



# Supplier Diversity

*Materiality Assessment Topic: Supplier diversity*

## Issue Summary

A diverse supply chain exposes companies to perspectives, skills and ideas that enhance business success.

## Our Position

Diverse businesses bring unique skills and fresh ideas, and they play a vital role in delivering the services, value and innovation necessary to serve our customers. By respecting and including different viewpoints, we are better able to serve our customers, employees and communities.

We are committed to promoting, increasing and improving the overall participation of minority-, women- and disabled veteran-owned business enterprises (as well as small business enterprises) in purchasing their materials and services. We also encourage subcontracting opportunities for minority-, women- and disabled veteran-owned businesses by requiring Supplier Diversity Participation Plans from prime suppliers.

## Data Highlights

### 2012 Key Performance Indicators

- Spend with minority, women and disabled veterans business enterprises: **\$12.8B**
- Percent of total spend with minority, women and disabled veterans business enterprises: **23.96**

### 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.

### 2012 Progress Toward Goal

In 2012, we:

- Spent **\$12.8 billion** with minority-, women- and disabled veteran-owned business enterprises.
- Increased diverse supplier participation from 23.01 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).

## Our Action

In 2012, we spent **\$12.8 billion** with minority-, women- and disabled veteran-owned business enterprises. This represents **23.96 percent** of our total spend.

We have also established several supplier diversity mentoring and protégé programs.

### AT&T 2012 SUPPLIER DIVERSITY NATIONAL RESULTS

	AT&T Supplier Diversity Corporate Goal (percent)	2012 Supplier Diversity Spend	2012 Supplier Diversity Percent of Total Spend
<b>MBE</b>	15	\$9.4B	17.69
<b>WBE</b>	5	\$3.2B	5.91
<b>DVBE</b>	1.5	\$191M	0.36
<b>Total</b>	21.5	\$12.8B	23.96

### Operation Hand Salute

Operation Hand Salute, a program for disabled veteran CEOs, matches participants with mentors and connects them with industry experts, community leaders and AT&T executives.

We launched our second class with 14 national disabled veteran CEOs to participate in a 10-week online business development program.

The program was produced by John F. Kennedy University from May 2012 — September 2012.

### AT&T Prime Supplier Program

The Prime Supplier Program is one of the most essential AT&T Supplier Diversity programs. Since 1989, AT&T's Prime Supplier Program has helped our prime suppliers increase the utilization of diverse businesses in our supply chain through subcontracting and value-added reseller arrangements. Our prime suppliers are vital to the success of AT&T Supplier Diversity. The AT&T Prime Supplier Program has helped our prime suppliers establish their own supplier diversity program and develop an annual plan outlining how their company will provide better business solutions by working with diverse businesses.

### Meet the Prime Matchmaker Events

These events target key suppliers in emerging markets to engage in one-on-one interviews with qualified diverse suppliers to discuss contract opportunities.