

Creating Connections

An Interview with Charlene Lake, Senior Vice President, Corporate Social Responsibility and Chief Sustainability Officer, AT&T

EDITORS' NOTE Charlene Lake is responsible for leading AT&T's social innovation, environmental, philanthropic and civic engagement endeavors, driving stakeholder impact measures on behalf of the corporation, and coordinating signature initiatives that connect social needs with business objectives. She began her professional life as a journalist, working on daily newspapers in Kansas. She started her career at Southwestern Bell Telephone in Topeka, and served in management roles in Financial



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Communications, Media Relations and Employee Communications in Kansas, Missouri and Texas. She went on to lead SBC's Corporate Advertising and Sports Marketing departments, managing them through multiple mergers, and thereafter created a Public Affairs discipline for the company. In 2007, she designed and launched AT&T's centralized Corporate Responsibility function which she still leads today. Lake serves as chair of the National Points of Life Institute Corporate Service Council, and chair of the United Way of Metropolitan Dallas board of directors. She also serves on the board of directors at the Baylor, Scott and White Health Care System, and is past chair of the Public Affairs Council and past vice chair and board member of the National Urban League. Lake was honored as a recipient of NUL's Women of Power Award and by the Texas Diversity and Leadership Conference as one of the most powerful and influential women leaders in the state. She received the Distinguished Woman Award and honorary Doctor of Laws degree from Northwood University, was recognized as Advertising Person of the Year by the Ad Club of New York and received the Iron Jawed Angel Award from the Luger Excellence in Public Service Series in Washington, D.C. A mass communication graduate of Kansas State University, Lake serves on the Advisory Council at KSU's A.Q. Miller School of Journalism and Mass Communications, and is on the board of directors of the Kansas State University Foundation.

COMPANY BRIEF AT&T (att.com) is a diversified, global leader in telecommunications, media and entertainment, and technology. It executes in the market under four operating units. WarnerMedia is a leading media and entertainment company that creates and distributes premium and popular content to global audiences through its consumer brands, including: HBO, HBO Max, Warner Bros., TNT, TBS, truTV, CNN, DC Entertainment, New Line,

Cartoon Network, Adult Swim and Turner Classic Movies. AT&T Communications provides more than 100 million U.S. consumers with entertainment and communications experiences across TV, mobile and broadband. Plus, it serves high-speed, highly-secure connectivity and smart solutions to nearly 3 million business customers. AT&T Latin America provides pay-TV services across 10 countries and territories in Latin America and the Caribbean and wireless services to consumers and businesses in Mexico, where it is the fastest-growing wireless provider. Xandr provides marketers with innovative and relevant advertising solutions for consumers around premium video content and digital advertising through its platform.

How critical is it for leading companies to be purpose-driven and will you discuss how purpose is engrained into AT&T's culture?

Company purpose has never been more important. Over the last several years, we have seen stakeholders putting a higher value on corporate purpose, but it's escalated rapidly with the global pandemic and recent events highlighting racial inequality. Employees, customers, policy-makers and investors are all watching the fraying of our social fabric and expecting corporations to do their part to contribute to solutions.

At AT&T, we have long believed a well-functioning society is fundamental to our business. The environment, equitable access to opportunity and education, and operational integrity are all common values we share with our stakeholders. We have an important role to play in the health of our society, and that's why we signed the Business Roundtable's Statement on the Purpose of a

Corporation to underscore our mission and values of inspiring human progress and connection through our business operations and corporate responsibility initiatives.

Purpose is infused in the very fiber of our operations. When some think of corporate social responsibility (CSR), especially those who aren't that familiar with our work, they think of it only as philanthropy. In years past, they would have been right. Companies used to show they were good corporate citizens only through their checkbook. Now, we know we can make far more impact if we listen to our stakeholders and tailor our operations, technology expertise, talent and other resources to help solve some of the world's most pressing challenges.

Will you provide an overview of your role and key areas of focus at AT&T?

As chief sustainability officer and senior vice president of corporate social responsibility, I am responsible for driving positive stakeholder impact through environmental, philanthropic and civic initiatives that connect critical social needs with our business objectives. My role at AT&T has evolved incredibly over the years. Today, our CSR team is connected strategically and operationally to the whole of our company. Ensuring our involvement is relevant to the business is how we create value for AT&T and have an opportunity to transform ecosystems.

As a company, AT&T works to create connections through technology and entertainment. In my role, this translates into putting our best resources to work by making a difference in three core areas: economic empowerment through connected learning, the environment, and digital health and safety, which includes helping people of all ages use technology safely, responsibly and productively.

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How does AT&T approach its corporate social responsibility work and how does the company decide where to focus its efforts?

Our approach is based on the belief that our long-term business success is inextricably linked to the strength of our communities and our world. We need healthy customers, employees and partners in a strong economy and clean environment in order to be successful. We look to the leading global issues we're seeing and experiencing as a company, our stakeholder engagement learnings, and our environmental social governance (ESG) performance metrics to determine our focus. We know we can have the biggest impact where our company expertise intersects with a societal issue, so understanding them both, along with tracking our ability to drive improvement, is how we determine our priorities. These priorities then come to life through elements such as volunteerism, philanthropy, social innovation and programmatic commitments.

How critical are metrics to track the impact and measure the results of AT&T's CSR programs?

Metrics are essential to our CSR work. We view ESG reporting, and our performance on global ratings, rankings and indexes as valuable measures of the effectiveness of our CSR programs and the company's work across the broad range of ESG topics. We use these insights to benchmark our progress inside and outside our industry and to help ensure we're proactively providing the type of information important to investors and all our stakeholders. These insights also help us prioritize programmatic investments and help us determine where to accelerate investment or adjust programming.

How does AT&T engage its employees in its CSR efforts and how important is it to communicate these efforts internally?

Our employees' spirit of community service is at the heart of our company. Our data shows that employees who are engaged with CSR programs are willing to recommend the company at a significantly higher rate. They also are less likely to voluntarily leave the company, and they are happier with their work. That's why it's so important for us and other companies to provide community engagement opportunities for our employees. Not only does it have impact in our communities, it's good for the employees and good for the company. We also know employees are increasingly vocal about working

with companies that share their values. We have to communicate with them, engage them in our CSR work, and learn from them as we progress in this space.

Our AT&T Believes program is one way our employees engage in AT&T's CSR efforts. AT&T Believes is a company-supported effort led by employees in cities across the country to expand economic opportunities and help their communities tackle important issues. Through this program, our employees in 2019 volunteered more than 1.4 million hours and gave nearly \$30 million to over 30,000 nonprofit organizations because they believe in their communities.

We're proud of our employees and their passion for this work. That's why we recognize them in many ways, such as through programs like the President's Volunteer Service Award and our Community Impact Awards. More than 3,500 employees were recognized with the President's Volunteer Service Award for volunteering at least 200 hours in 2019. Our Community Impact Award was launched in 2019 and recognizes employees across the enterprise who truly live our Make a Difference value. In our first year, we had more than 450 nominations and 41,000 votes from employees worldwide to recognize people from each of our operating companies.

Will you highlight the engagement and commitment from AT&T's management team and board for its CSR programs?

AT&T leadership is deeply engaged and committed to our CSR programs. Our leaders know that issues such as the environment, social concerns and ethical practices impact business performance and our company's overall reputation. Since 2009, our former chairman and CEO Randall Stephenson has worked with chief executives from across the country as part of the Business Roundtable (BRT) to promote a thriving U.S. economy for all Americans, and our current CEO, John Stankey, has stepped in as a leader in this space as well. Most recently, AT&T has used its involvement in the BRT to call on Congress to pass bipartisan policing reform and leadership from across the business have been working in our states to advocate for social justice reform.

AT&T management recognizes that our communities and environment are critical to the success of AT&T today and tomorrow. That's why leaders from across the business are engaged in this work, helping to design programs, grow awareness and encourage their

teams to get involved. The commitment is strong through our CEO, our Chairman and our Board, which has governance oversight of the corporate responsibility function. Our commitment is both personal and corporate, and is a reflection of our recognition of our stakeholders' growing social and environmental concerns and values.

Are you able to take moments to reflect and celebrate the impact that AT&T has made with its CSR work?

When I take a moment to reflect on the impact AT&T has made with CSR, I realize what an absolute pleasure it has been to lead the company's corporate responsibility for 13 years. Every day is challenging, from thinking about how we can reduce our environmental impact to creating educational equity. Every day is different, whether it be shareholder questions about batteries or finding new technologies that make students successful as they learn online. Every single day is rewarding.

Especially now, at this moment in history, Black and underserved communities face longstanding social inequities and higher unemployment, which have been exacerbated by the COVID-19 pandemic. Corporations can play a significant role in achieving a more equitable society, both internally and externally. Recently, we committed \$10 million to create economic opportunities and foster upward mobility through national work readiness programs and local organizations in markets across the U.S. We've long been focused on connecting students to economic opportunity and we celebrate how students in our programs on average will realize nearly \$10,400 of social, economic and personal benefits over their lifetimes.

On the environment side, we recently set a goal to be carbon neutral across our global operations by 2035. That goal builds on our sustainability progress as one of the largest corporate purchasers of renewable energy in the U.S. and our strides in realizing \$39.8 million savings in annual energy costs from 26,700 energy projects in 2019.

Importantly, connections are at the heart of everything we do as a company - whether it's connecting people to the wonders of technology so they can live and work more efficiently and more enjoyably, or connecting our employees to the needs of the community and our environment. Those connections have impact and have never been more important. This is a momentous time for AT&T, and I am very proud to be a part of it every day. ●