

Assurance statement

Trucost was engaged by AT&T to provide assurance of the environmental data held within its 2021 CDP Response

Intended users

The intended users of this assurance statement are the management and stakeholders of AT&T.

Responsibilities of AT&T and assurance provider

The management at AT&T has sole responsibility for the preparation and content of its annual sustainability report and CDP Climate Change Response (hereafter, CDP). Trucost's statement represents its independent and balanced opinion on the content and accuracy of the information and environmental data held within.

Assurance standard

Trucost undertook the assurance in accordance with AA1000AS v3 (2020) Type 2 moderate-level assurance, covering:

- ✓ Evaluation of adherence to the AA1000AP (2018) Principles of inclusivity, materiality, responsiveness and impact (the Principles)
- ✓ The reliability of specified environmental performance information (energy use, greenhouse gas emissions)

Trucost used the Global Reporting Initiative (GRI) and the GHG Protocol to evaluate AT&T's performance information and adherence to the Principles.

Scope and limitations

Trucost was engaged to assure the data and claims in AT&T's 2020 external reporting, encompassing the period of 1 January 2020 – 31 December 2020. Trucost was asked to assure reporting for specific KPIs. AT&T took an operational control approach.

Trucost verified the environmental impacts, as calculated by AT&T, within the table on the next page.

Scope 1 emissions from refrigerants grew 74% relative to the prior year, as data for the Mobility business unit, which was not previously available, was received starting this year.

Waste emissions had been calculated using EPA's WARM emissions factors. Starting this year, AT&T has begun using EPA's Emissions Factor Hub. This has resulted in a year over year growth in calculated emissions of 94%.

Market based Scope 2 emissions have declined year over year following an increase in the number of RECs purchased.

Business travel related emissions also saw significant decreases due to reductions in travel given the Covid-19 pandemic.

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SCOPE	SOURCE	UNIT	QUANTITY
GHG Scope 1	Natural gas		77,328
	Propane/LPG		5,470
	#1 Fuel oil		1,310
	#2 Fuel oil		2,543
	Diesel		5,731
	Gasoline		322
	Stationary generators		114,533
	Portable generators		7,039
	Flight operations		5,613
	Ground fleet		546,294
	Refrigerants		278,567
GHG Scope 2	Electrical Power - Location Based	Metric tons CO ₂ e	5,624,042
	Electrical Power - Market Based		4,732,286
	Steam		8,946
	Chilled Water		2,275
GHG Scope 3	Waste Generated in Operations		65,646
	Business Travel - Air Travel		27,679
	Business Travel - Car Travel		9,331
	Business Travel - Rail Travel		33
	Customer Product Electricity Use		2,723,766
Energy Use Scope 2	Purchased Electricity		11,137,839
	Modeled Electricity		358,235
	Natural Gas (consumed by fuel cells)	MWh	286,843
	LSRE (RECs)		2,261,505
	Solar (no RECs)		3,718
	Wind (RECs)		7,500
	Hydropower (RECs)		52,494
	Steam	MMBtu	134,732
Chilled Water		43,190	
Energy Use Scope 3	Customer Product Electricity Use	MWh	8,166,658

Methodology

Trucost's assurance activities included the following:

- Review of the processes by which AT&T defines the sustainability issues that are relevant and material to its operations and its stakeholders.
- Interviews with managers responsible for sustainability performance and data collection
- Assessment of the extent to which AT&T sustainability activities adheres to the Principles
- Review of processes and systems used to gather and consolidate environmental data
- Verification of data accuracy for a selection of sites, including an audit of conversion factors and calculations

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PRINCIPLE	COMMENTS
<p>Inclusivity: the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability</p>	<p>AT&T engages with a range of stakeholders on its sustainability efforts, including customers, employees, suppliers, governments, investors, industry associations, peers in the telecommunications space and NGOs. AT&T has numerous avenues available for stakeholders to voice any issues, including a robust supply chain engagement initiative, public contact numbers and email addresses and regular communication with industry groups. AT&T makes every effort to respond to address all concerns stakeholders may raise.</p>
<p>Materiality: determining the relevance and significance of an issue to an organization and its stakeholders</p>	<p>AT&T performs its materiality assessment every two to three years, most recently in 2019. AT&T's Materiality Assessment includes a materiality matrix, an analysis of stakeholder groups and geographies, a detailed value chain map, and public reporting on the company's relationship to the SDGs. Backing the report is an online survey of more than 25,000 stakeholders in addition to a set of live interviews with select stakeholders. AT&T has identified Energy Efficiency and Renewables and Greenhouse Gas Emissions to be highly material topics. AT&T also recognizes a responsible and sustainable supply chain as a material concern and engages with suppliers.</p>
<p>Responsiveness: an organization's response to stakeholder issues that affect its sustainability performance and is realized through decisions, actions and performance, as well as communication with stakeholders</p>	<p>AT&T employs a range of tools to address considerations raised by stakeholders and its materiality analyses. Topics identified as material are integrated into AT&T's ESG reporting. AT&T has approved Science Based Targets (to reduce Scope 1 and Scope 2 GHG emissions by 26% by 2030 compared to the 2015 base year and that 50% of their suppliers set their own science-based Scope 1 and Scope 2 targets by 2024) in addition to several other public goals around energy, greenhouse gas emissions and fleet emissions reductions. Publicly, the company assesses its progress along these commitments in an annual report. Company commitments and targets are reviewed by all internal experts and fall under the purview of the sustainability team. AT&T also has a robust strategy for assessing and responding to climate related risks, including policy considerations and physical risks. This includes active monitoring of policy and regulatory regimes, proactive efforts to reduce environmental impacts, such as signing on to the Voluntary Agreements on Energy Efficiency for set top boxes and small network equipment, and regular field equipment testing.</p>
<p>Impact: Organizations should monitor, measure and be accountable for how their actions impact broader ecosystems</p>	<p>AT&T publishes an annual sustainability report that follows guidance aligned with the GHG Protocol's operational approach to reporting on impacts. All of AT&T's ESG reporting is global in nature, with some additional region or country specific reports as required. AT&T regularly evaluates the organizations benchmarks and goals, utilizing third party feedback and scoring from organizations such as Sustainalytics, and others. Recent updates to AT&T's Environment, Health and Safety and Human Rights policies have followed this evaluation process. Impact assessment is integrated into AT&T's processes at multiple levels, including with a CSR Governance council led by the Chief Sustainability Officer and a committee with Board-level oversight.</p>

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Findings, conclusions and recommendations

The Principles:

Nothing came to Trucost's attention to suggest that AT&T's CDP Response does not adhere to the AA1000 Principles.

Data reliability:

AT&T has implemented rigorous processes to collect and aggregate global energy consumption and GHG emissions. Upon evaluating this system, Trucost found that data was accurate overall and any minor corrections were made as necessary.

Assurance provider

Trucost has been researching, standardizing and validating corporate environmental performance

data since 2000. Trucost's research team has the relevant professional and technical competencies and experience to conduct an assurance to the AA1000 standard. Trucost has conducted this assurance independently and impartially and in compliance with S&P Global's policies and procedures, including its Code of Business Ethics that provide a framework relating to ethical conduct, conflict of interest and compliance with law.

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