

BCE TCFD Report on Climate-Related Risks and Opportunities

March 2023



BCE

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About this report

BCE welcomes the increased demand from our stakeholders for transparency regarding our climate-related risks and opportunities. We take seriously our responsibility to disclose our performance and initiatives on climate-related matters. We also believe it is important to detail how related risks and opportunities can affect our business.

As a result, we have adopted recommendations from the Task Force on Climate-related Financial Disclosures (TCFD). BCE issues this stand-alone TCFD Report annually, drawing on advice from KPMG LLP. This report outlines BCE's climate-related risks and opportunities and explains how our focus on climate change strategy is aligned with the TCFD framework. The four core elements of TCFD-recommended climate-related financial disclosures are discussed in the report. The four elements are: Governance, Strategy, Risk Management and Metrics and Targets. Beyond what the TCFD recommends, we voluntarily report information without limiting our disclosure to what is material to BCE, thus providing a more comprehensive picture.

This Report contains data about the BCE Inc. group of companies, referred to collectively in this Report as "BCE", "Bell", "we", "us", "our" or "the company" for the calendar period from January 1, 2022, to December 31, 2022, except if otherwise stated.

To learn more about our sustainability and climate change performance, see our [2022 Integrated annual report](#).



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Caution concerning forward-looking statements

Certain statements made in this TCFD Report are forward-looking statements. These forward-looking statements include, but are not limited to, statements relating to our business outlook, objectives, plans and strategic priorities, including, in particular, our objectives concerning energy savings and reductions in the level of our greenhouse gas (GHG) emissions including, without limitation, our plans to be carbon neutral for our operational GHG emissions starting in 2025 and to achieve science-based targets (SBTs) by 2026 or 2030, as applicable, our carbon abatement enablement objectives, business opportunities that could result from climate change and the potential positive impact thereof on our company, expected savings, the expected financial and operational impacts on our company of various climate-related events, and other statements that are not historical facts. A statement we make is forward-looking when it uses what we know and expect today to make a statement about the future. Forward-looking statements are typically identified by the words *assumption, goal, guidance, 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*.

Unless otherwise indicated by us, the forward-looking statements contained in this TCFD Report describe our expectations as of March 2, 2023, and, accordingly, are subject to change after such date. Except as may be required by applicable securities laws, we do not undertake any obligation to update or revise any forward-looking statements contained in this TCFD Report, whether as a result of new information, future events or otherwise.

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. These statements are not guarantees of future performance or events, and we caution readers against relying on any of these forward-looking statements. Forward-looking statements are presented in this TCFD Report for the purpose of assisting readers in understanding, in particular, certain key elements of our climate-related risks and opportunities and environmental, social and governance (ESG) objectives, and in obtaining a better understanding of our anticipated operating environment. Readers are cautioned, however, that such information may not be appropriate for other purposes.

We have made certain economic, market, operational and other assumptions in preparing the forward-looking statements contained in this TCFD Report. These assumptions include, without limitation, the assumptions described in this cautionary statement as well as in the subsections of [BCE's 2022 annual Management Discussion and Analysis \(MD&A\)](#) dated March 2, 2023 (BCE 2022 Annual MD&A) entitled *Assumptions*, which subsections are incorporated by reference in this cautionary statement. The BCE 2022 MD&A has been 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](#)), and is also available at [BCE.ca](#). Subject to various factors including, without limitation, the future impacts of general economic conditions, of the COVID-19 pandemic and of geopolitical events, which are difficult to predict, we believe that our assumptions were reasonable at March 2, 2023. If our assumptions turn out to be inaccurate, actual results or events could be materially different from what we expect.

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Important risk factors that could cause actual results or events to differ materially from those expressed in, or implied by, the previously-mentioned forward-looking statements and other forward-looking statements contained in this TCFD Report, include, but are not limited to: the failure to take appropriate actions to adapt to current and emerging environmental impacts, including climate change; various internal and external factors could challenge our ability to achieve our ESG targets including, without limitation, those related to GHG emissions reduction and diversity, equity, inclusion and belonging; the negative effect of adverse economic conditions, including a potential recession, and related inflationary cost pressures, higher interest rates and financial and capital market volatility; the negative effect of adverse conditions associated with the COVID-19 pandemic and geopolitical events; a declining level of business and consumer spending, and the resulting negative impact on the demand for, and prices of, our products and services; regulatory initiatives, proceedings and decisions, government consultations and government positions that affect us and influence our business including, without limitation, concerning mandatory access to networks, spectrum auctions, the imposition of consumer-related codes of conduct, approval of acquisitions, broadcast and spectrum licensing, foreign ownership requirements, privacy and cybersecurity obligations and control of copyright piracy; the inability to implement enhanced compliance frameworks and to comply with legal and regulatory obligations; unfavourable resolution of legal proceedings; the intensity of competitive activity and the failure to effectively respond to evolving competitive dynamics; the level of technological substitution and the presence of alternative service providers contributing to disruptions and disintermediation in each of our business segments; changing customer behaviour and the expansion of cloud-based, over-the-top (OTT) and other alternative solutions; advertising market pressures from economic conditions, fragmentation and non-traditional/global digital services; rising content costs and challenges in our ability to acquire or develop key content; higher Canadian smartphone penetration and reduced or slower immigration flow; the inability to protect our physical and non-physical assets from events such as information security attacks, unauthorized access or entry, fire and natural disasters; the failure to implement effective data governance; the failure to evolve and transform our networks, systems and operations using next-generation technologies while lowering our cost structure; the inability to drive a positive customer experience; the failure to attract, develop and retain a diverse and talented team capable of furthering our strategic imperatives; the failure to adequately manage health and safety concerns; labour disruptions and shortages; the failure to maintain operational networks; the risk that we may need to incur significant capital expenditures to provide additional capacity and reduce network congestion; the inability to maintain service consistency due to network failures or slowdowns, the failure of other infrastructure, or disruptions in the delivery of services; service interruptions or outages due to legacy infrastructure and the possibility of instability as we transition toward converged wireline and wireless networks and newer technologies; the failure by us, or by other telecommunications carriers on which we rely to provide services, to complete planned and sufficient testing, maintenance, replacement or upgrade of our or their networks, equipment and other facilities, which could disrupt our operations including through network or other infrastructure failures; events affecting the functionality of, and our ability to protect, test, maintain, replace and upgrade, our networks, IT systems, equipment and other facilities; the complexity of our operations; the failure to implement or maintain highly effective processes and information technology (IT) systems; in-orbit and other operational risks to which the satellites used to provide our satellite TV services are subject; our dependence on third-party suppliers, outsourcers, and consultants to provide an uninterrupted supply of the products and services we need; the failure of our vendor selection, governance and oversight processes, including our management of supplier risk in the areas of security, data governance and responsible procurement; the quality of our products and services and the extent to which they may be subject to defects or fail to comply with applicable government regulations and standards; reputational risks and the inability to meaningfully integrate ESG considerations into our business strategy and operations; pandemics, epidemics and other health risks, including health concerns about radio frequency emissions from wireless communications devices and equipment; the inability to adequately manage social issues; the failure to develop and implement strong corporate governance practices; the inability to access adequate sources of capital and generate sufficient cash flows from operating activities to meet our cash requirements, fund capital expenditures and provide for planned growth; uncertainty as to whether dividends will be declared by BCE's board of directors or whether the dividend on common shares will be

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increased; the inability to manage various credit, liquidity and market risks; the failure to evolve practices to effectively monitor and control fraudulent activities; new or higher taxes due to new tax laws or changes thereto or in the interpretation thereof, and the inability to predict the outcome of government audits; the impact on our financial statements and estimates from a number of factors; and pension obligation volatility and increased contributions to post-employment benefit plans.

These and other risk factors that could cause actual results or events to differ materially from our expectations expressed in, or implied by, our forward-looking statements are discussed in this TCFD Report as well as in section 9, *Business risks* of the BCE 2022 Annual MD&A, which section, and the other sections of the BCE 2022 Annual MD&A referred to therein, are incorporated by reference in this cautionary statement. Please also refer to other sections of this TCFD Report, including in particular sections 2.1 and 2.3, for a description of certain climate-related risks that could adversely affect our business operations, revenues or expenditures.

Forward-looking statements contained in this TCFD Report for periods beyond 2023 involve longer term assumptions and estimates than forward-looking statements for 2023 and are consequently subject to greater uncertainty. In particular, our GHG emissions reduction and supplier engagement targets are based on a number of assumptions including, without limitation, the following principal assumptions: implementation of various corporate and business initiatives to reduce our electricity and fuel consumption, as well as reduce other direct and indirect GHG emissions enablers; no new corporate initiatives, business acquisitions, business divestitures or technologies that would materially increase our anticipated levels of GHG emissions; our ability to purchase sufficient credible carbon credits and renewable energy certificates to offset or further reduce our GHG emissions, if and when required; no negative impact on the calculation of our GHG emissions from refinements in or modifications to international standards or the methodology we use for the calculation of such GHG emissions; no required changes to our SBTs pursuant to the Science Based Targets initiative (SBTi) methodology that would make the achievement of our updated SBTs more onerous or unachievable in light of business requirements; and sufficient supplier engagement and collaboration in setting their own SBTs, no significant change in the allocation of our spend by supplier and sufficient collaboration with partners in reducing their own GHG emissions.

Forward-looking statements for periods beyond 2023 further assume, unless otherwise indicated, that the risks described above and in section 9, *Business risks* of the BCE 2022 Annual MD&A will remain substantially unchanged during such periods, except for an assumed improvement in the risks related to the COVID-19 pandemic in future years.

We caution readers that the risks described above are not the only ones that could affect us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also have a material adverse effect on our business, financial condition, liquidity, financial results or reputation. We regularly consider potential acquisitions, dispositions, mergers, business combinations, investments, monetizations, joint ventures and other transactions, some of which may be significant. Except as otherwise indicated by BCE, forward-looking statements do not reflect the potential impact of any such transactions or of special items that may be announced or that may occur after March 2, 2023. 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.

Message from the Chair of the Board

Our responsible approach to climate change

BCE is Canada's largest communications company, and our longstanding commitments to corporate responsibility and achieving excellence in environmental, social and governance (ESG) standards are starting points for every action and investment we make to help create a better world, better communities and a better workplace.

As providers of critical infrastructure including communications technologies and media, the BCE group of companies are integral to the social and economic well-being of urban and rural communities. Our services enable businesses and organizations of all sizes to meet their own goals, and we strive to deliver the best possible experience to each and every customer.

We also understand that failing to act on climate change can have serious financial, operational and reputational repercussions for our business. We understand the importance of transparency with respect to our governance on climate change, our strategy, and the risks and opportunities we face. And we know how important it is to take meaningful and measured actions that mitigate impacts, promote more sustainable practices and strengthen resiliency for the benefit of all Canadians.



Sustainable progress

Reducing harmful environmental impacts has long been a priority for us and is now a key focus for our Bell for Better initiatives.

This report is our third to fully align with recommendations of the global Task Force on Climate-related Financial Disclosures (TCFD) and our preparedness and actions in response to the challenges of climate change continue to be far-ranging and effective.

We are proud to be consistently ranked one of Canada's Greenest Employers year after year. In 2022, Bell also received an A- score from the international non-profit CDP (formerly the Carbon Disclosure Project) and we were named in the organization's "Leadership Band" for the seventh consecutive year due to our alignment with best practices and climate-related disclosures.

Also in 2022, the national sustainability organization Clean50 recognized our commitment to the highest ESG standards and named Bell its inaugural GHG Reductions Champion for achieving meaningful reductions in greenhouse gas (GHG) emissions. Bell also achieved ISO 50001 certification for our energy management system for the third consecutive year after becoming the first communications company in North America to achieve this important designation.

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These accomplishments demonstrate that we are on the right path as we continue to meet our environmental targets and encourage other stakeholders – including customers, suppliers and our own team members – to adopt energy-saving solutions, reduce waste and move forward with sustainable best practices.

Looking ahead

Being a responsible corporate leader has been central to Bell's identity for 143 years, and the BCE Board of Directors is confident that senior management is carrying this tradition forward as we face new challenges.

As Chair and on behalf of the BCE Board, we trust this report will instill confidence in the responsible approaches we are taking to address climate change, actions important to all our stakeholders – including customers, communities, employees and investors – as we move forward with our overall purpose to advance how Canadians connect with each other and the world.



Gordon M. Nixon

Chair of the Board

BCE Inc.

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Delivering better and more resilient connectivity

Responsible action on behalf of customers, communities, team members and investors is deeply ingrained in everything we do at Bell. This fundamental focus on doing our best for those we serve means more Canadians are benefiting from our world-leading networks and services while, at the same time, we continue to reduce harmful environmental impacts, strengthen resiliency and enhance sustainability.

Our overall purpose – to advance how Canadians connect with each other and the world – is driven by six strategic imperatives: build the best networks; drive growth with innovative services; deliver the most compelling content; champion customer experience; operate with agility and cost efficiency; and engage and invest in our people and create a sustainable future.

Together with our strong ESG focus and Bell for Better initiatives, our strategy to deliver fast, innovative and reliable communications technologies and to always put customers first means we are better positioned than ever to address the risks and opportunities surrounding climate change.



Actions that matter

Climate change represents a fundamental global challenge. Our leading investments in expanding the availability of fibre and 5G wireless networks, innovative products and services, and improving how we share information related to service disruptions all help minimize damaging impacts when extreme weather events occur.

We also design and operate our networks with an emphasis on redundancies, oversight, security and contingency planning, critical measures that help Bell exceed 99.99% network reliability and assist in service resiliency and recovery.

Our next-generation telecommunications technologies – including cloud services, virtualization, teleconferencing and video conferencing – are also major contributors to the fight against climate change by reducing the carbon footprint of businesses, governments and other organizations across the country.

These accomplishments would not be possible without the dedication, skills and customer-first focus of Bell team members, and we continue to invest in training and professional development as we move forward with our own sustainable and environmentally responsible workplaces and practices.

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Today, our efforts to increase use of renewable energy, reduce waste and lower greenhouse gas emissions (GHG) – including the use of electric vehicles, modernizing our buildings and adopting innovative alternative energy solutions – are improving our environmental footprint. As a result, Bell is on track to meet our carbon neutral target for our operational GHGs beginning in 2025 as well as achieve Science-Based Targets initiative (SBTi) targets for GHG emissions reductions by 2030.

Leading positive change forward

With our strong strategic and corporate commitments to supporting a better world and building a sustainable future for all of our stakeholders, Bell is proud to be a leader in driving the transition to a low-carbon economy, improving energy performances and making our leading technology services and media even more widely available.

Bell also believes transparency is important to understanding progress. With this report, we are pleased to provide details about our approach and performance on governance, strategy, risk management, and metrics and targets as they relate to our action on climate change.

We are confident that the progress we are making with our leading ESG commitments, strategic investments and overriding purpose – to advance how Canadians connect with each other and the world – will continue delivering positive results for all of our stakeholders.



Mirko Bibic

President and Chief Executive Officer
BCE Inc. and Bell Canada

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Summary snapshot of our alignment with TCFD recommendations

TCFD recommendations	Recommended disclosures	Bell's disclosure alignment
<p>Governance ✓ ALIGNED</p> <p>Disclose the organization's governance around climate-related risks and opportunities</p>	<p>a) Describe the board's oversight of climate-related risks and opportunities</p> <p>b) Describe management's role in assessing and managing climate-related risks and opportunities</p>	<p>Board committee oversight, Section 1.1 (p. 16)</p> <p>Management leadership, Section 1.2 (p. 17)</p>
<p>Strategy ✓ ALIGNED</p> <p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material</p>	<p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long-term</p> <p>b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning</p> <p>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario</p>	<p>Climate-related risks, Section 2.1 (p. 21)</p> <p>Climate-related opportunities, Section 2.2 (p. 24)</p> <p>Impact of climate-related risks and opportunities on our strategy and financial planning, Section 2.4 (p. 30)</p> <p>Processes for managing climate-related risks, Section 3.2 (p. 34)</p> <p>Climate scenario analysis, Section 2.3 (p. 26)</p>
<p>Risk management ✓ ALIGNED</p> <p>Disclose how the organization identifies, assesses and manages climate-related risks</p>	<p>a) Describe the organization's processes for identifying and assessing climate-related risks</p> <p>b) Describe the organization's processes for managing climate-related risks</p> <p>c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management</p>	<p>Processes for identifying and assessing climate-related risks, Section 3.1 (p. 31)</p> <p>Processes for managing climate-related risks, Section 3.2 (p. 34)</p> <p>Processes for identifying and assessing climate-related risks, Section 3.1 (p. 31)</p>
<p>Metrics and targets ✓ ALIGNED</p> <p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</p>	<p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</p> <p>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks</p> <p>c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets</p>	<p>Metrics to assess climate-related risks and opportunities, Section 4.1 (p. 37)</p> <p>Emissions targets and performance, Section 4.2, GHG emissions (p. 39)</p> <p>Emissions targets and performance, Section 4.2, Bell's GHG emissions reduction targets (p. 39)</p>

Our report is also aligned with the seven TCFD principles for effective disclosure.

Principles for effective disclosure

How we are addressing principles of effective disclosure

1 Disclosure should represent relevant information

- Report aligned with the 11 TCFD recommendations and includes disclosure of our scope 3 emissions and results from our climate-related scenario analysis.
- Third-party verification to ensure full alignment with TCFD recommendations and provide advice on relevant information to add over years.
- Report provides information on climate-related risks and opportunities which are specific to the Canadian market and the telecommunication industry.

2 Disclosure should be specific and complete

- This annual stand-alone TCFD report provides an overview of Bell's governance, strategy, risk management and metrics and targets relating to climate-related risks and opportunities. This ensures full alignment with TCFD recommendations.

3 Disclosure should be clear, balanced and understandable

- Report provides straightforward explanations of Bell's understanding, management and measurement of climate-related risks and opportunities, to ensure a proper understanding by the users.

4 Disclosure should be consistent over time

- Annual update of report, using the same structure and consistent metrics, with annual improvements.
- CDP reporting aligned with information in this report.

5 Disclosure should be comparable among companies within a sector, industry or portfolio

- Report aligned with the 11 TCFD recommendations, using the same four sections as the TCFD recommendations, which is also used generally by the industry.
- Scenario analysis in disclosure of climate-related risks and opportunities developed and aligned with TCFD Technical supplement.
- GHG emissions calculated using ISO 14064, guidance for quantification and reporting of GHG emissions and removal standards.
- Third-party limited assurance provided on reported GHG emissions.

6 Disclosure should be reliable, verifiable and objective

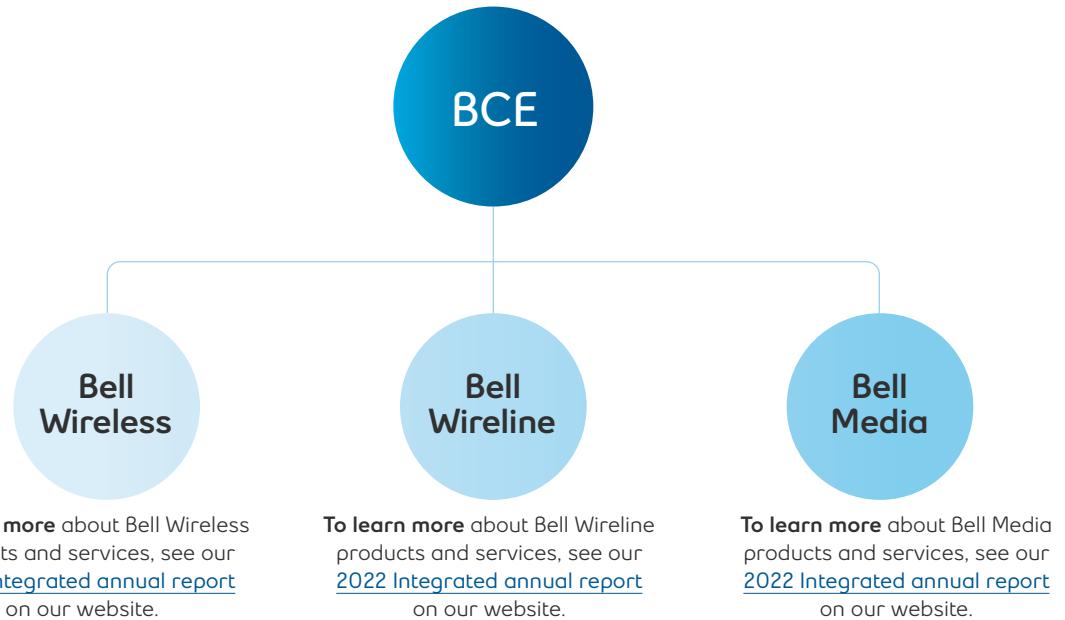
- Third-party verification to ensure alignment with TCFD recommendations.
- Third-party limited assurance provided on reported GHG emissions.

7 Disclosure should be provided on a timely basis

- Report available to the public on bce.ca and updated annually.
 - Our 2022 Integrated annual report refers to this document and includes a summary.
 - BCE's 2022 annual information form (AIF) refers to this document and includes a summary.
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BCE overview

BCE is Canada's largest communications company, providing residential, business and wholesale customers with a wide range of 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). Our results are reported in three segments: Bell Wireless, Bell Wireline and Bell Media. Effective Q1 2023, our externally reported segments changed to Bell Communication and Technology Services (Bell CTS) and Bell Media. We are headquartered in Montréal, Québec, Canada.



Corporate responsibility supports our purpose to advance how Canadians connect with each other and the world

Since our founding in 1880, Bell has been advancing how Canadians connect with each other and the world. We manage our company to support the social and economic prosperity of our communities while safeguarding the environment. We are committed to the highest Environmental, Social and Governance (ESG) standards. This defines our approach to corporate responsibility.

Our efforts are informed by a set of guiding principles that support our corporate strategy and policies throughout the organization. We monitor issues and opportunities and set objectives through stakeholder engagement and through our own internal processes. We measure and report on our progress in four areas: increasing environmental stewardship, nurturing a healthy and inclusive workplace, building stronger and healthier communities, and seeking to implement best-in-class governance practices.

We insist on this approach because it is the right thing to do. We also strongly believe that Bell's corporate responsibility actions provide significant social and environmental benefits. These benefits in turn enable Bell to improve operational performance, attract and retain talent, increase access to capital, and proactively manage risks. Our corporate responsibility strategy generates positive returns for our shareholders and for our other stakeholders.

To learn more about our strategy, see our [2022 Integrated annual report](#).

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Climate change and Bell's Strategic Imperatives

Corporate responsibility is a fundamental element of each of our 6 Strategic Imperatives.

Bell's 6 Strategic Imperatives



**Build the
best networks**



**Drive growth with
innovative services**



**Deliver the most
compelling content**



**Champion customer
experience**



**Operate with agility
and cost efficiency**



**Engage and invest in
our people and create a
sustainable future**







We understand that a changing climate can lead to increased financial, operational and reputational risks for any business. The likelihood and impact of climate-related risk is evolving, as is emphasized in the Global Risks Report of the World Economic Forum (WEF). In the WEF's [Global Risks Report 2022](#), climate action failure ranked as "the number one long-term threat to the world and the risk with potentially the most severe impacts over the next decade" (p. 8). These risks have the potential to cause devastating impacts on the world as we know it. This includes impacts on public health and supply chains.

Bell is actively fighting climate change by seeking to reduce all scopes of GHG emissions that are warming our planet. We are treating this issue seriously by taking rigorous steps to monitor our carbon footprint, to report our GHG emissions, and we have established ambitious emissions reduction targets.

We believe that we have an important role to play in providing our customers with technologies that help them address climate change and adapt to the related impacts on their businesses. As demonstrated by the Global Enabling Sustainability Initiative (GeSI), the use of telecommunication technologies can help in curtailing GHGs emitted by our clients, and by our own business. Our most recent analysis to quantify the carbon reduction capacity of our products and services concluded that Bell's technologies have enabled carbon abatement for our customers of 5.2 times our operational carbon footprint in 2020. Overall, this is a net gain for the planet.

To learn more, see section 4.1, [Metrics to assess climate-related risks and opportunities](#), of this report.

Climate-related risks and opportunities across our 6 strategic imperatives

	1 Build the best networks	→	Take proactive actions that seek to avoid the impacts from extreme climate events that may threaten our buildings and network infrastructure.
	2 Drive growth with innovative services	→	Develop innovative services and invest in new technologies that seek to reduce our customers' GHG emissions.
	3 Deliver the most compelling content	→	Raise awareness on climate change through our media channels.
	4 Champion customer experience	→	Adapt to extreme climate events that may affect our ability to offer a positive and reliable customer experience and support our customers in becoming more resilient.
	5 Operate with agility and cost efficiency	→	Monitor the increased financial impacts from climate change on our cost efficiency.
	6 Engage and invest in our people and create a sustainable future	→	Focus on fighting climate change to help attract top talent and increase employee engagement.

Climate change has the potential to negatively impact businesses across all sectors. At Bell, we believe there are opportunities to evolve our business by developing and delivering innovative services that contribute to reducing GHG emissions and provide multiple societal benefits.

Here are a few examples of climate-related risks and opportunities:

- When we consider our strategic imperatives of building the best networks (#1) and championing customer experience (#4), we must factor in various climate risks. This includes the eventuality that natural disasters do occur and that temperature and precipitation are both volatile and could greatly increase. These risks could potentially hinder our ability to provide uninterrupted service to our customers because of more-frequent and less-predictable damage to our infrastructure.
- As for the strategic imperative of driving growth with innovative services (#2), we see opportunities to develop innovative services and to invest in new technologies to monitor and reduce global GHG emissions. This includes technologies such as the Internet of Things (IoT) and 5G wireless.
- In terms of operating with agility and cost efficiency (#5), climate change is a catalyst to drive our internal efforts to shift toward the use of more renewable energy. Efforts to reduce our energy consumption overall provide us with greater cost efficiency.
- We believe that we have an opportunity to lead by example given our media reach through multiple platforms, because our content platforms give us the capacity to increase awareness of climate change among all Canadians (#3).
- Bell strives to have a positive environmental influence by actively contributing to fighting climate change and by providing transparency in communicating climate-related performance and targets. By doing so, the company's actions resonate with our employees who want to work for an organization that makes a positive impact on society. This serves our imperative to engage and invest in our employees (#6).

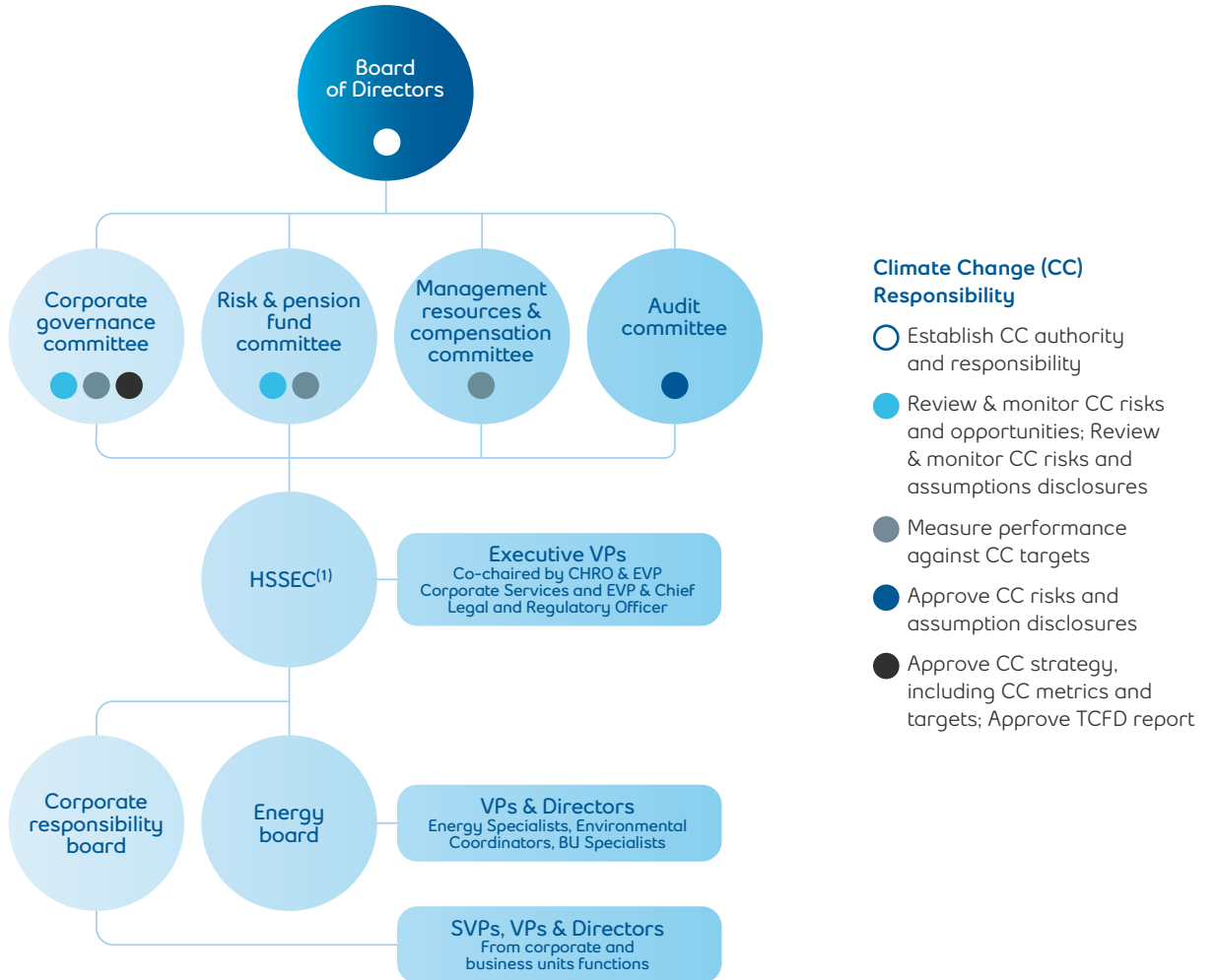
Climate-related risks and opportunities disclosure aligned with TCFD recommendations

1. Governance

TCFD recommendation: Disclose the organization’s governance around climate-related risks and opportunities

✓ **ALIGNED**

The BCE Board of Directors (the Board) has established clear lines of authority and oversight regarding the assessment and management of climate-related risks and opportunities. The chart below provides an overview of our governance structure related to climate change.



(1) Health, Safety, Security, Environment and Compliance Oversight Committee

1.1 Board committee oversight

The Board has overall responsibility for supervising the management of BCE's business and affairs, which includes taking into account the effects of climate change. The Board has established clear lines of authority and oversight over our climate-related risks and opportunities, with primary accountability at the Board committee level.

Corporate Governance Committee (CGC)

The [CGC](#) is responsible for the oversight of our corporate purpose and our ESG strategy (including our climate change strategy) and disclosure, including integration of ESG within the company strategy and monitoring the implementation of ESG programs, goals and key initiatives. It is also responsible for our governance practices and policies, including those concerning business conduct and ethics, and approves the Strategic Overview section of the Integrated annual report. The committee receives quarterly ESG updates. Specifically for climate change, the CGC approves our climate change strategy and monitors our performance against our climate change targets (carbon savings enabled by the use of Bell's technology and GHG reduction targets). The CGC monitors climate change risks and opportunities, reviews and monitors the disclosure of our climate change risks and assumptions.

Risk and Pension Fund Committee (RPFC)

The [RPFC](#) oversees the enterprise risk governance framework and the company's exposure to key ESG risks that may result in significant operational, financial, legal or reputational impacts. Business continuity and environmental risks, including those related to climate change, are among the RPFC's responsibilities. The committee receives quarterly reports from management and conducts at least one annual detailed review of Bell's environmental programs. These reports allow the RPFC to review and monitor Bell's performance against climate change targets, its climate change risks and opportunities and the disclosures on these risks and their underlying assumptions.

Management Resources and Compensation Committee (MRCC)

The [MRCC](#) has oversight of human resources issues, including respectful workplace practices, diversity, equity, inclusion and belonging, team survey results, human rights and health and safety. The committee tracks corporate performance against our ESG targets. Our climate change targets are part of the ESG targets linked to compensation.

Audit Committee

The [Audit Committee](#) is responsible for overseeing financial reporting and disclosure, and the organization's internal control systems and compliance with legal requirements. The Audit Committee monitors the climate change risks and approves climate change risks and assumptions disclosures.

1.2 Management leadership

While the Board is responsible for BCE's risk oversight program, management has established a governance framework through the Health, Safety, Security, Environment and Compliance (HSSEC) Oversight Committee. The HSSEC Committee oversees health and safety, security, environmental and compliance risks, and seeks to ensure they are addressed through efficient programs implemented within the various business units. In addition, two management committees, the Energy Board and the Corporate Responsibility Board, report to the HSSEC Committee.

Health, Safety, Security, Environment and Compliance Oversight Committee (HSSEC Committee)

The HSSEC Committee is mandated to ensure that our corporate responsibility strategy is integrated throughout the business in order to minimize risk and maximize business opportunities. This committee is co-chaired by the Chief Human Resources Officer (CHRO) & Executive Vice-President (EVP), Corporate Services, and the Chief Legal & Regulatory Officer who report to the RPFC, CGC and the MRCC. Its members include a significant number of Bell's most senior leaders including the Chief Financial Officer (CFO), Chief Technology and Information Officer (CTIO), and Group President, Customer Experience.

The cross-functional composition of the HSSEC seeks to ensure that relevant risks are adequately recognized, that mitigation activities are well integrated and aligned across the organization, and that sufficient resources are in place. The HSSEC Committee also looks to maximize business opportunities and to ensure that these opportunities are integrated and aligned across all parts of our business. More specifically, the HSSEC Committee is required to:

- review our corporate responsibly (CR) vision and guiding principles – including our climate change strategy – based on recommendations from the Corporate Responsibility & Environment (CR&E) team and recommend it for approval by the CGC of the Board,
- assess emerging CR issues and trends, such as climate change, and provide recommendations on appropriate positioning for Bell,
- review and approve Bell's Environmental Policy and CR objectives and monitor their progress and achievement on an annual basis,
- approve operational strategies and objectives to address specific environmental issues including climate change. Review the results from our most recent Climate scenario analysis exercise and monitor the progress of implementation of climate change mitigation measures, and
- report to the RPFC any incidents or material issues in complying with Bell's Environmental Policy.

Energy Board

We created the Energy Board in 2008 and tasked it with the responsibility of continually improving our energy performance. The Energy Board is a senior management-level committee reporting to the HSSEC Committee. It is composed of vice-presidents, directors, managers and specialists from across the company. The Energy Board's specific mandate is to ensure the ongoing effectiveness of our energy management system. It identifies and supports the implementation of energy-saving initiatives in our facilities (buildings, communications network and IT infrastructure), in our vehicle fleet and in our efforts to substitute travel with technology. The Energy Board also oversees progress toward meeting our targets for reducing GHG emissions.

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The Energy Board's mandate includes the requirement to:

- monitor BCE's energy consumption and costs on a periodic basis,
- establish the methodology to anticipate future variations in energy consumption and costs,
- set energy reduction targets and monitor progress made to achieve them,
- monitor GHG emissions reductions associated with energy reductions and the progress made to achieve GHG reduction targets,
- identify opportunities to reduce energy consumption and costs, support the implementation of energy-saving initiatives, and recommend appropriate policy changes, and
- ensure BCE's energy efficiency performance is monitored and reported to the RPF, the Board, and to external stakeholders.

Corporate Responsibility (CR) Board

The CR Board is a senior management-level committee. It is mandated by the HSSEC Committee to support the evolution of our corporate responsibility strategy, and to proactively manage ESG topics in an integrated fashion. The CR Board establishes processes for preparing, verifying and approving ESG information to be contained in public disclosure documents, which include our climate change disclosure. Climate change targets and related disclosure are reviewed by the CR Board.

This committee is chaired by the Vice President, Corporate Security and Responsibility, and its members include business unit vice-presidents and directors.

Internal working groups

Carbon Reduction Task Force

We created BCE's Carbon Reduction Task Force in 2021 to develop and closely follow the implementation of our strategy to meet our GHG emissions reduction targets. The task force is composed of internal stakeholders involved in the governance of corporate climate change mitigation. It reports its progress to the Energy Board. Acting on its governance role, the task force has developed VP-level targets and is exploring internal carbon pricing. The task force also developed a carbon emissions dashboard to report progress to the RPF.

To learn more about our GHG reduction targets, see section 4.2, [Emissions targets and performance](#), of this report.

Carbon Innovation Working Group

The Carbon Innovation Working Group (IWG) is a cross-functional team reporting to the Carbon Reduction Task Force. The IWG uses its expertise and access to new technologies to implement certain GHG-saving initiatives. Other initiatives are evaluated, prioritized and recommended for funding through the Green Budget, a dedicated annual fund to decarbonize our operations. The IWG also establishes a process to consider energy and GHG emissions impacts from the onset of any new business project at both the design and procurement stages.

Climate Resiliency Task Force

The Climate Resiliency Task Force brings together key internal stakeholders who assist in building a strong climate resiliency governance to address the potential impacts of climate change in the short and medium terms. This includes physical climate-related risks such as natural disasters and increases in mean temperatures.

Engagement

The Chief Human Resources Officer & Executive Vice-President Corporate Services has direct oversight of the Corporate Responsibility & Environment team, which is accountable for corporate responsibility initiatives. Furthermore, all Executive Vice-Presidents (EVPs) have 30% of their variable pay tied to personal objectives that cover a variety of ESG topics. For some EVPs, this also includes key performance metrics related to progress in achieving our GHG science-based emissions reduction targets. We are currently working on expanding variable pay objectives of executives tied to the achievement of our carbon reduction targets.

In 2020, the Management Resources and Compensation Committee (MRCC) of the Board introduced a metric to track corporate performance against our ESG targets. This includes our science-based targets that align with the goals of the Paris Agreement to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. These targets and several other performance metrics are used to calculate the Annual Incentive Pay (bonus) that is paid to eligible Bell team members on an annual basis.

The CR&E team's mandate is to ensure our climate change strategy is well integrated throughout the business in order to minimize risks and optimize business opportunities. CR&E team members have most of the variable portion of their compensation tied to environmental goals. In 2020, we became the first North American communications company to achieve ISO 50001 certification for energy management (EnMS)⁽¹⁾, and at the same time we created numerous new roles to support energy management. Many Bell teams and resources are dedicated to support our energy and climate change targets. This includes energy specialists, environmental coordinators and real estate energy teams within the company.

In order to accomplish our objectives, we proactively monitor global trends and seek to stay up to date with best practices by applying a systematic management approach. In 2009, we became the first Canadian telecommunication company to have an environmental management system (EMS) certified ISO 14001⁽²⁾. Through the application of this corporate EMS, more than 50 Bell team members have direct accountability for corporate responsibility issues related to our business imperatives across the company.

Bell team members from business unit VPs to business unit environmental coordinators (ECs), are responsible for the performance of our corporate responsibility portfolios.

To learn more, see [Our corporate responsibility approach](#) information sheet on our website.

(1) Bell's review in 2020 of publicly available information for North American communications and telecommunications companies indicated Bell was the first of its North American communications and telecommunications competitors to receive ISO 50001 certification.

(2) Bell's review in 2020 of publicly available information for North American communications and telecommunications companies indicated Bell was the first of its North American communications and telecommunications competitors to receive ISO 14001 certification.







2. Strategy

TCFD recommendation: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material.

✓ **ALIGNED**

BCE takes the risks of climate change very seriously. We also recognize that climate change could bring opportunities for our business. This includes higher demand for our products and services, which could contribute to a cleaner economy and enhance our brand value and corporate reputation.

We updated our climate scenario analysis drawing on advice from the consulting firm KPMG in 2021. We identified the following primary climate-related risks and opportunities that could impact Bell and their potential financial impact on our business. Although the TCFD recommends disclosure only where such information is material, we are voluntarily reporting under this section without limiting our disclosure to what is material to Bell.

Transition risks		Potential financial impact
	Policy and legal <ul style="list-style-type: none"> Carbon pricing regulations 	<ul style="list-style-type: none"> Increased operational costs due to rising price of energy
	Technology <ul style="list-style-type: none"> End-of-life treatment of our technologies 	<ul style="list-style-type: none"> Increased operational costs due to increase in e-waste treatment programs and management systems
	Market <ul style="list-style-type: none"> Shifting supply and demand for energy 	<ul style="list-style-type: none"> Increased operational costs due to rising price of energy
	Reputation <ul style="list-style-type: none"> Public perception on accountability and managing climate-related issues Climate-related disclosures and ESG rankings 	<ul style="list-style-type: none"> Decreased demand for our products and services due to not effectively managing or reducing our climate-related impacts Increased cost of capital due to degrading ESG rankings and score in our disclosures
Physical risks		Potential financial impact
	Acute <ul style="list-style-type: none"> Increased severity & frequency of extreme weather events (flooding, storms including ice storms, wildfires and extreme temperatures) 	<ul style="list-style-type: none"> Increased operating costs from maintenance and repairs, labour, heating and cooling and equipment damage Asset impairment leading to service disruption causing a decrease in revenues Increased insurance premiums or reduced insurability in high risk areas
	Chronic <ul style="list-style-type: none"> Rising mean temperatures 	<ul style="list-style-type: none"> Increased operating costs due to greater cooling requirements in our buildings Increased investment requirements in new resilient technology and construction

Opportunities



Products & Services

- Development and increased growth of our digital products and services

Potential financial impact

- Increased revenues resulting from greater demand for our digital products and services that help our customers reduce their carbon footprint
- Increased revenues resulting from greater need to use resiliency and adaptation services by our customers, due to an increase in frequency and severity of extreme weather events



Reputational

- Enhanced public perception on accountability and managing climate-related issues
- Climate-related disclosures and ESG rankings

- Increased demand for our products and services due to effectively managing or reducing our climate-related impacts and leadership on climate-related issues
- Decreased cost of capital due to improving ESG rankings and score in our disclosures

2.1 Climate-related risks

We recognize that climate change poses potential risks to our business, our customers, and to the communities in which we operate. The [IPCC Assessment Report published in August 2021 \(AR6\)](#) states that “The scale of recent changes across the climate system as a whole and the present state of many aspects of the climate system are unprecedented over many centuries to many thousands of years” (p. 10). The report also maintains: “Human-induced climate change is already affecting many weather and climate extremes in every region across the globe” (p. 11). We acknowledge that the risk is imminent and will keep increasing as the planet gets warmer.

We believe companies across all sectors must take actions to seek to reduce and neutralize their carbon footprint to hold global warming to well below 2°C, and preferably limit it to 1.5°C above pre-industrial (1850–1900) levels.

Even if we reduce our GHG emissions, we should prepare to face the impacts of climate change and increase our corporate climate resiliency. In alignment with the TCFD recommendations, we categorize climate-related risks into transition and physical risks.

Transition risks are associated with the transition to a lower-carbon economy. This may include extensive regulatory, technology and market changes needed to address mitigation and adaptation requirements related to climate change. Physical risks are associated with the physical impacts from a changing climate and can either be event-driven (acute) or longer-term shifts (chronic) in climate patterns.

For the purpose of disclosures recommended by the TCFD, we have focused on seven main risks, which fall under the transition and physical risk categories identified by the TCFD.

Transition risks



Regulation (Carbon pricing)

In Canada, the carbon footprint of certain organizations is subject to carbon pricing schemes. Although Bell is not directly subject to current regulations, they still impact us since energy producers that we use are subject to carbon pricing and are expected to transfer the carbon cost to their customers. This is expected to affect our operating costs by increasing the price of energy in all provinces across Canada since all will be subject to a carbon pricing scheme.



Technology

The environmental impacts (including GHG emissions) resulting from the use and end-of-life treatment of our technologies is expected to increase. This is because our products continue to grow more technologically sophisticated (e.g., enabling smarter devices) and consequently consume more energy. In addition, our customers are upgrading their devices more frequently, leading to an increase in the stream of e-waste. We recognize the role we have to play in managing and minimizing this e-waste. We have the general ambition of sending zero waste to landfill in the future. As we work toward this, we expect an increase in operational costs related to the recovery, treatment, and disposal of this e-waste.



Market

The transition to a low-carbon economy is likely to cause a shift in supply and demand for energy, whereby energy supply could decrease and lead to rising energy prices, which would increase our operational costs. In addition, carbon pricing schemes in Canada are expected to exacerbate this situation through the transfer of carbon price costs to energy consumers, including companies such as Bell. This will result in a further increase in our operational costs.



Reputation (Customer perception)

There is enhanced public focus on Bell's accountability and management of climate-related risks because our customers are increasingly concerned with climate change. Our operations, service performance, reputation and overall business continuity are largely dependent on how we manage our physical and non-physical assets. Most certainly, this includes how well we protect our assets from the impacts of climate change which could disrupt our operations. This in turn could have an adverse effect on our ability to provide key communications services, potentially jeopardizing customer satisfaction and damaging our overall reputation. If Bell fails to properly demonstrate its proactive actions on climate change, our ability to acquire or retain customers could be affected.



Reputation (ESG rankings)

Investors increasingly use ESG ratings and ranking agencies to inform their investment decision-making process. Our ESG performance is largely influenced by our climate-related disclosures and our ability to meet our climate-related targets and objectives. If we do not continue to disclose our climate change performance, if we fail to disclose our other ESG-related performance or should our ESG rankings degrade over time, there is a risk that investors will see this as unfavourable. This could affect our ability to efficiently access capital.

Physical risks



Acute impacts (Extreme weather events)

Global scientific evidence suggests that climate change will increase both the frequency and severity of extreme weather events. This will include such events as flooding, ice storms and wildfires, among others. These could have a destructive impact on our communications network infrastructure. This in turn could affect our ability to deliver communications services that are critical to our customers and society. A service disruption due to extreme weather events could lead to financial impacts. These impacts could include an increase in operating costs from maintenance and repairs, labour, heating and cooling, and equipment damage. Our insurance premiums could increase, or we could face reduced insurability in high risk areas. Furthermore, this could jeopardize customer satisfaction and may result in a decrease in revenues.



Chronic impacts (Rising mean temperatures)

Anthropogenic global warming has already reached about 1.1°C above pre-industrial levels, and is expected to reach 1.5°C over the next 20 years, according to the IPCC AR6. In Canada, the average annual temperatures have increased by 1.9°C (over the period of 1948–2021) and are expected to keep rising⁽¹⁾. If average temperatures where Bell is operating are warmer or cooler year over year for longer periods of time, there will be an increasing need for cooling or heating capacity in our facilities. This will increase our energy consumption and associated costs. Furthermore, in order to remain resilient to these increasing or decreasing temperatures, we would need to increase our investments in our infrastructure, again leading to increased operational costs.

(1) From Government of Canada's website: [Temperature change in Canada](#)

2.2 Climate-related opportunities

The effects of climate change can also create opportunities in the communications industry. For the purpose of this report, we have focused on two main opportunities related to climate change that present advantages for Bell. These two opportunities fall under the products and services and reputation categories identified by the TCFD.

Products and Services – Technologies



Helping Canadians fight climate change

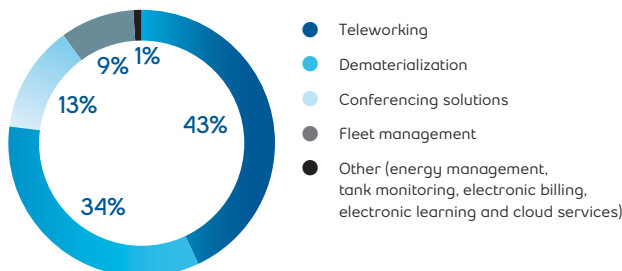
Increasingly, our business customers aim to reduce their carbon footprint. In particular, customers targeted by carbon pricing schemes are expected to seek products and services that will enable them to cut GHG emissions, in an effort to meet their emissions caps (under cap and trade schemes) and reduce their expenses related to carbon pricing.

Offering services that enable Canadians to reduce their carbon footprint could generate additional revenues for Bell. The number of potential customers seeking our technologies could increase, and we could expand the range of products and services that our current customers could potentially purchase.

Our most recent analysis to quantify the carbon reduction capacity of our products and services concluded that Bell's technologies have enabled carbon abatement for our customers of 5.2 times our operational carbon footprint in 2020. The Internet of Things is one of our major carbon reduction enablers, making possible solutions such as smart cities, smart buildings, smart roads, smart operations and smart field work.

To learn more, see the section 4.1, [Metrics to assess climate-related risks and opportunities](#), of this report.

Bell technologies enabling carbon abatement⁽¹⁾



To learn more about how the use of communication technologies contributes to reducing the carbon emissions of our customers and our own operations, see the section Contributing to a better world through our products and services in the Our products and services section of our [2022 Integrated annual report](#).

(1) We developed a methodology in collaboration with Groupe AGECO, a third-party consultant with an expertise in GHG quantification, that quantifies the carbon reduction capacity of our products and services.



Helping Canadians adapt to climate change impacts

The increased frequency and severity of extreme weather conditions resulting from climate change could present an increased demand for our products and services. This is because our products and services can help our customers adapt to such climate change impacts by improving their businesses' resiliency. For example, if a natural disaster or an extreme weather event prevents our clients from accessing their offices or from travelling, our products and services permit them to conduct business remotely, or on the move. And the reliability of our products and services, enhanced by redundancies built into our network, help provide business continuity to such customers even in adverse weather events.

Teleworking and teleconferencing solutions allow our clients to work from anywhere and to minimize their need for business travel. During the COVID-19 pandemic, demand for our products and services drastically increased as customers worked from home. This benefited society by reducing the risks of spreading the virus. In addition, solutions enabled by Internet of Things technology help businesses reduce their risk exposure by ensuring continued delivery of key communication services. Bell's robust business continuity plans seek to ensure the reliability of these technologies.

To learn more, see section 3. [Risk management](#), of this report.

To learn more about such technologies, see the section Contributing to a better world through our products and services, in the Products and Services section of our [2022 Integrated annual report](#).

Reputation



Customer perception

In general, many consumers want to purchase products and services from companies whom they believe demonstrate a commitment to sustainability. This commitment must include the management and mitigation of climate change, and adapting to its impact. Consequently, our efforts in managing our environmental footprint presents an opportunity to differentiate Bell from its competition, which could increase the demand for our products and services. It can also have a positive impact on company value by improving our brand value and reputation. We take concrete action to expand our business in a responsible and sustainable way. For example, we set annual energy reduction objectives that support our carbon footprint reduction targets.

To learn more about our carbon reduction objectives and targets, including key performance metrics we track to measure our progress, see section 4, [Metrics and targets](#), of this report.



ESG rankings

As mentioned above, investors are increasingly using ESG ratings and ranking agencies to inform their investment decision-making process. Transparent disclosure and strong climate-related performance could enhance our ESG ratings, which could decrease our cost of capital. This TCFD Report, along with our other climate-related disclosures, represent our continued focus on transparently reporting on our climate change initiatives and performance. Bell also discloses its carbon footprint and reduction targets in its [2022 Integrated annual report](#) and [2022 AIF](#). Specifically, we disclose our objective to achieve carbon neutral operations starting in 2025 and our science-based targets that align with the goals of the [Paris Agreement](#).

To learn more about our carbon reduction objectives and targets, see section 4, [Metrics and targets](#), of this report.

2.3 Climate scenario analysis

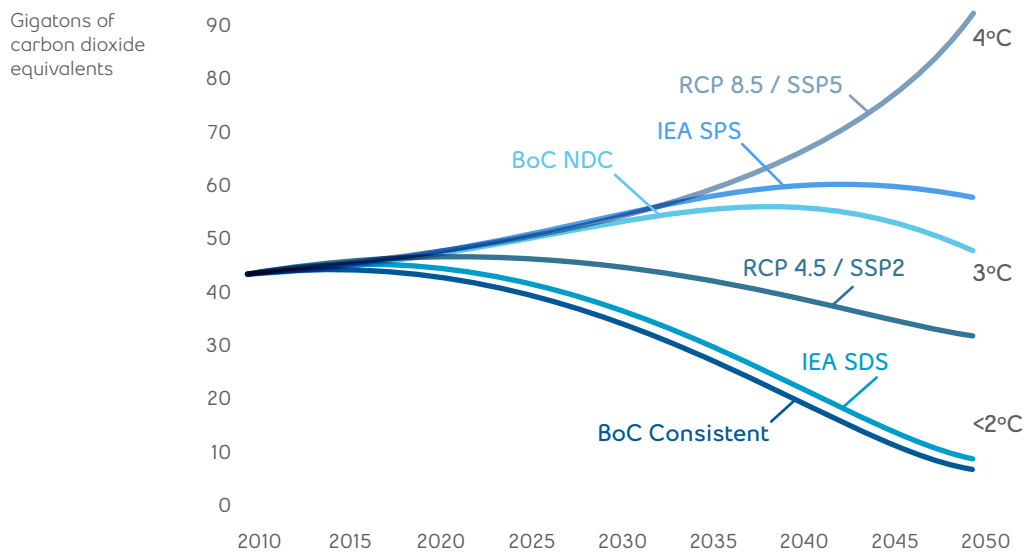
In 2020, we initiated our first climate scenario analysis exercise. The exercise identified the potential financial impacts of relevant climate-related risks and opportunities. Our goal was to enhance our resiliency to climate – related risks and inform our strategic planning. In 2021, we updated the climate-related scenario analysis to reflect the latest IPCC conclusions. The IPCC report provides estimates of the chances of crossing the global warming level of 1.5°C in the next decade. It finds that unless there are immediate, rapid and large-scale reductions in GHG emissions, limiting warming close to 1.5°C or even 2°C will be beyond reach. Our climate-related scenarios may evolve over time as new reports and frameworks are developed and published.

Bell engaged KPMG in 2021 to provide advice on the qualitative and quantitative climate scenario analysis by studying a number of future emissions pathways scenarios.

The analysis took into consideration low and high temperature warming scenarios for both physical and transition risks over a short (five-year), medium (10-year) and long-term (20-year) time horizon. We selected and used six distinct scenarios in our analysis.

The table below provides a detailed summary of each of the scenarios used in our analysis.

Physical and transition risk climate scenario pathways



Climate risk	Warming	Agency ⁽¹⁾	Scenario ⁽²⁾	Line colour	
Physical	Low	IPCC	RCP 4.5		The RCP 4.5 scenario is referred to as the stabilization scenario in which emissions peak in 2040 and then total global warming is stabilized shortly after 2100
	High	IPCC	RCP 8.5		The RCP 8.5 scenario combines assumptions about high population and relatively slow income growth with modest rates of technological change and energy intensity improvements, leading in the long term to high energy demand and GHG emissions in absence of climate change policies. This RCP scenario leads to the highest GHG concentration levels
Transition	Low	IEA	SDS		The Sustainable Development Scenario represents a major transformation of the global energy system while maintaining economic and population growth. This scenario is a shift away from fossil fuels and represents sustained decarbonization efforts that are consistent with the Paris Agreement of limiting global warming to 2°C or less above pre-industrial levels by 2100
		BoC	Consistent		Countries act to limit global warming to 2°C above pre-industrial levels by 2100
	High	IEA	SPS		The Stated Policies Scenario (SPS) reflects the impact of existing policy frameworks and today's announced policy intentions. The aim of the SPS is to provide a detailed sense of the direction in which existing policy frameworks and today's policy ambitions would take the energy sector out to 2040
		BoC	NDC		Beginning in 2020, countries act according to their pledges under the Paris Agreement. They reduce global warming, but their actions are not enough to limit warming to an additional 2°C above pre-industrial levels by 2100

(1) Intergovernmental Panel on Climate Change (IPCC), International Energy Agency (IEA), and Bank of Canada (BoC)

(2) Stated Policy Scenario (SPS), Nationally Determined Contributions (NDC), Sustainable Development Scenario (SDS), Representative Concentration Pathways (RCP)

Physical risk climate-related scenarios

We used the future climate projections from the IPCC Fifth Assessment Report (AR5) to conduct our scenario analysis on physical climate impacts across all the geographies in which we operate for both acute and chronic impacts. The Representative Concentration Pathway (RCP) 4.5 and 8.5 were used to analyze the impacts from flooding, wildfire, ice storm and extreme temperature. The likelihood of each carbon emissions scenario occurring is highly dependent on how much global effort is taken to progress toward a low-carbon economy.

In August 2021, IPCC released its Sixth Assessment Report (AR6) using the Shared Socioeconomic Pathways (SSPs). The RCP 4.5 and RCP 8.5 scenarios used in Bell's physical risk analysis were developed based on future forcing pathways, which correspond to that of SSP 2 (RCP 4.5) and SSP 5 (RCP 8.5). The SSPs consist of five scenario narratives that highlight different socioeconomic and technological pathways for society in the 21st century. The major difference between the RCPs and SSPs is the socioeconomic considerations embedded in the SSPs narrative were not captured in the RCPs. That's because the RCPs were not developed with the socioeconomic considerations in mind, but rather to reflect the plausible climate outcomes based on possible future emission levels. The respective SSPs address how the corresponding RCPs can be met under certain socioeconomic realities and policy expectations. Therefore, our physical risk climate-related scenarios do not take into account SSPs. Bell's physical risk scenarios used the RCP 4.5 and RCP 8.5, whose baseline has a corresponding future forcing pathways in SSP 2 (RCP 4.5) and SSP 5 (RCP 8.5) when linked to specific climate policies and other socioeconomic considerations to generate different scenario outcomes by the end of the century. Our physical risk scenarios may evolve over time as new reports and frameworks are developed and published⁽¹⁾.

Transition risk climate-related scenarios⁽²⁾

Regulation risk

We used two scenarios developed by the International Energy Agency's (IEA) 2019 World Energy Outlook (WEO) publication: the Sustainable Development Scenario (SDS) and the Stated Policies Scenario (SPS). The SDS represents a pathway for the world to hold the rise of global temperatures within 1.8°C above pre-industrial levels by 2100 while achieving the United Nations SDGs. The SPS reflects the impact of existing policy frameworks and today's announced policy intentions. These include Nationally Determined Contributions (NDC) under the Paris Agreement. Both the SDS and the SPS assume continued technological progress and rapid widespread changes across all parts of the energy system. We also considered the Bank of Canada (BoC) scenarios, which do not comprehensively consider the role of technology in the transition to a low-carbon economy. As a result, the IEA scenarios are more optimistic regarding future technological progress and provide lower bounds for the outcomes. We therefore decided to analyze the impacts of carbon pricing regulations using both the IEA and BoC scenarios to gain more insight in terms of our carbon pricing exposure.

(1) Bell's physical risk scenarios will be updated in 2023 to reflect SSPs considerations.

(2) Only the regulation risk has been quantified and is detailed in the transition risk section. Market and technology risks have only been identified in the summary as potential impacts.

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Reputation risks







The reputational risks from ESG rankings and customer perception are part of the transition risk category. Our ESG rating performance linked to climate change could have a financial impact on the company. This may lead to fluctuations in the cost of capital depending on our ESG rankings and score in disclosures. Customer and public perception of our accountability and management of climate-related issues may also lead to financial impact. For example, the company's profits might fluctuate as demand for our products and services might vary depending on how well we effectively manage or reduce our climate-related impacts. Our first climate scenario analysis exercise analyzed the reputational risks over a 20-year horizon with broader boundaries to calculate financial impacts. The quantification impact methodology was revisited in 2021 to match the 10-year horizon of the physical and regulatory risks, and to re-scope both sources of reputation risks. The potential financial impact from both sources of reputation risks are now less speculative in nature. The reputational risks from customer perception and ESG rankings are not calculated based on climate-related scenarios unlike the other risks described above. The results presented below are irrespective of any scenarios. The forecasted potential impacts are based on current customer perceptions of climate change, as well as current ESG reporting tendencies and investor expectations. As such, they may evolve over time.

Scenario analysis insights

Our scenario analysis included a total of seven climate-related risks which we identified as having a potential financial impact on our business. For each of these risks, we tested a hypothesis to establish a theory of change and to identify the climate-related events expected to result in financial impacts on Bell's costs, revenue and assets (see table below for a description of the hypothesis tested for each risk). The high-level results from the climate scenario analysis are summarized below for each of the climate-related risks under the low and high warming scenarios.

NOTE: The impact levels below aim to compare climate-related risks against one another. No inference should be made as to the relative materiality of any of these risks for the company as a whole.

●● indicates more significant, and ● less significant in terms of relativity from one to another.

Climate risks	Hypothesis	Potential impact level	
		Low warming scenario Below 2°C	High warming scenario 3.5°C
Physical			
 Flooding	Would the increase in the probability of a one in 100-year flooding event occurring have a financial impact?	●	●
 Wildfires	Would the increase in the probability of a one in 100-year wildfire event occurring have a financial impact?	●	●
 Ice storms	Would the increase in the probability of a one in 100-year ice storm event occurring have a financial impact?	●	●
 Temperature	Would the increase in the number of very warm days and very cold days per annum have a financial impact?	●	●
Transition			
 Regulation	Would tightening climate policies under various warming scenarios increase the cost of energy resulting in a significant financial impact?	●●	●●
 Reputation⁽¹⁾	How much would the company's cost of capital decrease/increase if its ESG score decreased/increased?	●●	●●
	Would the demand for the company's products and services be negatively impacted if it does not effectively reduce its carbon impacts and build a positive reputation?	●	●

The scenarios selected by Bell are not projections but are used to review the risks and opportunities related to climate change given possible future carbon emissions scenario pathways. Therefore, the projected impacts discussed above merely represent possible impacts and are used to inform our strategic planning process. Our intention is to continue this exercise in subsequent years and to refine our analysis and approach. From this we will develop a more comprehensive understanding of the financial impacts from climate change and gain insight on the materiality level. The refined analysis results will be analyzed by BCE's Climate Resiliency Task Force. It will also be shared with our business units to build a sector-oriented resiliency action plan that will focus on the material potential climate impacts.

The results of the scenario analysis were provided to BCE's HSSEC, CGC and RPFC. This enables these committees to review the potential financial impacts from climate change and equips them with the information needed to incorporate climate-related risks and opportunities into future decision-making and strategic planning.

(1) Reputational risks are not affected by climate scenarios but rather by ESG and external factors. They have been included to compare the risk level against other climate-related risks.

2.4 Impact of climate-related risks and opportunities on our strategy and financial planning

These climate-related risks and opportunities are integrated into Bell's business strategy and objectives through incentives, organizational structures, policies, procedures and products and services.

Our GHG emission reduction targets, which are part of our climate change program linked to [Bell's Environmental Policy](#), are an example of how issues related to climate change have been integrated into our strategy.

We use the information the Energy Board collects to inform our approach to operational objectives. Teams responsible for value creation, communications, fleet, network and building management collect information. That information is then analyzed by members of the Energy Board to assess alignment with our strategy. Pertinent trend analyses and recommendations are subsequently reported to the HSSEC Committee, the final arbiter of climate-related strategy at the operational level. The HSSEC also oversees the implementation of those recommendations across all Bell business units and reports decisions and progress to the Board's RPPC.

Furthermore, we invest in the development of technologies, products and services which actively seek to mitigate the impacts of climate change and/or enhance our resiliency to it. For example, we supported the development of new technologies for efficient cooling alternatives for our network infrastructure and data centres. Through this investment, we are better positioned to face chronic physical risks such as rising mean temperatures, or extended heat waves.

Increasingly, we are making strategic investments in the development of new products and services which enable our customers to reduce their own GHG emissions. We are actively developing this particular business opportunity through investments in Internet of Things technologies, smart cities and connected cars. To calculate this GHG-reduction potential, we developed a methodology in collaboration with Groupe AGECO, a third-party consultant with an expertise in GHG quantification, that quantifies the carbon reduction capacity of our products and services.

We have begun building our own internal carbon price system (i.e., financial monitoring system) to account for the cost of carbon in our business operations. We took this measure in response to the increase in carbon pricing regulations and the indirect impact it has on our operating costs. The objective is to embed this internal carbon price into all our business decisions, and for future investment considerations to include a process to consider energy and GHG emissions impacts at the beginning of any new business project at both the design and procurement stages.

More recently, we have undertaken an assessment of our climate change mitigation measures to understand how we can better integrate climate-related risks into all aspects of our business and risk management processes. This includes the enterprise risk management framework. The results from this assessment are described in section 3, [Risk Management](#), of this report. One aspect of the assessment pertains to our supply chain and our suppliers' risk exposure to climate change. We are beginning to evaluate the impact of climate change on our supply chain. Our goal is to identify high-risk suppliers and high-risk products we procure from them. We then work with these suppliers and together explore ways to mitigate such risks.

Finally, the second version of our climate scenario analysis has already provided benefits. It has helped us socialize the potential financial risks from climate change within the Company. It has also provided us with key insights into better integrating climate-related risks into our enterprise risk management framework. We will continue to use the results from this analysis to enhance our risk management practices and our overall resiliency to climate change.

3. Risk management

TCFD recommendation: Disclose how the organization identifies, assesses, and manages climate-related risks.

✓ ALIGNED

BCE's processes for identifying, assessing and managing climate-related risks are integrated into our multidisciplinary, company-wide risk identification, assessment and management processes.

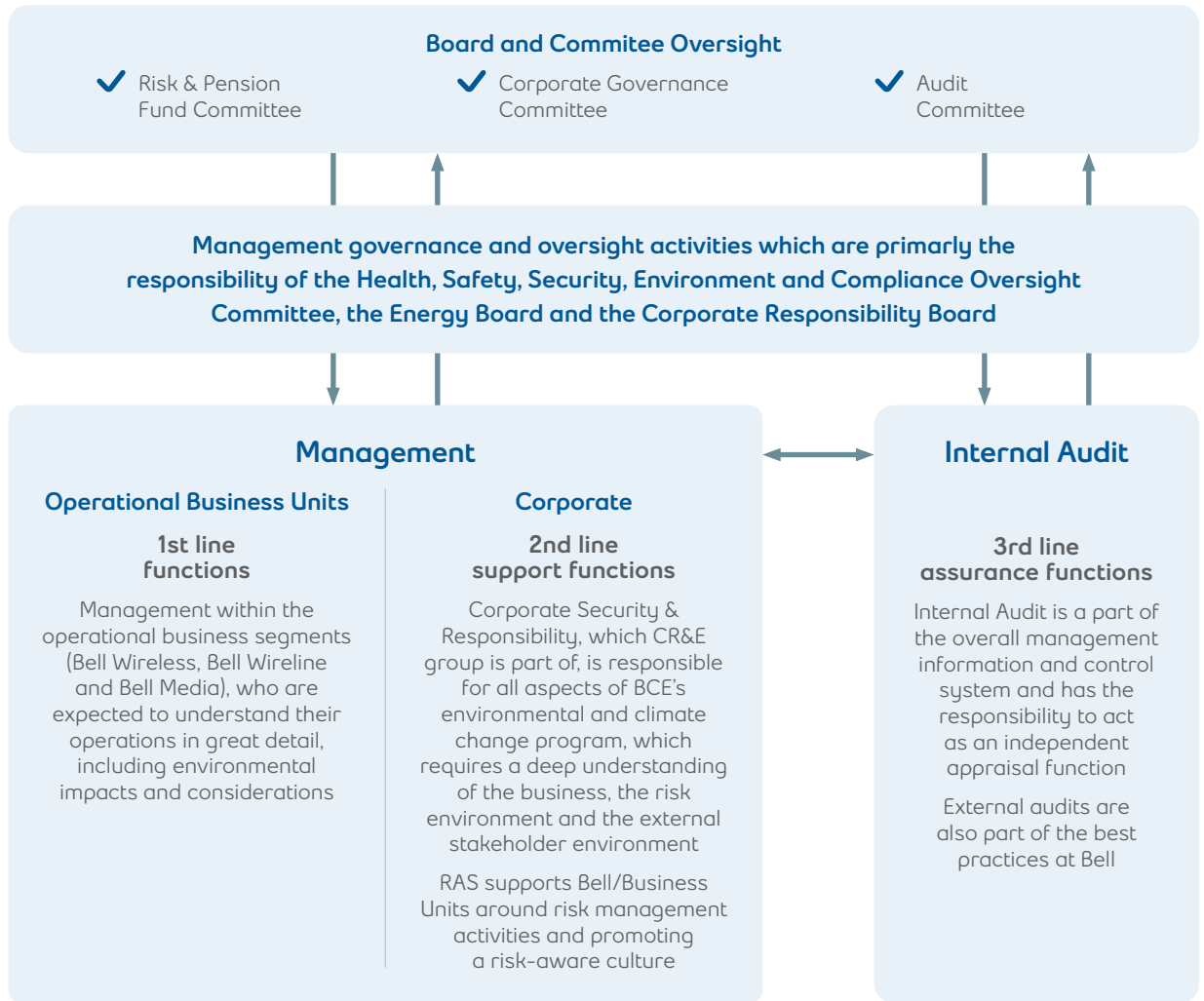
3.1 Processes for identifying and assessing climate-related risks

Approach

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 support functions, including the Risk Advisory Services (RAS) team. These functions provide independent expertise to reinforce the implementation of risk management approaches in collaboration with the operational business units. The Internal Audit function provides audit assurance, working to provide insight and support to the operational business units and corporate support functions, while providing Board committees, as required, 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" approach to risk management. Although our risk management framework is aligned with industry practices, 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 business, financial condition, liquidity, financial results or reputation.

Oversight of climate-related risks



Identification of climate-related risks

Transitional risks are associated with a transition to a lower-carbon economy. This may include extensive regulatory, technology and market changes to address mitigation and adaptation requirements related to climate change. Physical risks are associated with the physical impacts from a changing climate and can either be event-driven (acute) or longer-term shifts (chronic) in climate patterns. Bell recognizes that transition and physical climate risks can be short, medium and long-term in nature.

To learn more, see section 2.3, [Climate scenario analysis](#), of this report.

The CR&E team works collaboratively with Bell's RAS team to ensure that risks are appropriately documented. We define such risks as either transitional or physical, in conformity with the disclosure recommendations of the TCFD. Throughout the year, the process challenges experts to expand their knowledge of relevant trends, issues and methods.

On an ongoing basis, the CR&E team regularly monitors industry trends and publications. The team also consults with subject matter experts to understand potential risks and to monitor current and future climate-related risks that may impact our operations.

The evolution of ESG topics is a robust dimension of business value creation, making it a relevant consideration in Bell's risk management framework and process. The importance of ESG in the context of evolving business and risk considerations is clear and reflected in Bell's risk management framework.

Assessment of climate-related risks

Identified risks and emerging regulatory requirements related to climate change are assessed annually. This assessment is based on the potential nature, scale and scope of impact if the risk(s) were to occur. Also assessed is the likelihood of occurrence, considering a combination of the level of threat posed to the organization by the risk, and the organization's vulnerability to a related risk event. The potential impact of risks related to climate change is assessed across a number of categories which include:

- acute risk (for example, extreme weather events that could compromise our ability to provide our key communications services, or the effect of climate-related regulation on our business operations);
- chronic risk (for example, a rise in average temperatures increasing our energy costs due to heightened need to cool network equipment, or the potential cost of penalties associated with failure to comply with climate-related regulations); and
- reputational risk (for example, a shift in expectations from our customers and investors).

Impact and likelihood are both assessed using a four-point scale. Risk exposure reflects a combination of impact and likelihood, where increased exposure is associated with risk scenarios that have a higher potential impact and higher likelihood of occurrence.

Assessments are conducted at different levels within the organization. Risks are profiled using a risk map based on the magnitude of their potential impact and likelihood of occurrence. Senior management is involved in both assessment and mitigation commensurate with the organization's potential risk exposure.

Reporting of climate-related risks

Risk exposures for climate-related risks are communicated by the CR&E team internally as part of standard management practices, with regular oversight review at HSSEC Committee meetings, and quarterly by the RPFC. Our climate risk reporting framework is based on the TCFD risk classification framework. A risk analysis report covering Bell's most prominent risks is generated and provided annually to the Board of Directors.

Assessing climate-related opportunities

While normally seen as a major global risk, climate change is also a business opportunity for Bell. The low-carbon transition creates opportunities for efficiency, innovation and growth. In terms of climate-related opportunities, we seek to prioritize initiatives with the highest potential for carbon reduction either for the company or for our customers. Opportunities are assessed based on a cost-benefit approach by the Energy Board. Findings are reported to the HSSEC Committee, the RPFC and the CGC on a regular basis, and evaluated for potential to benefit Bell. We have identified some opportunities and benefits linked to a strong climate leadership positioning in the communication sector.

Climate leadership positioning opportunities/benefits:

Opportunities

- **Products & Services:** 5G and Internet of Things technologies are expected to fight climate change, reduce resource consumption and create a more environmentally-friendly network, according to GeSI's SMARTer2030 report⁽¹⁾.
- **Markets:** Climate mitigation and adaptation could differentiate Bell in comparison to its our peers
- **Markets:** Customers expect to purchase their products and services from responsible and ethical companies, including those taking action to reduce their carbon footprint.
- **Markets:** Aligning and supporting federal and provincial governments' GHG emissions reduction policies and targets could improve our overall governmental relations.
- **Markets:** Millennials are more likely to work and stay with a company aligned with their values.
- **Resiliency:** Climate leadership could help contribute to the availability and reliability of our networks in the face of natural disasters due to climate change⁽¹⁾.

Benefits

- Managing climate change properly can reduce risks related to loss of market and customers.
- Reducing our energy consumption reduces our overall energy costs (including carbon pricing).
- We reduce our reputational risk when we do business with suppliers who are responsible and who also reduce their carbon footprint.
- Improving the climate adaptation of our supply chain reduces the risk of disruption.

3.2 Processes for managing climate-related risks

Bell undertook a high-level screening assessment of a long-list of climate risks and opportunities. The goal was to prioritize and determine which risks and opportunities to consider for the purposes of the quantitative climate scenario analysis. This assessment effectively identified 30+ physical and transition risks and opportunities. The identifications were based on a combination of peer reviews, academic studies and several climate-related databases which provided high-level indication as to which risks were relevant for different climate regions, geographies and industry sectors. Following the identification of the long-list of risks and opportunities, Bell assessed each risk based on its likelihood to occur and the impact it might have on our business. Risk scores were determined for each risk and opportunity using this approach. From this a prioritized short-list of risks and opportunities was created. Each of the shortlisted risks and opportunities were then subjected to a more in-depth quantitative climate scenario analysis.

Transition risks

Market

Bell has designed a strategy to address the energy efficiency of its operations, leading to ongoing energy reduction initiatives in our facilities and vehicle fleet. These energy efficiency initiatives contribute to reducing our energy costs, thereby helping to mitigate the risk related to carbon pricing schemes. Our energy reduction initiatives are focused on both Scope 1 and Scope 2 emissions activities in buildings, network, data centres and our vehicle fleet.

In our buildings and network infrastructure, we have implement ongoing electricity saving initiatives such as:

- modifying free cooling systems to reduce the need for mechanical cooling;
- converting to LED lighting;
- decommissioning or de-powering legacy equipment;
- consolidating, optimizing and virtualizing servers; and
- implementing energy saving software features.

(1) [GeSI's SMARTer 2030 report](#)

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In our fleet, we continually implement fossil fuel-saving initiatives such as:

- replacing fuel-powered vehicles with electric vehicles or, when not available, more fuel-efficient models;
- maintaining a corporate idling reduction policy;
- improving the monitoring of fuel fraud and abuse; and
- evaluating new vehicles based on energy efficiency attributes tied to their use.

To learn more about these initiatives, see our [Mitigating climate change](#) information sheet on our website.

Reputation

We strive to proactively maintain a state of readiness that permits us to respond efficiently to events that may disrupt our business. This contributes to managing the reputational risk associated with climate-related impacts on our operations. We have developed business continuity plans and have an emergency management team that works around the clock. The team continually evolves its practices and works with other operational teams such as our network, real estate and field services teams. In addition, we regularly report on our energy performance and GHG emissions including progress toward targets in our Annual integrated report, and our Climate Change CDP submission. Our annual climate-related disclosures, along with this TCFD Report, provide the required transparency to demonstrate to our stakeholders that we take climate change seriously and are actively engaged in mitigating our climate change impacts and risks.

Physical risks

Acute

Bell is focused on implementing adaptation measures to seek to ensure the resiliency of our operations and the physical security of our team members in case of extreme weather events.

Preparedness

Risks are targeted through assessments carried out in collaboration with our Network, IT, Real Estate, Field Services, Risk Advisory Services, Finance (insurance), and Business Continuity teams for our buildings, networks, and vehicle fleet. The buildings and systems are first prioritized by level of criticality. Bell has four critical risk scenarios that can be adapted to any type of threat for which a strategy is in place to be able to continue to operate, including loss of site. We apply the Business Impact Analysis (BIA) to determine the classification type of each business function and four loss scenarios are used to determine risk exposure.

The Business Continuity team is responsible for defining and determining the criticality level of Bell sites based on predetermined factors, including the location of our critical network elements, number of employees on site, revenues generated, value of assets, etc. We assess threats and vulnerability on an ongoing basis with the objective of ensuring the continued delivery of our products and services. Then, we develop risk mitigation plans and emergency response procedures, as well as identify opportunities to improve. In so doing, we seek to maintain a state of readiness that permits us to respond proactively and efficiently to events that may disrupt our business.

The Finance (insurance) team has been instrumental in leading risk awareness in the company regarding redundancy of operations. They have identified many areas of single-points of failure in our networks, improving the architecture and redundancy of many elements within our network infrastructure. Bell seeks to ensure all critical sites are equally protected by leveraging information on natural hazards. Recommendations are brought up to targeted key groups based on the risk and site, and can include actions such as moving equipment or improving hurricane protocol when applicable.

Responsiveness

Bell has a National Incident Centre (NIC) that operates 24 hours/day, 365 days/year to respond to company-wide incidents and emergencies. Among other responsibilities, this centre seeks to ensure centralized and coordinated actions if an extreme weather event affecting Bell's operations were to occur. The NIC is provided with all the pertinent information (gathered by Network, IT, Real Estate, Field Services, RAS and Business Continuity teams) to diligently assess emergency situations and execute the contingency plans developed for such events. Moreover, our Corporate Security and Resiliency team has systems linked with the Canadian Government's Environment and Climate Change Canada and civil protection organizations in order to receive alerts about weather-related national events (such as flooding or storms). This allows us to prepare accordingly.

Chronic – rising mean temperatures

Managing the risk related to rising energy costs due to rising mean global temperatures requires a vision to ensure we have the appropriate infrastructure in place. For example, we have systems linked to our Building Operation Centre and Network Operations Centres that perform remote monitoring of temperature and energy consumption in our facilities. Such systems send early warnings of critical temperature variations, which allow us to take action before damage occurs to our facilities.

In addition, Bell seeks to manage this risk by collaborating to develop new technologies, such as more efficient cooling alternatives. This puts us in a better position to respond to the rising mean global temperatures. For example, Bell partnered with Carnot Refrigeration in 2014, an eco-friendly refrigeration company, to conduct a pilot project in one of our data centres to test a CO₂ refrigeration technology. This test demonstrated that it is possible to maximize free cooling up to 10°C, thereby reducing our operating costs for electricity consumption. We now have 90 units installed across Canada. We also seek to manage this risk by adding free cooling systems to reduce the need for mechanical cooling in our buildings and network equipment, and by consolidating, optimizing and virtualizing servers. Another example of the benefit of new technology is telecommunications equipment that is resistant to higher temperatures, which could reduce our cooling needs and costs. Yet another way to manage the effects of average temperature change is to favour LEED (Leadership in Energy and Environmental Design) and BOMA BEST (Building Owners and Managers Association's Building Environmental Standards) certified buildings in our real estate portfolio, which aim to consolidate and optimize the efficiency and cost-effectiveness of power and cooling.

To learn more about these certifications, see our [Sustainable real estate](#) information sheet.

The rising mean temperature does not only affect buildings and equipment, but also human resources as our technicians and engineers work in the field and at our customer locations. The Finance (insurance) team has started internal preliminary discussions on the need to evaluate how warmer/colder temperatures can reduce workforce productivity and our ability to build networks and perform repairs.

4. Metrics and targets

TCFD recommendation: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

✓ ALIGNED

4.1 Metrics and targets to assess climate-related risks and opportunities

Although the TCFD recommends disclosure of metrics and targets only where such information is material, we are voluntarily reporting under this section without limiting our disclosure to what is material to Bell. Bell assesses climate-related risks and opportunities in line with its strategy and risk management processes. Our key metrics used to monitor our performance are:



Opportunity metrics and targets:

Our products and services used by our external customers and within our own operations help fight climate change and adapt to its impacts. We have long understood that using telecommunications technologies can help our customers reduce their energy needs and cut their carbon footprint while enhancing their productivity in numerous ways.

Enabling transition to a low carbon economy

To understand the net GHG impact of our business, we have developed a methodology⁽¹⁾ that quantifies the carbon reduction capacity of our products and services. Our analysis concluded that Bell technologies enabled carbon abatement, both for our external customers and within our own operations, of nearly 1,379 kilotonnes of CO₂ equivalent (CO₂e) in 2020, which is equivalent to 5.2 times our operational carbon footprint⁽²⁾.

Our vision for the future is to continually increase Bell technologies' carbon abatement ratio⁽³⁾ by developing and providing carbon-reducing products and services. Therefore, we seek to further help our external customers and our own operations reduce carbon footprints by using our technologies.

(1) We developed a methodology in collaboration with Groupe AGECO, a third-party consultant with an expertise in GHG quantification, that quantifies the carbon reduction capacity of our products and services.

(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

(3) Our carbon abatement ratio is defined as the number of times by which GHG emissions abated through the use of Bell technologies exceed GHG emitted by Bell's operations

Using Bell's products and services helps address climate change

Our products and services, used by our external customers and within our own operations, help fight climate change and adapt to its impacts. Our solutions include the following:

- Virtualization⁽¹⁾ and cloud computing encourage optimal use of space, power and cooling resources by consolidating servers and storage. They also improve business continuity thanks to the redundancies in our network.
- Internet of Things (IoT) services can be used to optimize asset and fleet management and for smart buildings, smart cities, smart operations and smart fieldwork applications. Electronic controls coupled with our communications networks also help to adapt to rising mean temperatures and extended heat waves. Read more about how IoT helps address climate change in the Contributing to a better world section of our [2022 Integrated annual report](#).
- Teleconferencing⁽²⁾ and teleworking⁽³⁾ improve business continuity, as highlighted by the COVID-19 pandemic.
- Social networks enabled by our Internet services facilitate carpooling and car sharing and provide alternative travel solutions in case of extreme climate events that might limit transportation options.
- Dematerialization substitutes technology (e.g., online banking) for travel.

Our objective is to continue developing business solutions, such as cloud services, virtualization and teleconferencing, which reduce carbon footprints and help adapt to climate change impacts – both for our customers and for ourselves.



Risk metrics: New climate-related risk performance metrics to be identified

The Climate Resiliency Task Force has the mandate to identify new risk metrics that will allow us to monitor our performance on managing our climate-related risks. This is done for each business unit that is directly impacted by climate change.

(1) To learn more about Maximum flexibility and control with Bell Managed SD-WAN, see the Virtualization page on our [website](#).

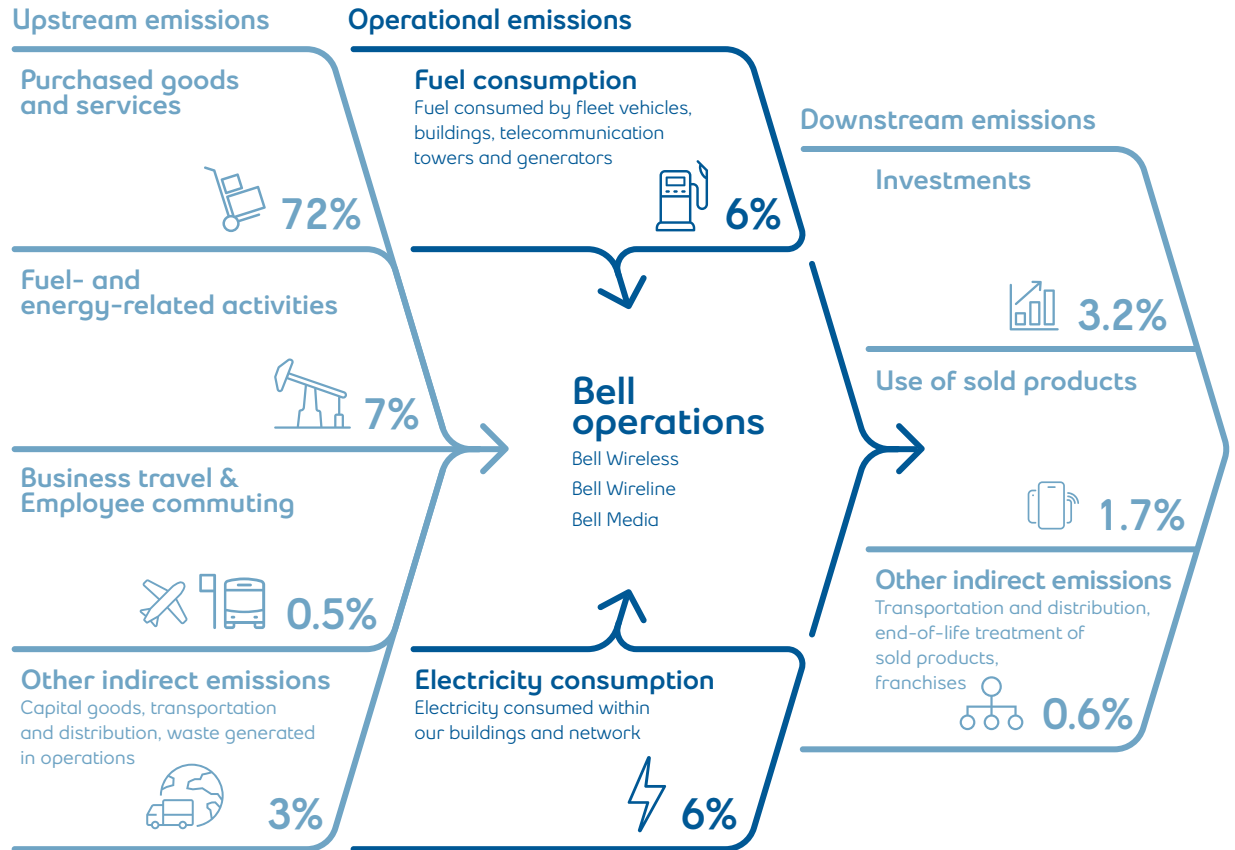
(2) To learn more about Collaboration designed for teams on the go, see the Teleconferencing page on our [website](#).

(3) To learn more about Connecting the hybrid workforce, see the Teleworking page on our [website](#).

4.2 Emissions targets and performance

Bell takes seriously its objective of controlling and reducing its carbon footprint across our whole value chain. Building pathways toward minimizing GHG emissions enables us to operate more cost efficiently while contributing to a low-carbon economy and the transition to net zero.

Below is a graphical illustration of our total 2022 GHG emissions inventory, by GHG emissions type, across our whole value chain.



Bell's total carbon footprint is detailed in the following table.

Total GHG emissions inventory

Tonnes of CO₂ equivalent (CO₂e), 2022, 2021⁽¹⁾

GHG emissions type	Scope description	2022	2021 ⁽²⁾	Change
Operational emissions	Scope 1 Direct GHG emissions from sources that are controlled by Bell	134,288	138,722	-3.2%
	Scope 2 Indirect GHG emissions associated with the consumption of purchased electricity, heating/cooling and steam required by Bell's activities	122,037	126,288	-3.4%
Upstream & downstream indirect emissions	Scope 3 Other indirect GHG emissions associated with activities up and down Bell's value chain ⁽³⁾	1,925,951	1,958,415	-1.7%
TOTAL		2,182,276	2,223,425	-1.9%

To learn more about Bell's carbon footprint, see our [Mitigating climate change](#) information sheet.

Bell's GHG emissions reduction targets

We set GHG emission reduction targets to signal the importance of doing our part for climate change, ignite innovation in projects that may reduce emissions and drive progress in the right direction. We expect that the achievement of our targets will help reduce operating costs, minimize exposure to carbon pricing, benefit our reputation and introduce new market opportunities.

We also collaborate with partners such as the [Global Enabling Sustainability Initiative \(GeSI\)](#), [GSMA](#), [EXCEL Partnership](#), [UNGC's SDG Ambition Accelerator](#), [Partenariat Climat Montréal](#), [CIO's Sustainable IT Pledge](#) and [Canada's Net-zero Leaderboard](#) to help develop best practices on how GHG emission reduction targets are defined.

To learn more about these partnerships, see the Collaborating for sustainability section of [Our corporate responsibility approach](#) information sheet.

(1) Based on data from July 1 of the previous year to June 30 of the reporting year. PwC provided limited assurance over the 2022 GHG emissions and year-over-year change of scope 1, scope 2 and part of scope 3 (indirect emissions categorized as business travel activities). See [PwC's assurance statement](#).

(2) 2021 GHG emissions from scope 2 and 3 are restated in line with the methodology outlined in the standards of the Greenhouse Gas Protocol. For more information on this restatement, see the About this report section of our [2022 Integrated annual report](#).

(3) By definition, GHG emissions from scope 3 (upstream and downstream indirect emissions) occur from sources owned or controlled by other entities in Bell's value chain (such as our suppliers, employees and customers). As a result, measuring scope 3 emissions is more complex than measuring scope 1 and scope 2 emissions (operational emissions), for which we are able to obtain primary data (such as litres of fuel consumed within our vehicle fleet and kilowatt-hours of electricity consumed within our buildings). For scope 3 categories for which primary data is not available, we have to rely on secondary data (such as financial data and industry-average data from published databases). These data collection challenges contribute to uncertainty in scope 3 emissions measurement.

Here is a summary of Bell's GHG emissions reduction targets

2025: Carbon neutral operations target

We have set the target to be carbon neutral for our operational GHG emissions starting in 2025. In support of this target, we intend to continue implementing numerous mitigation measures aimed at reducing our electricity and fuel consumption. For the remaining GHG emissions that we cannot reduce, we expect to partner with a well-recognized organization to purchase credible carbon credits to offset emissions. We are taking this approach to have a meaningful impact in responding to the urgent need to reduce global GHG emissions. As we advance in our journey to achieve our science-based targets aligned with the Paris Agreement, we expect to reduce the number of carbon credits we need to purchase.

Target	2022 performance	YoY change	Third-party verification	Trend
Carbon neutral operations target starting in 2025 ⁽¹⁾	256,325	-3.3%	PwC (Scope 1 and 2 emissions and YoY change)	Improving

2030 and beyond: Science-based targets (SBTs)

For 2030, we have set science-based targets (SBTs) that align with the goals of the [Paris Agreement](#). By raising our climate ambition up to the criteria and recommendations of the Science Based Targets initiative ([SBTi](#)), we aim to do our fair share to help limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.

In 2022, the SBTi approved the three specific targets below set by BCE Inc. that cover all scopes⁽²⁾.

Target	2022 performance	YoY change	Third-party verification	Trend
Science-based targets (SBTs)				
1) Reduce our absolute scope 1 and scope 2 GHG emissions 58% by 2030, from a 2020 base year ⁽³⁾	-2.5%	-3.3 percentage points	PwC	Improving
2) Reach 64% of our suppliers by spend covering purchased goods and services with science-based targets by 2026	26%	+11 percentage points	—	Improving
3) Reduce our absolute scope 3 GHG emissions from categories other than purchased goods and services 42% by 2030, from a 2020 base year ⁽⁴⁾	-12.1%	-0.1 percentage points	—	Improving

(1) Performance is based on operational GHG emissions (scope 1 and scope 2 emissions in tonnes of CO₂e) minus GHG emissions offset by carbon credits purchased (in tonnes of CO₂e). Scope 1 emissions are direct GHG emissions from sources that are controlled by Bell. Scope 2 emissions are indirect GHG emissions associated with the consumption of purchased electricity, heating/cooling and steam required by Bell's activities.

(2) The Science Based Targets initiative (SBTi) has approved our targets in 2022, prior to the recalculation to reflect restated GHG emissions for our 2020 base year. The recalculated targets will be submitted to SBTi in 2023 for approval. For details, see the About this report section of our [2022 Integrated annual report](#).

(3) In line with a 1.5°C trajectory

(4) Scope 3 categories covered by this target include GHG emissions from capital goods, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, downstream transportation and distribution, use of sold products, end-of-life treatment of sold products, franchises and investments

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How we expect to achieve our targets

To achieve our ambitious GHG emission reduction targets, we are building upon the strong foundation we have already developed over the years – our ISO 50001 certification, GHG and energy governance and innovation initiatives. Our action plan includes flagship initiatives such as fleet electrification, procurement of renewable energy, improvements in equipment energy efficiency and the reduction of our real estate footprint. Initiatives to reduce our upstream and downstream indirect emissions, such as the purchase of goods and services, includes proactive collaboration with peers, supplier education on GHG reduction measures and improved contractual agreements. Other indirect emissions are expected to be reduced by dematerializing our real estate footprint and the products we distribute, and by collaborating with our dealer stores and companies in which we hold non-controlling interests (respectively referred to as franchises and equity investments under the Greenhouse Gas Protocol) to reduce their emissions.

We created the BCE Carbon Reduction Task Force in 2021. Its role is to develop and closely follow the implementation of our mitigation strategy to meet our GHG emissions reduction targets. The task force is composed of internal stakeholders involved in the governance of corporate climate change mitigation. It reports progress to the Energy Board. Acting on its governance role, the task force has developed VP-level targets and is exploring internal carbon pricing. We also developed a carbon emission dashboard to report progress to the RPPC.

To explore innovative solutions to help achieve our GHG emissions reduction targets, we created the Innovation Working Group (IWG), a cross-functional team reporting to the Carbon Reduction Task Force. By leveraging its expertise and access to new technologies, some GHG-saving initiatives are implemented. Others are evaluated, prioritized and recommended for funding through the Green Budget, a dedicated annual fund to decarbonize our operations. The IWG is also mandated to establish a process to consider energy and GHG emissions impacts from the onset of any new business project at both the design and procurement stages.

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At Bell, we recognize that climate change presents a fundamental global challenge, and a challenge for ourselves, while presenting opportunities to innovate and grow our business. We acknowledge that climate change poses potential risks to our business, our customers and the communities in which we operate. Considering the importance of taking measures to fight climate change, we believe we have a role to play in being part of the solution through our own internal initiatives as well as via innovative solutions that we provide to our customers.

We are committed to deepening our understanding of climate change. As a company, we will continually develop new ways to be more resilient to the impacts of climate change. We strive to accelerate the implementation of initiatives and take advantage of global innovations in our industry that can help fight climate change. This includes the rollout of Internet of Things technologies and the 5G network and its services. It is estimated that these technologies will provide greater energy efficiency and “enable up to 10 MtCO₂e reduction from Canadian wireless carriers between 2020 and 2030 compared to emissions without 5G” ([CWTA](#))⁽¹⁾.

(1) [Accelerating 5G in Canada: The Role of 5G in the Fight Against Climate Change by CWTA and Accenture](#)