

# Reporting what is relevant

BCE is Canada's largest communications company, providing residential, business, and wholesale customers with a wide range of wireless and wireline solutions for all their communications needs.

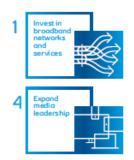
# Our approach to corporate responsibility

Our approach to corporate responsibility begins with our goal of balancing economic growth, social responsibility, and environmental performance as we pursue our ongoing success as a company and work to seek to ensure our continued ability to contribute to the Canadian economy.

Since its founding in 1880, Bell has been the Canadian leader in telecommunications enabling Canadians to connect with each other and the world around them. We take very seriously our responsibility to manage the company in ways that enable us to sustain our record of serving the personal and business communications needs of millions of customers, seek to create value for shareholders, provide meaningful careers for tens of thousands of people, and make a significant contribution to the broader Canadian community and economy.

# Strategic context

Corporate responsibility is a fundamental element of each of the 6 Strategic imperatives that inform Bell's policies, decisions, and actions. We insist on this approach not just because it is the right thing to do, but also because it supports our goal: to be recognized by customers as Canada's leading communications company. For example, while waste management and energy reduction initiatives address important environmental concerns of society, they also create a chain of benefits for Bell. They enable us to operate











more efficiently as part of our imperative to achieve a competitive cost structure (#6). They also align with the values of our team members, driving satisfaction and





engagement. In addition, they free up funds for a variety of purposes, from extending our networks in support of the productivity of Canadian businesses (#1), to investing in the communities we serve. Engaged team members also drive customer satisfaction (#5) which in turn enhances performance in our wireless, wireline and media segments (# 2, 3, 4).

	1	2	3	4	5	6
TOPIC AREA	INVEST IN BROADBAND	ACCELERATE WIRELESS	LEVERAGE WIRELINE	EXPAND MEDIA LEADERSHIP	IMPROVE CUSTOMER SERVICE	ACHIEVE A COMPETITIVE COST STRUCTURE
Team members	✓	<b>✓</b>	<b>✓</b>	<b>✓</b>	<b>✓</b>	<b>✓</b>
Customers	✓	✓	<b>✓</b>	✓	<b>✓</b>	<b>✓</b>
Community, economy, and society	<b>✓</b>	✓	<b>✓</b>	✓	✓	<b>✓</b>
Environment	<b>✓</b>	<b>✓</b>	<b>✓</b>	<b>✓</b>	<b>✓</b>	<b>✓</b>

### Reporting guidelines

At Bell, we have been reporting on social and environmental issues for 25 years. Over the years, our focus has changed many times, but we have always been guided by what stakeholders want to know. We primarily take direction from relevant and internationally recognized reporting standards and guidelines:

Task Force on Climate Related Financial Disclosure (TCFD)
Sustainable Accounting Standards Board (SASB)
International Integrated Reporting Council (IIRC)
UN Sustainable Development Goals (SDGs)
Life Cycle Assessment methodologies
Global Reporting Initiative (GRI)
UN Global Compact (UNGC)
ISO 26000
CDP



<sup>&</sup>lt;sup>1</sup> See Appendix at the end of this document for a detailed explanation of Bell's response to the 10 Principles of the UNGC



# Corporate responsibility topics in our report

The telecommunications industry is the foundation of societal and economic information sharing and commerce. As the Canadian leader in this ever more important, growing, and evolving industry, Bell is an important provider of the infrastructure essential to enable world-class quality and accessible services for all Canadians. As such, we believe we have a responsibility to approach our management of particular issues strategically.

In this document, we identify first those issues that are present in our entire value chain, then those which are simultaneously germane to our stakeholders and have an important impact on our business. In addition, we research expert publications and participate in industry working groups.

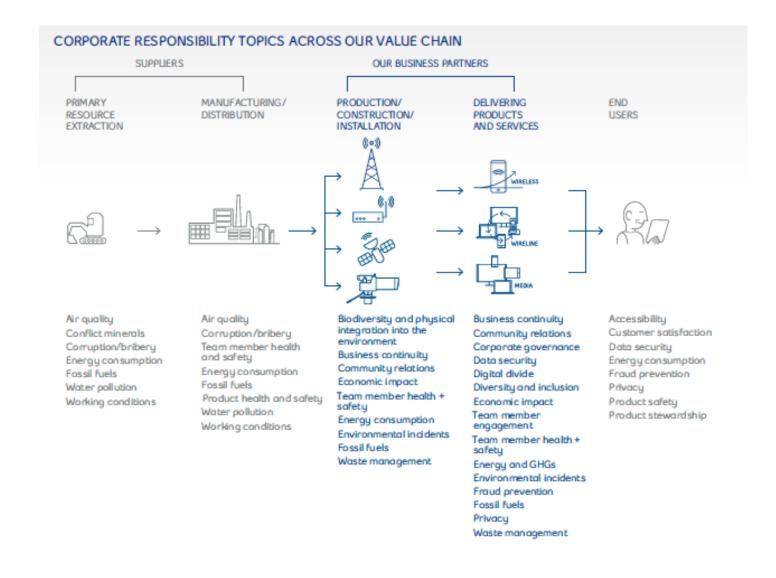
The topics that form the intersection of these exercises are addressed in our Corporate Responsibility report, which includes links to online stand-alone information sheets on our Corporate Responsibility website.

### Corporate responsibility topics across our value chain

A clear view of the company's entire value chain is increasingly important in responsible business practice. Climate-related regulations, the cost and availability of materials and human resources are all examples of value chain risks. At Bell, we make many efforts to continually expand and simultaneously deepen our view of actors and issues in our value chain. While our operations and influence are Canadian-based, we participate in global working groups (such as the Responsible Business Alliance and the UN Global Compact) with industry peers and across industries to amplify our voice.



The diagram below depicts our presence in various industry segments. Related corporate responsibility topics are listed directly below the different parts of the value chain.







### Stakeholder topics that have an important impact on our business

#### STAKEHOLDER ENGAGEMENT

We remain informed on issues that are most important to our various stakeholders through consultation to obtain their feedback.

We identify our most important stakeholder groups based on the extent of the stakeholder group's engagement with the company and their influence on the company. From this analysis emerges a short list comprising customers, civil society/NGOs, suppliers, rating agencies, investors, team members, and unions.

Because issues evolve over time, and new ones emerge, Bell consults this broad range of stakeholders in a variety of ways and on an ongoing basis.

Here are some of the ways we connect with stakeholders:

- We connect with customers frequently through Fizzback and social media
- We connect with NGOs and civil society at formal industry events
- We monitor our dedicated email address for direct feedback
- We participate in annual peer report evaluations (eg. <u>Global Compact Network Canada</u>) and seek expert feedback from EXCEL
- We engage with internal stakeholders throughout the year to get insight into the topof-mind issues of everyone in the networks these subject matter experts have developed, including experts from:

Customer	<b>Business Continuity</b>	Network	Sales
Experience	Mobility	Regulatory Affairs	Unions
Health & Safety	Communications	Procurement	IT
Residential Services	Human Resources	Real Estate	Privacy
Field Operations	Community	Media	
Investor Relations	Investment	Security	

GRI 102-43

GRI 102-21

GRI 102-40





Through our membership in these forward-thinking groups that bring together leaders of the global business community, BCE participates in the development and sharing of innovative thinking that produces practical action. Here are some of the groups in which we are involved:













The insights we draw from all of these experiences help us to determine what to report.

The stakeholder engagement exercises above, combined with an analysis of those issues which have the most important impacts on our business, helped us to identify energy consumption, information security and privacy, e-waste, supply chain, as the most relevant to report. Below we explain how these topics relate to our business.

# Energy consumption

Always a notable component of our business service solutions, energy consumption is becoming more important as our networks grow to support ever-increasing use of wireline services, such as Internet and data hosting, and of wireless services, such as smartphones and tablets. All of these services consume rapidly growing amounts of data to access social networking, cloud computing, mobile TV, mobile commerce, and banking services. Each of these services consumes network energy, thereby affecting Bell's carbon footprint. Adding to the demand is the emergence of Internet of Things (IoT) applications in retail and transportation, such as the connected car, asset tracking, and remote monitoring. Estimates indicate that wireless-only² households represented approximately 43% of households in Ontario,

GRI 102-46

SASB TC0301-08

SASB TC0301-08



<sup>&</sup>lt;sup>2</sup> Households where telephone service is only wireless



Québec, and Atlantic Canada at the end of 2017, compared to approximately 38% at the end of 2016.<sup>3</sup> The consequent growth in wireless data consumption drives up Bell's need for energy to power our networks, making energy efficiency an important issue for our entire industry.

We are also increasing our fibre footprint to deliver services directly to homes in many cities across the country.

The growing trend for companies to use data centres to shift applications and services to the cloud also affects our carbon footprint. This enables carriers like Bell to make more tools and professional services available to business customers while maximizing the efficiency of our networks and business operations. In time, this virtualization will involve both fixed and wireless access network elements, as more functions will move from the customers' premises to centralized, carrier-operated facilities. As a result, carriers will consume more energy while their customers will see their energy consumption decrease. Over time, the net effect will be to reduce overall consumption as virtual activity replaces physical activity and larger carrier-operated platforms become more efficient.

# Information security and privacy

As devices connected to the Internet become smarter, and as data-transmission volumes increase, Bell works continuously to improve the level of information security through the protection and effective organization of systems, applications, and information repositories. This is vital to the secure operation of our networks and business, and critically important to our customers, who, along with our team members, expect that we protect their identities and information to the greatest extent possible.



<sup>&</sup>lt;sup>3</sup> https://crtc.gc.ca/eng/publications1.htm



Electronic waste	Marketplace experience is confirming that, as faster and smarter devices are developed, customers need and want to replace devices more often. That creates more waste. Bell recovers unwanted equipment, even from our competitors' customers. This is an important initiative, given that electronic components may contain environmental contaminants including lead, cadmium, beryllium and brominated flame retardants that generate significant risks for workers and communities involved in the recycling and disposal of e-waste. As a reseller of electronic products, Bell also takes proactive steps to help consumers properly dispose of their unwanted items.
Supply chain	We carefully monitor and manage supply-chain issues. This is especially important because we do not manufacture any of the physical devices required for the services we offer customers. We purchase such products from a limited number of manufacturers, some of which dominate the global market. We remain vigilant in our supply chain management by evaluating the level of risk of key suppliers and by implementing mitigation measures at the contractual phase that improve our resilience to potential risks.

### Importance of the business model

A company's business model directly affects the amount of greenhouse gases (GHGs) it is responsible for reporting and how those gases are calculated and classified among the 3 scopes. In general, the more vertically integrated the company, the greater the potential for GHG responsibility by that company in scopes 1 and 2. For more information on the scopes of greenhouse gas emissions reporting, please see the GHG Protocol's website.

Bell is a case in point. To deliver quality service to our customers, maintain direct control over operations, and promote business continuity that provides secure employment and career development potential, we have vertically reintegrated many of the functions that are often outsourced by other companies in our industry.

For example, our operations include installation technicians – Bell Technical Services (BTS) – and many construction projects – carried out by Expertech Network Installation Inc. (Expertech) – all of which depend on a fleet of vehicles to take team members to our customers and job sites. These activities increase our Scope 1 GHGs (direct GHG



emissions from sources that are owned or controlled by Bell) relative to other telecoms that outsource such functions.

In addition, we have become more diversified in our effort to facilitate sustainable growth in the business. For example, we created Bell Media Inc. (Bell Media) after acquiring

In addition, we have become more diversified in our effort to facilitate sustainable growth in the business. For example, we created Bell Media Inc. (Bell Media) after acquiring broadcast and other media companies such as CTV Globemedia Inc. and Astral Media Inc. This has increased the overall consumption of energy that we account for in our Scope 2 emissions (indirect GHG emissions associated with the consumption of purchased electricity, heat, steam and cooling). That said, it does not necessarily mean Scope 2 emissions have increased since the time when Bell Media assets were separate, non-BCE operations.

Our integrated structure also affects the amount of waste we generate. In contrast to some other telecommunications companies, Bell has integrated production, installation, and construction functions. This means we are accountable for managing waste created through these functions, unlike companies that outsource these operations. We could outsource and thereby reduce our waste-to-landfill quantity, but that would not necessarily improve overall waste sent to landfill. As well, by managing our network waste ourselves, we maintain control over functions that directly affect customer service and operations.

# Other influences on our reporting

In addition, we use proxies to inform which content we should address in our report. We monitor corporate responsibility issues and opportunities externally through surveys, customer requests for proposals, trend analyses, benchmark studies, and other research.

Here are a few of the sources we consult:

United Nations Universal Declaration of Human Rights

**ILO** International Labour Standards

**United Nations Convention Against Corruption** 

**RBA** Code of Conduct

Analysts from UNPRI, Corporate Knights, Bloomberg ESG, oekom, Vigeo, Institutional Shareholder Services (ISS), and Sustainalytics update us on what is important from our investors' perspective.

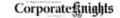


















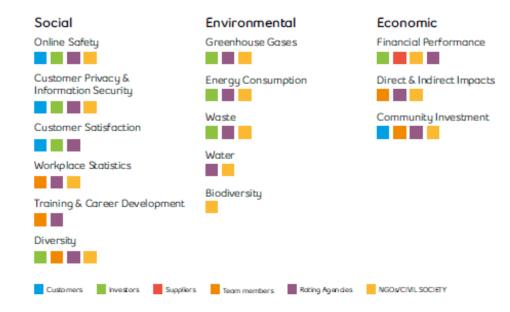
All these consultations inform us on the social, environmental, governance and economic issues that matter most to our business and to our stakeholders. As a result of our consultations, and taking into account current research, the most relevant responsibility issues discussed in this report include:

Governance

Supplier Screening

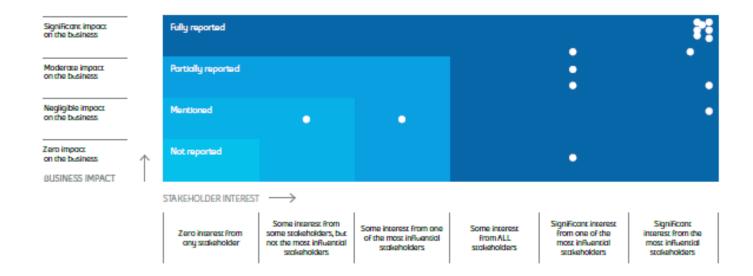
Regulatory Compliance

### PRIORITY CORPORATE RESPONSIBILITY ISSUES





The following image illustrates how we prioritize these topics and determine the depth to which each is discussed in the report:





# Appendix: How Bell addresses the United Nations Global Compact principles

Since 2006, Bell has been a signatory of the United Nations Global Compact, a set of universal principles. As a signatory, BCE is committed to report on our initiatives related to the following issues:

### Human rights

Bell is a strong advocate of human rights. Our <u>Code of Business Conduct</u> requires each team member to demonstrate an unwavering respect for each other's uniqueness, including culture, ethnicity, gender, gender identity, age, religion, disability and sexual orientation, among other things. The company believes an inclusive work environment based on merit and fairness not only helps each employee reach his or her potential, but also strengthens the company as a whole by broadening its perspective of the human experience.

To that end, we respect and actively support the human rights of all groups of employees, including, for example, Lesbian, Gay, Bisexual, and Transgender (LGBT) individuals. We have in place non-discrimination policies that go beyond the minimum legal requirements and dedicate resources to support LGBT rights inside and outside the workplace. For details on Bell's employee programs, events, and our support to the LGBT community see the Team Member section in our report in the Responsibility section of our website.

Beyond that, we exert influence through value-chain management. Because of the proliferation of global sourcing and distribution, companies must be aware of potential human rights issues both upstream and downstream. To address this issue, Bell has had a <u>Supplier Code of Conduct</u> in place since 2007. As well, the company has adopted measures in our purchasing operations with the objective of avoiding conflict minerals that finance or benefit armed groups.

PRINCIPLE 1: BUSINESSES SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS

PRINCIPLE 2: MAKE SURE THAT THEY
ARE NOT COMPLICIT IN HUMAN
RIGHTS ABUSES

PRINCIPLE 3: BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING

PRINCIPLE 4: THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR

PRINCIPLE 5: THE EFFECTIVE ABOLITION OF CHILD LABOUR

PRINCIPLE 6: THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION





Through our Bell Let's Talk initiative to improve mental health, we not only build stronger relationships in the communities we serve, we are also leading the national effort to improve employee mental-health support in the workplace. For more information on the Bell Let's Talk initiative, please visit <u>letstalk.bell.ca</u>.

Our insistence on fairness extends to recognizing the right of our employees to be fairly compensated. Our sustained success as a business enables us to offer high-value careers in an important industry with a company that prides itself on a solid social, environmental and governance record. We believe this enables us to attract the very best new recruits, thus helping us sustain our progress. Consequently, we provide our employees with a very competitive compensation package, including wages and extensive benefits. For more information see the Team Member section in our report in the <u>Responsibility section</u> of our website.

#### Environment

Our commitment to minimize our environmental impact is deeply rooted in the values of our team members. Since the early 1990s when we began reporting on the environmental impacts of our operations, we have been actively putting those values into practice. We have developed numerous programs and, indeed, an environmental management system that resulted in Bell being the first telecommunications company to receive ISO 14001 certification in Canada. Our programs are outlined in the Environment section of our report in the Responsibility section of our website.

### Labour

Bell recognizes that the ongoing transformation and growth of the company, and our continued contribution to the Canadian economy, rests on the shoulders of our workforce. The company makes every effort to ensure our workplace policies and programs at least meet the minimum legal requirements placed on us by the highly regulated labour market in which we operate, where most of our team members are protected by federal and/or provincial employment legislation. In many cases, we exceed the minimum requirements. For internal labour practices, Bell has a robust Code of Business Conduct designed to support the most stringent international labour principles, including those set out in International Labour Organization (ILO) conventions.

PRINCIPLE 7: BUSINESSES SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES

PRINCIPLE 8: UNDERTAKE
INITIATIVES TO PROMOTE GREATER
ENVIRONMENTAL RESPONSIBILITY

PRINCIPLE 9: ENCOURAGE THE
DEVELOPMENT AND DIFFUSION OF
ENVIRONMENTALLY FRIENDLY
TECHNOLOGIES

PRINCIPLE 10: BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY.



For more information see the Team Member section in our report in the <u>Responsibility</u> section of our website.

We expect suppliers to uphold the human rights of workers, and to treat them with dignity and respect in compliance with internationally accepted standards as defined in the ILO conventions and regional or national legislation governing working conditions. Bell's <u>Supplier Code of Conduct</u> addresses issues in the supply chain including but not limited to:

- Freely chosen employment
- Non-discrimination
- Child labour avoidance
- · Freedom of association and collective bargaining
- Working hours, wages, and benefits

For more information see the Community, society and economy section section in our report in the <u>Responsibility section</u> of our website.

### Anti-corruption

To meet our ethical obligations to our customers, shareholders, and ourselves, we work hard to adhere to the most rigorous standards of business conduct. Our efforts have been recognized by external agencies but we understand – as we have for our entire 136-year history – that we must earn the trust people put in us every day in every interaction with customers, shareholders, suppliers, fellow team members and the broader public. That is why we are all required to reread the Bell Code of Business Conduct and make a signed personal commitment to its provisions each year. The Code clearly explains the values and standards of behaviour expected from every team member in all aspects of our business.

