

BCE

*SHARPENING OUR
COMMITMENT*



BELL CANADA ENTERPRISES
CORPORATE RESPONSIBILITY 2005 REPORT HIGHLIGHTS

SHARPENING OUR COMMITMENT BY...

No. 1

AIMING higher

– p. 1 –

No. 2

ADVANCING economic growth responsibly

– p. 4 –

No. 3

SHRINKING our environmental footprint

– p. 7 –

No. 4

PARTNERING to build strong communities

– p. 10 –

No. 5

SAFEGUARDING your trust

– p. 14 –

No. 6

SUPPORTING our employees

– p. 16 –

No. 7

EMPOWERING our customers

– p. 19 –



No. 1

AIMING
higher

Aiming higher

Community matters

A growing body of research shows that creativity and innovation flourish where bright, talented people rub shoulders every day.

Simply put, the quality of life is better in places where social networks are strong, where social trust and social participation are higher. Connected communities mean safer neighbourhoods — real and cyber — for our always curious children. More opportunity for them to grow into tomorrow's leaders.

On a broader scale, strong communities go hand in hand with economic expansion. Especially when ingenuity is the key driver — and decisive source — of competitive advantage in a knowledge economy.

For all these reasons, we at Bell Canada Enterprises believe corporations — as citizens of our larger society — have a clear responsibility to invest in communities. To help them solve problems and adapt to a world of high-velocity change.

Focussed on our next generations

We believe our nation's future is being determined today by our ability to enable every child to reach his or her full potential. So that's where we focus our community investment. On Kids Help Phone, which helped kids in need in 3,000 Canadian communities more than one million times last year. On cyber safety. On spreading the success of the Pathways to Education program, started in Toronto's Regent Park to help inner city kids stay in school.

Our investment extends to community sport that teaches life lessons. To groundbreaking work in telehealth. And to significant support for children's hospitals from Montréal, Ottawa and Toronto to Edmonton, Calgary and Vancouver.

And at every turn, we look for ways to minimize our impact on the air we breathe and water we drink. Reducing greenhouse emissions from our fleet and other operations. Managing a cell phone recycling program that reduces waste and helps women's shelters.

Setting higher objectives

This report is a snapshot of some of the hundreds of other ways we are acting as engaged corporate citizens. As employees of Bell, we know we must earn the right to serve our customers every day. As Canadians, we know we must help build a society that is sustainable — economically, socially, environmentally. It is not a luxury. It is the way we must work. It must be integral to the business strategy of our company.

We constantly set higher objectives, challenge ourselves to improve — not only to be more creative and more productive in the face of intensifying competition in the marketplace, but also as citizens in the broadest sense.

We've been doing it for more than 125 years. Connecting Canadians to each other and to the world.



A perfect 10

It starts with governance. Once again in 2005, BCE earned a perfect 10 in a global corporate governance study — one of only two Canadian companies to achieve that. Why? Tighter financial reporting controls to comply with Sarbanes-Oxley for one thing. The voluntary adoption of a majority voting standard for shareholders for another.

Out of that discipline grows a business strategy focussed on the customer. Improving their experience. Extending the reach of powerful new broadband networks. Delivering next-generation services to simplify and enrich their lives. And help their businesses become more productive, more competitive.

We invest heavily in initiatives that not only serve our customers but also have far-reaching economic impact. Through our partnership in the Vancouver 2010 Winter Games, for example, we are building a state-of-the-art infrastructure and creating jobs in British Columbia. The Alberta SuperNet brings the power of broadband access to communities in that province. Our pioneering EV-DO network and our Inukshuk joint venture extend innovative wireless applications to millions of Canadians.

People matter

Above all, we pay attention. To the community at large, to stakeholders, to individual customers and employees. Not only to what they want, but also to what they value.

And then we act. We take personal accountability. Take Sara Korzeniewski, a customer service representative.

One day, she took a call from Lt. Col. Sandy Robertson. His Canadian Forces unit was about to be deployed to Afghanistan. He wanted his mother to get the phone service she needed before he left.

Sara not only heard the request, she understood its importance. She went out of her way to make it happen. In gratitude, Lt. Col. Robertson changed the name of his patrol from Charlie One to Sara One.

Citizenship in action. All in a day's work for Sara. All in the DNA of our company and its people. This report contains some of their stories.



MICHAEL J. SABIA
President and CEO
BCE Inc.



No. 2

ADVANCING
economic growth responsibly

OUR RESPONSIBILITY: ensure that our actions have a positive economic impact on our stakeholders through investments in innovation and infrastructure.



This changes everything: Four ways broadband is benefiting Canadians

The Health Bus, operated by Toronto's Sherbourne Health Centre, didn't pick up a single passenger in 2005. But it did serve over 19,000 individuals, stopping at homeless shelters and drop-in centres

to bring health services to some of society's most vulnerable citizens. Now with a second Health Bus en route, and more than 50 volunteer nurses, the Sherbourne Health Centre is planning to enhance services, using Bell's new EV-DO wireless broadband.

EV-DO (Evolution, Data Optimized), Canada's first 3G wireless data network, will enable nurses to dispatch and receive medical charts. They'll also save space, since paper files won't be needed on the crowded bus.

Basically broadband-to-go, EV-DO is just one example of how investing in infrastructure is equally an investment in the physical, economic and social well-being of Canadians.

Bell offers broadband services such as streaming video to 4.3 million households in the Québec City-to-Windsor corridor. And we continue to build on that foundation. In 2005, we:

- rolled out broadband to 1,672 more neighbourhoods
- began testing Wi-MAX in Madoc, Ontario. It's wireless technology that has the potential to deliver wireless broadband to sparsely populated rural areas as well as densely populated urban areas
- forged the Inukshuk alliance with Rogers Communications to jointly build and manage a national wireless broadband network. Within six months — in April 2006 — we launched the initial phase in 20 centres across Canada, providing customers with wireless Internet access and secure data transmission. By the end of 2008, Inukshuk will reach two thirds of Canadians, including approximately 100 unserved rural and remote communities
- partnered with Nortel Networks in Chapleau, Ontario, to study how broadband stimulates economic and social activity in remote communities.

KEY PERFORMANCE INDICATOR

Investments in Business Innovation

RESEARCH & DEVELOPMENT
(BCE consolidated, \$ millions)

2003	1,565
2004	1,776
2005	1,755

Most of our innovations lead to real products and services that help customers connect in new and better ways. In our highly competitive marketplace, BCE's sustainability depends in part on our ability to keep customers at the forefront of technology. R&D investments have generated solutions such as Bell Digital Voice, EV-DO, Wi-MAX, IPTV, FTTN, Emily, e-billing, and security features.

OBJECTIVE: Maintain our leading investments in business innovation R&D.

Broadband Accessibility

NUMBER OF HIGH-SPEED INTERNET
ACCESS CONNECTIONS (in thousands)

2003	1,458
2004	1,808
2005	2,195



Alberta SuperNet goes the distance

The power of broadband to spread the wealth is well established. And with Alberta SuperNet now going live across the province, we're demonstrating that even a relatively prosperous region can benefit from one of the world's most advanced broadband networks.

Built and operated by Bell, Alberta SuperNet's 12,000 kilometres of fibre and wireless technology cover 86% of the province's population, linking 4,200 government offices, hospitals, clinics, libraries and schools.

"We were on dial-up Internet before, so it's a whole new world!" says Terrie-Lynn Rosa, librarian at Radway Municipal Library, northeast of Edmonton. "It's amazing how fast we can surf the net, check e-mail and order books. And our patrons access what they need really quickly."

While enhanced public services will stimulate social and economic development, SuperNet has the potential to do much more—especially where local Internet service providers sign on. Ordinary Albertans and businesses in remote communities will benefit from services designed to enhance education, medical care and global commerce.

Bell operates SuperNet's base area network in 27 of Alberta's largest communities. Alternate network service providers manage the extended area network that reaches the other 402 rural communities.

Bell's investment for the 2010 Winter Games to leave lasting legacy

The instant Vancouver won the right to host the 2010 Olympic and Paralympic Winter Games, Bell Canada began building its own bid to be Premier National Partner. Bell got the nod in 2004, based on unmatched technical skill (our team has supported more Olympic broadcasts than any other in Canada), and on a financial commitment that supports B.C.'s economic, social and cultural development well beyond the Olympic Games.

Bell's commitment includes a value-in-kind commitment of \$60 million to supply wireless and connectivity services to stage and broadcast the 2010 Winter Games. Our "all-IP" design significantly reduces the infrastructure required to deliver services at the Games. One cable does it all — delivering voice, data and Internet services — a design that showcases Canadian expertise to the world. Much of this infrastructure will remain in place to benefit B.C. residents and businesses.

In addition, we pledged \$45 million in cash and in-kind contributions to support sports, athletes, and local and First Nations communities. This is already making a positive difference. During the past year, for example, we committed:

- \$2 million to revitalize Vancouver's Downtown Eastside in partnership with the City of Vancouver and the Building Opportunities With Business Inner City Society and other organizations
- \$3 million to help develop the Squamish Lil'wat Cultural Centre in Whistler
- \$1 million to fund 2010 Legacies Now, raising awareness of the economic benefits and opportunities of the Games among B.C. communities
- And \$15 million in Own the Podium, a national program to help Canada win the most medals at the Vancouver 2010 Olympic Winter Games and place in the top three in the Vancouver 2010 Paralympic Winter Games. Bell is also investing to make these among the "cleanest" Games on record, leaving a positive and lasting legacy. Our Olympic Technology Sustainability Strategy commits us to environmental guidelines for the use of existing infrastructure, the building of new facilities, the purchasing of goods and services and the recycling of materials.

Five-time Olympic medalist, Clara Hughes, sports gold at the Torino 2006 Winter Games. Bell Canada's \$200 million commitment includes support for Canadian athletes, like Clara, and investments in technology and communities.





No. 3

SHRINKING
our environmental footprint

OUR RESPONSIBILITY: do everything in our power to leave a cleaner world for the next generation.

KEY PERFORMANCE INDICATORS

Greenhouse Gas Emissions

(Bell Canada excluding Aliant)

Intensity*: tons of CO₂e / M \$ Operating Revenues

2003	17.1
2004	16.9
2005	16.7

*Intensity is defined as the amount of GHGs that are emitted to provide telecommunications services, based on operating revenues.

OBJECTIVE: Reduce intensity of greenhouse gas emissions by 15%, by 2012.

Landfill Diversion Rate

(Bell Canada excluding Aliant)

2003	68%
2004	70%
2005	67%

OBJECTIVE: Increase the overall waste diversion rate by 5%, by 2008.

Product Take-Back

(Bell Canada excluding Aliant)

Number of cellular phones collected for reuse or recycling

2003	31,800
2004	52,700
2005	62,500

OBJECTIVE: Increase take-back of used cellular phones by 50%, by 2007.

Putting the brakes on greenhouse gases

Climate change isn't a problem confined to car drivers and large industrial polluters. It's a problem we all share — one whose solution is largely in our hands. Combating climate change is about taking personal responsibility and changing behaviour.

That insight led Bell to launch *Everyday Kyoto*, a program designed to make it personal — identifying 23 actions we can take every day to reduce global warming. While the program is entirely voluntary, participating employees sign a pledge of their environmental commitment to reduce greenhouse gas emissions through personal action by one ton during the year. Action such as increasing the use of teleconferencing to reduce travel. In 2005, our employees conducted almost 300,000 teleconferences, which we estimate saved 205,219 metric tons of greenhouse gas emissions (CO₂e) — equivalent to 71% of the total emitted by Bell last year.

It is one of several communications solutions Bell provides to minimize travel and help stem climate change. We continue to advocate sustainable technologies to all our customers, as well as through our participation in the Climate Change Working Group of the international Global e-Sustainability Initiative (GeSI). And, in 2006, Bell established a new policy and key objective to reduce our own greenhouse gases by 15%, by 2012.

This is all welcome news to Sophie Bergeron, a contract administrator with Bell Distribution Inc., who takes global warming personally. In support of *Everyday Kyoto*, Sophie started to use real cutlery and dishware at lunch instead of plastic. She also began shutting off her computer, lights and radio at day's end. "Small efforts over the long term add up," says Sophie, whose passion for the environment also led her to switch to a more fuel-efficient car. "It's important to take action wherever we can."



Sophie Bergeron is one of hundreds of Bell employees helping to reduce global warming through personal action and awareness gained from her participation in *Everyday Kyoto*.



Denis Bordeleau, Bell Manager – Technologies and prime on the introduction of the innovative and environmentally friendly pole light pedestal, which holds cables and wiring from a number of utilities in one integrated unit.

Thinking inside the box

The sight is a familiar one on our streets. Rows of unsightly utility poles, stretching into the distance, strung with the wires and cables we all need to communicate, to heat and power our homes, and to light our streets. Unsightly but necessary... until now.

Bell is pioneering an innovative solution to this visual and environmental clutter. Called a pole light pedestal, it looks like an ordinary light standard. But the real innovation is inside the box at

the base. That's where the utility wires, street lighting and other cables that used to be strung overhead are now located for easier servicing and installation.

The concept is simple: electrical, phone and cable utilities pool their resources at new home developments and put their infrastructure underground. Even the connections for a home's main power supply are contained within the pedestal.

"With far less digging, there's less disruption to soil, as well as to plant and small animal life," says Denis Bordeleau, Bell Manager – Technologies. "We have dramatically reduced the impact on the visual environment, as well as the costs of building and servicing the infrastructures."

In fact, using pole light pedestals can cost up to 50% less than conventional installation.

Bell is among the first communications companies in the world to use this pole light pedestal, which was developed by a partnership of the Centre for Expertise and Research on Infrastructures in Urban Areas, government and industry. Utilities retain access to their below-ground and pedestal infrastructure, while the municipality owns the attractive light standard.

Although seen only in Québec so far, the pedestals are a bright idea we expect will soon be spreading across the country.

BikeShare peddles a great idea

Torontonians now have an even better way of getting around. They simply hop aboard a bright yellow bike, wave to people stuck in traffic, and pedal to work or school.

BikeShare's members — 1,500 so far — can sign up to borrow a bike for a few minutes, a few hours or all day, all of which benefits their health and the environment. Technology is used to increase membership through on-line registration, e-payment and membership renewal. BikeShare is just one beneficiary of the Bell Community Economic Development Fund.



RECYCLING PHONES FOR A WORTHY CAUSE

Last year, our *Recycle, Reuse, Redial* program diverted 60,000 serviceable cell phones from landfill and put some of them back into the hands of women escaping abusive relationships. In the last two years of the program, we have:

- provided 1,779 refurbished phones to more than 130 women's shelters
- supported women leaving the shelters with nearly 3,500 phones, unlimited local airtime, call display and 9-1-1 access



No. 4

PARTNERING
to build strong communities



Investing in healthy children and youth

Improving health care for young people is our best guarantee for the future. More than that, helping a sick child get better is an act of compassion and reward in itself.

Bell Canada's investment in health care for children and youth ranks among our highest priorities. During 2005 we sharpened our focus by committing more than

\$20 million to support innovative projects across Canada.

For instance, we are providing \$10 million over 10 years toward a joint project of Montréal's McGill University Health Centre and the Centre hospitalier de l'Université de Montréal. They will use the funds to establish the Youth Telehealth Centre, bringing big-city medical expertise to even the smallest Québec communities. Also in Montréal, through an eight-year, \$1 million partnership with Sainte-Justine Hospital, we are helping to develop an Internet-based remote homecare program. This will enhance follow-ups and quality of life for patients and their families throughout the province.

In Toronto, Bell's five-year, \$10 million commitment to the Hospital for Sick Children is funding high-priority needs in the emergency department, which treats more than 50,000 children and youth annually. The commitment includes \$5 million in fundraising proceeds collected through the Annual Bell Celebrity Golf Tournament and the Annual Bell Celebrity Gala.

We also committed to:

- Edmonton's Stollery Children's Hospital, for breakthrough equipment to enhance paediatric brain surgery
- North Bay and District Hospital, for an image-guided sinus surgery system that will enable remote surgery in outlying communities
- Alberta Children's Hospital for a telehealth videophone system to serve the Paediatric Palliative Care team and Special Care nursery
- Winnipeg Children's Hospital for minimally invasive surgical equipment
- The Canadian Association of Paediatric Health Centres, to launch a national research initiative that will enhance care for kids with chronic illnesses or complex care needs
- Windsor Regional Hospital's Infant Hearing Screening Program and Audiology Services, including a new sound booth for testing pre-school kids.

A young client at Bloorview Kids Rehab uses an AAC device to interact with her friends, participate in school activities and to learn and grow. Bell's support is enabling us to better understand the telecommunications access challenges of this special needs group.

A new 'voice' for Bloorview

Through our support of Bloorview Kids Rehab in Toronto, we're helping children with disabilities become more connected to their world.

Bell's donation of \$150,000 helped Canada's largest children's rehabilitation hospital explore the telecommunications needs of kids who are unable to speak and who use augmentative and alternative communication (AAC) solutions such as speech-generating devices. It's an important first step in enabling access to telecommunications for AAC users. Access that is critical to education, employment, independent living, self-determination and quality of life.

Just ask Kevin Hall, 21, of Newmarket, Ontario, unable to speak because of congenital spina bifida. "I got my first device from Bloorview when I was two. I started college this year and I want to become a sports journalist one day. I couldn't have come this far or have these dreams without this technology. I'm so glad Bell is interested in helping young people like me."

Our work continues. Propelled by the findings of the initial research, we held an AAC consumer focus group early in 2006 — the first gathering of its kind — to develop a more in-depth understanding of the information barriers encountered by AAC users and their families. All to give special needs customers a voice.



KEY PERFORMANCE INDICATOR

Donations and Community Sponsorships

(Bell Canada excluding Aliant)
(\$ millions)

2005	15.9
2004	18.1
2005	23.3

OBJECTIVE: Increase corporate donations by 25% from 2005 to 2008.

CYBERTIP.CA

We support cybertip.ca, Canada's national tipline for reporting the on-line sexual exploitation of children. The portal also provides information to help Canadians keep their children safe on the Internet and it facilitates the investigation and prosecution of offenders. To date, the tipline has resulted in:

17 arrests
950+ Web sites shut down

KIDS HELP PHONE

Helped kids more than a million times in 2005

Young Canadians contacted the service about every imaginable issue, including sexuality, substance abuse, relationships and suicide. More than 20,000 Canadians from coast to coast laced up their walking shoes for the Bell Walk for Kids event in 2005 and again in 2006, raising over \$4.8 million for Kids Help Phone.

Community sport has winning goals

When Canadian kids play sports, we all win. Sport has the power to build healthy bodies and strong communities on a foundation of fair play, co-operation and perseverance. The Bell Community Sport Fund, founded in January 2005, is already helping to keep more youth off the streets and on Canadian rinks and playing fields.

The \$1 million fund, administered by the True Sport Foundation, benefits youth hockey and soccer programs across the country. During the past year, we received more than 1,400 applications for funding, and distributed grants of \$25,000 and \$5,000 to 152 communities in B.C., Alberta, Ontario and Québec.

One successful applicant was the Ottawa Community Immigrant Services Organization, which is developing a program with the Somali Youth Soccer Association. Together, they are putting the grant to good use, renting gyms for indoor soccer in winter, and soccer pitches during the summer.

Meanwhile, in other parts of the country:

- Vancouver's Strathcona Community Association is partnering with a grade school in an economically depressed area to create year-round soccer programs, so that local youth can find focus, learn important values of teamwork and fair play — and have fun!
- In Vulcan, Alberta, the local recreation board is using its grant money from the Bell Community Sport Fund to complete a new soccer pitch and set up programs to train coaches and referees.
- In Killaloe, Ontario, a community group is installing a concrete floor in its hockey rink to extend the season and provide a venue for summer ball hockey. They will also use part of their grant money to build up a bank of hockey equipment that local youth can share.
- In Montréal, Québec, the Association des Braves operate hockey and soccer programs in a multi-cultural area for approximately 1,200 youth. They are using their grant to purchase new equipment, safety items, first aid kits and uniforms, and are also providing volunteer training and waiving participation costs for economically challenged families.



The Bell Community Sport Fund helped bring winning smiles to many local kids by funding organized sports groups last year.



Bell volunteers stand tall in the service of so many causes, like employee Pierre Héту, who gives generously of his time to the Canadian Ski Patrol. In 2005, Bell volunteers devoted more than 318,000 hours of their time to charities — work valued at more than \$5 million to the organizations they served.

recovered, and recognize the part you played in their rescue effort,” says Pierre. “Volunteering gives back tenfold what you put in.”

That’s why Canadians continue to give generously of their time to a wide variety of causes. Bell employees are no exception. And the company supports them through the Employee Giving Program, providing \$2.1 million in grants to eligible registered charities last year where Bell employees volunteered. During 2005, Bell volunteers devoted more than 318,000 hours to hundreds of causes — work valued at more than \$5 million to the organizations they served. The Canadian Ski Patrol, with whom Pierre volunteers, purchased essential first aid supplies and additional radios for the patrollers with their grant from Bell. A win-win for him and the organization he so admires.

Helping volunteers give back

When the Canadian Ski Patrol came to the aid of Pierre Héту’s son, Pierre was impressed by their professionalism and team spirit — so impressed that he volunteered for the patrol’s 13-week first aid training and certification program.

Today Pierre, a Senior Advisor at Bell Corporate Security, is assisting others on the slopes as a first responder. He loves the highs of helping others in need. “It’s personally satisfying to see someone come back to the ski hill after an accident, fully

“What if...” Bell participates in emergency simulation

The scenario: terrorists hijack a truck loaded with chlorine, which they plan to smuggle into the United States. Cornered in a small Québec town, the terrorists threaten to explode the chlorine. Are plans in place to deal with the emergency?

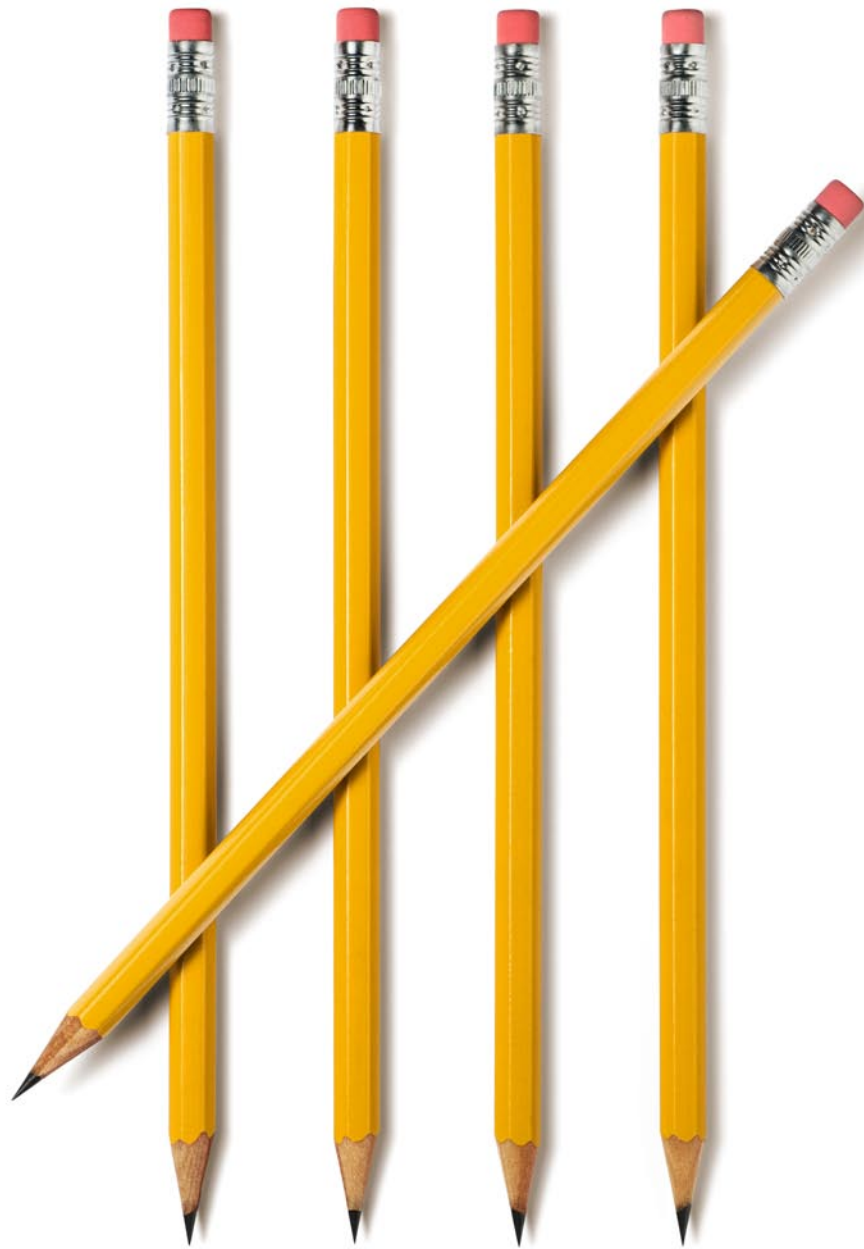
This was the question we helped answer by taking part in “Double Impact 2005,” a joint Québec/Vermont emergency exercise in Saint-Armand, Québec, near the U.S. border. As emergency response personnel converged on the village, communications played a key role. Pierre Benoit, Bell’s Regional Coordinator — Emergency Management, coordinated teams from Mobility, Mobility Radio, Infosat and Bell Wireline to ensure that communications services met expectations.

The exercise was a special challenge. The town of Saint-Armand has no cellular service, which meant moving in a mobile unit, adding phone lines to the first responders’ command centre, and expanding capacity to ensure everyone could talk to each other through the emergency.

Our teams came through. “Communications functioned normally throughout, despite high demand and difficult situations,” says Pierre. That’s good news because, as an essential service provider, all the emergency agencies depend on us.

Emergency response personnel coordinate their efforts in a simulation of a terrorist attack. Communications played a critical role in the exercise and Bell services successfully met the high expectations.





No. 5

SAFEGUARDING
your trust



Engaging our stakeholders

At BCE and Bell, we must not only hear what stakeholders say about the issues, but also act by changing, where appropriate, how we do business.

To get the insight we need, we survey 120,000 customers annually to find out if we're doing a good job and how we could do better. We also hold regular employee

forums, convene joint management and union committees, and encourage feedback at shareholder meetings and on the Web.

“Soliciting feedback from stakeholders has become a prerequisite for organizations striving to achieve best practice in their industry,” says Ka-Hay Law, CSR Advisor — Canadian Business for Social Responsibility. “It can pay huge dividends in understanding current and emerging customer needs.”

During 2005 we sought the opinions of our stakeholders, putting special emphasis on input relating to our corporate responsibility. We surveyed more than 900 Canadians by phone, conducted in-depth interviews with corporate responsibility experts, investors, large customers, government and NGOs, and hosted employee focus groups.

We learned that Bell is seen as a responsible corporate citizen in terms of the environment and community support. We also discovered that we are better regarded in regions where we've been in business longer. Among the issues of concern respondents did cite: Bell's product take-back; customers' use of cell phones while driving; protecting children on the Internet; the proliferation of SPAM; and communications during emergencies.

Our stakeholders recommended that we communicate more about these and other issues, and how we're moving to address them. They also made the eminently sensible suggestion that we encourage our suppliers to live up to the highest standards of corporate citizenship by promoting product safety and sustainable solutions throughout the supply chain.

KEY PERFORMANCE INDICATOR

BCE's GMI Rating* (scale of 1 to 10)

2003	10/10
2004	10/10
2005	10/10
2006	10/10

*GovernanceMetrics International — results of global corporate governance study.

OBJECTIVE: To remain a leader in corporate governance and ethical business conduct by maintaining best practices, transparency and accountability to our stakeholders.

Raising the standard on director elections

For years, BCE shareholders have had the right to vote for individual directors, rather than for a single slate. At our 2005 annual general meeting of shareholders, we refined that important right by switching to a ballot vote from just a show of hands. Under the new **majority voting standard**, BCE's board of directors has also voluntarily established guidelines for uncontested elections, giving shareholders an even stronger voice in how their company is governed.

Sarbanes-Oxley now part of BCE's everyday approach

We launched the BCE/Bell Canada Sarbanes-Oxley Project in 2005 to ensure compliance with relevant sections of the U.S. *Sarbanes-Oxley Act*. That act established rigorous accountability requirements in the wake of several high-profile financial scandals. Our objective is to improve our internal controls and financial reporting, address any gaps and ensure we have the tools and training to make compliance with the Act and other regulations a routine part of doing business.

No. 6

SUPPORTING
our employees





Judy Yeung, a team leader at our Toronto call centre, is one of many Bell Pride-Builders who inspires others through personal commitment and action.

Building pride, by example

Passionate, dynamic, a go-getter. These are the words commonly used to describe Judy Yeung, a team leader at our Toronto call centre who embodies the personal and professional attributes that Bell Pride-Builders are all about.

We launched the PRIDE initiative in 2005 to help identify Bell leaders, like Judy, whose infectious example inspires people around them. PRIDE is based on the premise that people perform

better and are happier on the job when they take pride in their work. Bell's Pride Community of Practice today has over 1,500 members — providing countless examples of success stories to motivate the entire organization.

No question, Judy is inspirational — at work and in the community where, among other things, she is Director of the Mississauga Board of Chinese Professionals and Businesses. Her team at work gives her among the highest leadership marks in the company in the annual survey that measures employee attitudes.

“It’s all about how you talk to people and what you do to make them feel good and worthy,” says Judy, who was named one of 125 Bell Heroes during the company’s 125th anniversary in 2005. “When people feel recognized and good about themselves, they give their best. They stand tall and are proud to represent their company in their communities. Imagine the possibilities if that concept were applied to all Bell employees in communities across Canada! That’s the belief behind building PRIDE.”

But the PRIDE initiative is about much more than motivational stories. It’s also about hard work — for example, Work-Out™ sessions. These are structured forums where employees find solutions to workplace and business challenges. In the past year, we conducted 50 Work-Out sessions with more than 800 front-line employees. These produced results in many areas, from helping find ways to reduce missed service appointments to improving processes so that more of our customers can be served on their first call.

KEY PERFORMANCE INDICATORS

Value

EMPLOYEE VALUE INDEX (BCE excluding Aliant)	
2003	63%
2004	63%
2005	65%

Absences

NON-OCCUPATIONAL ABSENCE COSTS (Bell Canada excluding Aliant)

SHORT-TERM DISABILITY	2005	2004*
Industry benchmark (% of payroll)	1.9	1.9
Indicator: Bell Canada (% of payroll)	2.1	2.4
LONG-TERM DISABILITY	2005	2004*
Industry benchmark (% of payroll)	1.4	1.4
Indicator: Bell Canada (% of payroll)	0.9	1.0

*2003 consolidated data not available, as some subsidiaries did not consolidate company-wide H&S data prior to 2004

OBJECTIVE: Maintain or render non-occupational absence costs below general industry benchmarks in 2006.

Accidents and Diseases

ON-DUTY ACCIDENTS AND OCCUPATIONAL DISEASE COSTS (Bell Canada excluding Aliant)

	2005	2004*
Industry benchmark (% of payroll)	1.2	1.2
Indicator: Bell Canada (% of payroll)	0.40	0.40

*2003 consolidated data not available

OBJECTIVE: Maintain on-duty accident and occupational disease costs below general industry and telecommunications industry benchmarks in 2006.

18,000 Bell Canada employees were equipped to telework in 2005. Active teleworkers increased by 22.2%. The vast majority had high-speed service, boosting productivity away from the office, and offering employees added flexibility.

BELL HELPS IN HURRICANE KATRINA AFTERMATH

Supporting our employees sometimes means helping them support others. In 2005, skilled technicians and crew managers from Bell Canada's Expertech helped restore communications for residents in hurricane-torn Mississippi and Louisiana. We mobilized

270 employees and 140 vehicles



A disaster relief convoy from Bell leaves 240 Attwell Drive in Toronto for Gulfport, Mississippi, to help restore devastated communications services in the region.



Simple Facts puts people in the know

It's quite a simple proposition. The more people know about their company and why decisions are being made, the more they'll care about their shared future. It's so simple, in fact, that we're calling it "simple facts," and we're making sure every director at Bell has the necessary tools for engaging their team in dialogue every single day.

Simple communication, which mirrors our promise of simplicity to customers, includes an on-line toolbox of facts, tips and the all-important success stories that bring the simple facts to life and help create a high-performance culture.

To truly engage employees, we're reducing the reliance on "corporate" information, centrally created and distributed. Instead, we're looking to directors to keep their teams in the know. That means we're empowering them with information they can pass on: The business strategies behind Bell's actions. The technologies that are reshaping our industry. The competitive landscape that's shifting daily. And, of course, the success stories that drive home a point.

Much of this information is contained in *Simple Facts*, a biweekly bulletin of bite-size nuggets of information that directors can easily provide to their teams. "It enables us to reconfirm our understanding of business issues and provides a good snapshot of where the priorities should be," says Saad Saade, Senior Director, Business Segment Billing.



No. 7

EMPOWERING
our customers



The Bell Business Solutions' electronic vote-counting system came out a winner during Québec municipal elections last year.

Making every vote count

Casting a ballot is the bedrock of democracy. And Bell is helping electoral officials get the results more efficiently — and faster.

Last November, 48 Québec communities used Bell's computerized system during their municipal elections. That makes 120 municipalities — and four million citizens — who have benefited from Bell Business Solutions' electronic vote-counting system since 1995.

Not surprisingly, the towns and cities that opted for our electronic system were the first to announce their winners. For example, the Montréal suburb of Longueuil, with a population of some 400,000, had its votes counted just 46 minutes after the polls closed. Other prominent municipalities that cast their ballots for Bell's system were Gatineau, Sherbrooke and Lévis.

OUR RESPONSIBILITY: empower our customers by providing anywhere/anytime access to safe, reliable and innovative communications solutions at a fair price.

Protecting you in cyberspace

When the Kitchener-Waterloo Chamber of Commerce e-mail boxes began to jam up, Chamber management turned to Bell, thinking our server was the problem.

Eric Kingston, Bell's Regional Manager of Network Operations, knew the problem didn't originate with Bell. The Chamber wasn't even a customer. But that didn't stop him and a technician from rushing to the Chamber offices, logging on to their mainframe and figuring out that the Chamber was a victim of a hacker.

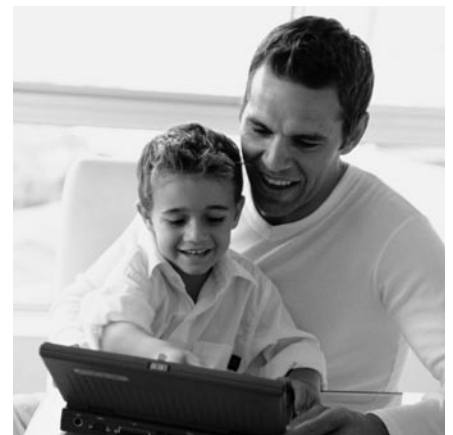
"Why did I do it, even though I knew Bell wasn't involved?" says Eric. "Because of pride in our network. I knew I had the expertise within my team to solve the problem."

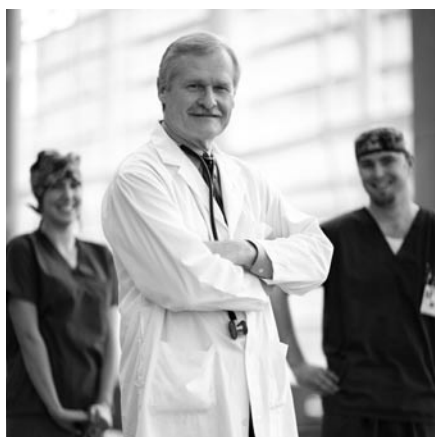
Just one example of how Bell steps up to the challenge of keeping customers — and potential customers — safe in a cyberworld that is increasingly a channel not only for commerce and communications, but also for hackers and scammers.

In February 2005 we launched Bell Security Solutions Inc. to provide network and information security services to Canadian enterprises.

Bell-managed security solutions customers receive the highest level of network security from our state-of-the-art Bell Security Operations Centre. Using advanced detection systems, a team of technicians and security specialists monitors our IP network 24/7, 365 days a year. They're alert to any real and potential security breaches — and ready to respond to avoid any impact on our customers.

In addition, Bell and Bell Security Solutions Inc. were co-founders of the Forum for Information Security Innovation in Canada. This group brings together government, industry and academia to prioritize security initiatives and to bring more focus to the development of products backed by advanced research. BSSI and Bell University Laboratories collaborate on research opportunities, funding the proposals that demonstrate research value.





Dr. Bryce Taylor, Surgeon-in-Chief, University Health Network, with members of the surgical unit. Advanced technologies supported by Bell are giving medical staff unmatched capabilities to provide more timely and safer patient care.

When every second counts

When a metal pipe impaled a Toronto construction worker, medical personnel needed every second to save his life.

They got those seconds, thanks to Bell's advanced wireless communications technologies, part of a \$1 million multi-year commitment to University Health Network's (UHN) surgical centre. The technology enabled the nursing team leader to assemble a surgical team in just minutes — far more rapidly than possible with a conventional paging system.

And the life-saving surgery began soon after the patient's arrival.

Not an unusual story for the state-of-the-art Surgical Centre at Toronto General Hospital. Opened in 2003, it is one of North America's most advanced facilities. With 19 surgical suites, the centre is equipped for everything from organ transplants and open-heart surgery to minimally invasive procedures. All are enhanced with the advanced technologies supported by Bell.

"With the help of this generous gift from Bell Canada, our surgical team at UHN will be able to provide better, more timely and safer care to our patients, and communicate with our health-care partners locally and around the world," says Dr. Bryce Taylor, Surgeon-in-Chief of UHN.

Bell's support of wireless and fibre optic infrastructure gives doctors and nurses unmatched capabilities. For instance,

- staff can summon equipment, deploy experts and flag emergencies faster
- doctors can consult screens that display vital patient information during surgery
- surgeries can be captured on video and streamed live to specialists and students worldwide, for instantaneous consultation and education
- live images can also be sent to an adjacent operating room where, in transplant cases, another surgical team is waiting with an organ recipient
- nurses can monitor each OR from their nursing station, helping to keep families better informed

In the Bell Canada Telesurgery Conference Room, installed near the Surgical Centre, staff can view live video feeds from any of the surgical suites.

KEY PERFORMANCE INDICATOR

e-Solutions

(Bell Canada excluding Aliant)

AS AT DECEMBER 31, 2005

Number of residential customers who receive a single bill for their wireline, Internet, video and wireless services (One Bill)	2,444,715
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Percentage of residential customers who receive One Bill and signed up for paperless billing	1.3%
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OBJECTIVE: Increase the number of residential customers on paperless on-line billing to 4.0% of our customer base in 2006.

Beyond the call of duty

It all began simply. Lt. Col. A.F. (Sandy) Robertson dialled 310-BELL to settle a service problem for his mother before he left for a tour of duty in Afghanistan. Sara Korzeniewski, a Bell service representative, gave the order priority status, wanting the Lieutenant-Colonel's mother to have the service she needed as soon as possible. Sara even went the extra mile, making it possible to have the order completed without Lt. Col. Robertson being at his mother's home to meet the technician.

The soldier was so touched by Sara's understanding that he renamed a patrol in Afghanistan *Patrol Sara One* after the Good Samaritan from Bell — and explained to his soldiers why he was doing it.

Sara only found out about the honour when friends spotted a letter of appreciation from Lt. Col. Robertson in the *Ottawa Citizen*.

This report was printed on Rolland Enviro 100, a paper made from 100% post-consumer recycled fibre and de-inked through a chlorine-free process. It was printed with vegetable-based ink and is recyclable.



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