



Independent Limited Assurance Report on the selected sustainability information included in the Bell Canada Corporate Responsibility Report

For the year ended December 31, 2017

Prepared in accordance with:

International Standard on Assurance Engagements 3000, *Assurance engagements other than audits or reviews of historical financial information* ('ISAE 3000') and International Standard on Assurance Engagements 3410, *Assurance Engagements on Greenhouse Gas Statements* ('ISAE 3410')

The contents of this report are strictly confidential, and its use is restricted. Unauthorized use of this report, in whole or in part, is strictly forbidden.



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SECTION I: Independent practitioner’s limited assurance report on the “Key Performance Indicators Appendix” and “Greenhouse Gas Emissions Report” of the Bell Canada Corporate Responsibility Report 2017

To the Board of Directors and Management of Bell Canada

We have undertaken a limited assurance engagement of the “Key Performance Indicators Appendix” and of the “Greenhouse Gas Emissions Report” (together “the subject matter”) contained in the Bell Canada Corporate Responsibility Report for the year ended December 31, 2017. This engagement was conducted by a multidisciplinary team including assurance practitioners, engineers and individuals with environmental experience.

Scope and subject matter

Our scope is limited only and exclusively to the above mentioned appendices and is not extended to any other information, note, section and paragraph of the Bell Canada Corporate Responsibility Report.

We were not engaged to report on comparative figures for the prior years and we were not engaged to report on trends, variances and any other additional information not specifically mentioned in the following Scope and subject matter paragraph.

With reference to the “Key Performance Indicators Appendix”, our limited assurance engagement was performed on the following:

- Community investment
- Diversion rate for recovered waste
- LTE advanced network coverage
- E-waste
- Overall team member engagement score
- Time lost accident frequency rate
- Greenhouse gas (GHG) emissions reduction objective

With reference to the Appendix “Greenhouse Gas Emissions Report” (the “GHG statement”), our limited assurance engagement was performed on the following:

- Scope 1 emissions
- Scope 2 emissions
- Scope 3 emissions

The organizational boundaries for each Key Performance Indicator have been disclosed in the above mentioned appendices.



Bell Canada's Responsibility

With reference to the “Key Performance Indicators Appendix”, Bell Canada is responsible for the selection and application of the reporting criteria (the “Applicable Criteria”) detailed in the above mentioned appendix . Bell Canada is responsible for the preparation and presentation of the appendix in accordance with the reporting criteria. Bell Canada is also responsible for maintaining adequate records and internal controls that are designed to support the reporting process.

With reference to the appendix “Greenhouse Gas Emissions Report”, Bell Canada is responsible for the preparation of the “Greenhouse Gas Emissions Report” in accordance with the principles and requirements of ISO 14064-1 and the GHG Protocol – A Corporate Accounting and Reporting Standard Revised Edition (the “GHG Applicable Criteria”), applied as explained in the appendix. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a Greenhouse Gas emissions report that is free from material misstatement, whether due to fraud or error.

Inherent Uncertainty

Non-financial data is subject to more inherent limitations than financial data, given both the nature and the methods used for determining, calculating, sampling or estimating such data. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

Greenhouse Gas quantification is also subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

We have not carried out any work on data reported for prior reporting periods nor in respect of future projections and targets. We have not conducted any work outside of the agreed scope and therefore restrict our conclusion to the above mentioned subject matter.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 (*ISQC 1 – Quality control for firms that perform audits and reviews of financial statements and other assurance and related services engagements*, issued by the International Auditing and Assurance Standards Board, International Federation of Accountants) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Our Responsibility

Our responsibility is to express a limited assurance conclusion on whether anything has come to our attention to indicate that the “Key Performance Indicators Appendix” and “Greenhouse Gas Emissions Report” is not stated, in all material respects, in accordance with the “Applicable Criteria” and the “GHG Applicable Criteria”, respectively.

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance engagements other than audits or reviews of historical financial information*, and ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board. These standards require that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance on the subject matter.

A limited assurance engagement undertaken in accordance with ISAE 3000 and ISAE 3410 involves assessing the suitability in the circumstances of Bell Canada’s use of the Applicable Criteria and GHG Applicable Criteria, assessing the risks of material misstatement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the statements. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Through inquiries, obtained an understanding of Bell Canada’s control environment and information systems relevant to emissions quantification and reporting, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- Evaluated whether Bell Canada’s methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Bell Canada’s estimates.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Bell Canada’s subject matter, including the “Key Performance Indicators Appendix” and the “Greenhouse Gas Emissions Report”, has been prepared, in all material respects, in accordance with the Applicable Criteria and the GHG Applicable Criteria applied as explained in these appendices.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the “Key Performance Indicators Appendix”



and the “Greenhouse Gas Emissions Report” included in the Bell Canada Corporate Responsibility Report for the year ended December 31, 2017 are not prepared, in all material respects, in accordance with the Applicable Criteria and the GHG Applicable Criteria.

Restriction on use

This report, including the conclusion, has been prepared solely for the Board of Directors and Management of Bell Canada, to assist Management in reporting on the company’s sustainability performance and activities. We permit the disclosure of this report within the Bell Canada Corporate Responsibility Report for the year ended December 31, 2017, to enable Management to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report on the selected information contained in the report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors and Management of Bell Canada for our work or this report, save where terms are expressly agreed and with our prior consent in writing.

*PricewaterhouseCoopers LLP*¹

June 5, 2018

Montreal (Quebec)

¹CPA auditor, CA, public accountancy permit No. A113424



SECTION II: 2017 Bell Canada “Key Performance Indicators Appendix” and “Greenhouse Gas Emissions Report”



2017 BCE, Inc. Corporate Responsibility Report

Key Performance Indicators Appendix

Introduction

This document describes the methodology and assumptions related to the Key Performance Indicators (“KPIs”) presented on pages 20 and 21 of the BCE, Inc. 2017 Corporate Responsibility Report, which covers the period from January 1, 2017 to December 31, 2017.

The scope of the KPIs is specified in the table below. This report contains data about the BCE group of companies which is referred to collectively in this report as “BCE”, “Bell”, “Bell Canada”, “we”, “us”, “our” or “company”.

KPI	DESCRIPTION	ASSERTIONS FOR THE YEAR ENDED DECEMBER 31, 2017	BUSINESS UNITS INCLUDED IN THE ORGANIZATIONAL BOUNDARIES	METHODOLOGY AND ASSUMPTIONS
LTE advanced network coverage	Population covered by Bell's LTE-Advanced wireless network	86%	All of BCE	This KPI is calculated as the Canadian population covered by Bell's 4G LTE wireless network using <i>Mentum Planet</i> (an industry benchmark model) as a percentage of the total Canadian Population reported by Statistics Canada (Census data, published 2016).
Overall team member engagement score	How team members feel about their job, their department, and the company as a whole	73%	All of BCE	This KPI is calculated as the average score obtained in the team member satisfaction survey of 2017. The Team Member Engagement score is based on 5 specific questions and the percentage of employees who responded favorable (Strongly agree or Agree) to these questions out of the total number of employees who responded to the survey.
Time lost accident frequency rate	Accident rate in the workplace	1.19, including 1 fatality	Bell Canada, Bell Media, BTS, and Expertech (excluding MTS)	This KPI is calculated as the total number of lost work cases every 200,000 hours worked. A lost work case is a case or injury which results in an employee being unfit for work on the next regularly scheduled day after the day of occurrence of the event. Contractors are not included.
Community investment	Investment in communities	\$25 M	All of BCE (excluding MTS)	Community Investment (CI) represents the total cash contribution compiled from charitable receipts, management costs and public service announcements through Bell Media valued at 75% of retail price.



KPI	DESCRIPTION	ASSERTIONS FOR THE YEAR ENDED DECEMBER 31, 2017	BUSINESS UNITS INCLUDED IN THE ORGANIZATIONAL BOUNDARIES	METHODOLOGY AND ASSUMPTIONS
Greenhouse gas (GHG) emissions reduction objective	Reduce the ratio of our Scope 1 & 2 GHG emissions (tonnes of CO ₂ equivalent) to our network usage (PBytes) by 75% of 2014 level by end of 2020	-65%	All of BCE (excluding MTS)	This KPI is calculated as the reduction in the 2017 ratio of our Scope 1 and 2 GHG emissions to our network usage as compared to the 2014 ratio.
Greenhouse gas (GHG) emissions	GHG emissions in CO ₂ equivalent	See <i>2017 Bell Canada Greenhouse Gas Emissions Report Appendix</i> attached hereto		
Diversion rate for recovered waste	Overall diversion rate for recovered waste	64%	All of BCE (excluding MTS)	This KPI is calculated as the quantity of recycled waste (materials such as metal, oil, paper, plastic rubber, cardboard, glass and wood) and valorized waste (portion of the used oil that cannot be recycled and some plastic, both are used as fossil fuel substitutes) as a percentage of the total waste collected from each business unit.
e-waste	Recover 10 million used TV receivers, modems, and mobile phones between January 1st, 2016 and the end of 2020	2,520,599	All of BCE (excluding MTS)	This KPI is calculated as the total number of TV receivers, modems, and mobile phones Bell recovered during the 2017 reporting period.

Bell Canada 2017 Greenhouse Gas Emissions

Report

INTRODUCTION

This Greenhouse Gas (GHG) emissions report was prepared in accordance with the principles and requirements of ISO 14064-1 and the Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition) and has been used to report Bell's GHG emissions to the CDP (previously known as the Carbon Disclosure Project) and other corporate disclosures. Bell reported a total of 365,524 tonnes of carbon dioxide equivalent (CO₂e), which includes Scope 1, 2 and 3 emissions, for the time period from January 1st to December 31st 2017.

ORGANIZATIONAL BOUNDARIES

Bell applies the operational control approach to determine the scope of reporting for its subsidiaries and divisions. The following list identifies the businesses included in the organizational boundaries:

- BCE Nexxia
- Bell Aliant
- Bell Canada
- Bell Media
- Bell Mobility
- Bell Mobility Channels
- Bell Technical Solutions
- Expertech
- Northwestel
- The Source

The table below reports Bell's scope 1, 2, and 3 emissions for the years ending December 31st, 2016 and December 31st, 2017.

Emissions in tonnes of CO ₂ e*	Operational Boundary	2016	2017	Increase (decrease)
Scope 1	Direct emissions controlled by Bell include accidental release of ozone depleting substances from cooling equipment, burning of fuel oil and natural gas in buildings, combustion of diesel for its telecommunication towers and transmission equipment, combustion of propane for its maintenance equipment and combustion of diesel and gasoline for its vehicle fleet and generators.	128,878	134,756	+4.6%
Scope 2	Indirect emissions associated with energy corresponding to the production and transmission of electricity required by Bell's activities, in its buildings and other facilities.	174,043	221,470	+27.3%
Scope 3	Other indirect emissions include business travel for Bell employees, including travel by air, rail, rented vehicles and personal vehicles.	8,050	9,297	+15.5%
Total		310,971	365,524	+17.5%

* Rounding of numbers may affect total figures presented

Compared with 2016, Bell's carbon footprint increased 54.6 kilotonnes (+17.5%). The largest portion of the increase is attributable to Scope 2 emissions, which were up 47.4 kilotonnes (+27.3%). In addition to a 5% increase in Bell's electricity consumption compared with 2016, the remaining increase is mainly due to a shift in the consumption allocation per province.

METHODOLOGY AND ASSUMPTIONS

Scope 1

Fossil fuels:

Sources with information on volume of fossil fuels consumed:

Information provided from the company's energy data aggregator systems and energy providers' reports includes the volumes of diesel, fuel oil, gasoline, natural gas and propane consumed per province for the time period covering January 1st to December 31st 2017.

Sources with no information on volume of fossil fuels consumed:

The volumes of diesel, fuel oil, gasoline, natural gas and propane consumed are established by compiling the Canadian dollars spent (\$) from the company's energy finance reports that are converted into volume using average costs per unit of energy per substance and province. Average costs per unit are determined by using best estimates for the time period covering January 1st to December 31st 2017.

Emissions were calculated by multiplying these fossil fuel volumes by the Canadian emission factors taken from the *National Inventory Report 1990-2016: Greenhouse Gas Sources and Sinks in Canada* (Part 2).

The total GHG emissions, in tonnes of CO₂e, were calculated by multiplying the mass of each gas (CO₂, CH₄ and N₂O) by its global warming potential (GWP) and adding up the totals. GWPs used are from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report, 2014 (GWP of CO₂ = 1, GWP of CH₄ = 28 and GWP of N₂O = 265).

Biomass emissions were calculated by applying the following assumptions on the volume of diesel and gasoline consumed: 2% biodiesel content in diesel and 5% ethanol content in gasoline.

Ozone depleting substances (ODS):

Volume of ODS accidentally released is acquired by compiling volumes reported within our incident response management system. Emissions were calculated by applying the appropriate GWP for each substance using the IPCC Fifth Assessment Report, 2014.

Scope 2

Facilities with electricity consumption information:

Information provided from the company's energy data aggregator systems and energy providers' reports includes electricity volume in kilowatt-hours (kWh) per province for the time period covering January 1st to December 31st 2017.

Facilities with no electricity consumption information:

Facilities with electricity financial information:

Electricity volume in kilowatt-hours (kWh) is established by compiling the Canadian dollars spent (\$) from the company's energy finance reports and converting them into volumes using the best estimated average cost per unit of energy (\$/kWh) per province for the time period covering January 1st to December 31st 2017.

Facilities with no electricity financial information:

The volume is established by using an averaged kilowatt-hour (kWh) consumption per square foot. This average is calculated from direct energy consumption information that was extrapolated from a representative sample of buildings.

Electricity emission factors were then applied to the total 2017 kWh consumed by province to calculate tonnes of CO₂e. Canadian emission factors were sourced from the *National Inventory Report 1990-2016: Greenhouse Gas Sources and Sinks in Canada* (Part 3, Annex 13).

Scope 3

Air/Rail travel:

Information originated from travel agency reports and includes flight segments and mileage for flight and rail travel. Flight segments are then sorted as domestic, short and long haul as per *GHG Emissions from Transport or Mobile Sources* Excel file (sheet *Activity Data*) published on the Greenhouse Gas Protocol website in May 2015. Flight segments and rail mileage are then converted to tonnes of CO₂e using *Emission Factors from Cross-Sector Tools* Excel file (sheet *Reference - EF Public*) published on the Greenhouse Gas Protocol website in March 2017.

Rented vehicles:

Volume of gasoline in litres is established by compiling the Canadian dollars spent (\$) for gasoline with the car rental companies and converting it to volume using average cost (\$/L) from current best estimates for the time period from January 1st to December 31st 2017.

Emissions are then calculated following the same methodology as described for fossil fuels (please see above). For this calculation, Bell assumed that all rented vehicles run on gasoline.

Employee personal vehicle use for business travel:

Mileage is established by converting employee mileage expenses (\$) into kilometres, which are then converted to fuel consumption (L) using a consumption average.

Emissions are then calculated following the same methodology as described for fossil fuels (please see above). For this calculation, Bell assumed that all personal vehicles run on gasoline.