



Our community. Our world.



Your Neighborhood Is Our Neighborhood

AT&T is a vital part of every community where we do business. From one town to the next, our goal is simple: to help the places where we live and work become as strong and vibrant as they can be.

For more than 100 years, AT&T has been a valuable partner in connecting people to each other, first across county lines and now across continents. In late 2006, AT&T acquired BellSouth Corp. and consolidated its ownership of Cingular Wireless, bringing together three companies with distinguished records of community support.

Today, as the premier communications and entertainment company in America, AT&T is working harder than ever to be a good neighbor. We remain committed to the people and communities we serve, and we work hard to bring our socially responsible values to life every day through our products, services and conduct.

We do this because our community is our world. And our world is getting smaller every day.

AT&T's commitment to community service has been widely recognized. In 2006, *Fortune* magazine named AT&T as America's and the world's most admired telecommunications company. AT&T has garnered the No. 1 spot on *Fortune's* "Most Admired" lists more times than any other telecom company since the rankings were first published.

AT&T Giving

AT&T and its philanthropic arm, the AT&T Foundation, combine \$1.8 billion of historic philanthropic commitment to communities across the country.

In 2007, AT&T and the AT&T Foundation will provide tens of millions of dollars to support programs that improve access to information technologies, technology training and professional-skills development.

Following the completion of the AT&T-BellSouth merger, AT&T remains committed to maintaining BellSouth's and Cingular's historic levels of charitable contributions and community activities in the region formerly served by BellSouth.



AT&T AccessAll

In 2006, AT&T and the AT&T Foundation jointly introduced AT&T AccessAll, the company's \$100 million signature giving initiative. The AT&T AccessAll program — a three-year commitment — delivers technology access to low-income families and underserved communities across the country. The largest AT&T AccessAll initiative is a collaboration with One Economy, Habitat for Humanity affiliates and other low-income housing providers to deliver technology packages, including Internet access, to 50,000 low-income families. This is the nation's largest-ever commitment to providing in-home technology access.

Improving Education

AT&T supports initiatives that improve student achievement, enhance minority-student success and increase the use of new technologies, from kindergarten through college.

- > AT&T and its subsidiaries provided more than \$34.4 million to support education initiatives across the nation in 2005, the most recent year for which data is available.
- > Through its continued support of the AT&T 20/20 Vision for Education program, AT&T will help expand opportunities for online learning to low-income and minority students throughout southeastern United States.

Advancing Community Development

AT&T philanthropy aims to strengthen neighborhoods and enliven communities. Its community-development initiatives help organizations serve their neighborhoods.

- > Through the AT&T Exceleator program, AT&T annually provides millions in grants that help build stronger nonprofit organizations through technology.
- > Since AT&T Exceleator launched, AT&T has awarded more than \$38.8 million in technology grants to more than 2,500 community-based organizations.

\$1.8 billion

in historic philanthropic commitment by AT&T companies and the AT&T Foundation to support programs that enhance education, community vitality and technology access

Addressing Vital Community Needs

AT&T supports organizations that serve the community's neediest people by providing essential resources. And when a natural disaster strikes, the company responds.

- > AT&T and its employees support the United Way to maximize community impact at the local level. Since 2000, AT&T employees have pledged more than \$124 million to the United Way and other charitable organizations.
- > In 2005, AT&T ranked seventh among U.S. corporations in employee and corporate giving to the United Way.

Enhancing Unique Cultural Assets

AT&T is committed to finding unique ways to support the cultural institutions, traditions and performances that make communities unique. Organizations receiving AT&T philanthropic support include the St. Louis Symphony, the Women's Museum and the Kansas Park Trust.

AT&T Diversity and Inclusion

AT&T believes that diversity and inclusion make a better environment, both in the workplace and marketplace, benefiting the company's employees, business and the communities it serves.

Supplier Diversity

With its 39-year legacy, AT&T is known as a pioneer and a national leader in developing and implementing supplier-diversity best practices.

In 2005, AT&T spent \$2.4 billion with diverse suppliers, representing 15 percent of its procurement base.

AT&T is a member of the Billion Dollar Roundtable, a supplier-diversity think tank of corporations that spend more than \$1 billion annually with diverse companies. Only 12 companies qualify at this level.

In the past 10 years, AT&T spent:

- > \$14 billion with Minority Business Enterprises (MBEs), representing 13 percent of the total procurement dollars.
- > More than \$5 billion with Women's Business Enterprises (WBEs), representing 5 percent of AT&T's overall purchasing dollars.
- > More than \$580 million with Disabled Veteran Business Enterprises (DVBEs), representing an increase in DVBE spending of 1,600 percent.

More than 500,000 minority- and women-owned businesses ranked AT&T No. 1 on DiversityBusiness.com's 2006 "Top Organizations for Multicultural Business Opportunities" list, also known as the "Div50."

AT&T has been named to the Women's Business Enterprise National Council's "America's Top Corporations for Women's Business Enterprises" list every year since the award's inception.

For its unwavering support of veteran-owned businesses, AT&T has been named by *Veterans Business Journal* among the "Best Corporations for Veteran-Owned Businesses" and the "Top 10 Most Veteran-Friendly Corporate Supplier Diversity Programs" in addition to having received numerous other honors.

AT&T maintains a goal of spending 21.5 percent of its total procurement with diversity-owned enterprises.

Workforce Diversity

AT&T's diverse workforce is an asset to the company and a result of its commitment to recruiting and hiring the very best talent.

- > Today, AT&T's 50-state workforce is more than one-third people of color and nearly half women.
- > Women make up more than 40 percent of AT&T's managers – above the average of most Fortune 500 companies.
- > More than 25 percent of AT&T's managers are people of color. According to the U.S. Census Bureau, nationally, only 22 percent of managers, professionals and related occupations are people of color.



In 2006, DiversityInc named AT&T to six of its "Top 10" specialty lists, the highest number of honors received by any U.S. company. AT&T was recognized for its diverse African-American, Latino and GLBT workforce, as well as for its impressive history in the areas of gender, supplier diversity, and workforce recruitment and retention.

Today, as a combined company, AT&T's workforce and supplier-diversity strength are virtually unparalleled.

\$2.4 billion
spent by AT&T in 2005
with diversity suppliers

Making a Difference in the Community

AT&T has a long history of working to improve lives for diverse groups of racial and ethnic minorities. The company's commitment to strengthening communities by helping people in need extends across a variety of underserved populations, including seniors, youth, the disabled and low-income families.

- > In 2005, AT&T and the AT&T Foundation contributed more than \$21 million and supported nearly 800 organizations and programs that enrich and strengthen diverse communities nationwide.
- > Since 2000, AT&T and the AT&T Foundation have distributed more than \$114 million to programs and initiatives that support underserved and diverse communities.
- > AT&T continues to support diverse scholarship programs, including the United Negro College Fund and the National Society of Hispanic MBAs.

AT&T Volunteerism

Nearly 350,000 AT&T employees and retirees serve their communities as AT&T Pioneers, the nation's largest company-sponsored volunteer organization.

In 2006, AT&T Pioneers donated more than 14.3 million hours of personal time to community outreach activities — more than \$257 million worth of volunteer time.



Lending a Helping Hand

In 2006, AT&T volunteers in partnership with Habitat for Humanity and One Economy provided one-on-one technology instruction to more than 200 families as part of AT&T AccessAll, the nation's largest program designed to provide in-home Internet and technology access to low-income families and underserved communities across the country.

Advancing Education

- > From New York to California, AT&T Pioneers are joining forces with the OASIS Institute to help mature adults learn the technology skills that they need in order to re-enter the workforce or to volunteer in their communities.
- > AT&T Pioneers have distributed thousands of dictionaries to students through "The Dictionary Project," helping them to better understand our complex world.
- > One of the newest Pioneer community initiatives is Project: Connect, which is designed to teach students how the technologies that they use each day work. BellSouth Pioneers have distributed more than 16,000 Project: Connect CDs at schools and after-school programs.

Responding in Times of Need

When Hurricane Katrina displaced thousands of people, AT&T Pioneers were on the front lines helping them. Over a six-week period, 3,000 AT&T Pioneers contributed 30,000 volunteer hours to assist Hurricane Katrina and Hurricane Rita evacuees. AT&T Pioneers:

- > Helped evacuees to make their first critical phone calls to loved ones from AT&T phone banks set up at shelters.
- > Set up voice mail boxes so that evacuees could begin to rebuild their lives.
- > Provided more than 1,000 backpacks and school supplies to children in shelters.
- > Raised more than \$1 million through volunteer work at the "Shelter From the Storm: A Concert for the Gulf Coast" telethon at 10 AT&T call centers.

\$257 million

worth of volunteer time donated by AT&T Pioneer employees and retirees in 2006

Support for Our Troops

- > Since 2000, AT&T's contribution to U.S. troops has included more than \$6 million in prepaid calling cards and the installation of approximately 60 air-conditioned call centers for military members stationed in Iraq, Kuwait and Afghanistan.
- > Working with the Freedom Calls Foundation, AT&T and the AT&T Pioneers have connected hundreds of troops serving in Iraq with their family members, allowing them to talk via a video online chat session.
- > Since 2003, the AT&T Pioneers have placed a special focus on supporting our troops. Pioneers have packaged and sent out more than 5,000 care packages to troops in Iraq.

We depend on partners like AT&T who are dedicated to helping us provide relief from suffering, wherever and whenever it may occur.

JACK MCGUIRE
Interim President and CEO
of the American Red Cross

AT&T and the Environment

Environment, health and safety make up a critical component of corporate social responsibility, and AT&T is committed to sound policies and practices in those areas on behalf of our employees and business contacts. We intend to be good stewards in the communities we serve.



Air Pollution Reduction

AT&T has been recognized as a Climate Action Leader™ by the California Climate Action Registry. In 2006, AT&T registered its California greenhouse gas emissions (for pre-merger SBC only) for 2004 and 2005 as part of the company's commitment to greenhouse gas emissions reporting. The California Climate Action Registry is an internationally recognized organization that tracks, certifies and publicly reports gases that can lead to global climate change.

Environmental Research

> By funding numerous industrial ecology fellowships through the AT&T Foundation, AT&T has led the way in research on industrial ecology — a multidisciplinary science that investigates how the economy and the environment can coexist.

Waste Reduction

- > As one of the largest stand-alone online billers in the United States, AT&T has eliminated printing more than 15 million paper bills for its 1.3 million online-billed residential customers since 2001.
- > Through the Cingular Reuse & Recycle program, consumers are invited to bring unwanted wireless phones, personal data assistants (PDAs) accessories and batteries to Cingular-operated stores and to participating dealer stores for recycling. In 2006, Cingular collected almost 4.5 million phones, recycling more than 470,000 pounds of phones, accessories and batteries.

> AT&T Yellow Pages directories are recyclable and are printed on paper containing more than 40 percent post-consumer recycled content. Books are recycled into new phone books, newsprint, cardboard boxes, compost, insulation and household products.

Energy Conservation

> AT&T's technology provides the infrastructure for enabling environmental improvements throughout the global economy. Services such as teleconferencing, videoconferencing, electronic commerce, e-billing and NetMeeting are prime examples of technologies that directly reduce or eliminate energy and material consumption.

Compliance

> Compliance is a critical element of AT&T policy. All employees must comply with all applicable laws, regulations and AT&T standards and practices governing the environment, health and safety.



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