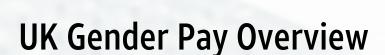


AT&T UK Pay Gap Report







AT&T has long been committed to encouraging and nurturing a diverse and inclusive workforce. That means creating a workplace that helps all employees reach their full potential, regardless of things like gender, race, religion, age, national origin or sexual orientation.

This should be the goal of all companies. And it is something AT&T takes very seriously.

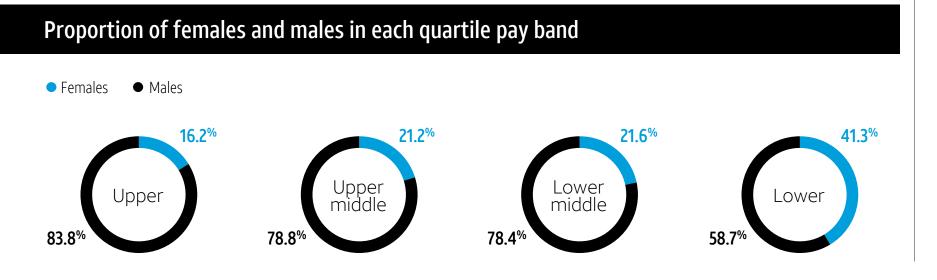


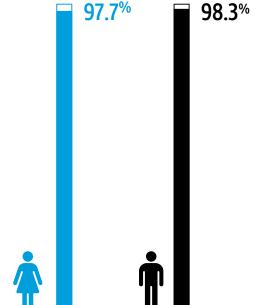
The Stats: AT&T in the UK

AT&T S UK genuer pay data as of 5 April 2017			
	MEAN	MEDIAN	
Gender Pay Gap	18.3%	20.2%	
Gender Bonus Gap	28.2%	32.0%	

ATQT's IIK gondar nav data as of E April 2017

Proportion of females and males at AT&T in the UK receiving a bonus payment in the bonus year 6 April 2016 to 5 April 2017







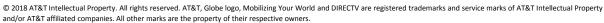
Stats for our main employing legal entities in the UK

OUR NUMBERS

The data for our main employing legal entities in the UK as of 5 April 2017¹

AT&T Global Network Services (UK) B.V. **AT&T ISTEL** MEAN MEDIAN MEAN MEDIAN Gender Pay Gap 10.7% 9.3% Gender Pay Gap 24.0% 29.1% At a glance 18.6% 9.3% 36.2% 44.6% Gender Bonus Gap Gender Bonus Gap Proportion of females and males at AT&T **□** 97.5% **□** 97.9% receiving a bonus payment in the bonus 97.9% 99.5% year 6 April 2016 to 5 April 2017 13.6% 67.1% Proportion of females and males in each quartile pay band Females Upper Middle Upper Middle Lower Lower Upper Upper Lower Lower Middle Middle Males

¹AT&T has a third legal entity in the UK which is below the threshold for gender pay reporting purposes





INTRODUCTION OUR NUMBERS LEGAL ENTITIES BEHIND OUR NUMBERS WHAT WE'RE DOING STATEMENT

So what's behind our numbers?

As has been reported, the UK gender pay gap (GPG) reporting is only one of many ways used to calculate gender pay equality. The GPG calculation is not about equal pay; it is simply the difference between female and male average earnings across an organization. It does not take into account calculations for employees who hold similar jobs, have the same experience, have similar tenure and live in the same geographic area. Rather, the GPG is the difference between the hourly pay of *all* female employees compared to the hourly pay of *all* male employees.

Contributing factors for AT&T's numbers include that AT&T is a technology company, and technical jobs, which are typically higher paid, have traditionally attracted more males than females.

And AT&T in the UK has lower-than-average attrition rates, and above-average tenure for both females and males (with average male tenure being longer), compared to national averages. This reflects a strength – that AT&T is a great place to work – however, it may reduce the frequency of vacancies, job changes or promotions.

There are fewer female employees in our sales teams, which are compensated, in part, on commissions.

And 78% of part-time workers at AT&T are female, where GPG bonus calculations do not take account of hours worked.

However, there is little difference in the percentage of females and males that received a bonus, which for both is very close to 100%.



What are we doing to ensure a diverse workforce in all jobs?

	HIRING	DEVELOPMENT & RETENTION	THE NEXT GENERATION
n R a - R	Competitive, externally reviewed, market-based pay scales	Employee Networks that focus on women, for personal and professional development	External mentoring programs inspiring girls to enter traditionally male-dominated fields
	Recruitment strategies to attract applications from diverse talent		Job shadowing, work experience and career skills workshops for students
		Mentoring programs, with many women participating	
	Rigorous processes to ensure fairness in hiring and compensation		
		Reskilling program to train and prepare current employees for future STEM jobs	
		Flexible working arrangements and generous return to work benefits	



INTRODUCTION OUR NUMBERS LEGAL ENTITIES BEHIND OUR NUMBERS WHAT WE'RE DOING **STATEMENT**

We confirm that AT&T's gender pay gap data in this report is accurate.

Michael Springham

Director of AT&T ISTEL and AT&T Global Network Services (UK) B.V.

Julie Fowler

Assistant Vice President – International Human Resources

