

Corporate Social Responsibility

I want to be ...



2003 REPORT

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A tradition of giving

BCE (Bell Canada Enterprises) is Canada's largest communications company, with 26 million customer connections and operations in central, Atlantic and western Canada. In addition to digital landline and wireless phone service, we offer Canadians high-speed Internet access, data transmission, e-commerce and satellite TV services—mostly under the historic Bell brand. Our media interests, held by Bell Globemedia, include CTV and *The Globe and Mail*.

Since its founding in 1880—just 13 years after Canadian confederation—Bell Canada has been a positive force in shaping our society and economy. The infrastructure we built tied together communities across vast distances. We invested heavily in building a world-class communications infrastructure. And we continue to make positive economic contributions, employing 64,000 men and women, including 42,500 at our flagship Bell Canada.

Our legacy is about innovation, progress and growth. But it's equally about giving. Bell employees have shown leadership in their communities for 124 years, giving generously, inspiring others with their example and helping their company to set the right priorities. This report is dedicated to them.

A MESSAGE FROM MICHAEL J. SABIA



What do we want to be? It's a big question — as big as Canada itself! It's a question that dares us to imagine a future of our own making and of our own choosing. After all, we live in a young country of immense potential, where many would be grateful to make their homes. And we live according to Canadian values such as compassion for the less fortunate. We celebrate diversity, and exercise a rare freedom to debate and settle our differences amicably. We are fortunate indeed.

And yet too many Canadian kids go hungry. Too many youth are at risk. Too many schools and communities need a helping hand. Too many questions remain about how to build a successful society for all Canadians. We have much to be proud of... and much that tests our patience with things as they are.

As Canada's leading communications company, we have a responsibility to help answer some of these questions. After all, BCE touches the lives of countless Canadians. Millions of pensioners and other shareholders depend on our financial performance. Tens of thousands of employees depend on stimulating and rewarding work to support their families. And millions of customers depend on our services to enrich their work and personal lives. And what of the places where we do business? There, too, we have a responsibility to invest in creating healthier, cleaner and more prosperous communities.

A fine balance

BCE's business and social responsibilities, therefore, are inseparable — though not identical. And this is where we need to strike a fine and always shifting balance. For example, how to guarantee universal and affordable access to communications services across Canada's vast distances. How to navigate today's technological revolution, while also meeting the expectations of shareholders, employees and customers. In short, how to ensure that all we do is good for business and society.

One answer is through innovation. I can't overstate the importance of innovation in building a prosperous and therefore successful society — especially today. As innovators, we're building a host of IP multimedia services, including Voice over IP, which will fundamentally change how Canada works, plays and competes on the world stage. Why is that important to Canada? Because the robustness and capacity of our communications infrastructure sharpens national competitiveness, contributing to Canada's wealth and quality of life. This is why we support innovation in labs and universities across Canada. And, because we believe in sustained innovation, why we support kids, youth and education.

A working definition of a successful society

As a nation we're well educated, we have a highly developed and stable economy and, as I noted, our values make us the envy of the world. We therefore have a tremendous head start in building a successful society.

What does a "successful society" look like? Every Canadian has access to education and affordable, meaningful training. Working Canadians receive a living wage. Our most vulnerable citizens—kids, single parents, the elderly and disabled—get an equal chance. Every Canadian has access to high quality health care. We make protecting the environment a national priority. We anchor economic development in the regions, building on local entrepreneurial energy and fresh ideas. We forge productive partnerships between business, government and academe. And above all, we get all of Canada talking about our shared challenges and solutions.

Your own definition of a successful society may be different from my own. I suspect, however, that there is some overlap. The real point is to start a national discussion. To start setting goals and moving forward.

So how are we doing?

This report is a public declaration of what we do to support sustainability objectives and the well-being of our communities. So are we investing wisely and reaping lasting results? Results such as stronger families, healthier kids and a cleaner environment? Results such as happier employees, more satisfied customers and a better Canada? To measure our performance, we're using indicators based on the UN's GRI (Global Reporting Initiative). We want to be as transparent and thorough as in our financial reporting. That's why we're listening to what our communities, customers and employees say.

This report also celebrates the spirit of giving embodied in our employees—a spirit that stretches back 124 years, to Bell's founding. Our employees have extraordinarily busy lives, working to raise their families and serve our customers. And yet, every year they dig deep to find money and precious hours to give to those in need. I salute them as builders of the kind of world in which I want my own family to live.



Michael J. Sabia
President and CEO
BCE Inc.

2003 at a glance

FINANCIAL PERFORMANCE

- ▶ \$19.1 billion in revenue
- ▶ \$7.4 billion in EBITDA (Earnings before interest, taxes, depreciation, amortization)
- ▶ \$4.1 billion in operating income
- ▶ Earnings per share of \$1.9, up 16% from 2002 (excluding certain one-time events in 2002)

INVESTMENTS IN CORPORATE SOCIAL RESPONSIBILITY*

TOTAL CSR		\$67 million
Workplace	\$32.8 million	
University innovation	\$5.4 million	
Society	\$16 million	
Environment	\$12.8 million	
WORKPLACE		\$32.8 million
Training and development	\$27.8 million	
Health and safety	\$5 million	
UNIVERSITY INNOVATION		\$5.4 million
Bell University Labs	\$4 million	
University R&D	\$1.4 million	
SOCIETY**		\$16 million
Youth and education	\$5.2 million	
United Way/Centraide	\$1.5 million***	
Community development	\$4 million	
Health	\$1.8 million	
Employee programs	\$1.4 million	
Other	\$2 million****	
ENVIRONMENT		\$12.8 million
Prevention	\$6.7 million	
Remediation	\$6.1 million	

* Unless otherwise stated, facts and stories throughout this report refer to Bell Canada (Bell), excluding Aliant. This includes wireline, wireless and Bell ExpressVu businesses, Bell Distribution Inc., Bell Nordiq and Bell West.

** Includes cash, community sponsorships and in-kind donations to charitable and not-for-profit organizations. Includes organizations that do not qualify under the Imagine program criteria. According to Imagine definition, Bell Canada's contributions for 2003 amount to \$15 million.

*** BCE corporate office contributed an additional \$181,000.

**** Includes arts and culture.

BUSINESS INVESTMENTS

	BCE Inc.	Bell Canada
Capital expenditures	\$3.2 billion	\$2.9 billion*
Goods and services purchased		\$6 billion*
Salaries and benefits		\$3 billion*
Training and development		\$27.8 million
Corporate sales and income taxes	\$4.4 billion	\$4.2 billion*
Business research and development	\$1 billion	\$1 billion**
Telecommunications infrastructure (2001–2003)	\$6.5 billion +	
Fibre optics deployment, high-speed Internet connections, infrastructure, equipment and services (2001–2003)		\$2.5 billion+

* Includes Aliant as well as other Bell Canada units (Bell Mobility, Bell ExpressVu, Bell Distribution Inc., Bell West and all Bell Canada wireline operations in Ontario and Québec).

** An additional \$5.4 million was invested in university innovation initiatives including \$1.4 million in university R&D.



Give them wings ... and the sky's the limit

The future is already here, in the kids who will inherit the world. How we support them is critical to the kind of Canada we want to build. But much depends on whether we can harness our youth's boundless energy. Whether we can channel their creativity and optimism into producing tomorrow's productive, engaged citizens. It all begins at the youngest age. This is why we support programs for kids in classrooms, homes and neighbourhoods. And why we support initiatives that use technology to make learning faster and more fun, connecting kids responsibly to other kids ... and to their future.

2003 FACTS

► Donated \$5.2 million to youth and educational initiatives

Youth charities, kindergarten to grade 12	\$1.3 million
Libraries, CEGEPs, colleges, university donations, SchoolNet	\$2 million
Youth community sponsorships	\$1.9 million

► Youth organizations supported include:

- **Boys and Girls Clubs of Canada**, a national organization dedicated to making the most of young people's talents through structured and organized programs, including out-of-school care, outdoor education and day camp, health awareness, computer training, runaway /homeless youth services, career training, etc.
- **Kids Help Phone**, a national, bilingual, confidential, 24-hour toll-free counselling service and Web site for children in need (see story on page 8).
- **La Fondation Québécoise des maladies mentales** supports medical research and provides information and referral services on mental illnesses.

It has a strong focus on building awareness around the main causes of suicide, in an effort to counter the alarming suicide rates specifically among Québec teens.

- **Allô Prof**, a Web site that provides homework and study assistance to elementary and high school students. It receives 2000 phone calls and 7000 Internet visits a week.
- **Junior Achievement Canada**: Bell funded the development of a national initiative to support JA in developing a database to communicate more effectively, and to analyze data that will be instrumental in building programs and furthering the goals and objectives of JA on a national level.

GOALS

- To continue initiatives that support Canadian youth and help Canadians learn in new ways.
- We intend to increase our total annual contribution to organizations that qualify under the Imagine program criteria to at least \$20 million by 2008.

Taking steps to protect troubled kids

When 25,000 Canadians laced up their running shoes on May 4, 2003, they did more than just burn a few calories or get their heart rates up. They helped ensure that the professional counsellors at Kids Help Phone and Parent Help Line can continue to be there for Canadian kids, 24 hours a day, 365 days a year.

Bell Walk for Kids is a national walkathon that raises awareness and funds through pledges in more than 30 communities across Canada for Kids Help Phone. In 2003, the event raised \$1.5 million. Bell employees took a particular interest in the event: they walked in 20 different communities and represented 26% of registered walkers nationally, raising almost \$250,000.

Immediate support, anytime, anywhere

All agree it's for a good cause. Kids Help Phone, of which Bell is a founding partner, helps approximately 1000 young people every day. Calls and online questions come from almost 3000 Canadian communities.

They call or post online questions looking for information, support and guidance. It is often the first point of contact—and sometimes the only—for callers dealing with abuse, violence, addictions, suicide and other problems.

Kids like 17-year-old “Claire” who called Kids Help Phone after her date refused to take no for an answer. The campus help line was closed for the night, she was a long way from home and, anyway, she was supposed to be all grown up and able to look after herself. Kids Help Phone was there even though it was late.

Kids like eight-year-old “Kevin.” Last week, his mom spent half an hour yelling at him because he failed a spelling test. She called Kevin stupid. She called him worthless. When she was done, he called Kids Help Phone in tears. His call was answered right away.

Parents like 35-year-old “Pam” who called Parent Help Line from her cell phone. She had just dropped her screaming two-year-old off at day care for the first time and was feeling guilty about leaving the toddler with strangers while she went back to work. She didn't know what to do but she did know that a Parent Help Line counsellor would be there for her immediately.

Upholding children's rights

The Kids Help Phone philosophy is that every child has a right to be heard, a right to access resources and a right to self-determination. The organization is committed to providing the immediate support troubled and abused Canadian kids need and deserve. On May 4, 2003, Canadians took steps to ensure that support continues to be available. The 2004 Bell Walk for Kids took place throughout the country on May 2, 2004.



Promoting online smarts

Remember when chatting online meant talking on the phone? Today, Canadian youth are among the most active Internet users. In fact, over 80% of them have regular access to the Internet at home—more than half with apparently little or no supervision.

One of the hard truths of innovative technology is that it presents new challenges. For instance, the simple street-proofing rules many children were taught disappear once they hop online. Take for example talking to strangers. More than half of young people say they talk to someone they haven't met when using Internet messaging.

Now parents and their families have somewhere to turn for support. An industry leader, Bell Canada joined forces with Microsoft Corporation, the

Media Awareness Network (MNet) and a coalition of Canadian companies to launch a new public service campaign called Be Web Aware. Bell Canada is a founding sponsor of the MNet, a Canadian non-profit organization that promotes media and Internet education by producing online programs and resources, partnering with Canadian and international organizations and speaking internationally on Internet-related issues.

Knowing the risks and rewards of surfing

The campaign is aimed at educating parents and children about the risks they face online. It includes public service announcements made for television, radio, print and outdoors. It also includes a dedicated Web site—www.bewebaware.ca—that helps parents teach their children to enjoy safe surfing on the Internet.

In February 2003, Bell and MNet launched the first Web Awareness Day to focus attention on Canadian libraries as a one-stop shop for information and tools for parents to help their kids safely navigate the Net. Web Awareness Day built on the Web Awareness Canada program in which Bell partnered with MNet to prepare librarians, provide tools and promote libraries as a centre of excellence and resources for parents seeking information on the Internet.

For more information, visit www.media-awareness.ca.





Hands up if you believe in education!

Bell supports education because we believe it's the mainspring of a prosperous and successful society. The more kids learn and adopt the habits of lifelong learning, the greater their contribution as adults to their families and communities. We support schools and schoolteachers. And we provide scholarships and know-how to help Canada's schools enter the new world of Web-based learning. Whether it's training teachers to use the latest technology tools, or getting more girls interested in the "hard disciplines" of science, math and engineering, we're working to give kids a better chance.

2003 FACTS

► Donated \$5.2 million to youth and educational initiatives including \$2 million to libraries, CEGEPS, colleges, universities and SchoolNet.

► Educational initiatives supported include:

- **SchoolNet**—Network of Innovative Schools, a national initiative that identifies and showcases best practices in the educational applications of Information and Communications Technology (ICT) skills, as well as in the dissemination of information related to successful ICT.
- **The Canadian Ecology Centre**, unique in North America, is recognized for its superior integration of technology in all aspects of the centre's operations. Bell's donation contributes to the development of online courses, supported through online mentorship between instructors and students, and marries e-learning with practical field work in a forest setting.
- **BOURSTAD** gives students a unique opportunity to improve their knowledge of financial markets by testing them in an e-trading simulation. This electronic-trading competition boasts nearly

1500 participants from some 40 teaching establishments.

- **Writers in Electronic Residence**, a national educational project that enables students in writing and language arts courses across the country to connect with professional Canadian authors through Internet-based computer conferencing.
- **The Virtual Science Fair**, a Canada-wide competition that gives children from kindergarten to grade 12 who normally do not participate in science fairs the ability to compete.
- **Scholarships** for children of Bell employees and pensioners. Every year, Bell awards 45 scholarships based on merit. Winners receive \$2500 renewable annually until their undergraduate degree has been completed.
- **The Harmony Foundation/Bell Canada Scholarship**: This foundation is committed to resolving environmental issues through cooperation and education. Bell's scholarship allows a teacher from Québec, Ontario, Alberta or British Columbia to attend the Institute for Environmental Values Education's summer program.

Teaching tools for a new era

To a large extent, teachers are in charge of Canada's future.

As parents' lives become increasingly demanding, schools handle much of the country's child rearing, and teaching quality takes on great importance. Good teachers know that one of the best ways to inspire learning is to share knowledge by means to which students can relate. Today, that means online, which can be a challenge for some teachers.

lessons, which will benefit thousands of students. Teachers have access to online tools and learning activities that help them to take their teaching practice to a higher level in critical subject areas.

As one of the teachers on the project said, "Teacher eLearning is, without a doubt, a step in the right direction for professional development in the teaching profession. Teacher e-Learning has enabled me to become reflective of my own practices of teaching math in the classroom by connecting me with teachers and encouraging us to share strategies, successes and failures, ideas, etc. without having to meet face-to-face on a weekly basis."

Partnerships for stronger education

The Learning Partnership brings together partners from education, government, private sectors and the community to develop partnerships that strengthen public education in Canada. Since its inception in 1993, it has reached more than 1 million students and has facilitated many initiatives as well as public dialogue and the sharing of best practices.

Bell Canada's contribution supports the online technology for the e-learning initiative, the development of the learning content and the subsidies for teachers to acquire high-speed Internet access at home. Having teachers and students involved in a project of this nature opens up the education system to the power of using Internet-based tools for learning.

Technology helps teachers reach new heights

Enter The Learning Partnership's "E-Learning Initiative," a project designed to raise the teaching skills and confidence levels of mathematics and science and technology teachers for Grades 6–8. More than 100 teachers, with the support of online mentors, are being trained to use technology as a communication tool for collaborating with other teachers in order to develop inquiry-based, experiential

lessons, which will benefit thousands of students. Teachers have access to online tools and learning activities that help them to take their teaching practice to a higher level in critical subject areas.



Opening a girl's world through science

It's been an age-old challenge that is even more pressing to address in an information economy: how to keep underprivileged kids in school and focused on the sciences. Bell is a major corporate sponsor of Les Scientifines, an organization that has been operating for more than ten years in the disadvantaged area of south-west Montréal. Four-days a week, tutors at the centre provide a free after-school program of scientific and technological activities as well as assistance with homework to girls from 9 to 12 years of age from underprivileged neighbourhoods.

The organization's primary goal is to encourage girls' interest in science, technology and non-traditional occupations, and to use science as a way of developing their confidence and life skills. "Our hope is that they learn the world of science is very much accessible to them and that through perseverance they can succeed at anything," says Danielle Brouillard, Director of Les Scientifines, who points proudly to the organization's new Web site as an example of one volunteer's innovative work.

Lessons for life

Nafija Rahman was among the early "graduates" of the centre who clearly remembers the excitement she felt when engaged in a science project. "It was appealing to explore different facets of science in a non-intimidating environment," says Nafija, who continues to volunteer at Les Scientifines. "The experiments taught us bigger lessons, too, such as patience, persistence and teamwork. I learned I could find my way by believing in myself."

Now 24 years old and a Linguistics and Translation student at Concordia University, Nafija has encouraged her younger sister, Nahida, to participate in Les Scientifines. "The activities are a lot of fun and I like the instructors the best," says the 10-year-old elementary school student, one of about 45 students who use the centre daily. It's enthusiasm Nafija recognizes and that she knows will continue to be nurtured in her sister at Les Scientifines. "Because the environment is so motivating, you can't help but be encouraged for your future."





Meaghan Benmore (centre) was recruited to the board of Green Thumb Theatre for Young People through BoardMatch, Greater Vancouver.

It is better to give than to receive

It's been said about Canadians that we're a compassionate society. But compassion alone isn't enough. That's why BCE and Bell donate funds, time and services to worthy causes such as United Way/Centraide and Easter Seals. We try to do our part at the corporate level. But the greatest impact is made at the individual level, by thousands of employees and volunteers. The philanthropic spirit is, after all, contagious. It rallies families, friends and entire communities. And it gets everyone thinking that with generosity and a caring heart, those at risk in our society can have a second chance.

BoardMatch: a vital link

There's no doubt that volunteers are a valuable resource to any charitable organization, and finding the right fit for a position is critical. That's why many charitable organizations have turned to BoardMatch.

With the help of Bell Canada, BoardMatch now offers Web-based as well as classroom orientation training for potential board members. It also provides both online and classroom training for charitable organizations to help promote best practices and enhance board development. Called the Community Leadership Development Program (CLDP), it consists of classroom and online learning, individual coaching, customized board placement and networking opportunities.

Exceeding all expectations

Since its inception, BoardMatch has filled over 500 board positions in the Greater Toronto Area and Vancouver. The organization has more than 280 participating registered charities and a database of 1400 potential board volunteers. To date, more than 110 participants have taken advantage of the CLDP initiative.

In March 2002, Bell Canada began supporting BoardMatch as a founding sponsor. The Company has provided \$240,000 in funding since that time. To find out more about BoardMatch, visit their Web site at www.boardmatch.org.

Launched in March 2000, BoardMatch is a Web-based service that provides charitable organizations with a venue to post open board positions online and recruit suitable volunteers. Interested candidates can apply online for these positions.

Beyond recruiting

2003 FACTS

- ▶ BCE corporate offices and Bell Canada donated \$1.7 million to United Way/Centraide.
- ▶ Community partners include Altruvest Boardmatch (see story above) and the Canadian Centre for Philanthropy's Imagine program, a national initiative to promote public and corporate giving, volunteering and support for the community.
- ▶ Bell Canada supported Easter Seals through a variety of youth fundraising activities throughout Ontario under the Bell Celebrity Skate banner.

GOALS AND TARGETS

- ▶ \$3.1 million to United Way/Centraide, including \$1.7 million in corporate gifts and \$1.4 million from employee donations and fundraising (includes Bell Canada and BCE corporate office).
- ▶ To increase the total annual contribution to organizations that qualify under the Imagine program criteria to at least \$20 million by 2008.
- ▶ Bell intends to continue to support initiatives that unleash Canadian youth potential by helping Canadians learn in new ways—through the innovative use of communications technology such as the Internet.

Bell employees get behind United Way/Centraide

The 2003 United Way Campaign proved that there's no shortage of goodwill or imagination among Bell Canada employees. The Bell and BCE corporate office campaign raised \$3.1 million for 2004. Employees and retirees contributed \$863,000, \$1.7 million of the funds were corporate gifts and \$600,000 was raised through various fundraising activities like golf tournaments and dinner galas. to rally their colleagues' support. Bell West Inc. campaign champion Chris Leach took a business approach. Armed with a business plan, executive presentation, weekly newsletter and regular follow-ups, he led the charge for the western campaign named Light Up Someone's Life.

In Montréal, Bell CEO Michael Sabia was the guest speaker at a campaign launch event. Other senior Bell leaders also did their part. One Toronto senior management event featured a private screening of the film *Shattered Glass*, which made its premiere at this year's Toronto Film Festival. Also in the Film Festival theme, 75 employees were drawn randomly from 2100 entries to attend a special world premiere screening of another film *Festival Express*, with proceeds going to United Way.

Making a difference close to home

Employees saw first-hand that their donations do make a difference. "Centraide can touch any individual in society," says Sylvain Goyette, a Bell Customer Service employee and United Way/Centraide champion. Most touching in the campaign was the open thank you letter from Ann Radisson, Bell Distribution Inc., Toronto. Ann's young son was helped by United Way supported agencies after he was diagnosed with autism. She wrote, "Had we not had help for Daniel at such a young age, who knows how long we would have had to wait to 'be' with our son. I am very confident that people like me will continue to tell people like you how much these programs benefit our children and our family."

Creative fundraising from coast to coast

Toronto employees participated in employee phone sales, a Pancake breakfast, a Penny drive, Trolley and raffle canvassing, BBQs and more.

Montréal employees joined Centraide's March of 1000 Umbrellas as 8000 walkers invaded the downtown area as a gesture of solidarity and support.

Calgary employees gave generously to United Way's Licence to Care campaign. Québec City employees launched their annual Centraide campaign at the École de Cirque de Québec.

Many volunteered as campaign champions

Bell employees in Montréal join
Centraide's March of 1000 Umbrellas.





Healthy solutions from the bedside to the desktop

BCE's online technologies are bringing new solutions to the bedside. Solutions that give hospitals greater reach and more cost effectiveness. So physicians can diagnose and treat patients thousands of kilometers away. So remote health centres can form strong regional health networks. So emergency know-how and skills can be brought to bear the moment they're needed. And so all Canadians can have access to health information from a trusted source. We're helping to take the strain off our publicly funded system, so physicians can keep more Canadians in the pink of health.

2003 FACTS

► Bell Canada contributed \$1.8 million to health initiatives and organizations, with a special emphasis on youth-related health programs.

► Organizations supported include:

– **Children’s Hospital of Eastern**

Ontario—Telehealth Link: Bell’s contribution will help build a virtual link from 18 regional hospitals in eastern Ontario to CHEO, the only hospital in the region that is totally dedicated to the health needs of children.

– **Hospital for Sick Children:** The Bell Home Tele-Monitoring Centre/Program at the world-renowned Hospital for Sick Children will pioneer and deliver home-based health care to children through the innovative use of telecommunications technology. This technology enables intermediate-intensity medical needs to be assessed, monitored and supported via audio-visual monitoring of patients in their homes.

– **Montréal Heart Institute Research Fund** helps sustain ongoing research at the Institute in order to promote cardiology care and research.

– **Women’s Health Matters,** a national bilingual Web site and interactive voice response/call centre dedicated to addressing the health needs of Canadian women.

– **Sainte-Justine hospital:** Bell Canada’s \$1 million contribution will help develop a new Home Telehealth Centre for medical monitoring of children throughout Québec. The centre will enhance quality of life for sick children by improving access to leading-edge services in remote areas, and by reducing the need for travel (see story on page 26).

– **Centre Hospitalier Universitaire de Québec** resulted from the merger of three large Québec City hospitals. It provides general and specialized healthcare services to residents of the Québec City region and all of eastern Québec, conducts medical research and serves as a teaching hospital.

– **BC Women’s Hospital:** Bell’s donation supports BC Women’s Maternity Fellowship for Family Physicians. This program addresses the growing need of communities outside the lower mainland of British Columbia for specialty maternity services. Each year, the Fellowship allows family physicians from small communities throughout British Columbia to attend BC Women’s Hospital for up to 12 months of intensive training in advanced maternity skills.

GOAL

► To support a richer array of services such as advanced and collaborative distance learning and more robust telemedicine applications for remote areas. This will help provide Canadians with access to the best teachers and the top specialists no matter where they live.

Helping patients make informed decisions

When it comes to healthcare, patients and their families are often faced with difficult decisions and many times they can be left wondering if they did, in fact, make the right choice. A new laboratory launched by the Ottawa Health Research Institute (OHRI), the research arm of The Ottawa Hospital, is providing innovative solutions to help patients make informed decisions about their healthcare.

about therapies, drugs, procedures and other medical issues, based on their values, life-style and family history.

Widely accessible and varied decision aids

Patients and their families can access computer, audio or video-based decision aids in the lab as well as printing the materials for use at home. The lab also houses specialized equipment that allows researchers to evaluate patients' use of decision aids and to explore patient-practitioner interactions for training purposes.

One of the most popular resources offered by the laboratory is an online portal that is accessible worldwide at www.ohri.ca/decisionaid. Patients and practitioners who are looking for high-quality, evidence-based decision support tools on a wide range of diseases and conditions find this site of great value. The Web site offers links to online tools developed by OHRI experts and others around the world. It also offers training and support for practitioners and is one of the primary sources of Canadian-based research on providing decision support.

“It was a challenging time in our lives, we had to make some very tough choices about the treatment options for our son,” explains Michele. “It would have been great to have had the Bell Lab available to help us when we were faced with this difficult decision.”

Apart from funding from the Canadian Foundation for Innovation and the Province of Ontario, Bell Canada is the sole corporate investor to support this project.

The Bell Patient Decision Support Laboratory (BPDSL), located at the Civic Campus of The Ottawa Hospital, offers families who are facing difficult decisions about treatment choices access to tools known as “decision aids.” The tools, developed by healthcare specialists, provide patients with a structured approach to making decisions

about therapies, drugs, procedures and other medical issues, based on their values, life-



Delivering a first in pediatric home care

Health has always been at the heart of Bell Canada's social responsibility program. In November 2003, the Company announced a \$1 million gift to the Sainte-Justine Hospital Foundation in Montréal for the creation of an innovative medical follow-up care centre using information technologies. close and perhaps even daily clinical follow-up, including the regular transmission of vital data and information. It is expected to have a positive impact on health care delivery as it will offer an alternative to hospitalization.

Higher quality of care, more efficiently

When new technologies are integrated into the operation of our healthcare system, a higher quality of care, more efficiently delivered, is often the result. A successful pilot project in home telehealthcare conducted at the Sainte-Justine hospital in 2002 involving children with cystic fibrosis seems to confirm the view. The home patients felt more responsible toward their treatment plan, and appointments at the outpatient clinic decreased by 50%. What's more, the health of the home telehealthcare patients was comparable to that of patients who came regularly to the outpatient clinic.

"By reducing their number of hospital visits, the patients minimized their risk of infection from others," says Nathalie Bureau, a nurse assigned to patients in the trial. "For the parents, the telehealthcare alternative also meant fewer days lost from work, less travel costs and the security of knowing that we were monitoring their children very closely and could respond quickly to any concerns." According to Véronique Charbonneau, the mother of a 12-year-old boy with cystic fibrosis who participated in the trial, rigorous surveillance of the condition is the key to avoiding complications. "I conveyed information about Raphaël's health to the hospital every day by Web phone and that contact was very important," she says. "It gave us time on our side to plan or react as we needed. Most of all, it gave me great peace of mind."

The Bell Home Telehealthcare program will make it possible for patients at the Sainte-Justine Mother-Child University Health Centre and their healthcare teams to maintain ongoing close contact. Initially, the project will serve three types of patients: children with cystic fibrosis, young cancer patients and women with high-risk pregnancies. For each of these clientele, the objective will be to remotely

monitor the state of the patient's health through



Raphaël Charbonneau, 12, was able to keep his cystic fibrosis in check during a pilot project on home telehealthcare conducted by the Sainte-Justine hospital.

Strengthening Canadian communities from the bottom up

Large-scale programs are well and good. But we also need initiatives at ground level, where all Canadians—including our employees—actually live and work. Because communities and neighbourhoods are the roots that anchor society. This is where our investment can have the greatest impact. Generating economic opportunity. Offering resources and hope to those who are marginalized and without strong voices. And supporting sport and other youth programs that keep kids off the street. At Bell, we invest in individuals, families and communities because that's what good neighbours do.

2003 FACTS

► The **Bell Canada Community Development Fund** granted \$495,000 to 19 recipients across Ontario. This was the third instalment of a \$1 million pledge over three years to support local economic and social programs in the province.

► Bell Canada has provided more than 13,000 computers, screens and printers as well as management resources and space to the

Computers for Schools program since its inception. We have helped more than a hundred young people through workshops that reintegrate youth into the job market or school.

► Bell's wireless business supported a host of programs for women's shelters including an employee volunteer program, a computer donations program, free used mobile phones and discounted services, as well as a program that directly links callers to a support service for women experiencing abuse.



► Other community initiatives backed by Bell Canada include:

– **Le Portage**, an internationally recognized organization dedicated to addressing the serious problem of substance abuse and its devastating consequences in communities.

– **Habitat for Humanity**, an independent, charitable housing program dedicated to building homes in partnership with families in need. In addition to funding and work donated by Bell volunteers in 2003, the Company installed 5600 feet of pre-wire and 2240 feet of buried wire for Habitat residences in the making.

– **Bell Canada Cup/Ottawa International Hockey Festival**. This annual event is the largest Atom/PeeWee (ages 9–11) tournament in the world. In 2003, more than 340 teams and 5500 children came from across Canada, the United States and overseas to compete for the Cup. The economic impact on the city of Ottawa is estimated at over \$15 million and the tournament has donated \$400,000 in its first four years to local youth charities.

– **Toronto You Belong Here campaign**: One of various Toronto business community initiatives to encourage people to visit and stay in Toronto after SARS. Bell Canada donated 10,000 calling cards to encourage tourism.

GOAL

► To continue helping our communities stimulate growth and innovation:

– By continuing to support key programs including Habitat for Humanity and the Bell Canada Cup/Ottawa International Hockey Festival and the Little NHL hockey tournament for Aboriginal youth.

– Through a new partnership with the Community Economic Development Technical Assistance Program (CEDTAP). The Bell Community Economic Development Fund will fund upwards of 100 projects in Alberta, British Columbia, Ontario and Québec. The Fund will continue our tradition of helping communities stimulate growth and innovation through improved communications technology. Bell has committed \$1 million over the next three years to the Fund.



3R program supports women in need

When Bell Canada launched a national cellular phone recycling program in April 2003, it not only found an environmentally responsible way to dispose of used cellular phones, it gave them new life in a worthy cause.

The Recycle, Reuse, Redial program reduces landfill waste by recycling old phones from any manufacturer and reusing the phones through resale and refurbishment. The program collected 29,800 old cellular phones between April and December 2003. Those units with remaining functional life are sent to a refurbishing facility where they are checked over and purged of all data, such as phone numbers, e-mail messages and other personal information. These units are then redistributed, with some 5000 donated by Bell Mobility, to more than 150 women's shelters in Ontario, Québec, Alberta and British Columbia. The phones are supported with unlimited local airtime, call display and 911 access.

Privacy, Security, Independence

"Having a cell phone makes a huge difference in the lives of women in shelters," says Rhonda Roffey, Executive Director of Women's Habitat in Toronto, one of the first shelters to benefit from the program. "Obviously, security is a big issue for abused women, especially if they are working late or must go outside of the shelter. But cell phones also provide a great deal of privacy for someone in a crisis situation who is looking for a job, apartment or childcare. She doesn't have to deal with the stigma of giving out the shelter's phone number and no one finds out her private business."

As these women and their children transition to a new life outside of a shelter they can also benefit from Bell Mobility's Second Stage program, in which they are given a cell phone along with a significantly discounted monthly rate plan. "It's a fantastic program because it meets a real need for many of these women who are living in poverty and don't have disposable income for a cellular phone," adds Rhonda. "Bell Mobility really rose to the occasion to make the phones and service accessible. When you consider that a phone is a basic necessity, that's no small thing."

There are currently more than 10 million used cellular phones in Canada that are 96% recyclable by weight. Owners who no longer want older personal devices—including cell phones, pagers, PDAs, wireline phones, accessories and batteries—can drop them off at any Bell World/Space Bell location, plus such retail partners as FutureShop, Best Buy and Telephone Booth. There are currently more than 380 drop-off locations in Ontario, Québec, Alberta and British Columbia, with more on the way.



Harnessing the power of technology during the SARS outbreak

When the first SARS outbreak of 2003 severely restricted visitors from entering hospitals in the Greater Toronto Area and York region, Bell-sponsored technology helped isolated patients at one healthcare facility to keep in touch with their anxious families back home.

Community Development Fund, a three-year, \$1 million program to support both economic development and community- and social-based projects that use leading-edge communications technology.

The next best thing to being there

The Southlake technology was initially purchased to enable families to capture photos and video clips and e-mail them to family and friends or burn them on a CD that they could keep as permanent memories of the birth. But with the SARS outbreak, the technology took on a new importance in bringing families together when they couldn't actually be together.

"It was a great experience for us," says Katherine Sprigg, who had given birth on April 1 to her third son, Joshua, but was unable to share the excitement of the joyous occasion with family because of the SARS outbreak. "A nurse took photos of Joshua and me and we e-mailed them home so that my two other sons, friends and family could see the newest member of our family. Nothing was allowed into the hospital, so we have no cards, no flowers, no little gifts from the birth . . . but we have these great photographs. When you think how many people in that hospital alone that this technology helped—it was a great investment by Bell Canada."

New mothers on the maternity ward at Southlake Regional Health Centre in Newmarket, Ontario, were given access to a multimedia workstation consisting of a desktop computer, CD burner, scanner, digital camera, Web cam and high-speed Internet access to share photos of their newborn children with distant relatives and friends. The hospital had purchased the technology with a \$25,000 grant from the Bell Canada



Aaron McIntosh, Program Coordinator for the Bell Canada Community Development Fund, demonstrates the power of leading-edge communications technology to two of the fund's enthusiastic beneficiaries.

Bringing technology to communities in need

L'Avenue is a non-profit community organization focused on the socio-economic reintegration of young adults in difficulty between the ages of 18 and 30. In addition to running a number of youth shelters and other social support services for young people in Montréal's east end, the group has been highly successful in harnessing the power of information technologies in support of its cause, thanks to government support and corporate sponsors like Bell.

have little or no knowledge of computers when they arrive." In an information economy, that can be a significant barrier to finding a job for one of the most disadvantaged segments of society—unemployed young men and women.

Developing skills, enhancing employability

Thanks to L'Avenue, struggling young adults now have a fighting chance, with access to technology and the opportunity to develop their computer skills and knowledge through training provided by qualified technical specialists. Specialists like Stéphane Marcoux, who, thanks to training and other support services from L'Avenue several years ago, was able to turn his life around. "I learned a great deal about computer technology, but most of all I learned to believe in myself," says Stéphane, who is now a full-time employee of L'Avenue and delivers training to large groups of users. "I never imagined having a professional career or the confidence to speak in front of an audience before coming here. L'Avenue has opened doors for me in many ways."

In 2003, L'Avenue created a neighbourhood portal to virtually connect the residents of the Mercier-Hochelaga-Maisonneuve district with their community representatives. Bell provided financial support of \$150,000 for the creation of the arrondissement.com portal, which encourages access to community and government services by giving them greater visibility and creates an exchange centre for district organizations and citizens. The portal has so enriched the community that the tool is now being created for other areas of Montréal.

In 1998, L'Avenue opened a community Internet training centre in the working class district of Mercier-Hochelaga-Maisonneuve. Today, this facility and 44 other satellite centres like it in underprivileged areas of Montréal continue to introduce residents to computer and software basics and Internet navigation, exposure that many might not otherwise have or be able to afford. "Public access is at the heart of the Internet centre," says Yvon Gagnon, General Manager of L'Avenue. "About 50% of our members

Once down and out,
Stéphane Marcoux now helps
young, unemployed adults
develop their computer
skills and confidence at the
L'Avenue Internet Community
Training Centre in Montréal.



Ven Andersen, Solutions Specialist, Bell Canada, counts playing drums for an annual benefit concert among his many volunteer activities.



Employees show the way

With so many competing and worthwhile causes, it's often hard to decide where to invest. Thankfully, our employees show us the way. They tell us what's important to them, and we do our best to support their causes. We also match their donations to United Way/Centraide and dozens of other causes. All this helps to amplify our employees' generosity and spirit of giving. They give more money and volunteer more time because they know their company supports them. And we give more to honour their contribution. It's a virtuous circle that drives us to work more closely together in building a successful society.

Volunteer motivated by personal beliefs

More than 90% of Canadians who do volunteer work are motivated by a belief in a cause, according to a national survey. This was certainly the case for Bell's Ven Andersen, a Sales Solution Specialist based in Newmarket, Ontario.

Ven first volunteered in support of multiple sclerosis, a disease that had severely stricken the mother of a close high school friend. Through Bell's support of the Multiple Sclerosis Carnation Campaign, Ven donated his time as a site captain at a local mall 14 years ago. Today, he's the area coordinator for the Carnation campaign in Newmarket. Personal experience has also motivated Ven and his band to perform in an annual outdoor benefit concert to raise funds for the Hospital for Sick Kids. He does this in memory of the daughter of two high school friends who depended on Sick Kids' professional care before her death.

As leader of a Bell Community Development Team, Ven devotes up to 30 hours a month to volunteering for various causes and initiatives including Habitat for Humanity, the Santa Claus Parade and the Festival of Lights. He has also assumed the volunteer role of Director of the Newmarket Chamber of Commerce, representing Bell Canada.

2003 FACTS

- ▶ Bell Canada employees and retirees contributed \$1.3 million to registered charities, including \$653,000 to United Way. When combined with donations by BCE corporate office employees and pensioners, total contributions through payroll deductions amount to \$1.5 million, with \$900,000 earmarked for United Way. The Bell Employee Giving Program is a uniform and effortless way for employees and retirees to donate directly to a wide array of charities through payroll deductions.
- ▶ Bell Canada donated up to \$1.4 million through various employee programs including scholarships and volunteer grants.
- ▶ Bell matches employee contributions (from \$100 up to a total of \$3000 per year) to United Way/ Centraide or any eligible Canadian post-secondary educational institution.

- ▶ Over 1400 employees and retirees participated in Helping Hands, Open Hearts, Bell Canada's Employee Volunteer program that links employee volunteer hours with grants for charities. Participants donated 218,000 volunteer hours, which translates into an economic contribution of almost \$4 million. The program also generated \$840,000 in matched grants from the Company.

GOAL

- ▶ Bell intends to continue key programs that help promote employee involvement in the community including:
 - Helping Hands, Open Hearts program that links employee volunteer hours with grants for charities and facilitates giving through payroll deductions.
 - A Workforce Flexibility program that enables employees to take time off with benefits to pursue community work (see story on page 43).

We want to be known for how well we treat people

We want to be known as a good place to work. A company people choose to build their careers because their contribution is valued and their creativity rewarded. We want to be known as a company that helps employees grow their skills. A company that listens to its people... and actually responds. We want to be known as a company that doesn't like closed doors. That shares good news and bad, explaining what it's doing and why. In a word, we want to be known for respect.



Bell has adopted human resource management practices centred on employee development, respect for and attention to their concerns and transparency in all relations.

2003 FACTS

WORKPLACE INVESTMENTS

Salaries and Benefits	\$3 billion
Training and Development	\$27.8 million
Health and Safety	\$5 million

► As part of our commitment to foster good employee relations, Bell Canada continued the practice of open and on-going communication and information sharing to help both employees and their representatives understand our business and challenges. Initiatives include regular open forums with employees, business forums with union leaders and joint management and union committees.

► Almost 12,000 unionized employees joined Omniflex, a unique, flexible benefit program that integrates both a share and vacation component. Employees can also choose the level of their health benefits and life insurance. A total of 35,000 employees now subscribe to the Omniflex program.

► We introduced *Bell People First*, a commitment to hire, promote and train Bell employees before hiring externally. The program resulted in greater career mobility and the successful redeployment of over 540 employees whose positions had become redundant within the Company. This represents approximately one third of streamlined employees in 2003.

► As part of our on-going efforts to remain competitive within the telecom industry, Bell Canada re-organized or streamlined 1700 positions in

2003. A large number of affected employees retired, were redeployed or took voluntary leave.

► A new, simplified employee discount plan offers 35% off on residential telephone, Internet and satellite TV service to more than 65,000 employees and pensioners.

► More than 41,000 employees from BCE companies, 82.6% of the eligible employee population, participated in our annual company-wide survey. Bell Canada's participation rate was 83.6% and our Employee Value Index (EVI), the overall score attributed by employees, rose from 58% in 1998 to 69% in 2002, but dropped to 65% in 2003.

► Bell's Employee Savings Plan continued to attract participants. Approximately 80% of eligible employees are BCE shareholders through this plan in which Bell Canada matches one third of employee contributions up to 6% of their salary.

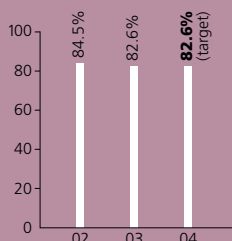
GOALS

► As part of on-going efforts to remain competitive within the telecom industry, Bell Canada will migrate traffic to IP technology. This may entail some re-training, re-organizing and streamlining in 2004. Bell Canada intends to take all steps necessary to minimize any impact by means such as voluntary leaves and the Bell People First program.

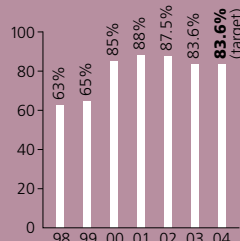
► Increase overall Employee Value Index (EVI) score to 66% in 2004, with a particular focus on trust in leadership and company direction.

► Introduce formal training on change management for Bell Canada leaders.

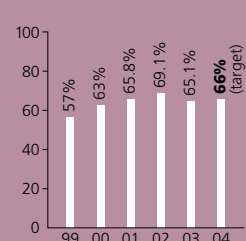
Employee Survey Response Rate (all participating BCE companies)



Employee Survey Response rate (Bell Canada)



Employee Value Index (Bell Canada)



The art of listening

The feedback loop is an integral part of the way Bell Canada does business. We go to great lengths to understand the opinions of various stakeholders including our customers, communities and shareholders. Employees are no exception.

Ongoing and open communications and information sharing help both employees and their representatives understand Bell's business and its challenges. In addition to proven, conventional methods such as an open door policy and MBWA (Management By Walking Around), Bell Canada managers rely on a series of formal vehicles to facilitate the conversation internally.

These include regular open forums with senior managers and employees, business forums with union leaders, joint management and union representative committees, as well as a strong commitment from senior leaders to be visible. In 2003, CEO Michael Sabia met with more than 7000 Bell employees to hear their views. He will meet with 8000 in 2004.

Survey a key feedback tool

Perhaps the most important tool is Bell Canada's company-wide employee survey program, which also extends to other BCE business units. Over the past few years, employees of all BCE companies have had the opportunity to voice their opinions in anonymous and confidential company-wide surveys. And they have embraced it. In 2003, 82.6% of all BCE company employees and 83.6% of Bell Canada employees participated in their employee surveys. These participation rates were well above industry average.

For Bell Canada, the survey provides much more than a snapshot of where the team is at a given moment in time. It provides a powerful tool to plan, act and adapt to new corporate realities at all levels. As part of the overall survey process, most second-level managers receive survey results for their specific groups. These results enable them to take action at a local level—where the differences are most needed. This is truly a grassroots exercise that mobilizes everyone in the company.

A springboard for action

Bell values the opinions of its employees. After all, they are the connection to the Company's clients—its frontline. As a result of the employee survey, Bell introduced many employee and customer programs over the years. On the employee front, for instance, there is a new flexible benefits program and a powerful new tool for personal development called Click & Learn. Bell also launched a Web site dedicated completely to the employee survey.

Customers reaped the rewards of streamlined and simplified customer services through programs such as Single Point of Contact (SPOC). It's one of many programs launched to improve customers' experience with Bell Canada.



Sophia Lepage-Morgan, Customer Service and Sales, Bell Mobility, was among the 41,000 employees who participated in BCE's employee survey.

A happy and fulfilled employee is a more productive employee. This is why we promote programs that help our people to strike a healthy balance between work and life. In fact, we encourage them to connect with the wider world, to fulfill a lifelong dream, or make their own special contribution to society. Ultimately, they return to work more energized, creative ... and ready for the next challenge.

2003 FACTS

- ▶ Bell Canada introduced a leading edge, workforce flexibility program that lets eligible employees take up to one year with benefits, and in some instances a percentage of salary, to pursue a variety of activities including education, volunteer work and political work.
- ▶ Launched Wellness Checkpoint, a confidential, interactive tool that helps employees assess lifestyle and well-being, while obtaining practical suggestions and health information. This was complemented by a quarterly health and wellness bulletin that gives employees and their families practical tips.

- ▶ About 1500 additional employees were given the necessary tools to telework. In total, more than 22,000 employees were equipped to telework in 2003.

GOALS

- ▶ Continue to provide a safe workplace and promote health and wellness.
- ▶ Provide high-speed access upgrades to most of the 22,000 employees equipped to telework.
- ▶ In response to new generation employee preferences and needs, Bell Canada will introduce a new feature to its pension plan: a flexible, defined contribution option that gives participants more choice and control over their investments. Existing employees may opt for the new feature option or remain with the current defined benefit plan.



Bell Canada Manager Damani Best with his wife Rebecca at a Ugandan refugee camp where they volunteer to help disadvantaged children.

The freedom to lend a hand

Damani Best is a Product Development/System Administration manager for Bell Canada in Montréal but these days he spends most of his time in a Ugandan refugee camp.

Damani can do this thanks to the community leave option of Bell Canada's Workforce Flexibility program. Introduced in 2003, the program lets employees take up to one year's leave with benefits, and in certain instances a percentage of salary, to pursue personal, educational or community interests.

Damani and his wife Rebecca had long felt the desire to "give something back" to the community through international volunteer work, but the idea of coming back to a no-job, no-security situation was a bit daunting. When Bell introduced the community leave option as part of the Workforce Flexibility program, they seized the opportunity. "We packed our bags, left behind all our worldly possessions and set out to do some good," says Damani.

Making a Difference

Damani and Rebecca were assigned to work in Uganda through Right to Play, a humanitarian organization committed to improving the lives of some of the world's most disadvantaged children and their communities through Sport for Development. The organization evolved out of the growing evidence that strengthening the right of children to play enhances their healthy physical and psychosocial development and builds stronger communities.

Damani is involved in a variety of activities at the refugee camp including teaching adults new skills for coaching children; a Live Safe, Play Safe program that teaches children about hygiene, health and safety through games and sports; and a Five Balls program that emphasizes healthy development.

"I believe we are really making a difference because the program alleviates children's boredom and keeps them out of mischief. Adults learn new coaching skills that they take back home with them and, more importantly, they feel empowered and take greater ownership of their children's upbringing."

Life lessons

"We have so much in North America, yet I see that one can be happy with so little," suggests Damani, who has learned a lot about the resiliency of the human spirit and the power and privilege that come with education. "Education and communication skills can make a profound difference in an individual's or a community's life."

It does take a certain amount of fortitude to do this type of work, admits Damani, who is glad to have been able to volunteer now rather than having to wait for retirement. "Bell Canada's program opened the door for us to give back to the world community in the prime of our lives."

Jean Riendeau
Bell Canada



Raising our collective IQ

If we increase our employees' skills today, then we're a smarter company tomorrow. But if we can encourage lifelong learning, then we're a company that keeps getting smarter all the time. This is why we invest intensively in training. As one of Canada's top training innovators, we use our leading-edge technology to take training right to the employee, so you'll find fewer classrooms at Bell than in the past. Most of our courses—hundreds of them, in fact—are delivered online. So employees can learn when and where they want—at their workspace, home or office. And at their own pace, so learning is more convenient, flexible and effective.

Life-long learning helps boost career

As a telecommunications technician, Jean Riendeau has made it. He is on the team that handles installation and repair services for National Bank's IP network. But this coveted new technology role didn't just land in his lap. Jean earned it every step of the way. Certified Network Associate, a useful designation for new technology repair and installation work at Bell. His schedule was gruelling: work by day, classes two nights a week, studying evenings and weekends, plus a family to look after. "It was tough at first," says Jean. "I hadn't been in school for more than 20 years and my classmates were half my age." But it wasn't long before this mature student was learning, excelling and on his way to a new, hi-tech job.

"Training has opened new doors for me. I find high-tech work very interesting and I think my knowledge in the area also enhances my employability." What's next for this avid proponent of adult education? "More learning—I love it!"

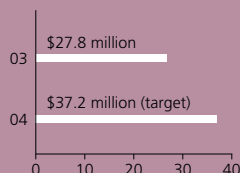
A 24-year Bell Canada veteran, Jean spent much of his early career "climbing telephone poles" as a residential technician, followed by a stint in various central offices. Along the way, he took advantage of various training opportunities offered by Bell. About two years ago, supported by the Company, Jean decided to go back to school part time in order to become a Cisco Certified Network Associate, a useful designation for new technology repair and installation work at Bell. His schedule was gruelling: work by day, classes two nights a week, studying evenings and weekends, plus a family to look after. "It was tough at first," says Jean. "I hadn't been in school for more than 20 years and my classmates were half my age." But it wasn't long before this mature student was learning, excelling and on his way to a new, hi-tech job.

2003 FACTS

- ▶ Bell Canada invested \$27.8 million in training and development.
- ▶ Established the *Career Development Centre*, a central, bilingual facility for online learning, training content management and career development. Available anywhere/anytime, the service offers full online administration and tracking capabilities, as well as one-stop shopping for several BCE e-learning portals. These include Mentor Match, an online mentoring program that matches protégés to an appropriate mentor from a cross-sectional pool of potential candidates; as well as Click n' Learn, which offers more than 400 online learning solutions.
- ▶ 60% of Bell Canada course content was delivered online.

- ▶ Close to 15,000 Bell Canada employees registered for a total of 87,000 online courses through Click n' Learn. They had 405 different courses to choose from.
- ▶ Bell's Click n' Learn program received an Illuminati e-Learning Award as most Innovative Learning Program in North America.
- ▶ Mentor Match was benchmarked as Best In Class in North America by the Corporate Leadership Council.

Training and Development (Bell Canada)



Training and motivating leaders

Strong leaders make a strong company. In 2003, Bell introduced an innovative leadership portal to help its employees identify best in class practices and understand the areas of emphasis for the organization.

Called the Virtual Leadership Centre, this online tool provides leaders with a wide range of resources including relevant training in change management, partnering, innovation, creating employee value, coaching, mentoring and growing talent. The site was designed to help leaders with their own personal growth and the growth of others. Leaders who are interested in continuing a formal higher education program can also take advantage of the portal's Higher Education Gateway.

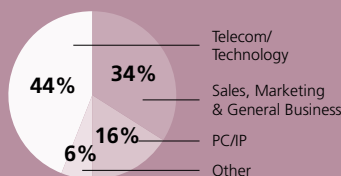
Since its launch in April 2003, 13,800 Bell employees have visited the interactive site to take advantage of the wealth of information it provides. Employee reaction has been very positive.

A gold mine of practical learning tools

As leader Georges Bryson explains, the portal is “a gold mine of information and practical tools—well designed and laid out. I will definitely explore all the modules and will be sharing them with my team.” Another visitor, Johanne Comte shared her feedback on the site. “Great source of inspiration! The overview of the site helped me discover an incredible wealth of interesting information, clearly presented; I will go back in the upcoming months to discover each section in detail and explore the practical tools.”

The Virtual Leadership Centre demonstrates the high value the Company places on its leaders and employees. The portal is a shining example of Bell's commitment to the personal and professional development of its employees.

2003 Career Development Centre* Registration



*Centralized corporate training facility

GOALS AND TARGETS

- ▶ 2004 training budget: \$37.2 million
- ▶ Centralize remaining e-learning portals into CDC (Career Development Centre). Bell Canada's target is to deliver 70% of its course content online.
- ▶ Maintain current leading-edge career planning programs and add new ones.
- ▶ Provide face-to-face environmental training for about 500 employees and online environmental training to 1200.

Georges Bryson
Senior Business Analyst
Bell Canada.



Celebrating different views and voices

As we've discovered, diversity means many things to many people. But then, isn't that what diversity is also about—differing opinion? In our hiring and promotion practices, we strive to be conscious of the countless positives that diversity brings. Such as better understanding and harmony within our own organization. And a better appreciation of the customer's point of view. So what does diversity mean at Bell? It embraces gender, race, colour, faith and ability. It's about welcoming views and voices different from our own. Ultimately, our goal is to reflect the rich and ever growing diversity of Canada, making our contribution to society stronger and more meaningful.

WORKFORCE COMPOSITION

Business unit	Women	Men	People with disabilities	Aboriginals	Visible minorities
Bell Canada (wireline)	49.6%	50.4%	1.5%	0.6%	7.5%
Bell Mobility	46.7%	52.3%	1%	0.8%	18.5%
Bell West	44.8%	55.2%	1.1%	1.1%	8.5%

2003 FACTS

- ▶ More than 25% of senior management positions (vice-president and above) within Bell Canada wireline business were occupied by women.
- ▶ Approximately 45% of people promoted to senior management positions in Bell Canada's wireline business were women. Among them were two women promoted to the leadership positions of President, Enterprise and President, Small and Medium Business.
- ▶ Bell Canada increased activities to raise awareness of and sensitize employees to diversity issues. This included communication from senior management, on-going maintenance of a Diversity Web site, diversity training and consulting employees in a company-wide *What does Diversity Mean to You?* campaign (see story on page 50).

- ▶ Bell Canada facilitated recruiting of more diverse groups by participating in a career fair for persons with disabilities. We also targeted designated groups at routine career fairs through invitations to special interest groups on campus. A partnership with Equitek allows Bell Canada hiring managers to use the functionality of Workopolis to tap into a network of candidates from designated groups.
- ▶ Bell participated in the 19th annual world leadership conference of the International Women's Forum, a global association of pre-eminent women whose mission is to inspire greater opportunities for women and prepare a future generation of women leaders.



GOALS

- ▶ Continue to improve Bell Canada's diversity profile through various initiatives and policies.
- ▶ Continue to enforce Bell's diversity-related policies on employment equity, diversity, human rights, discrimination, harassment, sexual harassment, workplace violence and reasonable accommodation.
- ▶ Under our Recruiting for Diversity program, Bell Canada will partner with four diversity-based organizations in order to increase recruiting of designated groups and improve our diversity profile. Activities include special career fair and campus events that target qualified candidates from designated groups.
- ▶ Launch of an employment equity Web application that will enable better diversity-related information gathering and will help business unit leaders monitor and track their employment equity progress.
- ▶ Diversity-based activities are part of Bell Canada's 2004 business plan. This includes information sessions with target associations, courses and information sessions designed to increase awareness of diversity issues and improve the Company's diversity profile.
- ▶ Bell Canada's wireline business is working with the *Canadian Human Rights Commission* in the context of a routine employment equity audit that seeks to identify and address issues that will ultimately further the goals of employment equity and diversity in the Company. These issues will be addressed as part of Bell Canada's Employment Equity Plan during the 2005 to 2008 period.

A company-wide dialogue on diversity

When Bell Canada CEO Michael Sabia asked employees in October 2003 to give their thoughts on what diversity meant to them, the answers were as diverse as the employees themselves.

physical ability or stature. How were they enriching their relationships with their customers and with each other? And how could Bell do better?

Making good business sense

As always, employees responded with thoughtfulness and candour. “Without understanding diversity, it is almost impossible to truly provide excellent customer service or to be a strong people manager,” commented Jacqueline Hamilton, Manager, Bell ExpressVu. “It’s instrumental in helping me build rapport with staff and customers alike.” From the Sales group came this perspective from Representative Sylvain Riendeau: “In my job, you need to adapt easily to situations and people, young and old, from all cultures and walks of life. Understanding that diversity enables me to better relate to the customers I’m serving, which has a positive impact on sales.” And still another perspective from Stacey Turner-Villano, Manager, Bell Canada: “Diversity is not limited to race, religion, gender or ability, it is related to ideas and willingness to move the Company forward. I believe that diversity within the Company, especially in the Call Centres, is essential to help serve our complex and diverse customer base.”

Information and recommendations from all respondents are helping Bell develop an internal awareness program that reflects diversity from an employee perspective and builds on the momentum of the diversity initiatives already taking hold across Bell’s various businesses. Bell Canada will continue to raise awareness of diversity on its diversity intranet site, in specific business unit communications, in its internal magazine and through a poster campaign. In 2004, the Company intends to launch new diversity training programs for all employees.

It was all part of an awareness campaign to find out what Bell Canada employees from coast to coast were thinking and feeling about their unique differences in terms of age, gender, sexual orientation, family status, cultural background, religion,

Bell Sales Representative
Sylvain Riendeau says
understanding diversity has
been good for his personal
growth and good for business.



We take the long view on innovation

Innovation is in our genes. It's how we built one of the world's most advanced communications systems, starting with poles and wires 124 years ago. Homegrown innovation helped us to go digital, then wireless, then online ... and tomorrow? Tomorrow is all about Internet Protocol (IP). And IP will have as transformative an impact on our society and economy as the original phone. Of course, innovation is not just about Bell. Innovation is how modern nations grow and prosper. That's why we're building partnerships between business, government and universities. Thanks to innovations like the ones we support in labs across the country, Canada is well positioned to be a world leader in communications. We have the people. We have the know-how. And we certainly have the legacy.



2003 FACTS

▶ Bell Canada invested \$5.4 million in university innovation activities including \$1.4 million in university R&D and \$4 million in Bell University Labs, an innovative environment for more than 600 students and renowned university researchers across Canada (see story on page 54).

▶ We developed exCITE! Co-Lab (Center for Innovation and Technology Excellence), an innovative process that unleashes the creativity and energy of our employees while helping them address our new business environment. exCITE! Co-Lab leverages proven techniques and best-in-class practices from various industry leaders and institutions to solve issues, provide direction, get solid results, build learning organizations and develop timelines for highly pressured activities.

▶ Bell opened Innovation Centres in Ottawa, Montréal and Toronto to incubate and rapidly develop new ideas based on IP technology.

▶ We launched a plan to develop and offer a new set of IP-based products and services that will improve customer service and reinforce Canada's leadership in telecommunications.

▶ Over the past three years, BCE has invested more than \$6.5 billion in telecommunications infrastructure, positioning Canada and Canadians as worldwide telecommunications leaders.

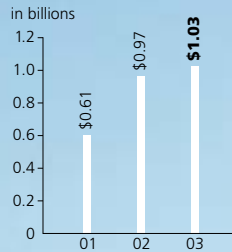
▶ Every year, new Bell Canada Systems and Technology employees publish articles in a compilation of key innovative Bell Canada projects. This undertaking fosters a spirit of innovation and collaboration. The 2003 book includes articles on single billing, integrated account management, bundled products, Bell University Laboratories and Emily, a new voice recognition system for residential customers.

UNIVERSITY INNOVATION—2003

University R&D	\$1.4 million
Bell University Labs	\$4 million

Business innovation: Research and development

(BCE Inc.)



GOALS

▶ To develop and migrate all of Bell's traffic onto a national IP-based network by 2006. Customers will benefit from the flexibility of IP services in terms of interoperability of communication devices, faster and simpler provisioning, plug and play capability, and greater serviceability.

▶ Bell Canada will invest \$5 million over five years to help drive innovation in western Canada through the expansion of Bell University Labs program to post-secondary academic institutions in British Columbia and Alberta.

▶ Bell will open innovation centres in areas of the Atlantic provinces served by Aliant in order to incubate and rapidly develop new ideas based on IP technology.

Bell University Laboratories: the best of industry and academia

Innovation has been described as the single most important ingredient in any successful and competitive modern economy.

New knowledge, scientific discovery and technological progress drive growth, and underpin future productivity and prosperity.

said than done. The world of business is fast-paced and driven by the need for immediate solutions, whereas the pace of university research is longer-term, allowing for a more thorough and methodical approach.

Bell University Laboratories (BUL) brings together the best of both worlds. It is a unique partnership where academia and industry work together for mutual gain. Managed jointly by Bell Canada and Canadian universities, BUL connects research activities to real market challenges and carries out innovative projects that enrich our pool of Canadian intellectual capital. The BUL framework is structured around collaborative efforts to determine breakthrough opportunities in strategic areas. It provides an innovative environment for more than 600 students and renowned university researchers across the country who focus on the key strategic areas of emerging wireline and wireless communications, e-business, new media, human-computer interaction and e-health applications.

Dynamic teams are hotbeds of innovation

BUL acts as a “shock absorber” between the two disparate cultures of business and academia. Its presence explains research to business owners and business to researchers. One of the key success factors of the BUL program is the inclusion of members of these two distinct groups in dynamic teams. Projects are selected and tracked by a review committee that includes academic and business representatives. BUL then publicizes project results to relevant units within Bell Canada and also looks for commercialization opportunities externally, partnering with the researchers and the university to help bring research-based projects and services to market.

The total value of the BUL program since its inception is \$83.2 million. Bell Canada’s total cash contribution over the life of the program has been \$34.5 million while universities and governments have covered the balance. Bell Canada contributed \$4 million to BUL in 2003.

To truly benefit society, innovation must be embedded in our everyday world, in our businesses, rather than remain the exclusive domain of ivory tower intellectuals. This is easier

said than done. The world of business is fast-paced and driven by the need for immediate solutions, whereas the pace of university research is longer-term, allowing for a more thorough and methodical approach.





It's our call to action

Over the past couple of years, we have completely reoriented our business around the customer. The way we see it, our work is to meet customers' needs. Not what we think they need. But what customers actually tell us they need. We've put in mechanisms to ensure customers have a voice. And other mechanisms to ensure we respond quickly with communications services that enrich Canadians' lives and enhance their businesses. We measure our performance to ensure we're doing well today. And set targets to do even better tomorrow.

2003 FACTS

- ▶ Bell's Customer Value Index (CVI) increased from 80% to 80.6% in 2003, placing us among the highest in the North American telecom industry.
- ▶ Customers told us they want more simplicity and productivity so we introduced various products and improvements including:
 - Speed upgrade for High-speed Internet customers to 3.0 Mbps.
 - Automatic routing of 310-Bell calls to Bell Canada cellular customers.
 - Mobile phone activation period down to 30 minutes from 18 hours.
 - Small businesses can now open a high-speed Internet account in five days rather than 37.
- ▶ In order to reduce the wait times and misdirected calls of conventional IVR (interactive voice response) systems, Bell introduced "Emily," a voice recognition system that can handle responses to customers' open-ended questions. Emily's "say anything" technology allows callers to speak naturally while the system "listens" for key words and interprets the meaning behind the words to route the call to the correct destination. The result is faster, easier to use, more responsive service for customers.

- ▶ Bell Canada facilitated more than 1 million teleconferences last year. Teleconferencing helps companies reduce air emissions, save money through reduced meeting and travel costs, as well as increase efficiency and productivity through better time management. According to a McGill University study, four people travelling by plane from Montréal to Toronto for a four-hour meeting consume 87 times more energy and produce 26 times more air polluting emissions than if they teleconferenced.
- ▶ For the third year running, Québec customers rated Bell Canada 7.1 out of 10 on social responsibility indicators such as corporate citizenship, the environment, contribution to local communities and ethical business practices.

GOALS AND TARGETS

- ▶ To develop and migrate all of our traffic onto a national IP-based network by 2006. This will accelerate the drive for simpler, faster and more affordable products and value-added services which, in turn, will enable our customers to improve their productivity and the competitiveness of their businesses.
- ▶ 2004 CVI target: 80.7%.

Bringing a more reliable 911 system to cellular users

911 emergency response agencies know that when it comes to saving lives, every minute counts. Thanks to a new wireless technology program developed by Bell Canada, those agencies will now have the critical caller information they need to respond much faster to emergency calls placed on cellular phones.

cellular tower. It's important information that allows them to confirm the details the caller has provided and narrow down their location for greater routing accuracy. As more and more Canadians increase their use of wireless, the need for the technology has become critical.

Accuracy, reliability, speed

The enhanced 911 service has been made possible through Code Division Multiple Access (CDMA) technology, which is built into a cellular phone's handset and can be configured to work with the Global Positioning System (GPS). Bell Canada voluntarily undertook to enhance its wireless service using the CDMA platform, leading the industry to deliver a superior solution predicated on one unwavering belief: to deliver the highest quality 911 service in North America at the lowest possible cost to the cellular subscriber. All cellular phones that have been introduced at Bell World stores in the past 18 months have been gpsOne enabled.

"It's been very beneficial to have the additional data on wireless emergency calls," says Judy Broomfield, 911 Coordinator for Toronto Police Service. "It greatly reduces the risk of calls being misrouted, allows us to re-establish contact with the caller if we need to and lets us do our jobs much more quickly."

Today, Bell's technological breakthrough is being used by other wireless carriers to bring a safer 911 system to all cellular customers. Wireless enhanced service on Bell Mobility's network has already been deployed in major cities in Ontario and Québec and is expected to be fully deployed in both provinces later this year.

But the work doesn't stop there. Bell Mobility is currently trialing the use of CDMA gpsOne location technology, which will be able to pinpoint a caller's exact location to less than 50 metres. The trial is taking place with Toronto Emergency Services throughout 2004 and the technology is expected to be fully deployed in Ontario and Québec in 2006.

It used to be that if you dialled 911 from a mobile phone the only information the responding agency received was the identity of the wireless carrier. The situation was highly problematic if the caller was incapable of speaking to an operator or if the phone's signal suddenly failed. Such were the limits of the technology. Today emergency response agencies can identify the municipality in which a call originates as well as the location of the nearest

cellular tower. It's important information that allows them to confirm the details the caller has provided and narrow down their location for greater routing accuracy. As more and more Canadians increase their use of wireless, the need for the technology has become critical.

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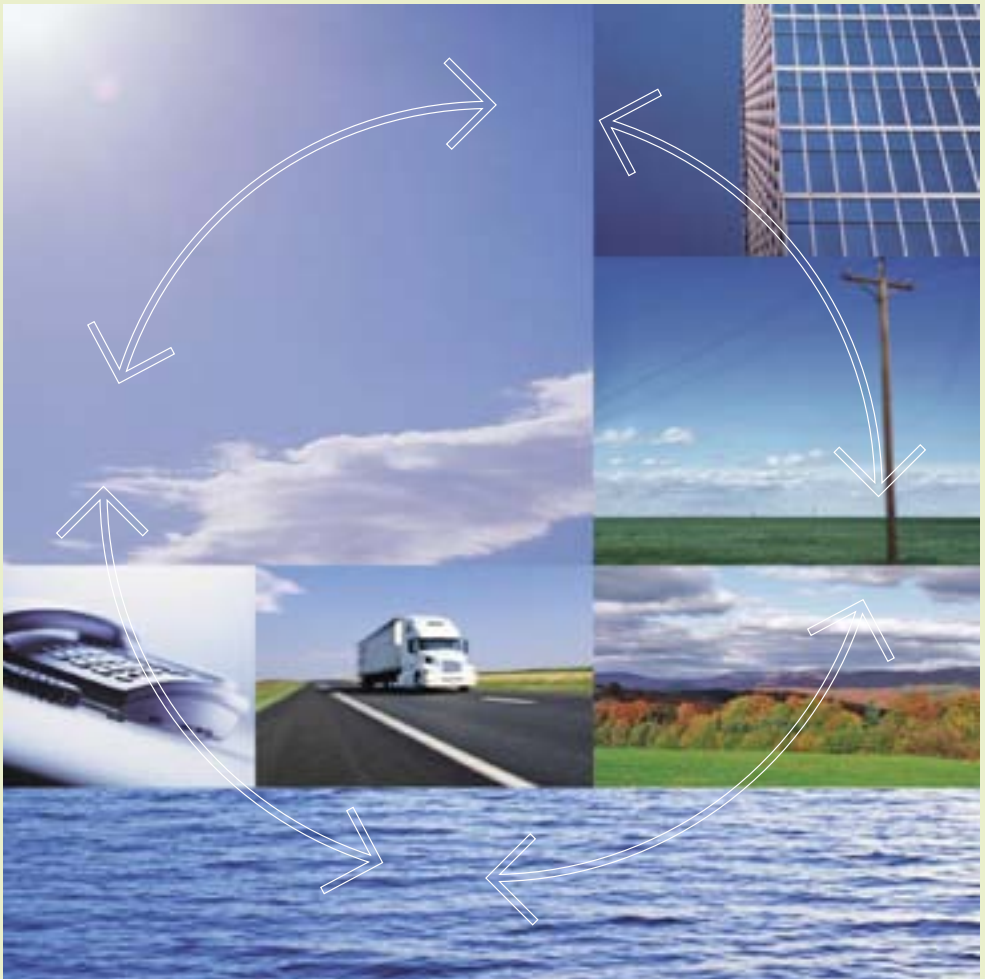


Time is always of the essence for Judy Broomfield, 911 Coordinator for Toronto Police Service. The new wireless technological enhancements from Bell mean her team has the critical caller information it needs to respond much faster to emergency calls placed on cellular phones.



It's a big, beautiful world ...
let's keep it that way.

As a society, we've now come to recognize that practically every human activity, whether it's business or pleasure, has an environmental impact. For many companies, therefore, environmental protection has become integral to doing business. At Bell, we recognize that it's impossible to reduce our environmental impact to zero. However, we can work to continuously reduce and minimize it. That's the premise behind all of our environmental programs. We think that's good business. It's good for our employees, neighbours and the communities where we operate. It's good for the world.



Whether they are related to our network operations, the products or services we deliver to our customers or the community, our environmental initiatives aim to reduce our air emissions, consumption and waste while protecting water quality, flora and fauna.

The Company has been addressing environmental issues since 1990 during which time it has implemented and maintained many successful environmental programs.

2003 FACTS

AIR EMISSIONS

► **Ozone depleting substances:** Since 1989, 70,765 kg of Halon 1301 used in fire protection systems has been decommissioned. Compared to the 1989 baseline, Bell Canada has reduced company usage of Halon 1301 by 79%.

Since 1996, 100 chillers out of 108 containing CFCs that were used in our wireline business were replaced with HFC-134a or converted with HCFC-123.

These initiatives minimize the release of substances that deplete the stratospheric ozone layer protecting the earth from ultraviolet rays (UVB).

Target: Replace six additional chillers containing CFCs in 2004.

► **Greenhouse gases:** Bell Canada's production of greenhouse gases, which contribute to global warming, was quantified for reporting purposes in 2003. Our emissions represent approximately 0.02% of the total CO₂e emitted in Canada.

Bell has engaged Nature Action, a non-profit organization that promotes environmental protection, to help deliver an employee awareness campaign on reducing greenhouse gases in 2004.

Activity	Estimate of CO ₂ e* (tons)
Bell vehicle fleet	60,450
Building heating and air conditioning	154,420
Cooling systems (HFCs)	199
Employee vehicles used for company business and rentals	4,183
Mobile generators	353
Total	219,605

* Includes wireline, wireless and ExpressVu businesses, Bell Nordiq and Bell West

Target: Consistent with the Kyoto Protocol, Bell Canada will further assess its activities in order to identify opportunities to reduce greenhouse gases.

RESIDUAL MATERIALS

► **Hazardous:** Bell Canada collects hazardous materials generated from our network, fleet and administrative operations, and disposes of them according to current laws and regulations. Materials are either returned to inventory or the manufacturer, reused within operations, recycled or disposed of safely.

A total of 1437 metric tons of hazardous residual materials were diverted from landfill in 2003.

Recycled materials/products	Quantity* (metric tons)
Gel cell batteries	143.5
Ozone depleting substances	1.6
Batteries, absorbents, empty containers	35.9
Fluorescent tubes	10.6
Lead-acid batteries	960
Tires	99
Vehicle batteries	49.3
Used oil	108.5
Used oil filters	19.1
Washing fluids for automotive parts	4.3
Engine antifreeze	5
Total	1437

* Includes wireline and wireless businesses and Bell Nordiq

Target: Maintain current programs in 2004 and pursue employee environmental training on the management of hazardous residual materials.

2003 FACTS (CONTINUED)

► **Non-hazardous:** Bell Canada’s commitment to the promotion and support of cost-effective resource and waste minimization initiatives is reflected in its many programs to manage non-hazardous materials. Programs are aligned with government objectives and promote Reduce, Reuse and Recycle principles.

As a result of our efforts:

- We used 11,998 refurbished laser toner cartridges in office photocopiers instead of new cartridges
- A total of 21,195 wood pallets, as well as 1,895 terminals and splice closures were repaired for reuse
- Personal computers, printers, photocopiers and fax machines were either repaired or recycled by the products’ suppliers
- No less than 29,800 old cellular phones were collected under the Recycle, Reuse, Redial program for repair or recycling
- More than 6443 metric tons of non-hazardous residual materials were diverted from landfill in 2003 and recycled

Recycled materials/products	Quantity* (metric tons)
Paper, cardboard, bottles and cans	831
Cable and other network equipment	5060
Telephone sets and cellular phones	49
Poles	503
Total	6443

* Includes wireline and wireless businesses and Bell Nordiq

Target: Maintain current collection processes and increase diversion rate through renewed educational efforts.

INFRASTRUCTURE

► **Network:** Bell Canada voluntarily integrates environmental evaluations into our practices and operating procedures during network planning, construction, maintenance and dismantling activities. Additional care is taken with environmentally sensitive areas, federal lands, provincial parks and native reserves.

In addition to conducting required environmental assessments, Bell continued efforts to improve our streetscapes as well as reduce the visual impact of our towers and equipment. We also continued to participate in a Québec government program to bury network cable at tourism, cultural or heritage sites, completing two more projects last year.

An Environmental Guide was developed for our wireless business, which will be used in the design, construction and maintenance of its network of cellular towers and antennas.

Target: Raise awareness of the Environmental Guide among wireless network project managers, and assess network development and maintenance of Bell West operations.

► **Properties:** Bell Canada conducted 228 projects to assess, characterize or remediate sites in 2003, using leading-edge environmental remediation technology and our telecommunications network to properly monitor activities. When contaminants at an affected site exceed government criteria, Bell proceeds with remediation work in the most effective and cost-efficient manner.

Environmental site assessments help to identify existing ground water and soil contamination on properties we buy, lease or sell, as well as identify any of our own activities that could potentially contaminate a site.

Target: Pursue environmental site assessments and remediation activities as required.

► **Petroleum-related equipment:** Bell Canada now has 1305 petroleum storage tanks in operation. We reduced the total number of tanks by 231 since 1992 and increased the proportion of aboveground tanks to 73%. Bell has also replaced all underground steel tanks with double-walled, non-corrosive fibreglass tanks equipped with high-tech monitoring and alarm systems that allow us to act quickly in the event of leaks.

In addition, we are actively modernizing our petroleum-related equipment. In 2003, Bell Canada upgraded 61 underground storage tanks with flexible piping, and installed 12 overfill protection and spill containment boxes for underground storage tanks with holding capacities greater than 10,000 litres.

These preventive measures assist in reducing the release of contaminants into the environment and associated costly remediation activities.

Target: Pursue the modernization of petroleum-related equipment and maintain the private and government-approved inspection program.

► **Pesticides:** Since 2002, and ahead of government regulation, Bell Canada stopped using pesticides on its properties for aesthetic reasons, choosing alternative methods of controlling vegetation. The sound management of our green spaces using ecological methods contributes to the promotion of biodiversity, as well as water and energy conservation. In 2003, activities included:

- Informing employees about the impact of using pesticides and the alternative methods of controlling vegetation
- Informing the public and community members living near Bell Canada properties about our new pesticide-free policy and management
- Applying new landscaping methods at 22 additional sites
- Establishing the best sustainable landscaping strategies for 100 priority sites

Target: Assess 20 additional properties, apply new landscaping methods at 30 additional sites and train external service providers who work on our properties in ecological methods.

Staying green, naturally

When Bell decided in 2002 to “go green” by stopping the use of pesticides on its properties for aesthetic reasons, it embarked on a plan of action that would have positive benefits outside of the Company and inside, too.

Bell worked in partnership with the Coalition for Alternatives to Pesticides (CAP) to use environmental vegetation management techniques such as organic lawn care, alternative landscaping and site naturalization. “Bell’s decision to voluntarily engage in the ecological management of its green spaces was certainly avant-garde at the time,” says Édith Smeesters, spokesperson for CAP. “The Company’s commitment shows a progressive change in corporate mindset towards the environment, where alternative solutions to keeping green are now considered. We know it can be achieved cost-effectively and efficiently. It takes effort and vision.”

Bell’s efforts, however, weren’t simply limited to Company sites. Recognizing the importance of engaging employees in a much larger cause, the Company spread the word about eco-friendly methods for lawn care to all employees. In 2003, Bell’s Environmental Services group created a Web page of tips and suggestions for more natural and ecological alternatives to pesticides in home lawns and gardens. The Web site included a 12-step organic lawn care program, information about pesticides, frequently asked questions about alternatives as well as useful Internet links. A contest awarded prizes for the most fertile ideas from employees.

“I was happy to see Bell taking a proactive approach in making environmental information available to employees,” says Wayne Murdoch, a Bell Installation Technician who won a water-powered weeder for his effort. “As a big company, I think Bell has an obligation to bring issues important in society—like the environment—to the forefront so that people are informed. I learned more than a few things after surfing the Bell site and have benefited from that knowledge.”



2003 FACTS (CONTINUED)

► **Noise:** Bell Canada pursued a number of initiatives to minimize noise emissions caused by our activities. We standardized network equipment cabinets containing working air conditioners and launched a study to evaluate the noise generated by stand-by generators used to maintain telephone service during power failures.

.....
Target: Pursue noise assessment of stand-by generators and identify preventive measures.

► **Manhole effluents:** A variety of measures are in place to minimize the contaminants from urban run-off such as road water and sediments that can seep into some 65,000 manholes on Bell Canada territory.

During the last two years, Bell installed 1125 new watertight manhole covers, which reduce the need for specialized pumping. They have been installed on new manholes and on those where contamination was an issue. We continued employee training on pumping procedures aimed at preventing contaminants from going back into the streets and municipal sewers.

.....
Target: Continue to reduce contaminants that seep into manholes by installing new watertight covers.

ENVIRONMENTAL INCIDENTS

Bell Canada has strict measures in place to deal with reported environmental incidents and promptly report them to the proper authorities. In 2003, 286 incidents, such as ODS leaks, oil spills or fires, were reported by employees of Bell Canada and participating subsidiaries. The appropriate government authorities were advised of incidents by the Environmental Services Team and remediation efforts were undertaken when required.

Bell was able to quickly remediate unexpected incidents, investigate the root causes of the problems and introduce preventative solutions. We received three notices of environmental violations, all of which were administrative in nature. No fines or penalties were levied against us.

.....
Target: In 2004, Bell Canada will begin to manage reported environmental incidents for our ExpressVu business and BCE Nexxia Corporation. We will continue to train employees on how to properly respond to environmental incidents and will diligently manage reported occurrences.

ENERGY CONSERVATION

Over the past ten years, Bell Canada has taken many measures to reduce the Company's energy consumption. Key activities conducted at more than 500 Company locations in 2003 include:

- Modifying the operating times of fans and lights to reflect actual building occupation
- Optimizing digital controls for humidification, temperature settings and outdoor air supply
- Increasing the insulation thickness during roofing projects
- Replacing air conditioners with units incorporating free cooling
- Installing interlocks to suspend heat when garage doors open
- Replacing electric motors used in our building ventilation systems with high-efficiency models

By now including the properties of our wireless and ExpressVu businesses, Bell Nordiq and Bell West in our energy conservation data, we increased by 8.4% the total area that had to be cooled or heated.

Despite this increase, and thanks largely to our conservation initiatives, Bell Canada's energy consumption in 2003 only rose by 0.7% over 2002, to reach 820 million kWh.

Target: Energy initiatives currently underway in 2004 include:

- Increasing the use of cooling towers and heat exchangers instead of refrigeration equipment during the winter season
 - Optimizing cooling equipment configurations to benefit from free-cooling
 - Using energy-saving alternatives such as wind turbines and solar panels in remote locations
 - Conducting energy audits in order to identify energy-saving opportunities
-

Experience provides life and work skills


Mathieu Lafrance has a renewed sense of purpose. For the first time in his young life, this 16-year old student has the opportunity to contribute his skills to a worthwhile social cause and feels better about himself as a result.

The cause is Bell Canada's three-year partnership with the Centre de formation en entreprise et récupération (CFER), a network of specialized schools in Québec that gives recycling job training to young men and women with learning difficulties. "This is the first job I've ever really had and I'm learning a lot as I go," says Mathieu, who hopes for a job in agriculture in the future. "I especially like working on a team because we all have something to contribute to get the job done."

Helping them prepare for life

Before the partnership with CFER, Bell sent all its network-related material to a recycler in Barrie, Ontario. With the CFER program, about 100 students now collect and sort the material generated at 14 of our work centres located in Québec. Cardboard, plastic, steel and aluminium are recycled locally, and cables are bailed before being sent to Barrie for recycling. Thanks to the work of the CFER students, overall transportation costs are reduced.

A large part of the training that the students receive at CFER is focused on separating materials and learning how to recognize their value on the market. "The training gives these kids a chance to learn good basic work habits such as being organized, punctual, productive and respectful. It opens their eyes to the importance of teamwork and a job well done," says Director of the program, Normand Maurice. For kids who aren't able to learn in a regular school curriculum, CFER provides opportunities that are otherwise difficult to gain. What's important to remember, Normand adds, is that society has a real need for useful manual skills. "CFER gives these people a chance to improve themselves, take pride in their work and do something that is worthwhile. We help them prepare for life."



Mathieu Lafrance, 16, learns useful manual skills and good basic work habits at the Centre de formation en entreprise et récupération, an initiative that successfully balances Bell's environmental, social and economic objectives.

GLOBAL E-SUSTAINABILITY INITIATIVE

Bell Canada is a member of the Global e-Sustainability Initiative (GeSI), which provides a collective voice for Information and Communications Technology (ICT) service providers and suppliers. GeSI's main objective is to create an open and global forum for reporting and actively promoting ICT solutions that encourage economic and social development and a sustainable environment.

Along with managing their own operations in a sustainable manner, members take a leadership role in providing individuals, businesses and institutions with sustainable solutions that help maintain a balance between environmental, economic and social objectives.

In 2003, GeSI created the supply chain working group. Chaired by Bell Canada's Director of Environmental Services, this group will develop or improve information tools, management practices, processes or systems that will assist each participant and its company's supply chain to deal effectively with Corporate Social Responsibility (CSR) issues.

Target: In 2004, the GeSI supply chain working group will oversee the creation of a CSR best practices questionnaire for suppliers, which will be a useful assessment tool for any company that is committed to sustainability.

NORTH AMERICAN TELECOMMUNICATIONS INDUSTRY

For many years, Bell Canada has been working closely with other North American telecommunications companies to exchange information on our respective environmental policies and procedures.

Joined by our common interests, Bell Canada and a number of telcos developed and endorsed the Environmental Charter for the North American Telecommunications Industry in 1999.

In 2003, Bell Canada continued to support the Charter by ensuring that its principles were integrated in our environmental management practices. Also, as a member of the United States Telecom Association (USTA)—Health, Safety and Environment Committee, Bell intends to share learnings from our environmental initiatives and advance new approaches to environmental protection in the industry.





Standing up to scrutiny

For any organization, trust and integrity issue naturally from governance. The way we govern ourselves at the highest level sets the standard for everyone at BCE and Bell. We operate and report with full disclosure, and adhere to codes and guidelines in the letter and spirit in which they're written.

2003 FACTS

- ▶ BCE continued to emphasize responsible corporate governance during the year. We received a top score from rating agency GovernanceMetrics International.
- ▶ The members of the audit, corporate governance and management resources, and compensation committees are independent from management.
- ▶ Except for the President and CEO, board members are completely independent of management.
- ▶ BCE is fully aligned with the TSX (Toronto Stock Exchange) corporate governance guidelines. In some cases, BCE exceeds them.
- ▶ BCE meets all applicable SEC (Securities and Exchange Commission) and NYSE (New York Stock Exchange) rules.
- ▶ In February 2003, the audit committee approved a revised auditor independence policy that includes a process for:
 - Determining whether various audit and other services provided by the external auditors affect their independence
 - Identifying the services that the external auditors may and may not provide to the BCE group of companies
 - Pre-approving all services to be provided by the external auditors
 - Establishing guidelines for engaging former employees of the external auditors.

- ▶ We encourage directors and officers to own shares of BCE and we have minimum share ownership guidelines in place. Non-management directors' fees are payable in deferred share units (DSUs) until a director meets minimum share ownership guidelines. We increased the non-management director share ownership requirement from 3000 to 10,000 shares effective in 2003 and eliminated the director's stock option program.

OTHER 2003 INITIATIVES

- ▶ Started expensing stock options.
- ▶ Appointed an Internal Audit and Risk Management Officer reporting directly to the Chairman of the Audit Committee.
- ▶ Created and implemented, in the spring of 2003, an Internal Controls project team in order to roll out the related SEC Rule on Internal Control over Financial Reporting. We have also appointed a Vice-President, Financial Controls and have retained outside advisors to assist management in rolling out said project.
- ▶ Adopted revised BCE Board Committees charters.
- ▶ Adopted a revised Code of Business Conduct including the recommended ethics guidelines for our President and Chief Executive Officer, Chief Financial Officer and other financial officers.
- ▶ Adopted Complaint procedures for auditing and accounting matters.
- ▶ Adopted Director Independence Standards.

AWARDS AND MEMBERSHIPS

AWARDS

- ▶ BCE was rated second in terms of corporate social responsibility, product/service quality, and long-term investment value in the 9th Annual *Canada's Most Respected Corporations* survey, a poll of Canadian chief executive officers conducted by Ipsos-Reid.
- ▶ BCE was the only Canadian company to score a perfect 10 in its GMI Global Governance Ratings. GMI, or *GovernanceMetrics International*, a global corporate governance ratings agency, released ratings on 2100 global companies in February 2004, and BCE was among only 22 companies worldwide to rate a score of 10, GMI's highest rating.
- ▶ Bell Canada is a member of the *United Way/Centraide Million Dollar Club*.
- ▶ Bell Canada's Click n' Learn e-learning program received a *Brandon Hall Award for excellence* in e-learning and was recognized as the most innovative learning program in North America by an *Illuminati e-Learning Award*.
- ▶ Emily, Bell's new voice recognition system, received two *awards for Best Innovative Speech Solutions*: one from Nuance V-World, the other from Speech Technology magazine's SpechTEK conference.
- ▶ Telesat, the world's longest-standing commercial satellite operator, received the prestigious 2004 Frost & Sullivan Regional Satellite Operator Award. Frost & Sullivan, a global growth consulting firm, recognizes top companies around the world for their leadership, strategy, development and innovation.
- ▶ The Recycling Council of Ontario presented Bell Canada with a *Silver Award for outstanding achievement in waste reduction*. Today, more than 7871 metric tons of recyclable materials, such as paper, cardboard, cable, telephone sets, batteries and other hazardous residual materials, are diverted from landfill every year.
- ▶ Bell Canada received an *award for Distinction and Excellence from the Centre d'expertise et de recherche en infrastructures urbaines (CERIU)*. The award recognizes Bell's outstanding contribution to the CERIU centre in the urban infrastructure field. It also highlights our cooperative work with municipalities in developing and implementing common infrastructure equipment.

MEMBERSHIPS

- ▶ Business Council on national issues
- ▶ C.D. Howe Institute
- ▶ Canadian Institute for Advanced Research
- ▶ Canadian Investor Relations Institute
- ▶ Canadian Policy Research Network
- ▶ Conference Board of Canada
- ▶ Global Business Dialog on Electronic Commerce
- ▶ Canadian Council of Chief Executives
- ▶ GeSI (Global e-Sustainability Initiative)
- ▶ USTA (United States Telecom Association)—Health, Safety and Environment Committee
- ▶ SOP (Strategic Options Process) chaired by Environment Canada
- ▶ Québec Environment Foundation



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