One Thing (DOT)

Military Support

Aspire

Third Parties

Disaster Relief

Military Support

Aspire

Human Rights

Compliance and Ethics

Online Safety

Security and Privacy

Foundry

The Innovation Pipeline (Employees)

Consumer

Enterprise

Defining ICT Benefits

Emerging Devices

Fleet

Electricity

Regulated/Hazardous Waste

E-Waste

Solid Waste

Purchasing Guidelines

Policy and Engagement

Chief Diversity Office

Employee Resource Groups

AT&T Sustainable Business Practices Expert Team Structure