Statement related to the Task Force on Climate-related Financial Disclosures

Bell acknowledges the need for investors to understand how we manage climate-related risks and opportunities. In order to meet this expectation, the disclosures below are based on recommendations from the Task Force on Climate-related Financial Disclosures (TCFD).

Governance

At Bell, the committees below oversee the assessment and management of risks and opportunities related to climate change.

Audit Committee of the Board

The Audit Committee, which is composed of seven directors, is mandated by the Board of Directors of BCE Inc. to oversee Bell's risk management, including environmental risks. This committee, which held five meetings in 2018, has the following responsibilities related to the oversight of climate and environmental issues:

- Reviewing, monitoring, reporting and providing recommendations to the Board on Bell's processes for identifying, assessing, mitigating and reporting strategic, operational, regulatory and general risks exposures and the steps Bell has taken to monitor and control such exposures, including our major legal obligation and compliance risks related to environmental issues and trends
- Reviewing, monitoring, reporting and providing recommendations to the Board on Bell's compliance with internal policies and progress in remedying any material deficiencies related to environmental policy and management systems

- Ensuring that Bell's subsidiaries establish an environmental policy and management systems, and reviewing and reporting thereon to the Board.

Every year, at least one Audit Committee meeting covers environmental performance, including climate-related risks, performance in terms of energy consumption and greenhouse gas (GHG) emissions, and the results of energy savings initiatives. The Chair of the Audit Committee provides an annual report to the Board on environmental performance, including issues related to climate change.

HSSEC oversight committee

The Health, Safety, Security, Environment and Compliance oversight committee (HSSEC oversight committee) is mandated by the Audit Committee to identify environmental and corporate responsibility risks, and to ensure they are addressed through efficient programs and initiatives implemented within the various business units. The HSSEC oversight committee is co-chaired by the Executive Vice President, Corporate Services and the Chief Operating Officer, and its members include a significant number of Bell's most senior leaders.

This cross-functional committee seeks to ensure that relevant risks are adequately recognised and mitigation activities are well-integrated and aligned across the organisation and are supported with sufficient resources. The HSSEC oversight committee also looks to maximise business opportunities and to ensure that these opportunities are integrated and aligned across all parts of our business.

Energy Board

The Energy Board is a management-level committee mandated by the HSSEC oversight committee to ensure oversight of Bell's overall energy consumption and costs with the intent of minimizing financial and reputational risks while maximizing business opportunities. This committee is chaired by the Vice President, Corporate Security and Responsibility, and its members include business unit directors, managers and specialists.

The Energy Board was created in 2008 to support the application of Bell's climate strategy, which sets our carbon footprint reduction target. This committee explores and oversees the implementation of technologies improving energy efficiency within our

facilities (buildings, telecom network, and IT infrastructure), our vehicle fleet, and substituting technology for travel.

Strategy

Risks and opportunities related to climate change are integrated into Bell's business strategy and objectives through incentives, organizational structures, policies, procedures, products, and services.

The development of our GHG emission reduction targets, which are part of our air emission program and our operational policy, which in turn is linked to Bell's Environmental Policy, is an example of how issues related to climate change have influenced our strategy. Our corporate strategy enables corporate-wide engagement in actions that help us meet our GHG emission reduction targets.

We use the information the Energy Board collects to inform our approach to operational objectives. Teams responsible for value creation, communications, fleet, networks, data centers and buildings management collect information, which is then analyzed by members of the Energy Board to ensure alignment with our strategy. Pertinent trend analyses and recommendations are then reported to the HSSEC oversight committee, the final arbiter of strategy, which also oversees its implementation across all Bell's business units. Finally, the HSSEC oversight committee reports decisions and progress to the Audit Committee.

Climate-related risks

Bell takes very seriously the risks brought about by climate change, which could impact the telecommunications industry. For the purpose of disclosures recommended by the TCFD, we have focused on the three main risks related to climate change that Bell is facing, each of which fall under one of the two major categories identified by the TCFD.

TRANSITION RISKS

Carbon pricing

In Canada, the carbon footprint of certain organizations is subject to carbon pricing schemes. Although Bell is not directly targeted by current regulations, energy producers

subject to carbon pricing are expected to transfer the carbon cost to their customers. This will affect our operating costs by increasing the price of energy in all provinces across Canada subject to carbon pricing schemes. We regularly perform scenario analyses to estimate the expected impact on our operating costs.

PHYSICAL RISKS

Extreme weather events

Global scientific evidence suggests that climate change will increase both the frequency and severity of extreme weather events (such as ice, snow and windstorms, flooding, and tornadoes). These could have a destructive impact on our telecommunication network infrastructure, which could affect our ability to deliver telecommunications services that are critical to society. This could jeopardize customer satisfaction and may result in increased expenditures to repair our network.

Rising mean temperatures

Anthropogenic global warming has already reached about 1.0°C above pre-industrial levels, and is expected to reach 1.5°C between 2030 and 2052 if the trend continues. In Canada, average temperatures have been increasing – and are expected to keep rising – at twice the global warming rate. If average temperatures where Bell is operating data centres and network infrastructure are warmer year over year, there will be an increasing need for cooling capacity in our facilities, thus increasing our energy consumption and associated costs.

Climate-related opportunities

The effects of climate change can also create opportunities in the telecommunications industry. For the purpose of disclosures recommended by the TCFD, we have focused on the three main opportunities related to climate change that present advantages for Bell, all of which fall under the products and services major category identified by the TCFD.

PRODUCTS & SERVICES

Technologies helping to fight climate change

Business customers are increasingly aiming to reduce their carbon footprint. In particular, customers targeted by carbon pricing schemes are expected to seek products and services that will enable them to cut GHG emissions, thereby assisting them in meeting

their emissions caps (under cap and trade schemes) and reducing their expenses related to carbon pricing.

Offering services that enable Canadians to reduce their carbon footprint could generate additional revenues for Bell by increasing the number of potential customers seeking our technologies, and by expanding the range of products and services potentially purchased by current customers.

To learn more about how the use of telecommunication technologies contributes to reducing carbon emissions of our customers and our own operations, please see the Environmental benefits of Bell's products and services section of our Corporate Responsibility report in the Responsibility section of our website.

Technologies helping to adapt to climate change impacts

The increased frequency and severity of extreme weather conditions resulting from climate change could present an increased demand for our products and services, as their use helps our customers adapt to such climate change impacts by improving their businesses' resiliency. Our technologies improve business continuity, for example, by ensuring access to information systems in the event of a natural disaster or other extreme weather event preventing our clients from physically accessing their offices or to being able to perform business travel.

Teleworking and teleconferencing solutions allow our clients to work from anywhere and to minimize their need for business travels. In addition, technologies like data hosting and Internet of Things solutions help businesses reduce their risk exposure by ensuring continued delivery of key communication services. Bell's robust business continuity plans ensure the reliability of these technologies (for more information, please see the Risk management section below).

Shifting consumer preferences

Consumers' desire to purchase products and services from companies that demonstrate commitment to sustainability, including mitigating climate change and adapting to its consequences, is an emerging trend. Bell's award-winning leadership on managing its environmental footprint thus presents an opportunity to differentiate itself. This competitive advantage could increase the demand for our products and services, and positively impact company value by improving our brand value and reputation. For more information about our numerous sustainability and environmental protection initiatives,

please see our Corporate Responsibility report in the Responsibility section of our website.

Risk management

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

Processes for identifying and assessing climate-related risks

The Corporate Responsibility and Environment team meets annually to assess the risk landscape for environmental issues, including issues related to climate change, relevant to the company's operations. This group consults with the Risk Advisory Services team and other experts throughout the year to expand their knowledge of relevant trending, issues and methods. In addition, they refer to the industry and other publications for more targeted analysis of these issues, and to monitor current and future climate-related legislation, policy, and regulations that may negatively impact our business. The group maintains an inventory of risks and drivers. As new risks and drivers emerge on the landscape, they are added to the inventory. Currently, the standard applied at Bell is the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) Enterprise Risk Management standard (COSO cube). A risk analysis report is generated and provided annually to the HSSEC oversight committee. In the event that issues reach Bell's materiality threshold, these would be addressed at Executive level.

Identified risks are categorized on a grid based on magnitude of their potential impact and their likelihood of occurrence. For existing issues, we explain any change of relative position year-over-year. We consider any risk positioned higher than low-magnitude and low-likelihood as substantive (financially and/or strategically) for our business.

Categories for size and scope of impact of risks related to climate change include:

- Operational risk (for example, extreme weather events that could compromise our ability to provide our key telecommunication services)

- Financial risk (for example, rise in average temperatures increasing our energy costs due to heightened need to cool data centers)
- Reputational risk (for example, shift in expectations from customers and investors).

MAGNITUDE OF POTENTIAL IMPACT

Categories for magnitude of potential impact include 'low', 'medium', and 'high'. The threshold for allocating risks into magnitude categories depends upon:

- The business unit affected (for example, the threshold is lower for real estate than it is for logistics because the magnitude of the impact on our operations for real estate is much larger and more widespread geographically)
- The impact on our business continuity (for example, any risk related to our ability to provide our key telecommunication services would be categorized as high magnitude)
- The expected financial impact (the larger the financial impact, the higher the magnitude)
- The reputational risk exposure (the larger the potential for shareholder or customer concern, the higher the magnitude).

LIKELIHOOD OF OCCURRENCE

Categories for likelihood include 'low' (little chance of occurrence), 'medium' (some chance of occurrence), and 'high' (very likely to occur).

Processes for managing climate-related risks

For the purpose of disclosures recommended by the TCFD, we have focused on the three main risks identified in the Strategy section above.

CARBON PRICING

Bell has designed a strategy to address the energy efficiency of its operations, leading to ongoing energy reduction initiatives within our facilities and vehicle fleet. These energy efficiency initiatives contribute to reducing our energy costs, thereby helping to mitigate the risk related to carbon pricing schemes. For more information, please see the **Energy efficiency** information sheet in the Responsibility section of our website.

EXTREME WEATHER EVENTS

Bell is committed to implementing adaptation measures in order to ensure the resiliency of our operations and the physical security of our team members in case of extreme weather event.

Preparedness

Risks are addressed through assessments carried out in collaboration with our Real Estate Services, Risk Advisory Services, and Business Continuity teams for our buildings, networks, and vehicle fleet. The buildings and networks are first prioritized by level of criticality. The Business Continuity team is charged with defining the criticality level of our infrastructure based on pre-determined factors, including level of traffic passing through our network, number of employees on site, profile of customers served, revenues generated, single point of failure, value of assets, location of facilities in areas prone to extreme weather events, etc. We assess threats and vulnerability on an ongoing basis for critical sites to ensure the continued delivery of our products and services. Then, we develop risk mitigation plans and emergency readiness planning procedures, as well as identify opportunities to improve. In so doing, we maintain a state of readiness that permits us to respond proactively and efficiently to events that may disrupt our business.

Responsiveness

Bell has created a National Incident Centre (NIC), open 24 hours/day, 365 days/year to address some risks. Among other responsibilities, this centre seeks to ensure centralized and coordinated actions in case of an extreme weather event affecting Bell's operations. The NIC is provided with all the pertinent information (gathered by Real Estate Services, Risk Advisory Services and Business Continuity teams) to diligently assess emergency-situations and execute contingency plans developed for such events. Moreover, our Corporate Security and Resiliency team has systems linked with Environment and Climate Change Canada and civil protection organizations in order to receive alerts about temperature-related national emergencies (such as flooding or snow storms), which allow us to prepare accordingly.

RISING MEAN TEMPERATURES

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

In addition, Bell seeks to manage this risk by collaborating to develop new technologies. We do this because we will be in a better position to respond to the rise in mean global temperatures with more efficient cooling alternatives. For example, Bell partnered with Carnot in 2014 to conduct a pilot project in one of our data centres to test a CO_2 refrigeration technology. This test demonstrated that it is possible to maximize free cooling up to 10°C, thereby reducing our operating costs for electricity consumption. We have since introduced nearly 20 more free cooling installations and several additional installations are at the planning stage. Another example of the benefit of new technology is telecom equipment that is resistant to higher temperatures, which could reduce our cooling needs and costs.

Another way to manage the effects of average temperature change is to favour LEED and BOMA BEST certified buildings in our real estate portfolio, which aim to consolidate and optimize the efficiency and cost-effectiveness of power and cooling. For more information on these certifications, please see our **Sustainable buildings** information sheet in the Responsibility section of our website.

Metrics and targets

Greenhouse gas emissions

For information about our GHG emissions, please see the Greenhouse gas emissions performance section of our Corporate Responsibility report in the Responsibility section of our website.

Targets used to help manage climate-related risks and opportunities

For information about the targets we set to help manage risks and opportunities related to climate change, please see Bell's GHG emission reduction objective section of our Corporate Responsibility report in the Responsibility section of our website.