

## **United National Global Compact**



### **UN Global Compact – reporting**

The United Nations has developed a [global agreement](#), or compact, to help businesses align their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, the environment and anti-corruption. TELUS supports the compact and we report in line with its principles. The Company became a signatory of the UN Global Compact (UNGC) in 2010 and continued our support in 2011.

## **Human Rights**

### **Supporting human rights**

#### **UN Global Compact (UNGC) Principle 1: Businesses should support and respect the protection of international human rights within their sphere of influence.**

TELUS has a long-standing commitment to respecting and protecting human rights as outlined in our [Ethics policy](#) and reflected in our respectful workplace, employment equity and diversity practices.

The [TELUS Ethics policy](#) ties together all policies regulating business behaviour and provides guidelines for the standards of ethical conduct by all team members, including officers and members of the TELUS Board of Directors, wherever we conduct business. The Ethics policy formalizes our commitment to safeguard internationally proclaimed human rights. The policy is updated annually, communicated to team members and posted on TELUS' internal and external websites. Further details are provided for team members in the Respectful Workplace policy, which also applies at all sites where business activities are undertaken for TELUS.

In addition to complying with these two policies, TELUS International follows local legislation that protects human rights in all international jurisdictions where we operate. TELUS International delivers contact centre, IT and business process outsourcing solutions in multiple locations and languages to both TELUS and global companies. These contact centres are located in various countries including the Philippines, India, two Central American nations and the U.S.

Each year, TELUS requires its team members and contractors to complete an online training course that outlines key aspects of the ethics, respectful workplace, security and privacy policies. Entitled Integrity

2011, the course was completed by all team members and over 90 per cent of contractors. Also, TELUS has implemented specific training based upon its Respectful Workplace policy.

Appropriate management control processes are in place to monitor Company practices. Collective agreements set out the steps of the grievance and arbitration processes available to team members covered by such agreements. Internal complaints about respectful workplace practices are investigated and addressed by the Respectful Workplace office, which reports quarterly to the Human Resources and Compensation Committee of TELUS' Board of Directors. The TELUS EthicsLine provides further support to anyone who has ethical questions/issues regarding the Company. Everyone is invited to use the TELUS EthicsLine to anonymously and confidentially ask questions, request support or make a good faith report about a real or perceived violation of the Ethics policy, government law or regulation, questionable business practice or accounting/auditing matter. All reports to the EthicsLine are taken seriously and are addressed by the Ethics office, which reports quarterly to both the Human Resources and Compensation Committee and to the Audit Committee of TELUS' Board of Directors.

TELUS also finalized our [Supplier Code of Conduct](#) in 2011, which sets out social and environmental practices that TELUS business partners must adhere to. The code aligns to the 10 principles of the UNGC and will be implemented in 2012.

With the Supplier Code of Conduct, we strive to award business to suppliers who:

- demonstrate a strong commitment to sustainable development that aligns with ours; and
- ensure the well-being of their employees, contractors and communities by adopting ethical, labour-focused and environmentally friendly principles
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The TELUS Supplier Code of Conduct is based on generally accepted standards of ethical business conduct for all of our suppliers.

We expect our suppliers to:

- comply with applicable laws and regulations wherever they operate;
- follow recognized standards of behaviour;
- advance social and environmental responsibilities;
- operate consistently with TELUS' commitment to being a leading corporate citizen; and
- ensure their affiliates, suppliers, employees and contractors perform obligations to TELUS that are in line with the ethical standards set out in this code.

#### **UNGC Principle 2: Businesses should make sure that they are not complicit in human rights abuses.**

TELUS' focus on respect in the workplace is an indication of our commitment to creating a positive, professional and safe working environment, and is a cornerstone of our values and culture. When employees respect each other, we improve work relationships, enhance teamwork and increase productivity. In support of this priority, TELUS launched the Respectful Workplace Office in 2004, which oversees our Respectful Workplace policy and works to resolve workplace issues.

Each year, key points from TELUS' Respectful Workplace policy are covered in the mandatory Integrity training course, including human rights. In addition, all newly hired employees are provided training on the policy. Our overriding goals are to help team members understand the law and what is considered

acceptable behaviour in the workplace, as well as the protections and processes available to them should an inappropriate workplace issue arise.

TELUS analyzes complaints filed by team members with the [Canadian Human Rights Commission](#) to determine if there are any internal practices that are causing concern and that might require attention.

## **Labour Standards**

### **Supporting rights to freedom of association and collective bargaining**

#### **UNGC Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.**

TELUS upholds our employees' right to freedom of association at the work place and maintain a constructive dialogue with all labour unions and work councils active in our operations.

TELUS team members are free to join a union wherever permitted by law. A new collective agreement between TELUS and the Telecommunications Workers Union was ratified by union members and took effect on June 9, 2011. The agreement covers approximately 11,000 members and expires on December 31, 2015. Highlights of the new agreement include improved hours of work and scheduling provisions for frontline customer experience team members, improved ability to re-engage retired team members and provisions to enable continued participation in TELUS' At Home Agent and Work Styles programs.

The collective agreement with the Syndicat des agents de maîtrise de TELUS (SAMT), covering approximately 540 team members in Quebec, expired on December 31, 2011. According to the collective agreement and the Canada Labour Code, the terms of the agreement between TELUS and the SAMT continue to apply during the course of negotiations. Talks to renew the collective agreement are ongoing.

A new collective agreement was reached with the Syndicat Québécois des employés de TELUS (SQET) in August 2010, covering approximately 840 trades, clerical and operator services team members in TELUS' wireline operations in Quebec. The new agreement is in effect until December 31, 2014. Highlights of the new agreement include improvements to contracting out with improved transfer and voluntary severance plans for affected team members, introduction of common interest forums between TELUS and SQET and adoption of the corporate flexible benefit plan.

In 2010, TELUS Sourcing Solutions successfully renegotiated both of its collective agreements. The new agreement with the British Columbia Government and Services Employees' Union, covering approximately 60 team members expires on April 30, 2013 and the new agreement with Canadian Union of Public Employees, which covers about 20 team members, expires on December 31, 2012.

#### **UNGC Principle 4: The elimination of all forms of forced and compulsory labour.**

TELUS does not use nor support forced labour at any of our operations. The TELUS Ethics policy also states that all team members have the right to a safe and violence-free workplace and violence in the workplace is considered a criminal issue. TELUS has a Violence Prevention in the Workplace

Investigation and Reporting Policy. The TELUS Code of Conduct addresses forced labour and does not allow the use of forced labour in our supply chain.

**UNGC Principle 5: The effective abolition of child labour.**

TELUS does not use nor support child labour at any of our operations. The TELUS Supplier Code of Conduct addresses child labour and does not allow the use of child labour in our supply chain.

**UNGC Principle 6: The elimination of discrimination in respect of employment and occupation.**

The TELUS Ethics policy states that every team member has the right to a workplace that is free from discrimination and harassment. The TELUS team places great importance on maintaining a culture that encourages the achievement of our business objectives in a manner consistent with our values. To promote company-wide awareness of this issue, all team members must complete annual online integrity training as a term of employment as noted above under Principle 1.

## **Environment**

**Supporting environmental initiatives**

**UNGC Principle 7: Businesses should support a precautionary approach to environmental challenges.**

Responsibility for managing TELUS' environmental footprint is shared by senior leaders from across TELUS who have specific areas of expertise such as Risk Management, Network Operations, Real Estate Operations, Supply Operations, Procurement and our environmental consultants. The Corporate Governance Committee of TELUS' Board of Directors receives quarterly reports in regards to TELUS' ongoing environmental risk management activities, a responsibility previously held by our Audit Committee of the TELUS Board of Directors.

The Environment and Corporate Social Responsibility team, which is located within the Risk Management department of the Finance business unit, is comprised of professionals from across Canada responsible for TELUS environmental programs, including our environmental management system. The [Environmental policy](#) explains TELUS' commitment to environmental responsibility. TELUS has had a formal environmental management system (EMS) since the mid-1990s. Our current goal, set in 2009, is to align our EMS programs with ISO 14001:2004 by 2014. In 2011, we continued executing the implementation plan and aligned our utility pole storage program with the ISO14001:2004 standard.

**UNGC Principle 8: Undertake initiatives to promote greater environmental responsibility.**

The strength of our environmental and sustainability culture at TELUS is the result of almost two decades of dedicated work in this field. Since we published our first environmental report in 1992, we have continued to evolve our environmental management and sustainability program to support what we believe is a best-in-class corporate responsibility program. Our disclosure now aligns to the Global Reporting Initiative A+ level and we have been recognized as either a World or North American Leader on the Dow Jones Sustainability Index for the past decade. In addition, we have been twice named a Carbon Disclosure Leader by the Carbon Disclosure Project. The Environment section of the 2011 CSR Report details all of our initiatives which promote greater environmental responsibility.

### **Principle 9: encourage the development and diffusion of environmentally friendly technologies.**

TELUS has a host of environmental friendly technology offerings both internal and external. The internal technologies not only serve the sustainability efforts and help meet our own goals, they benefit society as a whole in that they reduce resource use and GHG emissions. We currently are investing in innovative energy reduction projects such as:

- TELUS Mobility team test piloted new heating, ventilation and cooling projects at numerous sites and launched network utilization projects resulting in the elimination of close to 1 million kWh of waste
- TELUS Real Estate Services implemented building consolidation projects and launched TELUS' Work Styles program resulting in a reduction of almost 20 million kWh in energy consumption
- TELUS' National Service and Infrastructure Support team retired legacy equipment, launched network optimization projects and improved efficiency within existing infrastructure resulting in the elimination of close to 3 million kWh from the network
- TELUS Business Transformation server rationalization projects yielded close to 450,000 kWh of energy waste elimination
- TELUS Network Transformation projects such as installation of temperature control systems, infrastructure upgrades, data centre free-cooling projects and HVAC upgrades resulted in just over 9.5 million kWh of energy waste elimination
- TELUS actively engages with external blue-chip companies through a sustainability network, where we discuss and share best practices.

TELUS' video and telephone conferencing technologies provide customers and team members with an environmentally friendly alternative to travel. The telecommunication industry as a whole provides a mechanism for information travel that reduces the need for people travel.

### **Anti-corruption**

#### **Taking an ethical stand**

**UNGC Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

The [TELUS Ethics policy](#) states that the Company does not support any form of dishonesty, including bribery, kick-backs and extortion, either directly or indirectly through an agent or third party. As noted under Principle 1, our Ethics policy is updated annually. Our 2011 policy update included a review of the UK Bribery Act of 2010 to ensure we align with its requirements. Our Supplier Code of Conduct also stipulates that our suppliers are expected to refrain from engaging in any form of corruption, including bribes, kickbacks and extortion.

