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Item Number: 141

Addendum StartPage: 0

**SBC ADVANCED SOLUTIONS, INC.**  
**FIVE-YEAR PLAN TO INCREASE OPPORTUNITIES**  
**FOR SMALL AND HISTORICALLY UNDERUTILIZED BUSINESSES**

25037

**YEAR TWO PROGRESS REPORT: OCT. 2000 – SEPT. 2001**

*OUR VISION: No matter how much our company grows and changes in response to our dynamic industry, SBC Advanced Solutions' commitment to our communities won't falter, but only grow stronger. And, through our best practices, SBC Advanced Solutions will make significant contributions towards the growth of diverse suppliers within our supply chain.*

For the period of January 2000 to September 2000, SBC Advanced Solutions (SBC ASI) filed an initial five year plan with the Texas Public Utilities Commission (TPUC) outlining its commitment to further developing a successful, innovative program that results in a more diverse supplier base. The key areas of focus that the plan addresses are:

**1. Performance**

Over the next five years, strive to achieve annual procurement of 20% from small and historically underutilized businesses. 2000 baseline results showed our HUB achievement to be 10.2%.

**2. Initiatives**

In support of performance objectives, SBC Advanced Solutions will pursue the initiatives of:

- Developing and maintaining a world class supplier diversity program;
- Encouraging our largest prime suppliers to develop their own diversity programs;
- Encouraging companies across the telecommunications industry to join us in developing world class supplier diversity programs, and;
- Implementing a targeted portfolio management approach to increasing opportunities for HUB firms' participation in our procurement processes.

**3. Programs and Activities**

- **Outreach** – We will engage in targeted outreach activities that include sponsoring and/or participating in supplier diversity trade shows and events, maintaining membership in organizations that promote supplier diversity, providing website access and information so that small HUBs can easily gain information about our Supplier Diversity Programs and how to do business with SBC ASI.
- **Educational Opportunities for Entrepreneurs** – We will contribute to the education of small HUBs through several options, including underwriting executive management educational programs designed for HUBs, offering workshops and training seminars and by providing coaching and mentoring to

HUBs. Access to affordable training and coaching and mentoring are designed to help HUBs improve their competitive positions to gain more business.

- **Prime Supplier Program** – We will educate our prime suppliers about the importance of working with small and historically underutilized businesses in the work that these prime suppliers do for SBC ASI. We will provide them with guidelines and training that will help them in implementing supplier diversity solutions.
- **Results Tracking and Reporting** – We will maintain a results tracking and reporting system that will provide the Texas Public Utilities Commission with the annual results of procurement from certified small and historically underutilized businesses.

## **RESULTS**

### **1. PERFORMANCE**

This year SBC Advanced Solutions purchased 13.7% of its Texas goods and services from historically underutilized businesses. This is a year over year increase of 25.6%. We are pleased to have achieved this high level of HUB spending as it demonstrates SBC Advanced Solutions' compliance and dedication to increasing our use of diversity suppliers within our supplychain. We will continue to reinforce the need for increased contracting opportunities for HUBs.

### **2. INITIATIVES**

- Developing and maintaining a world class supplier diversity program

The Supplier Diversity team is responsible for educating employees about our programs as part of our efforts to increase contracting opportunities with HUB firms. SBC ASI realizes that internal education efforts are necessary to ensure that there is understanding and acceptance of the importance of supplier diversity to the company, as well as to the diverse community groups we serve.

In addition to making field visits to internal client groups to help identify potential purchasing opportunities and potential HUB suppliers, the Supplier Diversity staff regularly communicates pertinent information about the programs to the procurement department through several channels: our on-line application, "Computer Assisted Supplier Manager" or "CASM", our internal supplier diversity website, *Diversity Matters* newsletter and through formal training. Supplier Diversity team members inform the procurement organization of goals and strategies annually during business plan rollout forums. During these forums, procurement managers are informed of their previous year's achievement in reaching their supplier diversity goals and covered on current year targets and plans to meet supplier diversity goals.

During this reporting period the supplier diversity team continued upgrading the main communication vehicle—our internal and external websites. In addition to updating content we improved navigation, added more program detail and supplier information and upgraded both websites' graphic appeal and links to other resources.

We have made it easier for HUBs to get information about our supplier diversity programs and prospective supplier inquiry process. We retired our previous toll-free hot line number and now use our external website: [www.sbcsupplierdiversity.com](http://www.sbcsupplierdiversity.com) to provide pertinent information to suppliers. Suppliers can now retrieve all the latest information about our procurement processes directly with the new website processes. Our external website provides HUB suppliers with useful information such as: available business school scholarships, a list of other telecommunication firms looking to increase their HUB spending and recognized certification agencies. It also provides a short questionnaire for HUBs to complete so that we can learn more about their company.

Our internal website provides employees with spending data, current events, supplier diversity contacts, training materials and program information. The website provides definitions of a HUB and information on acceptable certifying agencies. As an added tool for contract managers, the website also houses contract language templates for supplier diversity participation.

- Encouraging our largest prime suppliers to develop their own diversity programs

In order to truly have a world class supplier diversity program, it is necessary to obtain the cooperation of suppliers and business partners. Without such support, the ability to expand the scope of diversity achievement is limited. By encouraging prime suppliers to develop their own diversity programs, SBC Advanced Solutions ensures that additional qualified HUB firms get a fair opportunity to develop the skills and attributes needed to grow and thrive in a competitive marketplace.

One of the ways in which SBC Advanced Solutions obtains the cooperation of its prime suppliers to develop their own diversity programs is by including such diversity participation as part of standard contracting language (see "Prime Supplier Program" in section three, *Programs and Activities*). Specifically, it is SBC Advanced Solutions policy that any prime supplier that has one or more contracts totaling at least \$500,000 must submit an annual plan stating how they will assist in meeting SBC Advanced Solutions' 20 % diversity achievement goal with HUB firms. Moreover, quarterly reports must be submitted by the prime supplier to SBC Advanced Solutions so that diversity achievement progress can be tracked, and so that recommendations for improvement can be made, if necessary.

Often, SBC ASI will introduce methods by which prime suppliers can increase their own diversity participation. Typically, this is achieved by encouraging the use of Value Added Resellers (VARs) or Subcontractors where appropriate. SBC Advanced

Solutions helps educate the prime supplier on how to use diverse companies to improve quality, increase efficiency and reduce costs and cycle time. HUBS in partnership with large primes can often help improve SBC Advanced Solutions' supply chain and ultimately help SBC ASI improve the products and services we provide to our customers.

- Implementing a targeted portfolio management approach to increasing opportunities for HUB firms' participation in our procurement processes

SBC Advanced Solutions employs a targeted portfolio management approach to increasing opportunities for HUB firms' participation in our procurement processes. This approach encourages us to focus our developmental efforts on firms and product and service areas where the very best opportunities exist for HUB development and growth. An important vehicle for managing the targeted portfolio approach is our Cross Functional Sourcing Teams (CFSTs).

CFSTs are utilized by the procurement department to improve overall efficiency and cost reductions, improve customer satisfaction and increase the utilization of HUB suppliers. The CFSTs are led by executives and are comprised of procurement contract managers, supplier diversity business development managers and managers from a variety of "end-user" departments. Supplier Diversity business development managers provide critical strategic and business solution support to ensure diversity results are achieved. CFST members have the opportunity to grow in their subject matter expertise and are able to analyze the supply chain to identify additional opportunities for HUB participation.

### **3. PROGRAMS AND ACTIVITIES**

- Outreach

As part of its ongoing commitment to seek qualified HUB firms with which to do business, SBC Advanced Solutions (or its parent company SBC Communications, Inc.) has participated in and has sponsored numerous supplier diversity outreach events during the reporting year. As an example, SBC Advanced Solutions has participated in and/or sponsored the following events:

- National Minority Supplier Development Council annual convention and tradeshow
- Women Business Enterprise National Council national conference
- Women Business Enterprise National Council annual awards gala
- U. S. Hispanic Chamber of Commerce annual convention
- "Bridging the Digital Divide" e-commerce training seminar for HUBs, held in Houston and Dallas

We are a corporate member and/or hold Board of Director positions on supplier diversity organizations such as: the National Minority Supplier Development Council, Women's Business Enterprise National Council and the Supplier Diversity subcommittee of the Institute for Supply Chain Management.

Our Supplier Diversity Programs have been recognized for its best-in-class results, awards include:

- #1 Company for Supplier Diversity by Working Woman magazine, 2001
  - Billion Dollar Roundtable by Minority Business News USA and Women's Enterprise Magazines, 2001 (Only 10 companies nation-wide qualified for this award)
  - America's Top 16 Corporations for Women's Business Enterprises by the Women's Business Enterprise National Council, 1999 & 2000
  - Minority Business Leadership Award, National Minority Supplier Development Council, 2001
  - Corporation of the Year by the National Minority Supplier Development Council, and Corporate Coordinator of the Year (Joan Kerr) , 1999
  - Best Company for Minorities, Fortune magazine, 1999, 2000 and 2001
  - *Minority Business News USA's* "Women who Mean Business": Joan Kerr
  - Winner in study on "Corporate Diversity" as published by the Diversity Best Practices of Public Affairs Group, Inc.
  - "Top 100 Corporations for Hispanics" by *Hispanic Magazine* (SBC has made this list every year since 1989)
  - "Women Who Mean Business" corporate award by Business & Professional Women/USA
- 
- Educational Opportunities for Entrepreneurs

SBC ASI is a major sponsor of graduate and executive level minority and small business educational programs at:

- McCombs School of Business University of Texas
- Kellogg Graduate School at Northwestern
- Tuck School of Business at Dartmouth College
- Management Development for Entrepreneurs program at UCLA's Anderson School of Management

Scholarships for these institutions are offered to those key principals of HUB firms who demonstrate the most capacity to benefit from participation in these programs.

- Prime Supplier Program

SBC Advanced Solutions encourages its prime suppliers to use HUB firms as subcontractors and value added resellers. This year, the Supplier Diversity staff met with key prime suppliers to train them on SBC Advanced Solutions' Prime Supplier Participation Program and to encourage them to submit an annual plan and quarterly results. We conducted three formal training sessions and provided on-going coaching throughout the year.

We regularly distributed our Prime Supplier video, "Creating Competitive Advantage" and detailed "how-to" guide to assist prime suppliers in identifying opportunities for HUB utilization. This guide also provides instructions to prime suppliers on how to develop their own supplier diversity programs. It additionally serves as a reference to ensure that HUB suppliers have been verified through an approved verification clearinghouse such as: the State of Texas HUB database, the North Central or South Central Texas Regional Certification Agencies or the Department of Small & Minority Business Resources, .

As part of our continuous process improvement effort where we look for ways to make using HUBs more efficient, we recently incorporated the use of electronic tools for our Prime Supplier reports. This allows primes to file their annual and quarterly reports faster and with greater efficiency. SBC Advanced Solutions continued to conduct upper-level meetings with major suppliers to discuss our Supplier Diversity Programs. In addition, we conducted targeted marketing campaigns to encourage prime suppliers to submit annual subcontracting plans and quarterly results. The targeted areas included Advertising, Information Technology and our core telecommunications infrastructure commodities in particular. One page summary reports on key prime suppliers are provided to contract managers, Supplier Diversity Business Development Managers and other key stakeholders to assist them in the assessment of their prime suppliers' supplier diversity participation. The summary includes total purchases with prime suppliers, as well as VAR and subcontracting results.

- Results Tracking and Reporting

As evidenced by our annual TPUC filings, SBC Advanced Solutions has in place the data systems to be able to generate the required reports. Tracking of data takes place on a monthly basis for the purposes of year-over-year comparisons. Additionally, HUB firms contracted by SBC Advanced Solutions are constantly monitored to verify if certification information is still current and valid. Should a HUB firm certification status change from "verified" to "denied", notification is made to the Supplier Diversity Business Development Manager, who then works with the SBC ASI contract manager and the HUB firm to determine whether recertification is appropriate and if so, ensure that recertification occurs as quickly as possible.

# WORKFORCE AND SUPPLIER DIVERSITY FORM

(Revised)

Occupational Categories	NUMBER OF TEXAS FULL-TIME EMPLOYEES FOR REPORTING YEAR													
	Combined Total	Company Totals		Caucasian		African American		Hispanic		Asian		American Indian		
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Officials and Managers	392	240	152	166	83	25	14	44	51	1	1	4	3	
Professionals	72	45	27	27	16	1	6	15	4	0	1	2	0	
Technicians	0	0	0	0	0	0	0	0	0	0	0	0	0	
Sales Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	
Office and Clerical	69	5	64	1	19	0	17	3	28	0	0	1	0	
Craft Workers (Skilled)	458	401	57	224	30	79	8	80	18	3	0	15	1	
Operatives (Semi-skilled)	0	0	0	0	0	0	0	0	0	0	0	0	0	
Laborers (Unskilled)	0	0	0	0	0	0	0	0	0	0	0	0	0	
Service Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	
Previous Year Totals	1,151	851	300	512	146	126	39	183	111	4	1	26	3	
Year Totals (Oct 00 -Sept 01)	991	691	300	418	148	105	45	142	101	4	2	22	4	



Total SBC-ASI Texas Workforce and Supplier Diversity Form			
Actual = [Total HUB PROCUREMENT + Total Small Business Procurement]/Total Company procurement	Actual for Previous FY (9 Mos 2000)	Actual for Current FY (12 Mos 2001)	Percent Change
Construction Contracts	3.26%	13.70%	76.2%
Commodities Contracts	4.47%	7.97%	44.0%
Other Services	16.08%	12.14%	-32.4%
Professional Services Contracts	7.43%	16.13%	53.9%
Major Equipment	90.11%	20.69%	-335.5%
Other	1.71%	54.09%	96.8%

(1) **Construction** -- Construction done by general contractors and special trade contractors which includes new work, additions, alterations, reconstruction, installations, repairs, remodeling, renovating, and repair of office buildings. Heavy construction other than buildings such as pipelines, communication and power lines, sewer and water mains, asphalt and concrete construction of roads,

(2) **Commodities** -- All materials, goods or tangibles purchased to conduct business, not including fuel or purchased power contracts and major equipment purchases and rentals.

(3) **Others Services** -- All specialty work, special circumstances that required contract labor, special consultants or other non-defined services. Examples include audio/visual, staffing services, landscaping, forestry, tree trimming, art and decorative services, janitorial, travel/lodging, automotive repair, and photography.

(4) **Professional Services** -- Contracted professional services which include legal, consulting, health, engineering, accounting, advertising/marketing, architectural, real estate, computer services, research and analysis, education/training, insurance, surveying services, weather services, environmental, financial, etc.

(5) **Major Equipment** -- Includes all major equipment purchases and rentals including but not limited to transmission and distribution equipment, power plant equipment, substation equipment, heavy construction equipment, fleet requirements, etc.

(6) **HUB** -- Business enterprises that are 51% owned and controlled by U.S. citizens who are socially disadvantaged because of their identification as members of certain groups, including African-American, Hispanic, Native American, or Asian Pacific and Women as defined in the Texas Government Code § 481.101(1).

(7) **Other** -- Any commodity or service not covered by the above categories.

**WORKFORCE AND SUPPLIER DIVERSITY FORM**

**See attachment**

## WORKFORCE AND SUPPLIER DIVERSITY FORM

**Describe the specific initiatives, programs, and activities undertaken under the plan during the preceding year:**

See attachment

## WORKFORCE AND SUPPLIER DIVERSITY FORM

**Make an assessment of the success of each of the specific initiatives, programs, and activities listed above:**

See attachment

**Describe the initiatives, programs, and activities the utility will pursue during the next year to increase the diversity of its workforce and contracting opportunities for small and historically underutilized businesses:**

See attachment

## WORKFORCE AND SUPPLIER DIVERSITY FORM

**State the specific progress made under the plan filed by the utility:**

See attachment

## People



### SBC Advanced Solutions, Inc. Diversity Vision – Strategy

*SBC Advanced Solutions, Inc. will be . . .*

- recognized by employees
- rewarded by customers
- sought by high-caliber prospective employees
- admired world-wide by business leaders

for being a company that values and fully utilizes the talents of every employee to exceed customer expectations and create shareowner value.

### Workforce Diversity Performance

*SBC Advanced Solutions, Inc. has become a driving force in today's advancements in telecommunications across the state in part because we embrace and aggressively promote diversity in the workplace, and in the communities we serve.*

1. As of December 2001, SBC Advanced Solutions, Inc. has 991 employees in the state of Texas.
  - 300 Females or 30 percent of total
  - 425 Minorities or 41 percent of total
2. Breakdown of Management and Non-Management in Texas
  - Management: 399
    - 179 are Females or 45 percent of total managers.
    - 107 are Minorities or 27 percent of total managers.
  - Non-Management: 592
    - 121 are Females or 20 percent of total non-management employees.
    - 318 are Minorities or 54 percent of total non-management employees.

**NOTE:** For a detailed report on ASI's workforce in Texas, see Appendix.

## Diversity

### *Commitment to Employees<sup>1</sup>*

In less than five years, SBC has gone from a regional U.S. telephone company to a global company. This successful, high-speed evolution would have been impossible without motivated, dedicated and committed employees. That we have been able to maintain a world-class work force while continuing to attract new talent in a hyper-competitive employment market - all while operating in one of the world's quickest-moving industries - is a testament to SBC's distinctive corporate culture.

We provide our workforce with a comprehensive compensation and benefits package that includes, among other things, a stock option plan for all managers, a company-match savings plan, adoption reimbursement, and scholarships for children and stepchildren of employees and retirees to help offset the costs of college. More important than any individual program are three overarching philosophies that define SBC's work environment.

- ◆ ***A commitment to promoting an environment of inclusion, where diversity is valued, everyone's voice is heard, and respect is a core value.***

Recognized for a commitment to diversity, SBC's workforce is comprised of 50 percent women and 38 percent minorities. It is an environment in which there is a genuine respect for differences -- race, gender, religion, as well as perspectives, experiences and outlooks.

To maintain this culture of mutual respect, SBC has a workforce diversity team that meets regularly with managers and employees across the organization to address concerns; conducts ongoing diversity training; and sponsors several diversity-related employee groups.

- ◆ ***A commitment to maintaining an environment of life-long learning and career advancement where upward mobility is the norm, career boredom the exception.***

An employee who oversees the company's MIS department today may head-up SBC's workforce diversity program tomorrow. There are no corporate-imposed career boundaries. SBC has proven that talented people will excel at any position if given the tools and opportunities to succeed. A few of these tools include:

- **SBC Center for Learning** -- Employees have access to hundreds of courses, providing continuous opportunities for professional and personal growth.
- **Leadership Development** -- Employees with leadership aspirations are given team building, benchmarking and leadership coaching.
- **Career Path** -- Through an Intranet-based, interactive, career-management tool, employees can manage their own careers. Career Path allows employees to nominate themselves for job openings throughout the

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company, and offers tips for writing effective resumes. At the same time, the system gives managers a way to search for qualified job candidates.

◆ *A commitment to providing open and constant communications that leads to empowered employees.*

SBC employees are encouraged to think and act like owners. And as owners they need to be “in the know.” From town hall meetings to management conferences, SBC and its senior leadership ensures employees have a clear understanding of the company’s vision and their role in making that vision reality.

### *Commitment to Diversity in the Communities*

Our communities are our touchstone at SBC. From our workforce composition to our innovative supplier diversity programs, we strive to reflect the people we serve in everything that we do. As we have grown as a company, so too has our commitment to promoting diversity.

SBC’s workforce reflects the customers and communities we serve, in keeping with our core beliefs. Our employee base is 38 percent people of color and 50 percent female. This compares with 32 percent and 51 percent in the population, respectively. The women and people of color in SBC’s workforce far exceed the average at most Fortune 500 companies.

The varied initiatives that make up our workforce diversity program have one common element. They enable our employees, our community partners, our suppliers, and our industry peers in their quest for excellence – their quest to make a difference. They are the foundation for our continued success as a company, strengthening our ability to attract and retain a diverse and well-trained group of employees in the future.

SBC’s commitment to promoting diversity, both inside and outside of the company, is the product of a corporate culture rooted in fundamental values we developed long ago, when we were a local telephone company primarily serving small towns in the Midwest and Southwest. Today, although we have evolved into one of the largest telecommunications companies in the world, those very same qualities – like accountability, corporate citizenship, and service above self – continue to guide our business philosophy. Our commitment to these ideals has grown stronger as we have expanded our business.

SBC’s workforce diversity team works with human resources groups and business leaders throughout the company to ensure that all policies, practices and processes are inclusive and non-discriminatory. To help build a diversified staff at all levels, SBC has implemented several key initiatives:



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- ◆ *Management Continuity Plan:* SBC actively identifies and develops minority candidates through its Management Continuity Plan, a program designed to maintain a pool of high-potential minority managers from which to select candidates to fill senior management and officer positions.
- ◆ *Leadership Development Program:* This three-year developmental program for recent college graduates with demonstrated leadership abilities focuses on identifying and developing high-potential employees into effective managers.
- ◆ *Support of Employee-Initiated Affinity Groups for Women and Minorities:* To encourage and celebrate diversity, SBC supports the following diversity-related employee groups:
  - ACCA - Asians for Corporate and Community Action,
  - Community NETwork – African-American Telecommunications Professionals of SBC,
  - FACES - Filipino-American Communications Employees
  - HACEMOS - Hispanic Association of Communications Employees of SBC,
  - PWSBC - Professional Women of SBC, and
  - OASIS – Organization of Asian Indians at SBC
  - SPECTRUM – The Association of Lesbian, Gay, Bisexual and Transgender Employees of SBC
- ◆ *Diversity Accountability:* Managers are evaluated on their commitment to diversity in the workforce through a formal evaluation process with direct impact on compensation and promotability. Managers are required to establish diversity goals as part of their Achievement & Development annual performance review.

## SBC Honors and Awards for Corporate Commitment to Diversity

- Corporate Conscience Award for Employee Empowerment: Workforce Diversity, Center for Responsibility in Business, 2001
- Best Companies for Minorities, *Fortune* magazine, 1998-2001
- Employer of the Year, National Business & Disability Council, 2001
- Premio Avance Award, Hispanics in Philanthropy, 2001
- Top Company for Supplier Diversity, *Working Woman* magazine, 2001
- National Patriot Award, Association for Service Disabled Veterans, 2001
- Breaking the Glass Ceiling Corporate Award, American Association of University Women, 2001
- Best Companies for Latinas, *Latina Style*, 1998-2001
- Top 50 Companies for Minority MBAs, *Minority MBA* magazine, 2001
- One of America's Top Corporations for Women's Business Enterprises, Women's Business Enterprise National Council, 1999 and 2000
- HISPANIC Magazine's list of the top 100 corporations for Hispanics, 1989-2000
- Top 25 Companies for Executive Women, *Working Woman* magazine, 2000

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- Corporation of the Year, American Society on Aging, 2000
- “Women Mean Business” corporate award from Business and Professional Women/USA (BPS/USA) for leadership in supporting women in the workplace, 2000
- “Best in Class” for Diversity on Corporate Internets, The Diversity Best Practices of the Public Affairs Group, Inc., 2000
- NACW Corporate Award Issued by The National Association of Commissions for Women (NACW), 2000
- Corporation of the Year, National Minority Supplier Development Council, Oct 28, 1999

### SBC Corporate Awards

- America’s Most Admired telecommunications company, *Fortune* magazine, five of the past six years
- World’s Most Admired telecommunications company, *Fortune* magazine, 1997- 2000
- America’s Best Local Exchange Carrier, *America’s Network* magazine, 2000
- One of America’s Most Generous Companies, *Worth* magazine survey, 1999 and 2000
- Internet Services #1 in Reliability, *Business Week*
- One of America’s Top 10 Corporate Performers, *Business Week*
- Top performing Companies, Council on Economic Priorities, 2000; SBC ranked seventh overall out of more than 300 Fortune 500 corporations surveyed

### Community Involvement

For SBC Communications Inc. and our employees, volunteerism is a major component of what we do and who we are. Through the SBC Foundation and our corporate giving, along with the volunteer efforts of our numerous employee groups and the Pioneers organization of almost 200,000 employee and retiree volunteers, we stay connected to and involved in the communities where we live and work.

SBC volunteers throughout our family of companies (SBC Advanced Solutions Inc., SBC Southwestern Bell, SBC Ameritech, SBC Pacific Bell, SBC Nevada Bell, and SBC SNET) serve communities throughout our 13 operating territories. While SBC’s volunteer efforts are widespread and numerous, we focus on efforts that use our greatest strengths -- technology and communications -- to meet a variety of education needs. We do so because today’s students need the skills and knowledge to work in a world where advanced technologies are the norm and because education helps sustain economic growth.

While education is the primary focus of SBC volunteers, longstanding programs address a gamut of community needs. They range from providing handmade Hug-A-Bears to police and fire departments, to building access ramps and trails for the handicapped, building houses for Habitat for Humanity, repairing talking books for the Library of

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Congress, running sports jamborees for the handicapped, and cleaning up beaches and highways.

The SBC Pioneers have furthered their commitment to education through several initiatives, including:

- ◆ With their personalized “A Book About Me!” books, the SBC Pioneers are helping foster positive self-concept and instill a love of reading among kindergartners. When coupled with a 12-week lesson plan, the books positively impact a child’s self-concept.
- ◆ Through the Safe Connections Program, the Pioneers teach thousands of children each year the proper way to use 911 for emergencies.
- ◆ Pioneers have painted thousands of giant U.S. maps on elementary school playgrounds in an effort to make the study of geography fun, benefiting more than a quarter of a million students.

One major national initiative of the SBC Pioneers is its successful effort to support the World War II Memorial in Washington, D.C. An employee grassroots campaign led by the Pioneers raised more than \$300,000 to support the Memorial, which recognizes the sacrifices of World War II veterans, including 70,000 SBC employees.

The SBC Foundation was a founding sponsor of the Memorial, donating \$3 million to the cause. In conjunction with its fundraising campaign, the Pioneers gave talks at schools, civic groups and senior organizations to explain the urgency of erecting a national monument to honor a generation that is now fading away. The Pioneers also set up a special Web site at [www.sbcpioneers.org/wwii](http://www.sbcpioneers.org/wwii) to provide the public with answers to frequently asked questions about the Memorial as well as personal profiles of SBC employees who served during World War II.

Almost 200,000 of SBC’s Pioneer employees and retirees volunteered approximately 7 million hours of their time and talents to a variety of community outreach activities. Employee-initiated groups together raised additional dollars and volunteered hundreds of hours in support of diversity-related community activities and scholarships.

### **SBC’s Commitment to Environment**

At SBC, we believe that preserving the environment makes good sense. We enforce strict guidelines for governing waste disposal, follow contamination prevention methods and abide by clean air initiatives. Company-wide, we conserve annually an average of more than 20,000 tons of paper, copper, lead cable, metals and other recyclable materials.

Our environmental stewardship is enacted on the local level. For example, SBC—through our employees, retirees and their families—has accounted for the planting of hundreds of thousands of trees in recent years in Houston, Texas. Through an executive loan program,

## People

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SBC provided the city of Houston the leadership needed to develop and implement the “2 x 2 Program,” planting 2 million trees by the year 2000.