Let’s Talk about Sustainability
Bell Canada 2010 Corporate Responsibility Report

Clara Hughes,
6 Time Olympic Medallist:
Cycling and Speed Skating
Who we are

Bell is Canada’s largest communications company, providing consumers and businesses with solutions to all their communications needs: Bell Mobility wireless, high-speed Bell Internet, Bell Satellite TV and Bell Fibe TV, Bell Home Phone local and long distance, and Bell Business Markets Internet Protocol (IP) broadband and information and communications technology (ICT) 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.

Bell’s goal: To be recognized by customers as Canada’s leading communications company.

The 5 Strategic Imperatives we are executing to achieve this goal:
1. Improve customer service
2. Accelerate wireless
3. Leverage wireline momentum
4. Invest in broadband networks and services
5. Achieve a competitive cost structure
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This report contains forward-looking statements. For a description of the related risk factors and assumptions, please see the section entitled “Caution regarding forward-looking statements” in the Report profile.

The report is formatted so that it can be interpreted by most screen readers used by the visually impaired.
Message from our CEO

Let’s talk about corporate responsibility

Bell’s commitment to corporate responsibility and sustainability applies to all our interactions with customers, shareholders, suppliers and team members as well as to the broader communities in which we work and live.

Millions of Canadians rely on our adherence to responsible principles and practices, understanding that Bell’s ongoing business success will continue to be an economic, productivity and innovation engine for our country.

The Bell team works hard to meet these expectations and this report is a detailed account of how we’re doing.

You will see that we operate according to the highest ethical principles and remain committed to the highest standards of corporate responsibility, including support of the United Nations Global Compact principles.

We are reducing our carbon footprint and enabling customers to do the same, to the benefit of our environment today and into the future. And, led by the committed individuals who make up the Bell team, we are providing substantial amounts of volunteer time, expertise and financial support to strengthen communities across Canada.

Bell’s community investment program is focused on the new Bell Let’s Talk mental health initiative, an unprecedented $50-million, five-year commitment to address Canada’s most pervasive health care challenge.

This initiative has already captured the imagination of Canadians with the success of the Bell Let’s Talk Day anti-stigma program and the significant support for leading programs in care and access, research and workplace initiatives.

Bell is working to ensure that we remain at the forefront of corporate responsibility in Canada, and we’re proud to have again moved forward on all fronts in 2010. We look forward to sustaining that momentum in 2011 and into the future.

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

Sustainability vision
To contribute to the well-being of society by enabling responsible economic growth, connecting communities and safeguarding the natural environment.

Key responsibility issues
We monitor corporate responsibility (CR) issues through a variety of formal and informal means including trend analysis, benchmark studies, monitoring of CR performance and stakeholder feedback.

A survey of 1,000 customers conducted in 2010 identified the following as the issues of greatest importance:
- Customer satisfaction
- Privacy and data security
- Responsible marketing practices
- Protection of minors in cyberspace
- Accessibility of products and services
- Environmental and human impact of telecom networks
- Product take-back
- Energy consumption and emission of greenhouse gases
- Responsible suppliers

These are all addressed within this report.

Principles
Bell supports the United Nations Global Compact, a set of universal principles addressing human rights, labour, the environment and anti-corruption issues.

Approach and management
Our sustainability vision relies on sound corporate responsibility principles and policies plus effective management systems.

We reinforce individual accountability through a clear management structure to ensure we identify and properly address responsibility issues and initiatives throughout the corporation.

Values
In our daily activities, we have a fundamental responsibility to address a broad spectrum of issues. These include preventing conflicts of interest; protecting company assets; safeguarding privacy and confidentiality; treating clients, business partners, team members and competitors with respect and honesty; fostering a diverse and safe workplace; and protecting the environment.

Acting responsibly is central to achieving sustainable business success and essential to the pursuit of our corporate goal: To be recognized by customers as Canada’s leading communications company.

Read more
### Key objectives and results

Our key performance indicators encompass all sectors of sustainability. Here is a summary:

<table>
<thead>
<tr>
<th>KEY CR ISSUE</th>
<th>2010 RESULTS</th>
<th>Met 2010 objective</th>
<th>2011 OBJECTIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GOVERNANCE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate governance and business ethics</td>
<td>🔷 10/10 score from GovernanceMetrics International, the eighth year in a row we have achieved a perfect rating</td>
<td>✓</td>
<td>Remain a leader in corporate governance and ethical business conduct by maintaining best practices, transparency and accountability to our stakeholders</td>
</tr>
<tr>
<td>Management systems</td>
<td>🔷 Maintained ISO 14001 certification (obtained in April 2009) for our environmental management system</td>
<td>✓</td>
<td>Maintain ISO 14001 certification</td>
</tr>
<tr>
<td><strong>COMMUNITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community investment</td>
<td>■ Bell contributed $15.8 million in community investment in mental health, including workplace mental health programs, and in other initiatives</td>
<td>✓</td>
<td>Make a meaningful contribution to improving mental health issues in Canadian communities through four key action pillars: anti-stigma, care and access, research, and workplace health</td>
</tr>
<tr>
<td><strong>ENVIRONMENT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Climate change</td>
<td>■ Greenhouse gas (GHG) emissions in 2010 were 239 kilotonnes of CO₂ equivalent, a reduction of 5% from 2009 and 22% from 2003</td>
<td>Tracking to 2020 target</td>
<td>Reduce GHG emissions by 152 kilotonnes (to 50% of 2003 GHG emissions) by the end of 2020</td>
</tr>
<tr>
<td>E-billing</td>
<td>■ 21.4% of all bills produced by Bell were electronic, an increase of 5.2 percentage points over 2009</td>
<td>✓</td>
<td>Increase e-billing to 24% of all bills produced by Bell</td>
</tr>
<tr>
<td>Recycling</td>
<td>■ Bell collected 7,568 tonnes of material from network operations, of which we recycled or used as a fossil fuel substitute 6,799 tonnes (89.8%), a 2.8 percentage point improvement over 2009</td>
<td>✓</td>
<td>Maintain the recovery rate of Bell network residual material at more than 89%</td>
</tr>
</tbody>
</table>


■ Indicators that have been reviewed by Golder Associates. [Read the Review Statement](#).
### CUSTOMERS

<table>
<thead>
<tr>
<th>KEY CR ISSUE</th>
<th>2010 RESULTS</th>
<th>Met 2010 objective</th>
<th>2011 OBJECTIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service access</td>
<td>At the end of 2010, our 4G HSPA+ wireless network covered 96% of the Canadian population, up three percentage points over 2009</td>
<td>✔️</td>
<td>Launch LTE (Long Term Evolution), the next evolution of 4G wireless, in certain Canadian markets</td>
</tr>
<tr>
<td>Service reliability</td>
<td>IP VPN (IP core network) was available over 99.999% of the time for a fourth consecutive year</td>
<td>✔️</td>
<td>Maintain IP VPN (IP core network) service availability rate at over 99.999%</td>
</tr>
<tr>
<td>Responsible procurement</td>
<td>Bell requires that all new contracts include a standard clause indicating that the supplier shall conform to Bell’s Supplier Code of Conduct</td>
<td>✔️</td>
<td>Pursue the development of policies and internal processes that favour the selection of responsible suppliers and products</td>
</tr>
<tr>
<td>Product take-back</td>
<td>Bell recovered 127,499 mobile phones for a total of more than 879,000 recovered since 2003</td>
<td>✔️</td>
<td>Reach a cumulative total of one million mobile phones recovered by the end of 2011</td>
</tr>
</tbody>
</table>

### WORKPLACE

<table>
<thead>
<tr>
<th>KEY CR ISSUE</th>
<th>2010 RESULTS</th>
<th>Met 2010 objective</th>
<th>2011 OBJECTIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee engagement</td>
<td>Bell’s overall score for employee engagement was 66%, up four percentage points over 2009. Northwestel attained 70%, an increase of three percentage points over the prior year.</td>
<td>✔️</td>
<td>Continue to improve employee engagement</td>
</tr>
<tr>
<td>Health and safety</td>
<td>On-duty accident and occupational disease costs accounted for 0.38% of payroll – an increase of 0.01 percentage points over 2009</td>
<td>✔️</td>
<td>Maintain on-duty accident and occupational disease costs below 0.4% of payroll</td>
</tr>
</tbody>
</table>

- Indicators that have been reviewed by Golder Associates. Read the Review Statement.
Global recognition

BCE is included in several leading global sustainability indices including the FTSE4Good Global Index and the Jantzi Social Index.

Bell is the first and only telecom company in Canada to obtain ISO 14001 certification for its environmental management system.

BCE has been named in the 2010 Maclean’s/Jantzi-Sustainalytics list of the Top 50 Socially Responsible Corporations in Canada.

Bell has been named one of the most sustainable corporations in the world by Corporate Knights, the magazine for clean capitalism. Bell is one of just eight Canadian companies – and the only Canadian communications company – to be included on the Global 100 list for 2011.

BCE has been named in the 2010 Maclean’s/Jantzi-Sustainalytics list of the Top 50 Socially Responsible Corporations in Canada.

Oekom Research has rated BCE as Prime, qualifying our bonds and shares for ecologically and socially based investment.

For the eighth consecutive year, in 2010 BCE received a perfect 10/10 rating from GovernanceMetrics International in its global corporate governance study. BCE is one of only 43 companies (top 1%) to achieve this score.
COMMUNITY

> Mental health
> Investing in communities
The Bell Mental Health Initiative

With a high-profile kickoff and innovative programs, Bell is leading in the fight against one of the most pervasive health issues in the country – mental illness.

Announced with a national news conference in September, the Bell Mental Health Initiative is the company’s $50-million, five-year commitment to address Canada’s leading cause of disability in four ways:

• Attacking the stigma that still attaches to those who suffer from mental illness, and to their families, by sparking a national conversation about the issue
• Funding leading-edge research into the causes and treatments
• Supporting initiatives that provide better treatment and easier access to treatment for affected Canadians
• Modelling best practices to improve workplace mental health

Bell’s investment is the largest ever by a Canadian corporation in support of mental health.

Since one in five Canadians will experience mental illness at some point in their lives, this disease directly or indirectly touches all of us. At any given time, almost three million Canadians have serious depression. On any given day, half a million Canadians miss work because of a mental disorder. Yet because of the stigma attached to mental illness, only about a third of sufferers seek treatment.

As a result, in addition to the personal suffering, mental illness costs our national economy more than $50 billion a year. Despite that, only 5.5% of our health care dollars are dedicated to its treatment.

Bell’s national news conference to launch the initiative featured four prominent Canadians who set the emotional tone for the anti-stigma campaign. BCE and Bell CEO George Cope, former finance minister and ambassador Michael Wilson, Olympic medallist Clara Hughes and long-time activist Mary Deacon all opened up about how mental illnesses had affected either themselves or members of their families. Ms. Hughes, in fact, revealed for the first time in public that after her first Olympics she could not compete for two years because she was suffering from depression.
The costs of mental illness in Canada are enormous, both in human and economic terms.

In fact, mental illness is the leading cause of disability, accounting for $7 of every $10 spent on disability claims. Yet only 5.5% of our health care dollars are dedicated to its treatment.

On launch day for the initiative, Bell also announced its first program, a $1 million gift to the Royal Ottawa Mental Health Centre to improve access to specialized care in remote communities, expand telemedicine services and introduce a telepsychiatry program. Together, these programs will enable the hospital to provide care for 200% more patients.

Since then, in addition to developing innovative awareness programs (see Bell Let’s Talk Day), Bell has continued to announce funding support for imaginative initiatives, including:

• $1.16 million for the Centre for Addiction and Mental Health (CAMH) raised through the highly successful Bell Celebrity Gala

• $1 million for the Louis-H. Lafontaine Hospital, a leading Montréal mental health care institution. The donation will support biometric and social research plus 24/7 video access to a crisis centre.

• The $1-million Bell Mental Health Community Fund that will distribute grants of up to $50,000 to organizations, hospitals and agencies focused on improving access to mental health care at the community level in towns from coast to coast

• A $10 million donation to the Centre for Addiction and Mental Health (see CAMH Foundation – page 9).

As well, in line with its goal to be a model for mental health in the workplace, Bell has regularly brought in leading mental health care practitioners to conduct information sessions and workshops for employees. The company is also developing advanced return-to-work programs and has set up a Let’s Talk intranet site with, among other things, frequent updates from experts, online tutorials on mental illness and addictions, opportunities to share experiences and quick links to a customized assistance program.
Bell Let’s Talk Day

Led by the million-watt smile of Clara Hughes, Bell kicked off a national conversation about mental health in a signature event to break down the stigma that still surrounds common disorders such as depression and anxiety.

Bell pledged to contribute five cents per text message and long distance call on February 9, 2011 to raise money for Canadian mental health programs.

On that date, Bell and Bell Aliant customers talked and texted more than 66 million times – exceeding the volumes we experienced when Sidney Crosby scored the gold medal-winning goal at the Vancouver 2010 Winter Games. As a result, we raised $3.3 million, over and above the $50 million Bell has already committed for the five-year Bell Mental Health Initiative.

In addition, on Bell Let’s Talk Day, team members in several of our major locations took part in conversations with mental health experts about lifting the stigma associated with mental illness and talking openly about mental health issues in the workplace. Topics included work-life balance, recognizing signs of depression and working with professional mental health facilities and communities.

To learn more, please visit bell.ca/letstalk.

CAMH Foundation

On May 11, 2011, Bell announced a $10-million donation to the CAMH Foundation. Bell’s gift – the largest corporate donation ever made to support mental health in Canada – has put CAMH’s Transforming Lives fundraising campaign over the top, bringing the total raised to $108 million since 2005.

Bell’s landmark donation will support two key priorities for CAMH:

- The new Bell Gateway Building will serve as a central hub for CAMH’s Queen Street campus in Toronto and will bring together a variety of treatment programs including key central clinical services, a state-of-the-art gymnasium, a spiritual care centre, a new physiotherapy clinic and CAMH’s client-run Out of this World Café.

- Enhancing access to care, knowledge and tools for primary care providers and other health professionals through the development of Canada’s pre-eminent knowledge portal for mental health as well as a system of targeted frontline support, sustained patient follow-up and knowledge transfer, all of which are needed to deliver better care to more people.
Bell contributed $15.8 million in community investment in 2010 in mental health, including workplace mental health programs, and in other initiatives.

Bell employees and pensioners also donated over $1.2 million in charitable gifts and logged over 256,000 hours of volunteer time.

Bell makes a significant investment in the communities where our team members work and live.

Supporting northern communities

In 2010, Northwestel contributed more than $600,000 in cash and in-kind donations to many northern community groups. These include sports organizations, community festivals and artistic performances.

Throughout its history, Northwestel has played a key role in the economic, social and cultural development of the North. Northwestel is recognized as a key contributor to the well-being of northern communities through its community investment program and the volunteer contributions of its employees.

In 2002, Northwestel established the directory recycling program in the Yukon, Northwest Territories and northern B.C. Since then, Northwestel has collected and recycled 108,000 directories, including more than 15,000 in 2010 alone. As a result of the program, Northwestel has contributed more than $163,000 to schools in these regions to date.

Read more

Japan earthquake and tsunami

To support emergency relief efforts in Japan in early 2011, Bell donated $100,000 to the Canadian Red Cross and created an online donation page for Bell team members. Bell is also working with the Mobile Giving Foundation to get donations to aid agencies as quickly as possible. Bell team members were urged to donate directly to the Canadian Red Cross Society, The Salvation Army in Canada or World Vision Canada.

Walk for Kids Help Phone raises $2.5 million

Approximately 15,000 people, including 2,000 Bell team members, took part in the Walk for Kids Help Phone in May 2010 in communities across Canada. The walk raised $2.5 million for Kids Help Phone, with more than $800,000 in pledges collected by the Bell team and our friends and families.
ENVIRONMENT

> Reducing our carbon footprint
> Reuse and recycling
> Telecom networks and buildings

Photograph courtesy of Gilbert de Tilly, winner of the Bell team's 2011 Earth Day Photo Contest.
Reducing our carbon footprint

Knowing that communities need a clean and healthy environment, Bell has played a leadership role in the telecom industry by taking environmental protection into account in all aspects of its operations, including the deployment and maintenance of its networks and the efficient use of energy and resources. Using energy efficiently not only helps the environment – it also saves money and supports our strategic imperative of achieving a competitive cost structure.

Bell also develops and offers services that help society address global challenges such as climate change. For instance, telecommunications services such as conferencing solutions and e-commerce are effective substitutes for travel and can reduce the use of materials such as paper. They also reduce energy use in a variety of ways, including efficient data management, remote monitoring, smart metering and telematics.

In 2010, Bell’s greenhouse gas (GHG) emissions totalled 239 kilotonnes of CO$_2$ equivalent. This is a reduction of 5% from 2009 and 22% from 2003.

<table>
<thead>
<tr>
<th>GHG emissions</th>
<th>GHG intensity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kilotonnes of CO$_2$ equivalent</td>
<td>Tonnes of CO$_2$ equivalent/ $ millions of revenue</td>
</tr>
</tbody>
</table>

Scope 1: Direct emissions from fleet, generators, cooling systems, and fuel oil and natural gas for buildings

Scope 2: Indirect emissions from electricity used for buildings and network equipment

Scope 3: Indirect emissions from employee travel

Scopes 1, 2 and 3 are the three main categories describing direct and indirect emissions of greenhouse gases, as defined in The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition), produced by the World Resource Institute and the World Business Council for Sustainable Development.

More data is provided in our detailed 2010 GHG Emissions Report.
Even with the expansion of our network and increased demand for our services, we were able to reduce our overall emissions through a variety of energy reduction initiatives in 2010, including the use of telecommunications solutions. Specifically, these involved:

**Vehicle fleet**
- Reduced total distance travelled by 14.1 million kilometres from 2009
- Continued deployment of telematics in Bell Technical Services and Expertech vehicles
- Promoted eco-driving in Field Services and reduced idling through the Eco-Team challenge

More than 6,000 vehicles equipped with telematics
- Reduced consumption by 2.8 million litres of fuel in 2010 from 2009
- Reduced GHG by 7,777 tonnes, comparable to what would be eliminated by taking 1,900 mid-sized cars off the road for a year

**Buildings, data centres and telecom networks**
- Installed energy-efficient lighting and optimized lighting levels in 85 of our buildings
- Installed 245 programmable thermostats and optimized heating and cooling systems in 135 of our buildings
- Replaced 685 rectifiers in telecom central offices with highly efficient models
- Removed or depowered more than 540 pieces of legacy telecom equipment in central offices
- Worked with landlords to implement 20 energy-saving measures, such as optimized lighting and improved efficiency of cooling systems

Through virtualization, decommissioned 603 servers and converted 130 servers from physical to virtual
- Reduced capital requirements and saved 920,000 kWh – enough energy to heat 92 households for a year
- Reduced GHG by 156 tonnes
**Teleconferencing**

- Reduced travel costs by 16% from 2009, mainly due to less air travel (2,251 fewer trips) partly offset by an increase in airfares
- Substituted telecom services for travel: VideoZone usage increased by 70% to 67,000 video calls compared to 39,200 calls in 2009
- Employees conducted more than 264,000 teleconferences in 2010
- Reduced GHG by 2,322 tonnes

**Other initiatives**

The use of our technology continues to contribute to further reductions in carbon emissions.

- **Electronic billing** – We issued 21.4% of bills electronically in 2010, saving approximately 33,000 trees and avoiding about 4,000 tonnes of GHG emissions. The balance of our bills were printed on paper that has a certification from the Forest Stewardship Council (FSC).

**Teleworking** – Bell employees save about 110 million kilometres every year in commuting, eliminating up to 20,000 tonnes of GHG emissions

**ENERGY STAR® participant** – Bell already uses many ENERGY STAR qualified products including laptop computers, LCD screens, multifunction printers and refrigerators. Bell also encourages all employees to purchase ENERGY STAR qualified products whenever possible. In 2010, Bell became the first telecommunications company in Canada to be registered as an ENERGY STAR participant.
**Reuse and recycling**

### Telecom network residual materials

<table>
<thead>
<tr>
<th>(tonnes)</th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recovered*</td>
<td>6,799</td>
<td>5,301</td>
<td>5,071</td>
</tr>
<tr>
<td>Waste to landfill</td>
<td>769</td>
<td>790</td>
<td>817</td>
</tr>
<tr>
<td><strong>Total collected</strong></td>
<td>7,568</td>
<td>6,091</td>
<td>5,888</td>
</tr>
<tr>
<td>Recovery rate* (%)</td>
<td>89.8%</td>
<td>87.0%</td>
<td>86.1%</td>
</tr>
</tbody>
</table>

* Includes materials that are either recycled or used as a fossil fuel substitute (cables, terminals and equipment, poles, batteries and other hazardous residual materials)

### Network operations

Every year, we strive to keep valuable materials out of landfill.

In 2010, Bell collected 7,568 tonnes of materials from network operations, of which we recycled or used as a fossil fuel substitute 6,799 tonnes (89.8%), a 2.8 percentage point improvement over 2009.

The increase in our recovery rate in 2009 and 2010 is mainly attributable to an increase in the recycling of cables and telecom equipment, and the increased diversion of telephone pole pieces from landfill.

### Administrative operations

Bell’s reuse and recycling programs also address residual materials from our administrative activities, such as paper, cardboard, glass, steel and aluminum.

In 2010, we reused and recycled 2,262 tonnes of materials including 133 tonnes of computers and peripherals and 30 tonnes of toner cartridges. We estimate we sent approximately 3,405 tonnes of waste to landfill. Consequently, our recovery rate for administrative operations was approximately 40%. These are estimates only because a large number of leased and multi-tenant sites are not equipped to weigh the waste.

Recent initiatives include the collection of organic materials for composting and a ban on polystyrene cups at our main campus in Montréal.

### Computers for Schools

Bell supports programs to give used computers to elementary and secondary schools and to various non-profit organizations.

In 2010, we donated 5,765 used computers, for a total donation of 48,900 computers, more than 13,200 monitors and more than 3,850 printers since our involvement in these programs began.

Bell also received recognition from Ordinateurs pour les écoles du Québec and the Québec Ministry of Sustainable Development for our contribution to the Computers for Schools program.
For more than 30 years, we have implemented and maintained numerous programs to reduce the environmental impact related to our operations. Our current programs are successfully managed through our ISO 14001 certified management system. Here are some examples:

**Air**
- We upgrade and monitor our refrigeration and fire suppression systems to reduce the possibility of a release of ozone-depleting substances. In 2010, we completed the phase-out of all fire suppression systems that contained Halon 1301.
- We also reduce our GHG emissions through various energy-reduction initiatives.

**Soil, water and biodiversity**
- We stopped using pesticides for aesthetic purposes on our properties in 2002, ahead of legislation.
- We conduct environmental assessments of network projects to minimize any potential impact on wildlife habitats and flora, and to obtain required regulatory approvals. These include projects in environmentally sensitive areas such as wetlands, waterways, provincial and national parks and First Nations reserves. We take special care when these activities involve sensitive natural areas, avoiding the use of treated wood poles in these areas. We further conduct environmental reviews on a sample of network projects to evaluate compliance with Bell’s environmental principles and procedures.
- We use non-metallic ladders and cable supports in manholes to prevent or reduce the release of metals into the water.
- We developed rigorous plans for managing and monitoring our petroleum storage tanks and equipment in order to maintain their integrity and prevent accidental spills.
- We implemented and maintain several programs to reduce waste produced from our operations.
- We recognize the importance of responsible water usage, and have started to implement water-saving initiatives at our new campuses. We aim to put in place mechanisms that will allow us to quantify our consumption and further develop reduction strategies. Water is only used by employees for drinking and sanitary purposes and, at some locations, to wash company vehicles and cool the air in our buildings.

**Visual appearance and noise**
- We work with utility companies to share infrastructure and minimize visual obstructions.
- We seek out ways to reduce noise levels on existing equipment and include noise limit criteria in our specifications when buying and installing new equipment.
The green roof at our Montréal campus

Environmental incidents

Our 24/7 process provides support for the control, remediation and reporting of all environmental incidents, including third-party concerns and governmental inquiries. We take great care in managing incidents. We believe that acting on small events and implementing preventative measures will help reduce the likelihood of events of greater impact. To that effect, we require our employees to report any incidents regardless of the quantities of substances involved, whether they occur on or outside our own premises or the level of impact. In 2010, we had eight notices of environmental infraction, all administrative in nature; 351* spills and releases (79% were related to leaks of ozone-depleting substances from refrigeration equipment); and eight concerns reported by a third party. There was no material environmental incident or prosecution.

New campuses

Bell’s Montréal campus has been officially LEED-certified by the Canada Green Building Council. Our campus in Mississauga received a Silver LEED certification in 2009 and won a Platinum Waste Minimization Award from the Recycling Council of Ontario in 2010.

Some of the features that earned LEED certification for these campuses include:

- Abundant natural light
- Energy recovery from cooling systems to provide hot water
- Water-saving faucets and toilets
- Motion sensors to turn lights on and off
- Exterior lighting systems that limit light pollution
- Landscaping that does not require irrigation
- Green roofs and heat-reflecting roofing materials
- 50% of land covered by vegetation
- Carpets made of recycled fibres

* Includes 215 spills and releases that were below governmental reporting thresholds
Delivering quality services
Providing access
Ensuring service
Protecting customers
Responsible marketing
Offering responsible products and services
Taking back used products
Caring for your health
Delivering quality services

Improving customer service at every level is our #1 strategic imperative.

Residential help desk agents
Customer satisfaction with Bell’s residential help desk agents improved to 83% in 2010 from 82% in 2009. Residential call centre volumes dropped another 8% in 2010 even as we experienced strong product growth.

Repair service
Bell’s field technicians maintained a success rate of more than 90% for our Same Day Next Day service for Bell Home Phone, Bell TV and Bell Internet.

New residential installations
We delivered within 48 hours more than 95% of the time. Most notably, we maintained this service level in the most demanding periods of the year – the July household move surge in Québec and the influx of students to colleges and universities in the fall.

Billing
Multiproduct customers are now served through a unified Household Billing Centre, enabling a one-stop solution for all billing enquiries.

Business services
We consolidated service delivery teams for large and small businesses to accelerate installation times. In 2010, we delivered 97% of business orders on time and recorded strong customer satisfaction improvements for both order placements and maintenance and repair support.

Bell’s field technicians maintained a success rate of more than 90% for our Same Day Next Day service.
Providing access

At the end of 2010, our 4G HSPA+ network covered 96% of the Canadian population, a three percentage point increase over 2009.

As the country’s largest communications company, Bell has a responsibility to make its services accessible to all members of society. We provide numerous ways for customers with disabilities, or living in remote areas, to benefit from communications technology. Through our strategic imperative to invest in broadband networks and services, Bell is the builder of Canada’s communications infrastructure, growing broadband connectivity faster and farther than any other company. The swift expansion of our all-new broadband networks for consumers and business underlines our commitment to ensure strong and ongoing growth for Bell, and a foundation for increased innovation and productivity for Canada.

Service coverage

• Bell’s 4G High-Speed Packet Access (HSPA+) network, the fastest and largest in Canada, covers not just urban centres but also rural and remote locations across Canada. The network covers more than one million square kilometres from coast to coast.

• We expanded our wireline broadband capabilities through our fibre-to-the-node (FTTN) rollout to residential neighbourhoods and to MDUs throughout the Québec-Windsor corridor, including the substantial completion of FTTN coverage of the Greater Toronto and Montréal areas. We enhanced our existing FTTN network to begin providing homes in Toronto and Montréal with the capability to receive Bell Fibe TV.

• We began the deployment of fibre-to-the-home (FTTH) in Québec City that will offer consumers and business customers download speeds of up to 100 Mbps and upload speeds of up to 20 Mbps. We also began the deployment of FTTH to all new urban and suburban housing developments in Ontario and Québec. This is in addition to our deployment of fibre-to-the-building (FTTB) to MDUs already underway.
Customers with disabilities

Alexander Graham Bell was driven by the conviction that he could help deaf people hear and communicate better.

That same spirit – of innovation, of altruism, of service – has preoccupied the people of Bell throughout the more than 130 years of the company’s existence.

We began with the simple telephone but we have evolved our commitment to include numerous improvements in accessible communication for people who have a disability, as well as better network accessibility in remote areas, enabling e-learning, telemedicine, help lines and now telepsychiatry services.

Some recent initiatives to improve the accessibility of our services include:

• We redesigned the bell.ca website using global accessibility standards and principles. bell.ca/accessibility now makes finding the right solution easier by grouping our products and services by personal needs – i.e., hearing, vision, speech, physical (mobility and dexterity) or cognitive issues.

• Bell’s Accessibility Services Centre has a dedicated team of agents with expertise in the entire line of Bell products and services. This team has gone through extensive training to be familiar with the barriers faced by persons with disabilities, as well as some of the accommodations that are used to overcome those barriers.

• Bell introduced Voice Dialing, which enables Bell Home Phone subscribers to call their contacts without having to dial their phone numbers. Subscribers simply say the name of the person they want to call.

• Bell launched the new IP Relay service. This service enables people who are deaf, hard of hearing or unable to speak to connect with specially trained operators through chat sessions via the Bell IP Relay portal. The operators place phone calls on their behalf and facilitate conversations.

all from anywhere with IP Relay.
Ensuring service

Each year since 2006, Bell has enlisted Cisco’s Professional Services group to conduct a comprehensive Operational Risk Management Analysis of Bell’s networks supporting IP VPN service.

The evaluation covers five key functional areas:
1. Service support
2. Managing change
3. Service performance
4. Service resiliency
5. Staffing and expertise

The ongoing assessment has enabled us to realize substantial gains in our network best practices to make Bell a best-in-class service provider.

Bell’s core network

Our customers can rely on IP VPN (Bell’s IP core network) to transmit data and voice between main communication points across the country.

For the fourth straight year, Bell maintained its IP VPN core network service availability at more than 99.999%.

In 2010, we continued to refine the service in numerous ways, including:

- Implementing a uniform incident management process
- Establishing a group of technicians to investigate chronic incidents

Business continuity

We recognize that our infrastructure is critical to the health, safety, security and economic well-being of our customers and Canadians in general.

Business continuity planning 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 to maintain a state of readiness that allows for proactive and efficient responses to any event that may disrupt its business. The program is aligned with industry best practices and international standards.

The goal of our business continuity program is to protect the company’s revenues and reputation. This is achieved by continuously preparing for, mitigating and recovering from emergencies or disasters caused by natural, human, technological, operational or social threats that impact our people, critical functions or systems.

Network service availability at more than 99.999%
Protecting customers

Privacy
Every year, each of our team members reviews and signs a code of business conduct that requires, among other things, the safeguarding and proper use of customer information.

Our representatives undergo privacy training to better understand their obligations to protect customer information, and to ensure they are aware of and respect customer rights at all times. We also 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 simpler, easier-to-read privacy statement. Privacy policies and the answers to frequently asked questions are available on our websites:

- Privacy at Bell
- Privacy at Northwestel

Protection of minors
As a founder of the Canadian Coalition Against Internet Child Exploitation, Bell worked to develop Cleanfeed Canada. This initiative aims to reduce accidental access to child sexual abuse images as well as to discourage those trying to access or distribute child pornography.

The company is also a lead partner in Cybertip.ca, Canada’s tip line for reporting the online exploitation of children. Since Cybertip.ca was launched in 2002, 70 people have been arrested and at least 30 children have been removed from abusive environments as a result of tips provided by the public.

Bell also supports awareness and/or education for youth and parents on Internet safety. For example, Bell is:

- Founding sponsor of the Media Awareness Network’s Be Web Aware website, which promotes safe use of the Internet for children and parents
- Founding sponsor of the “Parenting the Net Generation” workshop – a free online workshop for parents on children’s Internet use
- National sponsor of the Missing and Exploited Child Conference. Offered annually by the Canadian Centre for Child Protection, this conference provides training for individuals in related fields including law enforcement, social services and counselling.

Read more
Wireless Code of Conduct

Bell supports the Wireless Code of Conduct and was pleased to have participated in its development. The code ensures customers have the information they need to make informed purchasing decisions, and also safeguards their rights as customers and assures that their concerns are addressed. The company’s wireless business practices are in compliance with the code.

Read the full Wireless Code of Conduct.

Electromagnetic fields

The safety and security of everyone is a top priority. Mobile phone manufacturers test their products to ensure they meet Health Canada’s Safety Code 6 radio frequency emission requirements for handsets. Bell also calculates exposure limits for every antenna or base-station installation (i.e., tower, rooftop and in-building installations), ensuring that they meet or exceed Safety Code 6 requirements. Bell funds research on electromagnetic fields (EMF) through industry associations such as the Cellular Telecommunications Industry Association and the Canadian Wireless Telecommunications Association, as well as through independent third-party agencies.

The Bell Canada Wireless Technology team monitors worldwide scientific research related to potential mobile phone health concerns while following the guidance on EMF from the World Health Organization and other credible, scientific and peer-reviewed international health organizations.

Bell is committed to establishing and fostering strong, respectful community relationships while providing Canadians with leading-edge communications services on Canada’s best wireless network. As a part of its wireless network coverage and capacity expansion, Bell undertakes a thorough public and municipal consultation process for all of its newly proposed wireless antenna infrastructure sites.

Bell believes in meaningful dialogue with residents, municipal staff and elected officials in response to its network engineering expansion site applications before moving forward with construction. 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. When a municipality has drafted and ratified its own antenna siting protocol, Bell adheres to the municipality’s process for public consultation.
Responsible marketing

National Do Not Call List

In December 2010, Bell announced that it had reached a settlement with the Canadian Radio-television and Telecommunications Commission (CRTC) acknowledging that third-party telemarketers, acting on behalf of Bell, placed calls to numbers registered on the National Do Not Call List and Bell’s internal Do Not Call List. Under the terms of the settlement, Bell agreed to pay a penalty of $1.3 million and enhance its management of authorized independent telemarketers.

Bell takes its obligations under the Unsolicited Telecommunications Rules and the National Do Not Call List seriously. The company worked closely with the CRTC to investigate complaints, determining that some independent telemarketers acting on behalf of Bell were found to have violated both the CRTC’s and Bell’s own calling rules. No violations were committed by any Bell-operated call centres.

Bell has implemented a series of remedial measures to ensure strict compliance with all relevant regulations by authorized independent telemarketers. Telemarketers are expressly prohibited from calling numbers on the National Do Not Call List and Bell’s internal Do Not Call List.

Read more

Clarity of pricing

Bell has put in place several measures to communicate pricing, product and service information clearly. Specifically, the company strives to provide clients with:

- A clear description of rates, charges and key terms and conditions for Bell services
- Information about available service plans, the length of contract terms and key restrictions and conditions that may apply, including the fees that can increase during a contract term
- Notice of important changes to rates, charges and key terms and conditions for those services to which the customer subscribes

Read more

In June 2011, Bell announced that it had entered into a consent agreement with the Competition Bureau to address the Bureau’s concerns regarding the use of disclaimers around certain fees in some past advertising by Bell. Although Bell completely disagrees with the Bureau’s position, the company decided to immediately resolve the issue and move forward by paying an administrative amount of $10 million. Bell’s advertising has always complied with applicable laws, and the use of disclaimers to explain certain charges continues to be common practice in the communications marketplace and many other industries in Canada. Bell will continue to comply with all applicable laws and regulations, including the Bureau’s new position on advertising going forward.

Marketing innovation award

The Broadband Multimedia Marketing Association presented Bell with a 2010 Best in Class Award for Marketing Innovation, which is presented to companies that have demonstrated excellence and innovation in marketing broadband services.

The Bell Internet Base Marketing team was recognized for its innovative and highly successful customer awareness campaign related to usage-based billing. The microsite, called My Internet Usage, is a dynamic and easy-to-use site that helps customers better understand their Internet usage. The site has proved to be so successful, it has become one of the most visited areas of bell.ca.

In addition to providing customers with tools to manage their usage, the team proactively contacts those who are likely to be impacted by usage-based billing. This communication provides each customer with clear information about their usage history and trends.
Offering responsible products and services

Choosing responsible suppliers

In accordance with our procurement policy, 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.

We also require that all new contracts include a standard clause indicating that the supplier shall conform to Bell’s Supplier Code of Conduct. Bell also makes it clear that its suppliers must take all reasonable measures to respect the Supplier Code of Conduct, not only in their own business operations but also along their supply chains.

In keeping with the code, Bell uses a questionnaire to assess suppliers deemed to be more at risk of contravening the code. We use the questionnaire during the supplier selection process and to support the work we do in partnership with our suppliers to improve their policies and programs. Each year Bell performs audits within its supplier base to validate responses to the questionnaire.

Conflict minerals

Many electronic devices contain small amounts of metals such as tantalum, tin, tungsten and gold. When these minerals are mined in conditions of armed conflict and human rights abuses, most notably in the Democratic Republic of Congo, they are known as conflict minerals.

Although Bell is not directly involved in the manufacture of products, we are concerned about the social and environmental impact of conflict minerals. Since this is an industry-wide issue, we believe it should be addressed through an industry-wide approach. This is why we have asked our major suppliers of electronic equipment to take an active role in the resolution of this unacceptable practice by developing and implementing processes and control mechanisms to avoid conflict minerals in the manufacture of the products they supply to Bell. We will continue to monitor this issue in 2011.

Choosing the right products and using minimum materials

When making choices about which products or services to buy, we consider ecological criteria ranging from energy consumption and recyclability to durability and the presence of hazardous or recycled materials.

For example we

- introduced new Bell TV receivers that are ENERGY STAR qualified
- introduced new packaging for retail products made of recycled polyethylene terephthalate, replacing PVC (polyvinyl chloride). The new packaging contains half the volume of material, resulting in a savings of 22 tonnes of plastics every year.
Taking back used products

During the past four years, Bell has donated all proceeds from the collection of used phones from customers, more than $200,000, to WWF-Canada to support that organization’s ongoing climate change and conservation work.

Bell was the first company to establish a pan-Canadian collection program for reusing and recycling mobile phones. Customers can simply bring their old mobile devices, batteries and accessories to any of our authorized retailers or participating Caisse Desjardins, or ship them to us via Canada Post free of charge.

Bell recovered 127,500 mobile phones* in 2010, for a total of more than 879,000 phones recovered since 2003.

In 2010, we also collected the following for either reuse or recycling:

- 4.7 tonnes of batteries and accessories
- 511,000 modems (285 tonnes)
- 366,750 Bell TV receivers (1,346 tonnes)

Read more

* Includes used mobile phones collected from customers and from our surplus inventory.
Caring for your health

**E-health**

As governments and health care providers struggle to meet the needs of an aging population in more cost-effective ways, Bell offers customizable solutions that improve access to critical information and support better communications between medical staff and patients. These include an electronic medical records solution, a chronic disease management solution for complex cases, telehealth solutions and an interactive patient portal that provides patients with anytime access to useful information on their medical condition, test results and historical data.

Some of our groundbreaking initiatives in 2010 included:

- A remote wound care management solution, developed with the University of Sherbrooke Health Centre, which uses a mobile tele-assistance system to enable rural health care workers to get real-time, remote assistance from specialists
- Centre hospitalier universitaire de Québec and Bell are collaborating on a medical records tool that integrates all patient information – from the hospital’s labs and pharmacy to medical imaging – and makes it available to caregivers, while ensuring security and privacy for patients
- At Montréal’s Jewish General Hospital, Bell implemented a system to connect patients’ traditional bedside call buttons with wireless phones carried by nurses

**9-1-1 service**

The growth in the number of wireless users is causing a surge in emergency calls to 9-1-1, including many placed in error. Many times, if a call placed to 9-1-1 is cut short for any reason, the 9-1-1 agency will request a trace on the call from Bell to determine where the call originated and to ensure the proper assistance is dispatched. Since February 2010, 9-1-1 agencies have been making more trace requests because carriers like Bell can accurately determine the call’s point of origin. In 2010, Bell acted on more than 140,000 of these trace requests, twice as many as in 2009. In 2011, Bell expects to handle in excess of 180,000 trace call requests. Our 9-1-1 operations team is ISO 9001-2008 certified and provides support for all 9-1-1 calls from all telecom providers for wireline and wireless markets in Ontario and Québec.

In addition, Bell is working with the CRTC Emergency Services Working Group to trial an SMS Text to 9-1-1 service. This trial is scheduled to begin in Q4 2011 in Peel Region near Mississauga, Toronto and Montréal. This will enable Canadians with disabilities to engage in an SMS text conversation in English or French with the 9-1-1 agency.
WORKPLACE

> Our workforce
> Sharing values
Our workforce

### Workforce

<table>
<thead>
<tr>
<th>Workforce</th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees at December 31 (in thousands)</td>
<td>42.9</td>
<td>42.8</td>
<td>40.8</td>
</tr>
<tr>
<td>Unionized employees (%)</td>
<td>42</td>
<td>42</td>
<td>46</td>
</tr>
<tr>
<td>Turnover rate (%)</td>
<td>10</td>
<td>10</td>
<td>N/A</td>
</tr>
</tbody>
</table>

### Geographic breakdown 2010

- Western provinces and territories: 8.7%
- Maritimes: 2.2%
- Québec: 35.1%
- Ontario: 53.5%
- Outside Canada: 0.5%

---

### Building a competitive, customer-focused structure

Bell had 42,900 employees at the end of 2010.

We signed collective agreements covering 330 clerical and craft employees at Northwestel and approximately 115 craft employees at Bell in Western Canada.

See the BCE 2010 Annual Information Form for details of the agreement and more information on our employees.

### Engaging with employees

In 2010, we surveyed Bell team members to get their feedback in order to make Bell the best workplace it can be. Results showed that team members understand the company strategy and have increasing confidence in Bell and its leadership. However, the survey also made clear that the company has work to do toward its goal to be considered an employer of choice.

Employee engagement was determined by combining the answers to five survey questions related to overall employee satisfaction. The same questions were used in previous employee surveys.

In 2010, the overall score for employee engagement was 66% at Bell* (up four percentage points from 2009) and 70% at Northwestel, an increase of three percentage points over the prior year.

* Excludes 11,000 employees from The Source, Nordia, Expertech and Bell Technical Solutions
Sharing values

**Ethics**

We expect every employee to act ethically and respect diversity in every interaction with colleagues, clients, business partners and shareholders.

The Bell Code of Business Conduct sets out principles, rules and guidelines covering a wide range of issues: conflict of interest, the use and protection of company assets, confidentiality, dealing with colleagues, business partners and competitors, diversity in the workplace, protecting the environment and more. All employees must review the code every year and complete an online training course every two years to ensure they understand its contents.

Employees and others can report any actual or potential misconduct via the Business Conduct Help Line on an anonymous and confidential 24/7 basis by telephone or via an online web tool. This help line is administered by an independent company.

**Health, safety and wellness**

Bell is committed to ensuring the health and safety of our team members with a progressive health and safety policy and training program. We look at all opportunities to improve our processes and practices in this respect and seek out ways and tools that will help us meet this goal.

- In 2010, Bell introduced a Violence Prevention Policy and rolled out mandatory training to ensure all team members understand their role and the processes that will help maintain a safe working environment.
- In partnership with human resources consultants Shepell-fgi, Bell offers timely, professional assistance and support to help employees and their families manage personal issues related to their work, health and family life.
- Our safety management program extends to our contractors, ensuring they adhere to all the necessary standards, procedures and training to minimize the possibility of injury when conducting work, for example in confined spaces or at heights.

**Key indicators**

(\% of payroll*)

<table>
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<tr>
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<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-duty accidents and occupational disease costs**</td>
<td>0.38</td>
<td>0.37</td>
<td>0.38</td>
</tr>
<tr>
<td>Short-term disability costs</td>
<td>2.5</td>
<td>2.4</td>
<td>2.5</td>
</tr>
<tr>
<td>Long-term disability costs</td>
<td>1.5</td>
<td>1.1</td>
<td>1.0</td>
</tr>
</tbody>
</table>

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

** Includes payments made by Bell to health and safety commissions in various provinces and payments made directly to employees
Diversity

Our team members work every day to build an open and inclusive culture, and rigorously adhere to and promote employment equity as an important aspect of our diversity strategy.

Northwestel was honoured as one of Canada’s Best Diversity Employers in early 2011, recognizing the excellence of its workplace diversity and inclusiveness programs. Northwestel strives to celebrate and encourage diversity in all of its business practices. Its goal is to make its workplace open, welcoming and comfortable for people of all genders, cultures and races.

Being a major employer in the North, Northwestel’s predominant focus with respect to diversity and employment equity is on aboriginal peoples. Some of its many programs are:

- Hiring local community service technicians in a majority of the remote communities it serves
- Operating a Inuktitut-speaking contact centre to provide services in the primary language of Nunavut to serve employees and customers
- Aboriginal relations diversity training

### Workforce composition*

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>42.4</td>
<td>44.1</td>
<td>44.9</td>
</tr>
<tr>
<td>Men</td>
<td>57.6</td>
<td>55.9</td>
<td>55.1</td>
</tr>
<tr>
<td>Aboriginal peoples</td>
<td>1.1</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Persons with disabilities</td>
<td>1.4</td>
<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
<td>Members of visible minorities</td>
<td>16.2</td>
<td>16.4</td>
<td>15.9</td>
</tr>
</tbody>
</table>

* The results are based on permanent full- and part-time employees who have completed the employment equity and diversity self-identification questionnaire

### Senior management*

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>18.2</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Men</td>
<td>81.8</td>
<td>80.0</td>
<td>80.0</td>
</tr>
<tr>
<td>Aboriginal peoples</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Persons with disabilities</td>
<td>0.8</td>
<td>0.9</td>
<td>0.8</td>
</tr>
<tr>
<td>Members of visible minorities</td>
<td>4.1</td>
<td>4.3</td>
<td>5.0</td>
</tr>
</tbody>
</table>

* Vice-Presidents and above
Training and development

Bell invests heavily in the development of its team members. This amounted to more than $14.7 million in training in 2010, including $800,000 at Northwestel.

Through Bell’s Career Development Centre, employees completed 45,600 courses either online or in face-to-face training sessions on everything from job-specific technical subjects to broader career-building skills such as leadership. This equates to more than 2.4 million hours of training, or an average of 56 hours per team member.

Environmental training

Bell’s initiatives include extensive training in responsible management of the company’s impact on the environment. More than 9,100 employees received such training in 2010, totalling more than 16,600 hours, an increase of 5% compared to 2009.

Health and safety awareness

Bell also offers an extensive number of health and safety courses, mostly online, through the Career Development Centre. These include managing health and safety; accident prevention; defensive driving; transportation regulations; risks related to alcohol, drugs and medication; and mental health at work.

Security

In 2010, Bell provided more than 18,000 hours of training on security to more than 6,000 employees. The online or in-class courses cover such issues as protection of company assets, protection of data and information, identity theft and malware (virus, Trojan horse, worm, etc.), physical access to company premises, emergency measures and first aid. We created a new online course on emergency preparedness for all Bell team members. We also revised our orientation module to cover specific security issues for all new employees.

Improving the security of pension benefits

In late 2010, BCE made a voluntary $750 million special contribution to Bell’s defined benefit pension plan. This contribution generated cash tax savings in early 2011, reduces Bell’s 2011 pension expense and sets the company on a clear path to eliminating the deficit in Bell’s defined benefit pension plan over the next few years. This will strengthen our credit profile, improve cash flow and enhance the security of pension benefits for all retirees and employees in the defined benefit plan.

Recognizing our employees

Bell recognizes exceptional employee contributions through its annual Bravo Awards program. Team members who stand out in their efforts to help Bell achieve its corporate goal are nominated at the local (team), business unit and corporate levels, with rewards ranging from thank you cards and gift certificates at the local level to larger monetary awards for those whose contributions are recognized at the corporate level.

For their work in 2010, 39 individuals and 117 team members on 32 teams won Bravo awards, which were presented at the annual Bravo Gala in March.
An active contributor to Canada’s economy

Since its invention the telephone has accelerated the development of the country, and telecommunications remains an essential engine of economic growth. True to its roots as the pioneer of telecom in Canada, Bell has continuously invested in R&D and in the deployment of leading-edge networks which, taken together, have contributed significantly to the development of Canadian businesses and to the efficiency of the information economy.

By maintaining its strong financial performance, even while providing a steady stream of technological innovations, Bell is one of Canada’s leading companies in the generation of wealth across the country through the creation of thousands of high-value jobs, the stimulation of business and commerce, and its contributions to the general state of the economy.

Financial information

<table>
<thead>
<tr>
<th>($ millions)</th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>15,425</td>
<td>15,020</td>
<td>14,871</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>9,568</td>
<td>9,301</td>
<td>9,233</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>2,463</td>
<td>2,390</td>
<td>2,459</td>
</tr>
</tbody>
</table>

Research and development

BCE ranked third in the 2010 list of Canada’s Top 100 Corporate R&D Spenders. This list is based on the R&D spending by all companies in 2009. BCE spent $806 million on R&D in 2009.

For additional information on Bell Canada, see the BCE Inc. 2010 Annual Report, the 2010 Annual Information Form and the Notice of 2011 Annual General Shareholder Meeting and Management Proxy Circular.
Format
To support our efforts to reduce our carbon footprint, this report is available in PDF format only and is designed to be easily read on a standard computer screen. A single-page highlight document is also available in PDF format. The Responsibility section of our website presents general information pertaining to our sustainability programs and provides access to specific policies. This report is formatted so that it can be interpreted by most screen readers used by the visually impaired.

Scope
The activities discussed in this report cover the period from January 1, 2010 to December 31, 2010. Unless otherwise stated, data is valid as of December 31, 2010.

This report contains Bell Canada data unless specified otherwise.

Bell Aliant data is available at bellaliant.ca.

Content
This report focuses mainly on the corporate responsibility issues that are of greatest importance to our stakeholders and that have a major influence on our business success. To encourage readership, we have made every effort to produce a concise and engaging document.

A Global Reporting Initiative (GRI) content index is available on our website to help readers access report content using the GRI G-3 structure. The index also reflects the United Nations Global Compact principles.

Data collection and validation
Information in this report was supplied by various subject matter experts (SMEs) within the company, while collection and validation of all report data were coordinated by our Corporate Responsibility and Environment group. SMEs were asked to supply and verify data, as well as to document their sources of information and how results were obtained.

Specific key performance results were assessed by Golder Associates, an independent review agency. Read the Review Statement.

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

Caution regarding forward-looking statements
Certain statements made in this report – including but not limited to statements relating to our 2011 objectives and other statements that are not historical facts – are forward-looking statements. Bell made several assumptions in preparing these forward-looking statements and there are risks that actual results will differ materially from those contemplated by our 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 on such assumptions and risks, please consult BCE’s Annual Information Form dated March 10, 2011, BCE’s 2010 annual management’s discussion and analysis (MD&A) dated March 10, 2011, as updated in BCE’s 2011 First Quarter MD&A dated May 11, 2011, and in BCE’s press release dated May 12, 2011 announcing its financial results for the first quarter of 2011, all filed with the Canadian securities commissions and with the U.S. Securities and Exchange Commission (SEC) and which are also available on BCE’s website.

Forward-looking statements made in this report represent BCE’s expectations as of July 21, 2011, 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 any forward-looking statement, whether as a result of new information, future events or otherwise.
Contacts
Telephone: 1 888 932-6666
E-mail: bcecomms@bce.ca

Additional information
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• GRI and Global Compact index
• highlights of this report
• financial performance
• past reports

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