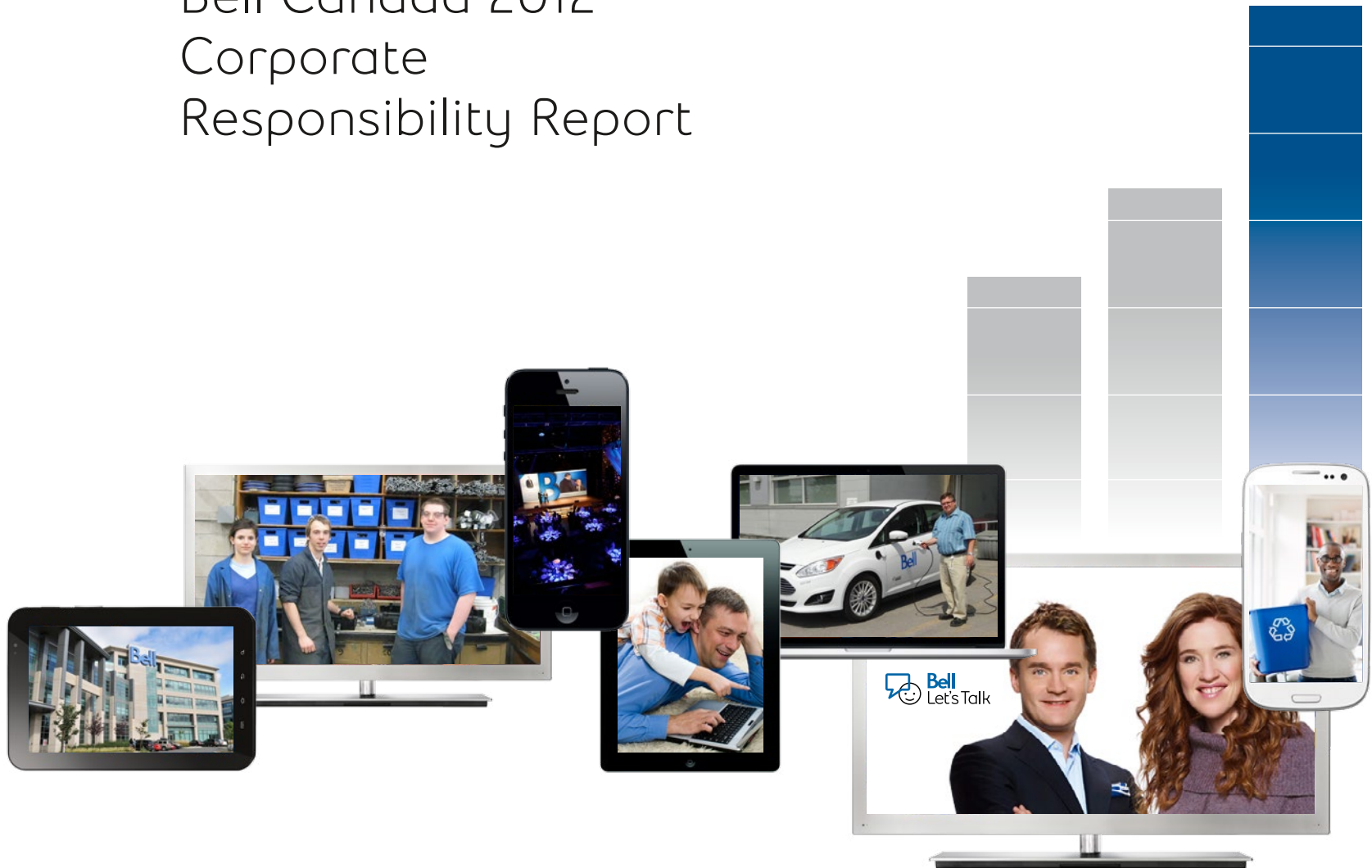




Bell Canada 2012 Corporate Responsibility Report



Today just got better

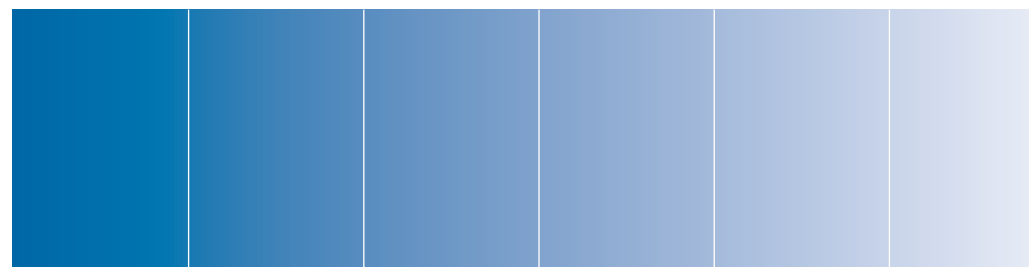
- Total **Bell Let's Talk** commitment to mental health **\$62,043,289.30**
- **\$140 million** invested in 2012 to improve customer service systems
- Bell technicians arrive on time for service appointments more than **98%** of the time
- Same Day Next Day service completion rate of **94%**
- Customer satisfaction with technicians surpasses **92%**
- Bell share of service complaints to the Commissioner for Complaints for Telecommunications Services (CCTS) reduced by **21%**
- **\$3.51 billion** in BCE capital investment to expand next generation fibre and mobile networks
- **73.5%** of waste diverted from landfill
- At the end of 2012, we had **38** buildings certified to BOMA BEST
- **77%** of team members say they are proud to work for Bell

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Cette publication est également disponible en français :
[Rapport 2012 sur la responsabilité d'entreprise de Bell Canada](#)

Bell



About this report

FORMAT

As part of our commitment to reduce our carbon footprint, since 2007 we have produced our report in PDF format only. It is designed to be easily read on a standard computer screen and most screen readers used by the visually impaired. A one-page highlight document is also available in PDF.

SCOPE

This report covers the period from January 1, 2012 to December 31, 2012. Unless otherwise stated, data is valid as at December 31, 2012. This report contains Bell Canada data only, meaning Bell, Bell Media, The Source, BCE Nexxia, Northwestel, Expertech, and Bell Technical Solutions. It excludes Bell Aliant, unless specified otherwise. Bell Aliant data is available at bellaliant.ca.

CONTENT

This report focuses mainly on the corporate responsibility issues of greatest importance to our stakeholders and that have a major influence on our business success. The [Responsibility section of our website](#) presents general information on our sustainability programs and provides access to specific policies.

DATA COLLECTION AND VALIDATION

Information in this report was supplied by various subject matter experts (SMEs) within the company. Our Corporate Responsibility and Environment group coordinated the collection and validation of all data. SMEs supplied and verified data, and documented their sources of information and how results were obtained.

As indicated in the text, we differentiate between exact figures and approximations or estimates in our reporting. All data is in international units.



CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements made in this report, including, but not limited to, our strategic imperatives, 2013 objectives, our plans and priorities, and other statements that are not historical facts, are forward-looking.

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. As a result, we cannot guarantee that any forward-looking statement will materialize and you are cautioned not to place undue reliance on these forward-looking statements.

For additional information with respect to certain of such assumptions and risks, please refer to BCE Inc. (BCE)'s 2012 annual MD&A dated March 7, 2013 and BCE's First Quarter MD&A dated May 8, 2013, filed with the Canadian securities commissions (available at www.sedar.com) and with the U.S. Securities and Exchange Commission (available at www.sec.gov). These documents are also available in the [investors section of our website](#).

The forward-looking statements contained in this report describe our expectations at July 3, 2013 and, accordingly, are subject to change after such date. Except as may be required by Canadian securities laws, we do not undertake any obligation to update or revise any forward-looking statements contained in this report, whether as a result of new information, future events or otherwise.

REFERENCES AND ADDITIONAL INFORMATION

Visit bce.ca/responsibility for:

- [GRI and Global Compact index](#)
- [2012 Energy Consumption and GHG Report](#)
- [Financial performance](#)
- [Past reports](#)
- [Governance](#)
- [Our approach to sustainability](#)

Who we are

As Canada's largest communications company, Bell provides consumers and businesses with a full range of wireline and wireless networks, and communications services, including Fibe TV and Satellite TV, high-speed Fibe Internet, Bell Mobility and Virgin Mobile wireless, Bell Home Phone local and long distance, and Bell Business Markets broadband network connectivity, data hosting and other business services. Bell Media is Canada's premier multimedia company with leading assets in television, radio and digital media, including CTV, Canada's #1 television network, and the country's most-watched specialty channels. Bell is wholly owned by BCE Inc. (TSX, NYSE: BCE).

Bell's goal

To be recognized by customers as Canada's leading communications company.

Bell's 6 strategic imperatives

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

Message from our CEO

Hello everyone,

Since its founding 133 years ago, Bell has been a leading Canadian corporate citizen committed to technological innovation, customer service, community investment and good governance. This tradition of responsibility endures as we transform Bell into a re-energized and efficient industry competitor, focused on the sustainable delivery of the best communications networks, services and content to Canadians.



This report provides a broad view of Bell's wide-ranging corporate responsibility efforts, including our focus on the community, dedication to customer service, environmental leadership, and commitments to workplace diversity, equity and opportunity, online safety and the protection of customer information.

Our principal community commitment is Bell Let's Talk, the largest-ever corporate charitable effort in support of Canadian mental health. Launched in 2010, and the recipient of the international 2012 Freeman Philanthropic Services Award for Outstanding Corporation, Bell Let's Talk has now committed more than \$62 million to address the national challenge of mental illness.

Most recently, we announced Clara's Big Ride for Bell Let's Talk, a bicycle journey around Canada by our national spokesperson and Canadian Olympian Clara Hughes. Beginning in March 2014 and spanning more than 100 days, 12,000 kilometres and every province and territory of Canada, Clara's Big Ride will further grow the conversation around mental health and support new fundraising initiatives in communities all around the nation.

Bell Let's Talk has now committed more than \$62 million to address the national challenge of mental illness

We are similarly active in ensuring the highest levels of corporate governance. The BCE Board of Directors, led by Chair Tom O'Neill, was honoured to receive the 2012 Excellence in Governance Award from Korn/Ferry International and Les Affaires business magazine. We continue to support the governance, human rights, labour and environmental principles of the United Nations Global Compact.

Bell is committed to being one of the best places to work in Canada, and we were honoured to be named one of Montréal's top employers in 2013 by Mediacorp, which cited our competitive benefits, professional development programs and progressive workspaces.

Bell has taken an industry leadership role in environmental protection across our operations, ensuring the efficient use of energy and other resources and reducing our environmental impact. In 2012, Bell was named by Newsweek magazine as the greenest public company in Canada in its 2012 Green Rankings, and 13th in the world. We remain the only Canadian telecom company to be ISO 14001 certified for environmental management.

Bell is proud of the integral role we play in Canadian life and the nation's economy, delivering the world's latest communications capabilities to consumers, business and government with industry-leading, multi-billion-dollar annual investments in next-generation technology. We do so with a focus on sustainability, service leadership and strong operational governance.

Improving customer service is a strategic imperative, and Bell continues to make strong progress across our lines of business, investing in new service tools and options to deliver increases in customer satisfaction. We enforce strict controls on the protection and use of customer information within our systems, and remain the leader in supporting awareness and education for youth and parents in Internet safety.

I thank the more than 48,000 Bell Canada team members, from coast to coast to coast for their dedication. They work to deliver world-class communications products to you with the highest levels of service, while building stronger communities with their contribution of hundreds of thousands of hours of volunteer time and millions of dollars to charitable causes.

The Bell team is dedicated to achieving a clear goal: To be recognized by customers as Canada's leading communications company. Executing our strategy with a focus on corporate responsibility is an essential part of delivering on that promise.

A handwritten signature in black ink, appearing to read 'George A. Cope', with a stylized flourish at the end.

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

Sustainability at Bell

Sustainability vision

Recognizing that sustainability is an issue of global importance, Bell operates with a comprehensive vision for sustainability, enabling responsible growth, connecting communities and safeguarding the environment.

Principles

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 its membership in forward-thinking groups composed of leaders of the global business community, Bell participates in the development and dissemination of innovative thinking that produces practical action and tangible results. Here are some of the groups in which we participate.



GeSI
GLOBAL e-SUSTAINABILITY
INITIATIVE



EXCEL
Canada's Business and Sustainability Partnership



écotech
Québec

CPEQ
Depuis 1992

Values

Acting responsibly is central to sustainable business success and to Bell's goal: To be recognized by customers as Canada's leading communications company. In our daily activities, we have a fundamental responsibility to address a broad spectrum of issues. These include:

- Treating shareholders, customers, team members, business partners, and competitors with respect and honesty.
- Safeguarding privacy and confidentiality.
- Preventing conflicts of interest.
- Protecting company assets.
- Fostering a diverse and safe workplace.
- Protecting the environment.

The [Bell Code of Conduct](#) sets out specific expectations and accountabilities in each of these areas, providing employees with practical guidelines to conduct business in an ethical manner. Our commitment to the Code is renewed by every employee each year in an ongoing effort to ensure that all are aware of and adhere to Bell's standards of conduct.

Approach and management

Our sustainability commitment rests on solid principles and values, and a highly effective, practical management system. We reinforce individual accountability through a clear management structure to ensure we identify and properly address responsibility issues and initiatives throughout the organization.

We engage with our stakeholders to ensure that we address issues that are most important to them and to our business success. We have incorporated feedback from Canadian Business for Social Responsibility, EXCEL Partnership, and many others into our reports.

[Read more](#) on our approach to sustainability, identification of important issues and opportunities, and our reporting structure.

Senior executive leadership

To ensure the company's corporate responsibility strategy is well integrated and objectives are aligned across all parts of our business, the implementation is overseen by the Security, Environment, Health & Safety Oversight Committee, an officer-level committee chaired by the Executive Vice President, Corporate Services. In addition, the Executive Vice President, Corporate Services has specific corporate responsibility objectives tied to his performance assessment. These include maintaining ISO 14001 certification, optimizing energy efficiencies, enhancing employee engagement, leading Bell's diversity and mental health programs and preventing workplace accidents.

Stakeholder engagement

We monitor corporate responsibility (CR) issues and opportunities through a variety of formal and informal means including trend analysis, benchmark studies, monitoring of CR performance and stakeholder feedback. As part of our stakeholder outreach, we consult with consumers, employees, government, educators and others who are important to our business. This year we expanded our participation in social media channels to include Facebook and Twitter.

Key responsibility issues identified and addressed in this report include:

- Customer service
- Privacy and data security
- Responsible marketing practices
- Cyber safety
- Accessibility of products and services
- Environmental and human impact of telecom networks
- Product take-back
- Energy consumption and emission of greenhouse gases
- Responsible suppliers

Key objectives and results

Our key performance indicators encompass all sectors of sustainability. Here is a summary of our progress against objectives in 2012.

KEY ISSUES		2012 OBJECTIVES	2012 RESULTS	PERFORMANCE	2013 OBJECTIVES	RELEVANT GLOBAL REPORTING INITIATIVE REFERENCE	RELEVANT UN GLOBAL COMPACT PRINCIPLE
GOVERNANCE							
CORPORATE GOVERNANCE & BUSINESS ETHICS	▲	Remain a leader in corporate governance and ethical business conduct by maintaining best practices, transparency and accountability to our stakeholders.	New indicator:* ISS QuickScore: 2**	✓	Remain a leader in corporate governance and ethical business conduct by maintaining best practices, transparency and accountability to our stakeholders.	2	1-10
MANAGEMENT SYSTEMS	▲	Maintain ISO 14001 certification for our EMS.	Maintained ISO 14001 certification for our EMS for 5th year in a row.	✓	Maintain ISO 14001 certification for our EMS.	4.9	8
COMMUNITY							
COMMUNITY INVESTMENT	■	Make a meaningful contribution to mental health in Canadian communities through 4 key action pillars: anti-stigma, enhanced care and access, new research, and workplace leadership.	Bell contributed \$17 million in community investment in mental health and other initiatives in 2012.	✓	Make a meaningful contribution to mental health in Canadian communities through 4 key action pillars: anti-stigma, enhanced care and access, new research, and workplace leadership.	4.17; EC 1; EC 9	–
ENVIRONMENT							
CLIMATE CHANGE	▲	Reduce GHG emissions by 149 kilotonnes of CO ₂ equivalent (to 50% of 2003 GHG emissions) by the end of 2020.	Greenhouse gas (GHG) emissions in 2012 were 293.9 kilotonnes of CO ₂ equivalent.	Tracking to 2020 target	Reduce GHG emissions by 149 kilotonnes of CO ₂ equivalent (to 50% of 2003 GHG emissions) by the end of 2020.	4.17; EN 16; EN 17	7-8
RECOVERY	■	New objective: Reach a diversion rate for recovered waste of 75% in 2016.	73.5% (14,673 metric tonnes) of waste recovered by Bell Canada was diverted from landfill, an increase of 2.3 percentage points over 2011.	Tracking to 2016 target	Reach a diversion rate for recovered waste of 75% in 2016.	4.17; EN22	7-8

* GovernanceMetrics International, the publisher of our previous governance indicator, changed its methodology and accessibility to information structure in 2012 including adding a membership service fee to access our profile. We already had a relationship with MSCI and therefore opted to report our Institutional Shareholders Services score (ISS QuickScore) beginning with the 2012 CR Report.

** Score as of April 31, 2013. Score indicates decile rank relative to peer group. A decile score of 1 indicates lower governance risk, while a 10 indicates higher governance risk.

† We have made our objective more precise by specifying recovered waste.

‡ Statistic includes Bell Aliant wireless network coverage.

▲ Recognition provided by external, independent firms:

- Governance: ISS (MSCI)
- Environmental management system: BSI Management Systems America, Inc.
- Climate change: Enviro-accès.

■ Indicators that have been reviewed by Golder Associates.

For relevant Global Reporting Initiative and UN Global Compact details, [please see our combined table](#).

KEY OBJECTIVES AND RESULTS

KEY ISSUES		2012 OBJECTIVES	2012 RESULTS	PERFORMANCE	2013 OBJECTIVES	RELEVANT GLOBAL REPORTING INITIATIVE REFERENCE	RELEVANT UN GLOBAL COMPACT PRINCIPLE
CUSTOMERS							
SERVICE ACCESS	■	Continue deploying 4G LTE wireless network in more Canadian markets.	At the end of 2012, our 4G HSPA+ wireless network covered 97.9% [†] of the Canadian population, a 0.4 percentage point increase over 2011.	✓	Target LTE network investment toward completion of major urban and suburban markets.	4.17; PA 4	9
RESPONSIBLE PROCUREMENT	■	Pursue the development of policies and internal processes that favour the selection of responsible suppliers and products.	Bell has included in all its contract templates a standard clause indicating that supplier shall conform to Bell's Supplier Code of Conduct.	✓	Develop eco-criteria for selected products within the supply chain. Further enhance our responsible procurement program and Supplier Code of Conduct.	4.17	1-10
E-BILLING	■	Increase e-billing to 28.4% of all bills produced by Bell.	29.5% of all bills produced by Bell were electronic, 6.9 percentage points over 2011, and 1.1 percentage points over our objective.	✓	Increase e-billing to 35.0% of all bills produced by Bell.	–	7, 8, 9
PRODUCT TAKE-BACK	■	Continue recovery process at Bell and participate in provincial recovery programs by increasing public awareness.	Bell recovered 159,524 mobile phones in 2012, for a total of 1,225,428 mobile phones since 2003.	✓	Benchmark with best in class product recovery programs and further develop Bell's approach to address product stewardship opportunities.	4.17; PA 11	7, 8
WORKPLACE							
EMPLOYEE ENGAGEMENT	■	Continue to improve employee engagement.	Based on a company survey in 2012, Bell has an overall employee engagement score of 66%. Note: Our latest survey conducted in early 2013 shows an increase of 4 percentage points to 70%.	✓	Continue to improve employee engagement.	4.17	–
HEALTH & SAFETY	■	Evolve Bell's integrated management system to better align with health and safety best practices.	On-duty accident and occupational disease costs were maintained at 0.39% of payroll, below the 0.4% target for companies included in the scope.	✓	Develop a new safety indicator that includes subsidiaries and is based on lost time per hours worked.	4.17; LA7; 103	1, 2

* GovernanceMetrics International, the publisher of our previous governance indicator, changed its methodology and accessibility to information structure in 2012 including adding a membership service fee to access our profile. We already had a relationship with MSCI and therefore opted to report our Institutional Shareholders Services score (ISS QuickScore) beginning with the 2012 CR Report.

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Message from our assurers



June 18, 2013

Reference No. 002-13-1222-0011-LA-Rev0

Board of directors and management - BCE Inc. / Bell Canada

RE: INDEPENDENT REVIEW STATEMENT BY GOLDER ASSOCIÉS LTÉE

Golder Associés Ltée (Golder) has reviewed Bell Canada's (Bell) management systems, processes and controls used to collect, account and report on eight of the performance indicators for the year ending December 31, 2012, disclosed within the preliminary version of the Bell Canada 2012 Corporate Responsibility Report. The Management of Bell is responsible for all information provided in the Report, as well as for collecting, analyzing and reporting that information. Golder's responsibility regarding this review is to the Management of Bell only in accordance with the terms of reference agreed upon with Bell.

Scope and Methodology

Our scope of work involved a review of the following selected performance indicators:

- | | |
|----------------------------|------------------------|
| 1) Community investment | 5) E-billing |
| 2) Recovery | 6) Product take-back |
| 3) Service access | 7) Health and safety |
| 4) Responsible procurement | 8) Employee engagement |

Golder understands that data and information in the Bell Canada 2012 Corporate Responsibility Report exclude data and information related to Bell Alliant activities, which is producing its own report.

Information for our review was gathered from Bell management definitions and generally accepted industry standards for environmental, health and safety, and social reporting. We planned and performed our work in order to provide a limited assurance with respect to the selected quantitative indicators which we reviewed.

Golder met with Bell's Senior Manager – Corporate Responsibility and Environment, reviewed internally-generated corporate reports, documentation and records provided by Bell, and conducted interviews (in person or by phone) with key Bell employees (Subject Matter Experts) responsible for the management of key performance data and reporting.

Golder did not carry out detailed testing or calculation of data, nor did we test the controls over the data collection and reporting processes. A multidisciplinary team of sustainability and assurance specialists performed the review in accordance with applicable professional guidelines. Golder states its independence and impartiality with regard to this commission. Golder did not provide any services to Bell which could conflict with the independence of our work.

Golder Associés Ltée
9200, boul. de l'Acadie, bureau 10, Montréal (Québec) Canada H4N 2T2
Tel: +1 (514) 383 0990 Fax: +1 (514) 383 5332 www.golder.com

Golder Associates: Operations in Africa, Asia, Australasia, Europe, North America and South America

Golder, Golder Associés et le concept GA sur son logo sont des marques de commerce de Golder Associates Corporation.

Conclusion

The Golder review team would like to mention the Subject Matter Expert's high level of collaboration and preparedness for the external review.

Based on our review, we provide the following conclusions:

- Bell has applied detailed and systematic procedures for the purpose of collecting, accounting and reporting of key performance data; and
- The responsibilities for data reporting, calculations and control are generally well-defined at Bell.

This verification was carried out to a standard of care which is consistent with that level of care and skill ordinarily exercised by professionals currently practicing verifications under similar conditions in Canada, subject to the time limits and physical constraints applicable to the services. Based on our review, nothing has come to our attention which causes us to believe that the performance data relative to the eight key performance indicators are materially misstated and are not presented fairly in accordance with current voluntary disclosure practices. No warranty, expressed or implied, is made.

GOLDER ASSOCIÉS LTÉE

Mustapha Ouyed, Eng., B.A.Sc.
Project Director



Martin Kelly, B.Sc., LL.B.
Associate

SFA/MO/MK/kr/do

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Awards and recognition

Socially responsible investment

FTSE Group confirms that Bell Canada has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements as a constituent of the FTSE4Good Index Series. Created by the global index company FTSE Group, FTSE4Good is an equity index series that facilitates investment in companies that meet stringent, globally recognized social and environmental criteria.

BCE is a member of the Jantzi Social Index, a socially screened, market capitalization-weighted common stock index modelled on the S&P/TSX 60. It consists of 60 Canadian companies that pass a set of broadly based environmental, social and governance rating criteria.

BCE Inc.'s CSR profile is monitored and as a result has been listed in the Ethibel EXCELLENCE Investment Register since 2005.

BCE is included in more than 60 investment funds based on social and/or environmental screening criteria. One such fund is the Storebrand Trippel Smart/SPP Global Top 100 sustainable global equity fund.



Environmental management

Bell is the first and only telecommunications company in Canada to have obtained ISO 14001 certification for its environmental management system, and we have maintained this certification since 2009.



Philanthropy

The Association of Fundraising Professionals, an international organization dedicated to the promotion of charitable and volunteer leadership, named Bell the recipient of the 2012 Freeman Philanthropic Services Award for Outstanding Corporation.



Environmental responsibility

Newsweek Green Rankings® named BCE the greenest publicly traded company in Canada and 13th in the world.

Since 2004, Bell has been a respondent to the Carbon Disclosure Project's annual request for corporate climate change information.

Since 2010, Bell Canada has obtained BOMA BEST certification for 38 of our buildings across Canada. We obtained LEED certification for the Montréal campus, LEED Silver for the Mississauga campus expansion, and we are seeking LEED Gold certification for our newest green data centre in 2013.

Bell is the recipient of the 2012 Green Enterprise IT Award for Facility Design Innovation from the Uptime Institute for its newest green data centre. Bell was also named Green Supplier of the year for 2012 by Delta Hotels.



Social responsibility

BCE was named to the 2012 Maclean's/Jantzi-Sustainalytics list of the Top 50 Socially Responsible Corporations in Canada.

BCE was named one of the 2013 Best Corporate Citizens in Canada by Corporate Knights.



Governance

BCE won the Excellence in Governance Award for very large enterprises in the 11th annual competition organized by Les Affaires business magazine and Korn/Ferry International, a leading executive recruiting firm. The award recognizes boards of directors that have distinguished themselves through excellent governance in corporate social responsibility.



Workplace

In February 2013, Mediacorp Canada named Bell one of Montréal's top employers, citing our competitive benefits, professional development programs and progressive workspaces.





Community

- BELL LET'S TALK
- INVESTING IN COMMUNITIES

\$3.9 M of additional donations to
Canadian mental health programs
on Bell Let's Talk Day 2012

The Bell Let's Talk mental health initiative

Bell Let's Talk is an unprecedented multi-year charitable program dedicated to the promotion and support of mental health across Canada. The largest-ever such corporate commitment in Canada, Bell Let's Talk supports a wide range of programs to enhance awareness, understanding and treatment of mental illness and support research and access to care across the country.



Often invisible, mental illness is one of the most pervasive health issues in the country with far-reaching consequences for every Canadian – 1 in 5 people will experience a form of mental illness at some point in their lives, and most will be reluctant to talk to a co-worker, friend or family member about their struggle. Because of the stigma around mental illness, just one third of those who struggle will seek treatment. While you may never experience mental illness yourself, you know someone who has or will.

In 2012, Bell supported an extensive array of initiatives in line with the 4 pillars of Bell Let's Talk: anti-stigma, enhanced care and access, new research and workplace leadership.



Bell continues to invest in projects that increase Canadians' access to mental health care because every day 500,000 Canadians miss work due to a form of mental illness.

CARE & ACCESS

Bell continues to invest in projects that increase Canadians' access to mental health care to help make our communities healthier. New initiatives in 2012 included:

- \$200,000 to Fondation Cité de la Santé in Laval to support the development of mental health care and services to prevent and treat anxiety among children and adolescents.
- \$150,000 to Ontario Shores Centre for Mental Health Sciences for the Mental Health Youth Outreach Clinic providing specialized treatment for youth with complex mental health issues.
- \$1 million in grants of up to \$50,000 through the Bell Let's Talk Community Fund to more than 60 community organizations involved in mental health care, in every region of the country.

We also announced several new partnerships in early 2013:

- \$500,000 to La Fondation du Centre hospitalier universitaire de Québec (CHUQ) to upgrade its acute psychiatric care unit.
- The \$1 million Bell True Patriot Love Fund in partnership with the True Patriot Love Foundation to support community mental health initiatives for Canadian military families.
- \$230,000 to the Jewish General Hospital to increase support, training and access to the Child Psychiatry Transitional Care Program.

These grants are in addition to previously announced contributions to the Royal Ottawa Mental Health Centre, the Centre for Addiction and Mental Health (CAMH), Hôpital Louis-H Lafontaine and others.

RESEARCH

New mental health research initiatives in 2012 included:

- \$2 million to the Douglas Mental Health University Institute to support mental health research at its unique brain bank.
- \$1 million to Queen's University to establish the world's first Mental Health and Anti-Stigma Research Chair, led by Dr. Heather Stuart.

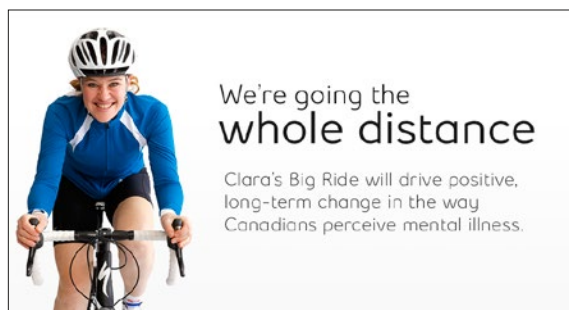
Research funding in early 2013 includes:

- \$500,000 to Concordia University's Department of Psychology to subsidize therapy and assessment at the university's Applied Psychology Centre and Centre for Clinical Research in Health.
- \$500,000 to Brain Canada to establish the \$1 million Bell Mental Health Research Training Awards to support talented young Canadian mental health researchers with matching funding from the Government of Canada.

WORKPLACE LEADERSHIP

Bell is a major contributor to the world's first voluntary standard for Psychological Health and Safety in the Workplace, developed by CSA Group and the Bureau de normalisation du Québec in collaboration with the Mental Health Commission of Canada. Development of the voluntary standard was funded by Bell, the Government of Canada, and the Great-West Life Centre for Mental Health in the Workplace.

The first of its kind in the world, the standard offers guidance to Canadian businesses and other organizations in addressing mental health and mental illness in the workplace. With 500,000 Canadians missing work each day because of a mental illness, the impact in lost labour-market participation was an estimated \$20.7 billion in 2012 alone. For Bell team members, we continually enhance access to information, online, in-person and through seminars and events with health care organizations and professionals. Bell's entire management team undergoes training to support team members experiencing mental illness and aid their return to work. Bell has also implemented an innovative return-to-work program for team members affected by mental illness.



Clara Hughes, national spokesperson for the Bell Let's Talk mental health initiative, will invite people in communities around the country to join the mental health discussion.

ANTI-STIGMA

On Bell Let's Talk Day, Canadians from coast to coast to coast joined the national conversation about mental illness with national ambassador Clara Hughes and other spokespeople including Michel Mpambara, Stefie Shock, and Seamus O'Regan. For every text and long distance call made by Bell and Bell Aliant customers,

every tweet using #BellLetsTalk and every Facebook share of the Bell Let's Talk message, Bell donates 5 cents to mental health programs.

On Bell Let's Talk Day 2012, Canadians responded more than 78.5 million times, resulting in Bell adding more than \$3.9 million to its mental health funding commitment. In 2013, Canadians participated more than 96 million times, adding more than \$4.8 million to the total Bell Let's Talk commitment, which now stands at \$62,043,289.30.

Bell also announced the opening of the Bell Gateway Building at the Centre for Addiction and Mental Health (CAMH), a central hub of the downtown Toronto mental health complex and the first mental health facility to carry the name of a major corporation.

In early 2013, Bell Let's Talk and Clara Hughes announced a new initiative to continue to engage Canadians in the conversation about mental health. Clara's Big Ride for Bell Let's Talk is an epic journey around the country by bike that begins in March of 2014 and will span more than 100 days, with 6-time Olympian Clara covering 12,000 kilometres through every province and territory of our great nation. Clara will visit hundreds of communities big and small to engage and connect Canadians to build awareness, fight the stigma and drive fundraising for local mental health programs.

Investing in communities

Bell contributed \$17 million in community investment in 2012. In addition to the support provided through Bell Let's Talk during the year, the amount includes support for a wide range of community charities. For example, through the Employee Giving Program, Bell matches donations that team members make to United Way/Centraide, the Canadian Mental Health Association, and Canadian universities and colleges. The company covers all administrative costs of the Employee Giving Program. For the most part, Program contributions are made through payroll deductions, which means that 100% of the funds go to the charity. Bell also provides grants to charities based on and in recognition of the volunteer time commitments of team members themselves.

Through the Employee Giving Program, Bell team members and pensioners donated more than \$1.3 million in charitable gifts in 2012. In addition, they logged more than 246,000 hours of volunteer time to support sport and charitable organizations.

Bell 2012 investments (\$ millions)

	2012	2011
Bell community investment	17.0	16.0
Employee donations	1.3	1.4

SUPPORTING NORTHERN COMMUNITIES

Northwestel, a wholly owned subsidiary of Bell, serves the largest operating area of any telecommunications company in the western hemisphere and over the most remote and rugged terrain in Canada. Northwestel offers a complete range of voice, video and data solutions to residential and business customers in



the Northwest Territories, Nunavut, Yukon, northern British Columbia and High Level, Alberta. Six hundred employees work to provide reliable telecommunications services to 116,000 people living in 96 communities spread out over 4 million square kilometres.

In 2012, Northwestel continued its commitment to sponsor initiatives that have a lasting social impact on northern communities and that enable employees to volunteer their time and talents. In addition to supporting art centres, hospitals, and sports complexes in all territories, Northwestel organized the Northwestel Directory Cover Art Competition, which promotes and celebrates northern artists, the Directory Recycling Program, in partnership with schools across the North, and funded scholarships for outstanding northern students pursuing post-secondary education.

One of Northwestel's most significant contributions is its continuing support of the Arctic Winter Games. Last year, Northwestel donated more than \$250,000 in cash and goods and services, and hundreds of employees volunteered their time to ensure the games ran smoothly. Overall, Northwestel's contributions to local community organizations in 2012 totalled more than \$600,000 in cash and in-kind donations.



Curtis Shaw, VP Marketing for Northwestel, helps school children load old telephone directories onto a recycling truck as part of the Northwestel Directory Recycling Program.

KIDS HELP PHONE

A founding partner of Kids Help Phone, Bell continues to be an active supporter of Canada's only toll-free, national, bilingual phone and web counselling service for children and youth. In 2012, Bell's gift of \$500,000 helped support the development of the Always There mobile app which provides direct phone and online links to Kids Help Phone counsellors and a wide range of information on emotional health and relationships.

Each year, Bell team members in communities across the country walk to raise funds for Kids Help Phone's largest fundraising initiative, the Walk So Kids Can Talk, to support the professional counsellors who provide immediate help to young people who are dealing with mental or emotional distress.

In 2012, 985 Bell Canada team members from Bell, Bell Media, and The Source canvassed for pledges and participated in local walks, raising a total of \$574,719, well above their \$400,000 target and more than 28% of the total raised by all participants across Canada.

KEEPING CANADIAN CHILDREN SAFE ONLINE

Bell is dedicated to cyber safety, and is a proud founding supporter of the Canadian Centre for Child Protection, contributing \$150,000 annually to support the Centre's work.

Half of Bell's contribution goes to the ongoing operation of Cybertip.ca, a service that enables Canadians to report concerns about the online sexual exploitation of children and to access guidance to better protect children using the Internet.

In collaboration with the federal government and other private funders, Bell has supported the service since it began in 2002. Since then, Cybertip.ca has worked with law enforcement agencies to respond to 80,000 child sexual exploitation reports from the public and provided 9 million pieces of educational material to schools and families across this country. In 2012, Cybertip.ca experienced its biggest increase in reporting with more than 23,000 tips – an increase of 130% over the previous year.

The other half of Bell's \$150,000-a-year commitment is directed to the Centre's programs to fight online "sexting," self/peer exploitation in which youth create, send or share sexual imagery. Bell is funding two resource guides created by the Centre that help parents and educators respond effectively to such incidents. Since the fall of 2012, more than 5,000 of these guides have been distributed to schools and law enforcement agencies.

Bell funding also helped the Centre launch needhelpnow.ca, a website that offers practical support to youth who have been impacted by a sexual picture/video being shared by peers, to help them regain control of the situation.



**CANADIAN CENTRE for
CHILD PROTECTION™**
Helping families. Protecting children.

NeedHelpNow.ca

Bell is also a founding supporter of MediaSmarts (formerly the Media Awareness Network) which helps parents and teachers support young people in safely navigating the digital world. Bell's annual \$30,000 commitment helps MediaSmarts produce educational and public awareness initiatives such as Canada's Media Literacy Week.

As a founder of the Canadian Coalition Against Internet Child Exploitation, Bell worked to develop Cleanfeed Canada, which aims to reduce accidental access to child sexual abuse images and discourage those attempting to access or distribute child pornography.



PROVIDING COMPUTERS FOR SCHOOLS

Bell supports the Computers for Schools (CFS) program which provides refurbished computers to primary and secondary schools as well as various non-profit organizations. Managed and chaired by Bell in Québec, this program is ISO 14001:2004 certified and certified by the Recycler Qualification Office as a program for reuse and refurbishment of electronic products. CFS promotes reuse and recycling of old materials while at the same time supporting social reinsertion.

Bell also provides space for program workshops and administration. In 2012, we donated 4,413 used computers, bringing Bell's total donations to almost 61,000 computers, more than 13,600 screens and more than 3,850 printers.



In 2012, we donated 4,413 used computers through the Computers for Schools (CFS) program, bringing Bell's total donations to almost 61,000 computers, more than 13,600 screens and more than 3,850 printers.

A smiling woman with dark curly hair, wearing a light blue button-down shirt, holding a black tablet. She is looking at the tablet and smiling broadly.

Customers

- DELIVERING QUALITY SERVICES
- PROTECTING CUSTOMERS
- RESPONSIBLE PRODUCTS AND SERVICES

92%

Our technicians consistently achieve average customer satisfaction ratings above 92% on our surveys

Delivering quality services

Executing our strategic imperative to invest in broadband networks and services, Bell is the primary builder of Canada's communications infrastructure, growing broadband connectivity faster and extending it farther than any other company.

ENHANCING CUSTOMER EXPERIENCE

In 2012, Bell invested more than \$140 million to enhance the customer experience as part of our Improve Customer Service Imperative. These investments enabled us to make significant progress in serving customers better, measured both by our internal indicators and by third-party organizations.

In Mobility call centres, the number of business customers who said they would recommend Bell to their contacts increased by 29% year over year. Bell also launched the new M-Care platform which gives users the convenience of managing their accounts from their smartphones. The number of M-Care transactions jumped by 380% year over year and 39% more users visited the M-Care app, with a total of 1.7 million in 2012 compared to 1.2 million the previous year.



One of our 381 full-service Bell Store locations across Canada.

Thanks to improvements to billing and self-serve, mobile self-serve transactions increased by 284% and calls to Mobility centres dropped by more than 2 million as more customers were able to resolve issues and better self-manage their accounts.

We also implemented a new survey tool to provide us with real-time feedback from residential customers. Simplifying the survey to 4 questions increased the number of responses by 29% since the launch of the tool, as well as customer satisfaction has improved by 4% year over year.

Another innovation, the Making It Right tool, enables Bell team members to immediately report service problems they hear about from friends, family, colleagues or even new acquaintances.

Customer satisfaction with the new Bell Fibe TV service remains very high and is improving, with our score increasing by 9%.

External organizations also noted our improvements in customer service. In 2012, we recorded our best service improvement score in three years according to J.D. Power and Associates, one of the best known external customer satisfaction research companies. As a result, we ranked 2nd in the Canadian industry. Also, according to Forrester, our TV and Home Phone customer experience scores¹ increased by more than 20% from 2010 to 2012.²

Our progress has also been noted by the federal Commissioner of Complaints for Telecommunications Services. Even though Bell serves far more customers than any other Canadian communications company, our share of complaints to the CCTS dropped by 21% in 2012 compared to our competitors.

In these and other ways we continue to get better at serving customers in their homes, online, over the phone, in their businesses or in our stores because we understand that customers have more choices than ever before. Our objective is to deliver a service that meets customer expectations and ensures that their first choice remains Bell.



Bell National Operations Centre.

1. Forrester's Customer Experience Index score ***incorporates*** 3 individual scores: Thinking of your interactions with these firms over the last 90 days... (1) how enjoyable were they to do business with (ENJOYABLE); (2) how easy were they to do business with (USABLE); and (3) how well did they meet your needs (USEFUL)?
2. North American Technographics® Telecom And Devices Online Survey, (Canada) Q3 2010, Q4 2011, Q4 2012

GROWING OUR SERVICE TECHNICIAN FORCE

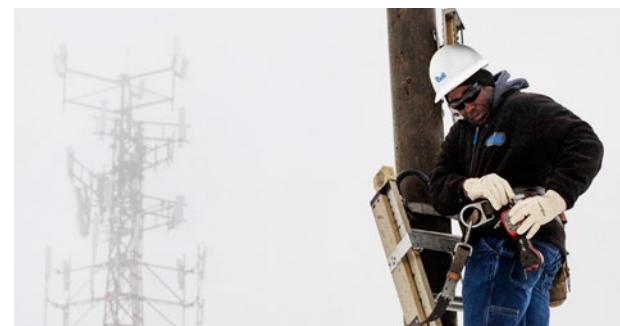
We continue to significantly strengthen our service capability, growing the team and providing them with better tools to meet customer needs.

Our service technicians arrive on time for service appointments more than 98% of the time. For customers who are having trouble with their service, we are able to send a technician the same day or the day after they call us more than 94% of the time. Our technicians consistently achieve average customer satisfaction ratings above 92% on our surveys.

We greatly improved the service experience by introducing a Customer Notification program that improved our ability to contact our customers prior to their installation date to confirm all the details of the installation.

The introduction of the Chronic Repeat Repair program has helped us cut the number of repeat repair issues in half. This program proactively identifies customers who call in multiple times with complex technical issues that are difficult to solve. We assign case owners who are responsible for determining the root causes, identifying gaps in our process and resolving the problems. This model has so far led to more than 40 process and training improvements.

2012 was a milestone year for our technicians as we delivered the largest fibre deployment ever in Canada, in the Québec City region, to support the launch of fibre to the home for Fibe TV and Internet, and continued to expand our broadband Fibe network in Ontario and Québec. To meet demand, we trained 650 new technicians and met all service and quality objectives for Fibe TV.



Our service technicians arrive on time for service appointments more than 98% of the time.

SERVICE COVERAGE

A significant portion of Bell's industry-leading capital investments were devoted to the expansion of our wireless networks in 2012.

At year end, Bell provided customers with access to Canada's largest 4G LTE wireless network, making it available to more than 67% of the country's population, and more than 69% by the end of Q1 2013. The LTE network is the world's most advanced mobile technology available, supporting an unmatched array of superphones and other devices, and data services such as Bell Mobile TV. LTE is backed up by the 4G HSPA+ network which covers more than 97% of the population; our enhanced 4G HSPA+ DC (Dual Cell) network reaches more than 83%. Bell also offers roaming services to over 200 countries around the world.

By investing heavily in the build-out of our broadband fibre networks, we added 1.3 million households to the Fibe TV footprint in 2012, ending the year with 3.3 million households covered in Ontario and Québec.

At the end of 2012, Bell had 248,000 Fibe TV subscribers, up 187% from a year earlier, demonstrating that Bell TV is bringing meaningful consumer choice and competition to markets long dominated by cable. Fibe TV has a powerful pull-through effect for other Bell services, with more than 4 in 5 new Fibe TV customers choosing multiple Bell products.

In 2012, Bell enhanced its satellite TV service with the launch of Nimiq 6 which is equipped with more powerful transponders to further improve reliability and support service enhancements.

CUSTOMERS

CUSTOMERS WITH DISABILITIES

Bell is committed to making communications and entertainment services widely accessible and has developed a variety of solutions to improve and extend the accessibility of our mobile, TV, Internet and home phone services.

Bell's Accessibility Services Centre is staffed by a dedicated team of agents thoroughly trained to understand the barriers that persons with disabilities face in using communications services and to help customers overcome those barriers.

Bell's accessibility solutions address customers who experience physical, speech, hearing, cognitive and vision challenges, among others.

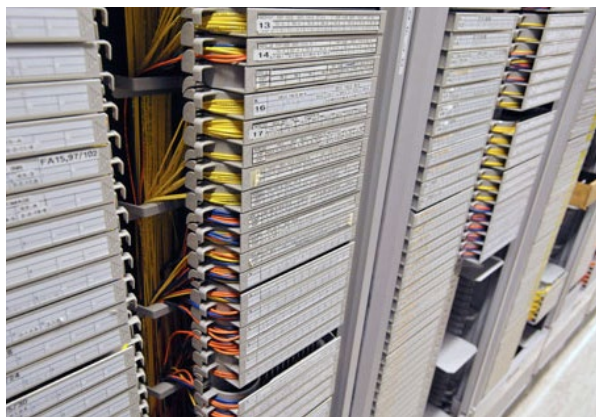
Our initiatives include:

- Bell Relay and Bell IP Relay services: People with hearing or speech difficulties can communicate with hearing persons by phone or through a web-enabled computer with the help of trained operators. The customer can connect with an operator who places a call on the customer's behalf and then acts as an intermediary, relaying typed messages from the customer by voice to the person who was called and then typing the spoken response back to the customer.
- Voice Dialling: Business and residential subscribers can call their contacts without having to physically dial their phone numbers. Subscribers simply say the name of the person they want to call.
- Customers can request bills, inserts and other printed materials in alternate formats such as Braille and large print.

Bell continues to collaborate with community organizations and advocates in the accessibility community. For example, after working with key members of the deaf and hard-of-hearing community, Bell completed a feasibility study for Video Relay Service (VRS) in Canada to support those who would use sign language to communicate with each other and with hearing individuals over the telephone network.

Bell is also involved with a range of stakeholders on a comprehensive plan to improve the accessibility of wireless products and services. Bell has made advances in the accessibility of broadcasting services, such as creating a Broadcasting Accessibility Fund to provide platform-neutral solutions to ensure the accessibility of all broadcasting content.

All services are fully described on our [website](#).



Typical server room in one of our 20 data centres across Canada.

BELL'S CORE NETWORK

We continue to maintain IP VPN (Internet Protocol, Virtual Private Network) data and voice stability and robustness by regularly conducting drills to test survivability while investing in upgrades to continue to improve performance.

In 2012, we became the first Canadian network operator to offer 100 Gigabits per second (100G) super-core technology between central offices in Montréal to meet unprecedented and growing demand for video, mobile and data services. The network can simultaneously transmit the equivalent of 12,500 HD TV channels or more than 1.5 million voice calls.

These investments in fibre optic and transmission equipment in our backbone network help us meet the growing demand for bandwidth for Internet services. We deployed the next-generation carrier Ethernet platform to address routing and speed limitations and we upgraded hardware and software across all networks to enable enhanced features and issue resolution.

BUSINESS CONTINUITY

Bell's infrastructure is critical to the health, safety, security and economic well-being of our customers and Canadians in general. Our business continuity planning program is a key component of the company's approach to managing operational, financial and reputational risks. The company is committed to taking all reasonable steps that seek to maintain a state of readiness that allows for proactive and efficient responses to any event that may disrupt our business.

Aligned with industry best practices and international standards, the program's objective is to protect customer services and our team members, revenues and reputation. This is achieved by continuously preparing for, mitigating and recovering from emergencies caused by natural, human, technological, operational or social threats to our people, facilities, critical business functions, revenues and systems. We conduct a Business Impact Analysis to ensure business continuity strategies are kept current and regularly tested. In addition, our Emergency Management Program includes an incident command system for coordination with other utilities and public safety officials. The program also mandates obligatory "Be Ready" training for all Bell team members, preparing them to reduce the risks to their personal safety and the company's assets by properly responding to emergencies such as fires, earthquakes and bomb threats. Our resiliency approach benefits our employees, our customers, our communities and other stakeholders.

Protecting customers

PRIVACY

Bell is committed to protecting the privacy of its customers' information. The Bell Privacy Policy complies with the Personal Information Protection and Electronic Documents Act (PIPEDA), and incorporates the principles of the Canadian Standards Association (CSA) Model Code for the Protection of Personal Information.

Every year, each Bell team member reviews and signs the Code of Business Conduct which includes requirements safeguarding the proper use of customer information. In addition, our customer-facing representatives undergo privacy training to better understand their obligations to protect customer information and to ensure they respect customer rights at all times. We enforce strict controls on the protection and use of personal information within our systems and websites.

In order to meet demands for greater clarity and transparency with respect to privacy, we've set out key elements of our privacy code in a simple, easy-to-read privacy statement. Our Privacy Policy, and the answers to frequently asked questions, are available on our websites under [Privacy at Bell](#).

PROTECTION OF MINORS

Bell supports awareness and education for youth and parents on Internet safety through sponsorships of organizations such as MediaSmarts and the Canadian Centre for Child Protection.

[Please see the Community section of this report.](#)



Bell is a founding supporter of MediaSmarts, which helps parents and teachers support young people in safely navigating the digital world.

WIRELESS HEALTH, SAFETY AND CONSULTATION

Bell is a member of the Canadian Wireless Telecommunications Association (CWTA) which supports research into wireless and health, and monitors worldwide scientific research related to mobile technologies. Bell certifies that every antenna base-station installation, whether on rooftop, tower or in-building, meets or exceeds federal Safety Code 6 requirements. Similarly, all manufacturers of wireless devices offered by Bell test their products to meet all applicable guidelines and regulations.

We meet regularly with other carriers through the CWTA's working groups to address potential issues with a view to satisfying residents and municipalities regarding cell site placements. Bell believes in meaningful dialogue with residents, municipal staff and elected officials in response to our applications to expand our network before we begin construction. As part of our wireless network coverage and capacity expansion, Bell undertakes thorough public and municipal consultations for proposed wireless antenna sites. Bell complies fully with Industry Canada's guidelines for public and municipal consultation as laid out in CPC-2-0-03, Issue 4, Radiocommunication and Broadcasting Antenna Systems.

Bell participated in the development of a consultation protocol with the Federation of Canadian Municipalities to better address concerns raised by citizens, even in cases that do not meet the criteria for formal consultation, especially when projects are planned near residential areas.



Bell certifies that all its antenna base-station installations or towers meet or exceed federal Safety Code 6 requirements. In this picture a tower is disguised as a tree and is positioned to blend with the environment.



We launched a Quality 911 program in June dispatching 30 Bell vehicles with transmitters that make simulated 9-1-1 calls every 2 minutes to test location accuracy.

9-1-1 SERVICE

As part of our commitment to a high-quality, effective 9-1-1 system for mobile devices, Bell conducted extensive tests in 2012 to improve the network's ability to pinpoint the location of a caller in an emergency. We launched a Quality 911 program in June dispatching 30 Bell vehicles with transmitters that make simulated 9-1-1 calls every 2 minutes to test location accuracy. Bell is ready for the 2013 introduction of new CRTC criteria for accuracy that require wireless providers to ensure location calculations be within 100 metres in 67% of cases or 300 metres in 90% of cases.

Responsible products and services

CLARITY OF PRICING

With other CWTA members, Bell asked the CRTC to move forward with a uniform national code of conduct for retail wireless services that applies to all wireless service providers across Canada. Such a wireless code would ensure a single, efficient national set of uniform standards rather than the inconsistent provincial standards in place now. It would also put all Canadian consumers on an equal footing with respect to their wireless contract choices, while allowing the industry to adhere to one set of national rules rather than implementing different regulations in different provinces. Bell participated in the public hearing process and shared our views on the various aspects of the draft wireless code prepared by the CRTC. The Wireless Code established and announced by the CRTC on June 3, 2013 should bring added clarity to consumers and small business customers through measures such as a two page critical information summary of the contract and clearer rules relating to: allowable contract changes, trial periods, device unlocking and contract extensions. Bell is currently taking steps to meet the December 2, 2013 effective date of the Wireless Code for new and amended wireless contracts.

CHOOSING RESPONSIBLE SUPPLIERS AND THE RIGHT PRODUCTS

Any purchase of goods and services can generate social and environmental impacts. Bell's procurement policy requires that we seek out suppliers who demonstrate a strong commitment to sustainable development through the adoption of rigorous principles regarding the environment, health and safety, labour and ethics.

All new Bell contracts include a standard clause confirming the supplier's adherence to Bell's Supplier Code of Conduct and that it will take all reasonable measures to respect that code in its own operations and supply chains. Bell uses a detailed questionnaire to assess suppliers during the selection process and to improve the policies of existing suppliers, and verifies all supplier responses.

We consider environmental criteria of all products and services, ranging from energy consumption and recyclability to durability and the presence of recycled or hazardous materials. We adhere to a set of social and environmental criteria for all new mobile phones and components provided by Bell, including batteries, chargers and packaging, as well as the use of toxic substances, recyclability of materials, identification of plastics, energy efficiency, carbon footprint, and conflict minerals. Our Fibe TV receivers qualify under ENERGY STAR®, a voluntary government-business program that ensures products meet a premium level of energy efficiency.

CONFLICT MINERALS

Many electronic devices contain small amounts of metals such as tantalum, tin, tungsten and gold that are derived from minerals. We seek to ensure that our suppliers source minerals responsibly and consider the exploitation and trade of minerals that fuel armed conflicts and lead to human rights abuses as unacceptable. We monitor our product suppliers and have confirmed that 76% have in place a policy to address minerals sourcing.

We also closely monitor this matter through our membership in the Global e-Sustainability Initiative (GeSI), which supports efforts to improve the transparency and traceability of minerals in the supply chain through the conflict-free smelter program set up by the GeSI and the Electronic Industry Citizen Coalition (EICC) Extractives Work Group.



We monitor our product suppliers and have confirmed that 76% have in place a policy to address minerals sourcing.

Environment

- COMMITMENT TO ENVIRONMENTAL LEADERSHIP
- COMMUNICATIONS TECHNOLOGY
- REUSING AND RECYCLING
- OTHER ENVIRONMENTAL PROGRAMS



38

At the end of 2012, we had 38 buildings
certified to BOMA BEST

Commitment to environmental leadership

A commitment to environmental protection aligns with our sustainability vision and with our strategic imperative to achieve a competitive cost structure.

Bell makes every effort to be environmentally responsible when deploying and maintaining networks, building our offices, and consuming energy and other resources. Bell team members save energy and reduce greenhouse gas emissions by minimizing the time fleet vehicles idle, increasing energy efficiency at Bell facilities, and using Smart Meeting tools such as VideoZone as an alternative to travel. We are visible supporters of broader environmental initiatives such as Earth Hour when most Bell buildings and signs on major venues like the Bell Centre go dark.

For more than 20 years, Bell has operated numerous programs to reduce the environmental impact of our operations. Bell has achieved ISO 14001 certification for our environmental management system, the only Canadian telecommunications company to do so.

Greenhouse Gas Emissions

(kilotonnes of CO₂ equivalent)

	2012	2011
Scope 1	99.2	90.6
Scope 2	186.9	172.9
Scope 3	7.9	7.4
TOTAL	293.9	270.9

Energy Consumption

(GWh equivalent)

	2012	2011
ELECTRICITY – Telecom network and buildings	1,317	1,215
FUEL – Buildings and generators	53	45
FUEL – Vehicle fleet	298	295
TOTAL	1,668	1,555

Real Estate, Network and IT energy efficiency projects saved 58 GWh of electricity at Bell facilities in 2012, enough to heat 5,800 homes for a year.

Bell energy and greenhouse gas footprint numbers since 2010 have been restated to account for organizational changes such as the 2010 acquisition of The Source and the creation of Bell Media in 2011 following the acquisition of CTV. The inclusion of energy consumption and carbon footprint data for these operations account for the largest portion of the increase in Bell's carbon footprint.

We continually expand and enhance our mobile networks to accommodate the increased use of smartphones and data services such as mobile TV, Internet browsing, and social media and messaging services. As a result, mobile network energy consumption increased 30% in 2012.

Bell networks include the largest group of data hosting centres in the country, offering managed services such as hosting and cloud computing to corporate and government customers. While these centres increase Bell's energy use – data centre energy consumption increased 30% in 2012 – they enable customers to reduce their own energy use. In many cases, Bell buys cleaner energy than is available to many of our customers.

Remote collaboration tools, such as videoconferencing and teleconferencing, also reduce energy usage.

For more details about how our ICT services can enable carbon reduction, please consult the [Smarter 2020](#) report published by the Global e-Sustainability Initiative.



In this picture, Bell employee Jacques Roussel is charging his hybrid plug-in vehicle, the Ford C-Max.

Photo: Robert Chagnon

VEHICLE FLEET

Bell experienced a 6% increase in net vehicle energy consumption in 2012 due to the rapid growth of our Fibe network services and the service technicians that support them. The increase was moderated by ongoing initiatives to minimize the fleet's carbon footprint such as:

- **Telematics:** Installed on more than 8,700 fleet vehicles, telematics provides vehicle positioning and engine information, enabling more efficient dispatching and increased productivity of our technicians and reducing distances driven and fuel consumed.
- **Replacement:** Our program includes ongoing deployment of more fuel-efficient vehicles and the promotion of eco-driving. In 2012, we replaced older vehicles with new, more fuel-efficient models such as the Ford Transit.
- **Anti-idling campaign:** The ongoing campaign resulted in a reduction of 5% in idling in 2012, representing savings of 160,000 litres of fuel or approximately 367,000 kg of CO₂ equivalent emissions.
- **Electric/hybrid vehicles:** Bell joined 9 other companies in the largest electric vehicle trial in Canada, managed by Hydro-Québec and supporting Québec's electric vehicle strategy. Bell had 36 hybrid fleet vehicles at the end of 2012 and in 2013 will test a hybrid plug-in passenger car – a Ford C-Max – as part of another Québec government program called EV40, and a regular hybrid C-Max in Ontario.

BUILDINGS

Bell obtains environmental assessments and certifications for its buildings. At the end of 2012, we had 38 buildings certified to BOMA BEST, the Canadian industry standard for sustainability certification of commercial buildings based on the international **Green Globes™** environmental assessment platform. It provides a consistent framework to assess 6 key areas of environmental performance: energy, water, waste reduction, emissions, indoor environment and overall environmental management system. Bell has targeted another 8 existing buildings for certification in 2013.

We design new buildings to comply with Leadership in Energy and Environmental Design (LEED) benchmarks, which provide standards for sustainable site development, water efficiency, energy efficiency, materials selection and indoor environmental quality. Our Montréal and Mississauga campuses both feature LEED-certified buildings – the Montréal Nun's Island campus is the largest corporate LEED building in Québec.

Bell's newest data centre in Gatineau won the Green Enterprise IT Award for Facility Design Innovation from the Uptime Institute, a data centre research and consulting organization. The centre is designed to be in the top 2% of data centres in North America for the most effective use of power, using green hydro power on a grid separate from most National Capital Region users. It also complies with the strictest security standards, including the use of advanced biometric access controls. We expect this facility will achieve LEED Gold certification in 2013.

We retrofitted our Toronto data centre in 2012 with lighting controls to reduce energy consumption, ensuring areas of the building are lit only when occupied. Annual lighting costs for the centre have been reduced by approximately 76%.

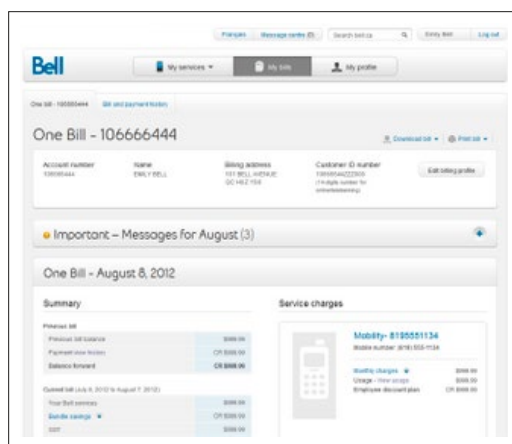


Montréal's Nun's Island campus is the largest corporate LEED building in Québec.





In 2012 we installed 14 more VideoZone conference systems to encourage virtual meetings.



In 2012, we issued 29.5% of bills electronically, an increase of 6.9 percentage points over 2011.

Communications technology

Bell limits its carbon emissions by using its own technologies to reduce energy consumption, travel and consumption of material resources.

VIRTUALIZATION

Virtualization enables a new vision for enterprise computing – a consolidated, optimized approach to the data centre as service delivery centre, optimizing space, power and cooling usage through the consolidation of servers and storage. Through virtualization, we decommissioned 760 servers in 2012, reducing capital requirements and energy usage by approximately 3.2 million kWh per year – enough to heat 318 households for a year – and cutting greenhouse gas emissions by 206 tonnes of CO₂ equivalent.

CONFERENCING SOLUTIONS

In 2012 we installed 14 more VideoZone conference systems to encourage virtual meetings. Bell team members held more than 101,000 VideoZone conferences, 418,178 AudioZone calls, and a monthly average of 35,000 Live Meeting sessions in 2012, improving efficiency and helping reduce the need for travel. These same technologies are helping customers address their own environmental and cost-reduction priorities.

ELECTRONIC BILLING

We issued 29.5% of bills electronically in 2012, an increase of 6.9 percentage points over 2011. This paper consumption reduction saved approximately 41,000 trees, which have the potential to capture approximately 5,180 tonnes of CO₂. The balance of our bills were printed on paper certified by the Forest Stewardship Council (FSC). We continue to promote paperless billing, automatically registering new customers to electronic billing and charging a fee for new customers who still want a paper bill. Our 2013 objective is to increase e-billing to 35% of all bills produced by Bell.

E-bills (%)

	2012	2011
% of total of bills	29.5	22.6

TELEWORKING

The number of Bell team members working from home either part time or full time increased slightly, reflecting the increasing effectiveness of teleworking tools and services available from Bell for both our customers and our own employees.

Activity

	2012	2011
Number of employees equipped to telework	23,098	22,193
Number of permanent teleworkers	1,501	1,447
Number of occasional teleworkers	21,597	20,746

Reusing and recycling

OVERALL RECOVERY

To minimize the amount of waste we produce, Bell runs several programs to reduce, reuse, recycle or use as fossil fuel substitutes the products and materials required to operate our business.

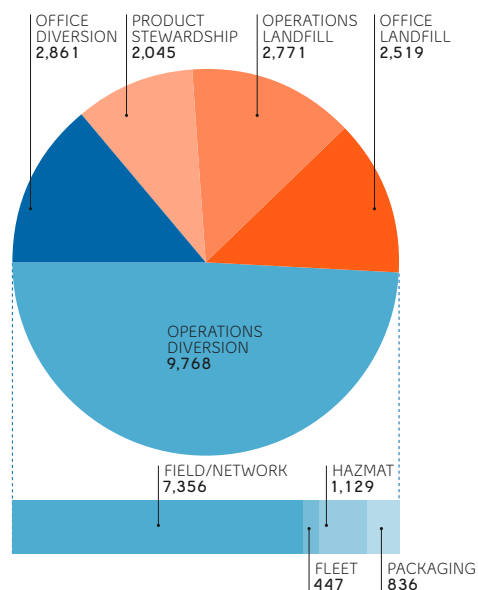
In 2012 we introduced a more precise diversion rate based on recovered company waste as a new key performance indicator to monitor our progress. Our diversion rate of 73.5% (14,673 tonnes) in 2012 was 2.3 percentage points better than 2011 and on track to reach our target of 75% by 2016.

	2012			2011		
Function	Recycling/ Valorization (tonnes)	Landfill (tonnes)	Diversion Rate %	Recycling/ Valorization (tonnes)	Landfill (tonnes)	Diversion Rate %
Office	2,861	2,519	53%	3,134	3,054	51%
Operations	9,768	2,771	78%	9,336	2,553	79%
Product stewardship	2,045	0	100%	1,360	0.77	100%
Overall	14,674	5,290	73.5%	13,830	5,608	71.2%

We will continue to improve awareness and opportunities in each function that generates residual material in 2013. For instance, we will deploy a pilot project in up to 6 of our major work centres to improve local recovery of low-volume, low-value recycling materials, such as wood and cardboard. Fibre optic cables cannot be recycled at this time, but Bell is exploring innovative ideas for valorization, an industrial process aimed at reusing waste materials in new forms.

Results by function (tonnes)

2012 diversion rate: 73.5%



Bell Canada residual materials = 19,963 tonnes

OFFICE

Bell's reuse and recycling programs address residual materials such as paper, cardboard, glass, steel, aluminum and organic matter. Employees are encouraged to bring all residual materials to central stations called Sort-It stations where they separate materials into labelled collection bins. Employees have responded enthusiastically – at our Creebank campus, diversion increased 6% in less than a year.

In 2012, we collected 5,380 tonnes of material from office operations, of which 2,861 tonnes (53%) was diverted. This 2% year-over-year increase resulted from continued reduction initiatives, such as the ban on disposable cups on Bell campuses and the introduction of new diversion streams, including the recycling of organic materials and used furniture, and the introduction of compostable "dinner ware."

We reused and recycled 104.9 tonnes of computers and peripherals and 7.9 tonnes of toner cartridges. In the 2 years that we have been tracking our furniture donations to charitable organizations, we donated a cumulative total of 97.9 tonnes of recovered furniture valued at \$181,650.

OPERATIONS (FIELD, FLEET AND NETWORK)

Bell has been recovering residual materials from operations for more than 3 decades. Reuse and recycling programs cover residual materials such as telecommunications cable, terminals, utility poles, cable reels and wood pallets produced by Field, Fleet, and Network activities.

In 2012, we collected 12,538 tonnes of material, from which we diverted 9,767 tonnes (78%) – a decrease of 1% from 2011 due to the lack of facilities able to recycle fibre optic cables and the challenge in finding ways to manage recycling of low-value materials.

We support the Centre de formation en entreprise et récupération (CFER), a training school that provides useful skills in recovery and refurbishing to young people without a high school education. CFER collects and sorts recyclable materials generated at 14 of our work centres in Québec.

Products collected from our fleet vehicles include tires, batteries, oil and filters, windshields, cleaning fluids, used engine antifreeze, and brake cleaning solvents. In 2012, we recycled 447 tonnes of residual materials from fleet operations.

PRODUCT STEWARDSHIP

Bell helps its customers protect the environment by making it easier for them to recycle their mobile phones, Bell Internet modems, and Bell TV receivers. With the participation of our customers, Bell diverted more than 2,045 metric tonnes of electronics from landfills in 2012.

Aligned with the Canadian Wireless Telecommunications Association's Recycle My Cell program, Bell mobile phone take-back programs have recovered more than 1.2 million mobile phones and 110 tonnes of batteries and accessories since 2003.* Bell was the first company to establish a cross-Canada collection program for re-using and recycling mobile phones. Available at all Bell and Virgin Mobile stores and at participating The Source locations, the Bell Blue Box program donates the net proceeds to the Canadian Mental Health Association (CMHA), a partner in the Bell Let's Talk initiative.

Bell also recovers mobile phones by providing customers with credits toward the purchase of a new device when they turn in their usable old phones.

ITEM	Amount collected in 2012
Mobile phones	159,524 units
Batteries	1.062 tonnes
Accessories	1.760 tonnes
Modems	588,199 units
TV receivers	551,856 units

Bell promotes its recycling programs in several ways:

- Mandatory online courses for all store employees.
- In-store recycling posters.
- The Bell.ca/recycling website.
- Facebook and LinkedIn promotions.

Bell also participates in provincial recycling programs for other electronic products, such as tablets, headsets, TVs, and computers. For more information, please visit Bell.ca/recycling.



* Includes used mobile phones collected from customers and from our surplus inventory.

WATER

Bell began to explore the impact of its water consumption in 2011 and began to define a policy on sustainable water management in 2012, including increasing employee awareness of ways to reduce water consumption in the workplace.

In 2013, we will launch water-use reduction initiatives targeting high-consumption sites and equipment in Ontario in the first phase. We have identified about 15 water towers, with 5 to be selected for the implementation of consumption-reduction initiatives.

BIODIVERSITY

In our Environmental Action Plan, Bell recognizes that the first step to protecting the environment and species at risk is to avoid sensitive locations wherever possible. We conduct environmental assessments of network projects and apply mitigation measures to minimize any potential impact on natural habitats. We also obtain regulatory approvals as required. These include projects in environmentally sensitive areas such as wetlands, waterways, provincial and national parks and First Nations lands. For instance, we use cedar rather than treated-wood poles in sensitive natural areas. Pole suppliers must comply with responsible purchasing policies for forest products and provide Bell only with products sourced from sustainably managed and certified forests. Bell stopped using pesticides for aesthetic purposes on its properties in 2002, ahead of legislation.

INTEGRATION INTO THE PHYSICAL ENVIRONMENT

Bell works to ensure its network infrastructure is well-integrated into the physical environment. In 2012, Bell instituted a pilot project to install cell towers designed to look like pine trees (see picture on page 28), the first initiative of its kind in Canada. The Network team installed 21 of these towers in communities such as Ontario's Muskoka cottage country. Up to 29 metres tall, the towers are positioned to blend in with existing forest. Other examples of integration into existing infrastructure are the installation of cell sites on existing utility poles or clock towers.

Other environmental programs

ENVIRONMENTAL SITE ASSESSMENTS

Bell conducts environmental site assessments and remediation projects where necessary to minimize soil and groundwater contamination, reducing our exposure to environmental liabilities. Assessments occur during real estate transactions, upon the discovery of a contamination, or when an operational activity may have contaminated a site.

PETROLEUM STORAGE TANKS

Bell has 2,178 petroleum storage tanks providing fuel to heat buildings or to run emergency generators for telecommunications equipment; 89% of tanks are above ground, 11% underground. We rigorously manage and monitor these installations to maintain their integrity and prevent accidental spills. Compliance audits are conducted as required by regulations or at minimum once a year. Bell's tank requirements generally surpass regulatory requirements.



In this picture, a cellular antenna is embedded in a clock tower.

OZONE-DEPLETING SUBSTANCES

Bell is committed to minimizing the impact of its emissions of ozone-depleting substances (ODS) such as chlorine, fluorine, bromine, carbon and hydrogen. We comply with regulations for the elimination, handling and removal of ODSs contained in air conditioning/refrigeration and fire-extinguishing systems.

ENVIRONMENTAL INCIDENTS

Our 24/7 process provides support for the reporting, control and remediation of all environmental incidents. We require our team members to report all incidents regardless of the quantity spilled or the level of impact, whether they occur on or outside our own premises. In 2012, we recorded a 14% increase in incidents, attributable to the growth of our business through acquisitions as well as weather conditions. In 2012, we had:

- No material environmental incidents or infractions.
- No notices of environmental infractions.
- No environmental infractions that resulted in fines.
- 415 spills and releases reported by our employees (88% were related to leaks of ozone-depleting substances from cooling equipment); of these, 358 (86%) were below government reporting thresholds.
- 13 concerns reported by a third party.

These incidents had limited or no impact on the environment, and were addressed diligently and in compliance with all regulatory requirements.

ENVIRONMENTAL TRAINING

Bell is committed to environmental protection with a continuous improvement process, including an awareness and training program for team members on proactive management of environmental impacts. In 2012, almost 8,400 Bell team members received online training covering our regulatory requirements and environmental procedures, totalling more than 12,500 hours. Such training is to be completed annually by employees whose tasks will likely have an impact on the environment.

Topics include Bell's environmental policy, energy efficiency and greenhouse gas reduction, the overall impact of our operations, proper management of recyclable materials, and hazardous material management and recovery.

Total number of employees trained	8,378
Money spent, estimate (salary in \$ thousands)	751.1
Time estimated (hours of training)	12,592



Workplace

- BEST PLACE TO WORK
- DIVERSITY INITIATIVES
- WORKPLACE MENTAL HEALTH INITIATIVES
- EMPLOYEE ENGAGEMENT
- LEARNING AND DEVELOPMENT
- OTHER WORKPLACE INITIATIVES

77% of team members say
they are proud to work for Bell

Best place to work

Bell is committed to a dynamic, inclusive, safe and healthy workplace for team members.

Our equitable workplace respects and values the contributions of all employees, and our policies support respectful accommodation in the workplace. We are committed to strict standards for workplace safety, equity and diversity, and provide office environments that promote collaboration and productivity. Our compensation policies reward achievement through a pay for performance culture and recognition programs for extraordinary effort.

Bell's employee base grew modestly in 2012 as we continued to focus on our strategic imperative to create a more competitive cost structure, balanced with new hiring when required for innovative new services – for instance, the 2,750 team members added to deliver Fibe TV. We continue to limit executive hires – in fact, even with the addition of CTV, The Source and Virgin Mobile, we have fewer executives today than 5 years ago.

OUR WORKFORCE

	2012	2011
Number of employees – year end (in thousands)	48.8	48.6
Unionized employees at Bell (%)	44	43
Voluntary turnover rate (%)*	12	11

*Resignations and retirements, Bell Media and subsidiaries excluded

HUMAN RIGHTS, EMPLOYMENT EQUITY AND DIVERSITY

Bell fully complies with employment equity requirements and reports to Human Resources Skills and Development Canada (HRSDC) each year under the Employment Equity Act. Bell partners with leading employers and the Canadian Human Rights Commission to advance human rights and diversity in the workplace.

Our 2012 employment equity results include more companies – Bell Technical Solutions, Expertech and Bell Media – than previous reports. The higher ratio of men to women at BTS and Expertech, which install network services for Bell, impacted our workforce composition results in 2012.



Our equitable workplace respects and values the contributions of all employees, and our policies support respectful accommodation in the workplace.

Workforce composition (%)

	2012		2011
	Total Workforce*	Excluding BTS, Expertech & Bell Media**	Excluding BTS, Expertech & Bell Media**
Women	34.9	40.5	42.5
Aboriginal peoples***	1.3	1.0	1.0
Persons with disabilities***	1.6	1.4	1.4
Members of visible minorities***	15.5	16.1	16.3

* Excludes The Source and Nordia

** Total BTS and Expertech workforce represents 6,400 employees, 94% of whom are male.

*** Data for these categories depend upon full-time and part-time employee self-identification in the Diversity Questionnaire.

Bell believes in the uniqueness of individuals, and in creating a diverse and inclusive workplace that reflects Canada's cultural mosaic. Our commitment to diversity is embedded in our culture and reinforced specifically in the Code of Business Conduct.

We listen to our employees through the annual Bell Team Survey, run interactive events that celebrate diversity, and empower our managers through training and coaching in leading diverse teams. Team members are also provided with clear guidelines to support respectful accommodation practices in the workplace.

Bell's diversity plan has 5 areas of focus:

- Gender
- Visible minorities
- Aboriginal people
- Bilingualism
- People with disabilities

Our 2013 Diversity Plan will further increase our focus on women in leadership positions and on bilingualism in order to strengthen our senior-management succession pipeline.

Senior management¹ (%)*

	2012	2011
Women	22.9	21.9
Aboriginal peoples**	0.7	0.9
Persons with disabilities**	1.4	0.9
Members of visible minorities**	4.3	3.5

¹ Vice-presidents and above

* Excludes The Source and Nordia

** Data for these categories depend upon employee self-identification in the Diversity Questionnaire.

2012 diversity initiatives and achievements

- Recruitment: Bell is an equal opportunity employer. Our partnership with Equitek ensures Bell's various minority groups across all of Canada are exposed to job opportunities.
- Talent Management: Diversity dashboards are reviewed at annual performance and talent reviews; the Next Generation Mentoring program will launch in 2013.
- Training and Development: Provided company-wide diversity education and training online and in leader-led courses available to all employees and managers.

DIVERSITY AT NORTHWESTEL

For the second straight year in 2012, Northwestel was honoured as one of Canada's Best Diversity Employers, recognizing the excellence of its workplace diversity and inclusiveness programs, and its efforts to recruit and retain Aboriginal employees across its operating territory.



WOMEN AT BELL

Established in 2007, the Women at Bell program supports the development of women leaders and promotes their visibility at Bell and in the broader business community. Part of our commitment to making Bell one of the best places to work, Women at Bell offers a range of events and networking opportunities with Bell and industry leaders.

The program supports leadership development initiatives such as Taking the Stage, designed to cultivate future women leaders, and Bell Leadership Circles that encourage open dialogue among senior leaders and team members on a wide range of development topics.

The Women at Bell program is divided into 3 pillars, each led by an executive: Career development, external visibility and internal events.

PILLARS	OBJECTIVES
CAREER DEVELOPMENT	<ul style="list-style-type: none"> • Develop women leaders at all levels, giving them the confidence and leadership presence that will ensure their voices are heard and their ideas are fully embraced. • Provide varied and meaningful development opportunities to all employees.
EXTERNAL VISIBILITY	<ul style="list-style-type: none"> • Leverage Bell's community involvement and professional affiliations. • Leverage existing and new memberships to drive value.
INTERNAL EVENTS	<ul style="list-style-type: none"> • Provide opportunities and activities to help women develop as leaders as well as showcase successful women leaders. • Provide a forum where individuals from different business units have an opportunity to network and expand their personal networks.

Women at Bell is involved with a range of external organizations such as the Women's Executive Network and Canadian Women in Communications. Bell leaders such as Martine Turcotte, Vice Chair, Québec, Mary Ann Turcke, Executive Vice President, Field Operations and Karen Sheriff, President and Chief Executive Officer, Bell Aliant have consistently been honoured by these groups.

LGBT AFFINITY GROUP

Bell's Lesbian, Gay, Bisexual and Transgender (LGBT) Affinity Group is an employee-led initiative established in 2009 to help support a culture that embraces diversity and helps make Bell one of the best places to work. The LGBT Affinity Group hosts events with industry leaders such as Pride at Work Canada focused on the importance of LGBT-inclusive workplaces.

The LGBT Affinity Group is divided into 3 pillars: Increase internal awareness, promote external visibility, and employee support.

PILLARS	OBJECTIVES
INCREASE INTERNAL AWARENESS & SUPPORT	<ul style="list-style-type: none"> • Drive awareness and education. • Organize provincial events focused on connection, networking and education.
PROMOTE EXTERNAL VISIBILITY	<ul style="list-style-type: none"> • Leverage community involvement and professional affiliations. • Actively participate in external events representing Bell in the community. • Volunteer in community activities as ambassadors of Bell.
EMPLOYEE SUPPORT	<ul style="list-style-type: none"> • Provide a resource centre for LGBT employees and allies.

Bell is committed to creating a diverse and inclusive workplace.

Workplace mental health objectives

One of the action pillars of the Bell Let's Talk mental health initiative is workplace leadership. Bell leads by example in this area and continues to develop and adopt mental health best practices in the workplace in collaboration with other Canadian corporations and the health care community. This has resulted in numerous advances including:



ENHANCED RETURN-TO-WORK PROGRAM

In April 2012, we made available to all Bell team members a new return-to-work program with a special focus on how mental health issues impact short-term disability. We are committed to monitoring the effectiveness of the program and team member satisfaction.

MANDATORY MENTAL HEALTH TRAINING FOR LEADERS

Bell has developed a customized workplace mental health training program for all managers that has been positively received. This mandatory training equips managers with essential information and resources to support their teams. More than 4,500 leaders attended the training in since 2010.

MENTAL HEALTH TRAINING FOR UNION AND HEALTH & SAFETY REPRESENTATIVES

Bell is delivering customized workplace mental health training for all Bell union representatives and Health & Safety committee members. This voluntary training is an adapted version of the training developed for team leaders, focused on improving participants' understanding of mental health issues and how to support team members experiencing mental health problems.

EMPLOYEE ASSISTANCE PROGRAM

Since launching our workplace mental health initiative, use of our Employee Assistance Program has grown from 12% of our employee base to 20% in 2012.

EDUCATION AND AWARENESS

Bell relaunched the Bell Let's Talk site on Bellnet with more resources for team members to learn, participate and stay informed. It provides access to comprehensive mental health resources, including articles, videos and training.

Since 2011, Bell has organized more than 200 mental health events for team members across Canada, including seminars, workshops, information kiosks, keynote speakers and special activities during the annual Bell Let's Talk Day campaign.

We have developed and launched a series of 4 Mental Health in the Workplace leader guides to help Bell leaders support team members through difficult situations that are potentially related to mental health. Developed in collaboration with mental health professionals, HR consultants and business leaders from across Bell, the guides offer practical resources and tools to start effective conversations with team members.

NEW NATIONAL STANDARD FOR PSYCHOLOGICAL HEALTH

Bell extended its leadership in workplace mental health by being a major corporate supporter of the new National Standard for Psychological Health and Safety in the Workplace. The first of its kind in the world, the voluntary standard offers guidance to Canadian businesses and other organizations in addressing mental health and mental illness in the workplace. Canada's standard was developed by CSA Group and the Bureau de normalisation du Québec in collaboration with the Mental Health Commission of Canada. Joining Bell in support for its development were the Government of Canada, and the Great-West Life Centre for Mental Health in the Workplace.

Employee engagement

ENGAGEMENT SURVEY

Bell monitors the engagement of its workforce through the Bell Team Survey, which measures how team members feel about their job, their department and the company as a whole. Broken down by organizational level, geography, department, and other categories, the information supports the development of action plans by Bell leadership to improve engagement.

In 2012, 77% of team members participated in the survey. It was the first Bell Team Survey to include Bell Media, Bell Technical Solutions and Expertech, and 77% of team members say they are proud to work for Bell. The overall employee engagement score was 66% in 2012, but early results from the 2013 survey show a 4-point improvement to 70%.

EMPLOYEE RECOGNITION

Bell recognizes employee achievements at the business unit and corporate level with the highest honour being the Bell Bravo award, which includes a cash prize and gala awards dinner for Bell's top achievers. In 2012, 46 individuals and 120 members on 27 different teams received Bravo awards.

We also value the dedication and loyalty of our team members through the Employee Service Award program, recognizing team members for long-term service beginning at 5 years and every 5 years after that. Rewards increase in value the longer an employee has served.

Learning and development

Bell invests heavily to ensure our employees' skills and knowledge remain up to date by providing cost-effective courses in a wide range of areas, from leadership development to professional, functional and technical training. In 2012, the company invested more than \$16 million in training in internal and external courses. Employees completed over 750,000 hours of training either online or in face-to-face sessions, an average of 15.5 hours per team member.



Bell invests heavily to ensure our employees' skills and knowledge remain up to date by providing cost-effective courses in a wide range of areas, from leadership development to professional, functional and technical training.

As well as supporting individual employee aspirations, Bell's employee development plan supports business goals and objectives by reinforcing core programs and processes that align with the Bell Leadership Success Profile.

We offer robust training curricula in many subject areas. Whether for leadership development, professional and functional training or technical training, programs are delivered in a number of ways, including instructor-led courses in classrooms – real and virtual. The online Career Zone tool has thousands of free online training courses on topics ranging from personal time management, work-life balance and communication skills to technical certification, project management and desktop applications. Additionally, Bell's learning solutions include thousands of online books on a wide variety of business topics.

Bell's Leadership Development Program supports the development of employees who will lead Bell's future success, and focuses on effective communication, people leadership and business acumen. In 2012, more than 630 leaders attended instructor-led training sessions

EXECUTIVE LEADERSHIP DEVELOPMENT

Bell's ongoing commitment to the Judy Project, Canada's leading executive forum preparing women to advance into executive leadership and CEO positions, and the International Women's Forum Fellows Program, a leading international women's executive development program, promote and support the development of women executives at Bell.

We also invest in company-driven development programs that focus on capability building and external executive education, such as the Executive MBA and other intensive development programs.

Bell takes concrete steps to encourage young people to start their careers with high-value jobs within the company. In 2012, we participated in 13 information sessions and 40 career fairs in Québec and Ontario, including events related to diversity and women. Bell also continued its association with Career Bridge and Career Edge. These not-for-profit organizations promote the integration into the workforce of new graduates (Career Edge) and new immigrants (Career Bridge). Bell is on the list of winners of the latest Career Edge Program Award for large enterprises, thanks to hosting 94 interns in the latest available full-year statistics.

**Career Edge Program Award
Large Enterprise**



NEXT-GENERATION TALENT

Bell is committed to developing future leaders within the organization. We identify high-potential leadership candidates and expose them to different developmental opportunities, including executive-led sessions, external coaching programs, mentoring, networking, Executive MBA, and other leadership development initiatives.

Executive-led sessions represent a valuable development opportunity for future leaders, focusing on topics relevant to Bell's overall strategy, deepening our next-generation leaders' knowledge and understanding of business challenges.

Other workplace initiatives

COMPENSATION AND BENEFITS

Bell's total compensation package includes a competitive base salary, strong performance incentives and a range of benefits. Incentive plans reflect both the company's success and individual achievement. To maintain market competitiveness, Bell reviews compensation levels at least annually or as required.

Bell's benefits program, Omniflex, gives team members the flexibility to choose health, life and accident insurance that best suits their evolving individual needs. We also offer a variety of plans to help employees build savings, including an Employer Registered Retirement Plan, a group RRSP, a group TFSA and a share-purchase plan. Bell provides other benefits, such as employee discounts on Bell's products and services, and further discounts at The Source.

Over the last 4 years, Bell has made voluntary contributions to the defined benefit pension plan totalling \$2.75 billion, including a \$750 million contribution in December 2012. These enhance the security of pension benefits for all members of the plan, reduce the company's future pension obligation, and generate substantial cash tax savings.

TOP CAMPUS EMPLOYER

Bell tops all other communications companies on the national ranking of Canada's Top Campus Employers for 2012. The list, issued by Brainstorm Consulting and DECODE, is compiled from a survey that asks more than 28,000 university and college students across the country which employers they would most like to work for when they graduate. Among information technology students, Bell ranks 16th, ahead of our industry peers, and is the only communications company in the top 50 for engineering students.



ENGAGING WITH UNIONS

Unions represent 44% of total Bell Canada employees and engage with management regularly in the collective bargaining process. In 2012, we signed 22 collective agreements covering 7,400 team members. As well, ongoing committees monitor progress on specific issues such as sales incentives.

EMPLOYEE PRIVACY

Bell companies have long been committed to maintaining the accuracy, confidentiality, security and privacy of the personal information of all customers and employees. This commitment is reflected in the existing privacy and confidentiality provisions in various Bell policies.

Bell provides team members with information about their privacy rights. Information is centralized on Bell's privacy website which includes the definition of privacy, the legal context, how to support employees who require access to their employment files, and more. Team members can submit questions or concerns through the privacy mailbox, which is monitored and promptly answered by the privacy coordinator.

OUR CODE OF BUSINESS CONDUCT

Ethical behaviour is one of the cornerstones of a socially responsible company. Our employees have a right to expect a safe and diverse workplace where respect and ethics are paramount. Introduced in 1995, Bell's Code of Business Conduct provides guidance on conflicts of interest, the protection of company assets and the environment, safeguarding privacy and confidentiality, and interactions with team members, clients, business partners and competitors.

All new employees must review the Code and complete the online training associated with it, and every employee must review the Code annually and refresh their training every 2 years.

SECURITY

In 2012, Bell team members participated in more than 66,000 security training sessions, totalling more than 29,000 hours, on topics such as protection of information and data, identity theft and malware, physical access to company premises, emergency management and specific training for the members of the building emergency operations team. As a result, Bell team members are better equipped to protect the corporation, its assets, its employees, its own and its customers' information, and to react in the event of an emergency.

OCCUPATIONAL HEALTH & SAFETY

Because the health and safety of its team members is a priority at Bell, the company makes every effort to ensure effective policies, practices and training are in place to protect employees, contractors, customers and the public.

In 2012, we strengthened the governance structure of the management of health and safety initiatives by integrating Health & Safety with an oversight committee composed of senior executives. This committee reviews the company's health and safety risks and evaluates the related control mechanisms, reports on significant incidents, cases of non-compliance and issues of material importance or emerging risks. The Management Resource and Compensation Committee of the BCE Board of Directors continues to oversee health and safety risks.

Our Accident Prevention program is the cornerstone of our health and safety program. We maintain more than 120 reference documents detailing workplace hazards and associated preventive measures. Topics range from rights and duties of employees to confined-space entry and working at heights. Supervisors lead reviews on a regularly scheduled basis and we provide automatic refresher sessions. Bell also conducts ongoing field observations of employees to ensure they are integrating safe work practices into their day-to-day activities. Team members access more than 40 formal health and safety courses including: first aid, defensive driving, ergonomics, managing health and safety, and accident prevention.

In 2012, we had almost 12,000 participants in these courses for a total of more than 42,000 hours of formal health and safety training.

On-duty accident and occupational disease costs (payments made by Bell to health and safety commissions in various provinces and payments made directly to employees) accounted for 0.39% of payroll,* stable since 2009. The 2013 objective will be to develop a new safety performance indicator that includes the higher-risk occupations within subsidiary companies such as BTS and Expertech.

In 2012, a Bell team member lost his life in a workplace accident. As a result, we immediately implemented a significant retraining plan for all employees and managers in similar job functions across our operations, and reinforced our processes and expectations with our external partners.

For the London 2012 Olympics, Bell Media developed a specific safety and security plan to coordinate and manage employees, guests and business operations. That included "Super Induction" web-based training to bring all staff up to speed on safety regulations in the U.K. As a result of this special project, we experienced zero lost-time injuries.

*Payroll costs include base salaries, bonuses and taxable benefits up to a maximum percentage of insurable earnings.



Economy

- A LEADING CONTRIBUTOR TO CANADA'S ECONOMY
- FINANCIAL INFORMATION
- RESEARCH AND DEVELOPMENT

\$9B

Bell spends close to \$9 billion a year to operate the business, buying goods and services from all sectors of the economy

A leading contributor to Canada's economy



In this picture, 1050 Beaver Hall Hill, former and first Head Office located in Montréal.

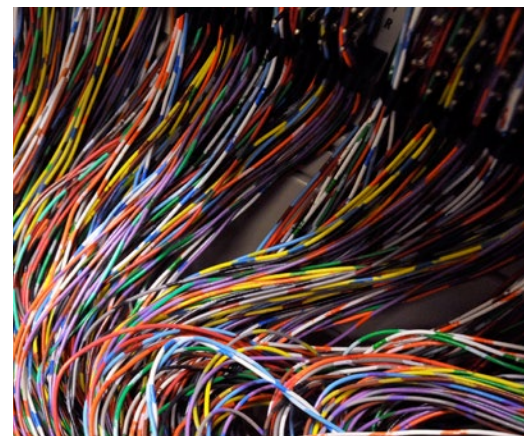
For 133 years, Bell has been integral to the development of Canada, connecting communities and supporting the economic productivity of the country. By competing successfully in the marketplace and investing in future growth, we continue to create and sustain thousands of high-value jobs. Every year we inject approximately \$2.6 billion into the economy through employee wages and benefits. We are – and are committed to remaining – one of the country's leading companies in the generation of wealth and in contributing to the strength of the economy as a whole.

In total, Bell spends close to \$9 billion a year to operate the business, buying goods and services from all sectors of the economy, about 87% of which goes to Canadian-based suppliers. In 2012, \$2.9 billion of that was capital invested by Bell to build and maintain the communications infrastructure that is crucial to the competitiveness of Canadian businesses in a global economy. That was an increase of 8.9% over the prior year. No other company spends as much.

Thanks to that infrastructure, we are Canada's leading business-to-business provider, serving the vast majority of the largest organizations in the country with the full array of communications services. Of Canada's top 100 companies, 96 leverage our networks and technologies to maximize their own competitiveness.

In addition to continually expanding broadband fibre networks, Bell operates Canada's largest 100 Gbps backbone network, which we continually upgrade and future-proof with fibre to meet fast-expanding demand as data traffic increases 40% a year due to the demands of the digital global economy. We also provide fibre to 135,000 business locations to enable them to benefit from the latest technological advances in pursuing their own objectives.

That infrastructure supports services that include videoconferencing and teleconferencing solutions that enable customer organizations to increase their productivity, reduce their costs and minimize their carbon footprint by substituting communications technologies for travel. We also operate the largest network of data centres in the country, providing Canadian businesses with productivity tools such as co-location, data management and cloud computing.



In 2012, \$2.9 billion was invested to build and maintain the communications infrastructure that is crucial to the competitiveness of Canadian businesses in a global economy.

Our infrastructure investment also includes state-of-the-art wireless networks to enable business to go forward anywhere, any time. Our wireless networks support the most powerful superphones and other mobile devices, all of which enable business people to be productive almost anywhere they travel, including more than 200 countries where we have roaming agreements. Our 4G LTE mobile network is the largest in Canada, now serving 70% of the population in more than 40 urban centres. If business or residential customers are ever outside LTE coverage, we back them up with our 4G HSPA+ network which covers more than 97% of the population and our enhanced high-speed 4G HSPA+ DC (Dual Cell) network to which 83% of Canadians have access.

Financial information

Bell Canada Financial information (\$ millions)

	2012	2011
Revenue	17,642	17,133
Operating expenses	11,051	10,821
Capital expenditures	2,923	2,683

Research and development

In 2012, Bell ranked third among Canada's Top 100 corporate spenders on research and development. This list is based on the R&D spending by all companies in 2011, a year during which we spent \$569 million on R&D. Bell ensures that we deliver world-class networks and communications services to Canadians while fueling a positive cycle of innovation and growth for our partners and suppliers and high-value career opportunities for Canadians. For more information, please visit www.researchinfosource.com.



TRADE-MARKS

Trade-marks: The following is a list of all our trade-marks referred to and used as such in this report. Aliant is a trade-mark of Bell Aliant Regional Communications, Limited Partnership; BCE is a trade-mark of BCE Inc.; Bell, Bell Centre, Bell Mobility, Bell Media, Fibe and Let's Talk are trademarks of Bell Canada; CTV is a trade-mark of Bell Media Inc.; Expertech is a trade-mark of Expertech Network Installation Inc.; Nordia is a trade-mark of Nordia Inc.; NorthwesTel is a trade-mark of NorthwesTel Inc.; The Source is a trade-mark of The Source (Bell) Electronics Inc.; Virgin Mobile is a trade-mark of Virgin Enterprises Limited.

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Please email us at responsibility@bell.ca and tell us what you think of this report and sustainability at Bell.

If you'd like more details about our corporate responsibility and environment activities, please visit our website at BCE.ca/responsibility.

