

BCE INC. 2017 CORPORATE RESPONSIBILITY REPORT



BCE at a glance

BCE at a g	lance
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Team members	Named one of Canada's Top Employers for Young People	Hired more than 1,000 students across Canada	Joined the 30% Club to help accelerate progress toward better gender balance	Defined benefit pension plans are now funded at 99% on a solvency basis
	Top Employer	1,000	30%	99%
Customers	More than 22.1 million total subscriber connections across our full range of services	\$4.03 billion of capital investment	Virgin mobile Canada earned the highest ranking in overall customer care satisfaction in the J.D. Power 2017 Canadian wireless customer care study	Customer satisfaction with our technicians is at a record high of 95%
	22.1M	\$4.03B	#1	95%
Community, economy, and society	Bell Let's Talk commitment to Canadian mental health has reached \$93,423,628.80	Bell invests more than \$500 million in R&D each year	28 secure data centres across Canada	Bell team members have access to a network of 54 electric vehicle charging stations in Bell buildings
	\$93,423,628.80	\$500M	28	54
Environment	Bell named one of Canada's Greenest Employers by Mediacorp	Generated 230,000 kWh of renewable energy from solar and wind power sources	Recovered almost 4.8 million used TV receivers, modems, and mobile phones	Environmental management system certified to be ISO 14001-compliant since 2009
	Greenest	230,000 kWh	4.8M	ISO 14001

Message from the CEO

Delivering benefits to Canadians with a strategy of innovation and growth

Message from the CEO

Canada's largest communications company, Bell provides consumers, business and government with tools to drive the country's economy, enrich its culture and connect Canadians everywhere with the information and resources they need to fulfill their ambitions.

From unparalleled capital investments in broadband fibre and mobile LTE connections to the development of new 5G (Fifth

Generation) wireless and Internet of Things technologies, the Bell team is helping to create opportunities for Canadians to succeed in the global economy.

This report outlines our progress in delivering for customers, enabling our team members and creating value for shareholders as we adhere to the most rigorous governance and ethical standards throughout both our business and our supply chain.

Diligent execution

The Bell team is dedicated to a clear goal: for Bell to be recognized by customers as Canada's leading communications company. To achieve it, we are focused on the execution of 6 Strategic imperatives:

- Invest in broadband networks and services
- Accelerate wireless
- Leverage wireline momentum
- Expand media leadership
- Improve customer service
- Achieve a competitive cost structure.

It is a strategy of broadband investment and innovation that is delivering outstanding financial and operating results today and positioning the company to lead the way in Canadian communications going forward.

It is a strategy that is also delivering benefits for Canadians everywhere: rapid growth in fibre and wireless coverage and speeds; innovative and exclusive communications products and services; outstanding original content across every media platform; and a progressively better customer experience. All empowering Canadians and putting the country at the leading edge of the digital revolution.

We achieved historic growth across our broadband services last year, adding 1.26 million net new postpaid wireless, Fibe TV and Internet customers. More and more Canadians are leveraging Bell's broadband leadership to help them achieve their own goals.

Leading networks

In 2017, our Quad Band LTE-A wireless service was the first in North America to deliver theoretical data speeds of up to 750 Mbps; and in early 2018, we became the first to deploy a network capable of Gigabit-plus speeds. These and other advances are driving ongoing growth in data usage and consistent improvements in customer satisfaction.

Message from the CEO

We have turned on our all-fibre network in centres from Newfoundland and Labrador to Manitoba, including Toronto, and recently announced our next major fibre to the premises (FTTP) project: an additional 1.3 million homes and business locations in Ontario's fast-growing GTA/905 region. Leadership in the deployment of next-generation fibre has made Bell the #1 provider of both TV and Internet services in the country.

WE ACHIEVED HISTORIC GROWTH
ACROSS OUR BROADBAND SERVICES
LAST YEAR, ADDING 1.26 MILLION NET
NEW POSTPAID WIRELESS, FIBE TV
AND INTERNET CUSTOMERS

Sustaining mental health momentum

The ground-breaking Bell Let's Talk mental health initiative is the flagship of Bell's investment in the national community. Bell Let's Talk Day 2018 set another record as a positive force for engagement and change, generating 138,383,995 calls, texts and

social media interactions and leading a further Bell donation of \$6.9 million to support anti-stigma, research, care and access, and workplace leadership initiatives in what remains the largest corporate commitment to mental health in Canada.

Executing the workplace leadership pillar at Bell, we further enhanced our training for managers throughout Bell to support team members who struggle with mental health challenges, and increased funding for psychological and related benefits for all team members. We were proud when Excellence Canada named Bell to its highest Order of Excellence for our long-term commitment to workplace mental health.

Engaged Workforce

Mental health leadership is essential to Bell's commitment to sustaining an inclusive and high-performance employee culture, one that supports a safe and healthy workplace, values diversity and provides continuous learning opportunities to enable our success in our evolving business environment.

We are focused on attracting, developing and retaining the best talent in the country by providing a workplace that enables creativity and innovation, one where all team members feel valued, respected and supported and able to achieve their full potential. We are proud to be ranked as a Top Employer both across Canada and in Montréal, our headquarters city where Bell was founded in 1880.

Reflecting our commitment to ensuring an inclusive, equitable and accessible workplace, Bell was named one of Canada's top diversity employers in 2017 and recognized at the Employment Equity Achievement Awards. We were also ranked as a top employer of young people thanks to our extensive graduate recruitment and career development programs. Bell offers young Canadians unmatched opportunities to build careers in a range of disciplines at the forefront of technology, communications and media.

Environmental leadership

Our commitment to the environment has been recognized by organizations that track sustainability excellence such as Corporate Knights. We were the first Canadian communications company to receive ISO 14001 certification for our environmental management system, and we participate in organizations such as the Responsible Business Alliance and support the principles the United Nations Global Compact.

Bell has been connecting Canadians to each other and the world for the last 138 years, and we now have more than 50,000 team members—1 in every 395 working Canadians—serving customers in every province and territory of the country. Through unparalleled investment in broadband communications, and in the communities we serve, we are all dedicated to taking Bell's proud legacy of service, innovation and responsibility forward.



George A. Cope
President and Chief Executive Officer
BCE Inc. and Bell Canada

About this report

About this report

This report, together with the information and documents available in the Responsibility section of <u>BCE's website</u>, summarizes Bell's 2017 corporate responsibility (CR) performance. It has been prepared in accordance with the Global Reporting Initiative (GRI) Standards-Core option and adheres to the principles of the United Nations Global Compact (UNGC). It describes actions we have taken to implement these guidelines and principles, and serves as our Communication on Progress (COP), as required for all companies that endorse the UNGC.





Caution concerning forward-looking statements

Certain statements made in this report are forward-looking statements. These statements include, but are not limited to, statements relating to our business outlook, objectives, plans and strategic priorities, including, in particular, our corporate responsibility objectives (which include, without limitation, our objectives concerning landfill, e-waste recovery, community investment, remaining a leader in corporate governance and ethical business conduct, and reductions in the level of our greenhouse gas emissions), our network deployment plans and related expected capital investments, and other statements that are not historical facts. Forward-looking statements are typically identified by the words assumption, goal, quidance, objective, outlook, project, strategy, target, and other similar expressions or future or conditional verbs, such as aim, anticipate, believe, could, expect, intend, may, plan, seek, should, strive, and will. All such forward-looking statements are made pursuant to the 'safe harbour' provisions of applicable Canadian securities laws and of the United States Private Securities Litigation Reform Act of 1995.

Forward-looking statements, by their very nature, are subject to inherent risks and uncertainties and are based on several assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from our expectations expressed in, or implied by, such forward-looking statements and that our business outlook, objectives, plans and strategic priorities may not be achieved. As a result, we cannot guarantee that any forwardlooking statement will materialize and we caution you against relying on any of these forward-looking statements. Refer to BCE's 2017 Annual MD&A dated March 8, 2018 (included in the BCE 2017 Annual Report), BCE's 2018 First Quarter MD&A dated May 2, 2018 and BCE's news release dated May 3, 2018 announcing its 2018 first quarter results, filed by BCE with the Canadian provincial securities regulatory authorities (available at Sedar.com) and with the U.S. Securities and Exchange Commission (available at SEC.gov), for a description of certain risks and assumptions that could cause actual results or events to differ materially from our expectations expressed in, or implied by, forward-looking statements contained in this report. These documents are also available at BCE.ca.

About this report

The forward-looking statements contained in this report describe our expectations as of June 6, 2018 and, accordingly, are subject to change after such date. Except as may be required by Canadian securities laws, we do not undertake any obligation to update or revise any forward-looking statements contained in this report, whether as a result of new information, future events or otherwise. Except as otherwise indicated by BCE, forward-looking statements do not reflect the potential impact of any special items or of any dispositions, monetizations, mergers, acquisitions, other business combinations, or other transactions that may be announced or that may occur after June 6, 2018. The financial impact of these transactions and special items can be complex and depends on the facts particular to each of them. We therefore cannot describe the expected impact in a meaningful way or in the same way we present known risks affecting our business.

Forward-looking statements are presented in this report for the purpose of assisting readers in understanding, in particular, certain key elements of our corporate responsibility objectives, and in obtaining a better understanding of our anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes. The nature and value of capital investments expected to be made by Bell Canada to implement its network deployment plans assume, in particular, our ability to access or generate the necessary sources of capital to fund such capital investments.

Target audiences

This report provides information relevant to BCE team members, our customers, the community, governments, civil society/NGOs (non-governmental organizations), investors and rating agencies. Please see <u>Reporting what is relevant</u> for details on stakeholder engagement.

Format

As part of our objective to reduce our carbon footprint, since 2007, our annual Corporate Responsibility Report has been available online only. The PDF is accessible and easily read on a standard computer screen and most screen readers used by the visually impaired. Additional documents are linked from this PDF to BCE's website.

Reporting period and organizational boundaries

GRI 102-50, 102-52

Unless otherwise specified, this report covers the period from January 1 to December 31, 2017. Unless otherwise stated, data are valid as at December 31, 2017. This report contains data about the BCE group of companies, referred to collectively in this report as "BCE", "Bell", "Bell Canada", "we", "us", "our" or "company". The companies of the BCE group are those over which we have strong financial and managerial control. This report does not include data from Bell MTS (as subsequently defined), Quantrics Enterprises Inc., or AlarmForce Industries Inc. (AlarmForce), unless otherwise stated.

BCE publishes a corporate responsibility report annually. Our most recent report was published in 2017 and can be found in the <u>Responsibility section</u> of our website at BCE.ca

GRI 102-10, 102-48, 102-49, 102-53

Major changes since last report

We review how and what we report every year, with an effort to continuously improve our reporting processes and procedures for corporate responsibility reporting. We welcome your feedback and suggestions. Please send any questions or comments to responsibility@bell.ca

As appropriate to maintain or improve the accuracy or comparability of data and performance trends between years, and/or where any variance in prior years' data has been identified, we restate those data in this report.

We periodically acquire, sell, and launch businesses in line with our corporate strategy. This affects, in some cases, the comparability of data over time. Where this is the case, we note the reason(s). On March 17, 2017, BCE completed the acquisition of Manitoba Telecom Services (MTS). The combined companies' Manitoba operations are now known as Bell MTS. For more information, please see our <u>Annual Report</u>, p. 34. In future reports, Bell MTS data will be integrated into our existing lines of business.

The acquisition of AlarmForce was completed on January 5, 2018. In future reports, AlarmForce will be included in our Bell Wireline segment. For more information, please see our <u>Annual Report</u>, p. 35.

This year, we present a new e-waste indicator and target, as well as for Women on the Board of Directors, and Women in Senior Management.

We are still reviewing our waste diversion data in light of the impact of recent acquisitions. We have not yet defined a new indicator or target. PricewaterhouseCoopers LLP (PwC) performed an independent limited assurance engagement for the waste recovery indicator.

This year we have combined Community, Economy and Society into one section for easier reading since the topics overlap.

Content

This report focuses on the corporate responsibility issues that are of greatest importance to our stakeholders and could have an important impact on our business. Please see <u>Reporting what is relevant</u> for details on stakeholder engagement and determining report content.

The <u>Responsibility section</u> of our website presents general information on related programs, provides access to specific policies and includes a GRI Content Index that directs readers to relevant <u>GRI indicators</u>. This year, we have added Sustainable Development Goals (<u>SDG</u>) and Sustainable Accounting Standards Board (<u>SASB</u>) content indices as well.

Data collection and verification

We make every effort to seek to ensure that all content is accurate and authenticated by internal subject matter experts (SMEs) across the company who collected, verified, and submitted the data to the Corporate Responsibility and Environment team, documenting the sources of information and how results were obtained.

In many cases, these data are collected through our certified ISO 14001-compliant management system. Team members who manage that system are accountable for the quality of the data through their performance evaluation, which affects their compensation. Select performance indicators were independently assured by PricewaterhouseCoopers LLP. PwC performed a limited assurance engagement for a select number of Bell's performance indicators. The results of PwC's limited assurance engagement are documented in an assurance statement.

We round all figures to the closest full integer in our reporting, unless otherwise specified, and all data are in international units. Unless otherwise indicated, all reported amounts are in Canadian dollars.

Where available, we include comparative historical data to demonstrate trends. Some historical data have been restated due to acquisitions, changes in calculation methodologies to improve accuracy, or to correct previous errors in recording or calculating data.

About this report

Who we are

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. BCE's shares are publicly traded on the Toronto Stock Exchange and on the New York Stock Exchange (TSX, NYSE: BCE).

Who we are

GRI 102-4

Our results are reported in 3 segments: Bell Wireless, Bell Wireline and Bell Media.

Bell Wireless provides wireless voice and data communications products and services to our residential, small and medium-sized business and large enterprise customers across Canada.

Bell Wireline provides data, including Internet access and Internet protocol television (IPTV), local telephone, long distance, as well as other communications services and products to our residential, small and medium-sized business, and large enterprise customers, primarily in Ontario, Québec, the Atlantic provinces, and, as of March 17, 2017, Manitoba, while satellite television (TV) service and connectivity for business customers are available across Canada. In addition, this segment includes our wholesale business, which buys and sells local telephone, long distance, data, and other services from or to resellers and other carriers.

Bell Media provides conventional, specialty and pay TV, digital media, radio broadcasting services, and out-of-home (OOH) advertising services to customers across Canada.

We are headquartered in Verdun, Québec, Canada. Learn more.





Our business segments GRI 102-2

AT DECEMBER 31, 2017

Our business segments

BCE Bell Bell Bell Wireline Media Wireless For information on Bell Wireless For information on Bell Wireline For information on Bell Media brands, please see our **Annual** brands, please see our **Annual** brands, please see Annual Report, p. 31 Report, p. 32 Report, p. 33

For information on other assets, please see our **Annual Report**, p. 34

For more information about Bell's brands, products, and services, please see our **Annual Report**, p. 29.

Who we are

Management of corporate responsibility at Bell GRI 102-15

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.

Our goal

Our approach

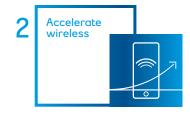
to corporate

responsibility

Our goal is to be recognized by customers as Canada's leading communications company. Our strategy is centred on our disciplined focus and execution of 6 Strategic imperatives:













Management of corporate

responsibility at Bell

Corporate responsibility underpins our corporate strategy

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).

Management of corporate responsibility at Bell	>	

	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	✓	✓	✓	✓	✓	✓
Customers	✓	✓	✓	✓	✓	✓
Community, economy, and society	✓	✓	✓	✓	✓	✓
Environment	✓	✓	✓	/	✓	✓

Governance structure GRI 102-18, 102-29

We will remain a leader in corporate governance and ethical business conduct by maintaining best practices, transparency, and accountability to our stakeholders. This includes adhering to the highest standards of corporate governance as BCE's Board and management believe that good corporate governance practices contribute to the creation and maintenance of shareholder value.

Management of corporate responsibility at Bell

Governance structure

On an ongoing basis, the Board reviews its structure, practices and composition and initiates changes to improve its effectiveness.

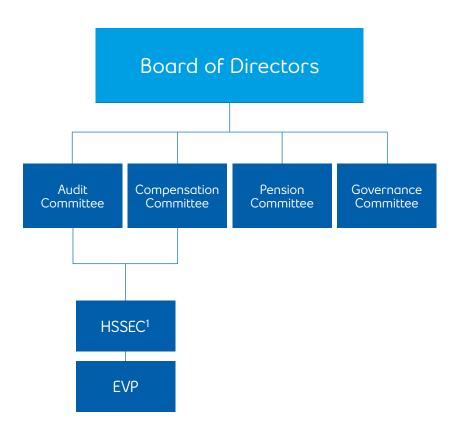
The Board of Directors has established clear lines of authority and oversight over our corporate responsibility programs, with primary accountability at the committee level:

The **Audit Committee** oversees issues including environmental risks, security and business continuity.

The Management Resources and Compensation Committee (Compensation Committee) has oversight for human resources issues, including respectful workplace practices, health, and safety.

The Corporate Governance Committee (Governance Committee) is responsible for governance practices and policies, as well as for policies concerning business conduct and ethics, including Bell's Code of Business Conduct.

Learn more about our corporate governance practices here.



¹ Health, Safety, Security, Environment and Compliance Oversight Committee.

Management of corporate responsibility at Bell

Risk management framework

While the Board is responsible for BCE's risk oversight program, operational business units are central to the proactive identification and management of risk. They are supported by a range of corporate functions that provide independent expertise to reinforce implementation of risk management approaches in collaboration with the operational business units. The Internal Audit function provides additional expertise and assurance, working to provide insight and support to the operational business units and corporate support functions, while also providing the Audit Committee with an independent perspective on the state of risk and control within the organization. Collectively, these elements can be thought of as a "Three Lines of Defence" approach to risk management that is aligned with industry best practices and is endorsed by the Institute of Internal Auditors. The Health, Safety, Security, Environment and Compliance Oversight Committee (HSSEC Committee) provides assurance to the Audit and Compensation Committees of the Board that legal and regulatory compliance, security, environment, and health and safety related risks are being managed diligently.1

The HSSEC is co-chaired by the Executive Vice President (EVP), Corporate Services and the Chief Legal and Regulatory Officer and Executive Vice President, Corporate Development. Its mandate is to make every effort to seek to ensure our CR strategy is well integrated throughout the business in order to minimize risk (such as financial and reputational) and optimize business opportunities. Among its duties, the HSSEC Committee annually reviews the company's health, safety, security, environmental and compliance policies, and operational directives that are then shared with the Board of Directors.

GRI 102-18, 102-19, 102-26, 102-29

THE EXECUTIVE VICE PRESIDENT, CORPORATE SERVICES HAS 30% OF VARIABLE PAY TIED TO ENVIRONMENTAL. SOCIAL AND GOVERNANCE PERFORMANCE

of defence The Executive Vice President, Corporate Services and the Chief Legal and Regulatory Officer and Executive Vice President, Corporate Development have 30% of their variable pay tied to personal objectives that include enhancing team member engagement, leading Bell's diversity and mental health programs, preventing workplace accidents, maintaining ISO 14001 certification, and optimizing energy efficiency. The Executive Vice President, Corporate Services also has direct oversight of the Corporate Responsibility and Environment team, which is accountable for corporate responsibility initiatives. This team's managers also have part of their variable portion of their compensation tied to social and environmental goals.



GRI 102-20

Although the risk management framework described in this report is aligned with industry best practices and is endorsed by the Institute of Internal Auditors, there can be no assurance that it will be sufficient to prevent the occurrence of events that could have a material adverse effect on our financial position, financial performance, cash flows, business or reputation.

Moreover, we rigorously apply a global strategic approach and a highly effective, practical management system. In 2009, we became the first Canadian telecommunications company to have such a system certified to be ISO 14001-compliant.



Through the application of our corporate environmental management system (EMS), more than 50 individuals have direct responsibility for corporate responsibility issues related to our business imperatives across the company and in all business units. Everyone from the business unit VPs, through to business unit Environmental Coordinators (ECs), is responsible for the performance of our corporate responsibility portfolios.

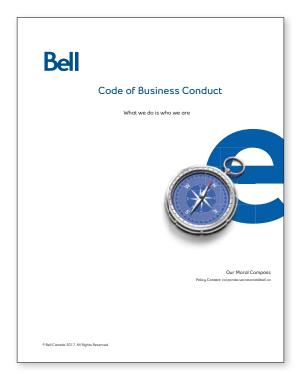
Please see Corporate Responsibility approach and management for more details.

For more information on corporate governance and risk management, please see the **Governance section** of BCE's website, our **2018** Management Proxy Circular p. 22, and our Annual Report, p. 37.

Guidance on team member conduct GRI 102-16, 102-17, 102-33 205-2, 415-1

Ethical behaviour by team members is integral to our ongoing commitment to be a responsible company. Accordingly, since 1995, all team members have been subject to a detailed **Code of Business Conduct** that sets out specific expectations and accountabilities, provides guidance on conflicts of interest, safeguarding privacy and confidentiality, improper influence of audits, protection of the environment, and interactions with team members, clients, business partners and competitors. In addition, the Code provides guidance on reporting concerns about unethical or unlawful behaviour and organizational integrity.

Each year, every team member must re-commit to this Code.



Management of corporate responsibility at Bell

Corporate responsibility issues and our business

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 section of the report, we identify those corporate responsibility issues that are present in our entire value chain, and those that are of greatest importance to our stakeholders and could have an important impact on our business. We address the intersection of these issues later in this report and in other sources of information on the Responsibility section of our website¹.



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.







Corporate

responsibility issues

and our business

Corporate responsibility topics across our value chain

































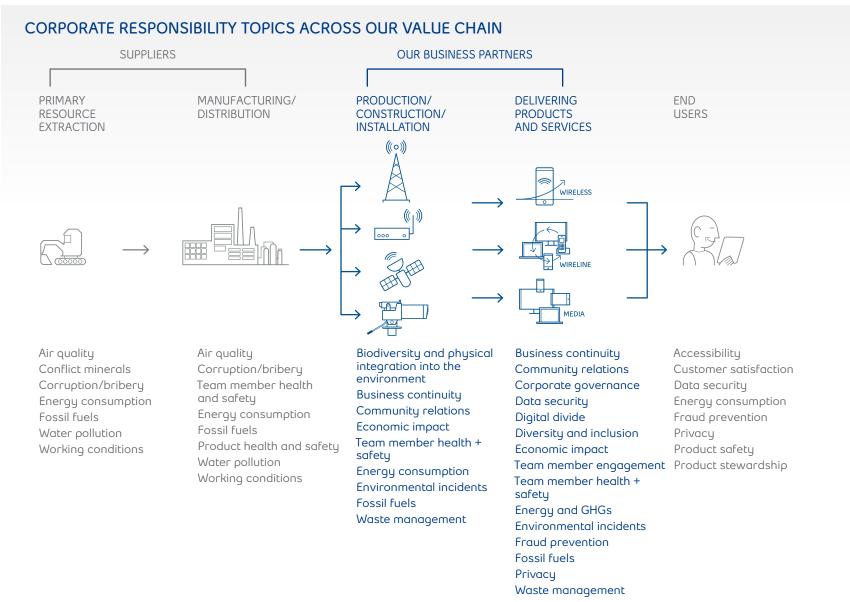


Management of corporate

responsibility at Bell

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.

GRI 102-9



Many of these and other topics are addressed in this report.

For a full description of how we determine which topics to include in our report, please see <u>Reporting what is relevant</u> in the Responsibility section of our website.

Management of corporate

responsibility at Bell

Stakeholder topics that have an important impact on our business

In recent years, stakeholders¹ have identified the following issues as the most relevant to them and our company. Below we explain how these topics relate to our business.

GRI 102-44

Energy consumption

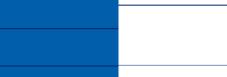
Always a notable component of our business service solutions, energy consumption is becoming more important as our networks grow to support ever increasing use of wireline services, such as Internet and data hosting, and of wireless services, such as smartphones and tablets. All of these services consume 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 impacting 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. Wireless-only households² were estimated to represent approximately 43% of households in Ontario, Québec, and Atlantic Canada at the end of 2017, compared to approximately 38% at the end of 2016.³ 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. For more information on the impact of fibre deployment on our energy consumption, see <u>Managing our carbon footprint</u> in this report.

We are affected also by the growing trend for companies to use data centres to shift applications and services to the cloud. 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 to continuously 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.



Stakeholder topics that have an important impact on our business

¹ For more information on stakeholder engagement, please see Reporting what is relevant in the Responsibility section of our website

² Households where telephone service is only wireless

³ https://crtc.gc.ca/eng/publications1.htm

Management of corporate 、	
Management of corporate responsibility at Bell	

Electronic waste (e-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.

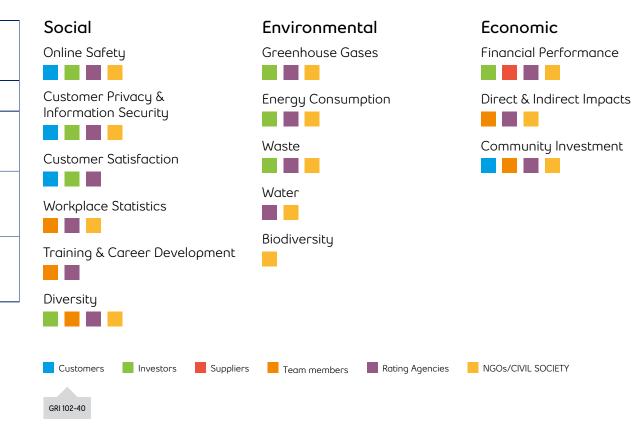
For example, our operations include installation technicians – Bell Technical Services (BTS) – and many construction projects – carried out by Expertech Network Installation Inc. (Expertech) – all of which depend on a fleet of vehicles to take team members to our customers and job sites. These activities 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 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 recovery rate. As well, by managing our network waste ourselves, we maintain control over functions that directly affect customer service and operations.

As a result of our consultations with stakeholders¹ inside and outside of the company, and taking into account current research, the most relevant responsibility issues discussed in this report include:

CORPORATE RESPONSIBILITY ISSUES AND OUR INDUSTRY



Supplier Screening



Regulatory Compliance



Management of corporate

responsibility at Bell

Governance

¹ For a more complete description of how we determine relevant topics, please see Reporting what is relevant in the Responsibility section of our website.

Key performance indicators and results

GRI 102-15, 102-4

We have identified several priority areas for key performance indicators that also represent our priorities in corporate responsibility. Here is a summary of our progress against objectives in 2017. Indices for <u>GRI</u>, <u>SASB</u>, and the <u>SDGs</u> are available in the <u>Responsibility section</u> of BCE's website.

	INDICATOR	VERIFICATION	SP S	2017 RESULTS	YOY VARIATION	TREND	2018 OBJECTIVES	RELATED GRI INDICATOR	RELATED SDG ¹	GLOBAL COMPACT PRINCIPLE	RELATED SASB INDICATOR ²
ш	Women on the Board of Directors ³	-	25% by 2017	31%	+8 percentage points		30% by 2021	405-1	4 5 8	6	_
GOVERNANCE	ISS quality scores ⁴	ISS	Maintain results in the 1st quintile for governance, environmental and social scores	Gov. score: 1 Env. Score: 1 Soc. Score: 1	-		Maintain results in the 1st quintile for governance, environmental and social scores	102-28 102-30	16	All	-
U	ISO 14001 certification ⁵	Intertek	Maintain certification	9th year in a row	_		Maintain certification	102-56	-	7, 8, 9	-
CUSTOMERS	LTE advanced network coverage ⁶	PWC ⁷	76%	86% ⁸	+14 percentage points		92%	-	9	-	-
	Overall team member	PWC	Continue to improve team member engagement	73%	-2 percentage points		75%	401-1	4 5 8	3, 6	TC0301-08
MBERS	engagement score	_	Maintain engagement above Canadian norm	/	-		Maintain engagement above Canadian norm	_	4 5 8	3, 6	-
TEAM MEMBERS	Women in senior management ⁹	_	35% by 2021	30.1%	+0.8 percentage point		35% by 2021	102-8 405-1	4 5 8	6	-
	Time lost accident frequency rate ¹⁰	PWC	Report annually	1.19	+0.13		Report annually	403-2	3 8	1, 2	_

Progressing w

Not progressing as expected

Key performance indicators and results

	INDICATOR	VERIFICATION	2017 OBJECTIVES	2017 RESULTS	YOY VARIATION	TREND	2018 OBJECTIVES	RELATED GRI INDICATOR	RELATED SDG ¹	GLOBAL COMPACT PRINCIPLE	RELATED SASB INDICATOR ²
COMMUNITY	Community investment ¹¹	PWC	Make a meaningful contribution to improving mental health in Canadian communities through 4 key action pillars: anti-stigma, care and access, research, and workplace health	\$25 million	+\$4.8 million		Make a meaningful contribution to improving mental health in Canadian communities through 4 key action pillars: anti-stigma, care and access, research, and workplace health	201-1	3	-	-
	Greenhouse gas (GHG) emissions reduction objective ¹²	PWC	Reduce the ratio of our Scope 1 & 2 GHG emissions (tonnes of CO ₂ equivalent) to our network usage (PBytes) by 75% of 2014 level by end of 2020	-65%	-4 percentage points		Reduce the ratio of our Scope 1 & 2 GHG emissions (tonnes of CO ₂ equivalent) to our network usage (PBytes) by 75% of 2014 level by end of 2020	302-4 305-4 305-5	7 8	7, 8, 9	TC0301-08
ENVIRONMENT	Diversion rate for recovered waste	PWC	Redefine our objective in light of recent business transformations. Continue to report our overall waste diversion performance	64%	-5 percentage points		Redefine our objective in light of recent business transformations. Continue to report our waste and recovery performance	306-2	3 5 12	7, 8, 9	TC0301-08
	e-waste ¹³	PWC	Recover 10 million used TV receivers, modems, and mobile phones between January 1st, 2016 and the end of 2020	2,520,599	+11% and 48% toward our 2020 objective		Recover 10 million used TV receivers, modems, and mobile phones between January 1st, 2016 and the end of 2020	301-3 306-2	3 5 12	7, 8, 9	TC0301-08

- 1 For more information about the Sustainable Development Goals (SDGs), please see the SDG index in the Responsibility section of our website
- 2 For more information on the Sustainable Accounting Standards Board (SASB), please see the SASB index on our Responsibility section of our website
- 3 New indicator. Non-executive directors. Data valid as on December 31, 2017

Progressing well Not progressing as expected Stable

- 4 Governance score as of April 2018. Environmental and social scores as of May 22, 2018. We report the most recent update to our score at the time of publication because it reflects performance for the previous year. Score indicates decile rank relative to peer group. A decile score of 1 indicates lower governance risk, while a 10 indicates higher governance risk
- The scope includes all Bell Canada business sectors, including wireline, wireless, television and Internet services, broadband, data hosting, and cloud computing services, radio broadcasting services and digital media services, in addition to related general administrative functions (excluding BellMTS, AlarmForce, BCE Nexxia USA., Northwestel Inc. (Northwestel), Bell's Atlantic operations, and The Source (Bell) Electronics Inc. (The Source), which are part of the environmental management system (EMS), but not within the scope of certification)
- 6 Data valid as on December 19, 2017. The percent of population covered depends upon the plans of our partners, which are not yet fully known, and which could influence the result; Population data is based on the 2016 census conducted by Statistics Canada
- 7 PricewaterhouseCoopers LLP has provided limited assurance over indicators marked PWC. Please see PwC's assurance statement
- 8 This value may differ from that which is reported elsewhere due to rounding
- 9 New indicator and objective. Data valid as on December 31, 2017
- 10 Time Lost Accident Frequency Rate = number of time-lost accident cases ÷ number of worked hours × 200,000
- 11 This includes cash donations, in kind donations, and management costs
- 12 Network usage includes residential and wholesale Internet, business Internet dedicated (BID), virtual private network (VPN), IPTV, Inter-Network Exchange (INX), prepaid and postpaid wireless services, wireless-to-the-home, Voice-over-LTE (VoLTE) traffic, IoT, and enterprise usage, both in Canada and on international roaming partners network. As methodology for gathering the network usage differs from one carrier to another, and because a company's business model directly impacts the amount of GHG it generates and how those GHG are calculated and classified (as noted in <u>Importance of the business model</u>), the ratio itself cannot be used to directly compare carrier performance
- 13 New indicator and objective.



Team members

With its broad range of operations across the country, Bell creates unparalleled opportunities for team members to build rewarding careers in a variety of disciplines. Committed to sustain a high-performance team member culture, the company strongly supports diversity in its workforce, continuous learning, innovative workplace mental health initiatives, and award-winning programs for team member engagement.

Engaged expertise

To execute on our **Strategic imperatives**, we rely on the engagement and expertise of our team members. We focus on attracting, developing, and retaining the best talent, as well as creating a positive team-member experience that drives effectiveness, high performance, and agility in our evolving business environment. Through workplace wellness initiatives – including innovative mental health programs – and by celebrating diversity in the workplace, we reinforce our goal of creating a safe and inclusive atmosphere for all team members.

Engaged expertise

Our team GRI 102-7

At the end of 2017, we numbered 51,679 team members working in thousands of locations in urban and rural areas across the country. Our diverse team is highly skilled in a broad range of jobs, working in environments designed to support an engaged workforce and a performance-driven culture.

The total number of BCE team members at the end of 2017 increased by 3,589 compared to the end of 2016, due primarily to the integration of MTS team members. Approximately 45% of BCE team members are represented by labour unions.

IN 2017 BCE HAD 51,679 TEAM MEMBERS

GRI 102-7

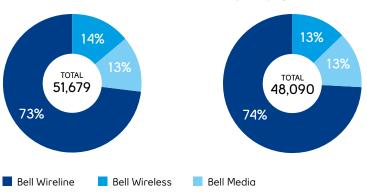
OUR WORKFORCE GRI 408-1, 409-1

METRIC	2017	2016
% unionized team members	45%	44%
Number of team members	51,679	48,090
Voluntary turnover ¹	11.2%	12.1%

1 Temporary team members for The Source, BTS, and Expertech are excluded.

BCE 2017 TEAM MEMBERS

BCE 2016 TEAM MEMBERS



Team members

Workplace, human rights and privacy

Canadian employment standards context

GRI 401-3, 407-1, 408-1, 409-1

Bell makes every effort to maintain an inclusive work environment where all team members are valued for their contributions and have the freedom, and protection to be who they are, free of discrimination, harassment and violence. Most of our operations and assets are located in Canada.

Our focus on high workplace standards and our desire to provide team members with a fair, equitable, and respectful place to work are grounded in the Code of Business Conduct and reinforced daily through many programs, initiatives, processes, and policies that touch all team members. Bell operates in a highly regulated labour market in which workers are protected by federal and/or provincial employment standards legislation that covers areas such as hours of work, minimum wage, pay, vacation time and vacation pay, public holidays, breaks, birth and adoption leave, personal emergency leave, family medical leave, and termination notice and termination pay. In many cases, Bell's policies and programs exceed minimum legal requirements.

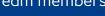
Human rights

Bell provides team members with information on roles, the accommodation process, resolution options, and other tools specifically designed to support our commitment to human rights. These include a formal process and informal options available to all team members to resolve accommodation issues for which the Human Resources workplace practices team is accountable. Furthermore, the process is formally integrated in the collective agreement of our unionized team members, where it is referred to as the "3-step resolution process". Cases that are more complex are taken to an accommodation committee.

In 2017, Bell launched an initiative to improve how team members request medical accommodations, implementing a web tool to facilitate the process for the team member. This tool provides integrated communication to engage relevant stakeholders more quickly and efficiently. In 2018, we plan to expand this tool to include religious and family accommodation requests.

Workplace, human rights and privacy





Team members

Bell's focus on respect in the workplace

We all want to work in a respectful, positive, and professional environment. By working together to promote trust, respect, openness, and effective communication, we can enjoy deeper, more productive relationships with our colleagues, customers, suppliers, and shareholders. Bell's violence prevention policy describes the company's zero tolerance approach to workplace violence and harrassment. It underlines our commitment to a safe, healthy, and respectful workplace, prevention awareness, and processes for resolving incidents when they do occur. It also holds all team members accountable to the principles of Bell's Code of Business Conduct.

In 2017, Bell launched an integrated prevention campaign to foster respect in the workplace and enhance conflict-resolution skills. As part of this campaign, Bell updated its violence and harassment prevention policy and launched new tools: the Civility Guide defines respectful behaviours in a professional work context and the Leader Guide helps support leaders in planning their conflict facilitation meetings, and in engaging empathically and efficiently. We launched the internal Respectful workplace and ethics website to provide all team members with easy access to policies, processes, complaint forms, and other resources.

THE CIVILITY AND LEADER GUIDES ARE INCREASINGLY POPULAR: 1,745 WEBSITE VISITS / 1,710 DOWNLOADS FOR THE CIVILITY GUIDE AND 1,209 DOWNLOADS FOR THE LEADER GUIDE

Internal complaint resolution

Bell offers team members a whistle-blowing channel where they can anonymously report any incidents they believe may contravene our policies or ethical standards. An independent administrator continually monitors this channel and responds to complaints. GRI 102-33

Privacy SASB TC0301-02

Bell and its affiliated companies have long been focused on maintaining the accuracy, confidentiality, security, and privacy of personal information for customers and team members. In 2017, Bell updated its team member privacy policy and launched a process for team member file-access requests. This provides clear instructions to team members about their responsibilities for safeguarding personal information. We also published updated information on our intranet that clearly defines roles, processes, training support, and more. Additionally, team members can address questions and obtain support through the privacy mailbox, which is monitored and promptly answered by the privacy coordinator. For more information about customer privacy, please consult the Community, economy, and society section of this report.

Diversity and inclusion Team members

Diversity and inclusion

At Bell, we are proud of our commitment to foster an inclusive, equitable, and accessible workplace where all team members and customers feel valued, respected, and supported. We are dedicated to building a workforce that meets federally regulated employment-equity targets and reflects the diversity of the communities we serve, with a commitment to ensure every team member has the opportunity to reach his or her full potential. Under the direction of our Diversity Leadership Council, we work to ensure our business strategy and human resources policies align with our diversity and inclusion goals. We recognize that diverse perspectives enhance our team's ability to innovate and enable us to provide best-in-class service to our customers.

Performance in 2017

We are proud that our programs enabled Bell to be named one of Canada's Best Diversity Employers in 2017. This award recognizes employers who lead the way in creating an inclusive environment where individuals from a wide variety of backgrounds are valued.

Building on our recognition as one of Canada's Top 100 Employers and a Top Montréal Employer, Media Corp has named Bell a Top Employer for Young People (2018) based on our award-winning recruitment and career development programs. In 2017, Bell hired more than 1,000 students across the organization through placements, paid internships, university co-op programs, and a record number of summer-student positions.

In addition, Bell's commitment to employment equity was recognized at the Employment Equity Achievement Awards, where the company was recognized for instituting measures to remove barriers, adopt special measures, and establish positive policies and practices to achieve tangible results.



Bell team members attended the Employment Equity Achievement Awards to accept the award and participate in a panel discussion. In the picture from left to right: Marina Di Fazio, Roslyn Dally, The Honourable Patricia A. Hajdu, Minister of Employment, Workforce Development and Labour, and Angie Harrop.

Bell was the proud recipient of TalentEgg's 2017 National Campus Recruitment Excellence Awards: the Best Campus Recruitment Program of the Year and Best Recruitment Marketing and Outreach. The recruitment team was also a finalist in the categories of Best Social Media Presence and Social Responsibility.

DIVERSITY

GRI 405-1

%	WORK	FORCE		SENIOR MANAGEMENT ¹				
DIVERSITY GROUP	2016 LMA ²	2017	2016	2015	2016 LMA ²	2017	2016	2015
Women	38.3	32.6	33.6	34.2	27.4	30.1	29.3	25.9
Visible minorities ³	20.8	18.6	19.7	19	10.1	8.6	8.6	8.4
Persons with disabilities ³	4.6	3.8	4.0	3.7	2.9	1.4	2.1	3.5
Indigenous Peoples ³	1.9	2.2	2.3	2.1	4.3	0.7	0.7	2.1

- 1 Vice Presidents and above
- 2 Occupational labour market availability indicates the percentage of persons in each designated group in the Canadian workforce that may have the skills necessary to fill occupational roles at Bell based on December 2017 headcount. The data are provided to Bell by the Canadian government, and are based on data from the 2011 National Household Survey. Includes Bell MTS
- 3 Data for these categories depend upon full-time and part-time team member selfidentification in Bell's diversity questionnaire.



Dany Meloul
Vice-President, Programming,
French Language TV, Bell Media.

Women in Communications and
Technology WCT Mentor of the Year

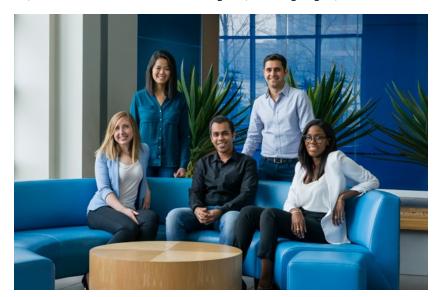


Our diversity and inclusion strategy, coupled with higher rates of self-disclosure, have significantly increased the share of visible minorities, persons with disabilities, and Indigenous Peoples in our workforce. We have maintained our strategic focus on making our senior leadership team more representative of our overall team member population through focused talent management strategies and best-in-class development programs for high-potential leaders, including under-represented groups.

To further reinforce Bell's commitment to gender diversity, we established a target of having women comprise at least 35% of executive positions (vice-president level and above) by the end of 2021. Bell is an active member of a number of prominent organizations that support the advancement of women in the workplace, including Catalyst, 30% Club, Women's Business Enterprises, Women's Executive Network, and Women in Communication and Technology. In 2017, Women in Communications and Technology named Bell Media's Dany Meloul Mentor of the Year for her exceptional dedication to the advancement of young women. Bell Media's Lisa LaFlamme won The Canadian Screen Award for Best News Anchor, National, underscoring her impact on the media industry.

Team members

The Diversity Leadership Council (DLC) is responsible for defining Bell's Diversity and Inclusion strategy, developing the plans for business unit implementation, and championing diversity and inclusion across the organization. The DLC comprises 15 diverse senior leaders, with representation from all business groups and geographies.

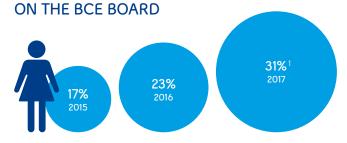


We mark the value of our diversity through numerous events that foster inclusion and by empowering our Employee Resource Groups (ERG), including Women at Bell and the Lesbian, Gay, Bisexual and Trans-identified (LGBT) team member networks. We also participate in national celebrations such as International Women's Day, Black History Month and International Day of Persons with Disabilities and have expanded our recognition of cultural celebrations including Lunar New Year and Diwali. The impact of these initiatives is apparent in the results of our annual team member survey, where 84% of team members responded favourably to the statement "People of all backgrounds (cultural, gender, age, religion, disability, etc.) can succeed in my company." This figure is stable year-over-year.

Percentage of women on the BCE Board of directors

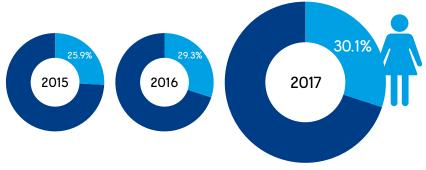
At the Shareholder meeting held on April 26, 2017, the BCE Board of Directors achieved its target of 30% female representation after the election of directors resulted in women comprising 31% of non-executive directors.

PERCENTAGE OF WOMEN NON-EXECUTIVE DIRECTORS



Women now represent 31% of non-executive directors following the election at the Shareholder meeting held on April 26, 2017

WOMEN IN SENIOR MANAGEMENT



Team members

Team members

Objectives

Looking ahead, we plan to continue to build momentum with our diversity and inclusion strategy by setting concrete objectives and emphasizing the importance of leading inclusively.

In 2017, our DLC reinforced its commitment to foster an inclusive workplace. We invested in the design of an inclusive leadership development program focused on mitigating unconscious bias and supporting leaders in developing and advancing our diverse talent pipeline. The pilot program was a success and will be expanded to the broader leadership team in 2018.

We were the first telecommunications and media company in Canada to be a signatory to the <u>Catalyst Accord</u>, committing to increase representation of women on our Board of Directors to 25% by 2017 and within our executive ranks to 35% by 2021. In 2017, we joined the 30% Club to help accelerate progress toward better gender balance at all levels of the organization.

We will also continue to advocate for more women to take on roles in science, technology, engineering, and mathematics (STEM), and we will extend our efforts to increase the representation of other under-represented groups such as visible minorities, Indigenous Peoples, and persons with disabilities.

As part of that work, and as part of developing our future employment equity plans, we will continue consultations with members of under-represented groups to understand their experiences at work. We will continue to seek out and adopt best-practice standards on workplace accessibility and will continue to work to increase awareness and engagement through support for various diversity events such as International Day Against Homophobia, Transphobia and Biphobia, and Indigenous Peoples Day.

Supplier diversity

At Bell, we also promote diversity among our suppliers. In 2014, we launched a supplier diversity program to boost the representation of women, Indigenous Peoples, LGBT and visible minority-owned businesses in our supply chain. In 2015, the Procurement group incorporated supplier diversity into our corporate diversity and inclusion strategy, with the executive support of the Diversity Leadership Council. Bell participates in supplier-diversity industry events, maintains a diverse supplier database accessible to all Bell team members, refers a wide range of new suppliers to internal supplier management partners, and invites a broad mix of suppliers to more sourcing activities.

We also maintain memberships in Women's Business Enterprise (<u>WBE</u>), the Canadian Aboriginal and Minority Supplier Council (<u>CAMSC</u>), and the Canadian Lesbian and Gay Chamber of Commerce (<u>CGLCC</u>).

For more on how we manage our supply chain, please see the Community, economy and society section of this report.

Mental health in the workplace Team members

Mental health in the workplace

At Bell, we believe taking care of the mental health of our team members is essential to their personal success and to our organization's ongoing progress. Accordingly, we continue to develop and implement world leading mental health practices in the workplace and, in 2017, we broadened our approach to emphasize total health support. We educate team members through our best-in-class training programs, support them through the Employee Family Assistance Program (EFAP), and create awareness through communication and engagement activities. Our commitment is stated in our mental health policy and reinforced in our Code of Business Conduct, reviewed annually by all team members. It is also reinforced in our day-to-day work and initiatives, which in 2017 included the following:

Mental health training

We continue to expand our mental health training with targeted efforts to reach all team leaders and team members, and a special focus on union representatives and Health and Safety committee members. In 2017, we launched a training program for all Bell team members called Building Blocks for Positive Mental Health. This program includes strategies for building resiliency and improving overall mental health. It also includes practical tips for enhancing self-awareness and boosting emotional intelligence, as well as caring for others who are facing mental health challenges. More than 1,800 team members completed this voluntary training in 2017.

Our leadership team is the cornerstone of culture change and support. Accordingly, our emphasis in 2017 was to encourage all leaders to complete the Workplace Mental Health Leadership certificate program, the world's first university-certified workplace mental health program, developed in partnership with Queen's University and our EFAP provider. At Bell, the first 2 modules are mandatory for all leaders.

Since its inception, more than 403 companies across Canada have participated in the program leading to a certificate from Queen's. The content helps leaders build their skills in supporting their team members and applying healthy workplace practices, accommodation and return-to-work best practices, while at the same time strengthening preventative techniques and integrating elements from the National Standard for Psychological Health and Safety in the Workplace.

Employee and family assistance program (EFAP)

A critically important tool for the management of team members' total health needs, including prevention of illness, the EFAP offers various counselling options for team members such as e-counselling, over the phone, a dedicated mobile app, and face-to-face counselling with accredited professionals.

Awareness and communication

Bell continued to provide team members and their families with expert insight and advice on health, wellness, and development-related topics through the LifeSpeak video library that offers content from internationally acclaimed experts, authors, professors, and medical professionals. In 2017, Bell team members accessed 8,825 LifeSpeak educational resources, which is equal to more than 66,800 minutes of team member education and assistance.

We offer team members a variety of events and special activities that promote awareness during Bell Let's Talk Day, Mental Health Week, Mental Illness Awareness Week, and National Suicide Prevention Day. Since 2010, Bell has organized more than 1,000 mental health events for team members across Canada, including seminars, workshops, information kiosks, speakers, and other engagement activities.

Understanding that regular physical activity can have a significant positive impact on mental health, energy levels, and happiness, in May 2017, we organized a corporate Walk for Wellness Challenge in which more than 2,000 team members participated, and collectively logged over 361 million steps.

We also organized a 6-week mindfulness workshop series in the fall to help team members learn how to reduce stress and worry, improve focus, and be more productive by living in the present moment. We had great engagement with over 3,900 participations in the series.

Overall, with our campaign events, the walking challenge, and the mindfulness series, we increased team member engagement by more than 200% in 2017 compared to 2016.

SINCE THE LAUNCH OF BELL LET'S TALK IN 2010 AND BECAUSE OF INTERNAL AWARENESS CAMPAIGNS AND PROMOTION, EFAP USAGE HAS INCREASED 189%

The Bell Let's Talk website and the mental health and wellness site, launched in 2015 on our intranet, continue to provide easilyaccessible, centralized tools and resources for team members to learn, participate, and stay informed. In 2017, team members accessed our mental health and wellness site more than 24,000 times, taking advantage of our comprehensive mental health resources, including articles, videos and training, and a wide variety of other resources addressing total health.

Other initiatives

Our comprehensive and proactive approach to mental health awarenes and, enhanced programs and services continuously supports team members and we have seen a significant reduction in mental health short-term disability claims compared with 2010.

In addition, our return-to-work program has been widely recognized for excellence and continues to yield promising results related to reducing rates of relapse and recurrence of disability leave. Mental health related relapses (within 1 month) and recurrences (within 1 year) are down 50% since 2010.

Knowing that physical health is closely associated with mental health, Bell continued to promote our partnership with Goodlife Fitness. In 2017, more than 3,300 team members and their families took advantage of the significant corporate discount.

Team members

Team members

National Standard for Psychological Health and Safety

Bell continues to support and promote the adoption of the <u>National Standard for Psychological Health and Safety in the Workplace</u> across corporate Canada. Since the inception of the standard, we have shared best practices across hundreds of organizations in Canada to provide encouragement and guidance for others to implement healthier frameworks in their own workplaces.

We continue our commitment to the standard by building sustainable programs, and addressing opportunities related to the 13 psychological factors that experts agree have a powerful impact on organizational health and the well-being of individual team members. Some of these programs include:

- Linking our annual team survey questions to the
 13 psychological factors as outlined in the national standard
- Offering a Health Risk Assessment coincident with the benefits renewal process, as we did in 2016. This increases awareness of the importance of establishing healthy physical and mental lifestyles. Coupled with the tools and resources we make available, this gives team members the opportunity to make better personal choices
- In 2017, we focused on civility and respect in the workplace, to promote trust, respect, openness and effective communication, so all team members can enjoy deeper, more productive relationships with colleagues, customers, suppliers and shareholders.

For more information on our workplace practices, please see <u>Bell's</u> <u>focus on respect in the workplace</u> in this report.

THE 13 FACTORS OF PSYCHOLOGICAL HEALTH AND SAFETY (PH&S) IN THE WORKPLACE ARE:

- ORGANIZATIONAL CULTURE
- PSYCHOLOGICAL AND SOCIAL SUPPORT
- CLEAR LEADERSHIP AND EXPECTATIONS
- CIVILITY AND RESPECT
- PSYCHOLOGICAL DEMANDS
- GROWTH AND DEVELOPMENT
- RECOGNITION AND REWARD
- INVOLVEMENT AND INFLUENCE
- WORKLOAD MANAGEMENT
- ENGAGEMENT
- BALANCE
- PSYCHOLOGICAL PROTECTION
- PROTECTION OF PHYSICAL SAFETY.

Learning Team members and development

Learning and development GRI 404-2, 404-3

We offer a wide range of training for all team members, with specific and targeted training pathways to meet the demands of our changing industry environment and to enable our team members to fully develop their leadership potential and achieve their aspirations.

Training

Learning and development are powerful drivers of team member engagement and key to our ability to offer better service to our customers. Bell is committed to investing in learning and development options that are relevant and current, including emergent skill sets team members need to contribute to the business and achieve their career goals. In 2017, we invested over \$17 million in learning through our central programs. In addition, business units and departments invest portions of their own budgets for outside learning.

In 2016, we launched our revised mandatory training for team members with a modular format to make it easier for them to understand, retain and, most important, apply what they have learned. We continue to see a strong need for ongoing learning with a significant increase in team-member use of our offerings. We have more than 8,000 online courses available 24/7 from any location. We also provide a wide range of certifications, including Microsoft technical certifications, and certification for product and project management, business analyst, and business unit-specific functions. We have offered a leadership learning portal since 2015, designed to support leaders at all levels. It includes videos of industry and thought leaders, book summaries, blueprints for developing an organization, and short interactive practice courses for honing leadership skills. In addition, we made it easier for team members to apply for our Education Assistance Program, generating a 16% increase in participation. This helps team members pursue continuing education at external institutions.

Leadership development

At Bell, we believe in supporting our team members to become effective and confident leaders. Bell's Leadership Development Pathway provides team members with a focused development plan to strengthen their skills, behaviours and performance. The pathway links to the Bell Leadership Success Profile that identifies the skills, behaviours and performance results that help team members succeed at each level. This year, we have revamped our leadership foundations programs for newly promoted managers and senior managers. These 30-day experiential programs give leaders the opportunity to learn and apply new skills and reflect on their leadership. We have also created a new leadership foundation program for our director level, following the same approach.

The three programs introduced last year focused on coaching, feedback, and career conversations. They continue to be a priority for leaders at all levels so that they are better equipped to have meaningful ongoing performance and development conversations with their teams.



Achieving through performance

We believe it is important to position our team members for success by providing them with clear targets based on a combination of personal objectives, business needs and corporate strategy.

In our performance management process, team members participate in setting objectives that include demonstrating key leadership behaviours that are essential to succeed at Bell. This provides the opportunity for team members to see how the work they do connects with our 6 Strategic Imperatives and company goal. In our annual team member survey, we measure 'alignment' as a key index, placing importance on connecting individual objectives to those of leaders so that team members can see how their work contributes to success. This helps drive personal engagement and contributes to company performance.

We encourage leaders to have frequent and focused performance and development conversations with their team members. These conversations include tracking progress against objectives, identifying performance opportunities, and developing skills. Twice per year, one-on-one discussions take place between team members and leaders to assess team members' performance measured against established objectives and Bell's leadership success profile.

Succession planning

Succession planning is an integral part of our talent strategy and our commitment to develop future leaders and evolve our talent pipeline. When we identify high-potential leaders at the senior manager and director levels, they benefit from structured, corporate-wide learning and development programs aimed at accelerating their growth and readiness for the next challenge.

In 2017, we continued to support our high-potential leaders through individual development planning via one-on-one coaching from our Talent Management team. We also continued to conduct regular annual succession planning and high-potential talent reviews at the most senior level with our CEO and senior executive team. The team reviews succession plans for all key positions in the company, focusing on development plans and progress since the last review.

We continue to offer high-potential directors and senior managers cohort-based experiential leadership programs and a formal peer-coaching network in Montréal and Toronto.

The success of our succession planning is evident: in 2017, 88% of internal promotions at the vice president and director levels came from our high-potential leadership pipeline.

WE ENCOURAGE LEADERS TO HAVE FREQUENT AND FOCUSED PERFORMANCE AND DEVELOPMENT CONVERSATIONS WITH THEIR TEAM MEMBERS

Executive leadership development

For our executive leaders, we invest in company-driven development tailored to individual needs and job requirements. We focus on capability building and engagement, as well as external education, such as executive MBA and other intensive development or networking programs. We also leverage many leadership and professional development tools including behavioural assessments and coaching for performance and development.

For 14 consecutive years, Bell has also sponsored participation by women executives in world-renowned education programs where they can share best practices and learn from each other. These include The Judy Project, Canada's leading forum preparing women to advance into executive leadership positions, and the International Women's Forum Fellows Program, a leading international women's executive development initiative.

Team members Team member engagement

Team member engagement

Enhanced team survey

Bell's ongoing commitment is to listen to team members and increase their engagement. One of the tools we use to this end is our annual Team Survey, which is designed to be completed quickly and easily in the official language of the team member's choice, accessible on both desktop and mobile devices. Capturing both quantitative and qualitative data, the survey focuses on understanding how engaged, agile, and aligned team members are, asking them to rate their leaders in key areas specific to engagement, including communication, recognition, trust, and respect.

In 2017, we continued our partnership with a best-in-class vendor to get insight into key engagement indicators. This approach helps us implement focused actions to make positive changes. In addition, our survey tool enables us to conduct multi-variant analyses, such as by geography, tenure, demographic, team, role, level, etc., and to drill further into areas of opportunity for improvement.

In 2017, 80% of team members participated in the survey. The overall engagement score was 73%, with 78% of team members reporting that they are proud to work for Bell and excited about how their individual work contributes to the company's success.

Recognition – Celebrating work successes

Through a variety of initiatives, Bell publicly honours the work of team members. Our formal program recognizes contributions at 3 levels – local team, business unit, and corporate – with success celebrated informally and formally. We also celebrate service anniversary milestones every 5 years and honour our retirees with the traditional President's Wallet to recognize and thank them for their contributions.



Dr. Marie-Hélène FavreauDirector, Mental Health, Workplace
Practices and Disability Management

<u>Centre for Addiction and</u> <u>Mental Health Difference Maker</u>

Team members Total compensation

Total compensation GRI 401-2

Bell provides team members with total compensation packages that are competitive with the market, including salary, performance incentives, benefits, and retirement plans. We also offer added savings and wealth-building opportunities, including a share purchase plan (with company matching), group tax-free savings account (group TFSA), and a group retirement savings plan (group RSP). We also offer generous team member discounts on Bell services and purchases at The Source.

2017 Compensation

Bell offers a competitive compensation package that recognizes team members for their performance and aligns with our 6 Strategic imperatives. Bell's compensation package includes a competitive base salary, strong performance incentives, and a range of benefits including long- and short-term disability leaves. Incentive plans reflect both the company's success and individual achievements. The Achievement Incentive Plan (AIP) covers more than 20,000 team members. Over the last few years, team members eligible for the AIP have benefited from payouts that consistently paid very close to or above targets. To maintain market competitiveness, Bell reviews compensation levels at least once a year.

Each year, team members receive a comprehensive total compensation statement providing a complete picture that goes beyond salary and performance-based bonus payments to include the value of the benefits, pension plan, and team member savings. Delivered as a personalized statement, the document also serves to alert team members to other programs so that they may make the most of every benefit Bell offers.

Benefits

The health of our team members and their family members is our top priority. It is paramount, therefore, that Bell invest in programs that give team members and their dependants coverage and options that fit their personal situations. Our program is among the most generous on the market. More importantly, it gives team members and their dependants choices to lead an optimal, healthy lifestyle, with initiatives that address both physical and mental health.

Our company-paid benefits offered to most of our regular team members include health care plans, life and accident insurance, travel and trip cancellation insurance, and disability coverage. Our team members also receive a pool of flexible dollars that allows them to make choices that suit their needs and lifestyle. They can also receive additional flexible dollars each year if they complete an online health risk-assessment questionnaire. This questionnaire reinforces our commitment to support the health and well-being of our team members by providing a personalized assessment report with ideas for improving physical and mental health when the questionnaire is completed. Team members can also buy additional coverage such as optional life and accident insurance, critical illness coverage, Health Service Navigator, and more vacation days.

In keeping with Bell's commitment to workplace mental health leadership, we significantly expanded our mental health care coverage this year. We have doubled the maximum reimbursement for services provided by psychologists and social workers to \$3,000 per year for each person covered by the plan. This applies to services to our team members as well as their eligible family members.

MORE THAN 65,000 MEMBERS ACROSS THE COUNTRY ARE COVERED UNDER THOSE DEFINED BENEFIT PENSION PLANS, INCLUDING MORE THAN 50,000 PENSIONERS AND BENEFICIARIES WHO ARE RECEIVING MONTHLY PENSIONS

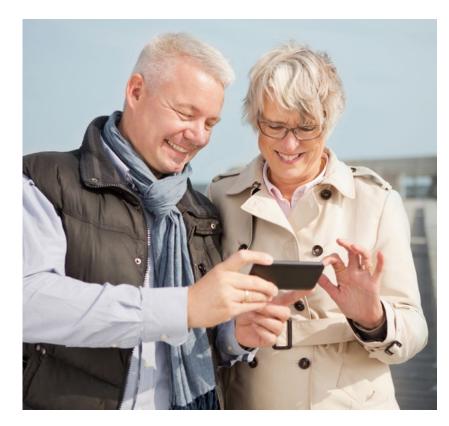
Retirement and savings GRI 201-3



Financial security is important to our team members and we are committed to making it easy for them to invest for both the short and long term. Most Bell team members benefit from a defined contribution pension plan that offers an automatic 4% of annual earnings employer contribution plus a 2% employer match, as well as other savings plans such as a group RSP, a group TFSA, and a share-purchase plan (the Employees' Savings Plan, or ESP). Under the ESP, team members can have up to 12% of their annual earnings withheld through payroll deductions to buy BCE common shares. The company contributes \$1 for every \$3 a team member puts into the plan, up to a maximum of 2% of earnings. Shares purchased with company contributions are vested to team members after 2 years. In 2017, close to 29,000 team members participated in the ESP.

In 2017, we contributed more than \$400 million to our various pension plans, including a \$100-million voluntary contribution to enhance the security of pension promises made under our legacy defined benefit pension plans, which are now funded at 99% on a solvency basis. More than 65,000 members across the country are covered under those defined benefit pension plans, including more than 50,000 pensioners and beneficiaries who are receiving monthly pensions.

Through Morneau Shepell, Bell offers team members a new option for purchasing benefits coverage to support their health and well-being after their career at Bell. Through the MyFuture Marketplace, team members can buy medical, travel, dental, and life insurance plans designed specifically for retirees and provided by some of Canada's leading insurance companies.



For more information on retirement plans, please see our **Annual** Report, p. 125 and Note 22 starting on p. 147.

Team members

Team members Health and safetu

Health and safety

Bell seeks to provide a safe and healthy workplace where team members come to work knowing they are part of a team whose priority is ensuring they go home safe at the end of the day. We all embrace safety as the way we work, not just as an add-on. Dedication and leadership are bringing safety to the top of everyone's mind at Bell as we continue to develop programs to address the hazards and mitigate the risks present in our workplaces.

Overall accident frequency¹ for 2017 is 1.19, up slightly over 2016 (1.06). Incidents involving slips and falls increased modestly over 2016 with an additional 22 cases. We seek to decrease this type of injury with the implementation of cleated footwear for the prevention of slips and falls. Ergonomic incidents have been trending positively with an overall decrease of 6%. There was a work-related fatality within one of our subsidiaries this year involving bucket contact with electrical power lines while performing fiber installation work. We have a collaborative investigation with Employment Social Development Canada (ESDC). This type of incident is extremely rare in our business.

Beyond monitoring accidents with lost time, the tracking of minor injuries, near misses and hazardous situations also drives our prevention activities. As key components of our Incident management and investigation program, we leverage the data generated by our team members to respond to trends in real time, addressing them as we see them evolve.

In 2017, our Corporate Safety Action plans continued to be at the forefront to our maturing safety management system. These plans support our collaborative approach to identifying and addressing health and safety concerns and building on tools and processes we have in place. Each year, Bell's Internal Audit group incorporates Health and Safety programs into their internal audit plans. This enables the identification of improvement opportunities on an ongoing basis. Corrective actions are closely monitored for resolution and reported to the Audit Committee of the Board. In addition, as part of our Health and Safety governance framework, we hold guarterly performance review meetings with the EVP of Corporate Services. We also hold bi-annual performance review meetings with the HSSEC. Finally, we submit annual performance reviews to the **Compensation** Committee of the Board of Directors. For more information about the governance of health and safety, please see Management of Corporate Responsibility at Bell in this report.

We also work to leverage the dedication and efforts our team members and managers to support 138 Local Health and Safety Committees across Canada, 4 provincial committees in Atlantic Canada, and 5 Corporate Health and Safety Committees in partnership with the union, Unifor. Collectively these committees have completed upwards of 8,000 workplace inspections, identifying and resolving issues which, left unaddressed, could potentially have contributed to an incident. We value the attention and experience of our team members to look out for one another. GRI 403-1

We maintained our focus on prevention, formalizing our Hazard Identification and Risk Assessment program, creating synergies and aligning practices across all lines of Bell's business as well as evolving our health and safety programs in conjunction with Bell's business growth. In addition, Bell has a number of programs in place specific to the risks identified for our industry for the protection of our team members.

WE ALSO WORK TO LEVERAGE THE DEDICATION
AND EFFORTS OUR TEAM MEMBERS AND MANAGERS
TO SUPPORT 138 LOCAL HEALTH AND SAFETY
COMMITTEES ACROSS CANADA

2017 progress on programs for the protection of our team members

Industrial hygiene

Responding to regulatory changes affecting the industry, Bell's Industrial Hygiene program continues to incorporate the requirements for asbestos management. We work with key internal and external stakeholders to execute procedures for compliance. Within our technician group, we have implemented a number of enhanced safe work practices to protect team members when working with legacy lead cables still in service. In addition, we are developing mobile training, which we will deploy in 2018.

Confined space

Bell's program includes extensive training for team members who perform work on the network in these spaces. Each confined space has specific work procedures and we provide team members with the tools and equipment to perform the work safely. We also ensure that any third party with access to our confined spaces in order to install or maintain equipment has the appropriate competencies and equipment for safe access. We continue to integrate the confined space management database from the former Bell Aliant into Bell's. This will provide a harmonized inventory and will enhance control of access to regulated spaces. We also continue our efforts to implement expanded rescue plans supporting team members in case of emergency.

Working at heights

In collaboration with our equipment suppliers, we are working to design lighter weight ladders that meet regulatory and product safety requirements for team members. The reduction in weight decreases the risk of ergonomic hazards related to lifting, carrying and positioning the ladder. This enhancement will be supported with training for users. Training is provided for all team members who perform work at heights, which includes safe use and maintenance of equipment, with an emphasis on fall arrest equipment, safe work practices, and emergencies. As with our other high-risk work, we expanded our pole-top rescue plans.

Team members

Team members

Ergonomics

For our technicians, we are focusing on increasing awareness on how safely to transport ladders to avoid slips, falls, and back injuries. We have Ergo Champions who provide ergonomic assessments and educate peers on optimal workstation set up to prevent ergonomic-related injuries. Team members can access information on exercises and stretches, how to set up and adjust their workstation, and tips for considering ergonomic issues when planning their daily work on our Health and safety intranet site.

Incident management and investigation

Bell's centralized incident investigation process continues to improve our ability to analyze trends accurately. With 4 trained corporate incident investigators coaching and supporting managers in conducting investigations, we are seeing the quality improve. Reporting such incidents through our National Incident Centres enables us to implement a swift and coordinated response in the case of a severe accident.

Transportation and road safety

In 2016, we began a helicopter safety program which addressed the following:

- Ensure landing pads at our remote tower sites are safe and compliant with applicable aviation standards
- Develop and roll out of an ongoing helicopter service providers' safety program audit to ensure they meet industry standards
- Develop and roll out of a flight-risk assessment checklist to be used by both the pilot and our team members onboard the helicopter that will serve to ensure ongoing safety practices are followed at all times, and to identify any issues to be corrected on landing pads on an ongoing basis.

In 2017, we corrected landing-pad deficiencies at 16 sites. These priorities were determined in conjunction with an independent subject matter expert hired to evaluate all of our sites the previous year. We also audited 3 primary helicopter service providers during the year and worked with them to ensure any deficiencies identified in the audits were addressed satisfactorily in an appropriate period.

BELL'S CORPORATE HEALTH AND SAFETY TEAM IS A KEY STAKEHOLDER SUPPORTING EMERGENCY PREPAREDNESS PROGRAMS, ENSURING TEAM MEMBERS KNOW WHAT IS EXPECTED IN THE EVENT OF ANY TYPE OF EMERGENCY

Contractor safety

We continued to roll out to new areas of the organization, including Bell Media and BTS, a pregualification tool and process for contractors performing high-risk tasks. We introduced a new incident reporting process as well, leveraging the same process as for internal incidents and using the National Incident Centre as the central point for reporting. This reduces our response time to incidents and ensures the right people are notified and engaged from the moment an incident is reported. Additional focus centred on training contract managers on proper investigative techniques. This enables better conclusions and appropriate actions in order to seek to avoid similar incidents in the future.

Electrical safety

One of our priority initiatives for safety in 2017 focused on electrical safety, developing our program based on industry best practices. We undertook comprehensive risk assessments of the various electrical tasks performed by our team members. Using the information gleaned from these assessments, we developed safe work procedures and reviewed personal protective equipment and maintenance programs in place. We will continue to develop this program throughout 2018. In addition, we will evaluate and update training content to implement a best-in-class electrical safety program.

Team members Recruitment/

New talent

Recruitment/New talent

Attracting the best talent is important for Bell's evolving business environment if we are to continue to lead and win in a highly competitive marketplace. To secure access to top new recruits, we drive a variety of initiatives that build a community of job seekers through our career site and social media, with a focus on recruiting from a diverse candidate base that reflects our customers and the communities we serve.

In 2017, we hired 12,000 new team members, thanks in large part to our focus on expanded social media recruiting initiatives, which have generated more than 130,000 LinkedIn and Twitter followers, plus more than 700,000 Talent Community subscribers.

We continue to concentrate on early career and student hiring. On campuses, we sponsor student development initiatives and participate in more than 50 student events such as mock interviews, case competitions, and networking sessions throughout the school year to promote career development and relationship building. In all, we visited 18 universities in Ontario, Québec, and Atlantic Canada to promote our opportunities with new graduates, with an emphasis on attracting candidates to Bell's Graduate Leadership program, one of the largest initiatives in Canada dedicated to helping new grads become the next generation of leaders. The Graduate Leadership Program produced 23 future Bell leaders in 2017, totaling 101 since its inception in 2011. Because of these efforts, Bell Canada was named one of Canada's Top Employers for Young People (2018).

We are proud to continue to be involved in the Hire a Veteran program through various partnerships with the Canadian Armed Forces. We provide training to our Bell recruiters to understand how veterans' skills are transferable, the benefits of hiring a veteran and how to support veterans and reservists throughout the recruitment process. In 2017, we saw a 54% year-over-year increase in veteran hires and a 74% year-over-year increase in veteran spouse hires. Since the program's inception in 2013, Bell has hired more than 250 veterans and veterans' spouses.

As part of our diversity and inclusion strategy, we ask job seekers to self identify so we can short list qualified candidates and ensure diverse representation. We also participate in and sponsor career fairs for diverse communities. These included: Miziwe Biik Aboriginal Employment and Training Centre's Indigenous Career Market enabling Indigenous job seekers; Toronto's annual Out on Bay Street career fair to facilitate the professional development of lesbian, gay, bisexual and trans-identified students; and Lime Connect's Corporate Recruitment Receptions for students and experienced professionals who have disabilities. We were also proud to sponsor the inaugural Empower McGill conference, which gave students and business professionals, either with or without disabilities, the resources to become leaders and advocates for diversity and inclusion in business. Through these initiatives, more university students and internationally trained professionals gained access to opportunities at Bell.

Once team members are hired, their onboarding experience is critical to optimize their productivity and their sense of belonging as quickly as possible. Our Welcome to Bell program is designed to help new team members feel connected to the organization and have the resources they need for quick success by providing information on Bell's strategy, key contacts, customers, culture and processes.



Our customers

GRI 102-2, 203-1

The needs and values of our customers inform every aspect of our business. From the individual wireless consumer to the largest enterprises that drive the dynamic national economy, our customers expect more from Bell and we work hard to deliver the high-quality next-generation services they want and deserve.

Delivering excellent service

Our objective is to enhance customers' overall experience by delivering call centre efficiency, meeting commitments for the installation and timely repair of services, increasing network quality, and implementing process improvements to simplify customer transactions and interactions with our front-line team members and self-serve tools. All of these will help differentiate us from our competitors and preserve long-term customer loyalty. We intend to achieve this by making the investments needed to improve our front-line service capabilities, our networks, our products and our distribution channels to win and keep customers.

Thanks to unparalleled investments in our world-class wireless and wireline networks, ongoing team training, and innovative new tools, Bell continues to serve an increasing number of subscribers. At the end of 2017, Bell had more than 22.1 million total subscriber connections across our full range of services, including 9.2 million wireless subscribers, 3.8 million high-speed Internet subscribers and 2.8 million television subscribers.

For information on the environmental benefits of using Bell's technologies, please see <u>Bell's energy-saving objective</u> in this report.



Delivering excellent service

Our customers

We deploy world-leading broadband networks

Bell operates the largest fibre network in Canada, spanning more than 240,000 kilometres. We invest more than any competitor in enhancing the reach and performance of our communications infrastructure: \$4.03 billion of capital investment in 2017 alone. With these investments, we expanded our leading broadband fibre network and the best wireless network in the country in our ongoing effort to deliver better performance, expanded coverage, and new services.

At the end of 2017, Bell's direct fibre footprint reached more than 3.7 million homes and commercial locations, up 23% in the last year. It is the largest gigabit Internet service footprint in Canada. We plan to cover 4.5 million locations by year-end 2018 as we roll out deployments in Manitoba with Bell MTS, as well as in Montréal, Toronto and the 905 area code around Toronto. The Montréal expansion is an \$854 million investment to deploy a Gigabit Fibe fibre-to-the-home network to 1.1 million customer locations across Montréal Island over the next few years. Early in 2018, Bell announced a further expansion of direct fibre to the premises bringing Gigabit Internet speeds to more than 1.2 million additional homes and businesses in 905 area code and Greater Toronto Area.

One part of the network expansion in 2017 brought broadband Internet service for the first time to 5 remote communities across northern Labrador.

To address strong customer demand for a vast number of datadependent applications, gaming and streaming video services, Bell continuously upgrades its core IP VPN (Internet Protocol, Virtual Private Network). BELL OPERATES THE LARGEST FIBRE NETWORK IN CANADA, SPANNING MORE THAN 240.000 KILOMETRES

On the wireless side, we achieved a major milestone in 2017 as our LTE network, offering theoretical download speeds of up to 150 Megabits per second (Mbps), expanded to reach 99% of the Canadian population. We are also achieving industry-leading wireless speeds with active spectrum deployment and aggregation as well as our industry-leading fibre backhaul infrastructure. Additional innovations include the introduction of Tri-band LTE service which now provides speeds up to 335 Mbps to 34% of Canadians and Quad-band LTE service offering up to 750 Mbps in more than 90 cities. We also achieved a North America first: deploying Gigabit-plus speeds in Mississauga.

For more information about our network coverage, please see <u>Leading-edge networks</u> in this report.

We deploy preeminent broadband networks Our customers

We offer quality on-time service

More Canadians than ever are taking advantage of Bell's online and app-based tools to manage communications services and pay their bills.

Tools for customers

Over the last 5 years, we have invested more than \$850 million to provide better training and tools for our call centre representatives and field technicians as well as to improve online customer self-serve options. These options include MyBell.ca and the MyBell app, which enable customers to manage their services, add or switch features and efficiently resolve issues. Customers used those two features to make 16.2 million transactions in 2017, up 15% year-over-year. The MyBell app has earned a 4-star rating from users.

OVER THE LAST 5 YEARS, WE HAVE INVESTED MORE THAN \$850 MILLION TO PROVIDE BETTER TRAINING



Our Manage Your Appointment feature enables customers to confirm their service call while giving them access to important information such as the name and approximate arrival time of their technician. The tool also gives technicians access to each customer's account history right on their mobile devices, further improving service by reducing set-up time.

Also in 2017, we introduced Same Day/Next Day repairs for smartphones in a pilot program in select Bell retail outlets, resolving many common smartphone issues within a few hours with the help of certified technicians using manufacturer-approved parts.

To more efficiently handle the thousands of installations and repairs our Field Services team conduct every day in customer homes and businesses, we hired and trained 2,300 new field technicians, enabling us to offer same-day repair appointments to 68% of customers. Despite the growing volume and complexity of installations and repairs, customer satisfaction with our technicians is at a record high of 95% as our team leverages new tools to complete more work in one visit and in a shorter time. For instance, we cut the installation time for home Fibe TV by 9% in the year.

We offer quality on-time service

Our customers

A new tool for technicians

In 2017, we introduced Technician Dossier, a tool that makes customer and technical information from different systems available to Field technicians on their mobile devices. This gives technicians quick access to test data and previous ticket resolution, contact and job information, and customer history. They can also use the app to leave feedback and important information to facilitate future service calls.

We continued to improve our service for business customers in 2017, opening a national service centre in Fredericton, offering quality assurance, security services and development and project management for enterprise and government customers of Bell Business Markets across the country. Our service to business customers won the 2017 Frost & Sullivan Best Practices Award.

Improved service

By prioritizing investment in customer service and advanced online tools, the most recent report of the federal Commissioner for Complaints for Telecommunications Services (CCTS) shows that Bell's share of overall complaints from customers continues to fall each year more rapidly than anyone else's.

GRI 418-1

VIRGIN MOBILE CANADA EARNED THE HIGHEST RANKING IN OVERALL CUSTOMER CARE SATISFACTION IN THE J.D. POWER 2017 CANADIAN WIRELESS CUSTOMER CARE STUDY, WITH TOP SCORES IN CALL CENTRE AND ONLINE SERVICE CATEGORIES



We bring next-generation products and services to market

Bell spends more on research and development than any other Canadian communications company, enabling us to deliver a constant stream of innovative products and services across a range of communications technologies.

In 2017, Bell launched Fibe Alt TV, a new way to watch television on multiple screens with no need for a traditional television subscription, installation or set-top box. Customers can watch up to 500 channels on a variety of devices and Apple TV. This augments Bell's leading TV service, which has already delivered unique features such as Restart, Trending, and the Fibe TV app.

In 2017 as well, Bell became the first Internet service provider in its operating territory to bring smart and fast Wi-Fi to every room in the house with Whole Home Wi-Fi. Working in tandem with the cloud-based networking intelligence of the exclusive Home Hub 3000, Bell's Whole Home Wi-Fi learns how, when and where households use their Wi-Fi-capable devices, ensuring everyone in the home receives the strongest signal and fastest available speeds. As well, the Bell Wi-Fi mobile app enables customers to manage their entire home network remotely, including parental control over every Wi-Fi-connected device.

Bell is also staying on the cutting edge of mobile broadband technology and network development, continuing to participate in R&D and trials in advance of the commercial launch of fifth generation wireless (5G) in the next few years after being the first company in Canada to successfully trial the technology with Nokia in 2016.



New mobile devices

Bell operates an extensive national network of retail outlets, including about 1,400 Bell-branded stores and The Source locations. More than 70% of Canadians live within 5 kilometres of stores operated or licensed by The Source. Glentel Inc., which is 50% owned by Bell, offers retail customers several hundred more locations, operating under brands such as WIRELESSWAVE. WIRELESS etc. and Tbooth wireless.

To ensure we meet evolving customer needs, we introduced 40 new mobile devices in 2017 and were the only Canadian carrier to be able to support the cellular capabilities of the Apple Watch Series 3 at launch. In addition, to better meet the needs of a large market segment, we launched Lucky Mobile, a low-cost prepaid service.

Our customers

We bring next-generation products and services to market

Making the connected home safer

In another major step into the Connected Home marketplace, as of January 5, 2018, Bell acquired AlarmForce, a Canadian leader in home security and monitoring services. This addition to the Bell team is expected to enable us to achieve both operational savings and pursue new opportunities. Our Residential and Small Business group is aligning our new AlarmForce assets with our existing security and monitoring services, Bell Aliant NextGen Home Security and AAA Security, a Bell MTS company. Combining the assets and experience of AlarmForce with Bell's strength in networks, customer service and distribution will enable Bell to deliver the latest Connected Home services to customers in Ontario, Québec, Atlantic Canada, and Manitoba.

Artificial intelligence

Bell's ongoing commitment to innovation is enabling us to deploy a new artificial intelligence algorithm to reduce text message spam. The algorithm uses machine learning to constantly update our methods of detection, making it more difficult for spammers to prevent their messages from being blocked. This enhances our traditional spam detection methods that look for patterns such as common spam language or large numbers of messages coming from one sender in a given time.

For more information on artificial intelligence, please see <u>Artificial</u> <u>intelligence supercluster</u> in this report.

Popular programming

Bell Media continues to deliver the content Canadians want. CTV remains the country's most popular TV network with 7 of the top 10 shows and our specialty channels in both official languages continue to be top rated.

Our streaming service, CraveTV, now serves in excess of 1.2 million subscribers. CraveTV is available to any Canadian with an Internet connection, offering thousands of hours of programming from HBO, SHOWTIME and other networks, along with award-winning original Canadian content.

As of 2017, subscribers to TMN Go were able to download movies and series from TMN, TMN Encore, and HBO Canada on their Android and iOS devices for playback without an Internet connection. Bell Media's newly launched Snackable TV features short clips from various outlets plus purpose-made short features.

Canadian content

Bell Media also supported the creation of 45 new and returning Canadian series, including the acclaimed drama Cardinal and the Tragically Hip documentary Long Time Running. Bell Media also launched its first live theatre production, Bat Out of Hell, and entered partnerships with Wow Unlimited Media to produce original programming for children and youth, with Bloomberg Media to create a new business media voice, BNN Bloomberg, and with Lionsgate to bring the Starz network to Canada.

For more information on Canadian content investment, please see <u>Supporting a made-in-Canada media industry</u> in this report.

Radio

Bell Media is Canada's largest radio broadcaster, with 109 licensed radio stations delivering music, news, weather, sports, local politics, events, entertainment, and community information. Bell Media radio stations attract about 17 million listeners a week. We enhanced the iHeart Radio Canada app, making it available on additional platforms such as Apple Watch, Apple CarPlay, Android Wear, Android Auto and Sonos. Many of our broadcasters, reporters, and stations receive awards every year. In 2017, for example, CJBX-FM was awarded Radio Station of the Year, large market category, by the Country Music Association. Also in 2017, Too Tall, from CHOM 97.7 in Montréal, was inducted into the Canadian Music and Broadcast Hall of Fame.

Canadian businesses run on Bell

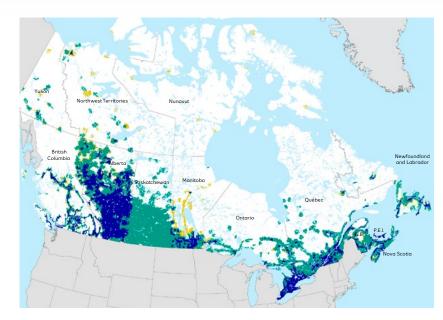
Bell understands that our networks and services play a critical role in keeping Canadian businesses productive, connected and competitive in a global economy. In fact, the vast majority of the country's largest enterprises are Bell customers.

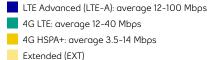
Our national voice and data network reaches all major Canadian metropolitan centres, as well as New York City, Chicago, Boston, Buffalo, Minneapolis, Ashburn (VA), and Seattle in the United States.

In 2017, we added a point of presence for Wholesale customers in London, U.K. This enables European customers to have access to North America without having to route calls and data through the U.S. This also gives customers access to Canada's most advanced and most extensive network, U.S. meet-me points and state-of-the-art, end-to-end communications solutions, from connectivity to professional and data centre services and more.

With the ongoing integration of Q9 Networks Inc., Bell further boosted its business markets leadership. Bell now operates 28 data centres across the country, the most in the Canadian industry. These provide state-of-the-art communications and Information Technology services for businesses and government organizations. In 2017, we expanded our portfolio of web security solutions, adding Akamai's leading-edge web performance, media delivery and cloud security products to our offering.

Bell is also the first Canadian provider to offer businesses access to Microsoft Azure ExpressRoute, while our partnership with IBM Canada Limited delivers exclusive access to IBM MobileFirst for iOS apps. In addition, Bell offers Bell Total Connect – a powerful suite of next-generation business communications tools used by large enterprises – to small-business customers.





Our customers

Canadian businesses

run on Bell

Our customers Customer privacy and security

Customer privacy and security SASB TC0301-02

In 2017, Bell was the only telecommunications company named to the Leaders Category in security services for business customers by International Data Corporation (IDC) Canada. Evaluators noted that Bell's extensive network enables us to quickly leverage cyber threat intelligence (CTI) to provide a complete range of advanced threat detection, mitigation, and prevention services. Bell's leading cloud security capabilities, broad range of professional services, and large Canadian footprint – including channel partners, sales staff, and research teams – also contributed to our strong showing in the survey.

CTI gives organizations deep insight into the changing threat landscape, providing greater visibility and situational awareness that enables them to take proactive steps to maintain their network security in the face of threats.

The Bell network carries a significant amount of Canadian Internet traffic on a daily basis. This gives us unparalleled visibility into cyber threats and uniquely positions Bell to provide actionable cyber threat intelligence and effective network solutions. With a highly available network, 28 secure data centres and 3 scrubbing centres across Canada, Bell can respond to threats and attacks with speed and scale few other companies can match. Our team of highly qualified security experts delivers advanced threat detection, mitigation and prevention expertise to organizations across the country that require the highest levels of security, from governments to banks and other regulated industries.

The measures undertaken to protect customer information are explicitly laid out in the <u>Bell Privacy Policy</u> and reinforced through privacy training for all Bell team members to make them aware of and respect the rights of consumers. Every year, Bell team members must review and sign a code of business conduct and undergo phishing awareness training and other activities, including the safeguarding and proper use of customer information.

Bell will not disclose a customer's confidential information to government agencies unless specifically compelled to do so by a legal authority or in the case of an emergency where the life, health, or security of an individual is threatened. In normal circumstances, Bell will not disclose customer information to a third party without that customer's consent. Nor will Bell ever ask customers for credit card or other personal information by e-mail.

Bell is also dedicated to protecting its networks, systems, applications, data centres, records, and personal information they contain against all threats, including cyber attacks, unauthorized access or entry, damage from fire, natural disasters and other events. Given that the vast majority of Canadian corporations use Bell services, we understand and make every effort to protect the competitiveness of Canadian business by seeking to maintain network security and stability. That entails continuous investment to upgrade performance so that the network can be available 99.99% of the time. We also deploy defensive layers and controls such as: a 24x7 security operations centre, denial of service protection, mitigation against advanced persistent cyber threats, system disruption protection, malware detection, security event monitoring, data loss prevention, privacy impact assessments, and intrusion prevention. By engaging in rigorous monitoring of network operations and regular security testing, including fire drills, Bell works continuously to seek to ensure our network is prepared for any eventuality.

Our customers

Bell manages one of the most comprehensive scopes for the Payment Card Industry Data Security Standard (PCI-DSS), including an in-house credit card data tokenization system. We have maintained, without issue, our PCI-DSS certification. Bell is also an active contributor to the global conversation on privacy.

Nobody is immune to cyber attacks and organizations must always be ready to respond. Bell did experience a hacking incident in May 2017 in which an anonymous hacker obtained approximately 1.9 million active email addresses and about 1,700 customer names and telephone numbers. We took immediate steps to secure the affected systems, apologize to affected customers, inform the Office of the Privacy Commissioner, complete a full digital forensic investigation, and began working closely with the RCMP's cyber crime unit on the incident.

Bell is involved in many ways to help lead the charge on cyber security. As an elected representative for Canada in the not-for-profit, member-driven Information Security Forum, Bell helps lead the establishment and evolution of security and risk management practices. We also adhere to a number of international security standards and frameworks, including ISO 27001 (an international standard for information security management), and the Information Security Forum Standard of Good Practice. Bell is also a founding member of the Canadian Cyber Threat Exchange (CCTX.ca), which aims to help public and private organizations collaborate and share cyber threat information across different industries and sectors in Canada.

To learn more about how to protect your personal information, please visit Bell's security and fraud prevention resources on <u>Bell.ca</u>.

Bell continues to work together with government, law enforcement agencies and the technology industry to combat the growth of hacking and other cyber crimes. For more information about cyber crime prevention and how to protect your data, please visit the <u>RCMP web site</u> and the <u>federal government's cyber safety web site</u>.

More information on our privacy policy, including answers to frequently asked questions, is available on our website at <u>Privacy</u> at Bell.

Protection of minors

Bell supports awareness and education for youth and parents on Internet safety through sponsorship of organizations such as <u>MediaSmarts</u> and the <u>Canadian Centre for Child Protection</u>. For more information on these, please see <u>Community</u>, <u>economy</u>, <u>and society</u> in this report.



Our customers Accessibility

Accessibility for everyone

Bell believes the benefits of mobile technology should be easily accessible to everyone. Through initiatives like our <u>Accessibility Services Centre</u>, Bell is helping to break down the barriers that limit access to communications technology for customers with speech, cognitive, physical, hearing, and vision-related disabilities.

Our Accessibility Services Centre website on Bell.ca is made accessible to all users by meeting the Web Content Accessibility Guidelines AA rating. We offer a Mobile Device Selector tool to help customers find devices with features such as screen magnification, TTY (teletypewriter) compatibility, external Braille support, and guided access mode. We also provide a dedicated team of agents, specially trained in the entire line of Bell products, services, and accessibility options.

Bell offers numerous accessible products and support services, including devices with screen readers and hearing aid compatibility, video conferencing, assisted messaging, and voice calling services, plus customized Mobility rate plans that reflect the particular needs of specific customers. Eligible customers can also quality for 2 GB of additional data at no extra charge.

The Mobile Accessibility app (available at no charge to Bell customers) integrates with the Android operating system to enable blind and low-vision customers to better navigate their devices. As of 2018, Bell will offer accessibility phones meeting the requirements of the Wireless Public Alerting System, enabling widespread and targeted Amber alerts, for example. We also offer T911 or text-to-911 service.

In our ongoing commitment to accessibility in 2017, 50 Bell volunteers spent a day building 40 Lipsyncs, a mouth-controlled device that enables people with little to no hand movement to use touchscreen smartphones and tablets. We provided 17 devices to various organizations such as the Sunnybrook Hospital Prosthetics department and several chapters of the ALS (Amyotrophic Lateral Sclerosis) Society, with the remaining going to waitlisted users.

Bell also actively supports the introduction of Video Relay Service (VRS) in Canada, an initiative that will replace traditional TTY telephone calling for sign-language users. VRS enables users to connect by video link to a sign-language interpreter who can provide real-time interpretation of telephone conversations. Working with the CRTC and the Canadian Association of the Deaf (CAD), and as a member of a provisional Board of Directors for the central administrative body established by the CRTC, Bell is committed to seeing VRS launch in Canada in a timely and efficient manner.

OUR MANY ACCESSIBILITY INITIATIVES ARE MADE POSSIBLE IN PART BY BELL'S DEFERRAL ACCOUNT-RELATED PROGRAM, APPROVED BY THE CRTC, THROUGH WHICH WE ARE INVESTING \$25.4 MILLION TO FUND INITIATIVES THAT IMPROVE ACCESSIBILITY FOR PERSONS WITH DISABILITIES ACROSS CANADA

In addition to providing an unmatched line-up of accessible devices and apps, Bell also works closely with the user community to build awareness of services available. In 2017, we sponsored the annual National Braille Conference of the Canadian National Institute for the Blind where we presented a customized training module for the low-vision and blind community. We pioneered a Smartphone workshop for the Canadian Hard of Hearing Association in York Region, highlighting available tools and providing demonstrations for audience members.

Bell strives to remain among the world leaders in the accessible mobile telecom space. Through our membership in the <u>Canadian Wireless Telecommunications Association</u> (CWTA), Bell actively participates in the Wireless Accessibility Committee which focuses on accessibility issues for mobile products and services across Canada. For more information on accessibility at Bell, please visit our <u>Accessibility Services Centre</u>.



Community, economy, and society

Ground-breaking work on mental health. Leadership in protecting the vulnerable in the digital age. Significant support for the cultural fabric of our nation. Unmatched R&D and leading networks that knit communities together and fuel Canada's largest organizations. All critical facets of our commitment to contribute to Canada's growth, as we have been doing for more than 138 years.

Creating value for Canadians for 138 years

With 138 years of history in the communities we serve, being an engaged corporate citizen is central to our identity. Bell contributes to the creation of shared value for those communities, for the nation's economy, and for society through our participation in many supply chains. In our daily activities, we have an impact on almost all aspects of the lives of Canadians. Acting responsibly is central to achieving sustainable business success and essential to the pursuit of our corporate goal: To be recognized by customers as Canada's leading communications company.

Community, economy, and society

Creating value for Canadians for

138 years



Community

Bell invests in communities around the country, through both the Bell Let's Talk mental health initiative and a range of community projects, sponsorships, and the volunteer engagement of our team members. These initiatives not only strengthen the communities involved, they also increase engagement because they reflect the deeply held values of team members.

Bell Let's Talk

Community

Bell Let's Talk

Launched in 2010, Bell Let's Talk is the single largest corporate commitment to mental health in Canada. Originally a five-year, \$50 million program to help create a stigma-free Canada and drive action in mental health care, research, and the workplace, Bell Let's Talk was renewed in 2015 for another 5 years with a target of raising Bell's commitment to at least \$100 million. After 8 years, our total commitment is already in excess of \$93.4 million. Through the program, we are making a tangible difference for Canadians in a variety of ways, including:

IN 2017, BELL CONTRIBUTED \$25 MILLION IN COMMUNITY INVESTMENT THROUGH BELL LET'S TALK, PROGRAMS FOR CHILDREN AND YOUTH, AND ARTS AND CULTURE

Anti-Stigma

Overall, 87% of Canadians say they are more aware of mental health issues than they were a few years ago. Additionally, 85% think attitudes about mental health have changed for the better and 75% believe the stigma around mental health has been reduced. The numbers are even more impressive among young people aged 18-24: 88% think attitudes are better and 77% believe stigma has been reduced.¹



Community, economy, and society



Community, economy, and society

Care and access

Bell Let's Talk has funded more than 780 partner organizations, each of which is making a huge difference in the lives of Canadians.

Here are some results:

- 1,208,040 INDIVIDUALS SUPPORTED WITH ACCESS TO MENTAL HEALTH CARE
- 1.399.890 CRISIS AND DISTRESS LINE CALLERS
- 499,310 CHILDREN AND YOUTH REACHED THROUGH BELL LET'S TALK PROGRAMS
- 334,390 INDIVIDUALS SUPPORTED THROUGH TECHNOLOGY-BASED MENTAL HEALTH PROGRAMS
- 851.050 TRAINED STAFF AND VOLUNTEERS
- 8,410 MILITARY FAMILIES HELPED THROUGH THE BELL TRUE PATRIOT LOVE FUND.



New research

Our research contributions include \$2 million to date to support the Bell Canada Mental Health and Anti-Stigma Research Chair at Queen's University, the world's first and only mental health and anti-stigma chair, as well as \$2 million to Canada's largest brain bank, expanding the Douglas-Bell Brain Bank in Montréal. Other initiatives have included \$1 million to support research into the early detection of mental illness vulnerability by the Fondation de l'Institut universitaire en santé mentale de Québec as well as partnering with Sunnybrook Health Sciences Centre in Toronto to create the \$1 million Bell Canada Chair in Adolescent Mood and Anxiety Disorders.

We also partnered with Brain Canada to establish the \$1 million Bell Mental Health Research Training Awards to support the most talented next generation of Canadian mental health researchers.

Workplace leadership

As a leading employer, Bell has set an example as a major funder and an early adopter of the voluntary National Standard for Psychological Health and Safety in the Workplace. We have also developed best practices for workplace health, including an enhanced return-to-work program, easy access to information, resources for team members, and the creation of a culture of support.

IN 2017, EXCELLENCE CANADA NAMED BELL TO ITS ORDER OF EXCELLENCE FOR OUR LONG-TERM COMMITMENT TO WORKPLACE MENTAL HEALTH, THE HIGHEST LEVEL EVER OFFERED TO A COMPANY

For more details on workplace health initiatives, please refer to <u>Mental</u> <u>health in the workplace</u> in this report.

economy, and society

Community,

Another record Bell Let's Talk Day

People across the country and around the world continue to join the Bell Let's Talk Day conversation in unprecedented numbers, helping to reduce stigma and make the future brighter for the millions of Canadians affected by mental illness.

In this year's Bell Let's Talk Day awareness campaign, people around the country had the opportunity to get to know a diverse group of their fellow Canadians, all of whom have been affected by mental illness. By sharing their personal stories of struggle, recovery and support, these people gave a face to the campaign's theme: mental health affects us all. This year, the Bell Let's Talk team also welcomed 3 new ambassadors: comedian and actress Jessica Holmes, musician and author Florence K and actress Véronique Bannon. They were joined once again by Bell Let's Talk spokespeople Clara Hughes, Howie Mandel, Marie-Soleil Dion, Serena Ryder, Michael Landsberg, Michael Mpambara, Stefie Shock, Mary Walsh, and Étienne Boulay, and Bell Let's Talk ambassadors Toronto Maple Leafs Head Coach Mike Babcock, pro golfer Andrew Jensen, comedian Kevin Breel, retired CFL player Shea Emry, musician Robb Nash, singer-songwriter Séan McCann and Royal Canadian Navy veteran Bruno Guévremont.

In 2017, Bell Let's Talk, Atlantic University Sport (AUS), Réseau du sport étudiant du Québec (RSEQ), Ontario University Athletics (OUA), and Canada West Universities Athletic Association (CWUAA) came together to launch a national student-athlete initiative to promote mental health at 54 university campuses across Canada. During Bell Let's Talk Day 2018, the campus conversation about mental health more than doubled, occurring at 130 Canadian universities and colleges who hosted more than 200 events including varsity and collegiate games to raise awareness of campus mental health.

Many prominent Canadian, American and global figures helped spread the mental health message and engaged millions of fans and followers in the cause, making #BellLetsTalk once again the top Twitter trend in the world on that day. In 2017, Twitter announced #BellLetsTalk is the most used hashtag ever in Canada.

ON BELL LET'S TALK DAY 2018, PEOPLE IN CANADA AND AROUND THE WORLD SENT 138,383,995 TOTAL MESSAGES OF SUPPORT. FOR EVERY TEXT, MOBILE CALL AND LONG DISTANCE CALL BY BELL CUSTOMERS, TWEET USING #BELLLETSTALK, SOCIAL MEDIA VIDEO VIEW, OR USE OF THE FACEBOOK FRAME OR SNAPCHAT FILTER. **BELL CONTRIBUTED 5 CENTS TO CANADIAN MENTAL** HEALTH PROGRAMS. THIS ADDED \$6,919,199.75 TO OUR COMMITMENT TO CANADIAN MENTAL HEALTH, WHICH HAS NOW REACHED \$93,423,628.80

#BellLetsTalk



Bell Let's Talk funds several new mental health projects

Bell continued to invest in a broad selection of innovative programs aimed at improving care and access to care for those with mental health issues. Our major new commitments in 2017 and early 2018 included:

- \$1 million in partnership with <u>The Rossy</u> <u>Family Foundation</u> to develop a national standard for post-secondary student mental health
- \$500,000 to the <u>Institut universitaire</u> <u>en santé mentale de Montréal</u> <u>Foundation (FIUSMM)</u> to support innovation projects at the institute's Research Centre
- \$400,000 to the Montréal General
 Hospital for a Neuromodulation unit
 (rTMS), chair and Brainsight Neuro
 navigator to improve access and
 quality of care to adults suffering
 from depression
- \$200,000 in partnership with Unifor for Ma Mawi Wi Chi Itata Centre (Ma Mawi) and CMHA Manitoba and Winnipeg to support the launch of the Strengthening Wellness Education to Love Life (SWELL) program
- \$150,000 to <u>Ogijiita Pimatiswin</u>
 <u>Kinamatwin (OPK)</u> to expand its mental
 health services for Indigenous youth
 in Winnipeg.

Other partnerships include:

- \$1 million, matched by provincial government funding in Atlantic Canada, to expand the work of the <u>Strongest</u> <u>Families Institute</u>
- \$300,000 to two health foundations in Québec's Lanaudière region to develop services tailored to clients in the region with mental health challenges
- \$250,000 in partnership with Northwestel to <u>Embrace Life Council</u> to support the implementation of the safeTALK training program across Nunavut
- \$250,000 to McGill University's
 Montréal Neurological Institute and
 Hospital to develop culturally relevant
 information for patients, families and
 care providers
- \$150,000 for <u>St. John Ambulance</u> to incorporate a mental health module in its first aid courses.

IN EARLY 2018, BELL ANNOUNCED THE BELL LET'S TALK COMMUNITY FUND WOULD DOUBLE TO \$2 MILLION A YEAR

The fund has provided individual grants of up to \$25,000 to community-based registered Canadian charities since its launch in 2011. A committee of mental health experts reviews all applications. Since its inception in 2011, the fund has provided 414 grants to local initiatives. In 2017, the fund distributed \$1 million in one-time grants to 70 community organizations from coast to coast to coast.

Community, economy, and society

The Bell True Patriot Love Fund is a \$1 million, multiyear initiative that provides annual grants of \$5,000 to \$75,000 to community mental health programs for serving military members, Veterans and their families. Since its launch in 2013, the Fund has provided more than 70 grants to organizations across the country that work to improve access to mental health care. In 2017, \$250,000 in one-time grants was provided to 12 community organizations.

Projects supported include:

- Mood Disorders Society of Canada: Men's trauma program supporting military personnel living with post traumatic stress disorder (PTSD)
- Moose Jaw Military Family Resource **Centre:** Families Over Coming Under Stress (FOCUS) providing resilience training for military families to help develop skills to better manage the challenges that arise from military lifestyle, transitioning to civilian life and operational stress injuries
- National Service Dogs: Certified service dogs for military personnel and Veterans living with post traumatic stress disorder (PTSD)
- The Perley and Rideau Veterans' **Health Centre Foundation: Creative** arts program promoting and restoring the mental, physical and spiritual health of their Veteran residents.

THE BELL TRUE PATRIOT LOVE **FUND HAS PROVIDED MORE THAN 70 GRANTS TO ORGANIZATIONS** ACROSS THE COUNTRY THAT WORK TO IMPROVE ACCESS TO MENTAL **HEALTH CARE**



National Service Dogs, Bell TPL Fund grant recipient. Based in Cambridge, Ontario, this program matches Certified Service Dogs with military personnel and Veterans living with PTSD across Canada.

economy, and society

Team member giving

Bell supports our team members in a wide range of interests that go beyond the corporate focus on mental health. Through our Employee Giving Program, Bell matches donations that team members make to United Way/Centraide, the Canadian Mental Health Association and Canadian universities and colleges. Bell also provides grants to charities based on and in recognition of the volunteer time commitments of team members themselves.

Through the Employee Giving Program, Bell team members and pensioners donated \$2.8 million to charities in 2017. Collectively, our team devoted more than 250,000 hours of volunteer time to build stronger communities through their support of sport and charitable organizations. Throughout the year, Bell volunteers could be found building homes, putting care packages together, cleaning up community centres, fundraising, and collecting toys and school supplies for kids, to name just a few of their activities.

Bell is also a founding partner of <u>Kids Help Phone</u>, supporting the mental health and well-being of young people. Team member volunteers continue to help organize and participate in the annual fundraising event, Walk So Kids Can Talk. In 2017, Bell Canada and The Source team members canvassed for pledges and participated in local walks, raising \$282,786. Since the event began in 2002, Bell team members have raised more than \$10.8 million.

In 2017, more than 11,000 participants in over 37 communities participated from Bell Media in the Walk So Kids Can Talk, raising almost \$3.7 million. Bell Media also promoted events by airing national radio and television public service announcements and digital advertisements, as well as engaging celebrity talent in the cause across the country.





Community, economy, and society

Team member

giving

Children and youth

Today's young people face challenges that simply did not exist for earlier generations. Bell partners with a wide range of youth-oriented organizations such as the Canadian Centre for Child Protection, MediaSmarts, Free the Children, and Computers for Schools, as well as programs like Backpacks for Kids and RE*Generation. These initiatives help Canadian children overcome difficulties, build self-esteem, play, learn and grow in new ways.





Online safety

Bell is dedicated to keeping Canadian children safe online and is a proud founding supporter of the Canadian Centre for Child Protection.

IN 2017 ALONE, CYBERTIP.CA RECEIVED MORE THAN 92,000 REPORTS FROM CANADIANS

Together, Bell and Bell MTS contribute \$400,000 annually in funding and services to support its operations, including Cybertip.ca, a national tip line for Canadians to report their concerns about online sexual exploitation of children, and to raise awareness of the issue so that we can protect children better when they use the Internet.

Since its creation in 2002, Cybertip.ca has received more than 330,000 reports from the public and has provided more than 14.9 million pieces of educational material to schools and families across the country. In 2017 alone, Cybertip.ca received more than 92,000 reports from Canadians.

Bell's donation also supports the Centre's initiatives to reduce "sexting" – the sharing of sexual imagery online or by text. Bell has funded 2 guides to help parents and educators address the issue. Bell also helped the Centre launch needhelpnow.ca, which provides young people with practical advice on dealing with sexting situations. The Centre provides the guide free of charge to schools and law enforcement.

economy, and society

Community,

Children and youth

Community, economy, and society CORPORATE RESPONSIBILITY REPORT

As a founding supporter of MediaSmarts, Bell donated \$50,000 in 2017 to help improve media and digital literacy for young people and their families. Working closely with academics, broadcasters, telecommunications service providers and Internet-based organizations, MediaSmarts develops educational materials and programs such as online tutorials to assist parents with strategies for the digital generation, a web-awareness workshop series for teachers and librarians, and a media literacy week to build public awareness of the importance of digital consumers developing critical-thinking skills.

Bell and MediaSmarts developed 2 new workshops to promote a positive online experience for teens and pre-teens using social media: Respecting Yourself and Others Online and The Parent Network: Social Media and Your Kids. Using the content from the workshops, MediaSmarts created a 4-part video series to further promote positive experiences online for young people. The first two videos were launched in 2016, during Media Literacy Week, and the remaining two videos in 2017. The videos, which are hosted on MediaSmarts' website and Facebook page, have received widespread promotion through MediaSmarts partners and social media, resulting in over 250,000 views between the two platforms.

Bell is also proud of its role as a founder of the Canadian Coalition Against Internet Child Exploitation and its <u>Cleanfeed Canada</u> initiative (operated by Cybertip.ca). This was developed to reduce Canadians' exposure to child abuse images and create a disincentive for those who access and distribute child pornography.

Backpacks for Kids

Bell team members across Canada support the Backpacks for Kids program, collecting school supplies for kids in need to help them get ready for back to school. In 2017, team members responded enthusiastically once again, filling more than 4,500 backpacks that were distributed to schools and community groups across Canada.

Virgin Mobile RE*Generation

Virgin Mobile RE*Generation focuses on investing in job skills training programs that help at-risk and homeless youths gain the skills necessary to get jobs that will change their lives for good. In a job market that increasingly requires higher levels of education, youths with less education particularly struggle with finding employment, and are more likely to be one of the estimated 6,000 young people across Canada who are homeless on any given night. Virgin Mobile RE*Generation helps these young people to realize and harness their potential to overcome barriers such as lack of education and homelessness and ultimately move onto a future of well-being and prosperity. In 2017 more than 400 young people completed the job skills training programs delivered by Virgin Mobile RE*Generation partners and gained skills and experience in a variety of industries (see next page). So far, close to 300 of these youth have been hired into jobs. For more about Virgin Mobile RE*Generation, please click here.



Community, economy, and society CORPORATE RESPONSIBILITY REPORT

IN 2017 MORE THAN 400 YOUNG PEOPLE COMPLETED THE JOB SKILLS TRAINING PROGRAMS DELIVERED BY VIRGIN MOBILE RE*GENERATION PARTNERS AND GAINED SKILLS AND EXPERIENCE IN THE INDUSTRIES LISTED BELOW

- BROADWAY YOUTH RESOURCE CENTRE (VANCOUVER) –
 FOOD SERVICES AND HOSPITALITY
- CENTRE FOR SKILLS DEVELOPMENT AND TRAINING (BURLINGTON) – SKILLED TRADES (CONSTRUCTION, ELECTRICAL, AND MACHINING)
- GUELPH YOUTH URBAN FARM (EVERDALE ENVIRONMENTAL LEARNING CENTRE) (GUELPH) – AGRICULTURAL
- FURNITURE BANK (TORONTO) CONTACT CENTRE AND WAREHOUSE LOGISTICS
- HOSPITALITY WORKERS TRAINING CENTRE (TORONTO) –
 FOOD SERVICES AND HOSPITALITY
- KIDS IN THE HALL BISTRO (EDMONTON) FOOD SERVICES
- NPOWER CANADA (TORONTO) IT
- THRESHOLD SCHOOL OF BUILDING (HAMILTON) CONSTRUCTION
- YOUTH EMPLOYMENT SERVICES (MONTRÉAL) ENTREPRENEURSHIP.

Supporting youth in the North

In partnership with Bell's Let's Talk, Northwestel is committed to supporting mental health initiatives across the North. In 2017, Northwestel continued to support Yukon's FRIENDS mental health support program, which focusses on preventing childhood anxiety and depression in communities throughout the Yukon.

Computers for Schools

Bell also supports the Computers for Schools program, which provides refurbished computers to primary and secondary schools as well as other non-profit organizations. This program is certified to be ISO 14001:2015-compliant and has been audited and approved by the RQO (Recycler Qualification Office) under the ERRP (Electronics Reuse and Refurbishing Program). It has also been selected as an EPRA-Québec (Québec Electronic Products Recycling Association) reuser/refurbisher.

In addition to chairing and managing the program in Québec, Bell also provides space for a workshop and office management. Computers For Schools encourages environmentally sound recycling and offers social inclusion to more than 100 young adults yearly through integration into the workplace.

In 2017, Bell and its subsidiaries donated 7,692 used computers, 833 monitors and 106 printers for reuse or recycling, bringing Bell donations since the beginning of our involvement to more than 97,500 computers, 17,300 screens and 4,600 printers.



Arts and culture

Bell is proud to continue a long tradition of supporting Canadian arts and culture, working with a variety of partners to enrich the communities we serve through the encouragement of creative expression. These initiatives, some of which are detailed on the next page, range from a full roster of summer festivals in Québec to grants for musical instrument programs in schools.

Celebrating northern culture

Northwestel is a proud supporter of Indigenous youth and culture across the North. In 2017, the company partnered with First Nations and Indigenous groups to support <u>National Indigenous Peoples Day</u> celebrations, the Yukon First Nations Graduation Day and the annual Northwestel Summit Hockey School.

In all, Northwestel invested more than \$600,000 in 2017 supporting arts, culture, youth, Indigenous, and health initiatives. The company is a proud sponsor of territorial sport federations and facilities, minor sport and cultural institutions through the Yukon Arts Centre, Northern Arts and Culture Council and Nunavut's Alianait Arts Festival. Since 1985, Northwestel has selected locally produced artworks to display on the cover of its phone directories, a more than 30-year tradition created to celebrate and showcase Northern artists.

NORTHWESTEL INVESTED MORE THAN \$600,000 IN 2017 SUPPORTING ARTS, CULTURE, YOUTH, INDIGENOUS, AND HEALTH INITIATIVES





Community, economy, and society

Arts and culture

Community, economy, and society

Assiniboine Park Conservancy

Bell MTS is a supporter of the Assiniboine Park Conservancy, contributing \$70,000 over 5 years to the Imagine A Place campaign – a redevelopment initiative to rejuvenate Assiniboine Park. One of the new attractions for the park is the Canada's Diversity Gardens. This iconic horticultural attraction is designed as a celebration of the world's cultural and bio-diversity. Throughout 4 cornerstone attractions – The Leaf, The Indigenous Peoples' Garden, Cultural Mosaic Gardens, and The Grove – the Gardens will showcase Canada's extraordinary multicultural heritage through an exploration of the human connection with plants and nature.



Concept rendering of Canada's Diversity Gardens.

Bell Media supports cultural events

As Canada celebrated the 150th anniversary of Confederation in 2017, Bell Media honoured the country's cultural diversity and talent through its programming and a number of unique initiatives, including LandMarks and Movie Nights Across Canada. For each initiative, Bell Media provided extensive support through our television, radio and digital properties.



Movie Nights Across Canada featured the Minister of Canadian Heritage, the Honourable Mélanie Joly, hosting premiere screenings of homegrown feature films on a cross-country tour that included events in Ottawa, Toronto, Winnipeg, Iqaluit, Halifax, Québec City,

Calgary, and Vancouver. The year-long event was one of the country's biggest celebrations of Canadian talent, shining a spotlight on the film, television, and digital artists who tell our unique stories and contribute to a thriving cultural and creative industry.

LandMarks2017 was an initiative that invited people to creatively explore and deepen their connection to the land through a series of contemporary art projects in and around Canada's National Parks and historic sites. There was also a collaborative digital art portion to engage Canadians who were unable to visit the on-site locations.

Tangible benefits funding

As part of our acquisition of Astral Media Inc. (Astral), Bell has committed to pay \$263.0 million in tangible benefits to develop French- and English-language TV, radio and film content, support emerging Canadian musical talent and enable new media training and consumer participation initiatives in the Canadian broadcasting industry. In 2017, our tangible benefits funding went to organizations such as:

• Festival international du court métrage au Saguenay – This is a regional film festival promoting, airing, and developing short films from Canada and abroad. The festival awards prizes to the best shorts in 8 categories, hosts a market for professionals, and presents conferences, master classes and workshops



Kino'00 – Based in Montréal, this organization supports the development of short independent films from the region by assisting young talented



filmmakers with their projects through courses, equipment and various events to showcase their films to the public. That support includes a film festival

Wapikoni Mobile Studios – Equipped with the latest digital technology, these studios visit more remote Indigenous communities to offer workshops on music and video production. The tangible benefits funding supported the screening of the best short-form films produced by young filmmakers during the year



 Palmarès ADISQ – Formerly known as Top Musique Québec App, this is a digital platform developed by l'Association québécoise de l'industrie du disque, du spectacle et de la vidéo (ADISQ), as a collective music marketing tool that showcases Québec-based artists. The site present charts, lists of new songs, a calendar of shows to watch and playlists reflecting listening consumption.



Community, economy, and society

Economy

Capital expenditures

Increase in dividend per common share

Shareholder return since end of 2008

With annual revenues of more than \$22 billion, Bell is a driving force in Canada's economy, investing in advanced and innovative networks and services that are at the forefront of consumer and business activity in the digital economy. From unparalleled capital investments in better broadband to the development of new 5G (Fifth Generation) wireless technology and Internet of Things (IoT) tools and applications, Bell is creating new opportunities for Canadians to access the information and entertainment they want while also introducing new and exciting capabilities that will help Canadian businesses, industries, and organizations succeed in the digital economy.

4.034

5.2%

283%

GRI 201-1

3.771

5.1%

Driving innovation and economic growth (CRI 203-1

SELECTED ANNUAL FINANCIAL INFORMATION

(\$CDN MILLIONS)	2017	2016
Market capitalization	54,402	50,527
Operating revenues	22,719	21,719
Net earnings	2,970	3,087
Operating costs	13,541	12,931
Wages, salaries and related taxes and benefits	4,158	4,016

For more details on our financial performance, please see our **Annual Report**.

economy, and society

Community,

Economy

Driving innovation and economic growth

67

Leading Canadian communications forward

Investments in Information and Communications Technology (ICT) generate high returns in productivity, economic growth and average incomes of Canadians. Canada's ongoing prosperity depends on Canadians having access to advanced mobile and broadband networks.

Delivering advanced networks and services demands 21st century skills, and Bell's 51,000-plus team members—from engineers, software developers, artificial intelligence and machine learning experts, and network security experts to installers, technicians, and customer support representatives—are leading the way. In working with hundreds of partners and suppliers—some that are large international players with a significant presence in Canada, others that have strong local roots and connections in communities across the country—Bell supports and stimulates activity across every sector of Canada's economy.

A critical factor is capital spending and Bell's almost \$4 billion in annual investment on broadband networks and services leads all Canadian communications companies. Our fibre-based broadband services reached 9.2 million home and business locations across 7 provinces by the end of 2017, including Canada's largest footprint capable of delivering Gigabit plus speeds (more than 3.7 million homes and businesses). Today, Bell's all-fibre connections cover approximately 60% of the City of Toronto, Canada's largest city and a leading economic centre in North America and additional deployments to connect approximately 1.3 million homes and businesses across the Greater Toronto Area (GTA) are now under way. Bell also started a major, multi-year project to expand the company's all-fibre network to 1.1 million residences and business locations throughout Montréal, the largest metropolitan area in Québec.

Creating the jobs of the future

The billions of dollars invested by Bell each year help build and support Canada's ICT sector, which itself contributes more than \$75 billion annually to the Canadian economy and is critical to future job growth. Current expectations are that employment of ICT professionals in the information and cultural industries will grow 19% by 2021.¹ Today, new communications technologies such as 5G mobile connections and innovative IoT applications are poised to take digital services even further. In fact, Canada's Information and Communications Technology Council (ICTC) predicts that the 5G value chain will create 22 million jobs globally by 2035 and generate \$3.5 trillion in economic output, more than the world's entire mobile value chain today. The ICTC report also highlights Bell's pioneering role in the development of 5G and how we are paving the way for Canadians to become early adopters of this next transformational network technology.²

Community, economy, and society

¹ Information and Communications Technology Council, The Next Talent Wave: Navigating the Digital Shift – Outlook 2021, April 2017: https://www.ictc-ctic.ca/wp-content/uploads/2017/04/ICTC_Outlook-2021.pdf

² Ibid., page 4.

Community, economy, and society

Research and development

Since its invention, the telephone has accelerated the development of the country, and telecommunications remains an essential engine of economic growth. True to its roots as the pioneer of telecom in Canada, Bell has continuously invested in the deployment of leading-edge networks. Our leadership in service innovation stems directly from our longstanding commitment to research and develop new products and services each year. These investments enable us to continue providing our customers with the latest products and services, comparable with any in the world, and to make our own operations more productive. They also help fuel a positive cycle of innovation and growth in our partners and suppliers.

Next-generation network technologies are transforming the digital ecosystem, creating opportunities for innovative thinking and new applications across every industry. As Canada's largest communications company, Bell is committed to providing Canadians with the tools and support needed to drive innovation and ensure future economic success.

Bell invests more than \$500 million in R&D each year (\$518 million in 2016),¹ more than any other communications service provider in the country.² This investment enables Bell to develop major network enhancements and make more innovative services available to Canadian consumers and businesses. Bell's robust R&D program is also fuelling initiatives like the Canadian Institute for Cybersecurity at the University of New Brunswick. With cyber attacks becoming more complex, the potential damage to business and brand reputation is greater than ever. Protecting against advanced attack technologies and techniques requires more than just basic security products.

Leading-edge technology and innovation

Bell is committed to providing Canadians with the tools and support needed to drive innovation and ensure future economic success.

Bell's pivotal role in the development of 5G is just one element of our longstanding commitment to deliver world-leading wireless networks to Canadians. In 2017, we increased Canada-wide LTE coverage to 99% of the population, marking the first time that a wireless technology has provided near-ubiquitous broadband coverage across the nation. Bell also launched North America's first Quad-band LTE-Advanced service capable of delivering theoretical data speeds up to 750 Mbps, followed in early 2018 with news that Bell successfully tested Canada's first LTE network deployment capable of achieving the Gigabit-plus speeds that top smartphones will support in the near future.

After completing the first Canadian trial of 5G mobile technology in 2016, Bell announced plans in 2017 to launch an LTE-M network to support the rapidly increasing use of IoT devices on Iow-power, wide-area networks. Investing in network innovations like LTE-M will transform the way Canadians use IoT technologies, opening the door to a vast array of new products and applications, including smart city services, smart metering, asset tracking, supply chain management, security and alarm monitoring, transportation and logistics, personal wearables for healthcare, and accessibility applications.

We also lead in deploying wireless microcells on Bell Media outdoor advertising installations and newspaper boxes, adding crucial network capacity in high-volume areas. This reinforces our capability to support IoT applications, including connected vehicles, personal wearable devices, the Connected Home, and Smart City applications. In fact, we announced a Smart City partnership with Kingston, Ontario, that will enable the city to develop IoT applications to improve operating efficiencies, save costs and offer citizens and visitors compelling new capabilities.

- 1 R&D research data traditionally lags the reporting period by one year
- Research Infosource 2017 Top 100 Corporate R&D Spenders.

Community, economy, and society CORPORATE RESPONSIBILITY REPORT

Bell has also partnered with Canadian innovator BeWhere Technologies and international equipment provider Huawei to launch an automated IoT solution for the Henry of Pelham vineyard near St. Catharines, Ontario, delivering important economic and operational benefits, including improved planning and sustainability programs.

Bell MTS, in partnership with the University of Manitoba's Front and Centre campaign, has launched the Bell MTS Innovations in Agriculture Program, providing students with opportunities to develop IoT technologies for agriculture and food services. Enabling broadband access to real-time operational data of all kinds, IoT applications can help improve the production of food resources through managing the location and performance of farm machinery, providing remote analysis of soil samples, field conditions, seeding rate and crop health, and monitoring of storage and processing operations. The University of Manitoba is one of Canada's top research institutions and the school's Faculty of Agricultural and Food Sciences delivers specialized training each year to more than 1,200 students representing the next generation of leaders in agriculture, food, and nutrition.

Connected cars are a key sector anticipated to emerge with the development of 5G networks and IoT innovation, and Bell is working with auto manufacturers to provide connected vehicle services such as emergency roadside assistance, remote start, and on-demand diagnostics over Bell's national network.

Bell partners with other industry leaders to enhance the services available on our world-leading broadband networks. In 2017, Bell worked with Microsoft and Akamai to deliver new cloud services and web security solutions for businesses of all sizes. In addition, Bell expanded a partnership with Ericsson that will take Fibe TV innovation to the next level with the new Media First platform, enabling next-generation services across multiple screens and other enhancements.

These Bell investments to extend and enhance the performance and capabilities of our state-of-the-art wireless and fibre broadband networks are delivering better communications services and solutions to every sector of the Canadian economy, increasing performance, generating new opportunities and creating an even stronger digital future.

Artificial Intelligence supercluster

GRI 203-2

The federal government has chosen a consortium including Bell, The Institute for Data Valorisation (IVADO), the University of Waterloo, and Québec companies Optel Group and Alimentation Couche-Tard to research and develop artificial intelligence (AI) applications to improve supply-chain processes in sectors such as retail, manufacturing and infrastructure. The consortium is one of 5 groups selected by Ottawa to receive funding from a \$950-million program to boost innovation and spur economic growth.

As Canada's <u>top telecommunications R&D investor</u>, Bell brings proven innovation leadership to the project. We will contribute our expertise in network connectivity, business communications and IoT applications as well as our strength in managing an extensive supply chain and infrastructure across the country. For more details, please read the Globe and Mail article.

Through these and other R&D initiatives, Bell is playing a key role in the emerging network, device and application ecosystem, ensuring Canadians are able to take advantage of future digital technologies and the economic and social benefits they deliver.

THE FEDERAL GOVERNMENT HAS CHOSEN A
CONSORTIUM THAT INCLUDES BELL TO DEVELOP
ARTIFICIAL INTELLIGENCE (AI) APPLICATIONS TO IMPROVE
SUPPLY-CHAIN PROCESSES IN SECTORS SUCH AS RETAIL,
MANUFACTURING AND INFRASTRUCTURE

Community, economy, and society

Bridging the digital divide

Bringing better service to Manitoba

Completed in March 2017, the transaction uniting Bell and MTS is enhancing Manitoba's broadband infrastructure and improving the service provided to consumers and businesses across the province.

Immediately after the closing of the acquisition, Bell began to roll out its 5-year, \$1-billion plan to deliver Gigabit Fibe Internet, Fibe TV, Crave TV, and our LTE wireless network to urban and rural areas including Winnipeg's "Innovation Alley" hub, Thomson, Flin Flon, Brandon, and the Arctic port of Churchill. Customers in Manitoba are already benefitting from Internet speeds up to 20 times faster than previously available.



Modernization in Yukon and Northwest Territories

In the past 5 years, Northwestel Inc. has transformed telecommunications in Northern Canada through its \$230 million Modernization Plan. Northwestel has introduced top speeds of 250 Mbps in Whitehorse and Yellowknife and brought 4G wireless, modern telephony services and at least 15 Mbps Internet speed to all 59 terrestrially served communities in the North.

Northwestel is Northern Canada's top tech-sector employer and works with many government partners on major projects that connect Northerners. The company was selected to operate and maintain the Government of Northwest Territories' Mackenzie Valley Fibre Line, Canada's first fibre connection into the Arctic Circle. The fibre line brings improved telecommunications service and economic opportunity to residents of 6 Northwest Territories communities.

Northwestel serves more than 121,000 people in 96 communities—46 of which are accessible only by air. It's a vast and diverse audience. 70% of these communities have fewer than 500 people, while 40% of all the customers live in Whitehorse, Yellowknife, and Iqaluit—the engines of business and government in the North. Northwestel services the largest operating area of any telecommunications company in the western hemisphere over the most remote and rugged terrain in Canada.

IN THE PAST 5 YEARS, NORTHWESTEL HAS TRANSFORMED TELECOMMUNICATIONS IN NORTHERN CANADA THROUGH ITS \$230 MILLION MODERNIZATION PLAN

Community, economy, and society CORPORATE RESPONSIBILITY REPORT

High speed Internet in every Nunavut community

Northwestel's Tamarmik Nunaliit project–Inuktitut for every community—is bringing faster Internet, higher capacity, and better access to government services to every Nunavut community by 2019. With \$49.9 million in funding from the government of Canada, Northwestel is building new satellite earth stations and network hubs in each of Nunavut's 25 communities.

This new broadband network will be open access and fast. Using the new infrastructure, the government of Nunavut will be able to provide exciting new opportunities for every community, including better access to online-based education, health care, and other essential services. GRI 203-2

This open access network will help stimulate economic growth. Small business owners will be able to leverage new online tools to help run their services and stores. Internet Service Providers (ISPs) will also be able to connect to the network in every community at low wholesale rates, creating more options for customers when selecting an ISP.





on a series

In this picture, technician Burt Stephens and crew are working on a series of pole transfers near Carcross Yukon.

Community, Supporting a economy, and society made-in-Canada media industry

Supporting a made-in-Canada media industry

Bell's role in generating economic opportunities for Canada's important media sector goes beyond providing access to advanced broadband networks and innovative television, radio, and online platforms like Bell Fibe TV, Crave TV, Alt TV, and the iHeart Radio app. Bell Media is Canada's largest private-sector employer in the media industry and invests approximately \$900 million annually in original English- and French-language Canadian content. This investment provides work for Canadian actors, on-air personalities, technicians, showrunners, directors, artists, technicians, crafts personnel, and many other specialists and suppliers across the media industry.

Bell Media is also generating important growth-through-export opportunities for in-house and independently produced Canadian content. High-quality homegrown hits like CTV's Cardinal are finding audiences around the world. Bell Media's new music competition series The Launch is now set for international distribution – and to serve as a model for similar productions in other countries – as the result of an agreement with Sony Pictures Television. Digital platforms like Crave TV are helping Canadian audiences discover great madein-Canada original content like the top-rated Letterkenny. And Bell Media's first live theatre production, Bat Out of Hell The Musical, debuted in 2017 in the UK before enjoying a very successful run in North America (and subsequently returning to the international circuit).

These successes are also the direct result of Bell's commitment to ensuring Canada's media industry remains rooted in Canadian culture and communities. As one of the largest supporters of film, television, and music through development funding, and as an avenue to showcase home-grown talent, Bell Media supports partnerships and events that enhance the Canadian industry and provide opportunities for Canadian talent to achieve both artistic and commercial success.





Society

Our commitment to improving society

For more than 138 years, Bell has also been a partner in social initiatives wherever we operate. We are, for example, diligent in speaking with affected communities when we want to build new network towers; we enlist our supply-chain partners' commitment to our high standards of ethical corporate conduct; and we support federal, provincial and municipal projects that benefit Canadian society as a whole.



The building at the corner of Notre-Dame West and St-Jean streets in Montréal served as Bell Canada's head office from 1897 to 1929.



For more than 80 years, starting in 1929, Bell's head office was at 1050 Beaver Hall Hill, in Montréal.



Today, while we retain some space at Beaver Hall Hill, the company's headquarters are on Nuns' Island, in Verdun.

Community, economy, and society

Society

Our commitment to

improve society

Responding to outages and emergencies

Bell technicians are on the front lines when extreme weather disrupts communications services, working to keep our customers connected and safe.

When widespread flooding affected numerous communities in several provinces in May, Bell's Field Services, Network, and Emergency Management teams worked around the clock to restore and maintain services while Bell Media outlets provided extensive news coverage and information sharing for people affected by floods. In 2017, we also worked closely with the Red Cross and donated \$100,000 to support its flood relief efforts. We also donated \$50,000 to the Red Cross to support their efforts to help victims of the massive wildfires in British Columbia in July.

When wildfires forced the evacuation of about 6,000 people in northern Manitoba in August, Bell MTS team members ensured first responders and emergency crews maintained communications capabilities. Our team also provided Wi-Fi Internet access, mobile charging stations and TV service to evacuees at emergency shelters and Bell MTS offered free long-distance calling within Manitoba to affected customers.

We also worked with the <u>Mobile Giving Foundation</u> to facilitate mobile donations to UNICEF and the Canadian Red Cross as they responded to the devastation of several hurricanes in the Caribbean and southern U.S.

At Bell, we understand that communication technologies for public safety agencies must perform flawlessly and seamlessly. For more than 20 years, we have successfully deployed some of the largest mission-critical **2-way radio service** communication networks in Canada. Providing public safety radio communications for more than 70,000 users in Canada, including government and public safety organizations employees, we have a unique mandate to serve the public when it matters most. Our systems are designed and built specifically for public safety communications with inherent fault tolerance, high availability and high security. We have the largest, independent 2-way radio team in Canada.



In addition, Bell is developing network capabilities that will enable people experiencing an emergency to send a text message or transmit photos or videos to 9-1-1 operators, in addition to traditional voice calls. Bell provides 9-1-1 service in Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland.

Community, economy, and society

Responding to outages and emergencies

Wireless health and safety

Bell recognizes that some stakeholders may have concerns about the potential for long-term health effects from wireless communications networks and devices. Many studies have been performed or are ongoing to assess whether wireless phones, networks, and towers pose a potential health risk. While some studies suggest links to certain conditions, others conclude there is no established causation between mobile phone usage and adverse health effects.

The federal department of Innovation, Science and Economic Development (ISED) is responsible for approving radiofrequency equipment and performing compliance assessments and has chosen Health Canada's Safety Code 6, which sets the limits for safe exposure to radiofrequency emissions at home or at work, as its exposure standard. This code also outlines safety requirements for the installation and operation of devices that emit radiofrequency fields such as mobile phones, Wi-Fi technologies and base-station antennas. ISED has made compliance with Safety Code 6 mandatory for all proponents and operators of radio installations.

Bell Mobility is also a member of the Canadian Wireless Telecommunications Association (CWTA) which monitors worldwide scientific research related to mobile technologies. We meet regularly with other carriers through the CWTA's working groups to address potential issues, for instance community concerns regarding the location of new telecommunication sites as we continue to expand our networks to meet coverage or capacity needs. Prior to beginning any land acquisition for a new tower site, Bell looks to place antennas on existing structures such as tall buildings and pre-existing towers where technically possible. Bell complies fully with ISED's guidelines for public and municipal consultation as laid out in CPC-2-0-03, Issue 5, Radiocommunication and Broadcasting Antenna Systems.

GRI 413-

Before acquiring property for any new telecommunication site, Bell works with community officials to identify local preferences and review established protocols. We engage in meaningful dialogue with municipalities, provincial as well as federal agencies and Indigenous communities to mitigate local concerns about tower placement, operation and design. We also undertake thorough public consultations for proposed wireless antenna sites with local residents and stakeholders. Bell routinely conducts open houses, public meetings and written consultations in communities across the country to provide information and to understand local views on proposed tower sites.



A series of antennas are camouflaged inside the bell tower, whose arrow has been modified to include 2 antennas pointing in 2 directions in a church on Notre-Dame street, Ancienne Lorette, Québec.

Community, economy, and society

Wireless health and safety

Community, economy, and society Managing the supply chain CORPORATE RESPONSIBILITY REPORT

Managing the supply chain

Any purchase of goods and services can generate economic, social, or environmental impacts. We carefully monitor and manage supply chain issues to mitigate adverse impacts. This is especially important because we do not manufacture any of the physical devices required for the services we offer customers.

We work with a limited number of product manufacturers, some of which dominate the global market. Because of the proliferation of global sourcing and distribution, companies must be cognizant of potential human rights, ethical, and environmental issues along their supply chains.

Bell's centralized procurement organization controls the strategic sourcing of goods and services, enabling us to efficiently maintain relationships with a variety of suppliers, including manufacturers, distributors, contractors and consultants.

Bell actively manages standardized supply-chain performance tools such as a risk assessment, a corporate responsibility questionnaire for suppliers, and an audit process that includes provisions for corrective action and ongoing monitoring. We also consider sustainable criteria for our products and services, including energy consumption, recyclability, and environmental certifications as well as attributes related to human and labour rights, health and safety, and ethics.

GRI 205-1

Supplier accountability

Bell policies (see our <u>Environmental policy</u>, for example) require that we seek out suppliers who demonstrate a strong commitment to corporate responsibility through the adoption of rigorous principles regarding the environment, health, safety, labour, and ethics.

All new Bell contracts bind suppliers to standards consistent with Bell's Supplier Code of Conduct (implemented in 2007), clearly establishing the expectation that the supplier will take all reasonable measures to respect the requirements of the Code in its own operations and within its own supply chain. Bell uses a detailed questionnaire to assess suppliers during the selection process and to improve the policies of existing suppliers. Combined, the Procurement Policy, the Supplier Code of Conduct, and the questionnaire form the basis for evaluating suppliers.

GRI 412-3, 414-1

For more information about supply chain management, please see our Responsible procurement information sheet in the <u>Responsibility</u> section of our website.

For information about our supplier diversity initiative, please see the <u>diversity section</u> of this report.

Due diligence on products Beyond the supplier approach to responsi

Beyond the supplier approach to responsible business, we also address specific products through our expanding sustainable criteria program.

Since 2011, we have strictly adhered to a set of sustainability criteria for mobile phones and components, including batteries, chargers, and packaging. These address the use of toxic substances and conflict minerals, the recyclability of materials, identification of plastics, energy efficiency, and the impact on our carbon footprint.

We have augmented our contract templates by adding sustainability criteria not only for mobile phones, modems and TV receivers, but also for SIM cards, laptop computers, and mobile phone accessories. Sustainable packaging criteria are now required for all tangible goods contracts that we resell to customers or use internally.

Bell also participates in a voluntary energy efficiency program for set-top boxes called CEEVA (Canadian Energy Efficiency Voluntary Agreement), which refers to Energy Star standards.

Conflict minerals

Many electronic devices contain small amounts of metals – such as tantalum, tin, tungsten and gold – that are derived from minerals known under U.S. laws as conflict minerals because in certain cases they are mined in exploitative circumstances. Bell shares the concerns of many companies in the electronics and telecommunications industries that the use of conflict minerals may directly or indirectly finance or benefit armed groups in the Democratic Republic of the Congo (DRC) or adjoining countries.

We consider as unacceptable the exploitation and trade of conflict minerals that fuel armed conflicts and lead to the abuse of human rights. Our policy and our practice are to make every appropriate effort to seek to ensure our suppliers source conflict minerals responsibly.

Since 2005, Bell has been working with other telecommunications companies to develop an industry-wide approach to supply-chain issues, including conflict minerals, in conjunction with $\underline{\text{GeSI}}$ (the Global eSustainability Initiative) and the EICC (Electronic Industry Citizenship Coalition, now called the Responsible Business Alliance (RBA)) Implementation Group. GRI 102-12

In 2011, we asked our major suppliers of electronic equipment to implement processes and control mechanisms to avoid the use of minerals that may directly or indirectly finance or benefit armed groups in the DRC or adjoining countries in the products they supply to Bell. Today, we continue to engage with suppliers on this issue.

We also continuously monitor developments related to conflict minerals through our membership in the RBA, which supports efforts to improve the transparency and traceability of minerals in the supply chain through the conflict-free smelter program. Specifically, we participate in the Responsible Minerals Initiative (RMI; formerly the CFSI) of the RBA. The Responsible Minerals Initiative has grown into one of the most consulted and respected resources for companies addressing responsible mineral-sourcing issues in their supply chains. The Responsible Minerals Assurance Process offers Bell an independent, third-party audit that determines which smelters and refiners can be verified as having systems in place to responsibly source minerals in line with current global standards.

Community, economy, and society

Electrification of transport

Driving gas-powered vehicles to work and for work contributes to Canada's carbon footprint and has a negative impact on outdoor air quality. Moreover, evidence suggests that increasing the substitution of gasoline for electric power in fuelling vehicles will support the federal government's goal to improve air quality by reducing Canada's total GHG emissions 17% by 2020 and 30% by 2030, relative to 2005 emission levels.¹

BELL TEAM MEMBERS HAVE ACCESS TO A NETWORK
OF 54 ELECTRIC VEHICLE CHARGING STATIONS
IN BELL BUILDINGS

In Canada, the transportation sector was the second largest source of GHG emissions in 2015, accounting for 24% (173 Mt CO_2 equivalent) of total national emissions. ² Bell is positioned to be part of the solution, considering that we also own a vehicle fleet to operate our network. Knowing that replacing just 1 million gasoline-powered cars with electric cars would reduce emissions by 3.4 million tonnes per year, we started investigating the potential electrification of transport. We collaborated with the Institut du véhicule innovant (IVI) to test 5 electric vehicles in our corporate fleet for 3 weeks, which has proven to be operationally feasible.



Bell supports the Québec government's policy to reach 100,000 electric and rechargeable hybrid vehicles by 2020³ and the Ontario goal to have 5% of cars on the roads be electric or hydrogen-powered by 2020 as well. As part of the "Branché au travail" program and in collaboration with Transition énergétique Québec, we have installed 50 electric vehicle charging stations for use by our team members in 13 Bell buildings across Québec. These charging stations use loT technology from Bell Mobility, making Bell, AddEnergie and the province of Québec all partners in transforming transportation in that province. We have begun the deployment of electric vehicle charging stations in Ontario with 2 charging stations in Scarborough. In 2018, we expect to add another 25 charging stations across Ontario. There are also 2 charging stations available in Winnipeg.

Electrification of transport

Community, economy, and society

http://www.fsds-sfdd.ca/index.html#/en/detail/all/sector:Transportation

² https://www.canada.ca/content/dam/eccc/documents/pdf/cesindicators/greenhouse-gas-emissions/greenhouse-gas-emissions-en.pdf

³ https://news.ontario.ca/ene/en/2017/02/ontario-making-electric-vehicles-more-affordable.html.



Environment

Bell's award-winning leadership on the environment starts with its wide range of innovative programs, from green buildings to the use of alternative sources of renewable energy. But it extends far beyond the company, from the requirements we put on supplier contracts to services like video conferencing that help customers meet their own environmental objectives.

Our environmental vision

Environmental protection is core to our corporate responsibility approach and to Bell's goal to be recognized by customers as Canada's leading communications company. It aligns with our strategic imperatives, and with our determination to minimize our carbon footprint and safeguard the environment in every aspect of our operations. Our <u>Environmental policy</u>, first issued in 1993, reflects our team members' values, as well as the expectations of customers, investors, and society.



WE HAVE BEEN IMPLEMENTING
AND MAINTAINING PROGRAMS
TO REDUCE THE ENVIRONMENTAL
IMPACT OF OUR OPERATIONS FOR
MORE THAN 20 YEARS

Our environmental vision

Environmental leadership

At Bell, we have been implementing and maintaining programs to reduce the environmental impact of our operations for more than 20 years. Our environmental management system (EMS) has been certified to be ISO 14001-compliant since 2009, making us the first Canadian telecommunications company to be so designated. Our diligent work to sustain this certification, and our environmental protection performance in general, have been recognized by numerous external organizations.

Since 2015, for example, Bell has been listed on the Euronext Vigeo – World 120 stock index (the 120 most advanced companies in the European, North American and Asia Pacific regions), the Ethibel Sustainability Index (ESI) Excellence Global (which contains companies from Europe, North America and Asia Pacific that display the best performance in terms of corporate social responsibility), and Deutsche Boerse's STOXX® Global ESG Leaders indices (a wide range of sustainability and corporate responsibility indices that investors can use as the basis for sustainable investment).

Mac Balacano



Specialist, Corporate Responsibility and Environment

Top 30 under 30 in Sustainability
by Corporate Knights

OUR ENVIRONMENTAL MANAGEMENT SYSTEM HAS BEEN CERTIFIED TO BE ISO 14001-COMPLIANT SINCE 2009

This recognition reflects the fact that many of our services and processes enable carbon abatement for us and our customers, from audio and video conferencing that substitute for business travel to cloud computing, virtualization and sustainable real estate practices.

The business service solutions industry, of which Bell is a leading member, truly has the potential to make a difference in the global pursuit of lower-carbon economies. Efficiencies derived from our business service solutions enable Bell to mitigate its own carbon footprint, and the services we sell enable customers and partners up and down our supply chain to successfully pursue their own carbon-reduction strategies.

Environmental leadership

Environmental challenges

Our most significant environmental issues are waste management, including electronic device recovery, energy consumption and the associated carbon emissions, and petroleum-product equipment management.

Of these topics, 2 (electronic device recovery, and energy consumption and the associated carbon emissions) are made more complex because they are not entirely under our control. Not only do our operations consume energy, especially in data centres, but so does every device in a customer's hands that connects to our network. As smartphones and other devices get smarter, they consume more energy. In order to provide seamless access and faster service for these devices, we continue to expand our network coverage. This creates more waste as we replace outdated infrastructure with modern technology such as fibre optic cable. Similarly, customers are upgrading their devices more frequently today, creating a steady stream of e-waste. Since we sell this technology, we recognize that we also have a duty to minimize the number of discarded devices sent to landfill. Keeping track of these issues takes a dynamic and responsive management system.

Bell's petroleum storage tanks are essential to meeting our day-to-day needs for heating facilities and for our back-up power generators. They were critical assets in emergencies such as the major ice storms of 1998 when areas of Montréal were without power for extended periods.

For information on petroleum-product equipment management, please see <u>Petroleum-products equipment management</u> in the <u>Responsibility section</u> of our website.



Innovative CO₂ refrigeration technology supplied by our partner, Carnot, cools this server in one of our data centres

Environment

Environmental challenges

Environment Managing our carbon footprint

Managing our carbon footprint GRI 201-2, 305-1, 305-2, 305-3, 305-4, 305-5

At Bell, we strive to save energy and reduce greenhouse gas (GHG) emissions, among other things, by increasing energy efficiency at Bell facilities, using Smart Meeting tools such as VideoZone as an alternative to business travel, and with formal programs to minimize the time our vehicles are left on idle. As well, we are visible supporters of broader environmental initiatives such as Earth Hour, when most Bell buildings across Canada go dark, along with signs on major venues such as the Bell Centre in Montréal.

The scientific consensus is that anthropogenic GHG emissions, especially carbon dioxide (CO₂), are major contributors to climate change. Bell has long understood that the use of our products and services helps fight climate change by reducing the carbon footprint within our operations and those of our customers. More than that, we understand that adherence to environmental protection initiatives produces positive benefits for the business. Our carbon-reduction efforts help us spend less on fuel and electricity, which also supports one of our key corporate strategic imperatives: to achieve a more competitive cost structure. Thus, carbon-reduction initiatives have a tangible positive effect on Bell's bottom line.

IN 2008. WE CREATED THE ENERGY BOARD. A MANAGEMENT-LEVEL COMMITTEE TO SUPPORT BELL'S CLIMATE CHANGE POLICY TO MEET OUR CARBON-EMISSION OBJECTIVES

We support the findings of the Global eSustainability Initiative (GeSI)'s SMARTer 2030 report, released in June 2015. The GeSI study estimated that widespread deployment of business service solutions could save up to 10 times the carbon emissions generated by the sector itself by 2030.

In 2008, we created the Energy Board, a management-level committee reporting to the **HSSEC Committee**, to support Bell's climate change strategy to meet our carbon-emission objectives. This committee's specific mandate is to identify and support the implementation of energy-reduction initiatives in our vehicle fleet, buildings, telecom network, IT infrastructure, and business travel program.

We also align incentives with environmental objectives. That has produced measurable success. In 2017, for instance, we saved 33.04 GWh or 3,800 tonnes of CO₂ equivalent of electricity in our buildings, data centres and networks, even as our company grew.

In the long term, we hold to a fundamental objective to continue developing business solutions such as cloud services and virtualization that reduce carbon footprints, both for our customers and for ourselves. One way we do this is by fostering innovation and entrepreneurship by engaging with cleantech clusters, such as Écotech Québec, that are focused on accelerating the development of clean technology. Through such partnerships, Bell aims to support local innovation and to liaise with cleantech entrepreneurs to improve our environmental performance. With our Écotech Québec partnership, Bell also has access to leading cleantech clusters in 12 countries through the International Cleantech Network.

Bell leads by example, demonstrating in our own operations some of the many practical ways that business service solutions offer simple and smart ways to improve productivity while reducing energy costs and GHG emissions. Our initiatives include:

- Virtualization and cloud computing to encourage optimal use of space, power, and cooling resources by consolidating servers and storage
- Electronic controls coupled to the communication network to reduce energy consumption in buildings
- **IoT applications** to improve monitoring and controls of industrial equipment and all manner of everyday appliances
- Telemetry systems to reduce idling and optimize the routes of commercial vehicles
- Teleconferencing to reduce travel needs
- Social networks to facilitate carpooling and car sharing.

Our critical infrastructure and facilities must provide a consistent, secure, and reliable environment in which to operate our network and IT infrastructure, and to house team members. Our operations depend on how well we protect our networks, as well as other infrastructure and facilities, against damage from natural disasters, including seismic and severe-weather events such as ice, snow and windstorms, flooding, hurricanes, tsunamis, and tornadoes. Scientists generally agree that global climate change could exacerbate some of these threats, including the frequency and severity of weather events.

Our approach also includes quantifying risks and opportunities stemming from climate-change issues with a view to leveraging Bell's products and services to enable carbon reduction. This entails identifying the potential impact of severe weather on our operations with the Business Continuity team as it assesses threats, vulnerabilities, and impacts on our business and develops risk-mitigation plans. We monitor the potential for current and future climate-related legislation, policy, and regulations that may also impact our business, and report on these findings to the HSSEC Committee twice a year.

At an asset level, our corporate real estate, risk management, and business continuity teams assess risks and opportunities for our buildings, networks, and fleet. Buildings and networks are prioritized by how essential they are to the continued delivery of key communication services. This leads to plans for mitigating risk and improving operations. Natural disasters and energy costs are the most significant issues for our risk-and-opportunity assessment.

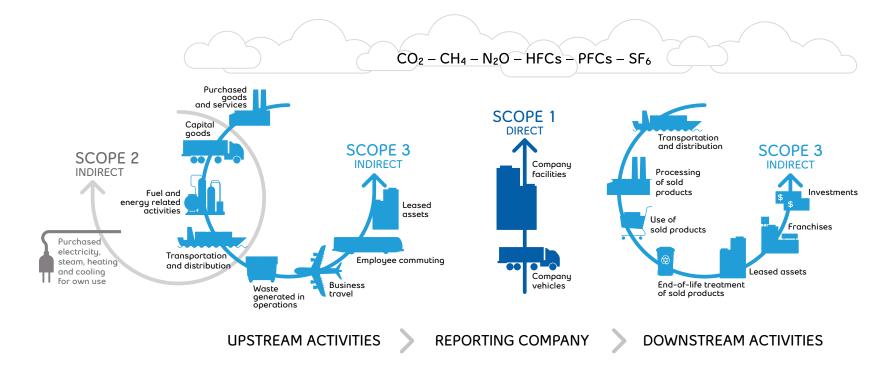
Since 2004, we have been reporting annually on our carbon footprint, carbon reduction initiatives, and risks and opportunities stemming from climate-change issues through the CDP (previously known as the Carbon Disclosure Project). The CDP represents over 650 financial planners, advisors, wealth managers, and institutional investors managing a total of U.S. \$87 trillion in assets. BCE attained CDP Leadership status and made the list of the top 10 highest-scoring Canadian companies in 2017.

Greenhouse gas (GHG) emissions performance

As a conscientious corporate citizen, Bell takes its responsibility seriously to control and reduce its GHG emissions where possible. Verification of the data provided and assumptions made can be found in our <u>Greenhouse Gas Emissions Report</u> in the Responsibility section of our website.

As noted elsewhere (see <u>Importance of the business model</u>), the level of our Scope 1 (direct) GHG emissions is affected by Bell's vertical integration, which includes installation and construction often outsourced by other telecommunications companies. In addition, our aggressive diversification into broadcast and other lines of business to sustain the company's growth affects our Scope 2 (indirect) emissions.

Compared with 2016, Bell's carbon footprint increased 54.6 kilotonnes (+18%) in 2017. The largest portion of the increase is attributable to Scope 2 emissions, which were up 47.4 kilotonnes (+27%). Bell's electricity consumption has increased 5%, mainly due to the growth of our business in the last few years, and in particular the expansion of our wireline and wireless operations which has greatly affected our electricity consumption. In addition, the largest portion of the rise in Scope 2 emissions is attributable to a shift in our consumption allocation per province.



Environment

Based on the image from GHG Protocol website http://www.ghgprotocol.org/blog/you-too-can-master-value-chain-emissions.

In 2017, our carbon emissions from Scope 1 sources increased 5.9 kilotonnes (+5%) compared with 2016. Despite the 0.25 million litres of fuel saved thanks to energy savings initiatives, the overall vehicle fuel consumption was up 0.80 million litres due to our business growth. We also experienced a colder winter on average as compared to 2016, which has significantly affected our fossil fuels consumption for buildings and generators due to higher heating needs. In terms of Scope 3 emissions, we have strong corporate policies and control mechanisms that limit business travel and encourage our team members to use our teleconferencing and video conferencing services. In addition, a travel embargo applied in 2016 was lifted at the beginning of 2017. Recent business acquisitions also increased our travel requirements in 2017. Overall, the effect has been to raise our carbon emissions from Scope 3 sources by 1.3 kilotonnes (+15%).

Impact of wireline expansion

Significant growth in wireline operations increased our consumption of electricity in 2017. For example, we continued to expand our fibreto-the-premise direct fibre footprint, reaching more than 3.7 million homes and businesses in seven provinces. We also ended the year with a high-speed Internet subscriber base higher by 9% over 2016, and we increased our total number of IPTV subscribers by 15.9%. In addition, Bell hosting services give our customers access to the latest technology over Canada's largest voice, data and wireless network, reaching 99% of people and businesses in the country. These provide services such as managed hosting and cloud computing to the country's largest organizations, as well as housing Bell's remote collaboration tools such as video conferencing and teleconferencing, all of which are gaining in popularity as customer organizations seek to improve their productivity and reduce their costs. While these data centres increase Bell's energy use, they enable customers to reduce their own energy use. For more information, please see our **Annual Report**, p. 63.

Impact of wireless expansion

Wireless expansion also increased our consumption of electricity in 2017 as we continually extend the reach and quality of our mobile networks to offer our services to more customers and to accommodate the increasing demand for bandwidth. This increased demand is driven by the proliferation of smartphones, which enable people to browse the Internet, watch TV, and engage in social networking activities, all on their mobile phones. At year end, we had increased the number of postpaid subscribers on our LTE network by 7% over 2016, as we continued the rapid expansion of our 4G LTE wireless network. We also took a leadership position in the fast-growing IoT sector, which enables the interconnection of a range of devices and applications that send and receive data, all using our network.

For more information, please see our **Annual Report**, p. 56.

EMISSIONS (2016-2017)¹

GRI 305-1, 305-2, 305-3

(KILOTONNES OF CO₂ EQUIVALENT)	SCOPE DESCRIPTION	2017	2016
Scope 1	Direct GHG emissions from sources that are owned or controlled by Bell	134.76	128.88
Ѕсоре 2	Indirect GHG emissions associated with the consumption of purchased electricity, heat, steam, and cooling	221.46	174.04
Ѕсоре 3	Other indirect GHG emissions related to Bell business travel activities ²	9.30	8.05
Total		365.52	310.97

ENERGY CONSUMPTION 2017

GRI 302-1

	CONSUMPTION IN MWH EQUIVALENT	CONSUMPTION IN GJ EQUIVALENT
Fuel (Scope 1)	546,027	1,965,539
Electricity (Scope 2)	1,950,465	7,021,111
Total	2,496,492	8,986,650

¹ PwC provided limited assurance for this indicator. Please see PwC's assurance statement

² Business travel activities include travel by air, rail, rented vehicles, and personal vehicles.

Renewable energy

At least $55\%^1$ of the 1,950,465 MWh of electricity we consumed in 2017 was from renewable sources, such as hydro, wind, tides and the sun. Of this, 89% is from hydro sources. The Bell network also generated approximately 230,000 kWh of renewable energy in 2017 from solar and wind power sources. Our 9 photovoltaic and diesel hybrid power

systems in Canada's northern territories generate 80,000 kWh of renewable energy every year. The systems saved 110,000 litres of diesel (and approximately \$200,000), the equivalent of 307 tonnes of CO_2 .

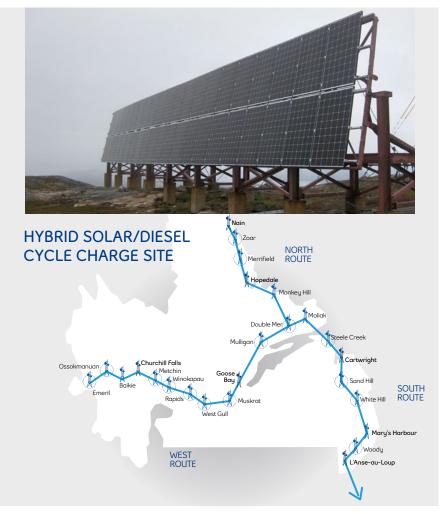
To learn more about our renewable energy initiatives, please see the **Renewable energy** information sheet in the Responsibility section of our website.

Labrador solar project 2017-2019

Reducing the cost and carbon footprint on Bell's remote radio sites

In late 2017, Bell successfully completed the first solar and DC power system upgrade in a fly-in only radio site at Zoar, Labrador. Zoar is not far from Nain, which is the northernmost permanent settlement in Newfoundland and Labrador, located about 370 kilometres by air from Happy Valley-Goose Bay. We replaced the old 4.8 KW solar array with a new 12.6 KW smart tracking solar system. The onsite DC power plant rectifier capacity doubled from 12 KW to 24 KW. As a result, generator run time decreased by 87%. In the next 2 years, we will upgrade the solar and DC power systems at 3 other Bell remote sites (Double Mer, Mulligan and Merrifield Mountain) in Labrador.

This solar modernization program will significantly improve network reliability, reduce generator run time, and reduce energy costs and GHG footprint.



Calculation based on data for 2015 from the Electricity in Canada: Summary and Intensity Tables of the Canadian National Inventory Report (1990-2016), published April 13, 2018, available on the United Nations Framework Convention on Climate Change website.

Bell's energy-saving objective

No matter how we define our ultimate objective, Bell's Energy Saving program is an important part of getting to our emission reduction targets. The program focuses on 3 areas: our facilities, our fleet and substituting technology for travel. It also enhances our cost competitiveness by offsetting rising energy costs. The Bell team has made substantial progress in this area since 2008. By reducing electricity consumption at Bell facilities, improving fuel efficiency in company vehicles, and using phone, video and web conferencing tools to curtail business travel, we have prevented the release of nearly 60 kilotonnes of CO_2 equivalent emissions, saving more than \$75 million. The table below illustrates the cumulative savings for the 3 focus areas.

As a recognized environmental leader, Bell is working on a new approach to setting emission-reduction objectives using a <u>science-based</u> methodology with the CDP – a global organization that helps companies improve their sustainability initiatives – and its various partners such as World Resources Institute (<u>WRI</u>) and Groupe AGÉCO. This methodology aims to limit global temperature rise below 2°C compared to pre-industrial levels. We will use this as a base for determining how such objectives could be achievable in Bell's operations.

We expect to conclude this ambitious endeavor sometime in 2020. In the interim, Bell intends to implement mitigation measures that seek to reduce our energy and fuel consumption, and therefore cut our annual GHG emissions intensity. Our short-term objective is to reduce the ratio of our Scope 1 and 2 GHG emissions (tonnes of CO_2 equivalent) to our network usage (PBytes)¹ by 75% of our 2014 level by the end of 2020.

ENERGY SAVINGS 2008-2017

4		





CI	CC.	TR	ITV
CL	.EC	IΚ	I I I I

323.93 GWh 35.75 kilotonnes

FUEL

8.27 million litres 19.44 kilotonnes

TRAVEL

N/A

4.66 kilotonnes

Fuel for 7,247 airplane trips

This is the same as...

CO₂ equivalents

Energy

Electricity for 32,393 homes for a year

Fuel for 150,333 tanks of gas in a mid-sized car

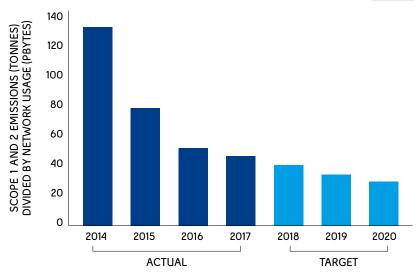
across Canada

Environment

¹ Network usage includes residential and wholesale Internet, business Internet dedicated (BID), virtual private network (VPN), IPTV, Inter-Network Exchange (INX), prepaid and postpaid wireless services, wireless-to-the-home, Voice-over-LTE (VoLTE) traffic, IoT, and enterprise usage, both in Canada and on international roaming partners network. As methodology for gathering the network usage differs from one carrier to another, and because a company's business model directly impacts the amount of GHG it generates and how those GHG are calculated and classified (as noted in Importance of the business model), the ratio itself cannot be used to directly compare carrier performance.

BELL'S GHG EMISSIONS REDUCTION OBJECTIVE

GRI 305-4

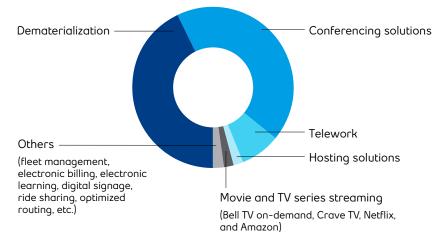


This intensity target expresses the footprint of our operations in a meaningful way, recognizing the carbon reduction-enabling capabilities of our products and services. It has been demonstrated that the use of telecommunication technologies (such as cloud services, virtualization, teleconferencing, etc.) helps Bell fight climate change by reducing the carbon footprint of our customers and our own operations. Although our energy consumption has historically been going up, Bell's network usage – which aims to quantify the use of our technologies – is growing much faster, which shows significant network efficiency gains. Since 2014, our GHG emissions per network usage showed a 65% improvement in 3 years.

While our own footprint is increasing, we help our customers reduce their energy needs, cut carbon emissions and enhance productivity in numerous ways, for example, by hosting our enterprise customers' servers in our highly energy-efficient data centres, and by connecting their devices through our IoT services. IoT services are typically used to

optimize fleet management, logistics, distribution and manufacturing processes. In order to understand our net impact on the planet's carbon load, we have developed a methodology in collaboration with Groupe AGÉCO to quantify the environmental benefits of our products and services. Our analysis concluded that in 2017, Bell technologies enabled carbon abatement for our customers of more than 885 kilotonnes,² which is equivalent to more than 2.4 times as much as our corporate carbon footprint. Overall, this is a net gain for the planet's carbon load.

CARBON ABATEMENT ENABLED BY BELL TECHNOLOGIES (2017)



This analysis is the second of its kind performed at Bell. The environmental benefits measured are likely understated given the conservative assumptions selected and the complexity of the data acquisition process. Nevertheless, this analysis confirms that our products and services have a significant carbon abatement potential that we intend to promote.

¹ www.nesi.org

² Taking into account products and services for which Bell has developed the technology and plays a fundamental role in its delivery to clients, and products and services for which Bell has not developed the technology, but enables it by providing the network.

Virtualization

Virtualization is a systematic approach to limiting the carbon footprint of our data centres by optimizing space, power and cooling through the consolidation of servers and storage. In 2017, we removed the equivalent of 868 devices under this program. Through consolidation and virtualization, we also optimized 69% of our physical servers, up from 67% at year-end 2016. 93% of the servers deployed within our internal IT architecture were virtual in 2017. This reduced capital requirements and saved approximately 3,460,000 kWh, enough energy to heat 346 households for a year. It also resulted in a year-over-year reduction of 393 tonnes of GHG emissions.

Conferencing solutions

Audio conferencing and video conferencing provide a quick, convenient and cost-effective way for multiple people to communicate simultaneously, improving efficiency and reducing the need for travel. These solutions – in particular audio conferencing – also offer significant benefits for business continuity, enabling team members to work effectively from any location if an incident prevents access to the normal workplace.

MORE THAN 60 VIDEO CONFERENCE ROOMS HAVE
NEW OR UPDATED VIDEO CONFERENCING EQUIPMENT
TO SUPPORT TEAM MEETINGS. VIDEOZONE ROOMS ARE
AVAILABLE FROM VANCOUVER TO ST. JOHN'S AS A TOOL
TO SUPPORT FACE-TO-FACE TEAM MEETINGS AND NOW
INCLUDE BELL MTS AND ALARM FORCE

16,411 Bell team members have <u>AudioZone</u> conference lines and held over 1 million AudioZone calls last year, avoiding the financial and environmental cost of travel every time.

Video conferencing is a fast-growing tool used 11 times more often today than just 7 years ago. VideoZone celebrated its 10th anniversary in 2017, having grown from 4 units to more than 1,400 across the country, the largest corporate deployment of conferencing endpoints in Canada with an average annual growth rate of about 20%. In the spring of 2017, VideoZone hosted its 1 millionth video call. More than 60 video conference rooms have new or updated video conferencing equipment to support team meetings. VideoZone rooms are available from Vancouver to St. John's as a tool to support face-to-face team meetings and now include Bell MTS and Alarm Force.

In 2017, Bell team members held just under 200,000 VideoZone conference calls. Assuming that 1 in every 10 video calls enables us to avoid \$750 in travel costs, video conferencing helped Bell save approximately \$15 million in 2017. In addition, everyone on the call avoided travel to join the meeting, thereby eliminating the environmental cost of an in-person meeting.

These same technologies also help our customers address their own environmental-protection and cost-reduction priorities every day.

The use of conferencing solutions depends on the variable nature of business travel, access to technology – especially in the case of video conferencing – and the degree to which users understand the technology. However, we anticipate usage to continue to grow as these technologies become part of the everyday business environment.

Learn more.

Managing waste

Diverting waste from landfill

Unlike other telecommunications companies, Bell has integrated much of its installation and construction functions. This makes us accountable for managing a large part of our network waste ourselves. Outsourcing such functions would allow us to reduce our waste-to landfill results, but we would not be able to maintain direct control over functions that directly influence customer service and operations.

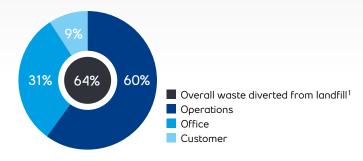
To minimize the amount of waste we send to landfill, Bell runs several programs to reduce, reuse, recycle or repurpose waste generated to operate our business.

In 2017, we diverted almost 64% of waste from landfill, compared to 69% in 2016. Waste from operations represented 60% of the total generated at Bell, while offices generated 31%, and the amount associated with customers represented 9%.

Of the operational waste generated, we diverted 57% from landfill. 67% generated in offices was diverted from landfill, and 100% of customerfacing and hazardous waste is diverted from landfill every year.

For more information on hazardous and other waste management, please see <u>Waste management</u> in the Responsibility section of our website.

OVERALL WASTE, 2017



WASTE (TONNES)

	2017	% DIVERTED	CHANGE (PERCENTAGE POINTS)
Operations			
Fleet ²	500	100	-
Hazardous materials ³	1,115	100	-
Packaging products ⁴	1,217	80	-4
Hardware ⁵	16,303	51	-8
Office	10,035	67	-1
Customers ⁶	2,757	100	_

- 1 PwC provided limited assurance over this indicator. Please see PwC's assurance statement
- Tires, batteries, oil and oil filters, used engine antifreeze, and cleaning solvents
- 3 Lead-acid batteries, alkaline batteries, fluorescent tubes, oily containers, contaminated rags and absorbents, aerosols and other pressurized containers, paints, solvents, and glues
- 4 For network equipment, such as wood pallets, cardboard boxes and plastic wrap
- 5 Telecom materials, such as cables, terminals, utility poles and cable reels
- 6 TV receivers, modems, phones and accessories

Managing waste

A new waste indicator and objective

Over the last 5 years, the year-over-year comparability of our waste management data has been diminished by several factors, the most important of which is major strategic business acquisitions (Q9 Networks, Astral, Bell Aliant). We continue to analyze our waste management data and rethink how we report it.

We set our objective for 2017 to improve our own awareness in each function that generates residual materials and to define an indicator that clearly explains what kind of waste we manage, and in which manner. We continue to analyze our recovery programs to identify opportunities to improve efficiency and to facilitate sorting by team members. Until a new indicator and objective are set, we will continue to report our waste data, and we will continue to have those data verified externally.

Please see <u>Waste management</u> in the Responsibility section of our website for more details.



Environmental stewardship for customer-facing electronic devices

Bell provides customers with programs to help them protect the environment by making it easier to recycle their products, including mobile phones, Bell Internet modems and Bell TV receivers. In 2017, thanks to our customers' participation in our recovery programs, Bell diverted more than 2,757 tonnes of electronics from landfill.

TONNES OF CUSTOMER-FACING ELECTRONIC WASTE COLLECTED, 2017

ITEM	TONNES
TV receivers	2,036.16
Modems	675.27
Mobile devices	20.31
Batteries	24.67
Mobile phone accessories	1.03
Total	2,757

Bell recovers mobile phones through two complementary programs: the Bell Trade-in program and the <u>Bell Blue Box</u> program. Launched in 2003 and available at all Bell stores, Virgin Mobile stores and participating The Source locations, the Bell Blue Box program was the first cross-Canada collection program established by any company for re-using and recycling mobile phones. Bell donates the net proceeds from the Bell Blue Box program to a partner in the Bell Let's Talk mental health initiative.

In addition, Bell participates in provincial recycling programs for other electronic products, such as tablets, headsets, TVs, computers, and batteries. For more details on these programs, visit Bell.ca/recycling.

Recovery is difficult to predict and control, as it depends on the rate at which customers upgrade to newer devices. Often, recovery relates to economic activity: during economic downturns, people upgrade their devices and sign up for new plans less frequently. It is also dependent on customer behaviour. A 2017 CWTA/Recycle My Cell study reports that 62% of Canadians say they have cell phones in their possession that they are not using and are being stored. This has made it difficult for us to predict how many phones we would be able to collect and therefore difficult to set an objective. A new e-waste indicator

A few years ago, we stopped reporting our mobile phone recovery against an objective, as explained above, and said we would rethink how we report on e-waste recovery overall. We believe that we have an important role to play in the recovery of used electronic devices from customers given our close relationship with them. Beginning this year, we will report on our progress toward our objective of recovering 10 million used TV receivers, modems, and mobile phones between January 1, 2016 and the end of 2020.

Bell's customer-facing device recovery objective

The table below details the breakdown of how many of each type of device we have collected since January 2016.

CUSTOMER-FACING ELECTRONIC DEVICES RECOVERY (2016-2017)

	AMOUNT COLLECTED 2017	AMOUNT COLLECTED 2016
	(UNITS)	(UNITS)
TV receivers	1,268,793	1,103,220
Modems	1,051,270	945,715
Mobile phones	200,536	218,508 ¹
Total	2,520,599	2,267,443

¹ This data has been restated.

We have recovered 4,788,042 units since January 2016, and on target to meeting our 2020 objective.

Please see Waste management in the Responsibility section of our website for more details.

Other environmental programs

In addition to the priority environmental initiatives detailed in this section, Bell operates many more programs through our certified ISO 14001-compliant EMS. Please see the <u>Responsibility section</u> of our website for information on <u>environmental incidents</u>, <u>sustainable real estate</u>, <u>environmental training</u>, <u>sustainable events</u>, <u>e-billing</u>, <u>biodiversity and integration</u> into the physical environment, <u>fleet</u>, <u>halocarbons</u> and <u>water</u>.

These programs are integrated throughout Bell's business units and subsidiaries and are governed by local environmental coordinators. Each environmental coordinator reports to the Corporate Responsibility and Environment team on action plans and results throughout the year. These programs form the foundation of our company-wide EMS. Thanks to our continued diligence in constantly improving our environmental management system and processes, we have been certified as ISO 14001-compliant for 8 consecutive years.

For more information on our EMS, click <u>here</u>. For more information on the governance of corporate responsibility topics at Bell, please see <u>Management of corporate responsibility</u> at Bell in this report.

Environment

Other environmental programs

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Trade-marks