



**Independent Limited Assurance Report on the selected sustainability information included in the Bell Canada Corporate Responsibility Report**

For the year ended December 31, 2014

Prepared in accordance with:

International Standard on Assurance Engagements 3000, *Assurance engagements other than audits or reviews of historical financial information* (“ISAE 3000”) and International Standard on Assurance Engagements 3410, *Assurance Engagements on Greenhouse Gas Statements* (“ISAE 3410”).

The contents of this report are strictly confidential, and its use is restricted. Unauthorized use of this report, in whole or in part, is strictly forbidden.



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**SECTION I: Independent practitioner’s limited assurance report on the “Key Performance Indicators Appendix” and “Greenhouse Gas Emissions Report” of the Bell Canada Corporate Sustainability Report 2014**

**To the Board of Directors and Management of Bell Canada**

We have undertaken a limited assurance engagement of the “Key Performance Indicators Appendix” and of the “Greenhouse Gas Emissions Report” (together “the subject matter”) contained in the Bell Canada Corporate Sustainability Report for the year ended December 31, 2014. This engagement was conducted by a multidisciplinary team including assurance practitioners, engineers and individuals with environmental experience.

***Scope and subject matter***

Our scope is limited only and exclusively to the above mentioned appendices and is not extended to any other information, note, section and paragraph of the Bell Canada Corporate Sustainability Report.

We were not engaged to report on comparative figures for the prior years and we were not engaged to report on trends, variances and any other additional information not specifically mentioned in the following Scope and subject matter paragraph.

With reference to the “Key Performance Indicators Appendix”, our limited assurance engagement was performed on the following:

- Community Investment
- Recovery
- Service Access
- Responsible Procurement
- E-Billing
- Employee Engagement
- Health and Safety

With reference to the Appendix “Greenhouse Gas Emissions Report” (the “GHG statement”), our limited assurance engagement was performed on the following:

- Scope 1 emissions
- Scope 2 emissions
- Scope 3 emissions

The organizational boundaries for each Key Performance Indicator have been disclosed in the above mentioned appendices.

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*PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.  
1250 René-Lévesque Boulevard West, Suite 2800, Montréal, Quebec, Canada H3B 2G4  
T: +1 514 205 5000, F: +1 514 876 1502, [www.pwc.com/ca](http://www.pwc.com/ca)*



### ***Bell Canada's Responsibility***

With reference to the “Key Performance Indicators Appendix”, Bell Canada is responsible for the selection and application of the reporting criteria (the “Applicable Criteria”) detailed in the above mentioned appendix . Bell Canada is responsible for the preparation and presentation of the appendix in accordance with the reporting criteria. Bell Canada is also responsible for maintaining adequate records and internal controls that are designed to support the reporting process.

With reference to the appendix “Greenhouse Gas Emissions Report”, Bell Canada is responsible for the preparation of the “Greenhouse Gas Emissions Report” in accordance with the principles and requirements of ISO 14064-1 and the GHG Protocol – A Corporate Accounting and Reporting Standard Revised Edition (the “GHG Applicable Criteria”), applied as explained in the appendix. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a Greenhouse Gas emissions report that is free from material misstatement, whether due to fraud or error.

### ***Inherent Uncertainty***

Non-financial data is subject to more inherent limitations than financial data, given both the nature and the methods used for determining, calculating, sampling or estimating such data. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

Greenhouse Gas quantification is also subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

We have not carried out any work on data reported for prior reporting periods nor in respect of future projections and targets. We have not conducted any work outside of the agreed scope and therefore restrict our conclusion to the above mentioned subject matter.

### ***Our Independence and Quality Control***

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 (*ISQC 1 – Quality control for firms that perform audits and reviews of financial statements and other assurance and related services engagements*, issued by the International Auditing and Assurance Standards Board, International Federation of Accountants) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



### ***Our Responsibility***

Our responsibility is to express a limited assurance conclusion on whether anything has come to our attention to indicate that the “Key Performance Indicators Appendix” and “Greenhouse Gas Emissions Report” is not stated, in all material respects, in accordance with the “Applicable Criteria” and the “GHG Applicable Criteria”, respectively.

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance engagements other than audits or reviews of historical financial information*, and ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board. These standards require that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance on the subject matter.

A limited assurance engagement undertaken in accordance with ISAE 3000 and ISAE 3410 involves assessing the suitability in the circumstances of Bell Canada’s use of the Applicable Criteria and GHG Applicable Criteria, assessing the risks of material misstatement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the statements. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Through inquiries, obtained an understanding of Bell Canada’s control environment and information systems relevant to emissions quantification and reporting, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- Evaluated whether Bell Canada’s methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Bell Canada’s estimates.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Bell Canada’s subject matter, including the “Key Performance Indicators Appendix” and the “Greenhouse Gas Emissions Report”, has been prepared, in all material respects, in accordance with the Applicable Criteria and the GHG Applicable Criteria applied as explained in these appendices.



***Limited Assurance Conclusion***

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the “Key Performance Indicators Appendix” and the “Greenhouse Gas Emissions Report” included in the Bell Canada Corporate Sustainability Report for the year ended December 31, 2014 are not prepared, in all material respects, in accordance with the Applicable Criteria and the GHG Applicable Criteria.

***Restriction on use***

This report, including the conclusion, has been prepared solely for the Board of Directors and Management of Bell Canada, to assist Management in reporting on the company’s sustainability performance and activities. We permit the disclosure of this report within the Bell Canada Corporate Sustainability Report for the year ended December 31, 2014, to enable Management to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report on the selected information contained in the report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors and Management of Bell Canada for our work or this report, save where terms are expressly agreed and with our prior consent in writing.

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*PricewaterhouseCoopers* LLP

June 26, 2015  
Montréal (Quebec)

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<sup>1</sup>CPA auditor, CA, public accountancy permit No. A113424



**SECTION II: 2014 Bell Canada “Key Performance Indicators Appendix” and “Greenhouse Gas Emissions Report”**

# 2014 BCE, Inc. Corporate Responsibility Report

## Key Performance Indicators Appendix

### INTRODUCTION

This document describes the methodology and assumptions related to the Key Performance Indicators (“KPIs”) presented on pages 6 and 7 of the BCE, Inc. 2014 Corporate Responsibility Report which covers the period from January 1, 2014 to December 31, 2014.

The scope of the KPIs is specified in the table below. Where noted, reference to BCE group of companies includes Bell Aliant Inc. and its subsidiaries, and is referred to, collectively, as “BCE”, “Bell”, “Bell Canada”, “we”, “us”, “our” or “company”.

<b>KPI</b>	<b>Description</b>	<b>Assertions for the year ended December 31, 2014</b>	<b>Business units included in the organizational boundaries</b>	<b>Methodology and assumptions</b>
Community investment	Investment in communities	\$20.2M	All of BCE	Community Investment (CI) represents the total cash contribution compiled from charitable receipts.
Recovery	Diversion rate for recovered waste	69.4%	Excluding Nexxia and Bell Aliant operations in Atlantic Canada	This KPI is calculated as the quantity of recycled waste (materials such as metal, oil, paper, plastic rubber, cardboard, glass and wood) and valorized waste (portion of the used oil that cannot be recycled and some plastic, both are used as fossil fuel substitutes) as a percentage of the total waste collected from each business unit.
Service access	Population covered by Bell’s 4G LTE wireless network	86%	All of BCE	This KPI is calculated as the Canadian population covered by Bell 4G LTE wireless network using <i>Mentum Planet</i> (an industry benchmark model) as a percentage of the total Canadian Population reported by Statistics Canada (Census data, published 2011).

<b>KPI</b>	<b>Description</b>	<b>Assertions for the year ended December 31, 2014</b>	<b>Business units included in the organizational boundaries</b>	<b>Methodology and assumptions</b>
Responsible procurement	<p>Increase the number of products covered by eco-criteria.</p> <p>Continuously improve our responsible procurement program.</p>	<p>In 2014, we developed packaging guidelines for tangible products that will be added as part of the renewal cycle for existing contracts.</p> <p>In addition, we added controls in our centralized procurement process to identify suppliers of products we resell, lease or distribute to customers that contain “conflict minerals”.</p>	All of BCE	<p>We developed packaging guidelines by benchmarking global and industry best practices. These guidelines will be added during the contract renewal cycle for existing contracts and integrated in the procurement process.</p> <p>Controls refer to:</p> <ul style="list-style-type: none"> <li>• Bell’s contract tracking tool used to ensure that all contracts are covered</li> <li>• Added mandatory questions in the RFP management tool and process</li> <li>• Escalation process in place with the Bell Legal Services for issue resolution related to standard “conflict minerals” template clauses</li> <li>• Training that was provided to all the category managers, technical primes, and directors on the escalation process</li> </ul> <p>“Conflict minerals” has the same meaning as the definition given by the U.S. Securities and Exchange Commission (SEC).</p>
E-billing	Percent of bills produced by Bell that are electronic	<p>46% of all bills produced by Bell (excluding Bell Aliant)</p> <p>42% of all bills produced by Bell (including Bell Aliant)</p>	All business and residential services (excluding Northwestel)	This KPI is calculated as the number of e-bills issued (compiled by the IT Billing Service) as a percentage of the total number of bills issued.
Employee engagement	How employees feel about their job, their department, and the company as a whole	71%	Bell Canada (excluding Bell Aliant), BTS, and Expertech	This KPI is calculated as the average score obtained in the employees satisfaction survey of 2014.
Health and safety	Accident rate in the workplace	In 2014, we created a new H&S policy and conducted a risk	Bell Canada, Bell Media, Bell Aliant, BTS, and	This KPI is calculated as the total number of lost work cases every 200,000 hours worked.

<b>KPI</b>	<b>Description</b>	<b>Assertions for the year ended December 31, 2014</b>	<b>Business units included in the organizational boundaries</b>	<b>Methodology and assumptions</b>
		assessment to identify workplace hazards  The frequency rate was 1.26	Expertech	A lost work case is a case or injury which results in an employee being unfit for work on the next regularly scheduled day after the day of occurrence of the event
Climate change	Greenhouse gas emissions in CO <sub>2</sub> equivalent.	See 2014 Bell Canada Greenhouse Gas Emissions Report Appendix attached hereto.		

# 2014 Bell Canada Greenhouse Gas Emissions Report

## INTRODUCTION

This Greenhouse Gas (GHG) emission report was prepared in accordance with the principles and requirements of ISO 14064-1 and the GHG Protocol – A Corporate Accounting and Reporting Standard (Revised Edition) and has been used to report Bell's GHG emissions to the Carbon Disclosure Project and other corporate disclosures. Bell reported a total of 411,984 tonnes of carbon dioxide equivalent ("CO<sub>2e</sub>"), which includes Scope 1, 2 and 3 emissions, for the time period from January 1<sup>st</sup> to December 31<sup>st</sup> 2014.

## ORGANIZATIONAL BOUNDARIES

Bell applies the operational control approach to determine the scope of reporting for its subsidiaries and divisions. The following list identifies the businesses included in the organizational boundaries:

- BCE Nexxia
- Bell Canada
- Bell Media
- Bell Mobility
- Bell Mobility Channels
- Bell Technical Solutions
- Expertech
- Northwestel
- The Source
- Bell Aliant

The table below reports Bell's scope 1, 2, and 3 emissions for the year ending December 31st, 2014.

Scope	Operational Boundary	Total Emissions in tonnes of CO <sub>2e</sub> *
Scope 1	Direct emissions controlled by Bell includes accidental release of ozone depleting substances from cooling equipment, burning of fuel oil and natural gas in buildings, combustion of diesel for its telecommunication towers and transmission equipment, combustion of propane for its maintenance equipment and combustion of diesel and gasoline for its vehicle fleet and generators.	140 162
Scope 2	Indirect emissions associated with energy corresponding to the production and transmission of electricity required by Bell's activities, in its buildings and other facilities.	262 298
Scope 3	Other indirect emissions include business travel for Bell employees, including travel by air, rail, rented vehicles and personal vehicles.	9 525
TOTAL		411 984

*\*Rounding of numbers may affect total figures presented*

## METHODOLOGY AND ASSUMPTIONS

### Scope 1

Fossil fuels :

The volumes of diesel, fuel, gasoline, natural gas and propane consumed are established by compiling the Canadian dollars spent (\$) from the company's energy finance reports that are converted into volume using average cost per unit of energy per substance and province. Average cost per unit is determined by using best estimates for the time period covering January 1<sup>st</sup> to December 31<sup>st</sup> 2014.

Emissions were calculated by multiplying these fossils fuel volumes by the emission factors taken from the Canada National Inventory Report (National Inventory Report 1990-2012: Greenhouse Gas Sources and Sinks in Canada Part 2).

The total GHG emissions, in tonnes of CO<sub>2</sub>e, were calculated by multiplying the mass of each gas (CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O) by its global warming potential (GWP) and adding up the totals. GWPs used are from the IPCC Fourth Assessment Report: Climate Change 2007. (GWP of CO<sub>2</sub> = 1, GWP of CH<sub>4</sub> = 25 and GWP of N<sub>2</sub>O = 298).

Biomass emissions were calculated by applying the following assumption on the volume of diesel and gasoline consumed: 2% biodiesel content in diesel and 5% ethanol content in gasoline.

Ozone depleting substances (ODS):

Volume of ODS accidentally released is acquired by compiling volumes reported within our incident response management system. Emissions were calculated by applying the appropriate Global Warming Potential for each substance using the IPCC Fourth Assessment Report: Climate Change 2007.

### Scope 2

Facilities with electricity financial information:

Electricity volume in kilowatt hours (kWh) is established by compiling the Canadian dollars spent (\$) from the company's energy finance reports and converting them into volumes using the best estimated average cost per unit of energy (\$/kWh) per province for the time period covering January 1<sup>st</sup> to December 31<sup>st</sup> 2014.

Facilities with no financial information:

The volume is established by using an average kilowatt hour (kWh) consumption per square foot (sq. ft.). This average is calculated from direct energy consumption information that was extrapolated from a representative sample of buildings.

Electricity emission factors were then applied to the total 2014 kWh consumed by location to calculate tonnes of CO<sub>2</sub>e. Canadian emission factors were sourced from the National Inventory Report - (1990-2012) - part 3, Annex 13.

### Scope 3

Air/Rail travel:

Information originated from travel agency reports and includes flight segment and mileage for flight and rail travel. Flight segments are then sorted as domestic, short and long haul as per EPA'S , *Optimal Emissions from Commuting, Business Travel and Product Transport (EPA, 2008, p. 7)*. Flight segment and rail mileage are then converted to tonnes of CO<sub>2</sub>e using *Emission-Factors-from-Cross-Sector-Tools-(August-2012).xlsx Sheet Reference - EF Public* published on the Greenhouse Gas Protocol web-site.

Rented vehicles with no information on volume of gasoline consumed:

Volume of gasoline in litres is established by compiling the Canadian dollars spent (\$) for gasoline with the car rental companies and converting it to volume using average cost (\$/L) from current best estimates for the time period from January 1<sup>st</sup> to December 31<sup>st</sup> 2014.

Emissions are then calculated following the same methodology as described for fossil fuels (please see above). For this calculation, Bell assumed that all rented vehicles run on gasoline.

Rented vehicles with information on volume of gasoline consumed:

Information provided from rental agency reports includes volume of gasoline in litres for gasoline for the time period covering January 1<sup>st</sup> to December 31<sup>st</sup> 2014.

Emissions are then calculated following the same methodology as described for fossil fuels (please see above). For this calculation, Bell assumed that all rented vehicles run on gasoline.

Employee personal vehicle use for business travel:

Mileage is established by converting employee mileage expenses (\$) into kilometres. They are then converted to fuel consumption (L) using a consumption average. Emissions are then calculated following the same methodology as described for fossil fuels (please see above)