

# Reporting what is relevant to our stakeholders

## SUSTAINABILITY CONTEXT

### Corporate responsibility trends in our industry

Various corporate responsibility issues move in and out of stakeholder focus over time as trends and priorities change. In recent years, stakeholders have identified the following as the issues most relevant to them and our company.

#### ENERGY CONSUMPTION

Always a notable component of the business service solutions part of Bell, energy consumption is becoming an even broader issue as more people use smartphones and tablets that consume rapidly growing amounts of data to access data-heavy services such as social networking, cloud computing, mobile TV, mobile commerce and banking. When devices are connected to our network, each of these services consumes energy that increases Bell's carbon footprint. Adding to the demand is the emergence of other M2M (machine-to-machine) applications in retail and advances in transportation such as the connected car, asset tracking and remote monitoring. Today, more Canadian households are exclusively wireless (20.4%) than wireline (14.4%).<sup>1</sup> The consequent growth in wireless data consumption drives up Bell's need for energy to power our networks, making energy efficiency an important issue for us and our industry.

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

#### Importance of the business model

A company's business model directly impacts the amount of greenhouse gases (GHGs) it generates and how those gases are calculated and classified. In general, the more vertically integrated the company, the greater the potential for GHG generation by that company.

Bell is a case in point. To ensure quality of service for our customers, maintain direct control over operations, and promote business continuity that provides secure employment and career development potential, we have vertically reintegrated many of the functions that are often outsourced by other companies in our industry. For example, our operations include installation technicians (Bell Technical Services) and construction operations (Expertech Network Installations) who depend on a fleet of vehicles to take them to our customers and job

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<sup>1</sup> According to a study by the Canadian Radio-television and Telecommunications Commission (CRTC)  
<http://www.crtc.gc.ca/eng/publications/reports/policymonitoring/2016/cmr2.htm>



sites. These activities increase our Scope 1 GHGs (direct GHG emissions from sources that Bell owns or controls) relative to any competitor telco that outsources such functions.

Also, we have become more diversified in our effort to ensure sustainable growth in the business. For example, reflecting the ongoing disappearance of traditional sectoral boundaries, we created Bell Media Inc. (Bell Media) after acquiring broadcast and other media companies such as Astral Out-of-Home. This has increased our overall consumption of energy which is accounted for in our Scope 2 emissions (indirect GHG emissions associated with the consumption of purchased electricity, heat, steam and cooling). That said, it does not necessarily mean Scope 2 emissions have increased since the time when Bell Media assets were separate, non-BCE operations.

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

#### INFORMATION SECURITY AND PRIVACY

As devices connected to the Internet become smarter, and as data transmission volumes increase, there is greater risk of security breaches. Bell is committed to deliver the highest levels of information security through the protection and effective organization of systems, applications, and information repositories. This is not only vital to the secure operation of our networks and business. It is also critically important to our customers who, along with our employees, rightly expect that we protect their identities and information.

#### ELECTRONIC WASTE (E-WASTE)

Marketplace experience is confirming that, as faster and smarter devices are developed, customers need and want to replace devices more often. That creates more waste. Bell makes every effort to recover unwanted equipment, even from our competitors' customers. This is a major commitment, given that all electronic components, such as cathode ray tubes, may contain contaminants including lead, cadmium, beryllium and brominated flame retardants that generate significant risks for workers and communities involved in the recycling and disposal of e-waste. We also take great care to avoid leaks of hazardous materials from landfills and incinerator ashes. As a reseller of electronic products, Bell also takes proactive steps to help consumers properly dispose of their unwanted items.

#### SUPPLY CHAIN

We vigorously monitor and manage supply-chain issues. This is especially important because we do not manufacture any of the business services solutions products we offer customers. We work with a limited number of manufacturers, some of which dominate the global market. That means we must be vigilant in our supply-chain management because some of these suppliers operate in countries cited for human rights and environmental violations, especially as related to rare earth minerals such as gold and tin.

## STAKEHOLDER ENGAGEMENT

We make every effort to ensure that we report on issues that are most important to our various stakeholders through ongoing consultation to obtain their feedback and other information on their concerns.

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

Because issues evolve over time, and new ones emerge, Bell consults a broad range of stakeholders in a variety of ways and on an ongoing basis. For example, we connect with customers frequently through Fizzback<sup>2</sup> and social media; we connect with NGOs and civil society at formal industry events; and we monitor our dedicated email address<sup>3</sup> for corporate responsibility feedback.

Here are some of the ways we connect with stakeholders:

Throughout the year, we engage with a number of internal stakeholder groups, including subject matter experts from customer service, investor relations, human resources, health and safety, business continuity, community investment, procurement, and unions. This also gives us insight into the top-of-mind issues of everyone in the internal and external networks these subject matter experts have developed.

In addition, in their daily activities, team members address a broad spectrum of issues including preventing conflicts of interest, protecting company assets, safeguarding privacy and confidentiality.

Since 2006, Bell has been a signatory of the United Nations Global Compact, a set of universal principles that address issues involving human rights, labour, the environment and anti-corruption. Through our membership in this and other forward-thinking groups that bring together leaders of the global business community, Bell participates in the development and sharing of innovative thinking that produces practical action and tangible results. Here are some of the groups in which we are involved:



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

<sup>2</sup> A customer engagement platform enabling users to listen and react in real-time to their comments.

<sup>3</sup> Responsibility@bell.ca

## OTHER SOURCES OF INFORMATION

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

Here are a few of the sources we consult:

We take into account relevant reporting standards, including the [Global Reporting Initiative](#), [ISO 26000](#), the Sustainable Accounting Standards Board ([SASB](#)), the International Integrated Reporting Council ([<IR>](#)), Life Cycle Assessment methodologies, and our commitment to the principles of the UN Global Compact ([UNGC](#)).

We continue to follow certain well-established guidelines, including the [United Nations Universal Declaration of Human rights](#), ILO [International Labour Standards](#), the United Nations [Convention Against Corruption](#), and the [EICC](#) (Electronic Industry Citizenship Coalition) Code of Conduct.

Finally, sustainable investment and clean capitalism analysts from [Corporate Knights](#), [Bloomberg ESG](#), [oekom](#), [Vigeo](#), and [Sustainalytics](#) update us on what is important from our investors' perspective.

All these consultations help us focus on the social, environmental and economic issues that matter most to our business and to our stakeholders.

## How Bell addresses the United Nations Global Compact principles

As a signatory to the United Nations Global Compact and its 10 principles for responsible business, Bell is committed to report on our initiatives related to the following issues:



**Global Compact**  
Network Canada

### Human rights

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

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

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

Through our Bell Let's Talk initiative to improve mental health, we not only build stronger relationships in the communities we serve, we are also leading the national effort to improve employee mental-health support in the workplace.



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

### Environment

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

### Labour

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

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

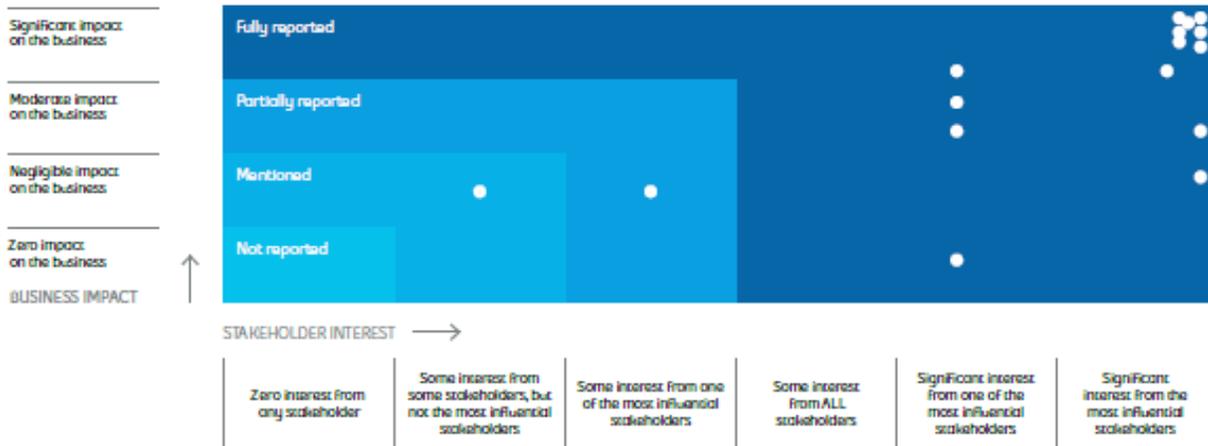
- Freely chosen employment
- Non-discrimination
- Child labour avoidance
- Freedom of association and collective bargaining
- Working hours, wages, and benefits

### Anti-corruption

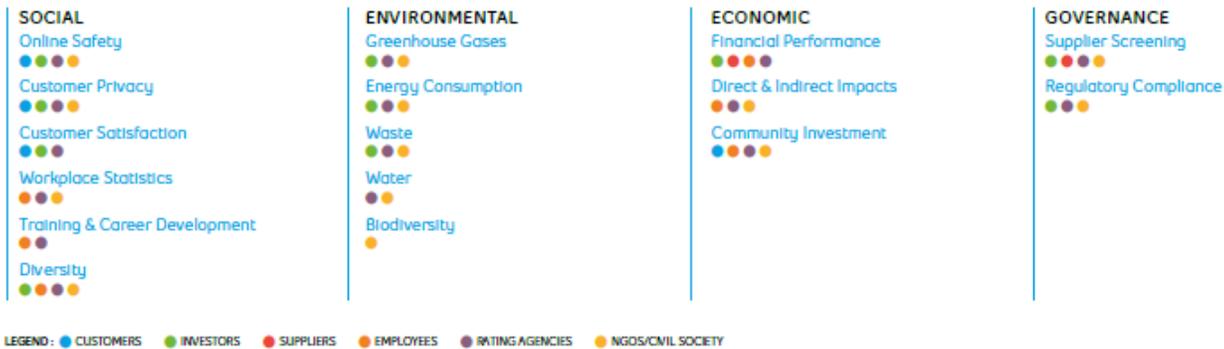
To meet our ethical obligations to our customers, shareholders, and ourselves, we work hard to adhere to the most rigorous standards of business conduct. Our efforts have been recognized by external agencies but we understand – as we have for our entire 136-year history – that we must earn the trust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

# PRIORITY CORPORATE RESPONSIBILITY ISSUES<sup>4</sup>

To establish the priority of issues raised during the consultations with our stakeholders and in our research, we correlate our results with the list of UNGC (UN Global Compact) topics, and GRI (Global Reporting Initiative) and SASB (Sustainability Accounting Standards Board) indicators. Over the last few years, this list has been stable. We plot these economic, social and environmental issues against those that pose risks to or present opportunities for the business. The issues are listed below, associated with their relevant stakeholder group. Please see our website for the GRI Content Index.



## Significant issues addressed in this report



<sup>4</sup> These are referred to as “material topics” by the GRI standard. We use the term “material” exclusively in our financial reports filed with the OSC and SEC.

# STRATEGIC ALIGNMENT

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

Thus, corporate responsibility is a fundamental element of each of the 6 strategic imperatives that inform Bell's policies, decisions and actions. We insist on this approach not just because it is the right thing to do, but also because it supports our goal: to be recognized by customers as Canada's leading communications company. For example, while waste management and energy reduction initiatives address important environmental concerns of society at large, they also create a chain of benefits for Bell. They enable us to operate more efficiently as part of our imperative to achieve a competitive cost structure (#6). They also align with the values of our team members, driving satisfaction and engagement. And they free up funds for a variety of purposes, from extending our backbone networks in support of the productivity of Canadian businesses (#1) to investing in the communities we serve. Engaged team members also drive customer satisfaction (#5), which in turn enhances our performance in wireless, wireline, and media segments (# 2,3,4). Similar beneficial linkages, resulting from our fully aligned governance oversight structure, are evident in the table below and in every topic addressed in this report.

	1 INVEST IN BROADBAND	2 ACELAREATE WIRELESS	3 LEVERAGE WIRELINE	4 EXPAND MEDIA LEADERSHIP	5 IMPROVE CUSTOMER SERVICE	6 ACHIEVE A COMPETITIVE COST STRUCTURE
Team members	✓	✓	✓	✓	✓	✓
Customers	✓	✓	✓	✓	✓	
Community				✓		
Environment						✓
Economy and society	✓	✓	✓			

## Our 6 strategic imperatives

- 1 Invest in broadband networks and services 
- 2 Accelerate wireless 
- 3 Leverage wireline momentum 
- 4 Expand media leadership 
- 5 Improve customer service 
- 6 Achieve a competitive cost structure 