

October 15, 2018

Laura D. Tyson, Chair, Public Policy and Corporate Reputation Committee of the Board  
Matthew K. Rose, Lead Director  
Attn: Office of the Secretary of AT&T Inc.  
208 S. Akard Street, Suite 2954  
Dallas, TX 75202

Cc: Michael Viola, Sr. VP, Investor Relations  
David R. McAtee II, Sr. Executive VP and General Counsel  
Jeffrey H. Dygert, AVP, Global Public Policy  
Charlene Lake, Sr. VP, CSR and Chief Sustainability Officer  
And via: [sustainability@attnews.us](mailto:sustainability@attnews.us), [investr@att.com](mailto:investr@att.com), [g07277@att.com](mailto:g07277@att.com)

Dear AT&T Directors and Staff,

We, the undersigned investors in AT&T securities, are concerned about the prevalence of sex trafficking through online platforms, particularly crimes involving children. We therefore seek information from technology and telecom companies that we hold on their performance and response to combating various types of child sexual exploitation online, from offenders grooming children for abuse, to sextortion (sexual extortion), to the buying and storing of child sex imagery, and other forms of exploitation.

As a communications and telecom services leader in North America, we specifically want to know how AT&T and its subsidiaries are working internally, and with governments, law enforcement, and civil society groups, to confront such exploitation and what is commonly referred to as child pornography online (herein referred to as child sex imagery or child sex abuse material). We would like to know what frameworks guide your response, how you partner with outside organizations to curb this growing problem, how the Board of Directors is involved in the oversight of such risks, and what resources and attention the company is paying to this space—including identifying new trends involving the sexual exploitation of minors that might intersect with your platforms, products, or services.

We are interested in seeing strong performance on this issue from companies we own because companies that turn a blind eye to such activities on their platforms can suffer tremendous brand and financial loss (Backpage is but one recent example), or become the target of harsher regulatory efforts, as curbing the sexual exploitation of children is an issue with strong bi-partisan support, both amongst customers and politicians.

We recognize and applaud the company's setting of 2020 and 2025 goals on various corporate responsibility issues, and your recent Materiality Assessment to identify the CSR issues to prioritize, as well as your inclusion of some online safety educational materials and legal policies involving children and exploitative behaviors. But with your large presence and influence in the marketplace, and your Materiality Assessment that ranks "Online Safety" and "Safe Use of Products and Services" as a top-quadrant issue, we would expect more public disclosure from the company on your policies, actions and monitoring of this risk.

We note some of the things the company is currently doing to protect children from sexual exploitation, including:

- Indicating in your Acceptable Use Policy that threatening, violent and obscene material is prohibited, that inappropriate contact with minors (grooming behavior) is prohibited, and that child sex imagery is prohibited, while also providing an email address to report child sexual abuse content, and that such imagery will be reported to NCMEC (the National Center for Missing and Exploited Children);
- Providing tips and tools through your Digital You® program to help consumers stay safer while online;
- Collaborating with Common Sense Media, iKeepSafe, Family Online Safety Institute (FOSI) and other experts, to provide parents and youth with resources on cyberbullying, parenting in the digital age, appropriate postings, and data privacy;
- Creating and publicizing AT&T's Human Rights Policy and related content, as well as your subcommittee on Human Rights;
- Offering various parental control tools, for U-Verse, DIRECTV, mobile phones, and other services;
- Producing company blogs and educational materials on parental contracts with kids, online and phone/texting monitoring tools, location service tools, and related items.

These programs and tools are important but are only one step in a multi-pronged response to halt the growing numbers of children being exploited online while using devices, products and services very similar to what AT&T offers its customers and businesses.

We would like to hear from you about the additional steps that AT&T and its subsidiaries have taken, or are planning to take, to protect children from online sexual abuse. We believe your response goes to the heart of building trust and new business lines that attract families (parents and children alike) as AT&T expands its media and communications influence.

Specifically, we are interested in receiving written responses to the following questions:

- Does the company have a dedicated Online Safety Team devoted to monitoring online safety issues and trends, especially regarding children? If so, what resources, internal training, and staffing go into that effort?
- How has the recently passed SESTA (Stop Enabling Sex Traffickers Act)/FOSTA (Allow States and Victims to Fight Online Sex Trafficking) U.S. legislation, passed in April, changed how the Board and management approaches this issue of protecting children from online sex crimes?
- Can you explain how you work with key external organizations seeking to protect children from online sexual abuse?

There is enormous potential for AT&T's brand in being seen as a proactive advocate for the children using the company's many products and services. We look forward to hearing how the

company is building that brand, and the initiatives that strengthen it, in the service of many future customers.

We would also very much appreciate the company setting up a call with signers of this letter to discuss these issues in more detail once we have received a response. To efficiently communicate with the group endorsing this letter, please contact Tracey C. Rembert, Director of Catholic Responsible Investing at CBIS, at 212-503-1927 or [trembert@cbisonline.com](mailto:trembert@cbisonline.com), on their behalf.

In cooperation,

**AT&T Shareholders and Bondholders:**

Tracey Rembert, Director, Catholic Responsible Investing  
Christian Brothers Investment Services



Kathleen Woods, Co-Chair  
Adrian Dominican Sisters, Portfolio Advisory Board



Frank Rauscher, Senior Principal  
Aquinas Associates



Rose Marie Stallbaumer, OSB, Treasurer  
Benedictine Sisters of Mount St. Scholastica



Sr. Ruth Battaglia, CSA,  
Justice, Peace, and Integrity of Creation Coordinator  
Congregation of Sisters of St. Agnes



Ann Roberts, ESG Analyst  
Dana Investment Advisors



Mary Brigid Clingman, OP, Promoter of Justice  
Dominican Sisters ~ Grand Rapids



Luca Mattiazzi, General Manager,  
Responsible Investments, Etica Sgr



Chris Meyer, Manager, Stewardship Investing Advocacy  
and Research, Everence and Praxis Mutual Funds



Jeffery W. Perkins, Executive Director  
Friends Fiduciary Corporation



O.S. Hawkins, President and CEO  
GuideStone Financial Resources



Rabbi Joshua Ratner, Director of Advocacy  
JLens Investor Network



Cathy Rowan, Corporate Responsibility Coordinator  
Maryknoll Sisters



Pat Zerega, Senior Director of Shareholder Advocacy  
Mercy Investment Services Inc.



Barbara Jennings, CSJ, Coordinator  
Midwest Coalition for Responsible Investment



Luan Jenifer, COO  
Miller Howard Investments



Sr. Barbara McCracken, OSB  
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Michael Kramer; Managing Partner  
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Judy Byron, OP, Director  
Northwest Coalition for Responsible Investment



Michael Passoff, CEO  
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Danielle Essink, Senior Engagement Specialist,  
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Marge Clark, BVM  
Sisters of Charity of the Blessed Virgin Mary



Sr. Patricia A. Daly, OP,  
Corporate Responsibility Representative  
Sisters of St. Dominic of Caldwell, NJ



Maureen Leach, OSF, Trustee  
Sisters of St. Francis Charitable Trust

Josie Chrosniak, HM, Coordinator Region 6 CRI  
Sisters of the Humility of Mary, Villa Maria, PA



Cathy Rowan, Director, Socially Responsible Investments  
Trinity Health



Harriett J. Olson, CEO/General Secretary  
United Methodist Women



### **Other Interested Investors**

Ethel Howley, SSND,  
Social Responsibility Resource Person,  
School Sisters of Notre Dame  
Cooperative Investment Fund

Mary Beth Gallagher, Executive Director  
Tri-State Coalition for Responsible Investment

