



Inspired by nature:  
creating a healthier,  
more sustainable future



# Sustainability from the ground up

Our dedication to sustainability is personified by the exceptional involvement of every single TELUS employee. Our employee initiatives encompass education, engagement, volunteer hours and contributions to benefit plans.



Team TELUS Cares total volunteer hours



Pulsecheck engagement score for domestic TELUS employees



Environmentally-themed training courses for TELUS employees



Contributions to employee defined benefit plans

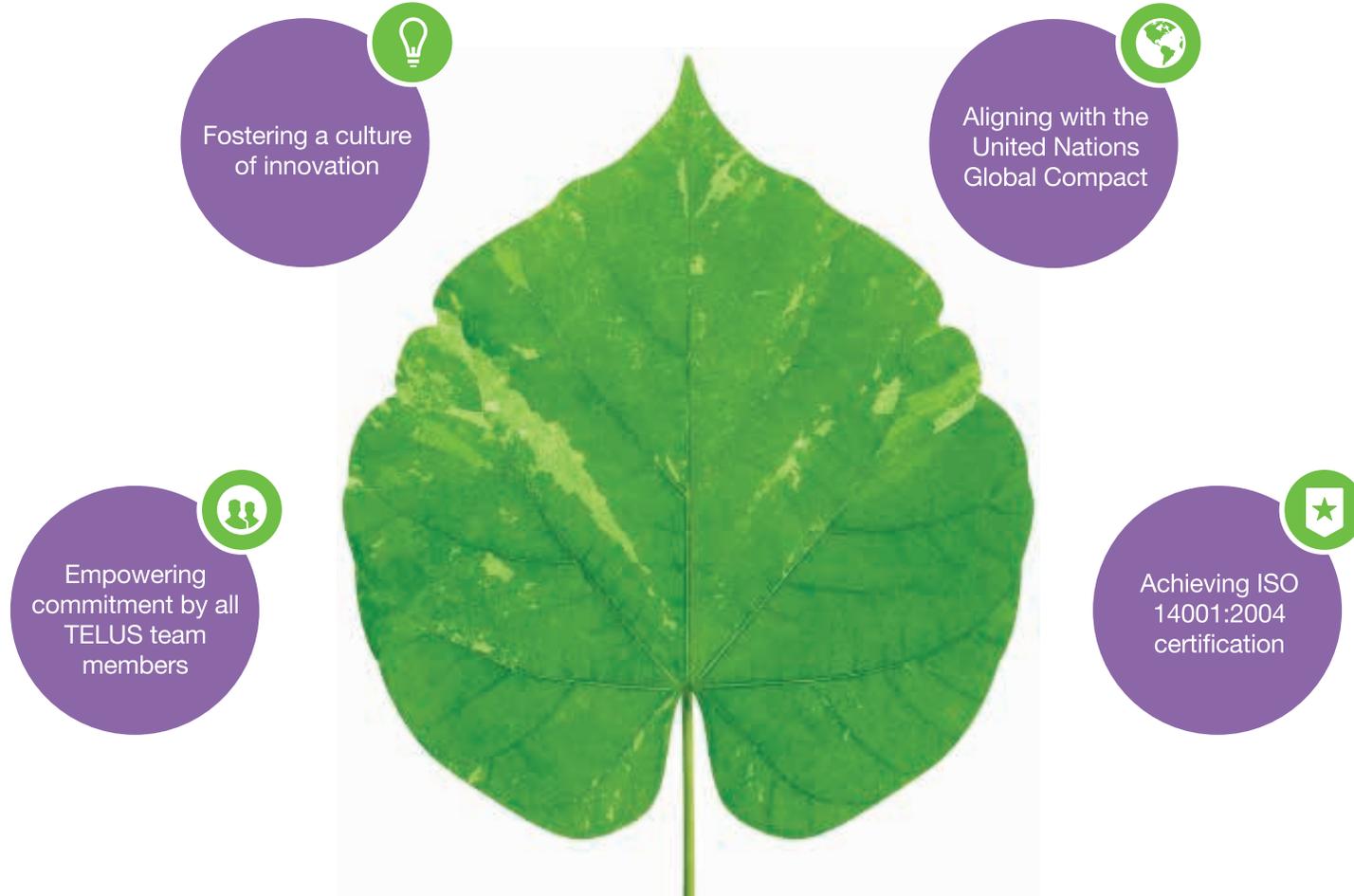


# Table of contents

<b>1.0</b>	<b>About this report</b>	<b>5</b>	<b>5.0</b>	<b>Community Investment</b>	<b>87</b>
1.1	Forward-looking statements	5	5.1	Stakeholder engagement	94
1.2	Reporting parameters and what's new	6	5.2	Measuring our giving	96
1.3	United Nations Global Compact – Communication on Progress	7	5.3	How we give	96
1.4	Assurance report	14	5.4	Community investment marketing	104
1.5	Global Reporting Initiative (GRI) guidelines	16	5.5	Employee and retiree programs	107
1.6	Sustainability awards	16			
<b>2.0</b>	<b>Sustainability strategy</b>	<b>17</b>	<b>6.0</b>	<b>Business operations</b>	<b>111</b>
2.1	CEO message	22	6.1	<b>Economic performance and impact</b>	<b>116</b>
2.2	Chief Sustainability Officer message	26	6.1.1	Connecting with our investors and other shareholders	116
2.3	Sustainability leadership	27	6.1.2	Financial and operating highlights	118
2.4	Material issues	27	6.1.3	Supporting Canadians	120
2.5	Stakeholder inclusiveness	30	6.1.4	Innovation	124
2.6	Governance and disclosure	32	<b>6.2</b>	<b>Ethics</b>	<b>126</b>
2.7	Targets	35	6.2.1	Privacy	128
			6.2.2	Anti-bribery and corruption	129
<b>3.0</b>	<b>Environmental stewardship</b>	<b>37</b>	<b>6.3</b>	<b>Transparency</b>	<b>130</b>
<b>3.1</b>	<b>Energy use and climate change</b>	<b>43</b>	<b>6.4</b>	<b>Regulatory compliance</b>	<b>133</b>
3.1.1	Energy efficiency	44	6.4.1	Compliance with legislation and industry codes	135
3.1.2	Energy consumption results	44	6.4.2	Broadcasting	136
3.1.3	Greenhouse gas emissions results	46	6.4.3	Aboriginal relations and stakeholder engagement	137
3.1.4	Scope 3 emissions	49	6.4.4	Political contributions	138
3.1.5	Environmental Leadership	50	<b>6.5</b>	<b>Business continuity</b>	<b>139</b>
<b>3.2</b>	<b>Environmental management</b>	<b>53</b>			
3.2.1	Waste and recycling	56	<b>7.0</b>	<b>Customer experience</b>	<b>141</b>
3.2.2	Water	59	7.1	Network and systems reliability	146
			7.2	Data security and privacy	146
<b>4.0</b>	<b>Supporting employees</b>	<b>60</b>	7.3	Accessibility	147
<b>4.1</b>	<b>Culture, Human Rights &amp; Labour</b>	<b>65</b>	7.4	Online safety	149
4.1.1	Who we are	65	<b>8.0</b>	<b>Product stewardship</b>	<b>150</b>
4.1.2	Diversity and inclusiveness	68	<b>8.1</b>	<b>Sustainable supply chain</b>	<b>155</b>
4.1.3	Human Rights	69	8.1.1	Environmental and social standards	155
4.1.4	Labour	70	8.1.2	Programs and initiatives	156
<b>4.2</b>	<b>Employee experience</b>	<b>71</b>	8.1.3	Process improvement	157
4.2.1	Talent development	74	8.1.4	Supplier governance	158
4.2.2	Total rewards	80	8.1.5	Supplier Diversity Program	159
4.2.3	Work Styles	81	<b>8.2</b>	<b>Product stewardship and innovation</b>	<b>160</b>
<b>4.3</b>	<b>Employee health, safety and wellness</b>	<b>83</b>	<b>8.3</b>	<b>Innovative products and services</b>	<b>162</b>
4.3.1	Respectful workplace	86			
			<b>9.0</b>	<b>Glossary</b>	<b>165</b>



Over time, our Sustainability Report has become a powerful way to engage with our stakeholders. Sustainability is embedded in our decision making and challenges us to innovate.





# About This Report

## 1.1

### Forward-looking statements

This report contains forward-looking statements about the performance of TELUS, including, in particular, our 2016 and longer-term corporate responsibility and sustainability objectives including with respect to our objectives concerning reductions in annual paper purchases and objectives for achieving annualized energy reductions. By their nature, forward-looking statements do not refer to historical facts and require the Company to make assumptions and predictions, and are subject to inherent risks. There is significant risk that the forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors (such as competition, technological substitution, regulatory developments, government decisions, economic performance in Canada, our cost reduction initiatives, our earnings and free cash flow and our capital expenditures) could cause actual future performance and events to differ materially from those expressed in the forward-looking statements.

Accordingly, this document is subject to the disclaimer and qualified by the assumptions, qualifications and risk factors as set out in the 2015 annual Management's discussion and analysis, especially Sections 9 and 10, and in other TELUS public disclosure documents and filings with securities commissions in Canada ([on SEDAR at sedar.com](http://www.sedar.com)) and in the United States ([on EDGAR.sec.gov](http://www.edgar.sec.gov)). Except as required by law, TELUS disclaims any intention or obligation to update or revise forward-looking statements, and reserves the right to change, at any time at its sole discretion.

All financial information is reported in Canadian dollars unless otherwise specified.

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## 1.2

## Reporting parameters &amp; what's new

We are inspired to embrace the universal principles of sustainability.

Sustainability is embedded in our core business strategy and our sustainability performance provides us with social, environmental and economic opportunity. Through our Sustainability Report, we aim to disclose our performance on material issues in a way that highlights the relationship between business success and sustainable development. As signatories to the [United Nations Global Compact](#)  (UNGC), which asks companies to embrace universal principles, we also report our progress on human rights, labour, environment and anti-corruption.

To continuously improve our sustainability reporting, each year we review:

- How we construct and build our report
- How we manage data and create content that matters
- How we share our report, so that it is relevant, timely, accessible and understandable for stakeholders.

Our report is online and is compatible for viewing with mobile devices. Based on stakeholder feedback, and our goal of continuous improvement, we have again enhanced the way we share information by including video, infographics, case studies and pictures as well as improvements to website navigation.

Throughout our report, we highlight TELUS' focus on what we are doing to create a healthier, more sustainable future. We include data and information from our international operations and have once again increased the scope of our climate change disclosure. We declare our report in accordance with GRI-G4 guidelines and have asked Deloitte LLP to confirm our declaration. We use the following symbol  to highlight information reviewed by Deloitte LLP, an Independent Registered Public Accounting Firm.

In 2015, we continued to have all director-level report contributors provide a statement verifying the accuracy and veracity of the material provided. We believe this is a leading global practice in sustainability reporting, and is done in addition to the executive review and sign-off process we have used for many years.

Information contained in this 2015 report covers January 1 to December 31, 2015, unless otherwise stated. The material includes TELUS' domestic operations across Canada, as well as [TELUS International](#), unless otherwise stated. Also contained in this report are 2015 targets and results, and 2016 targets for key performance indicators in alignment with key focus areas.

We are always seeking ways to improve our Sustainability Report and welcome your feedback and suggestions. Please send any questions or comments to [sustainability@telus.com](mailto:sustainability@telus.com) 

### 1.3 United Nations Global Compact Communication on Progress



The United Nations has developed a global agreement, or compact, to help businesses align their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, the environment and anti-corruption. TELUS supports the compact and

we align our report with its principles. We became a signatory of the UNGC in 2010 and continued our support throughout 2015.

We committed to spearheading the Canadian Chapter of the UNGC in late 2012, and the Chapter was officially launched in 2013. As a patron member of the Global Compact Network Canada (GCNC), TELUS continues to demonstrate our commitment to the Principles of the UNGC. The Global Compact Network Canada (GCNC) offers the Canadian business and non-business sectors a unique opportunity to learn and exchange best practices in corporate responsibility within the network and among global peers. In doing so, we build the capacity of the Canadian corporate sector, empowering companies to embrace the UNGC's principles within their national and global operations.

Specifically in 2015, TELUS presented during several webinars hosted by the GCNC, on topics such as sustainability reporting, [Sustainable Development Goals](#), climate change and [COP 21](#).

#### 1.3.1 Human rights

UNGC Principle 1: Businesses should support and respect the protection of international human rights within their sphere of influence.

TELUS has a long-standing commitment to respecting and protecting human rights as outlined in our [Code of Ethics and Conduct](#), and reflected in our respectful workplace, employment equity and diversity practices. The code ties together all policies regulating business behaviour and provides guidelines for the standards of ethical conduct expected of all employees, including officers and members of the TELUS Board of Directors. The Code, which is updated and published annually, formalizes our commitment to safeguard internationally proclaimed human rights. Further details about TELUS' expectations are provided for employees in our Respectful Workplace policy.

Each year, TELUS requires our employees and contractors to complete an online training course that outlines key aspects of the Ethics, Respectful Workplace, Security and Privacy policies. Entitled Integrity 2015, the course was completed by all employees and over 94 per cent of contractors. TELUS has also implemented specific training based upon our Respectful Workplace policy.

In addition to complying with the Code of Ethics and Conduct and Respectful Workplace policy, our [international operations](#) follow local legislation that protects human rights in all jurisdictions where we operate. TELUS has several processes in place to further monitor our human rights practices:

- Collective agreements that set out the steps of grievance and arbitration processes available to employees
- An internal complaints procedure about respectful workplace practices that are investigated and addressed by the Respectful Workplace Office, and reported quarterly to the Human Resources and Compensation Committee of [TELUS' Board of Directors](#).

- The [TELUS EthicsLine](#), which provides an opportunity for anyone to anonymously and confidentially ask questions, request support or make a good faith report about a real or perceived violation of the Code of Ethics and Conduct, government law or regulation, questionable business practices or accounting/auditing matters.

TELUS' [Supplier Code of Conduct](#) sets out social and environmental practices that our business partners must adhere to. The code aligns to the 10 principles of the UNGC. We expect our suppliers to:

- Comply with applicable laws and regulations wherever they operate
- Follow recognized standards of behaviour
- Advance social and environmental responsibilities
- Operate consistently with TELUS' commitment to being a leading corporate citizen
- Make certain their affiliates, suppliers, employees and contractors perform obligations to TELUS that are in line with the ethical standards set out in this Code.

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

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

Each year, key points from TELUS' Respectful Workplace policy are covered in our mandatory Integrity training course. In addition, all newly hired employees are provided training on the policy.

Our overriding goals are to:

- Help employees understand the law and what is considered acceptable behaviour at work
- Be sure employees are aware of the protections and processes available to them should an inappropriate workplace issue arise.

TELUS analyzes complaints filed by employees with the [Canadian Human Rights Commission](#) to determine if there are any internal practices that are causing concern and require attention. In our international locations, we comply with regulatory laws and requirements for each jurisdiction

We last updated our [Supplier Code of Conduct](#) in 2014, and expect our suppliers to evaluate the origin or source of their materials throughout their supply chains to reasonably assure that they have not been obtained in any illegal or unethical manner. In particular, our suppliers must have a policy to reasonably assure that the tantalum, tin, tungsten and gold, or other rare earth minerals in their products, do not directly or indirectly finance or benefit armed groups that are perpetrators of human rights abuses in the Democratic Republic of the Congo or an adjoining country. Suppliers are expected to exercise due diligence on the source and chain of custody of these minerals and make their due diligence measures available to TELUS upon request. In 2016, we will undertake another review of our code.

## Conflict Minerals

In 2012, the [Securities and Exchange Commission](#) (SEC) finalized reporting requirements to disclose the use of designated minerals and metals mined in the Democratic Republic of Congo and adjacent countries. Cassiterite (a source of tin), wolframite (a source of tungsten), columbite-tantalite (or coltan, a source of tantalum) and gold are often referred to collectively as conflict minerals. Such minerals may be used in electronic and communications equipment that we use or sell. As a signatory of the UN Global Compact, we are committed to preventing human rights abuses that could result from our operations.

These SEC reporting requirements for conflict minerals, mandated by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, came into effect for our 2013 annual reporting cycle. Through the establishment of an internal Conflict Minerals Working Group, we have performed our due diligence and have met the reporting requirements.

We remain committed to responsible sourcing and in 2014 we updated our [Supplier Code of Conduct](#) to include requirements with respect to responsible sourcing of materials, in particular the need for our suppliers to also have policies on conflict minerals. We will review our Supplier Code of Conduct again in 2016.

### 1.3.2

## Labour standards

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

**Bargaining Unit** Our collective agreements contain mutually agreed upon adjustment processes that include:

- Redeployment to another position based on seniority/qualifications
- Wage protection/retraining opportunities
- Paid relocations
- Early retirement or voluntary severance options for employees affected by organizational change
- Advance notice periods for employees and the union in cases of management initiated workplace changes. The notice periods are different in each collective agreement and vary based on the nature of the operational issue, and in some cases an employee's seniority.
- Notice for operational changes varies from a minimum of three weeks to a maximum of 12 months.

We maintain respectful and professional relationships with the bargaining agents that represent our employees across Canada and thus the right to exercise freedom of association and collective bargaining is not at risk or an issue for TELUS.

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

TELUS employees across Canada are represented by four different unions:

- Telecommunications Workers Union (TWU),  
United Steelworkers Local 1944
- Syndicat québécois des employés de TELUS (SQET)
- Syndicat des agents de maîtrise de TELUS (SAMT)
- B.C. Government and Services Employees' Union (BCGEU).

The agreement with the TWU, which expired on December 31, 2015, covers approximately 10,559 employees across Canada and uniquely, is the only nationwide collective agreement in the wireless and wireline telecommunications industry. Contract negotiations to renew the collective agreement between TELUS and the TWU began in December 2015 and remain in progress with agreed to meeting dates scheduled into the second quarter of 2016. The current collective agreement continues in full force and effect until a new agreement is reached.

Additionally, we have approximately 1,471 employees represented by the SQET and the SAMT in the province of Quebec under three separate collective agreements (one with the SQET and two with the SAMT). The SQET contract, covering approximately 822 trades, clerical and operator services employees, became effective January 1, 2015, and expires on December 31, 2017. The main agreement with the SAMT covers 649 management and professional employees and it expires on March 31, 2017.

Our subsidiary, TELUS Sourcing Solutions Inc. has approximately 69 employees covered by a collective agreement with the BCGEU which was set to expire on April 30, 2016. TSSI and the BCGEU successfully renewed their collective agreement in the spring of 2016. The new contract is effective May 1, 2016 and expires on April 30, 2019. The number of employees covered by each of the collective agreements above were as at December 31, 2015.

#### Union recognition through consultation

TELUS strongly believes in building professional and respectful relationships with the bargaining agents representing our employees. Communication with the unions is recognized as an important element in nurturing these relationships. To this end, we have negotiated provisions in our collective agreements with the TWU and the SQET that establish formal structured consultation committees and processes. In addition to the regular day-to-day information sharing with unions, in 2015, there were numerous joint consultation sessions at the senior leadership and executive level to discuss matters of mutual interest. Additionally, TELUS provides advance notice to our unions and affected employees regarding operational changes such as contracting out, technological change and mergers, acquisitions and divestitures. Notice requirements of such changes are contained in each of the collective agreements.

#### Board of Directors Diversity Representation

TELUS also recognizes that diversity and inclusiveness contributes to the social and economic well-being of our country and is working to encourage greater diversity on corporate boards across Canada through our leadership as a founding partner with the Canadian Board Diversity Council and the Council's Diversity 50 initiative.

TELUS is further promoting the advancement of women on Canadian boards by supporting the Catalyst Accord's pledge for Canadian corporations to increase the overall proportion of Financial Post 500 board seats held by women to 25 per cent by 2017. Moreover, the [TELUS Board of Directors](#) adopted a target of having diverse members represent between 30 and 40 per cent of our independent directors by May 2017 and recently adopted

an additional target to have 30 per cent women on our Board by the end of 2019. This is consistent with Darren Entwistle becoming a founding member of the [30 per cent Club Canada](#), which is also working toward having 30 per cent women on boards by the end of 2019. In February 2016, the Board reframed its diversity objectives and expressed them in terms of a minimum percentage of both men and women, reflecting the principle that a board that consists entirely of women is no more diverse than a board that consists entirely of men. The Board also accelerated the target date for achieving a minimum of each gender representing 30 per cent of the independent directors from 2019 to 2018.

TELUS' diversity objective now states that diverse members will represent not less than 30 per cent of the Board's independent members by May 2017, with a minimum of each gender representing 25 per cent of such members by May 2017, increasing to not less than 30 per cent of such members by 2018. As of March 2016, diverse members (five director nominees) represent 45 per cent of the independent directors of the Board, and female members (three director nominees) represent 27 per cent of our independent directors up for nomination at our 2016 annual meeting.

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

The following codes and policies guide our workplace practices and provide assurance TELUS does not use or support forced labour at any of our operations:

- The [TELUS Code of Ethics and Conduct](#) states that employees have the right to a safe and violence-free workplace, and violence in the workplace is considered a criminal issue
- A Violence Prevention in the Workplace Investigation and Reporting policy
- Our [Supplier Code of Conduct](#) addresses forced labour and does not allow the use of forced labour in our supply chain.

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

TELUS does not use or support child labour at any of our operations. In fact, the [TELUS Supplier Code of Conduct](#) does not allow the use of child labour anywhere in our supply chain.

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

The [TELUS Code of Ethics and Conduct](#) states that every employee has the right to a workplace that is free from discrimination and harassment. We place great importance on maintaining a culture that encourages the achievement of our business objectives in a manner consistent with our values. To promote company-wide awareness of this issue, all employees must complete annual online Integrity training as a condition of employment as noted above under Principle 1.

TELUS recognizes an inclusive environment that values diversity of thought, background, skills and experience facilitates a broader exchange of perspectives. TELUS' Diversity and Inclusiveness Council has developed and implemented initiatives including providing diversity training to TELUS employees and assisting with the establishment of employee resource groups. These resource groups include:

- **Alliance:** our resource group for active and retired military personnel and the families who support them
- **Connections:** our women's network
- **Abilities Network:** for employees and family members with varying abilities
- **Eagles:** our First Nations network
- **Mosaic:** for multicultural employees
- **Spectrum:** a network for our lesbian, gay, bisexual, transgender and allies.

Results from our annual employee survey in 2015 indicate that 95 per cent of TELUS employees agree or strongly agree that TELUS respects team members of different ages, race, colour, gender, sexual orientation, religions, ethnic origin, language, marital status, family status, and varied abilities.

To learn more about diversity and inclusiveness at TELUS, review our [2014 TELUS Diversity and Inclusiveness Report](#).

## 1.3.3 Environment

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

Responsibility for managing TELUS' environmental footprint is shared by senior leaders from across our Company who have specific areas of expertise such as risk management, network operations, real estate operations, supply operations, procurement and our environmental consultants. The Corporate Governance Committee of TELUS' Board of Directors receives quarterly reports about TELUS' ongoing environmental risk management activities.

TELUS' [Environmental policy](#) explains our commitment to environmental responsibility. In 2015, TELUS took a major step to make certain our environmental management and compliance met the highest recognized standards. Following a Canada-wide audit of our operations, we were awarded our ISO 14001:2004 certification by SGS Canada, an ISO registrar. This ISO standard is recognized globally as the highest level of environmental management certification. This is a goal we have been working toward since 2010. Achieving this standard, however, is only the beginning. Maintaining this ISO standard requires continual improvements to our environmental management processes, and TELUS is committed to identifying even more ways to better our performance.

In 2016, we will initiate a formal risk assessment of our fuel storage (required for our back-up power systems), seeking alternatives for storage, as well as enhancements for our current secondary containment and leak detection systems. We also intend to review our vegetation management program, with the goal of preventing the spread of invasive plants on our leases and owned properties, while at the same time minimizing the use of herbicides.

TELUS established a Climate Change Strategy in 2010 with a goal of reducing absolute energy consumption by 10 per cent and realizing a 25 per cent reduction in greenhouse gas (GHG) emissions by 2020 based on 2010 levels. We monitor and report our progress annually and these goals form a component of the Sustainability Index in our Corporate Scorecard, the results of which impact the variable component of our employees compensation.

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

The strength of our environmental and sustainability culture at TELUS is the result of over two decades of dedicated work in this field. Since we published our first environmental report in 1992, we have continued to evolve our environmental management and sustainability program to support what we believe is a best-in-class sustainability program. Our disclosure now aligns to the Global Reporting Initiative G4 guidelines and in 2015, we were named to the Dow Jones Sustainability North American Index (DJSI) for the fifteenth consecutive year. The Environmental Management section of this report details initiatives that promote greater environmental responsibility, including training, auditing and ongoing assessment of our environmental performance and compliance.

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

TELUS develops and implements technology solutions that support the principle of moving ideas instead of people. Our TELUS Technology Labs enable testing, trialing and proof of concept of emerging technologies and services. Associated with the labs, TELUS Innovation Centres across Canada showcase our current and potential future networks and services. When we implement environmentally friendly technologies internally, we not only support our own sustainability goals, we provide benefits to society as a whole by reducing resource use and GHG emissions. In 2015, we implemented approximately 100 energy efficiency initiatives, resulting in the elimination of 49.9 GWh of annualized energy waste and \$5.2 million in savings. Externally, we offer videoconference and teleconference technologies for our customers and partners, which reduces the need for travel, providing a reduced carbon footprint.

Key energy efficiency program highlights include:

- \$59.9 million cumulative operational costs avoided from program inception
- 16.5 GWh of improved efficiency of power and cooling systems in buildings
- 30 GWh eliminated through legacy equipment turndowns and server/storage decommissioning
- 3.4 GWh of reduced energy consumption from real estate consolidation, energy efficiency programs and our Work Styles program implementation.

In addition, we installed three new solar energy sites in 2015:

- Banff Central Office, AB: generating 13,000 kWh per year
- Lendrum Building, Edmonton, AB: generating 44,000kWh per year
- TELUS Garden, Vancouver, BC: generating 65,000 kWh per year.

Additionally, our Work Styles program, Green Building initiatives and many of our [TELUS Health](#) solutions support this principle.

### 1.3.4

## Anti-corruption

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

Bribery and corruption is one of the primary obstacles to economic development. It undermines the rule of law, weakens trust in public institutions and challenges democratic principles. Bribery and corruption can exist in any society, rich or poor, creating a need for continued vigilance by regulators, law enforcement agencies and industry leaders.

Risks from bribery and other forms of corruption are a concern for companies both in Canada and abroad. Companies may be confronted with demands for bribes, challenged by competitors acting corruptly or faced with employees violating their codes of conduct. TELUS mitigates these risks by implementing and enforcing a robust Anti-Bribery and Corruption Compliance Program that is supported by clear policies, processes and controls.

Since 2012, we have addressed anti-bribery and corruption risks through a risk-based framework that includes:

- **Senior management involvement and support:** senior leaders across TELUS are responsible and accountable for making sure the Anti-Bribery and Corruption Compliance Program is effectively implemented and consistently monitored. Senior executives set the tone to create a culture where bribery is unacceptable.
- **Corporate compliance policies and procedures:** a specific Anti-Bribery and Corruption Policy was rolled out to the TELUS team after being approved by the [TELUS Board of Directors](#). Our Anti-Bribery and Corruption Compliance Policy provides further clarity and guidance for employees and third parties engaged by TELUS, and supplements other guidance in the [TELUS Code of Ethics and Conduct](#), the [Supplier Code of Conduct](#), and our Code of Conduct for Business Sales Activities.

- **Training and education:** our annual Integrity training highlights our zero-tolerance approach to bribery and corruption. Further training continues to be provided through our Business Sales Code of Conduct and Anti-Bribery and Corruption programs.
- **Incentives and consistent disciplinary procedures:** annual performance objectives were created for employees responsible for implementing and monitoring the compliance program. Failure to act in accordance with the Anti-Bribery and Corruption Policy may subject employees to disciplinary action, which may include dismissal.

## 1.4

## Independent Assurance Report

To: The Board of Directors and Management of TELUS  
What we looked at: scope of our work

We have reviewed selected corporate-wide and business unit performance indicators in TELUS' 2015 Sustainability Report (the Report) for the year ended December 31, 2015. TELUS management is responsible for collection and presentation of the indicators and information set out in the Report. A review does not constitute an audit and, consequently, we do not express an audit opinion on the selected performance indicators.

TELUS was responsible for selecting performance indicators as well as their presentation in the report. We reviewed the selected quantitative indicators noted in Appendix A and TELUS' self-declaration that it has met the Core level of conformance with the GRI G4 requirements. We did not review the narrative sections of the Report, included as footnotes, except where they incorporated the selected performance indicators. Our responsibility is to express an independent conclusion on whether anything has come to our attention that causes us to believe that the selected performance indicators are not presented fairly, in all material respects, in accordance with the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines. The GRI G4 definitions can be found at [www.globalreporting.org](http://www.globalreporting.org).

## What we did: assurance standards and key assurance procedures

We conducted our review in accordance with the International Standard on Assurance Engagements (ISAE) 3000 developed by the International Federation of Accountants. As such, we planned and performed our work in order to provide limited assurance with respect to the selected performance indicators that we reviewed. Our review criteria were based on the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines. Our procedures included:

- interviewing relevant TELUS management and staff responsible for data collection and reporting;
- obtaining an understanding of the management systems, processes and the relevant controls used to generate, aggregate and report the data at TELUS regional operations and head office;
- reviewing relevant documents and records on a sample basis;
- testing and re-calculating information related to the selected performance indicators on a sample basis; and
- assessing the information for consistency with our knowledge of TELUS operations, including comparing TELUS' assertions to publicly available third-party information.

Environmental and energy use data are subject to inherent limitations of accuracy given the nature and the methods used for determining such data. The selection of different acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

## What we found – Our conclusion

Based on our work described in the Scope of Our Work section above, nothing has come to our attention that causes us to believe that the subject matter are not presented fairly, in all material respects, in accordance with the relevant criteria.



Deloitte LLP Chartered Professional Accountants  
Vancouver, British Columbia,  
Canada April 22, 2016

## Appendix A Selected performance indicators reviewed

The following selected performance indicators were included in our review of TELUS' Corporate Social Responsibility Report for the year ended December 31, 2015.

GRI ref	Performance indicator	Coverage	2015 value
EC 1	Community investment	Company-wide	\$43,980,570
EN 1	Paper consumption	Canada	
EN3	Total energy use – Direct sources	Company-wide	353,448 kwh (000s)
EN3	Total energy use – Indirect sources	Company-wide	962,996 kwh (000s)
EN15	Total direct greenhouse gas emissions	Company-wide	309,533 tonnes CO2e
EN16	Total indirect greenhouse gas emissions	Company-wide	309,533 tonnes CO2e
EN17	Total direct and indirect greenhouse gas emissions by weight – air travel	Company-wide	20,231 tonnes CO2e
EN24	Number of reportable spills and releases	Canada	50
EN24	Number of non-reportable spills and releases	Canada	214
EN27	Number of active and closed remediation sites	Canada	58
HR3	Number of human rights cases opened and closed	Canada	Carried over from previous year: 12 New cases opened: 3 Cases closed: 9 Cases still in progress: 6
G4-10	Total workforce – By region	Company-wide	British Columbia: 8,291 Alberta: 5,939 Saskatchewan: 63 Manitoba: 109 Ontario: 6,820 Quebec: 5,667 Newfoundland & Labrador: 52 New Brunswick: 67 Nova Scotia: 100 International: 20,532 TOTAL: 47,640

GRI ref	Performance indicator	Coverage	2015 value
LA1	Employee turnover rate	Canada	Overall voluntary: 9.3% Involuntary: 6.3% Total: 15.6% Female: 17.8% Male: 14.2% Silent Generation: 84.2% Baby Boomers: 17.4% Generation X: 9.3% Millennials : 20.9%
G4-11	Unionization – Percent of workforce unionized	Company-wide	TELUS domestic: 45% TELUS International: 0%
LA6	Lost time accident rate	Canada	0.70
LA6	Absenteeism rate	Canada	6.0
LA9	Average annual training hours	Canada	Overall: 22.6 Males: 21.4 Females: 23.4 BU: 38.5 MP: 11.4 Retail: 2.5 Single Contributor: 23.8 Middle Manager: 14.5 Senior Manager: 9.8
LA12	Workforce demographics – Gender and minorities as a percent of TELUS workforce	Company-wide	Domestic: 87% TELUS International: 80%
n/a	Employee engagement – Percentage of employees expressing job satisfaction	Company-wide	Domestic: 87% TELUS International: 80%
PR5	Number of complaints lodged with the CCTS	Canada	TELUS: 466 Koodo: 175 Public Mobile: 55
SO4	Percent of employees completing ethics training	Company-wide	100%
SO5	Number of inquiries and complaints made to TELUS Ethics Office relating to the company's ethics policy	Company-wide	410
SO5	Number of concerns determined to be breaches of ethics policy	Company-wide	85

## 1.5

### Global Reporting Initiative (GRI) guidelines

This report has been prepared using the Global Reporting Initiative (GRI-G4) Guidelines. The index that is found in the online version of this report lists where you can find information related to each GRI criterion – either in this report, the TELUS 2015 Annual Report, or Information Circular. Combined, these reports form TELUS' reporting package of economic, social and environmental performance.

The 2015 Sustainability Report period of reporting consists of the 2015 calendar year and information reported within is confined to that period unless otherwise stated. TELUS has been publishing annual Sustainability reports since 2000. Questions or feedback concerning content within the 2015 sustainability report should be directed to [sustainability@telus.com](mailto:sustainability@telus.com) ✉.

Throughout the year we also provide information to the Dow Jones Sustainability Index and the Carbon Disclosure Project as well as other organizations that help investors understand the economic, environmental and social performance of companies.

This Report is organized and presented in accordance with the GRI G4 framework, using the “Core” option. Deloitte LLP has provided independent limited assurance of indicators symbolized throughout the report with **A**.

TELUS supports the UN Global Compact and its 10 principles covering human rights, labour, environment and anti-corruption. The Communication on Progress section of our Sustainability Report covers TELUS' progress in 2015 in these areas and we reference the UNGC Principles in our GRI table.

For the complete list and review of GRI G4 material aspects, please visit the online version of our report at [sustainability.telus.com](http://sustainability.telus.com) ↗.

## 1.6

### Sustainability awards

In 2015, TELUS once again earned external recognition for our accomplishments and commitment to sustainability. Our efforts have resulted in TELUS being recognized as a world leader in sustainability performance and being named:

- One of the [Global 100 Most Sustainable Companies in the World](#) ↗ by Corporate Knights for the sixth time since 2009, including ranking 53rd in 2016. TELUS is the only North American telecommunication company and one of nine Canadian companies to earn this distinction
- To the [Dow Jones Sustainability North America or World Index](#) □. We have been a member for the past 15 years – a feat unequalled by any North American telecommunication or cable company
- One of [Corporate Knights' Best 50 Corporate Citizens in Canada](#) ↗, ranking fifth in 2015 (ninth time)
- One of the [Top 50 Socially Responsible Corporations](#) ↗ for seven consecutive years by Jantzi-Sustainalytics
- One of [Canada's Greenest Employers](#) ↗ by Mediacorp (fifth time).



# Sustainability strategy

Sustainability is core to our business strategy at TELUS. Our commitment to sustainability can be seen through the actions of our team, our innovative products and services and our collaboration with suppliers and other key stakeholders.





SUSTAINABILITY STRATEGY

## Introducing TELUS Garden

Interior design: mcFarlane biggar architects + designers inc. Photo by: Emma Peter

It's official: the architectural icon is one of the greenest buildings in North America.

What's one million square feet, inspired by nature, innovative by design and the new standard for sustainability? Welcome to TELUS Garden, an architectural triumph for the way we live, work and play.

Downtown Vancouver's TELUS Garden was awarded LEED Platinum certification by The Canada Green Building Council. It's the highest rating a building development can receive, and has set an exciting and important precedent for the way we view our cities' futures. The vision that included the 22-story signature office tower, retail space and 424 green homes is now a successful showcase of architecture, design, environmental stewardship and advanced technology.



“Sustainability is not only about green technologies and design, it also means supporting our fellow citizens and contributing to more vibrant communities.”

— **Darren Entwistle**, TELUS President and CEO



Architect: Henriquez Partners Photo by: Ed White

## Caring for the environment and connecting communities

Just some of the many innovations that significantly reduce energy consumption at TELUS Garden include a district system that will reduce carbon dioxide emissions by more than one million kilograms a year. That's the equivalent of planting 25,000 trees within the same amount of time. High-efficiency motion sensor lighting and Vancouver's largest solar panel rooftop will also contribute to the reduction. TELUS Garden also features a unique fresh air ventilation system, rainwater capture systems to irrigate the gardens, and charging stations for electric vehicles and bike storage, with showers. Garden terraces, a community food garden, works by visual arts students and community organizations – all enhance the community atmosphere along with the new public plaza for lounging, entertainment and free Wi-Fi.

It's only natural the aesthetic of TELUS Garden is all about bringing the outdoors in to capture the West Coast Gothic vision for the development. The Douglas Fir beams in the open air is a distinct nod to the rainforest in the heart of the city.

Another source of inspiration was the wood and glass covered canopy, inspired by Emily Carr's "Cathedral" painting that spans one of the office tower's entrance ways. It features an indoor koi pond and custom-made Fazioli piano, also created using Douglas Fir. Down to every detail, as a successful urban space that has unlocked potential for the future of creating healthy and sustainable environments - TELUS Garden is the true embodiment of TELUS' commitment to sustainability.



### [Welcome to TELUS Garden](#)



## 2.1 CEO message

### Embracing the opportunity to be a leader in sustainability



TELUS and our team members are dedicated to putting our customers first and this commitment extends to building stronger, more sustainable and more caring communities. We are progressing our corporate social responsibility goals by deploying advanced communications solutions in both urban and rural Canada. By bridging the digital divide, we are endeavouring

to ensure all citizens have access to the significant opportunities within our knowledge-based economy. The TELUS team is also leveraging our technology innovation and thought leadership to transform healthcare in Canada. Working with our partners in the healthcare system, we are digitizing services to support better health outcomes, for less money spent. At the same time, we are advancing our philanthropic philosophy, We give where we live®; volunteering in our local communities and serving our fellow citizens in need.

The TELUS team conducts our sustainability initiatives in alignment with universally accepted principles in human rights, labour, environment and anti-corruption practices, guided by the United Nations Global Compact. Through our Sustainability Report and Annual Report, we provide transparent and clear disclosure and strive to continuously enhance our governance. In 2015, TELUS was certified with the ISO 14001:2004 standard for our domestic operations – the world’s most recognized environmental management system.

### Achieving our sustainability goals is a collective responsibility

Our sustainability efforts are led by our team members, including our Green Teams who volunteer their time to educate, empower and inspire us to reduce our energy consumption and overall ecological impact.

The collaborative approach exemplified by our team members is a cornerstone of our unique culture, fueling our success and making it possible for us to attain our goals, which include being a leader in sustainability.



Score achieved by TELUS to be named most engaged team on the planet by Aon Hewitt

Promoting diversity and inclusivity, not just across our organization but also within our communities, is part of the TELUS difference. Fostering a diverse and inclusive team not only enables a broader and more creative exchange of ideas, but also promotes better talent acquisition and retention, and inspires innovation. These critical attributes, in turn, help us better understand, support and serve our valued customers.

Without a doubt, our efforts to increase the diversity of our team and Board of Directors contributes to our team member engagement. 2015 was the third consecutive year our team has achieved a world-leading level of engagement compared to organizations of our size and composition as measured by independent surveyor, Aon Hewitt. With a score of 87 per cent, the TELUS team, with their unparalleled engagement, represents our single, greatest competitive advantage.

As a result of our unwavering commitment to our customers, our team and our communities, in 2015, TELUS was named one of Canada’s 10 Most Admired Corporate Cultures by Waterstone Human Capital, a title we have held for six consecutive years. Additionally, we received the BEST Award from

the Association for Talent Development in recognition of our best-in-class learning and development programs and initiatives for the 10th time, making us the first organization globally to be inducted into its Best of the BEST Hall of Fame. We were also named one of Canada's Top 100 Employers by Mediacorp Canada for the seventh straight year and one of Canada's Best Diversity Employers for the eighth consecutive year.

### A consistent strategy focused on continuous improvement

The growing demand for data and connectivity requires us to invest in and grow our networks, an undertaking that is resource-heavy and energy intensive. While consumers expect us to provide them with the infrastructure to support their needs, they also increasingly want to do business with companies that share their values with respect to corporate responsibility. TELUS' sustainability strategy is one that balances our economic, social and environmental goals. Although we may not meet all of our sustainability targets on a yearly basis, our unwavering commitment to continuous improvement and small-scale innovation is enabling us to deliver on our brand promise – the future is friendly.

We completed a variety of energy efficiency initiatives in 2015, as described in this report, and have also made a number of public commitments in support of responsible environmental stewardship in our communities. For example, TELUS was the first company to sign the Vancouver Economic Commission's Climate Pledge, which calls for stronger action on climate change by national governments and supports the City of Vancouver's strategy to become a 100 per cent renewable energy city. Moreover, we added a sustainability index to our corporate scorecard to ensure every team member has an opportunity to contribute to our sustainability targets. The metrics include volunteering in one's community, reducing energy use and greenhouse gas emissions and optimizing real estate efficiency.

In early 2016, TELUS was honoured to host Prime Minister Justin Trudeau, and premiers from across the country for the launch of Smart Prosperity, an initiative that brings together leaders from industry, academia and government

to drive a clean, competitive economy. I am proud to be a founding member of this national endeavour that will focus on accelerating green innovation, boosting energy and resource efficiency, investing in advanced infrastructure and skills, pricing pollution and waste, and valuing and conserving nature.

### Our next-generation workplaces benefit our team and our communities

Through aligning our real estate strategy with our sustainability vision, we are introducing next-generation workplaces that fuse technology innovation and environmental excellence. In September 2015, we welcomed our team to our new corporate home in downtown Vancouver, TELUS Garden™. Incorporating a District Energy System and the largest solar panel installation in Vancouver's history, we are able to reduce our energy demand by up to 90 per cent and our carbon dioxide emissions by one million kilograms annually, the equivalent of planting 25,000 trees every year. These features contributed to TELUS Garden receiving LEED Platinum certification in early 2016 and earning TELUS the distinction of being awarded the highest score ever by the Canada Green Building Council.



TELUS Garden's district energy system helps to reduce energy demand by up to 90%.

Construction is underway on our second LEED Platinum office tower, located in downtown Calgary. Scheduled to be completed in 2018, TELUS Sky™ will generate more energy than it consumes and offer our Calgary team a healthy and visually breathtaking place to collaborate, innovate and deliver on our Customers First priority and goal to be the most recommended service company in the world.

Our LEED Gold Internet Data Centres further demonstrate our commitment to putting our customers first by offering world-class, energy-efficient solutions. Notably, our super intelligent data centres in Kamloops and

Rimouski and our retrofitted Laird Data Centre in Toronto are over 80 per cent more efficient than conventional data centres and host our cloud collaboration, managed IT and cybersecurity services.

These significant investments in LEED Gold or higher workplaces, combined with our Work Styles program that enables nearly 70 per cent of our team members to work from home on a part-time or full-time basis as well as our environmental management performance, contributed to TELUS being recognized as one of the Global 100 Most Sustainable Corporations by Corporate Knights for the sixth year. Notably, TELUS was one of only nine Canadian companies to earn a spot on the list in 2016, and the only telecommunications company in North America. Moreover, TELUS was named to the Dow Jones North America Sustainability Index for the 15th year running, a feat unequalled by any other North American telco or cableco.

## Investing in our future

Our ongoing efforts to expand and enhance our wireless and wireline broadband capabilities, including our 4G LTE footprint, small cell deployment and generational investment in fibre optic technology, are future-proofing our nation and ensuring we remain competitive in the digital age. We are particularly excited about the economic, social and environmental benefits associated with connecting homes, businesses and community facilities to our TELUS Fibre network. In 2015, we connected 63 communities in British Columbia, Alberta and Quebec and announced plans to invest \$1 billion in both Edmonton and Vancouver to expand our fibre-to-the-premise footprint.

Offering Internet speeds of 150 megabits per second and beyond, fibre optic cables require less energy than copper cables because they operate on a “passive” network – requiring no power between our Central Office where the signal starts, and the customer’s home or business where it is received. Moreover, as we roll out TELUS Fibre, we are taking the opportunity to re-engineer our networks to optimize environmentally sensitive areas such as flood plains and replace legacy equipment with more advanced technology that offers a longer lifespan and exceptional reliability. These numerous advantages result in lower operating costs and environmental impact.

## Leveraging our innovation to drive better health outcomes for Canadians

Our investment in TELUS Fibre is also supporting our healthcare transformation agenda. By connecting medical facilities and pharmacies to our fastest, most reliable and most secure network, we are placing the patient at the centre of the healthcare continuum and turning information into better health outcomes.

In 2015, we expanded our Electronic Medical Record solutions and now serve more than 15,000 physicians throughout Canada. We also support almost one-third of Canada’s pharmacies with software solutions and provide more than 13 million Canadians with health benefits management. In Ontario and British Columbia, we are facilitating the governments’ Home Health Monitoring solutions on a trial basis for patients who have been released from acute care after a chronic disease hospitalization.

Additionally, in Alberta and Saskatchewan, we are the provider for the governments’ upcoming Personal Health Record solution. By giving patients the tools to better manage their health and that of their families, we are promoting health and wellness through the prevention of disease, not just its remediation.

## Giving with our hearts and hands to help Canadians and those around the globe

A hallmark of our company’s culture and brand is the TELUS team’s unparalleled commitment to giving back to our local communities, particularly in the areas of health, education and the environment. In 2015, TELUS, our team members and retirees honoured this heartfelt tradition by contributing almost \$44 million to grassroots charities and over 830,000 volunteer hours in our communities across Canada and internationally. Since 2000, we have contributed \$440 million to charitable and community organizations and perhaps more importantly, volunteered 6.8 million hours of service – the equivalent of almost 900,000 days of volunteer work in serving our communities and helping our fellow citizens.



Amount contributed by TELUS to charitable and community organizations since 2000

We also celebrated a significant milestone with the 10th anniversary of our TELUS Days of Giving™. Indeed, a record 17,850 team members, family and friends gathered in communities across the nation to participate in more than 1,300 volunteer activities that ranged from planting trees in city parks, to serving hot meals to homeless citizens and distributing backpacks filled with school supplies to young students. The generosity of the TELUS team was felt around the world as well with 7,250 TELUS International team members volunteering at events across seven countries.

Our TELUS Community Boards continued to play a significant role in meeting the needs of our local communities in 2015. With the addition of our TELUS Europe Community Board, there are now 15 TELUS Community Boards globally that fund local projects and initiatives to help at-risk children and youth reach their full potential.

We are further supporting the needs of our younger generations through our national Internet and smartphone education program, TELUS WISE®. By the end of 2015, more than 860,000 Canadians had participated in our public workshops and online community. By doing so, they increased their digital literacy skills, including how to be safe and responsible when online.

Clearly, TELUS believes deeply in the symbiotic relationship between the success of our business and the welfare of our communities. This relationship is further exemplified by TELUS and our team members remitting more than \$22 billion nationally in taxes and spectrum fees since 2000. These funds are helping to support vital services for citizens across our country. Importantly, the remittance of these fees reflects TELUS' adherence to Canadian and international tax laws, which is in alignment with our longstanding track record of open and transparent corporate reporting and globally leading governance practices.

## The future is still friendly

All of our investments – whether made with our technology and resources, our people and their skills or our hearts and hands – are helping build healthier, more sustainable and more vibrant communities. Our collaborative efforts have contributed to a stronger country economically, socially and environmentally, and enhanced Canada's reputation as a global leader and innovator.

Looking ahead, TELUS will continue to conduct our business activities and community endeavours with openness, transparency and integrity, publicly sharing our successes as well as our challenges. Working with our customers, suppliers, business and charity partners and team members, we will seek new and creative ways to bolster sustainability and awareness. While I am pleased with our progress to date, I look forward to delivering even greater results in 2016, and beyond.

I hope that by reading our 2015 Sustainability Report, you will gain an appreciation for the TELUS team's passionate commitment to embracing a greener way of life, making environmentally responsible choices and creating a friendlier future for this generation... and generations yet to come.

Thank you for your support as we continue our critical work for the benefit of our communities and our planet.



**Darren Entwistle**

Member of the TELUS team

April 22, 2016

2.2

## Chief Sustainability Officer message



This was a year of new beginnings for the Sustainability team at TELUS. We entered 2015 feeling more invigorated than ever, and in the spring, launched our new sustainability vision - Inspired by nature, creating a healthier, more sustainable future. Our vision guides our strategic planning, actions, and decisions, pushing us to innovate and further integrate sustainability into our operations.

Importantly, our vision reinforces how seriously we take our responsibility to current and future generations. From developing environmentally advanced workplaces to taking action to fight climate change to expanding our network to remote communities, and caring for those less fortunate – sustainable practices are part of the decision-making filter for everything we do.

I am extremely proud of the successes we have achieved in 2015. For example, we celebrated the grand opening of TELUS Garden, our new corporate home in Vancouver. Certified to LEED Platinum standards, TELUS Garden is the highest rated LEED commercial project in Canada. With a District Energy System and the city's largest solar panel system, TELUS Garden reflects our ongoing commitment to sustainability through innovation.

Critical to achieving the highest level of success is collaboration and partnership with like-minded organizations who not only share our commitment for innovation and sustainability, but whose strengths and expertise complement ours. Internally, through our National Sustainability Council, we support sustainability integration across TELUS by implementing sustainable practices, developing new competencies and sharing knowledge through grassroots initiatives that reflect diversity and creativity.



Named one of Canada's Greenest Employers by Canada's Top 100 Employers

In 2015, we continued to be recognized for our sustainability and reporting practices. TELUS was named one of [Canada's Greenest Employers](#) for the fifth consecutive year, and listed to the [Dow Jones Sustainability Index](#) (North America) for the fifteenth year, a feat unequalled by any other North American telecommunications company. However, despite our action and commitment to sustainable development, we experience inherent challenges in our industry such as an increasing demand for energy to power our growing networks that keep our communities and citizens connected. Along with these challenges come opportunities for innovation and meeting social and environmental goals. Our commitment extends to setting high goals and standards as well as finding ways to address these opportunities such as seeking renewable energy solutions.

Looking forward through 2016 and beyond, we aim to continue our transformation through innovation and collaboration and by sharing our journey as a leading corporate citizen. Why? Because it's the nature of who we are, but most importantly, it's the right thing to do - for our children, company and the planet we are creating for future generations.

With gratitude,

Andrea Goertz  
 Chief Communications and Sustainability Officer  
 Member of the TELUS team  
 April 22, 2016

### 2.3

## Sustainability leadership

### Inspired by nature, creating a healthier, more sustainable future

Inspired by nature, the TELUS team is passionate about creating a healthier, more sustainable future. We believe there is a harmonious relationship between our company, our team and the health and prosperity of our communities.

We take a balanced approach to business, delivering economic growth with a diligent focus on meeting our environmental and social objectives. In this regard, we are making progress toward our sustainability goals by:

- Taking action to reduce our absolute energy consumption and GHG emissions
- Investing in and collaborating with our team and our communities
- Strengthening our governance, transparency and disclosure
- Expanding the capacity and reach of our network to improve reliability and accessibility for all customers, including people living in remote communities
- Investing in green buildings and infrastructure
- Enhancing our efforts with respect to product stewardship.

As signatories to the **United Nations Global Compact**  (UNGC) and by having our reporting aligned to GRI guidelines, we are using international frameworks that both inform our strategy and help us communicate our progress to stakeholders. This allows TELUS to achieve important goals such as integrating our sustainability strategy with universal principles and international standards and providing stakeholders with focused, comprehensive and transparent information about our sustainability performance.

## 2.4 Material issues

In support of our ongoing governance, each year we assess the material issues that matter to our stakeholders and TELUS. In early 2015, we completed the latest formal assessment, which began in late 2014. This review took a phased approach to:

- Understand our current state
- Establish a baseline on our strategy and performance
- Refresh our sustainability vision and strategic priorities.

This approach helps us to monitor stakeholder concerns and identify emerging issues.



Named one of Canada's  
Greenest Employers by Canada's  
Top 100 Employers

Our first step was to prioritize our material issues according to our core business strategy and as stated by our stakeholders. The sustainability team, led by our Chief Sustainability Officer, then collaborated with key stakeholders across TELUS to establish roadmaps to better integrate sustainability considerations into all areas of our operations, aligned to our material issues. This work included developing action plans, establishing key performance indicators and building a reporting strategy to enhance our governance on these issues. Our Sustainability Report, including targets, is structured based on our key focus areas and material issues.

We believe that streamlined sustainability reporting, focused on our strategy and performance with respect to material issues:

- Better serves our stakeholders
- Increases employee engagement
- Spurs innovation
- Builds momentum for sustainability initiatives
- Fosters enhanced governance
- Increases accountability
- Makes the report more relevant and reader-friendly.



Material Issue	For TELUS this means:
Environmental Stewardship	
Energy & Climate Change	Reducing our GHG emissions and energy costs, reducing energy-related risks, exploring alternative energy solutions and supporting UNGC principles on the environment
Environmental Management	Meeting legal requirements, minimizing spills, releases and waste, enhancing our Environmental Management System and environmental education efforts
Employee & Community Investment	
Culture, Human Rights & Labour	Fostering a diverse culture that will lead us to deliver on our Future Friendly promise and supporting UNGC principles on Human Rights & Labour
Employee Experience	Engaging and investing in employees to live our values to improve the lives of people, our communities, customers and team
Employee Health, Safety & Wellness	Optimizing employee health, safety and wellness to benefit employees, reduce costs, improve productivity and drive business success
Community Investment	Creating shared value and improving the lives of youths and their communities through health, technology and environmental investments
Business Operations & Ethics	
Economic Performance & Impact	Cultivating sustainable economic growth for the benefit of our investors, customers, employees, suppliers and the communities where we live, work and serve
Ethics	Conducting our business in an ethical and transparent manner, creating a respectful workplace culture and supporting UNGC principles on Anti-Bribery and Corruption
Governance & Disclosure	Providing the foundation for sustainability leadership, increasing transparency and stakeholder confidence and reducing risks
Regulatory Compliance	Ensuring TELUS can respond to change and continue to provide the high-quality, robust and innovative networks that citizens and businesses depend on every day
Business Continuity	Being resilient in emergencies and other disruptive events by focusing on the reliability of our network, systems, products and services and employees
Customer Experience	
Network & Systems Reliability	Living up to our customers' expectations that our network and systems are reliable and we are responsive and accountable when incidents occur
Data Security & Privacy	Respecting the privacy of our customers and employees and the security of data through effective oversight and accountability
Customers First	Delivering exceptional customer experiences on our journey to become a world leader when it comes to the likelihood that our customers recommend our products, services and people to others
Accessibility	Making the products and services we provide easier to access and use for all customers, particularly those who have a disability or live in remote communities
Online Safety	Educating parents, children and educators on Internet and smartphone safety by offering innovative training and consultative advice
Product Stewardship & Innovation	
Sustainable Supply Chain	Pursuing strategic alliances that provide innovative products and services for our customers and understanding risks and economic, social and environmental opportunities
Product Stewardship	Managing the environmental and social impacts and risks from product design through the customers use of our products, including recycling and disposal
Innovative Products & Services	Introducing products and services that assist our customers, communities and society in meeting their economic, social and environmental goals

## 2.5 Stakeholder inclusiveness

We rely on our stakeholders who provide the input that shapes our Sustainability Report.

In each section of this report, we describe who our stakeholders are and how we engage with them to inform our sustainability strategy and reporting. The following groups have been identified and prioritized (indicated by font size in graphic below) as TELUS stakeholders through an ongoing formal internal review process and by collaborating with independent third parties:



## Stakeholder engagement framework

TELUS believes that part of being sustainable means listening to and considering the expectations of people and groups that we impact through our operations or who impact us. Fostering these relationships is critical to the ongoing success of our business.

We have procedures in place that allow us to integrate stakeholder engagement and related outcomes within our governance, strategic planning and decision-making processes and our operations. In 2015, we began the process to formalize our internal stakeholder engagement policy that will, in part, address scope and guidance with respect to engagement methodologies, stakeholder prioritization, managing engagement risks and communication. We had intended to complete this work and make this policy public in 2015, but due to our focus on other business priorities, we have set a new goal to have this work completed in 2016.

However, through ongoing stakeholder engagements, media scans, industry related dialogues, workshops, internal discussion and research, we have prioritized stakeholder groups and our stakeholder engagement activities. Groups we engage with more frequently include customers, employees, shareholders and regulators.

Additionally, in 2015 we set the foundation for an external stakeholder panel to be launched in the second quarter of 2016, which will convene using an online tool created specifically for TELUS by an independent, expert third party. Participants will be able to post comments on various sustainability issues and our reporting, respond to other comments, ask questions and identify priority issues through online chat and voting mechanisms. In our 2016 Sustainability Report we plan to share the highlights of this stakeholder engagement.



## 2.6

# Governance and disclosure

## Overview

At TELUS, we are firmly committed to sound and effective practices in corporate governance and full and fair disclosure. Our continuing efforts to pursue new approaches and achieve higher standards set us apart and help to ensure greater transparency and integrity in our actions.

## Enhancing good governance

Each year, we implement initiatives that help us achieve good governance. Some of these are highlighted below.



Percent of TELUS' independent members of its Board of directors that are women, with a minimum representation target of 30% by 2018

We believe that encouraging diversity on our Board and on our Board committees is essential to our success, as it provides a broader range of perspectives and experience and better reflects the communities and customers we serve. With this in mind, we have set targets to have this diversity represented by not less than 30 per cent of our Board's independent members by May 2017, with a minimum representation of 25 per cent of each gender by May 2017, and not less than 30 per cent by 2018. Currently, 45 per cent of our independent directors up for nomination at the 2016 annual meeting are representative of this diversity and 27 per cent are women.

## Encouraging communication

In 2015, the Board adopted a separate shareholder engagement policy to better encourage direct engagement between the Board and our shareholders. Previously, it was part of a combined say-on-pay and shareholder engagement policy introduced in 2010. Our new policy reinforces the importance we place on communicating with our shareholders and providing opportunities for open and honest dialogue.

We also recognize the importance of timely and ongoing communication in helping investors make sound, informed investment decisions, and we consider it to be an essential part of our proactive approach to shareholder and investor engagement. In 2015, we participated in four TELUS-hosted conference calls and simultaneous webcasts, as well as many conference presentations and investor tours. To view past and upcoming events, visit [telus.com/investors](http://telus.com/investors) .

TELUS executives also met with numerous institutional investors in Canada, the United States and Europe. We continued to issue our annual transparency disclosure last year, providing insight into our approach to responding to requests for information about our customers from law enforcement agencies and other government organizations. This disclosure demonstrates our ongoing commitment to protect our customers' privacy while also supporting the efforts of law enforcement and emergency service providers. It also provides data regarding the numbers and types of information requests we receive each year. Our transparency reporting is integrated into this sustainability report.

## Striving for integrity in all we do

Adhering to high ethical standards is an integral part of everything we do at TELUS. We understand that having a shared commitment to integrity sets the foundation for earning the trust of our customers and other stakeholders. In 2015, we changed the name of our ethics policy to the Code of Ethics and Conduct to better reflect how it ties together all policies regulating business behaviour, as well as guidelines for the standards of ethical conduct required of all employees. The code is updated annually to ensure it remains relevant.

Each year, we also update our online learning course, Integrity, which outlines the standards of trust, respect and integrity all team members and contractors are expected to follow. The course, which is mandatory for all team members and the majority of contractors, combines important information outlined in our ethics, respectful workplace, corporate security, privacy, anti-bribery and corruption, and other corporate policies.

We are committed to sound and effective practices in corporate governance. In 2013, we introduced our innovative Integrity Index which includes internal and external measures of compliance to codes of conduct, senior manager behaviour and training effectiveness. These practices provide the foundation of sustainability leadership at TELUS, which is supported by the following considerations:

- Ethical conduct, ethical standards and expectation-setting by leaders
- An independent and judicious Board that oversees management
- Accountability to customers, employees, investors and other stakeholders
- Effective internal controls and transparent disclosure of strategic objectives
- External and internal assurance
- Executive compensation that rewards performance and responsible risk-taking.

Our stakeholders value excellence in governance. Each year, we aim to provide greater transparency and apply new standards of integrity across our operations. Examples of our long-standing best practices in governance include:

- Having and disclosing a majority voting policy for the election of directors for the past eight years
- Holding our fifth annual say-on-pay vote on executive compensation in 2015, with 95.6 per cent shareholder approval
- Continuously enhancing our risk ownership culture and leading enterprise risk governance framework and assessment process, and engaging management and the Board to evaluate perceptions of key risks, risk tolerance and resiliency and to integrate risk considerations into key decisions
- Quarterly updates for executive management and the Board include highlights of mitigation strategies relating to key enterprise risks
- Complementing our risk assessment and mitigation practices by having a Management Fraud Governance Committee, Management Security Steering Committee, and tax conduct and risk management policy
- Complying with the independence definition provisions of the New York Stock Exchange (NYSE) governance standards.

For a full statement of TELUS' corporate governance practices, including our Board policy manual and disclosure regarding our governance practices compared to those required by the NYSE, refer to the TELUS 2016 information circular or visit [telus.com/governance](http://telus.com/governance) .

## Executive pay

TELUS' executive compensation philosophy is based on performance with a clear and direct linkage between compensation and the achievement of business objectives (short, medium and long-term). Using both market-based and performance-based approaches, compensation is structured

through an appropriate mix of fixed versus at-risk methodologies, which factor in personal performance, corporate performance and competitive market compensation data. TELUS' compensation practices are robust and formulaic and involve the consideration of a number of internal and external performance measures consistent with our pay-for-performance philosophy. The Human Resources and Compensation Committee of the Board of Directors is responsible for reviewing and approving compensation arrangements of all Executive Vice Presidents, other than the CEO, and for reviewing and recommending to the Board the compensation arrangements of the CEO. For more information regarding our compensation philosophy, please refer to our [2016 Information Circular](#).

## Risk Management

Effective risk management also supports our foundation for sustainability leadership. TELUS defines business risk as the degree of exposure associated with the achievement of key strategic objectives in relation to the effectiveness and efficiency of:

- Operations
- Reliability of financial reporting
- Compliance with laws and regulations
- Safeguarding of assets within an ethical organizational culture.

Consistent with our balanced approach to business, we use an enterprise-wide risk and control assessment process that solicits and incorporates the expertise and insight of employees from all areas and levels of the organization, including our Board of Directors. We seek to continuously improve enterprise risk governance by voluntarily:

- Assessing perceptions of risk resiliency, appetite and tolerance, including risk management integration in key decision processes
- Assigning executive-level owners for mitigating key risks
- Integrating information across our strategic planning process and enterprise risk assessment activities.

More information on our risk assessment and mitigation process is available in section 10 (Risks and risk management) of the Management's discussion and analysis ([MD&A](#)) within our [2015 Annual Report](#).

Information on financial liabilities is listed in the Consolidated financial statements section of our Annual Report.

TELUS' strategic intent is a foundation of our governance program and is supported by [six strategic imperatives](#).

These imperatives guide our efforts and serve as a framework for our actions. The TELUS team works together to deliver future friendly services and our values guide the way:

- We embrace change and initiate opportunity
- We have a passion for growth
- We believe in spirited teamwork
- We have the courage to innovate.

Each year, we set [corporate priorities](#) to advance our growth strategy and put our customers first.

## Sustainability Steering Committee

Overall responsibility for our sustainability performance resides with TELUS' [Executive Leadership Team](#). In early 2015, following the development of our revised sustainability strategy and roadmap, we established our new Sustainability Steering Committee, formerly referred to as our CSR Leadership team. Committee members are senior leaders from all TELUS business units who are accountable for integrating and implementing sustainability considerations throughout our company in collaboration with our sustainability team. Additionally, this committee continues to nurture a culture of sustainability, meets regularly to review progress against our objectives and assesses new or ongoing initiatives.

The Committee provides progress reviews each quarter to the Corporate Governance Committee of TELUS' [Board of Directors](#) as well as updates to the Audit Committee on sustainability reporting progress, typically in the first quarter of each year.

TELUS' Chief Sustainability Officer is an executive who reports directly to the Corporate Governance Committee of TELUS' Board of Directors and is responsible for the approval of the overall strategic direction of our sustainability programs. Our annual Sustainability Report demonstrates how we are working hard today, without sacrificing tomorrow. The Report is a catalyst for gathering stakeholder feedback on our programs and performance, so we can maintain our commitment to healthy people, healthy communities and a healthy planet.

### Sustainability governance

For a full statement of TELUS' corporate governance practices, including our Board policy manual and disclosure regarding our governance practices compared to those required by the New York Stock Exchange (NYSE), refer to our [TELUS 2016 information circular](#) or visit the [governance section](#) on our website.

### 2.7 Targets

Our discussion in this section is qualified in its entirety by the caution regarding Forward-Looking Statements at section [1.1 in this report](#). In 2015, we met 13 of 16 sustainability targets aligned to our material issues.

We met both of our environmentally focused targets for energy reduction and paper purchase reduction as well as all three of our employee related targets for engagement and safety. Similarly, our governance related targets focused on ethics and supply chain were both met.



Despite significant improvement in our customer focused target we just fell short of our target. For both our community and economic focused targets, we met three of four objectives.

During 2016, we will reassess our targets and seek to shift from annual targets to more long-term goals in order to drive meaningful performance improvement on the sustainability issues that matter to our stakeholders and to TELUS.

## 2.7 Targets 2016 Sustainability targets (cont.)

Material issue	Key Performance Indicator	2016 target		2015 result	2015 target
Environmental stewardship	Paper purchase reduction	10%	✓	9.8%	10%
Climate change	Annualized energy reductions	36.5 GWh	✓	49.9 GWh	42.5 GWh
Community investment	Team TELUS Cares total volunteer hours	860,000	✓	830,000	n/a
	L2R: TELUS makes a difference in my community	45%	✗	41%	42%
	TELUS Day of Giving® participation – Domestic	19,000	✓	17,850	16,000
	TELUS Day of Giving participation – International	8,000	✓	7,250	7,000
Employee support	Pulsecheck engagement (TELUS)	88%	✓	87%	87%
	Pulsecheck engagement (TELUS International)	82%	✓	80%	79%
	Safety: lost time accidents per 200,000 person-hours worked	0.70 LTA	✓	0.70 LTA	0.70 LTA
Integrity index	Index	94.5	✓	94.42	94
Supply chain	Completed supplier risk assessments	n/a	✓	100%	65%
Customers First	TELUS complaints as a per cent of overall complaints to the CCTS	4%	✗	4.7%	4%
Economic performance and impact <sup>1</sup>	Revenues (consolidated)	Please see 2015 Annual Report <a href="#">↗</a>	✓	\$12.5 billion +4.6%	\$12.35 to \$12.55 billion +3 to 5%
	EBITDA <sup>2</sup>	Please see 2015 Annual Report <a href="#">↗</a>	✓	\$4.49 billion +4.6%	\$4.40 to \$4.575 billion +3 to 7%
	Basic EPS	Please see 2015 Annual Report <a href="#">↗</a>	✓	\$2.48 <sup>2</sup> +7.4%	\$2.40 to \$2.60 +4 to 13%
	Capital Expenditures <sup>3</sup>	Please see 2015 Annual Report <a href="#">↗</a>	✗	\$2.58 billion +9.2%	Similar to 2014 (\$2.2 billion)

<sup>1</sup> Excludes restructuring and other cost. EBITDA – excluding restructuring and other costs is a non-GAAP measure and does not have a standardized meaning under IFRS-IASB. Therefore, it is unlikely to be comparable to similar measures presented by other companies.

See Section 11 of Management's discussion and analysis in our 2015 Annual Report.

<sup>2</sup> Reflects basic EPS, as reported, excluding the impact of incremental restructuring and other costs expense in excess of our original restructuring and other costs guidance of \$75 million, as well as income-tax related adjustments.

<sup>3</sup> Capex guidance was revised to approximately \$2.5 billion in the second quarter of 2015. Excludes spectrum licences and non-monetary transactions.



# Environmental Stewardship

Our dedication to our environment goes beyond compliance. We are taking action on climate change and improving resource productivity. We are governed by our ISO certified Environmental Management System.





ENVIRONMENTAL STEWARDSHIP

## Meet TELUS House Toronto's Garden Steward

High in the sky, spring has sprung thanks to urban farmer Renee Nadeau. She's sharing fresh-from-the-garden-goodness in more ways than one.

Renee Nadeau may not be shouting from rooftops, but her passion is definitely felt from one - namely on top of the TELUS House in downtown Toronto. She's an urban farmer and community gardener who's creating connections between people, urban space and sustainability.

As the TELUS House Garden Steward, Renee is not only the day-to-day nurturer of the fruits, veggies, herbs and medicinal plants that are thriving in one of three gardens that grace the rooftops of the 30 storey building in downtown Toronto, but is also a resource and tipster for the growing number of TELUS employees and volunteers who come to enjoy the space, get their hands dirty or learn more about growing their own food. Some water the garden or wash carrots and radishes, others pull a few weeds between meetings, and some just come to relax and enjoy watching the buzzing neighbourhood honeybees that visit from Royal York Hotel's own rooftop garden next door.

“It has been so exciting to see TELUS employees drop by and get enthusiastic about harvesting, watering and maintaining our rooftop community garden.”

— **Renée Nadeau**, Garden Steward



While rooftop gardening can present unique challenges with intense sun and high winds, Renee has proven that passion, know-how and committed volunteers can create an organic extravaganza of goodness. The harvest has been so plentiful, Renee hosts a weekly farmer's market where employees can purchase a variety of fresh fare by donation. Last year, the garden exceeded expectations and yielded 600 lbs of produce harvested from the 900 square foot space. All those helping hands raised over \$1500 for Green Thumbs Growing Kids.





## A green team effort

Now into its second year, Renee has even higher hopes for the little garden that could. While last year was a true testing lab and much was learned about growing conditions and the plants that would suit the environment, this year she's focused on employees' favourites: peas, beans, carrots, radishes, beets, garlic, tomatoes, eggplants, peppers, kale and cooking herbs. She was also pleased to steward a seed-sharing program with employees. Last Fall, plants were allowed to go to seed, harvested, dried and preserved to plant this year and share with employees, who are now trying their hand at organic gardening at home.

Renee's passion has been contagious and the TELUS House Garden is now a hot-spot for inspired living and thinking in a sustainable way. Anyone can read up on what's growing on at [Renee's blog](#), where she talks about the Garden, provides gardening tips and even recommends software programs to help those who want to grow their own food.

## Overview

At TELUS, we strongly believe it is our responsibility to address the impact we have on the environment. Not only is the right thing to do, but it is also necessary to ensure we protect our surroundings for the generations ahead of us. We take proactive actions to address climate change by measuring and reducing our overall emissions, minimizing spills, releases and waste, enhancing our Environmental Management System, and using sustainable construction methods to build a network of data centres and office buildings that minimize our ecological footprint.

Today, our governments and society demand that we account for the risks associated with climate change. According to the Intergovernmental Panel on Climate Change (IPCC) [worldwide CO2](#), fossil fuel combustion and industrial processes contributed to about 78 per cent of the total Greenhouse Gas (GHG) emissions increase from 2000-2010. Increases in emissions have been linked to more extreme weather events, which can affect [TELUS operations](#) and impact service to our customers.

Our commitment to address our own environmental impact is supported by a dedicated internal team that has annual goals of reducing our energy usage and GHG emissions. Measuring our business activities and minimizing any negative impacts is strongly supported by all levels of our organization, from the leadership team to the working teams that manage environmental projects.

To support our commitment to environmental responsibility, TELUS has climate change goals of absolute reductions from 2010 to 2020:

- Reducing our absolute energy consumption by 10 per cent
- Reducing our absolute GHG emissions by 25 per cent.

We also commit to reduce energy costs and energy-related risks, explore alternative energy solutions and support UNGC principles on the environment.

## 3.1

# Energy use and climate change

## Overview

TELUS has experienced tremendous year over year growth in wireless data traffic on our networks. As customer demand for data grows, so does our reliance on energy to power our networks. To achieve our climate change goals, we implement energy efficiency programs as well as examine the intensity of emissions related to our energy portfolio.

## Reporting Methodology

When reporting energy and GHG usage, we follow the [Greenhouse Gas Protocol methodology](#): [Emission factors are collected from the Canadian National Inventory Report](#).

We categorize our energy and GHG consumption according to the GHG Protocol guidelines

- **Scope 1:** direct energy sources such as fuels that include natural gas, gasoline, diesel, propane and heating oil
- **Scope 2:** indirect energy sources such as electricity
- **Scope 3:** other energy sources such as air travel, employee commuting and mobile device use.

The energy footprint as defined for our climate change goals consists of direct energy and indirect energy for our domestic owned and leased real estate properties, cell tower sites, vehicle fleet, and remote generator fuel.

### 3.1.1

## Energy efficiency

In 2015, we implemented over 70 energy efficiency initiatives, resulting in the elimination of 49.9 GWh of annualized energy waste, and \$5.2 million in avoided energy costs.



Elimination of 49.9 GWh of energy waste, and \$5.2 million in energy costs (equivalent to 131,845,870 kilometres driven by an average passenger car)

#### Key program highlights:

- \$59.9 million cumulative operational costs avoided from program inception
- 16.5 GWh of improved efficiency of power and cooling systems in buildings
- 30 GWh eliminated through legacy equipment turndowns and server/storage decommissioning
- 3.4 GWh of reduced energy consumption from real estate consolidation, energy efficiency programs and our Work Styles program implementation.

In addition, we installed three new solar energy sites in 2015:

- Banff Central Office, AB: generating 13,000 kWh per year
- Lendrum Building, Edmonton, AB: generating 44,000kWh per year
- TELUS Garden, Vancouver, BC: generating 65,000 kWh per year.

TELUS faces a challenge in meeting our ambitious Energy and GHG reduction goals due to the expansion of our networks and the associated increase in demand for energy. To help us achieve our 2020 climate change goals, while still growing our business, we will continue to focus our effort on our energy management program, which targets projects that will help us become more energy efficient. As well, we plan to purchase renewable energy credits and incrementally expand our existing renewable energy infrastructure. We will also review our targets and assumptions as part of our ongoing target governance processes.

### 3.1.2

## Energy consumption results

In 2015, our overall energy usage decreased 3.2 per cent from 2014. This decline can be attributed to our ongoing real estate consolidation in both our leased and owned spaces. Other energy savings were realized through legacy network and equipment efficiency upgrades or turndowns.

In 2015, we were able to restate small portions of our historical reporting data due to continual improvements in our reporting process. Adjustments to our data did not exceed five per cent of our total annual reportable data and is, therefore, immaterial. Our total energy use in 2015 was 1,316 GWh, consisting of 353 GWh <sup>A</sup> in Scope 1 energy use and 963 GWh <sup>A</sup> in scope 2 energy use.



Percent change in Scope 1 Energy Consumption from 2014



Percent change in Scope 2 Energy Consumption from 2014

## Total Energy Consumption in GWh

	eGWh										
	2015	% change	2014	% change	2013	% change	2012	% change	2011	% change	2010
Scope 1	352,624	-9.1	388,084	1.7	381,632	-0.4	383,013	-5.9	407,170	-2.1	416,099
Scope 2	934,422	-7	941,333	3.4	910,479	0.8	902,817	-0.1	903,453	5.8	853,754
<b>Total Scope 1 and 2</b>	<b>1,287,046</b>	<b>-3.2</b>		<b>2.9</b>	<b>1,292,111</b>	<b>0.5</b>	<b>1,285,830</b>	<b>-1.9</b>	<b>1,310,623</b>	<b>3.2</b>	<b>1,269,853</b>
TELUS International Scope 1	824	-9.7	913	128.2	400	18.8	337	400.6	67	n/a	-
TELUS International Scope 2	28,574	5.0	27,226	4.4	26,087	4.2	25,032	56.6	15,989	-0.2	16,093
<b>Total Scope<sup>1</sup> 1, 2, and TI</b>	<b>1,316,444</b>	<b>-3.0</b>		<b>3.0</b>	<b>1,318,598</b>	<b>0.6</b>	<b>1,311,199</b>	<b>-1.2</b>	<b>1,326,679</b>	<b>3.2</b>	<b>1,285,946</b>

## Base Year Comparison

When compared to our base year of 2010, at the end of 2015 we have increased our absolute energy use by 1.4 per cent. Given that we built in an assumption of more than 3 per cent annual growth when setting our climate change goals, this slight increase over a five year period is a positive reflection of the results of our energy management program and other energy reduction initiatives. Our operational growth and increasing customer demand for data will continue to drive us to seek opportunities for energy efficiency.

## Total domestic scope 1 and 2 energy vs. base year

	2015	Compared to base year %	2014
Scope 1 MWh	352,624	-15.3	416,099
Scope 2 MWh	934,422	9.4	853,754
<b>Total</b>	<b>1,287,046</b>	<b>1.4</b>	<b>1,269,853</b>

### Intensity Metrics

Illustrating the intensity of our domestic scope 1 and 2 energy usage in the context of our financial success indicators helps us understand the efficiency of our business operations



YoY change in MWh per million dollars in revenue

TELUS' MWh per customer connection has been reduced by 5.3 per cent, and our MWh per million dollars in revenue has been reduced by 7.1 per cent year-over-year. Additionally, our energy intensity per customer connection has been reduced by 14.3 per cent since our baseline year of 2010, and our energy intensity per million dollars in revenue has been reduced by 20.7 per cent over the same period.

### Energy Intensity: Customer Connection

	2015	YoY change (%)	2014
Net Customer Base (M)	12,495	2.2	12,228
MWh per customer	0.103	-5.3	0.109

### Energy Intensity: Revenue

	2015	YoY change (%)	2014
Annual Revenue (\$M)	12,502	4.2	12,002
MWh per revenue (\$M)	103	-7.1	111

#### 3.1.3

### Greenhouse gas emission results

GHG emissions are dependent on internal factors, such as actual energy usage and external factors, such as emission factors that are applied to TELUS' energy usage depending on the source (location) and type of energy used. Given the source of our emissions is largely in British Columbia and Alberta, the emission factors in those provinces impact our results. In 2015, the electricity emission factor for B.C. increased 84 per cent, although the emission factor remains 55 times cleaner than the Alberta emission factor for example. This means that our 2015 emissions in B.C. are almost 2,000 tonnes higher than they would have been if emission factors remained the same from 2014.



Percent change in Scope 1 GHG emissions compared to 2014



Percent change in Scope 2 GHG emissions compared to 2014

Despite fluctuating emission factors, overall in 2015, our GHG emissions increased only by 0.5 per cent. The small increase was due to the increased emission factor in B.C. coupled with the 32 per cent growth of our wireless network in Western Canada in 2015. Our total emissions in 2015 were 385,228 tonnes CO<sub>2</sub>e, consisting of 75,695 tonnes CO<sub>2</sub>e <sup>A</sup> in Scope 1 emissions and 309,533 tonnes CO<sub>2</sub>e <sup>A</sup> in Scope 2 emissions.

In 2015, we restated small portions of our historical reporting data due to continual improvements in our reporting process. Adjustments to our GHG data did not exceed five per cent of our total annual reportable data and is, therefore, immaterial.

For more details on our GHG emissions, please see our 2015 [TELUS Greenhouse Gas Report](#)

### Total GHG Emission in tonnes of Carbon Dioxide equivalent (CO<sub>2</sub>e)

	tonnes of CO <sub>2</sub> e										
	2015	% change	2014	% change	2013	% change	2012	% change	2011	% change	2010
Scope 1	75,483	-9.4	83,273	3.0	80,852	-1.4	82,015	-4.3	85,656	-2.8	88,165
Scope 2	290,373	3.4	280,766	11.4	252,028	-16.6	302,089	0.2	301,340	-7.4	325,257
<b>Total Scope 1 and 2</b>	<b>365,856</b>	<b>0.5</b>	<b>364,039</b>	<b>9.4</b>	<b>332,880</b>	<b>-13.3</b>	<b>384,104</b>	<b>-0.7</b>	<b>386,996</b>	<b>-6.4</b>	<b>413,422</b>
TELUS International Scope 1	212	-8.0	230	126.2	102	18.8	86	400.6	17	n/a	-
TELUS International Scope 2	19,160	4.0	18,431	4.9	17,571	4.3	16,851	66.8	10,103	-0.6	10,169
<b>Total Scope 1, 2, 3 and TI</b>	<b>385,228</b>	<b>0.8</b>	<b>382,700</b>	<b>9.2</b>	<b>350,553</b>	<b>-12.6</b>	<b>401,041</b>	<b>1.0</b>	<b>397,116</b>	<b>-6.3</b>	<b>423,591</b>

### Fleet

TELUS' vehicle fleet is used to support delivery of our wireless and wireline products and services and accounts for 40 per cent of our Scope 1 emissions. In 2015, our overall vehicle fleet emissions rose slightly by 2.2 per cent, while the number of vehicles in our fleet declined slightly by 15 cars from 4,587 vehicles in 2014 to 4,572 vehicles in 2015. The slight increase in vehicle emissions is marginal enough to be attributed to our normal growth in business operations. In 2016, we will continue to explore initiatives to improve the efficiency of vehicle operations such as aggregated vehicle usage and driver efficiency. Additionally, we will be assessing opportunities to replace existing vehicles with hybrid or electric vehicles where conditions permit.

## Base year comparison

Compared to our base year, our annual 2015 emissions are 11.5 per cent lower than in 2010. This decrease is largely due to our real estate consolidation and our Work Styles program, which has allowed us to incrementally reduce our leased property footprint each year.

## Total domestic scope 1 and 2 GHG vs. base year

	2015	Compared to base year (%)	2010
Scope 1 tonnes CO <sub>2</sub> e	75,483	-14.4	88,165
Scope 2 tonnes CO <sub>2</sub> e	290,373	-10.7	325,257
Total tonnes CO <sub>2</sub> e	365,856	-11.5	413,422

## Intensity metrics

Illustrating the intensity of our domestic scope 1 and 2 GHG emissions in the context of our financial success indicators helps us understand the efficiency of our business operations.



YoY change in CO<sub>2</sub>e per million dollars in revenue

TELUS' emissions per customer connection have been reduced by 1.5 per cent and our tonnes of CO<sub>2</sub>e per million dollars in revenue have been reduced by 3.3 per cent year over year. Additionally, our emissions intensity per customer connection has been reduced by 25 per cent since our baseline year of 2010, and our emissions intensity per million dollars in revenue has been reduced by 30.7 per cent over the same period.

## GHG intensity: Customer Connection

	2015	YoY change %	2014
Net Customer Base (M)	12,495	2.2	12,228
Tonnes CO <sub>2</sub> e per customer	0.0293	-1.5	0.0298

	2015	Compared to Base Year %	2010
Net Customer Base (M)	12,495	18.3	10,560
Tonnes CO <sub>2</sub> e per customer	0.0293	-25	0.0391

## GHG intensity: Revenue

	2015	YoY change %	2014
Annual Revenue (\$M)	12,502	4.2	12,002
Tonnes CO <sub>2</sub> e per revenue (\$M)	29.32	-3.5	30.33

	2015	Compared to Base Year %	2014
Annual Revenue (\$M)	12,502	27.8	9,779
Tonnes CO <sub>2</sub> e per revenue (\$M)	29.32	-30.7	42.28

### 3.1.4

## Scope 3 emissions

To gain a holistic view of TELUS' impact on the planet and our climate, we further expanded the tracking of emissions across our value chain. Better understanding these emissions will help us target our initiatives for reductions where they can have the biggest impact, even if this means going outside of our own organizational boundaries.

For the past several years, TELUS has reported emissions linked to employees' business travel. Expanding our disclosure to include aspects of our value chain better reflects the impact of our operations from our supply chain through to our customers' use of the products we sell. For 2015, we are disclosing data which can be reasonably assured as it is our intent to not rely on estimates whenever possible.

### Our approach

In 2015, we completed an environmental disclosure analysis to establish priorities and focus our efforts. This analysis included a review of all Scope 3 categories, as established by the [Green House Gas Protocol](#), and their alignment with our material issues, as identified by our stakeholders. We then prioritized which suppliers to engage first based in part on our annual spend. As part of this prioritization we also decided to include certain organizations whose sustainability values and performance already closely align with ours. In other cases, we have helped to build capacity within our supply chain by helping them understand the need and methodology for Scope 3 reporting.

### Air travel

In 2015, as we have in previous years, we are reporting emissions associated with business travel. To mitigate these impacts, in 2015 we held several webinars to educate employees on the sustainability impacts of their travel choices and further incorporated sustainability considerations into our Travel Policy. Additionally, we educated our employees by highlighting the

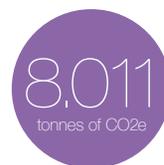
sustainability performance of our hotel partners, so they could make better choices for their hotel reservations.

Even with these initiatives, emissions associated with air travel through our flight agency partners increased 1.6 per cent over 2014. However, it should be noted that this type of flight emissions have decreased by 51 per cent since 2007. In 2016, we plan to optimize our air travel awareness campaigns by tracking and reporting the audiences that receive the training and the subsequent result.

When including emissions from our corporate and float planes, total air travel related emissions were 20,231 tonnes CO<sub>2</sub>e, an increase of nearly 30 per cent over 2014. This increase can be attributed to increased use of our corporate plane during a transition from an older plane, now sold, to a new one.

### Employee commuting

In 2015, for the first time, we are including employee commuting as part of our Scope 3 disclosure. To prepare for this, we validated the assumptions used for calculating commuting behaviours through our annual employee survey. Specifically, we were able to confirm our mobile employees work more than three days a week at home, and our at home employees spend five days working at home.



Amount of CO<sub>2</sub>e saved through TELUS' Work Styles program (equivalent to 731 homes energy use for one year)

For the first time, we are reporting that employee commuting for all our Canadian employees resulted in 27,157<sup>12356</sup> tonnes CO<sub>2</sub>e in 2015. With increasing participation in our Work Styles program, by encouraging car-pooling, biking to work, and by offering electric vehicle charging stations at certain TELUS locations, we hope to see a continued reduction in commuting related emissions

**Work Styles** is a program that allows employees to work when, where and how they are most effective. This makes our employees happier and more engaged, supports our real estate consolidation efforts, and reduces our environmental footprint by reducing commuting related GHG emissions when employees work from home.

The program helped us save:

- \$163 million in cash flow savings net of program investments since 2010
- 1,903,441 <sup>2345</sup> hours of commuting time for our employees in 2015
- 8,011 <sup>12356</sup> tonnes of CO2e in 2015.

<sup>1</sup> Assumes employees use an automobile as mode of transport.

<sup>2</sup> Assumes resident workers work 9 out of 10 days from the office, mobile employees work more than three days/week at home and at-home workers five days/week.

<sup>3</sup> Kilometres (km): average 15 km round trip (Statistics Canada 2006 report).

<sup>4</sup> Hours saved: based on 52 minutes per day (Statistics Canada 2010 report).

<sup>5</sup> Two-hundred and twenty-six yearly days worked

<sup>6</sup> CO2e avoided: Canadian National Inventory report emission factors and based on average mid-size car fuel efficiency.

## Mobile devices

Smartphones and tablets are an important part of our customers' lives, so it is important for TELUS to understand the larger impact of these devices. To do this, we partnered with suppliers to determine environmental impacts through the life-cycle of the device - from raw material extraction to the end-of-life of the device.

Based on this life cycle analysis, which includes estimates based on averages where data was not available, the resulting emissions totalled 279,556 tonnes of CO2e. Of note, the majority of device related emissions occur during the raw materials extraction and component manufacturing stages.

## 2016 and beyond

For 2016 and beyond, we will continue the work with our partners on Scope 3 reporting and disclosure to further our understanding of impacts across our value chain. Wherever possible, we will also seek out opportunities to educate our suppliers, reduce emissions and encourage our partners to evaluate the total life cycle impact of their products and services.

### 3.1.4

## Environmental leadership

### Green buildings

Our goal at TELUS is to create environmentally responsible and efficient workspaces for our employees. When building, we consider a full life-cycle view, from a building's initial design, through to its operation and maintenance, and its eventual renovation and demolition. Energy efficient workspaces reduce our operational impact while also reducing costs. Creating workspaces that encourage innovation and creativity and, most importantly, nurture our collaborative culture, are integral to our green building vision. We aim for LEED Gold or better in our new buildings and are investing in upgrades to existing real estate assets across Canada. With the completion of TELUS Garden in Vancouver and upcoming TELUS Sky in Calgary, TELUS will own or lease more than 1.3 million square feet of LEED certified facilities.

## TELUS Garden

TELUS Garden officially opened its doors in 2015. It is home to nearly 450,000 square feet of office space for businesses and more than 65,000 square feet of new retail space in the downtown core of Vancouver. TELUS Garden is one of the greenest buildings in Canada after receiving the highest LEED Platinum scorecard for a core and shell development based on the 2009 standards according to the Canadian Green Building Council in early 2016.



Amount of energy generated by the solar panel system at TELUS Garden per year

TELUS Garden features a District Energy System, operated in partnership with [Fortis B.C.](#) This system reduces demand from conventional energy sources by 80 per cent and carbon dioxide emissions by more than one million kilograms a year -- the equivalent of planting 25,000 trees every year. The system recovers waste energy from the neighbouring network building and uses it to heat and cool air and water throughout the development. Additionally, our solar panel system should produce approximately 65,000 kilowatt hours of energy per year, which will be used to power exterior lighting.

### TELUS Sky

The TELUS Sky residential condominium, retail and commercial real estate redevelopment project, is underway in Calgary, with construction expected to reach ground level in July 2016. The 750,000 square foot project will add to the revitalization of downtown Calgary offering a vibrant mix of office, retail space and residential rental units.

The Commercial space will be built to the LEED Platinum standard and the Residential space will be built to LEED Gold standard. TELUS Sky will be the most significant next-generation property in Calgary's history, and is planned to use up to 35 per cent less energy than similar buildings.

### TELUS' Super Internet Data Centres

TELUS continues to benefit from creation of two energy efficient Internet data centres in Kamloops, B.C. and Rimouski, Quebec. These Super Internet Data Centres (SIDC) are over 80 per cent more energy efficient than traditional data centres and rank among the most energy efficient data centres in North America. In 2015, the Power Usage Effectiveness (PUE) rating at Kamloops was 1.12, improved from 1.16 in 2014, and the PUE at Rimouski was 1.17, more efficient than the 1.24 in 2014. Both site locations were selected based on their appropriate climate, which enables more efficient cooling by using outside air to cool the servers year-round and in 2015, have benefited from decreases in power used for IT equipment.

## Green Teams and our Sustainability Council

TELUS has always cherished the excitement and engagement from our local employees who have formed volunteer Green Teams across the country in many of our buildings. In 2015, to better support our Green Team members across our company, and advance our sustainability culture internally, TELUS announced the formation of a National Sustainability Council.



Number of National Sustainability Council members that dedicate 5 to 10 per cent of their paid working time to help integrate sustainability initiatives across TELUS

Our Council is made up of a diverse group of 15 employees who dedicate five to ten per cent of paid working time to help integrate sustainability considerations across TELUS with personal objectives tied to performance. Each council member is dedicating their time toward specific material issues by focusing on the following categories in specific resource groups:

- Education and Awareness
- Resource Stewardship
- Communications
- Energy and Utilities
- Green Team Growth and Support.

In 2015, our National Sustainability Council:

- Helped launch an internal real time engagement mobile application to keep our employees informed and engaged in our sustainability efforts across the company
- Completed 29 internal waste audits through our Go and See program to discover new opportunities for better waste management
- Established Green Teams in nine buildings where they previously did not have a dedicated local team

- Created a sustainable event management toolkit to ensure our internal and external event planners consider the environment when planning and running events
- Hosted a national shoe drive that diverted over 500 pairs of gently used shoes from landfills, which were then donated to nearby charities to help support local community efforts.

## Species at Risk

TELUS has long-standing partnerships with several environmentally-focused organizations. We have been working with Tree Canada, World Wildlife Fund (WWF) and the Nature Conservancy of Canada (NCC) to protect species, wetlands and habitat since 2010.

In 2015, through our [Shop Wildly](#) campaign, we supported the protection of 15 iconic Canadian animals ranging from the polar bear to the Canada lynx to beluga whales. We also participated in programs helping to reduce the impact of climate change and providing reforestation for severely damaged areas. Here are our 2015 highlights:

- **Beluga Whale:** we aided the recovery of these Whales in the St. Lawrence River.
- **Salmon:** we helped provide cleaner and healthier rivers to help maintain salmon populations, through the How Healthy Are Your Waters project, which assesses the health of fresh waters across Canada by providing a consistent, scientific framework for measuring freshwater health and enables comparisons between different freshwater areas.
- **Polar Bear:** our investment supported WWF's Polar Bear-Human Conflict Mitigation Project, providing around-the-clock patrols and bear activity monitoring. It also helps keep polar bears safe and protected by providing polar bear and human interaction community-based training, including innovative solutions like using solar-powered electric fencing around sled dog teams.

- **Canada Lynx:** through our partnership with NCC, we helped give the Canada lynx more room to roam, so the species can continue to flourish by investing in 7,000 km<sup>2</sup> of land that contains a critical wildlife passageway and all-season home for a variety of species in the Green Mountains Nature Reserve in Quebec.
- **Loon:** we helped this native species by providing cleaner lakes and healthier rivers through our support of the Threats to Freshwater program.
- **Tree Canada:** trees provide food and oxygen to a variety of creatures both great and small. However, they are often threatened by invasive species, such as other plants, animals and diseases which can damage them as well as their native habitats. This year, we invested in mass planting of trees in rural areas across the country, providing an excellent source of oxygen season and habitats for just about every terrestrial species, for a greener, healthier world.

In 2016, we will partner to support WWF's grassroots [Go Wild grant program](#). Over a five-year period, the program aims to engage 100,000 Canadians to help nature thrive. Through Go Wild we invite Canadians to share their ideas to involve their community in discovering, protecting and conserving the nature around them. The top ideas will be awarded a micro grant of up to \$10,000 to help bring their idea to life. With TELUS' funding, Go Wild will grant \$1,000 to \$10,000 to over 70 projects across Canada by 2020.

For information on other environmental partnerships, visit our Community Investment section.

### 3.2

## Environmental management

### Environmental compliance

In 2015, TELUS took a major step towards meeting the highest recognized standards in our environmental management and compliance. Following a Canada-wide audit of our operations, we were awarded our ISO 14001:2004 certification by SGS Canada, an ISO registrar. This ISO standard is recognized globally as the highest level of environmental management certification. This is a goal we have been working toward since 2010. Achieving this standard, however, is only the beginning. Maintaining this ISO standard requires continual improvements to our environmental management processes, and TELUS is committed to identifying even more ways to better our performance.

In 2016, we will initiate a formal risk assessment of our fuel storage (required for our back-up power systems), seeking alternatives for fuel storage, as well as enhancements for our current secondary containment and leak detection systems. We also intend to review our vegetation management program, with the goal of preventing the spread of invasive plants on our leases and right-of-ways, while at the same time minimizing the use of herbicides.

### Auditing and site assessments

To affirm our compliance with regulatory requirements, TELUS high standards, and maintain our ISO 14001:2004 certification, we conduct regular site assessments and audits of our operations. In 2015, SGS Canada, our ISO 14001:2004 registrar completed a certification audit of our operations across Canada. This was followed by an environmental management system (EMS) internal audit of B.C. operations in the fall. Going forward, TELUS will continue to have annual ISO 14001:2004 maintenance audits, as well as our yearly internal regulatory compliance and EMS audits. The internal audit will be focused on operations in the province of Alberta in 2016.



Number of site assessments at TELUS facilities conducted by our team of environment professionals

In addition to the formal audits, our team of environment professionals conducted 50 site assessments at TELUS facilities. These facilities were prioritized by their potential for environmental risks. This work complements the more than 2,000 facility assessments conducted by network technicians on an annual basis at TELUS.

### Training



Number of environmentally-themed employee training courses taken in 2015 (27% increase from 2014)

Environmental training, provided to our employees and contractors for more than 30 years, is a key component of our EMS. Our training programs are designed to give employees the necessary information to address potential environmental risks associated with their work. Training covers topics such as spills and releases, response and reporting, and the transportation and disposal of waste. In 2015, we updated our Workplace Hazardous Material System (WHMIS) courses to include training on the new Globally Harmonized System (GHS). In 2015, employees completed 4,240 training courses with environmental themes. This is an increase over the 3,337 courses completed in 2014, and is a result of our course refresher frequency, which ranges from one to three years.

## Environmental compliance

We are proud of our environmentally-conscious business approach. Since 2006, TELUS has not been fined for environmental non-compliance and we attribute this successful performance to our environmental management processes and the effectiveness of our employee training program

Quarterly reports are presented to the Corporate Governance Committee of TELUS' [Board of Directors](#) on issues resulting in written warnings or investigations by regulatory authorities. To enhance transparency, the 2015 incidents are outlined below:

- A warning letter was received from Environment Canada for a violation of the Federal Halocarbon Regulation (FHR). Proper decommissioning paperwork for air-conditioning systems was not available at two TELUS Quebec facilities as required by the FHR. Subsequent to the notice, TELUS has improved our standard operating procedures to make certain our decommissioning processes and associated logs are always up to date and available.
- A notice of non-compliance was received from the City of Edmonton for a violation of the drainage bylaw. This was related to a one litre release of diesel fuel into the sanitary sewer system at our Edmonton Toll facility. The release occurred during the commissioning of a new back-up power generator system. A full review of the incident was conducted and corrective actions, such as a commitment to ongoing audits and monitoring, were put in place.

## Spills and releases

Under federal and provincial legislation, spills and releases that exceed established thresholds are required to be reported to the appropriate agency. In addition to reporting externally, we require that all spills (liquids) and releases (gas), regardless of the quantity, must be reported internally to our 24/7 call centre. Our total number of spills decreased from 276 in 2014, to 264 in 2015. However, the number of reportable spills by regulatory standards increased from 38 in 2014, to 51 in 2015.

The majority (over 88 per cent) of our recorded spill incidents are halocarbon releases from air conditioning equipment used to cool our facilities and network equipment. In 2012, we established a new public target to reduce the quantity of halocarbons released by 10 per cent by the end of 2015. Although 2015 releases represent an 8 per cent decrease when compared on a year-by-year basis to 2012, our annual average release volume has decreased by 11 per cent. We are committed to the continued pursuit of opportunities to reduce releases even further.

The volume of liquids spilled in 2015 increased from 438 litres to 3,610 litres due primarily to a large release of process water from a groundwater remediation system in British Columbia. Also contributing was a 500 litre diesel release from backup power system on Vancouver Island. Both releases were contained on-site and remediated accordingly.

In 2015, we continued to categorize our spill and release incidents based on volume. Quantity ranges for each type of material have been developed for each category (A, B and C) based on regulatory standards and associated hazards. Using this classification approach, TELUS defined Category A spills and releases as both reportable and serious, and set a target of zero for this category. In 2015, we had one Category A spill, a 142 kilogram halocarbon release from an HVAC system at TELUS House Vancouver.

We continue to operate a 24/7 hotline that employees and contractors use to report spill or release incidents. The hotline provides guidance for onsite management and reporting to external agencies as required. The follow up and root-cause analysis for each incident is performed by TELUS' Environment team.

## Spills and releases reporting<sup>1</sup>

	2015	2014	2013
Reportable	A 50	38	36
Not reportable <sup>2</sup>	A 214	238	165
<b>Total spills and releases</b>	<b>264</b>	<b>276</b>	<b>201</b>
Approximate volume (L) <sup>3</sup>	A 3,610	438	2,240
Approximate weight (kg) <sup>4</sup>	A 1,932	2,198	1,497
Category A – reportable, serious <sup>5</sup>	1	1	1
Category B – reportable, significant <sup>5</sup>	66	53	41
Category C – not reportable, insignificant <sup>5</sup>	197	222	159

<sup>1</sup> Spill amounts reflect best estimates based on investigation results.

<sup>2</sup> Spills and releases below regulatory thresholds do not require reporting and are termed "not reportable". Definition of "reportable" varies by jurisdiction.

<sup>3</sup> Volume in litres includes liquid petroleum hydrocarbons, battery acid, glycol and other.

<sup>4</sup> Weight in kilograms includes refrigerants (Chlorofluorocarbons) and fire suppression agents (Halon and FM-200).

<sup>5</sup> Halocarbon and fire suppression gases: Cat A > 100 kg, Cat B > 10 kg and up to 100 kg, Cat C < or equal to 10 kg

Hydrocarbon: Cat A > 1,000 L or enters water, Cat B > 100 L and up to 1,000 L, Cat C < or equal to 100 L

Glycol: Cat A > 500 L, Cat B > 5 L and up to 500 L, Cat C < 5 L

Acid: Cat A > 50 L, Cat B is > 5 L and up to 50 L, Cat C < or equal to 5 L

## Addressing contamination

By using a risk matrix based on the [Canadian Council of Ministers of the Environment](#) approach, TELUS prioritizes the management of our contaminated sites. Our contaminated sites have resulted from historical fuel spills at remote sites that used diesel generators to power equipment. Assessment and remediation techniques can vary with the extent of the contaminated area, and by the degree and type of contamination. We focus on remediation as a means to improve our environmental footprint.

TELUS' 2015 target was to conduct assessments on 28 sites and complete remediation work on five of those sites. A 'completed site' is one where known contamination has been remediated according to the appropriate regulatory guidelines for soil and/or groundwater. We exceeded both targets, by successfully investigating 58 A sites and remediating eight sites. The target exceedance was largely the result of an increase in property divestitures that triggered remediation requirements.

Our target for 2016 is to conduct assessments on 35 sites and remediation on six sites, based on our 2015 performance and our 2016 resource requirement planning processes.

## Radio frequency emissions

TELUS understands there are public concerns over potential impacts associated with low levels of non-ionizing radio frequency (RF) emissions from mobile phones and cell towers.

To assess these concerns, TELUS looks to recognized experts with peer-reviewed findings and government agencies to provide guidance on potential risks. While a small number of epidemiological studies have revealed that exposure to RF fields might be linked to certain cancers, other studies have not supported this association. Furthermore, animal cancer and laboratory studies have found no evidence that RF fields are carcinogenic to laboratory rodents or cause DNA damage.

In October 2011, Health Canada updated its [Safety of Cell Phones and Cell Phone Towers](#) advisory, noting that the link between RF emission exposure and cancer risk is far from conclusive and more research is needed. The IARC and Health Canada have advised mobile phone users that they can take practical measures to reduce their RF emission exposure, such as limiting the length of cell phone calls, using hands-free devices, and replacing cell phone calls with text messages. In addition, Health Canada encourages parents to take these same measures to reduce their children's RF emission exposure since children are typically more sensitive to a variety of environmental agents.

TELUS also offers information and advice with respect to radio frequency emissions on its [website](#).

**The Department of Innovation, Science and Economic Development**

is responsible for establishing safe limits for signal levels of radio devices. We are confident the handsets and devices we sell, as well as our cell towers and other associated devices, comply with all applicable Canadian and U.S. government safety standards.

**Impacts of wireless network expansion**

Cell towers are the backbone of our wireless network, allowing for the connectivity of TELUS devices that 8.5 million customers rely on, and which contribute to their healthy lives and communities. Due to limitations on the range of some towers and the increasing demand for bandwidth resulting from increased smartphone adoption, we are required to continuously improve our network including the evaluation of new tower locations. We partner with other network operators to minimize the number of new tower locations, thereby reducing the environmental and aesthetic impacts these towers may have on our customers and our communities.

Exclusive jurisdiction over the placement of cellular towers is set out under Canada's Department of Innovation, Science and Economic Development's (formerly Industry Canada's) requirements in circular [CPC-2-0-03](#) for telecommunication carriers. If a new tower is required, TELUS follows Canada's Department of Innovation, Science and Economic Development's [Default Public Consultation Process](#) when reviewing locations unless the land use authority has their own recommended protocol.

As part of the consultation process, we are required to directly consult with all residents within a distance equal to three times the height of the proposed tower. TELUS is also required to consult with the public through a notification process and if there are public concerns about a tower location, including its aesthetic impact, we work to address these concerns and reach a mutually agreeable solution.

Looking forward, we know that we can continue as an organization and industry to make a meaningful contribution to the discussion around RF emissions.. In 2016, we plan to establish a public policy outlining new commitments for a proactive approach to RF emission management. These commitments will include funding to support third-party research into RF emissions, a new public consultation framework to guide the expansion of our wireless network, and continued transparency regarding RF emissions from our facilities and from the mobile devices that we carry on our networks. See our [disclosure](#) regarding mobile device and cell site emissions, which includes a link to the SAR ratings for cell phones on the Innovation, Science and Economic Development Canada website.

**3.2.1**

**Waste and recycling**

Inspired by nature, TELUS recognizes that natural systems have no waste. In a productive ecosystem, all nutrients and materials are used and re-used. We aim to be a leader in the emerging circular economy.

In 2015, we improved our ability to collect data to correctly reflect our progress, which led to the establishment of a new target. TELUS' aim is to divert 90 per cent of our waste from landfill by 2020. We also elaborated on our overall waste reduction and recycling strategy. Our new program focuses on our largest waste generators and equally on waste streams with the largest environmental impact.



Amount of material diverted from landfills (improvement of 2.1% over 2014)

Specifically, we worked on gaining a more complete understanding of our current state for our largest buildings by:

- Engaging our team - over 50 volunteers from every department helped examine our facilities and identified innovative ways to help us achieve our waste reduction target
- Surveying our employees to identify potential barriers to recycling and ideas for improvement
- Complementing a series of past waste audits with additional audits to gain a more holistic picture of the composition of our waste
- Meeting with landlord partners to align efforts in achieving TELUS' diversion goal
- Including recycling and waste metrics in our real estate contracts.

These information-gathering exercises helped us identify factors that are influencing our diversion rates. Over the course of 2015, we focused on scouting a path to 90 per cent diversion, while implementing practical improvements in our operations. Our biggest successes of 2015 include:

- Relying upon our Green Teams and newly-formed National Sustainability Council to build engagement and behaviour change toward reducing waste across TELUS
- Implementing our world-class composting and recycling system at three additional buildings in Metro Vancouver
- Reducing paper consumption by 10 per cent over 2014, which saved the felling of 148 trees
- Continuing to recycle 99.6 per cent of our waste from network operations
- Engaging a multi-disciplinary network of TELUS employees to evaluate our largest buildings' recycling programs and generate ideas for improvement
- Working with our property managers and waste haulers to improve data-tracking, auditing, and general communication about goals.

In 2015, we diverted nearly 11,000 tonnes of material from landfill, achieving a diversion rate of 81.2 per cent. This is an improvement of 2.1 per cent over 2014.

We recycled the following amounts of solid waste and electronic waste:

Recycled solid waste

- 837,000 kilograms of paper and cardboard
- 3.06 million kilograms of metal
- 227,000 kilograms of wood
- 3.27 million kilograms of decommissioned telephone poles.



Amount of material diverted from landfills (improvement of 2.1% over 2014)

### Electronic waste

We recycled, refurbished and repurposed approximately 1.37 million kilograms of e-waste. Through our internal program and the Canadian Wireless Telecommunication's [Recycle My Cell program](#), we recycled 219,400 wireless devices.

### Recycled Electronic Waste (in kilograms)

	2015	2014	2013
E-waste excluding mobile devices	1,330,518	1,289,539	1,120,499
Mobile devices	37,841	56,093	82,269

With the number of wireless devices recovered decreasing over the last two years, TELUS has assessed options to increase device recycling. Part of this assessment has concluded that the number of competing device trade-in programs offered by retailers, recyclers and non-profit organizations in many different jurisdictions across Canada, make it hard for consumers to make consistent decisions when their devices are at end of life.

Our customers have asked for easy and secure returns of their devices. In response, we have enhanced our support of existing provincial programs while continuing to build our own program. We also launched a [blog](#) last year designed to provide information to help customers extend the use of their old devices and reduce the amount of unused devices in people's homes. In 2016, we will continue educating our customers and helping them extend the life of and recycle their devices.

TELUS also offers [Certified Pre-Owned Phones](#)  providing affordable device options that help reduce environmental impacts.



### Hazardous waste

Our operations generate small quantities of hazardous waste, yet we continue to look for reductions and where possible, use non-hazardous alternatives. In 2015, TELUS recycled:

- 1,095 litres of liquid and 7,017 kg of solid hazardous waste from our facilities including motor oil, antifreeze and fuel from fleet operations
- 87 metric tonnes of batteries from network equipment and fleet operations.

In 2016, we will enhance our waste and recycling governance structure to advance TELUS' performance, and develop priorities that will help us achieve our diversion target by 2020. We plan to expand our composting systems in major urban centres, further reduce paper consumption, upgrade the signage and educational material available to our employees, and make it easier for our customers to recycle their electronics.

### Saving trees by using less paper

In 2008, TELUS set an ambitious target to have all of our purchased copy paper contain 100 per cent post-consumer recycled (PCR) content and be Forest Stewardship Council (FSC) certified by 2015. Although just short of our goal due to higher than anticipated costs, we are happy that in 2015 we achieved a rate of 94 per cent of total copy paper purchases that contained 30, 50 or 100 per cent of recycled content or being completely tree-free.



Estimated number of trees saved from paper purchasing conservation initiatives

In 2015, we purchased just slightly over 18 million sheets of office paper, achieving our 10 per cent year-over-year reduction goal. In fact, our per-employee use has dropped to one third of 2008 consumption, from an average of 2,200 sheets to 599 sheets per person per year in 2015, as a result of our conservation efforts. We estimate that this saved 2,356 trees.

### Paper purchased (in sheets)

	2015	2014	2013
Paper purchased (in sheets)	 18,007,000	19,960,550	20,980,400

Our goal for 2016 is to continue to reduce our copy paper purchases by a further 10 per cent over 2015. In addition, TELUS aims to become tree-free with paper purchases by transitioning to sugar cane paper. Sugarcane is a fast-growing renewable resource that helps reduce the need to use trees.

We are aiming to be:

- 75 per cent tree-free by 2016
- 100 per cent tree-free by 2017.

**3.2.2**

## Water

## Usage



Percent change from 2014 in the amount of water consumed at domestic owned and leased properties (excluding Quebec owned properties)

Water consumption for 2015, at domestic owned and leased properties (excluding Quebec owned properties), was 648 million litres compared to 637 million litres in 2014 – a 1.7 per cent increase in water usage domestically. Our TELUS International water consumption rose from 127 million litres in 2014 to 203 million litres in 2015, a 60 per cent increase. This increase is primarily attributed to the growth and expansion of both the building and hours of operation at our largest site in Guatemala. Overall, we consumed 851 million litres of water in 2015, an 11 per cent increase from the 764 million litres consumed in 2014. TELUS' water sources are municipal water supplies or other water utilities and do not withdraw from other sources.

## Reduction initiatives

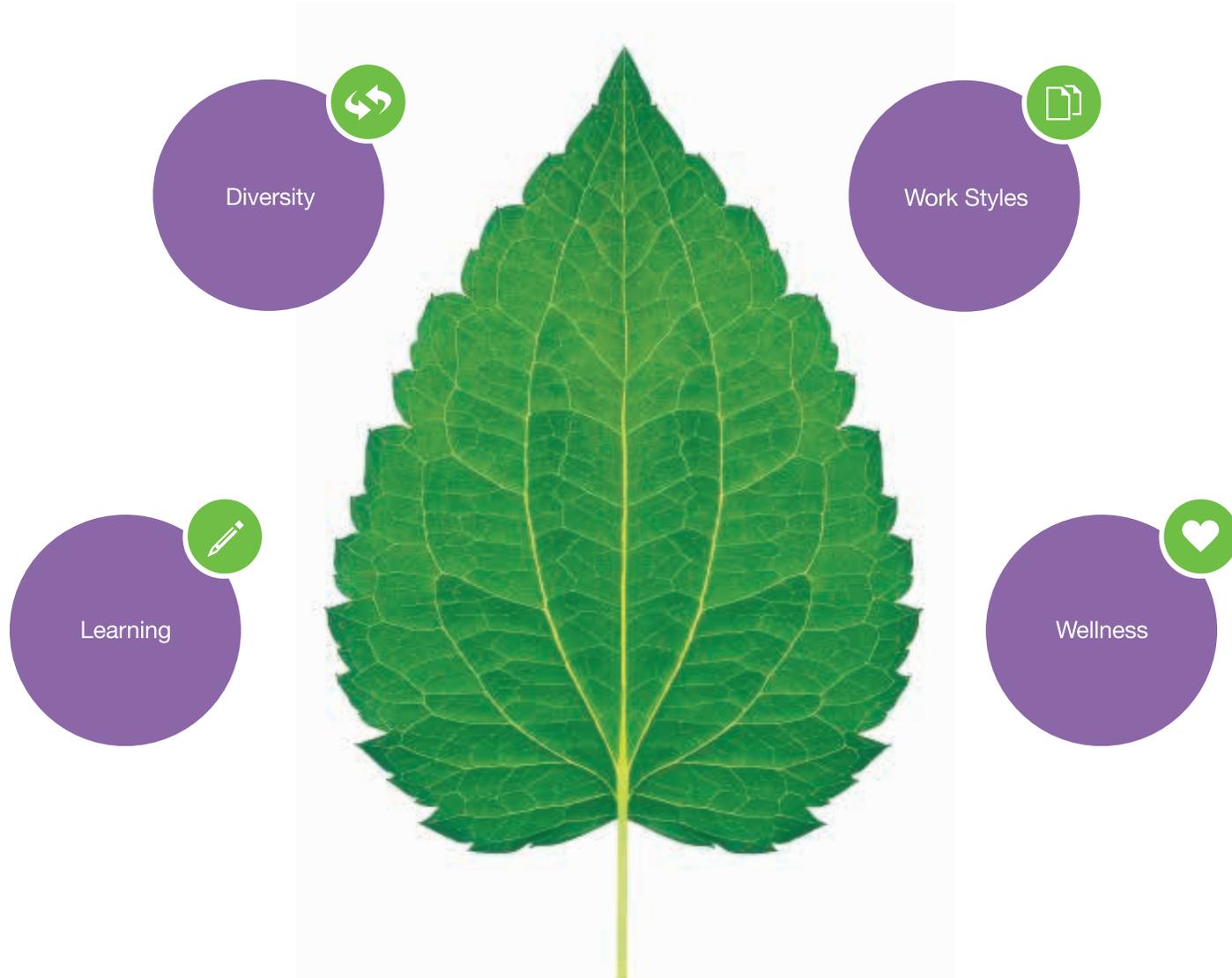
In 2014, we modified the water treatment controls for the cooling system in our Edmonton Toll building to decrease the flush rate and therefore reduce the water consumption by 15 per cent in the building. We have expanded this procedure into two other buildings in British Columbia in late 2015, and will continue to look for future opportunities. We are also pleased to announce that we have started a program to enhance our hand washing faucets with the installation of low flow aerators that will reduce the water flow of each faucet by 75 per cent, delivering an estimated five million litres annual savings toward our domestic water portfolio.

In 2016, we plan to formalize our water management strategy and set long-term reduction goals.



# Supporting Employees

Sustainability starts with our team.  
TELUS has implemented innovative programs to support  
employee engagement and productivity.





## ENVIRONMENTAL STEWARDSHIP

# Where technology meets inspiration

How do you successfully collaborate with 47,000 employees?  
There's an app for that. Meet Colleen Dix. She's helped nudge thousands towards  
employee engagement when it comes to sustainability.

Colleen Dix is TELUS' Senior Sustainability Manager. Part of her role is focused on employee engagement and awareness around sustainability.

TELUS has a goal of reducing absolute energy use by 10 per cent by the end of the decade. While programs like [Work Styles](#)  have reduced real estate square footage by nearly one million square feet and with the successful sustainability initiatives of the new [TELUS Garden development](#)  - TELUS is well on its way to a sustainable future. But that future is now also a collaborative one, thanks to Colleen and a Canadian-based app called Nudge Rewards.

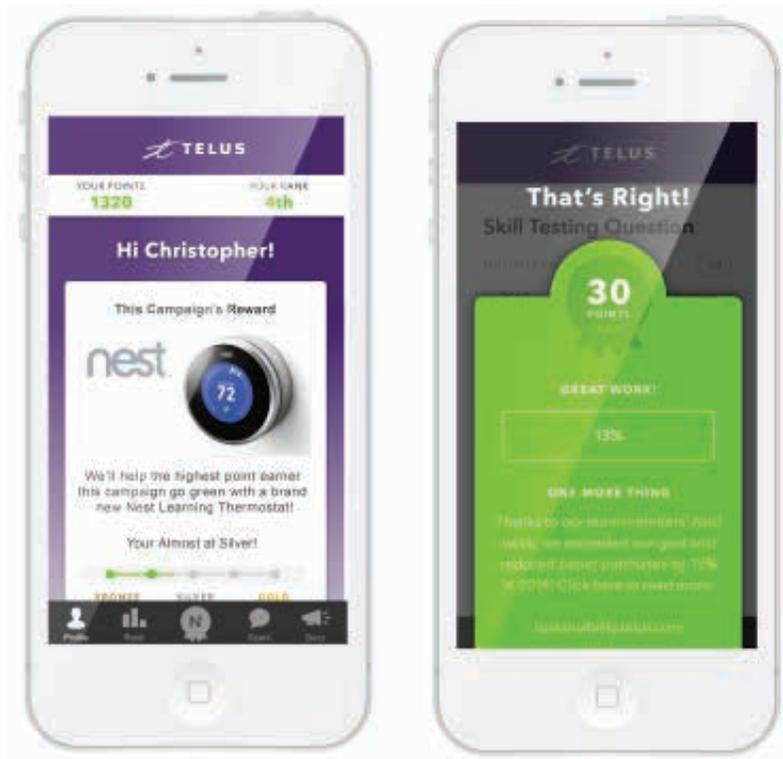
“Through the app, we asked our team members what sustainability meant to them, and from that we created a word cloud. Within 48 hours, we had the answers we needed and were able to use their input to help us define our new sustainability vision statement.”

— Colleen Dix, TELUS Senior Sustainability Manager



## Having a stake in sustainability

Nudge Rewards is a mobile app that engages employees via push notifications with tidbits about the energy use of the buildings and recyclable office materials in the form of trivia, fast-facts and contests. It also calls for brainstorming. Pop-ups appear to get feedback from app users to create company-wide initiatives that everyone has a stake in. Colleen says they've used Nudge Rewards to do just that, and as a result have a new sustainability vision statement: “Inspired by nature: creating a healthier, more sustainable future.” In the quest for the new statement, management had input from senior executives, Colleen noted, but what was missing how employees felt. The collaboration was not only successful, but brought the team together on an issue everyone cares about on both a personal and corporate level.



## An **Appealing** future

With over 47,000 employees, it's notable that over half are millennials. These kinds of apps translate into unique opportunities to engage this sector, who are rapidly becoming ambassadors that can promote sustainability.

Colleen has seen Nudge Rewards as a great portal for internal dialogue and ways employees can be part of the conversation. The numbers agree. In an eight-week pilot with Nudge, TELUS saw a 95 per cent adoption rate of employees invited that downloaded the app and of those, 73 per cent were consistently engaged in participating in environmental issue-related programs.

## Overview

Our employees are the foundation of our business, contributing to our success as a globally leading telecommunications company. Our culture is anchored in our TELUS leadership values - values created by our employees over 15 years ago. We continue to live these values to improve our communities, environment, society and team.

Our focus on our employees involves actively listening to our team. By listening we create an inclusive, innovative and supportive culture, which drives our business results.

We recognize that our competitors attempt to replicate our product and service offerings. However, our corporate culture, with its resulting business outcomes, has taken years to build and is difficult to emulate.

### Highlights of 2015:

- Reached 87 per cent engagement, ranking us first globally amongst organizations of our size and composition
- Recognized as one of the [Top 100 Employers in Canada](#)  for the seventh consecutive year
- Recognized as one of Canada's Best Diversity Employers for the seventh consecutive year
- Recognized as one of Canada's Top 10 Most Admired Corporate Cultures by [Waterstone Human Capital](#)  for the seventh consecutive year
- Continued to evolve our Work Styles program by integrating our annual survey into our overall employee Pulsecheck survey, and promoting business leader ownership
- Named the [Association for Talent Development's](#)  first-ever Best of the BEST organization after winning their BEST award for 10 years. This award recognizes organizations that demonstrate enterprise-wide success as a result of employee talent development.

## 4.1

# Culture, Human Rights & Labour

Our award-winning culture is our competitive advantage. TELUS' people and culture strategy focuses on creating a diverse and inclusive culture that will allow us to deliver on our future-friendly promise for our team, customers, and communities. It involves:

- Attracting and retaining the best employees
- Investing in professional growth for all employees
- Developing a future friendly workplace
- Creating a personal connection with TELUS
- Enabling business productivity and success
- Communicating in an effective and transparent manner.

### 4.1.1

## Who we are

The TELUS team is a collaborative network of skilled employees who are committed to improving the lives of people, our communities and the environment.

TELUS is committed to drawing from a diverse candidate pool that reflects our customers and the communities we serve. At TELUS International, our recruitment policy for senior roles is to promote from within the local team or hire candidates from the local market where we operate. Integrating new employees in a way that helps them relate and thrive within our unique culture is important to us.

### G4-10.1 Employment Contract by Gender<sup>1</sup>

		Female	Male	Total
Canadian	Permanent	9,880	16,716	26,596
	Temporary	187	325	512
				<b>27,108</b>

1. Report the total number of employees by employment contract and gender

### G4-10.B Employment Type by Gender<sup>2</sup>

		Female	Male	Total
Canadian	Full-time	8,455	15,194	23,649
	Part-time	1,612	1,847	3,459
				<b>27,108</b>

2. Report the total number of permanent employees by employment type and gender

### G4-10.IV Employee demographics by residence<sup>2</sup>

Canadian		Female	Male	Total
West	British Columbia	3,153	5,138	<b>A</b> 8,291
	Alberta	2,092	3,847	<b>A</b> 5,939
<b>West total</b>		<b>5,245</b>	<b>8,985</b>	<b>14,230</b>

Canadian		Female	Male	Total
Prairie	Saskatchewan	22	41	<b>A</b> 63
	Manitoba	40	69	<b>A</b> 109
<b>Prairie total</b>		<b>62</b>	<b>110</b>	<b>172</b>

Canadian		Female	Male	Total
East	Ontario	2,816	4,004	<b>A</b> 6,820
	Quebec	1,865	3,802	<b>A</b> 5,667
<b>East total</b>		<b>4,681</b>	<b>7,806</b>	<b>12,487</b>

Canadian		Female	Male	Total
Atlantic	Newfoundland & Labrador	16	36	<b>A</b> 52
	New Brunswick	26	41	<b>A</b> 67
	Nova Scotia	37	63	<b>A</b> 100
<b>Atlantic total</b>		<b>79</b>	<b>140</b>	<b>219</b>
<b>Canadian total</b>		<b>10,067</b>	<b>17,041</b>	<b>27,108</b>

2. Report the total number of permanent employees by employment type and gender

## Generation

Generation		Female	Male	Total
Canadian	Silent	3	3	<span style="color: green;">A</span> 6
	Baby Boomer	2,227	3,235	<span style="color: green;">A</span> 5,462
	Generation X	3,749	6,897	<span style="color: green;">A</span> 10,646
	Millennial	4,088	6,906	<span style="color: green;">A</span> 10,994
				<span style="color: green;">A</span> 27,108

International	Silent	1	1	<span style="color: green;">A</span> 2
	Baby Boomer	169	158	<span style="color: green;">A</span> 327
	Generation X	1,247	1,556	<span style="color: green;">A</span> 2,803
	Millennial	8,403	8,997	<span style="color: green;">A</span> 17,400
				<span style="color: green;">A</span> 20,532

International	Permanent	9,820	10,712	<span style="color: green;">A</span> 20,532
	Temporary	0	0	<span style="color: green;">A</span> 0
				20,532

International	Full-time	9,820	10,712	20,532
	Part-time	0	0	0
				20,532

International		Female	Male	Total
Asia Pacific	Australia	0	4	4
	Philippines	5,368	4,996	10,364
<b>Asia Pacific total</b>		<b>5,368</b>	<b>5,000</b>	<b>10,368</b>

Europe	Bulgaria	911	839	645
	Romania	432	213	1,064
	United Kingdom	0	12	12
<b>Europe total</b>		<b>1,343</b>	<b>1,064</b>	<b>2,407</b>

Central America & the Caribbean	Guatemala	885	1,618	2,503
	El Salvador	1,617	2,548	4,165
	Saint Lucia	0	1	1
<b>Central America &amp; the Caribbean total</b>		<b>2,502</b>	<b>4,167</b>	<b>6,669</b>

North America <sup>1</sup>	United States	607	481	1,088
<b>North America total</b>		<b>607</b>	<b>481</b>	<b>1,088</b>
<b>International total</b>		<b>9,820</b>	<b>10,712</b>	<b>20,532</b>
<b>TELUS total</b>				<span style="color: green;">A</span> 47,640

<sup>1</sup> excludes Canada

### 4.1.2

## Diversity and inclusiveness

At TELUS, we consider diversity and inclusiveness critical to our success. This philosophy is ingrained in all areas of our business from our people practices to suppliers to our products and services, and to our work in the community. Diversity helps us to be a more authentic reflection of our customers and the communities where we live, work and serve. We recognize that diversity of thought – the genesis of innovation – enhances our competitive position and allows us to benefit from complementary expertise, which is a driver for our success.



Percentage of TELUS employees that agree or strongly agree that TELUS respects team members regardless of demographic characteristics and abilities.

Results from our annual employee survey in 2015 indicate that 95 per cent of TELUS employees agree or strongly agree that TELUS respects team members of different ages, race, colour, gender, sexual orientation, religions, ethnic origin, language, marital status, family status, and varied abilities.

Our diverse and inclusive culture helps our company make significant advancements in the areas of customer experience and attracting and retaining the best talent. In 2015, we continued to advance our leadership in this area:

- Named one of Canada's Best Diversity Employers for the seventh consecutive year
- Continued to expand our Employee Resource Groups to include our International employees, who now have access to Spectrum, our Lesbian, Gay, Bisexual, Transgender, Queer and Allies group, and Connections, our women's network
- Held National Aboriginal Day celebrations across the country
- Continued our Mentoring programs led by Mosaic, our ERG for New Canadians

- Partnered with the Canadian Autism Network to continue the Abilities Network speaker series, which focuses on creating a supportive and inclusive work environment for employees with varying abilities
- Continued our focus on celebrating women in leadership with our annual CHLOE awards Conducted Unconscious Bias training with groups of leaders across TELUS.

### Workforce profile of domestic federally regulated employees<sup>1,2</sup>

	%	Canadian workforce availability <sup>3</sup>	2014 <sup>4,5,6</sup>	2013 <sup>4,5,6</sup>	2012 <sup>4,5,6</sup>
Women	Overall <sup>4</sup>	48.2	A 36.4	37.2	36.5
Members of Visible Minorities	Overall <sup>4</sup>	17.8	A 15.9	15.4	15.5
Persons with Disabilities	Overall <sup>4</sup>	4.9	A 2.4	2.6	2.7
Aboriginal People	Overall <sup>4</sup>	3.5	A 1.4	1.4	1.4

1 Data as of December 31, 2014.  
 2 Based on data collected for reporting under the Federal Employment Equity Act. Figures for 2015 for TELUS are not available until July 2016.  
 3 Canadian workforce availability refers to the percentage of the designated group (i.e. Members of visible minorities, Aboriginal Peoples, Persons with disabilities, Women) in the Canadian workforce who may have the skills necessary to fill positions at TELUS. Based on 2011 Census data (National Household Survey and Canadian Survey on Disability), this is the most current information available.  
 4 TELUS actual refers to the percentage of the designated group (i.e. Visible minorities, Aboriginals, Persons with disabilities, Women) who are employed at TELUS. Figures are calculated based on the voluntary completion of a survey and may not be representative of the actual percentage of the TELUS workforce.  
 5 In 2013, we changed our calculation methodology to a December 31 year-end reporting cycle. The 2012 numbers have been re-stated to align with this calculation methodology.  
 6 In 2014, we changed our National Occupational Classification (NOC) table. TELUS adheres to the 2011 table instead of the 2006 table. The revised table was implemented by Government of Canada.

### Workforce profile by age for TELUS domestic employees

%	Silent (1925-1945)	Baby Boomer (1946-1964)	Generation X (1965-1979)	Millennial (1980-2000)
Overall	0	20	39	41
Senior managers	0	30	65	5
Middle & other managers	0	18	50	32

### Workforce profile of TELUS Domestic<sup>1</sup>

%	Female	Male	Total
Overall	37	63	100
Bargaining Unit	38	62	A 45
Management/ Professional	36	64	45
TELUS Retail	42	58	10

<sup>1</sup> Active employees as of December 31, 2015.

### Workforce profile of TELUS International

%	Female	Male	Total
Overall	48	52	100
Directors and above	37	63	>1
Management/Staff	43	57	20
Agents	49	51	80
Bargaining Unit	0	0	A 0

#### 4.1.3

### Human Rights

TELUS has a long-standing commitment to respecting and protecting human rights as outlined in our [Code of Ethics and Conduct](#), and reflected in our respectful workplace, employment equity and diversity practices. The code ties together all policies regulating business behaviour, and provides guidelines for the standards of ethical conduct expected of all employees, including officers and members of the [TELUS Board of Directors](#). The Code, which is updated and published annually, formalizes our commitment to safeguard internationally proclaimed human rights.

Further details about TELUS' expectations are provided for employees in our Respectful Workplace policy.

Each year, TELUS requires our employees and contractors to complete an online training course that outlines key aspects of our Ethics, Respectful Workplace, Security and Privacy policies. Entitled Integrity 2015, the course was completed by all employees **A** and over 94 per cent of contractors. TELUS has also implemented specific training based on our Respectful Workplace policy.

In addition to complying with the Code of Ethics and Conduct and Respectful Workplace policy, our [international operations](#) follow local legislation that protects human rights in all jurisdictions where we operate.

TELUS has several processes in place to further monitor our human rights practices:

- Collective agreements that set out the steps of grievance and arbitration processes available to employees
- An internal complaints procedure about respectful workplace practices that are investigated and addressed by the Respectful Workplace Office, and reported quarterly to the Human Resources and Compensation Committee of TELUS' Board of Directors
- The TELUS [EthicsLine](#) , which provides an opportunity for anyone to anonymously and confidentially ask questions, request support or make a good faith report about a real or perceived violation of the Code of Ethics and Conduct, government law or regulation, questionable business practices or accounting/auditing matters.

TELUS' [Supplier Code of Conduct](#)  sets out social and environmental practices that our business partners must adhere to. We expect our suppliers to:

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

Please see our United Nations Global Compact – Communication on Progress to learn more about human rights pertaining to conflict minerals.

10,559

Number of employees that are members of the Telecommunication Workers Union

#### 4.1.4

### Labour

#### Bargaining Unit

Our collective agreements contain mutually agreed upon adjustment processes that include:

- Redeployment to another position based on seniority/qualifications
- Wage protection/retraining opportunities
- Paid relocations
- Early retirement or voluntary severance options for employees affected by organizational change
- Advance notice periods for employees and the union in cases of management initiated workplace changes. The notice periods are different in each collective agreement and vary based on the nature of the operational issue, and in some cases an employee's seniority.
- Notice for operational changes varies from a minimum of three weeks to a maximum of 12 months.

We maintain respectful and professional relationships with the bargaining agents that represent our employees across Canada and thus the right to exercise freedom of association and collective bargaining is not at risk or an issue for TELUS.

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

TELUS employees across Canada are represented by four different unions:

- Telecommunications Workers Union (TWU), United Steelworkers Local 1944
- Syndicat québécois des employés de TELUS (SQET)
- Syndicat des agents de maîtrise de TELUS (SAMT)
- B.C. Government and Services Employees' Union (BCGEU).

The agreement with the TWU, which expired on December 31, 2015, covers approximately 10,559 employees across Canada and uniquely, is the only nationwide collective agreement in the wireless and wireline telecommunications industry. Contract negotiations to renew the collective agreement between TELUS and the TWU are in progress with agreed to meeting dates scheduled into the second quarter of 2016.



Number of employees that are members of the Syndicat québécois des employés de TELUS (SQET)



Number of employees that are members of the Syndicat des agents de maîtrise de TELUS (SAMT)

Additionally, we have approximately 1,471 employees represented by the SQET and the SAMT in the province of Quebec, under three separate collective agreements. The SQET contract covers approximately 822 trades, clerical and operator services employees and it expires on December 31, 2017. The main agreement with the SAMT covers 649 management and professional employees and it expires on March 31, 2017.



Number of employees that are members of the B.C. Government and Services Employees' Union (BCGEU)

Our subsidiary, TELUS Sourcing Solutions Inc. has approximately 69 employees covered by a collective agreement with the BCGEU which was set to expire on April 30, 2016. TSSI and the BCGEU successfully renewed their collective agreement in the spring of 2016. The new contract is effective May 1, 2016 and expires on April 30, 2019.. The number of employees covered by each of the collective agreements above were as at December 31, 2015.

## Union recognition through consultation

TELUS strongly believes in building professional and respectful relationships with the bargaining agents representing our employees. Communication with the unions is recognized as an important element in nurturing these relationships. To this end, we have negotiated provisions in our collective agreements with the TWU and the SQET that establish formal structured consultation committees and processes. In addition to the regular day-to-day information sharing with unions, in 2015, there were numerous joint consultation sessions at the senior leadership and executive level to discuss matters of mutual interest. Additionally, TELUS provides advance notice to our unions and affected employees regarding operational changes such as contracting out, technological change and mergers, acquisitions and divestitures. Notice requirements of such changes are contained in each of the collective agreements.

### 4.2

## Employee experience

### Monitoring Engagement

Employees are the heartbeat of our business. We are proud of the award-winning culture we have built at TELUS, yet we strive for continuous improvement. Each year, we invite all of our employees to share their ideas, comments, and feedback on how we can improve their day-to-day experience through our annual engagement survey. Leaders use this feedback to gain insights into what is working that should be maintained, as well as areas of opportunity. Teams then work collaboratively to identify top priorities and implement action plans that will lead to improvements.



Pulsecheck engagement score for domestic TELUS employees (an increase from 85% in 2014)



Pulsecheck engagement score for TELUS International Employees (an increase from 76% in 2014)

Once again, through relentless focus, fair process, and an inherent desire to improve, we further increased our world-leading results in 2015. We saw our domestic engagement score increase a further two per cent (from 85 to 87), and our international engagement score a further four per cent (from 76 to 80). With domestic engagement at 87 per cent, TELUS, for the third year in a row, is number one globally among organizations of our size and composition according to our survey partner, Aon Hewitt. It is also notable that 54 per cent of our team is identified as highly engaged, which is significantly greater than the 35 per cent typically achieved amongst best-in-class organizations. Impressively, every business unit across TELUS maintained or increased their engagement levels, representing an unparalleled unity and cohesiveness within our culture.

### Year-over-year engagement results from Pulsecheck

%	2015 <sup>1</sup>	2014 <sup>1</sup>	2013 <sup>1</sup>	2012 <sup>3</sup>
Overall engagement – TELUS Domestic	<span style="color: green;">A</span> 87	85	83	80
Overall engagement – TELUS International <sup>2</sup>	<span style="color: green;">A</span> 80	76	73	71

1 Operations in Europe (Bulgaria and Romania) are included in 2013, 2014 and 2015 TELUS International results, which also include Philippines, Central America and U.S. operations. 2012 results do not include our operations in Europe (Bulgaria and Romania) as we were not operating there at the time.  
 2 2013 TELUS International results are showing as an aggregate figure and the 2012 data has been updated to show the same aggregation.  
 3 2012 results have been adjusted based on a change in structure in 2013 (a group with 255 responses was moved from TELUS Domestic to TELUS International).

Our success is driven by focusing on continuous improvements in critical areas influencing engagement and employee experience, referred to as engagement drivers.

Through various programs and more effective communication, consistent year-over-year increases in the survey results for our main engagement drivers have led to similar improvements in our overall engagement results.

### Year-over-year engagement scores for main engagement drivers – TELUS Domestic

%	2015 (n = 23,895) <sup>1</sup>	2014 (n = 24,435) <sup>1</sup>	2013 (n = 23,733) <sup>1</sup>	2012 <sup>2</sup> (n = 23,569) <sup>1</sup>
Work processes	66	66	64	60
Career opportunities	73	72	70	68
Performance development	79	78	76	74
Compensation	52	50	49	47
Recognition	78	76	75	73

1 "n" represents the total number of survey respondents.  
 2 2012 results have been adjusted based on a change in structure in 2013 (a group with 255 responses was moved from TELUS Domestic to TELUS International).

### Year-over-year engagement scores for main engagement drivers – TELUS International

%	2015 (n = 13,112) <sup>1</sup>	2014 (n = 11,150) <sup>1</sup>	2013 (n = 9,828) <sup>1</sup>	2012 <sup>2-3</sup> (n = 8,633) <sup>1</sup>
Work processes	72	67	65	62
Career opportunities	74	68	65	64
Performance development	79	73	72	68
Compensation	55	47	n/a	n/a
Recognition	72	67	64	63

1 "n" represents the total number of survey respondents.  
 2 2012 results have been adjusted based on a change in structure in 2013 (a group with 255 responses was moved from TELUS Domestic to TELUS International).  
 3 2012 results do not include our operations in Europe (Bulgaria and Romania) as we were not operating there at the time.

In 2016, our goal is to increase engagement from 87 to 88 per cent for TELUS Domestic employees, and from 80 to 82 per cent for TELUS International employees. Achieving these results will elevate our high-performance culture in pursuit of our 2018 goal of 90 per cent engagement. We plan to achieve this by continuing to listen to our employees and leveraging Fair Process to collectively implement solutions that will further enhance our customer and employee experience.

See section 10.5 of our [MD&A](#) in our 2015 Annual Report for a further discussion on risk and mitigation with respect to employee engagement, recruitment and retention.

### Turnover

Voluntary turnover rates for employees continue to lower year over year, which we attribute to how engaged and connected our employees are to our organization. Our involuntary rate rose in 2015, due to our 2015 operational efficiencies and restructuring programs.

Competition for talent in specialized or emerging skill areas can be challenging. To address this challenge we have created an innovative sourcing strategy to proactively attract and engage passive candidates.

### Year-over-year domestic turnover rates<sup>1</sup>

	2015	2014	2013
Voluntary <sup>2</sup>	A 9.3	10.1	10.7
Involuntary	A 6.3	3.8	4.3
Total	A 15.6	13.9	15.0

<sup>1</sup> In 2013, we changed our calculation methodology to use a headcount denominator determined by averaging year-opening over year-closing numbers, not an average of all twelve month-ending headcounts. As well, we are only reporting on domestic employees that are tracked in the primary Human Resources Management system.

<sup>2</sup> Voluntary rates include employees that left the Company due to retirement.



Percent decrease of voluntary turnover from 2014

### Annual domestic turnover by gender and generation

%	Female	Male	Millennials (1980 - 2000)	Generation X (1965 - 1979)	Baby Boomer (1946 - 1964)	Silent Generation (1925 - 1945)	Total
2015	A 17.8	A 14.2	A 20.9	A 9.3	A 17.4	A 84.2	15.6
2014	15.4	12.9	22.0	6.5	13.5	25.0	13.9
2013	16.6	14.0	24.1	8.3	13.4	48.9	15.0

4.2.1

## Talent development

Our culture is driven by the quality and diversity of employees and leaders in our organization. We believe that individuals who exemplify our brand, values, and demonstrate a business ownership mindset, are best able to contribute to our future business strategy and deliver results.

### Performance development

We understand that regular performance conversations with our employees positively impact their experience, which drives engagement and helps them excel in their role. We are guided by the belief that how we work is just as important as what we achieve. Employees are evaluated against indicators directly related to our values, providing transparency and a clear path for their further development.

Employees participate in monthly performance conversations that allow them to get feedback on their progress, and the development support required for them to be successful. The investment and commitment of our leaders over the past five years has positively contributed to increasing our performance development engagement score by 26 percentage points.

In 2015, a variety of enhancements were made to the performance development tool within our internal website, TeamHub. These changes were geared toward simplifying the process, reducing the amount of time and effort required and enhancing the user experience. These changes have made the process much easier, yet more importantly have allowed employees and leaders to focus their time on having even more meaningful performance conversations.



Percentage of domestic TELUS employees that believe performance development helps them meet their goals (an increase from 78% in 2014)

### Year-over-year performance results from Pulsecheck

%	2015	2014	2013	2012
Employees that feel performance development helps them meet their goals – TELUS	79	78	76	74
Employees that feel performance development helps them meet their goals – TELUS International	79	73	72	68

**Our goals for 2016 are to:**

- Provide meaningful and timely performance feedback, which allows our employees to succeed
- Enhance the interlock of objectives across our teams as we work together to put the needs of our customers first
- Continue to enhance the quality of individual performance objectives.

In 2016, and beyond, we plan to continue supporting leaders with ongoing process enhancements that make performance development simpler. We plan to also increase communication and education regarding performance development. This effort should strengthen our team’s understanding of how performance development supports their individual success and the success of TELUS.

## Recognition

Recognition is a fundamental component of TELUS' engagement strategy. Employee recognition, when delivered effectively, can be a powerful tool to help drive a high-performance culture, reinforce corporate values, achieve organizational goals, and engage employees. At TELUS, we have embraced a culture of recognition. This culture promotes and reinforces desired behaviours aligned to our leadership values, plays a role in retention, and shows employees we care.



Percentage of TELUS International employees that believe performance development helps them meet their goals (an increase from 73% in 2014)

We are building on our culture of appreciation with 78 per cent of employees indicating they feel sufficiently recognized for their efforts in 2015. This represents a 42 per cent increase since 2010.

### Year-over-year recognition results from Pulsecheck

%	2015	2014	2013	2012
Employees that feel they are appropriately recognized – TELUS	78	76	75	73
Employees that feel they are appropriately recognized – TELUS International	72	67	64	63

## Bravo - delivering tools to make recognition easier

In April 2015, TELUS launched an improved version of our corporate recognition platform -- Bravo. In support of our culture of recognition, TELUS encourages employees to recognize colleagues who live the TELUS values, go above and beyond, and positively affect our customers, business and team. Through our improved Bravo platform, employees can now nominate their peers for recognition awards, right from their desk or mobile device.



Number of TELUS Employees recognized through one of seven corporate recognition programs

In 2015, employees were recognized through several corporate recognition programs that reward employees who have demonstrated our values and made a significant contribution to the organization. Additionally, we worked with leaders to further develop recognition strategies, supported by toolkits and online materials that can be customized to meet the needs of their business unit and team.

## Recognition program summary

Award Name	2015 recipients	# of 2014 recipients	# of 2013 recipients
Bravo electronic cards	85,698	80,657	84,027
Bravo awards (points and gifts)	66,495	74,892	67,081
Career Milestone acknowledgements	4,075	3,386	4,169
Ovation awards	1,081	406	503
Passion for Growth awards	123	149	190
TELUS Legend awards	31	40	51
Own.it awards	134	195	81
Customers First Champions awards	200	200	177
Presidents Club awards	57 <sup>1</sup>	91	100
CHLOE awards (Connections Honours Leaders of Excellence)	50 5 men, 45 women	51 5 men, 46 women	53 5 men, 48 women
CEO Commemorative Coin program	501 (incl. Legends, Ambassadors & Presidents Club)	1,177 (incl. Legends, Own.it, Ambassadors & Presidents Club)	1,552 (incl. Legends, Own.it, Ambassadors & Presidents Club)

<sup>1</sup> This year-over-year reduction can be attributed to the amalgamation of the TELUS Business Solutions and Enterprise Presidents Club programs into a single program with reduced costs.

TELUS has a track record of leading the way with our recognition policies, processes and programs. Continuing to improve our employee experience is a key differentiator for our company. Our 2016 roadmap for Bravo is to keep this tool scalable, innovative and capable of supporting the execution of our recognition strategy.

We will also work to:

- Update our digital recognition resource library, Jam
- Increase recognition for teleworkers participating in our Work Styles program
- Raise awareness of all of the options available to recognize employees
- Bring greater visibility to the programs that have been used less often, with the intent to increase the overall frequency of recognition at TELUS.

## Succession management

Succession management is an integral part of our people strategy, helping us develop a robust talent pipeline with the skills, experience, and diversity of thought required to achieve our customer and corporate priorities. We conduct regular cross-functional talent and succession reviews with our executive leadership team to examine and discuss:

- Our future business strategy and any talent-related vulnerabilities
- Our talent pipeline for critical positions
- Action plans to address any gaps.

Talent and succession reviews help us to understand where we have business risk, informs our talent acquisition strategies, and naturally integrates with our performance and recognition processes to ensure we are developing and recognizing the right talent.

## Learning and development opportunities

Supporting the development and growth of our employees is essential to our business success. We believe the investments we make in our team directly correlate to their engagement, productivity and diversity of thought – as well as our business results.

22.6

Average number of training hours across  
all TELUS employees

We see everyone as a leader and support employees in making and implementing decisions in a fair and collaborative manner. A hallmark of our unique culture has always been our commitment to learning, development, and continuous improvement. In 2015, we:

- Were named the Association for Talent Development's first ever Best of the BEST organization after winning their BEST award for 10 years. This award recognizes organizations that demonstrate enterprise-wide success as a result of employee talent development.
- Held our 14th Senior Leadership Forum, which serves as a mechanism to continue the progression of our culture by advancing the specific leadership attributes that are integral to the continued success of our organization.
- Launched the TELUS MBA, a fully customized masters of business administration program, developed in partnership with the University of Victoria specifically for our company and our team. It includes common and fundamental MBA learning objectives with a TELUS focus in the teaching and projects, specifically on the concepts of purpose and community. Twenty employees from four different provinces are participants in the first cohort, with online and face-to-face education offerings spread out over a two-year period.
- Held leadership forums for our management employees. These full-day events were designed to enhance personal leadership skills and the collective strength of our team.
- Launched Leadership Fundamentals, a series of 10 blended learning courses. The program helps managers and directors build and enhance their leadership strength for the benefit of employees, customers and our business.
- Revamped our Leadership Now program, which focuses on individuals who have demonstrated a level of consistently high performance and high potential. The program focuses on the building blocks of self-leadership, strategic leadership competencies, and the business acumen necessary to navigate our complex industry. For our 2015-2016 program, we have 198 participants, 36 per cent of them are female.
- Together with the International Women's Forum, hosted a two-day Executive Development Roundtable designed specifically for female leaders with the passion, talent and desire to lead at the highest levels.
- Launched a revised Welcome to TELUS program for new hires, which provides new employees a three-month structured and self-directed introduction to our company.
- Launched a TELUS-wide Closer to the Customer (C2C) event involving 1,000 participants across the country. Employees spend a day in the life of a customer-facing employee gaining a greater insight into the customer experience.

Our employees benefit from clear, simple and high quality learning opportunities designed to meet them at their developmental stage and align their personal and career development goals with where we are heading as an organization. We support employees by offering formal, informal and social learning approaches, allowing them to learn what they need to know, when they need to know it, and in a manner that works best for them.



Percentage of TELUS domestic employees that felt satisfied with the learning and development they received (same as 2014)

### Average training hours<sup>1</sup> – TELUS Domestic

Overall	Gender		Role				Level	
	Males	Females	Bargaining Unit	Management Professional	Retail	Single Cont	Middle Manager	Senior Manager
A 22.6	A 21.4	A 23.4	A 38.5	A 11.4	A 2.5	A 23.8	A 14.5	A 9.8

<sup>1</sup> Only includes training that was captured and recorded internally, as of January 27, 2016.  
<sup>2</sup> The categorization for Middle Manager and Senior Manager have been updated in 2015 for consistency with other employee data. The employment categories of 'Director with direct reports', 'General managers', and 'Individual contributor – Director' have been moved from Middle Management to Senior Management.

### Return on learning<sup>1</sup>

Performance impact of learning	2015
Employees that felt satisfied with the learning opportunity (%)	95
Employees that feel the learning opportunities helped their performance on the job (%)	89
Employees that would recommend this learning opportunity to other employees (%)	93

<sup>1</sup> Results are based on responses to common survey questions included in all corporate broad scale leadership development offerings (excluding TELUS International). The metrics used to assess programs were updated in 2015, therefore, a year-over-year comparison is not available.

### Year-over-year learning results from Pulsecheck

%	2015	2014	2013
Employees that are satisfied with the learning and development support they receive – TELUS Domestic	80	80	76
Employees that are satisfied with the learning and development support they receive – TELUS International	83	79	77

Our operations at TELUS International Philippines and TELUS International Central America provide educational opportunities for employees through an innovative TELUS International University (TIU). This program helps employees earn Bachelor and Masters Degrees while working. TIU provides tuition assistance through a subsidized program, and students have access to state-of-the-art library centres in TELUS buildings as well as university professors onsite. Also, TELUS International Europe® has a language academy that teaches language skills to employees.

In 2015, we moved away from a business unit specific leadership development approach to one national leadership learning strategy. The curriculum is closely linked to our long-term development plans, succession management, and business-specific technical learning objectives. In addition to supporting general skills and leadership development across our company, we created and delivered customized job specific training, such as:

- Innovative, hands on tool and safety awareness training for our installation and repair technicians
- Customer Service 2.0 knowledge and retention training for our call centre representatives
- Product knowledge and mobile application training for our retail store employees.

In 2015, many of our unique programs were recognized by Brandon Hall as best in class.

### Career development

We encourage and empower our employees to own their own career by leveraging experiential, formal and social learning opportunities. In fact, career development is part of our integrated human capital development strategy. Employees work in collaboration with their leaders to build a customized career development plan to address their particular development objectives, and discuss their progress against the plan throughout the year. A library of learning and development opportunities, with information on how to create meaningful career action plans, is available through an easy-to-use self-serve tool.

Once again in 2015, we saw an increase in employees' satisfaction with career development opportunities through our employee satisfaction survey both domestically and internationally.



Percentage of TELUS domestic employees that are satisfied with the career development opportunities available to them (Increase from 72% in 2014)

### Year-over-year career development results from Pulsecheck

%	2015	2014	2013	2012
Employees that are satisfied with the career development opportunities available to them – TELUS Domestic	73	72	70	68
Employees that are satisfied with the career development opportunities available to them – TELUS International	74	68	65	64

Whether it is through our formal training courses, online resources, leadership forums, our TELUS MBA program, or on-the-job learning, we know continuous career development is important for our employees. In 2016, we will continue to evaluate all of our learning opportunities to ensure we offer the variety we need to support employee's personal and professional growth.

### 4.2.2

## Total rewards

We offer an integrated total rewards package that provides competitive, performance-based rewards aligned to our business strategy. Our employees have a flexible and diverse rewards package that includes salary and a performance bonus, flexible benefits, as well as retirement and share purchase programs. On top of the traditional components of this package, employees work in future-friendly offices, and receive discounts on TELUS products and services.

### Compensation

Our cash compensation for employees not covered by a collective agreement consists of a non-variable base salary and a variable component that is designed to focus on results, supports the TELUS leadership values and recognizes high performers and key talent who are critical to the success of our organization. At TELUS, our compensation is market-based. We conduct ongoing reviews and compensation analysis of job roles relative to the market and take appropriate action to pay competitively. Consistent high performers are compensated at or above the 75th percentile of the competitive market wage. Terms and conditions (including wages) for all employees covered by a collective agreement are negotiated between TELUS and the respective unions.

TELUS' average entry-level wage in Canada is above the median of minimum wages for all entry level roles, including management professionals, bargaining unit, and retail. The overall average is 35 per cent above the median. The base wages received by TELUS International Philippines employees are more than 30 per cent higher than the Philippines National Capital Region Minimum Wage. In Central America, a role as a call centre agent often pays twice what an administrative role at a bank would pay. In the United States, TELUS International team members earn at least twice the minimum wage rate. The base wages received by TELUS International Europe Bulgaria employees are more than three times higher than the Bulgarian National Minimum Wage. In Romania, the average wages are two times larger than the Romanian National Minimum Wage.

These ranges can increase substantially, in line with supplementary income to employees who are high-performing, have certain technical and language skills and may receive grants for various allowances like meals and transportation.

In 2016, we will continue to seek employee feedback on our pay practices through our annual employee survey, benchmark against organizations where we compete for talent, and provide training to people leaders on TELUS' compensation model and philosophy.

### Benefits

We provide competitive, comprehensive and flexible benefit packages for most permanent employees. This allows employees to customize a plan to suit their diverse personal and family situations, affording them peace of mind that their needs are being met with a cost effective solution. Our flexible benefits allow employees to choose from several options including life, long-term disability, and critical illness insurance, as well as access to comprehensive health plans. In 2015, 96 per cent of employees participated in our extended health and dental plans.



Percentage of TELUS employees that participated in the company's extended health and dental plans

While benefits are not provided to temporary employees, most do receive a company contribution to a Health Spending Account that they may use toward health and dental costs. Part-time employees are eligible for the Health Spending Account, Retirement Savings and the Employee Share Purchase Plan.

## Retirement and savings plans

We are committed to the financial well-being of our employees and encourage them to save for retirement through a variety of methods. These include:

- Legacy defined benefit plans
- Defined contribution pensions with matching options
- A voluntary group Registered Retirement Savings Plan
- A Tax Free Savings Account.

Our defined contribution pension plans allow members to contribute up to 10 per cent of their salary. TELUS provides a maximum contribution of 5.8 per cent.

We offer employees the ability to purchase TELUS shares through regular payroll deductions. This flexible savings plan allows employees to purchase between one and 10 per cent of their base compensation (subsequent to December 31, 2015, the range was increased to between one and 20 per cent of their base compensation) and up to six per cent is matched by TELUS to a rate of 40 per cent (35 per cent for directors or above).

In 2015, 76 per cent of eligible employees were enrolled in one of our retirement savings plans and more than 22,500 employees participated in the Employee Share Purchase Plan, controlling just over 15 million shares and ranking as our fourth largest common shareholder.

## Total pay and benefits

\$ millions	2015	2014	2013
Total pay and benefits	\$3,008	\$2,850	\$2,743

We will continue to provide education around retirement savings and encourage employees in the defined contribution plan to maximize their savings for retirement.

In 2016, the total cost of pay and benefits are forecasted to increase as a result of:

- Annual compensation increases
- Increases to legislated benefit costs (e.g., Medical Services Plan in B.C. and Employment Insurance and Canada Pension Plan)
- Increasing levels of contributions in the TELUS Defined Contribution Pension Plan, TELUS Health and TELUS Retail Pension Plans
- Usage and inflation in our dental and extended health plan.

See also section 9 of the [MD&A](#) in the 2015 Annual Report for a discussion on trends and assumptions regarding employee benefits. These assumptions are subject to risks and uncertainties, including, but not limited to, competition, technology substitution, regulatory matters, financing and debt requirements, taxation matters, economic conditions, litigation and other factors noted in our Caution regarding forward-looking statements and described in detail in Section 10 of the [MD&A](#) in the 2015 Annual Report.

### 4.2.3 Work Styles

Work Styles continues to keep our employees engaged by providing them with flexible work options to balance their work and personal life. The ability to work in the office, at a mobile site or at home offers the following benefits:

- Increased engagement, productivity and business results
- Differentiates us in attracting and retaining top talent
- Reduces our environmental impact
- Significant cost savings for the company and employees.

In fall 2015, we included survey questions focused on Work Styles in our annual Pulsecheck survey. This allowed Work Styled employees to provide their feedback along with their Pulsecheck details (in the past they were asked to participate in separate surveys). Employee feedback is provided to leaders in the Work Styles' leaders toolkits

In the 2015 survey, 98 per cent of our employees identified they felt Work Styles is positive for our company, and over 90 per cent identified that Work Styles is a significant factor in their decision to remain at TELUS.



Number of commuting kilometres saved with TELUS' Work Styles program

### TELUS employee reduced emissions and savings

Participants <sup>1</sup>	Total km saved <sup>2</sup>	Total hours of commuting saved <sup>3</sup>	CO2e avoided (tonnes) <sup>4</sup>
9,985	32,830,870	1,903,441	8,011

<sup>1</sup> Assumes mobile employees work more than three days/week at home and at-home workers almost five days/week.  
<sup>2</sup> Kilometres (km): average 15 km round trip (Statistics Canada 2006 report).  
<sup>3</sup> Hours saved: based on 52 minutes per day (Statistics Canada 2010 report).  
<sup>4</sup> CO2e avoided: Canadian National Inventory report emission factors and based on average mid-size car fuel efficiency.

In 2015, we created a community of leaders (Culture Champions) to embed Work Styles even further into our culture. These Culture Champions represent the different areas of our business and use employee and leader feedback to identify what is working well and where there are opportunities to improve this program. They then engage employees and leaders through Fair Process, to identify actions to enhance the program. In 2016, we will be creating an online environment where Culture Champions can share their best practices and ask questions of each other.

### Work Styles adoption rate

%	2015	2014	2013
Employees (in major centres) in a mobile or at-home work style	67	60	60

TELUS's goal is to have 70 per cent of employees, located in our top national buildings, working in a mobile or at-home capacity on an ongoing basis

Additionally, through our TELUS Transformation Office, we offer Work Styles solutions to organizations seeking to transform their culture through best practices that promote flexibility and work-life balance.

### Board of Directors Diversity Representation

TELUS also recognizes that diversity and inclusiveness contributes to the social and economic well-being of our country. In support of this belief, we are working to encourage greater diversity on corporate boards across Canada through our leadership as a founding partner with the Canadian Board Diversity Council and the Council's Diversity 50 initiative.

TELUS is further promoting the advancement of women on Canadian boards by supporting the Catalyst Accord's pledge for Canadian corporations to increase the overall proportion of Financial Post 500 board seats held by women to 25 per cent by 2017. Moreover, the [TELUS Board of Directors](#) adopted a target of having diverse members represent between 30 and 40 per cent of our independent directors by May 2017 and recently adopted an additional target to have 30 per cent women on our Board by the end of 2019.

This is consistent with Darren Entwistle becoming a founding member of the [30 per cent Club Canada](#), which is also working toward having 30 per cent women on boards by the end of 2019. In February 2016, the Board reframed its diversity objectives and expressed them in terms of a minimum percentage of both men and women, reflecting the principle that a board that consists entirely of women is no more diverse than a board that consists entirely of men. The Board also accelerated the target date for achieving a minimum of each gender representing 30 per cent of the independent directors from 2019 to 2018.

TELUS' diversity objective now states that diverse members will represent not less than 30 per cent of the Board's independent members by May 2017, with a minimum of each gender representing 25 per cent of such members by May 2017, increasing to not less than 30 per cent of such members by 2018. As of March 2016, diverse members (five director nominees) represent 45 per cent of the independent directors of the Board, and female members (three director nominees) represent 27 per cent of our independent directors up for nomination at our 2016 annual meeting.

### 4.3 Employee health, safety and wellness

#### Health

Many factors combine together to affect the health and well-being of our employees, including the social and economic environment, physical environment, and the person's individual characteristics and behaviours. At TELUS we have programs to address each of these factors to ensure the best possible employee health and well-being.



Average number of absentee days per full-time employee (below the industry average of 8.8 days)

In 2015, the TELUS absenteeism rate (which includes paid and unpaid time off work due to illness or injury) again decreased to 6.0 days per full-time equivalent position. Our absenteeism rates are well below the average of 8.8 days per full-time equivalent position for Canadian organizations with more than 500 employees. Enhanced attendance management and disability management programs delivered in 2015, contributed to the decrease in absenteeism.

#### Absenteeism rates

Year	TELUS absenteeism per full-time employee <sup>1</sup>	For full-time employees	For organizations with >500 employees	For unionized organizations
2015	<span style="color: green;">A</span> 6.0	7.4	8.8	11.3
2014	6.2	7.4	9.0	11.3
2013	6.5	7.4	9.3	10.9

<sup>1</sup> Data presented are for TELUS Domestic employees tracked in the primary Human Resources Management system.

<sup>2</sup> Source: Statistics Canada.

In 2016, we will continue to address our lost-time absenteeism opportunities through targeted prevention and abilities management. We regularly analyze the health conditions affecting our employees to ensure our employee education and health programs drive better health outcomes and enhanced access to care.

#### Safety

We continually monitor the effectiveness of TELUS' safety management system and investigate all reported health and safety complaints, as well as accidents to address emerging issues. We train employees to identify and manage their workplace hazards and set performance targets for hazard control programs. Safety performance results are then reported every quarter to the Human Resources and Compensation Committee of TELUS' Board of Directors.

All domestic employees at TELUS are represented by one of over 80 health and safety committees or a health and safety representative. At least 50 per cent of each committee and all health and safety representatives must be bargaining unit members or employees who do not exercise managerial functions. All bargaining unit participants are selected by the union representing employees, while management employee members of health and safety committees are selected by TELUS.



Average lost time accidents per 200,000 hours worked

TELUS has realized a steady reduction in lost time accidents (LTA) since 2010, and this result continues to compare favourably with the 2014 U.S. Telecommunications Industry average of 1.3 LTA per 200,000 hours worked. Our goal for 2016 is to continue to minimize and reduce accidents and injuries and at minimum, maintain our past ratio of 0.70 LTA. TELUS has had no work-related deaths since 1997.

### Lost Time Accidents (LTA) per 200,000 hours worked<sup>1</sup>

	2015	2014	2013
TELUS actual	A 0.70	0.70 <sup>2</sup>	0.74
TELUS target	0.70	0.74	0.77

<sup>1</sup> Data presented are for TELUS Domestic employees tracked in the primary Human Resources Management system.

<sup>2</sup> Data from TELUS' records as of February 5, 2016.

### Wellness

At TELUS, our vision is to have the healthiest employees and workplace globally. We work at delivering world class, prevention focused wellness programs that allow employees realize their full potential through peak health, at work and at home.



Number of donations of blood to Canadian Blood Services by TELUS employees

In 2015, the wellness team worked on developing a new strategy aimed at helping employees achieve and maintain peak physical and psychological health. This wellness transformation began with the development of three foundational pillars:

**1. Mental Resilience:** a comprehensive talk, teach and train pathway to proactive psychological health awareness, supported by a variety of programs, services and resources for employees and leaders. The Employee and Family Assistance Program (EFAP) provides confidential assistance to employees and their families through an extensive national network of counsellors 24/7.

**2. Active Living:** access to onsite 24/7 facilities across the country where available, high-performance health centres in key locations, on-line personal training, access to health practitioners, healthy living challenges and non-denominational prayer and contemplation spaces across the country that encourage employees to find a place for spirituality during their day.

**3. Wise Nutrition:** supporting a culture of nutrition awareness, literacy and access to healthy food choices across on-site cafeterias, vending machines and new technology enabled offerings.

In 2015, we worked at improving and adding components to our wellness program offering, which included:

- Hosting three national team fitness challenges - engaging nearly 2,400 employees - that also offered discounts for wearable fitness technology
- Maintaining a blog led by TELUS' Chief Wellness Officer, that engaged employees in a conversation around health and wellness. In 2015, Doctor's Notes was one of the most popular forums, with nearly 23,000 pages viewed
- Offering alive@work, a bilingual digital magazine that offers an information-rich, user-friendly platform that reflects our healthy culture and desire to improve overall employee wellness
- Arranging fitness discounts with nearly 100 national and local fitness facilities across Canada
- Opening a new non-denominational prayer and contemplation space in Vancouver's TELUS Garden as part of the development project
- Continuing our partnership with the Canadian Blood Services in the spirit of We give where we live. In 2015, TELUS employees gave 1,861 life-saving donations (including 521 first-time donors) and passed the 10,000 donation milestone. Since 2010, employees have donated 11,520 times.

## A new innovative online wellness solution

In 2015, we introduced an innovative online health program pilot led by our Chief Wellness Officer. The four-step program enables individuals to take better care of their health by identifying and managing their health risks.

Nearly 300 volunteers participated in the pilot, including TELUS employees across Canada and employees from our external partners, the Arthritis Society and the Heart and Stroke Foundation. The post-survey results revealed that among the participants:

- 95 per cent said that the program helped them raise awareness about their personal health risks
- 85 per cent would recommend the health program to friends, family and other colleagues
- 87 per cent said that the program helped them adopt a healthier lifestyle.

This online health program pilot has proven its value and our key learnings garnered from the experience are helping an effort to commercialize this wellness solution for the benefit of our customers.

## Focus on 2016

In 2016, aligned with the three foundational pillars, the wellness team will focus on achieving the following objectives:

1. Increase health literacy and prevention centered wellness education
2. Build sustainable and positive health behaviours among all TELUS employees
3. Bring focused attention to prevention and care in supporting and improving psychological health outcomes
4. Be at the forefront of leveraging digital health technology and the science of precision medicine.

Underpinning the new strategic focus and objectives is the launch of a new wellness program brand – Own Health. This brand will be the anchor for helping employees achieve and maintain their physical and psychological health every day.



### 4.3.1

## Respectful workplace

### Our culture of respect

An essential element of our work life culture and our values at TELUS is our continued focus on respect in the workplace, and our commitment to creating and maintaining a positive and professional working environment.

The TELUS Respectful Workplace Office performs an annual review of the Respectful Workplace policy to foster continued compliance with associated legislation in each of the jurisdictions in which TELUS operates, both domestically and internationally.



Number of new complaints to the Canadian Human Rights Commission in 2015 (down from nine in 2014)

Our Respectful Workplace training helps employees participate in building our culture together in a number of ways:

- All new TELUS employees must participate in a Respectful Workplace course as part of their initial orientation
- Annually, all employees are required to complete the Integrity course, which includes Respectful Workplace content
- A new on line Respectful Workplace training course was developed in 2015, and will be launched in 2016. This new course provides a more in-depth and interactive review of what constitutes acceptable behaviours in the workplace, changes to applicable legislation, and what protections and processes are available should an issue arise
- The Respectful Workplace office continues to offer refresher training courses when requested by Business Units.

Analysis of complaints filed with the Canadian Human Rights Commission (CHRC) is an indicator we use to determine if there are internal practices causing concern for our employees. Complaints can be referred back to the internal TELUS resolution process, a resolution may be reached through the CHRC, or the complaint may be dismissed.

### CHRC Complaints

	2015 YTD	2014	2013
Carryover from previous year	<span style="color: green;">A</span> 12	5	6
New	<span style="color: green;">A</span> 3	12	7
Closed	<span style="color: green;">A</span> 9	6	8
In progress at end of year	<span style="color: green;">A</span> 6	12	5

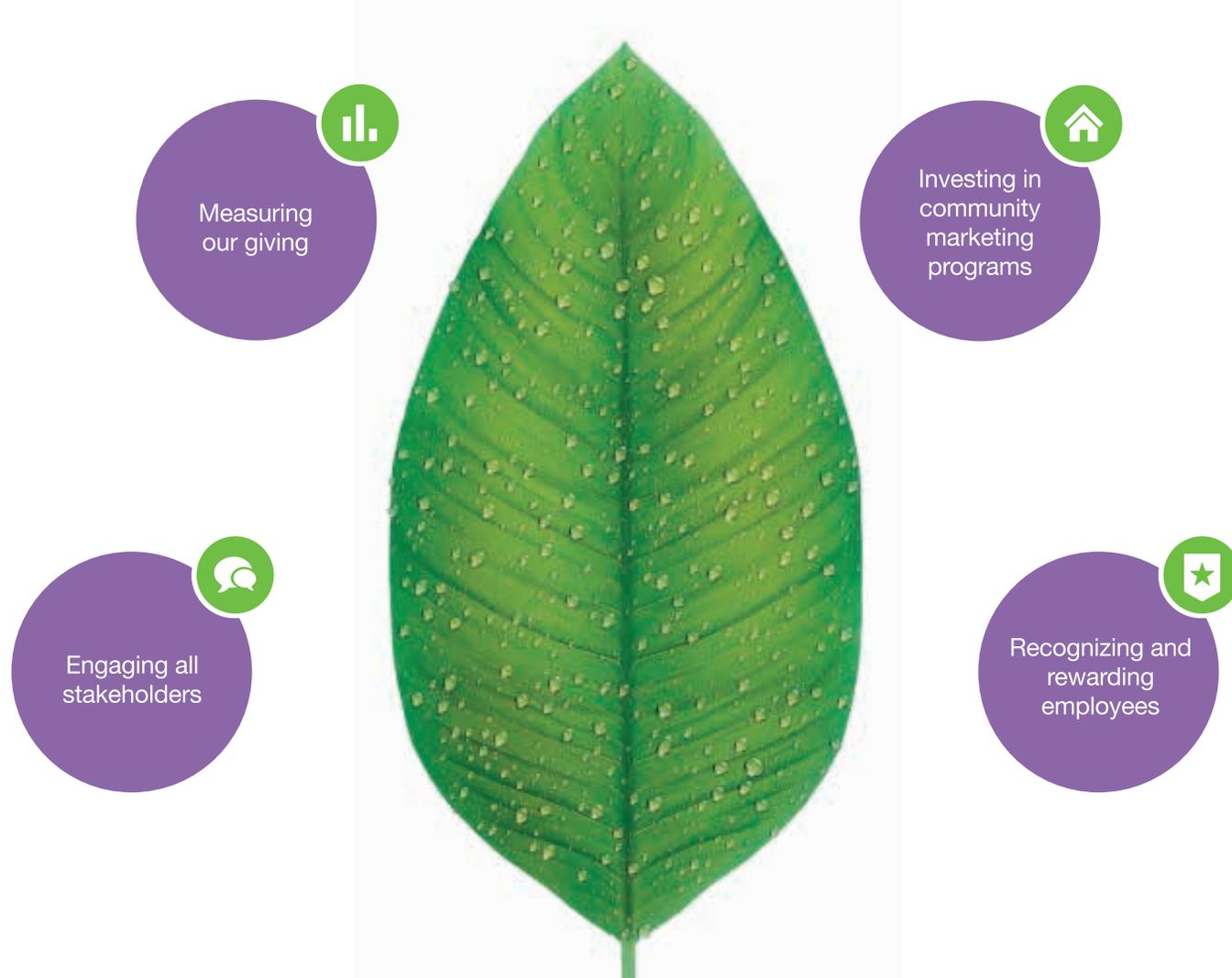
### Closed CHRC Complaints

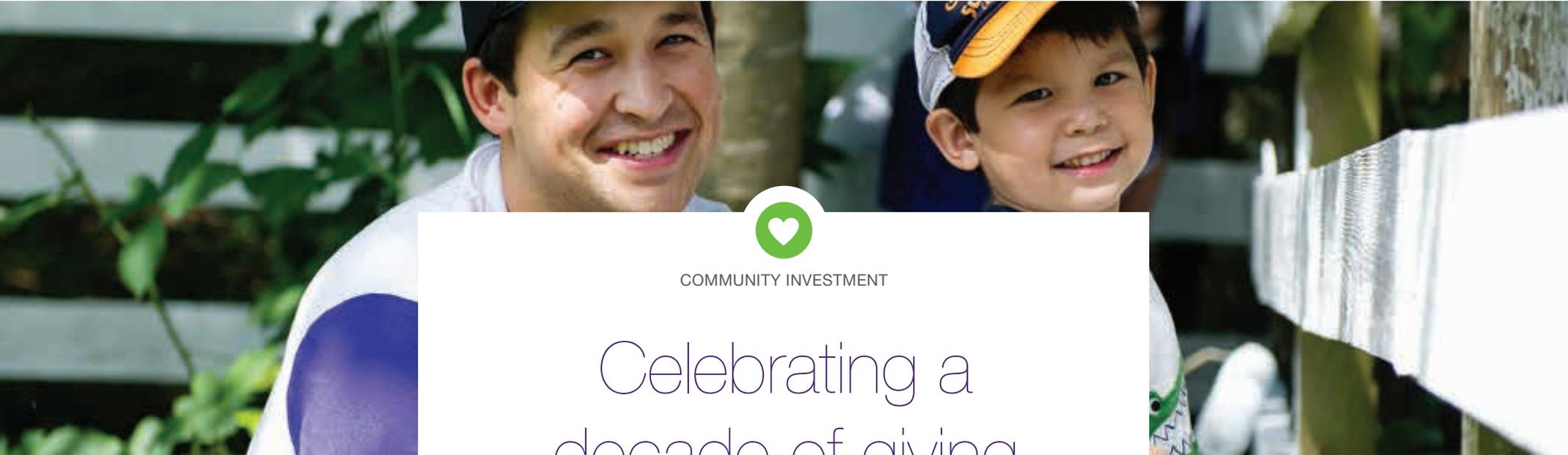
	2015 YTD	2014	2013
Referred to TELUS internal or other resolution process	0	2	0
Resolution reached	2	3	2
Dismissed	7	1	6



# Community Investment

Our *We Give Where We Live* philosophy is central to giving back to the communities in which we live, work and serve. Our team is empowered to make a significant difference in the lives of others with their hearts, hands and minds.





COMMUNITY INVESTMENT

## Celebrating a decade of giving

The passion keeps on growing as the TELUS Days of Giving commemorates its tenth anniversary.

The numbers are in: since its inception in 2006, TELUS Days of Giving has racked up over 337,000 hours of making our communities both here and abroad a better place. Team members, retirees, family and friends have made up over 112,000 passionate participants who “give where they live.”

In its tenth year, almost 18,000 volunteers came together at over 1,350 activities across Canada to lend a helping hand. It was all about making a difference in a variety of ways, from making our streets safer and caring for the environment to helping kids and feeding the hungry. Parks, soup kitchens, food banks, schools and hospitals were some of the many places overflowing with the generosity of spirit TELUS Days of Giving is known for throughout the country.

“It’s about TELUS wanting to show we are more than just an office building, that we are more than just a voice at the other end of the call.”

— TELUS Team Member



## Let us count the ways

Check out how the TELUS Days of Giving made a big impact:

- 715 bags of waste collected** from river valleys, parks, and fields
- 10,179 meals** prepared or served to the homeless and those in need
- 40,239 pounds of food** sorted at food banks
- 6,822 trees and plants** planted in parks and gardens
- 12,670 Kits for Kids** school supplies assembled for students in inner city schools
- 5,834 Comfort Kits** and charity relief kits assembled for the homeless and others in need
- 131,295 breast cancer** ribbons tied for the Canadian Breast Cancer Foundation
- 69 cans of paint** used to refresh local communities
- 42,574 books** sorted for local book drives



A special addition to the anniversary event was celebrated on May 27th, as TELUS hosted its first-ever Days of Giving on Parliament Hill. TELUS Team Members joined 109 MPs for Kits for Kids on the Hill to pack school kits for children across Canada. As a result, TELUS delivered 1,090 school kits to deserving students nationwide in time for the start of classes in September.

“Happy to assemble some Kits for Kids today  
for the @TELUS Days of Giving initiative!”

– then MP and current Prime Minister Justin Trudeau

Social media played an exciting role on the Hill – MPs and Senators tweeted in both official languages using the hashtags #actsofgood and #givewherewelcome. Then MP and now Prime Minister Justin Trudeau was on hand to give his enthusiastic support to Days of Giving, tweeting about his participation and giving thanks for all the community spirit.



[10th Annual TELUS Days of Giving](#)

## Overview

At TELUS, community investment is deeply rooted in our *we give where we live* philosophy. To us, this means mobilizing our employees, retirees, charitable partners, business partners, and consumers, through the power of connection, to drive positive societal change and better serve our communities. We are committed to improving the lives of youth and their communities, with a focus on health, education and the environment. By doing this, we are enabling:

- Better health knowledge, management, and outcomes
- Youth and families with greater access to technology and community programs
- Communities to be sustainable.

In 2015, we streamlined our focus to three main pillars:



We continuously assess, evolve and grow our community investment strategy to make certain we are driving meaningful social impacts. In 2015, we introduced a best-practice framework and tool to help us measure and report on our social impact. The results and lessons learned from our pilot will be used in 2016.

## Driving positive social impact

Like most companies that have strong community investment programs, TELUS is looking for ways to understand and articulate the impact we have in our communities. Our grassroots approach, while highly engaging and locally impactful, makes it challenging to provide meaningful aggregated results. In 2015, we initiated a pilot to help us test a framework to realize this goal. Our pilot included partnering with 35 registered Canadian charities, who were TELUS grant recipients across Canada, to test out our new framework with the ultimate goal of identifying our aggregated impacts over time.

A key lesson for all participants was understanding the valuable learning opportunity this provided the participating grantees. They were very interested in learning the results and saw a lot of value from the process.

In 2016, we will implement improvements based on our pilot results and establish social impact targets that support the achievement of TELUS' goals. Phase two of this project will include expanding participation to other grant recipients and targeted community investment programs.

## Bringing our philosophy to life

To create shared value and sustain the long-term growth of our business, we will maximize our impact by:

- Creating lasting, strategic partnerships with community and charitable organizations to progress shared goals
- Enabling our employees and retirees to directly support causes they are passionate about.
- Providing grants to grassroots initiatives through our 11 Canadian and four International TELUS Community Boards
- Engaging our customers through cause marketing to benefit our local communities and drive business impact
- Supporting humanitarian and disaster relief for those in need at home and abroad



43.98 million

**In 2015, we:**

-  Contributed nearly \$44 million in support of over 4,400 charities and community organizations
-  Launched 60 cause marketing campaigns resulting in \$1.2million in donations made possible by consumer action
-  Funded \$5.7million in support of 537 grassroots community projects that positively impacted two million at-risk children and youth in Canada and around the world
-  Launched the TELUS World Wildlife Fund 'Go Wild' program to provide micro-grants to support creative ideas from Canadians on how to protect, restore, monitor, educate and celebrate nature
-  Connected with more than 115,000 youth and educators through nine WE Day events across Canada and delivered 85 We Give Where We Live speaking tours in Canadian high schools, providing over 30,000 youth with the education and tools required to give back to their local communities
-  Attracted over 110,000 users on the We365 mobile app, enabling youth to use their phone for good and make positive social change every day of the year
-  Engaged more than 25,000 employees, retirees, family and friends globally through our annual [TELUS Days of Giving](#) 
-  Recorded more than 830,000 volunteer hours and donated \$6.5million to over 2,250 charities and not-for-profit sports organizations through our employee and retiree giving programs
-  Celebrated the 10th Anniversary of TELUS Days of Giving in Canada with thousands of volunteer activities to help make our local communities a better place.

**5.1**

## Stakeholder engagement

To give back to our communities in a meaningful way, we engage in conversations with our charitable partners, customers, employees, retirees and community members. We do this by reaching out through our Community Boards, multiple social media platforms, including Twitter, Facebook, Instagram and YouTube, as well as more traditional means such as mail, phone conversations, and our celebrations of giving events. On an annual basis, we interact with thousands of charities, employees and retirees as well as millions of people through our marketing and outreach programs.



Percentage of TELUS Community Board members that are local citizens

Our Community Board model is a great example of TELUS' unique approach to stakeholder engagement. We rely on the Boards' membership (60 per cent community leaders who do not work for our company) to provide insight and decision-making on where TELUS can make the greatest impact in the community with the budgets allocated to their Boards.

### Business Enablement

In 2015, TELUS launched multiple initiatives to recognize and strengthen our relationships with our key business customers through a common passion for giving back. These initiatives included combined volunteer activities, joint partnerships supporting local charities, cause marketing campaigns targeted at our customers' employees, and sharing of best practices. We also launched the inaugural TELUS Business Community Champion Awards in Vancouver and Toronto, recognizing our business customers for making a substantial and measurable impact in our local communities and demonstrating leadership in creating a culture of giving within their organization.

In 2015, we had seven winners in Vancouver (Coast Hotels, BCAA, Vancouver Film Studio, First West Credit Union, JOEY Restaurants, iQmetrix and Gateway Casino) who each received one-year of complimentary services for their charity of choice and one winner in Ontario (Klick) who received \$10,000 for their charity of choice. All winners and nominees were honoured at the Vancouver and Greater Toronto Area Community Board Celebrations of Giving. We shared how the seven Vancouver Business Community Champion Awards' winners give back on our [TELUS Talks Business blog](#) .



## 5.2 Measuring our giving

Understanding the impact of our community investment program is critical to our program's success. We work with the [London Benchmarking Group](#) and use their methodology to measure our impact. Our community investments can be categorized as follows:

- **Philanthropic investment:** one-time or intermittent donations in response to charity appeals or in support of employee charitable activities (see section on humanitarian relief)
- **Social investment:** long-term strategic involvement in community partnerships that address a specific range of important social issues (see strategic partnerships section)
- **Commercial initiatives:** activities in the community that directly support a business objective or promote or protect TELUS' commercial interest
- **Employee giving:** contributions to a community project that can be directly linked to our involvement in the project

### TELUS total giving

\$ millions	2015	2014	2013	2012
Philanthropic investment	7.50	6.36	8.92	6.80
Social investment	19.07	18.92	17.06	18.97
Commercial initiatives	14.89	16.61	17.02	14.78
Value of employee giving <sup>1</sup>	2.52	2.47	3.23	3.43
Total	<span style="color: green;">▲</span> 43.98	44.36	46.23	43.98

<sup>1</sup> TELUS-matched dollars are included in the philanthropic investment category.

## Imagine Canada

We have been designated an [Imagine Canada](#) Caring Company since 1995. As a company with this designation, TELUS gives more than one per cent of our pre-tax profits to charitable organizations each year. In 2015, we surpassed this goal and contributed 2.14 per cent of our pre-tax profits. For 2016, we plan to maintain our status as a Caring Company.



## 5.3 How we give

### Community Boards

[TELUS Community Boards](#) are an innovative funding model that puts philanthropic decision-making in the hands of local leaders who know their communities best. Their focus is to provide grants to grassroots charities that support local youth. Preference is given to projects that also demonstrate tangible technological or social innovation.



Dollar amount allocated to 20 charities by the TELUS International Community Board

In 2015, we added the TELUS International Europe Community Board, serving Bulgaria and Romania. The Board has allocated \$100,000 to 20 local charities. For more information, visit [www.telusinternational-europe.com](http://www.telusinternational-europe.com)

The 11 TELUS Community Boards across Canada contributed \$5.3 million to local charities supporting 480 projects in 2015. Additionally, our four international Community Boards – in Europe, Guatemala, El Salvador and the Philippines – contributed \$400,000 to 57 charitable projects in their communities.



Dollar amount contributed to local charities across Canada in 2015

In support of good governance, our objective is to have more than 50 per cent of Community Board membership consist of non-TELUS representatives who bring the expertise of the community into decision-making. At the end of 2015, 60 per cent of Community Board members were non-TELUS, a figure we have consistently maintained over the past five years. Notably, the gender makeup of Boards was 57 per cent male and 43 per cent female. This represents a four per cent increase in female membership since 2011.

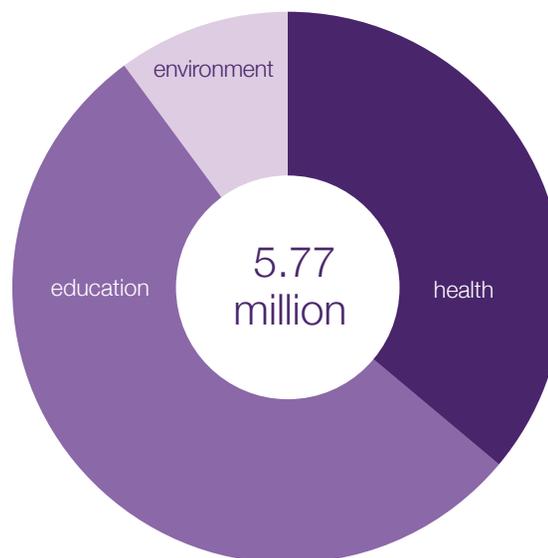
### Community Board membership

%	2015	2014	2013	2012	2011
TELUS	40	38	41	39	40
non-TELUS	60	61	59	62	60

### Male vs Female members

%	2015	2014	2013	2012	2011
Male	57	59	60	63	61
Female	43	41	40	37	39

### Community Board funding by focus areas in 2015



In 2016, we plan to:

- Continue to lead with best-in-class Board governance and succession planning
- Develop a standardized ranking tool to support Board members in their decision-making process
- Launch the TELUS International Romania Community Board
- Launch a national TransCanada Trail project that will enable the 11 TELUS Canadian Community Boards coast to coast, to work together on a national project.

## Humanitarian relief

TELUS is deeply committed to [lending a hand](#) to communities in crisis, at home and around the world. To better prepare for climate-related events and other disasters, we enhanced and refined our policies and procedures to more effectively respond to these events and minimize the impact to our customers and communities.

To increase our ability to mobilize when disaster strikes at home, TELUS continued our partnership with the Canadian Red Cross by implementing [Ready When the Time Comes](#). In 2015, TELUS provided training opportunities to employees in conjunction with our [TELUS Days of Giving](#).



Since 2009, TELUS has donated more than \$4 million in financial and in-kind support of humanitarian relief efforts in Canada, and around the world.

In 2016, TELUS will continue to work with our partners to identify ways to support newcomers to Canada in a meaningful way.

### Lending a hand to those in need

On April 25, 2015, a 7.8 magnitude earthquake devastated Nepal, killing more than 4,000 people, the worst to hit the area in more than 80 years. The impoverished Himalayan nation of 28 million faced a humanitarian disaster and the Nepalese government appealed for foreign help.



Dollar amount provided in humanitarian aid to Nepal

As with most earthquake-related disasters, the most immediate needs are clean water, food, household supplies, temporary shelter and protection for children and families. UNICEF Canada, Plan Canada, Care Canada, World Vision and the Canadian Red Cross all launched fundraising appeals to help meet the immediate needs of earthquake survivors. TELUS provided \$100,000 in humanitarian grants in total to these responding charities to support their efforts on the ground in Nepal.

TELUS donated 600 mobile phones to the staff of Plan Canada who are working in Nepal to assist children affected by the crisis to provide psychosocial support, and track data related to local challenges throughout this event.

TELUS also offered free long-distance calls and mobile texts to Nepal for two weeks to ensure all of our customers in Canada were able to connect with family and friends. We also launched a special text-to-donate fundraising campaign with the Canadian Red Cross, enabling Canadians and our customers to help the Nepalese people recover from the disaster.

## Strategic partnerships

TELUS partners with a number of charitable and community organizations to help further achieve social impacts related to our three funding pillars: health, education and the environment. These shared value partnerships allow us to create measurable business value by addressing social issues that intersect with our business.

In 2015, TELUS continued to [partner](#) with 25 national organizations and 85 local organizations, leveraging the power of connection and mobilization to improve the lives of Canadians and their local communities.

## Health

We enabled better health knowledge, management and outcomes by supporting people living with disabilities and managing chronic disease, reinforcing prevention of disease through active and healthy living and championing basic community welfare.

- **David Foster Foundation** : as one of the main corporate sponsors of the Miracle Gala & Concert events in Toronto (2015 and 2013), Calgary (2014), and Victoria (2012), we provide financial support for families with children undergoing life-saving organ transplants, and help the Foundation promote the importance of organ donation in Canada. In 2015, we contributed over \$220,000, and our TELUS employees provided volunteer support for the gala events. Since 2008, TELUS, our employees, and retirees have contributed more than \$2.42million to the David Foster Foundation.



- **Food Allergy Canada** : we have partnered with Food Allergy Canada (formerly Anaphylaxis Canada), an organization working to create safer communities for a growing number of Canadians living with food allergies. In 2014, TELUS became the proud Premier Founding Sponsor of Allergy Aware, allergyaware.ca a new online resource for educators to help keep students at risk of anaphylaxis safe at school. This course is available for free to hundreds of thousands of staff employed by more than 15,000 public schools and thousands of private schools across the country.

Our \$125,000 commitment to the Allergy Aware program provides free e-learning courses, such as “Anaphylaxis in Schools:

What Educators Need to Know.” Together with Food Allergy Canada, we are using technology to help make schools and communities across Canada safer and friendlier for kids with allergies.

- Juvenile Diabetes Research Foundation (JDRF): as title sponsor of the JDRF’s signature, nation-wide fundraising event, the **TELUS Walk to Cure Diabetes** , we made every step count to improve the health of thousands of Canadians. In 2015 alone, almost 4,000 TELUS employees, friends and families walked in 50 communities and raised over \$380,000. To date, TELUS has contributed over \$9 million to JDRF through corporate sponsorships, donations and fundraising initiatives, in addition to our direct financial contributions to help fund research for a cure.

“JDRF Canada and TELUS both believe we can create a world without T1D (type one diabetes). Thanks to our tremendous partnership with TELUS, JDRF can accelerate scientific progress that delivers new treatments and therapies that make day-to-day life with T1D easier, safer and healthier.”

— **Dave Prowten,**  
President and CEO of JDRF Canada



- **TELUS Ride for Dad** : is to raise funds to save men's lives by supporting prostate cancer research and raising public awareness of the disease. Events take place in multiple cities across Canada, representing every Canadian province. With the help of TELUS, in 2015, almost 12,000 registered riders and 48,500 donors participated in the 40 TELUS Ride for Dad. The \$3 million dollars raised helps fund vital prostate cancer research and awareness. In addition more than 1,000 Canadian men received free Prostate Specific Antigen tests, which has helped many in the early detection of the disease. Fourteen organizations have been granted research funds in 2015 to help advance the fight against prostate cancer.



- SABR Project (Stereotactic Ablative Radiotherapy) – The Ride for Dad, is leading a coalition with the Prostate Cure Foundation for a clinical trial to ease the burden of radiation treatment for men with prostate cancer by reducing treatments from 39 to just five. Patients will save thousands of dollars, and it is estimated that families could save \$12 million dollars per year. It would also save our Canadian healthcare system \$36 million dollars each year.

## Education

We empowered youth and families with greater access to technology and community programs. We achieved this through funding a variety of youth programs focused on inspiring youth to drive social change, developing their personal and professional skills, and by facilitating online accessibility, literacy, safety and security.

- **Free The Children** : We believe the key to building stronger, healthier, and more vibrant communities, lies in the hands of our younger generations. Through our partnership with Free The Children, TELUS is helping to inspire and build a community of young leaders dedicated to making the world a better place. Since 2007, TELUS and our employees have provided more than \$16 million to Free The Children, including our support of WE Day, We365 and the We Give Where We Live educational program.

“Over the past nine years, the generous support of TELUS has helped us inspire and empower hundreds of thousands of youth across Canada. Last year, over 30,000 Canadian students gained access to the tools they need to spark change in their local community through the Give Where You Live program, and TELUS's support has given thousands of young people the opportunity to be inspired by some of the world's greatest speakers and performers at WE Day events in nine cities across Canada. Working together, we have the opportunity to help a generation of youth change the world.”

— **Craig Kielburger,**  
Co-founder, **Free The Children**



To learn about We Day and how youth are becoming inspired to change the world, watch now.

EN : [https://www.youtube.com/watch?v=57GmOxZ8o\\_w](https://www.youtube.com/watch?v=57GmOxZ8o_w)

FR : <http://www.weday.com/volunteer-at-we-day-fr/>

- **Hockey Education Reaching Out Society** (HEROS): we support this grassroots program that uses hockey as a catalyst to teach life skills to at-risk youth. With our support over the last ten years, the program has grown from two to eight Canadian cities, as well as an international program based out of Belfast, Northern Ireland. As a result, over 5,000 young people have learned valuable life lessons through hockey.



- **60 Minute Kids Club** : TELUS fully sponsors this program offered to schools that challenges children from kindergarten to grade six to be physically active for 60 minutes every day. Participants learn about nutrition, hydration and other healthy lifestyle choices, while tracking their progress online. Last year, over 40,000 children were active in the 60 Minute Kids Club.



Video EN with FR subtitles : <http://youtu.be/fyGAXyJyfOw>

- **Science Centres:** we are involved in partnerships with five science centres across Canada in Vancouver, Calgary, Edmonton, Toronto and Montreal. Through these partnerships we help inspire tomorrow's innovators.



## Environment

We protected our environment, ensuring healthy communities for future generations. In 2015, we protected our natural environment through conservation and implementing sustainable practices, and inspired healthy living through community beautification while preserving wildlife and animal habitats.

- World Wildlife Fund Canada** (WWF): through our \$1 million partnership, we continue to provide opportunities for employees and customers to support animal and habitat protection to help build a future where people and nature thrive. In 2015, TELUS celebrated our \$5 million commitment to Canadian animals and their habitat with our customers by asking them to decide where TELUS funds should be spent. In partnership with WWF-Canada, Tree Canada and the Nature Conservancy of Canada, our holiday campaign #ShopWildly allowed users to make a virtual donation to allocate to their favourite animal or environment projects. The tangible impact was seen in 2015, when, we invested in the How Healthy are Your Waters project. This project assesses the health of fresh waters across Canada by providing a consistent, scientific framework for measuring and comparing freshwater health, with an end goal of providing cleaner and healthier rivers to maintain salmon populations.

We also partnered with WWF to deliver the Go Wild grant program, which aims to engage 100,000 Canadians over five years to help nature thrive. Through 'Go Wild' we invite Canadians to share their ideas to involve their community in discovering, protecting and conserving the nature around them. The Go Wild program will contribute to WWF's goal to engage 3.5 million Canadians in conservation action by 2020. Disbursement of these micro grants will begin in 2016.



- Tree Canada** : since 1998, TELUS and Tree Canada have partnered to create a healthier living environment for Canadians. Through this shared vision, a total of 527,465 trees have been planted and maintained across Canada. In the 2015-16 season, 7,455 trees were planted through the contribution of over \$257,496 in funding, bringing the accumulated total to more than \$2 million. These funds replaced damaged trees as part of the following ReLeaf projects: Alberta Mountain Pine Beetle **ReLeaf** (2010-2015); Alberta Flood/Urban Forest **ReLeaf** (2014 and 2015) and the Emerald Ash Borer ReLeaf pilot project (2015). Alberta Flood **ReLeaf** .

Through the TELUS Bravo Employee Milestone Program, 4,450 trees were planted in 2015 compared to 2,992 in 2014.

Through the #ShopWildly campaign, we invested in Tree Canada's Trees By The Shore program. This initiative leads to cleaner water environments and reinforced riverbanks where river otters can thrive. We were also able to invest in mass planting of trees in rural areas across the country, providing an excellent source of oxygen and habitats for just about every terrestrial species, for a greener, healthier world.



## Optik® Local

Optik Local programming provides grant funding, training and distribution to support the production and discoverability of compelling, local, independently produced video content in B.C. and Alberta. As part of the Optik Local portfolio, TELUS also produces our own content, focusing on documentaries that feature local places, businesses and heroes with topics and characters relevant to the communities where we live, work and serve.

In 2015, we:

- Invested \$4 million in development of 109 local programs, including several training or workshop events
- Supported projects that received nominations from prestigious industry associations and/or were invited to screen at festivals and in markets across Canada and internationally
- Through our innovative funding platform, STORYHIVE®, 20 music videos, 30 web series pilot episodes and four web series, and 30 digital short films were produced
- Hosted workshop events for our STORYHIVE participants, and provided invaluable training on how to make artistic visions a reality
- Provided mentoring and fellowship opportunities for emerging content creators in partnership with the Banff World Media Festival, the National Screen Institute and the Vancouver International Film Festival
- Supported a wide range of conferences and workshops such as Vancouver International Film Festival's Industry, Victoria's Thinklandia, the Cinematheque's Indie Filmmakers Lab and the Calgary Filmmakers' Forum.

An overview of who we are, and what we have accomplished can be viewed [here](#)

## Testimonials from some of our community partners:



*"Our partnership with TELUS Optik Local has provided us with the opportunity to create and share stories to showcase the people and the places that make up Whistler Blackcomb. The funding allows us to produce high-quality content that makes people proud to be a part of the community and also inspires potential guests from all over the world to visit our mountains."*  
 – **Evan Poitras, Strategic Alliances & Partner Marketing, Whistler Blackcomb**



*"What's been most notable for me has been the level of support from within the TELUS Optik Local organization. They want to support filmmakers and storytellers in a real way. In turn, they are helping foster a true community, not just supporting individuals. They're connecting us all. Showing us the commonality of our goals, and bringing us together. And for that, I am so grateful."*  
 – **Blake McWilliam, Edmonton Producer**



*"The Drive Series has meant a lot to all those who were a part of its creation and execution. The media attention is a testament to the kind of opportunity the show has created for us; it has provided East Van Entertainment with a name and a calling card. We are confident we will be able to launch a Season 2 and we hope to continue our collaboration with TELUS Optik Local."*  
 – **Nick Hunnings, Vancouver Producer/Director**

2016, we will:

- Continue to support engaging local programs, develop meaningful community partnerships, and extend our STORYHIVE competitions into even more creative spaces and diverse communities
- Continue to explore more innovative ways to cultivate and create authentic and locally relevant programs and projects, including using new technologies such as 4K, 360 degree cameras and virtual reality, and provide relevant training and educational opportunities for local content creators
- Build upon our current audience base and increase the discoverability of the local content we support using traditional, online and social media tools as well as grassroots outreach
- Showcase the overwhelmingly positive support we have received from our community creators and local business partners during our participation in the CRTC's Community Channel review hearings to make certain Regulators understand how important TELUS' work is to the communities we collaborate with.

All programs that receive production support from TELUS are available for free to our customers [on demand](#) on TELUS Optik TV®, and to the public on our websites: [www.youtube.com/optiklocal](http://www.youtube.com/optiklocal), [www.storyhive.com](http://www.storyhive.com) and [www.telus.com/optiklocal](http://www.telus.com/optiklocal).

## Inspiring youth to change the world

### WE Day Call for Change

In 2015, through our WE Day co-title partnership, TELUS showcased the power of technology to connect and inspire young people through our #CallForChange campaign. In partnership with Canadian recording artist Francesco Yates, we created an inspiring social anthem by remixing his hit song "Call." The new lyrics challenged young people across the country to accept the call to change the world and start making a difference in their local communities today.

More than 285 young Canadians accepted the #CallForChange by uploading videos of themselves singing, dancing or jamming to the chorus of Call. For each video submission and remix video shared, TELUS donated \$10 to [Free The Children](#), raising \$10,970 for the WE Day cause.

## 5.4 Community Investment marketing

We engage Canadians through national marketing campaigns that are aligned to our community investment pillars. For instance, our commitment to youth and technology is demonstrated through our annual We Day campaign. Our philosophy is also supported by regional and local cause marketing programs, and through our social media platforms that share the many compelling stories of how we care for our communities.

### Inspired by nature, we give where we live

On December 1, 2015 we launched our Giving Tuesday campaign, built on the foundations of our [we give where we live](#) philosophy. The goal was to increase awareness of our commitment to giving back to local communities, drive customer engagement and increase brand advocacy.



Number of videos views of the TELUS Giving Tuesday video

At TELUS, we pride ourselves in giving back not only on international days like Giving Tuesday, but seven days a week, 365 days a year. We used Giving Tuesday as an opportunity to celebrate the impact our employees have made all year by posting a touching new [video](#) on social media.

We then invited customers to get involved by encouraging them to share how they give back for a chance to receive \$5,000 from TELUS, donated to a Canadian charity of their choice.

Campaign highlights include:

- The campaign garnered over 780,000 total video views.
- The campaign delivered 2.3 million impressions, 2,170 likes, 449 comments, and the Facebook post received a positive sentiment score of over 99 per cent.

## TELUS Quebec

In Quebec, the TELUS Expect More Holiday Campaign helped drive awareness that TELUS is a leader in community investment.

From December 12, 2015 to January 2, 2016 customers and community members were given the opportunity to support the [Old Brewery Mission](#), a local Montreal charity.



Amount donated to the Old Brewery Mission from the TELUS Expect More Holiday campaign

The Mission works with the homeless to meet their immediate basic necessities, yet also develops and oversees long-term solutions to help men and women re-integrate back into society. For every use of the TELUS charging station at the Christmas Market in Montreal or for every view of our virtual fireplace on Facebook, TELUS gave \$3 to the organization.

Campaign highlights include:

- A \$21,000 donation to the Old Brewery Mission
- The campaign delivered 1.2 million impressions, 13,841 likes, 874 comments, and the Facebook post received a positive sentiment score of over 95 per cent.

## Arthritis Awareness Month

September is Arthritis Awareness Month, and to raise awareness of this cause TELUS created a video telling the story of Emily and Jenna, two of over 24,000 children in Canada living with juvenile arthritis. After becoming fast friends at [Camp JoinTogether](#) – a summer camp for kids with juvenile arthritis – they both feel stronger and more confident. For every share of the video on Facebook, Twitter and YouTube, TELUS gave \$1 to the [Arthritis Society](#). Click [here](#) to watch this inspiring story.



Amount donated to the Arthritis Society during Arthritis Awareness Month in 2015

Campaign highlights include:

- A \$25,000 donation to the Arthritis Society.
- The campaign delivered 2.7 million impressions through social media, including 1,712 likes, 123 comments and a positive sentiment score of over 99 per cent on Facebook.

## Giving Baby Francis a chance

Thanks to dramatic advances in neonatal technologies that are rapidly transforming the delivery of care to premature and critically ill newborns, each year, nearly 1,400 tiny patients receive the care they need to return home healthy. Through our partnership with B.C. Women's Hospital, we met baby Francis and learned about his 99-day stay in the Newborn ICU (NICU).



Amount donated to B.C. Women's Hospital Newborn ICU in 2015

TELUS created a heartfelt video to share Francis' story with others and raise awareness of the B.C. Women's Hospital's [Hope Starts Here](#) campaign. For every social media share of the video, TELUS donated \$1 to the B.C. Women's Hospital NICU, raising \$8,634. [Video](#).

Campaign highlights include:

- The campaign delivered four million impressions through social media, including 1,052 retweets on Twitter, 7,582 likes and 116 comments on Facebook in addition to a positive sentiment score of over 99 per cent.

"The technology that's available in the NICU is really 100 per cent of the reason that Francis is here with us today."

— Leah Fleming, Francis' mom.

"Someone like baby Francis for example, without the technology that we have today, I don't know what his path would have been."

— Dr. Gary Stacey, Respiratory Therapist.



## 5.5

# Employee and retiree program

Inspired by nature, our team works in harmony to make a difference

We foster a culture of giving back by inspiring employees and retirees to help us drive positive change in the communities where we live and work. Through [Team TELUS Cares](#)  programs, we enable our employees to make an impact by providing structured volunteering and giving opportunities, allowing them to connect and mobilize efforts in support of the causes they care about.

In 2015, TELUS, our employees and retirees contributed \$6 million and over 830,000 volunteer hours to charitable and not-for-profit sports organizations across Canada through the following programs:



Being passionate about doing good in our local communities means we recognize the impact we can make by coming together to make a difference. Every year, our employees and retirees roll up their sleeves to lend a hand for [TELUS Days of Giving](#) .



Amount of time volunteered since 2006 by TELUS employees for TELUS Days of Giving

Since its inception in 2006, TELUS Days of Giving has mobilized more than 112,000 Canadian employees to volunteer more than 337,000 hours, benefiting the communities where we live, work and serve. With 11 TELUS Days of Giving now held internationally, our commitment to give where we live continues to grow around the world, including two new TELUS Days of Giving events held for the first time in Craiova, Romania and Plovdiv, Bulgaria.

In 2015, we celebrated our tenth annual TELUS Days of Giving bringing together 17,850 Canadian employees, retirees, Community Ambassadors and their families and friends participated, volunteering their time at over 1,300 local activities nationwide. We also extended our outreach to engage TELUS suppliers, business partners, government representatives, and customers to inspire and mobilize communities with our Give where we live® philosophy. Our team's collective efforts included support for

### Healthy living:

- 131,295 breast cancer ribbons tied to support the Canadian Breast Cancer Foundation
- 10,179 meals prepared or served to the homeless
- 40,239 pounds of food sorted for those who rely upon food banks
- 5,834 Comfort Kits assembled for the homeless and those in need

### Education:

- 12,670 Kits for Kids assembled to provide school supplies to students at inner city schools
- 69 cans of paint used to enliven and refresh local community organizations
- 42,574 books sorted and distributed for book drives.

### Environment:

- 6,822 trees and plants planted to rejuvenate parks and gardens.



Internationally, a record number of 7,250 employees, family and friends participated to drive the following social impacts:

- Built schools in Quetzaltenango and Guatemala City, Guatemala
- Renovated schools in Manila, Philippines, as well as Bucharest and Craiova, Romania
- Renovated a home for children at risk at the Social Service Complex for Children and Families in Plovdiv, Bulgaria. Watch our employees in action [here](#) ↗
- Supported a school clean-up at the Louis Braille school for visually impaired children in Sofia, Bulgaria
- Built 20 homes and a soccer field with TECHO in San Salvador, El Salvador.

TELUS International continues to be recognized for TELUS Days of Giving, by:

- [The Association of Business Service Leaders in Romania](#) ↗ with the Business Leader in Corporate Social Responsibility award
- [Philippines National Volunteer Service Coordinating Agency](#) ↗ for the 2015 Corporate National Volunteer Award
- [FUNDEMAS](#) ↗ with the Positive Brand award for the team in El Salvador.

### Team TELUS Charitable Giving

Every year, thousands of charities across Canada receive matched grants from us on behalf of the employees and retirees who participate in the [Team TELUS Charitable Giving program](#) ↗.



Amount donated in 2015 to over 2,250 charities through the Team TELUS Charitable Giving program

Since 2000, this annual workplace campaign has contributed nearly \$80 million to support the important work of charitable organizations across the country. In 2015, TELUS, our employees and retirees donated \$4 million to over 2,250 charities through this program.

### Dollars for Doers

We are committed to recognizing our employees and retirees who volunteer selflessly to make our communities better places to live. When a member of our team records a minimum of 50 volunteer hours in a calendar year, we make a donation to the charity of their choice through the [Dollars for Doers](#) program.



Amount donated in 2015 by TELUS employees and retirees through the Dollars for Doers program

Since 2000, we've volunteered over 6.8 million hours. In 2015, employees and retirees recorded more than 830,000 volunteer hours and donated over \$545,000 to charities that matter the most to them.

### TELUS Community Ambassadors

Passionate about giving back and providing a vital connection to our local communities, more than 4,000 current and retired TELUS employees volunteer as [TELUS Community Ambassadors](#) in 23 clubs across Canada.



Number of care items donated by TELUS Community Ambassadors in 2015

Our TELUS Community Ambassadors have been making a huge difference in our communities for more than 100 years. In 2015, they donated their time and created more than 58,000 care items (e.g., School Kits for Kids, Disaster Relief Comfort Kits, Christmas Stockings for families and seniors in need, etc.) valued at \$580,000 to make a difference in the lives of people in need.



## TELUS' Social Enterprise Competition

In 2014, we launched an internal competition encouraging employees to develop socially-focused business ideas that support our corporate social responsibility strategy. Our first ever Social Enterprise Competition focused on ideas to benefit mental health and wellness in Canada. In fall 2014, 10 teams were selected to work with a VP sponsor, build their business plan, and present to a judging panel made up of senior leaders from across TELUS.

In early 2015, the winning team was awarded \$50,000 in seed capital as well as a six-month paid secondment to bring their social venture, [thinkFull™](#), to life. TELUS' thinkFull app helps users manage their stress in an innovative and easy way. The winning team developed this app by drawing upon experiences from their own personal struggles in life, and the stressors that accompanied them. As reliance on smartphones grows, we believe this app can be harnessed to help people manage stress more effectively. The thinkFull app was in collaboration with a number of volunteers, youth partners and supporters, such as Dr. Stan Kutcher, Canadian Mental Health Association B.C., Here to Help B.C., mindyourmind, MJB Technologies, Dr. Chris Williams, and Kelty Resource Centre.

The theme for 2015, the second year of the competition, was “Safety, Privacy, and Security.” This theme spans topics ranging from smartphone safety to cyberbullying, fraud and scams to online safety and security, seniors safety, and parenting in a digital world. In 2016, the winning team will bring another new and innovates social venture to market.

## Meet a dog with a day job

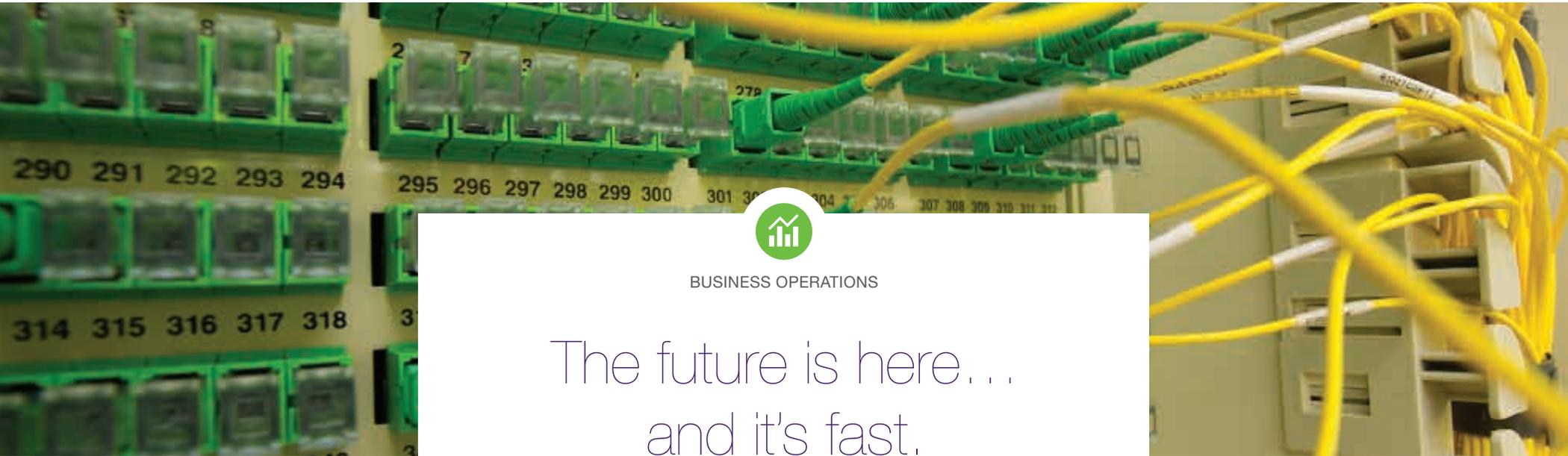
TELUS employee, Marcel Bussiere, opens up his home and his heart to be a puppy raiser with [B.C. and Alberta Guide Dogs](#). TELUS supports Marcel by allowing him to volunteer while on the job as a Network Technician. We created an inspiring video about the culture of giving fostered at TELUS, the unique way Marcel chooses to give back, and featuring his adorable puppy Lucas. The video was shared through our TELUS YouTube channel and internally to TELUS employees, and also to Optik TV customers through Optik Local programming. [Video](#):



# Business operations

Our commitment to operating as a sustainable organization means creating positive social, environmental and economic impacts in our communities in a transparent, ethical way while upholding global principles with respect to labour, human rights and the environment.





BUSINESS OPERATIONS

The future is here...  
and it's fast.

TELUS is forging ahead creating smart cities with fibre optic networks that transmit information at the speed of light.

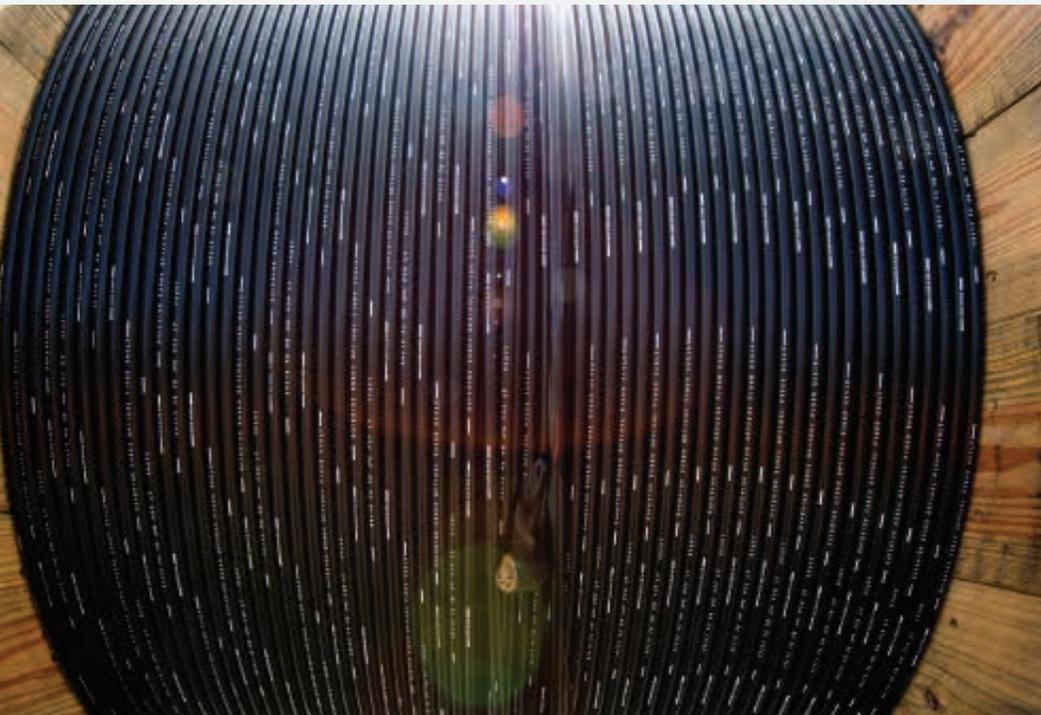
When it comes to the most advanced technology available in the world, TELUS is already at the forefront delivering next-generation reality to communities. It's all made possible by tiny glass fibres that can send mass amounts of data over enormous distances close to the speed of light.

A recent landmark \$1 billion investment in Edmonton and Vancouver will create two of Canada's first fully fibre optic-enabled urban centres, connecting TELUS Fibre directly to hundreds of thousands of homes, businesses, hospitals and community spaces. By the end of 2015, more than 690,000 premises were fibre-ready across 63 communities in BC, Alberta and Quebec.



“This technology will ensure Canada remains at the forefront of innovation and continues to attract global investment in all sectors.”

— Tony Geheran, EVP & President, Broadband Networks



## It's Changing the way we live, work and play

How will fibre transform our communities? Businesses will be able to stay local and compete globally, and it will be easy for small and medium-sized businesses to adopt advanced cloud-based and IoT (internet of things) solutions. In education, we can look forward to digital textbooks, video conferencing and interactive whiteboards. Healthcare systems will be transformed by telehealth applications, remote patient monitoring and expanded access to electronic medical records. In the home, it means crystal clear video in Ultra HD (4K) streaming across multiple devices and support for high-tech smart homes with learning thermostats, smart security systems and intelligent appliances.

Last year, the TELUS Fibre Future Home tour demonstrated just how much potential its state-of-the-art fibre optic network has in the home. Collaborating with Samsung, Ericsson and Alcatel-Lucent, TELUS showcased a 560-square-foot Future Home demonstrating the cutting-edge innovations we have to look forward to in the not-so-distant future.

## How fast is TELUS Fibre?

Imagine downloading a full HD movie in mere seconds. It means dramatically faster internet speeds of up to 150 megabits per second. In coming years, we expect to see one gigabit per second or more.

The capacity of fibre is nearly infinite. That's why TELUS Fibre networks will future proof our communities to ensure we'll have more than enough capacity to meet the growing demands for generations to come.



 [TELUS Fibre - A Beam of Light](#)

## 6.1

# Economic performance and impact

## Overview

Our discussion in this section is qualified in its entirety by the caution regarding [Forward-Looking Statements](#) ↗

TELUS is focused on establishing long-term economic growth in our core wireless and wireline business for our investors, customers, employees, suppliers and the communities where we live, work and serve. Our products and services enhance the lives of Canadians, support the success of our customers and contribute to the development of sustainable communities as well as Canada's digital economy.

In 2015, we contribute to the economy by:

- Making purchase decisions that benefit Canadians by choosing local suppliers whenever possible
- Providing employment and compensation to our 27,000 Canadian employees
- Paying in excess of \$1.8 billion in taxes to multiple levels of government
- Paying more than \$1.6 billion in dividends and interest to our investors, which supports the pensions and savings of Canadians
- Contributing \$44 million and 830,000 volunteer hours to charitable and community organizations
- Spending close to \$2.6 billion in capital investment programs, and \$2 billion on wireless spectrum licences
- Driving innovation through information communication technology, services and know-how for our customers, which enhances the connectivity of Canadian businesses, consumers and governments
- Investing in the most advanced communications technology available globally to deliver a superior experience to our customers.

See section nine of the [MD&A](#) ↗ in our 2015 annual report for a discussion on trends, outlook and assumptions.

## 6.1.1

# Connecting with our investors and other stakeholders

TELUS provides ongoing disclosure information to current and potential investors, and the public, through several communications mechanisms, including:

- News releases, management's discussion and analysis, financial statements related regulatory filings and quarterly investor conference calls and webcasts, related to quarterly financial and operating results
- Regular news releases around corporate and marketing developments
- Our annual disclosure package, which includes the Annual Report, Information Circular, Sustainability Report and Annual Information Form
- Annual shareholder meetings held in locations across Canada with an internationally accessible live webcast and feedback survey, so that shareholders can provide comments or ask questions via email to [ir@telus.com](mailto:ir@telus.com) before, during or after the meeting
- A 1-800 investor line, [ir@telus.com](mailto:ir@telus.com) and [ceo@telus.com](mailto:ceo@telus.com) mailboxes, and confidential ethics hotline and website to encourage shareholders and the public to contact us with questions or concerns
- Direct lines to investor relations and media relations executives
- Our Board email inbox ([board@telus.com](mailto:board@telus.com)) provides shareholders and other stakeholders with a tool to communicate directly with the Board on appropriate topics between annual meetings
- Meetings with shareholder advocacy groups (such as the [Canadian Coalition for Good Governance](#) ↗) to discuss executive compensation or governance issues.

Our Board believes that regular communication is an important part of creating an open and constructive dialogue with our shareholders. To facilitate such engagement, in 2015, the Board amended its [Say on Pay](#) and [Shareholder Engagement Policy](#) separating them into two distinct policies. The Say on Pay Policy sets out the Board's objectives and policies with respect to say on pay and compensation disclosure pertaining to executive compensation. The [Shareholder Engagement Policy](#) outlines how the Board may communicate with shareholders, how shareholders can communicate with the Board, and the topics that are appropriate for the Board to address. It also provides an overview of how management interacts with shareholders.

We held our 2015 Annual meeting in Edmonton, Alberta, where we reviewed a successful 2014, and addressed shareholder inquiries. The meeting was attended by more than 250 participants, with shareholders voting on corporate resolutions. The results of our corporate resolutions were positive, (with all Board members being elected with a minimum of 95.9 per cent of votes, and all motions passed by a minimum of 95.6 per cent) with shareholders re-affirming their support for the Board and our approach to executive compensation.

TELUS engages with current and potential investors by responding to day-to-day investor and analyst inquiries, participating in investor conferences, and meeting with analysts and investors. In 2015, we held four conference calls relating to our quarterly results, which were simultaneously available via webcast to all shareholders. We also participated in numerous investor conferences and tours throughout the year in Canada, the United States and Europe. The quarterly conference calls and many of the events and presentations can be found on [telus.com/investors](http://telus.com/investors).

Our dedication to open and transparent communication has helped us better understand the needs of investors and is further evidence of our commitment to excellence in stakeholder engagement. As of February 2016, 19 equity analysts cover TELUS and regularly issue investment reports to their clients on TELUS. To facilitate additional investor meetings and reduce travel expenses and time, we frequently use Cisco TelePresence, a high-definition video-conference service, between TELUS locations across Canada.

By using this technology, we reduced our carbon footprint, as well as that of investors wishing to meet with our senior management.

TELUS also provided additional disclosures to socially responsible investors by facilitating meetings with our Chief Sustainability Officer and other TELUS leaders. Discussions focused on inquiries regarding corporate strategy, and operational and sustainability performance.

In 2015, TELUS continued to be recognized for excellence in corporate governance and reporting, including the following awards:

- [Chartered Professional Accountants of Canada](#) awards for best Annual Report package in the Media and Communications sector, and for Excellence in Corporate Governance Disclosure
- The TELUS annual report ranked 15th in the world in the 2015 Annual Report on Annual Reports.



We continue to welcome shareholder feedback through our [ir@telus.com](mailto:ir@telus.com) inbox.

6.1.2

## Financial and operating highlights

In 2015, TELUS reported solid financial and operating performance, in spite of economic challenges in key markets such as Alberta. Our performance continues to be driven by our ongoing investments in our wireless and wireline broadband networks. These investments:

- Strengthened our competitive position, helping us attract new customers and retain existing ones
- Once again supported the return of significant capital to investors through increased dividends and share purchases
- Enhanced our ability to better respond to the needs of other stakeholders through community investment and support of charities.

See sections one and five of the [MD&A](#) in our 2015 Annual Report. For more information on our 2015 performance highlights and 2016 targets, click here. <http://ar.telus.com/>

### Consolidated Performance



Operating revenue in 2015 (increase of 4.2%)



Total EBITDA in 2015 (increase of 4.6%),

In 2015, our team's efforts to elevate the client experience, along with the continued execution of our national growth strategy, resulted in TELUS delivering consolidated operating revenue of \$12.5 billion, up 4.2 per cent from 2014. EBITDA, excluding restructuring and other costs<sup>1</sup>, increased by 4.6 per cent to \$4.5 billion. We generated adjusted net income and earnings per share growth of 4.7 per cent and adjusted earnings per share (EPS), which excludes restructuring costs, income tax-related adjustments and other items growth of 6.8 per cent, respectively.



Free cash flow generated in 2015

We generated free cash flow of \$1.1 billion in 2015, an increase of \$21 million, as lower income tax payments, lower restructuring disbursements net of expenses and EBITDA growth were partly offset by higher capital expenditures (excluding spectrum licences), and higher share-based compensation payments net of expenses.

Continued expansion of our customer base continues to drive our performance, with profitable subscriber growth in both our wireless and wireline segments. We ended the year with 12.5 million total customer connections, up 2.2 per cent from 2014, reflecting our ongoing success in adding new wireless, Internet and TV customers.

<sup>1</sup>EBITDA is a non-GAAP measure and does not have a standardized meaning under IFRS-IASB. Therefore, it is unlikely to be comparable to similar measures presented by other companies. For definitions, see Section 11 of Management's discussion and analysis in our 2015 Annual Report.  
<sup>2</sup>Effective December 31, 2015, business NALs have been removed from the reported subscriber base and, as such, comparative prior periods have been adjusted to exclude business NALs.

## Targets

We continue to be guided by our long-term financial objectives, policies and guidelines put in place to maximize value to all stakeholders. With these policies in mind, our 2016 consolidated financial targets reflect continued execution of our successful and consistent national growth strategy focused on wireless and data. In each of the past six years, we have met three of four consolidated financial targets, which has supported the return of capital to shareholders through our multi-year dividend and share purchase programs. For more information and a complete set of 2016 financial targets and assumptions, see our fourth quarter 2015 results news release, issued February 11, or our 2015 Annual Report <http://ar.telus.com/>.

## Wireless

In 2015, TELUS expanded our postpaid subscriber base by adding 244,000 high-value customers, for a total of 7.4 million. This postpaid growth, combined with a Canadian industry-leading average monthly postpaid churn rate of 0.94 per cent, reflects our continued focus on putting customers first. Our wireless revenue grew 5.3 per cent in 2015, reflecting an increased customer base and a 1.9 per cent increase in monthly blended average revenue per subscriber unit (ARPU). Wireless EBITDA – excluding restructuring and other costs, increased 4.7 per cent. For more detailed information and a complete set of 2016 wireless targets and assumptions, see our fourth quarter 2015 results news release, issued February 11.



Increase in wireless revenues from 2014

### 2015 Wireless Results:

- Network revenue (external) of \$6.3 billion, an increase of 4.8 per cent from 2014
- EBITDA, excluding restructuring and other costs of \$2.89 billion, an increase of 4.7 per cent from 2014
- LTE network coverage of 96 per cent of population, up from 89 per cent in 2014
- Industry leading lifetime revenue per customer over \$5,000, an increase of 14.1 per cent from 2014
- Industry leading blended ARPU of \$63.45, up 1.9 per cent from 2014.

## Wireline



Increase in wireline revenues from 2014

In 2015, we further expanded and enhanced our broadband network, including connecting more homes and businesses to fibre-optic cable, reaching more than 2.85 million homes in B.C., Alberta and Eastern Quebec. Our wireline (external) revenue increased by 2.8 per cent. Wireline EBITDA, excluding restructuring and other costs, increased 4.4 per cent. For more detailed information and a complete set of 2016 wireline targets and assumptions, see our fourth quarter 2015 results news release, issued February 11, or our 2015 annual report <http://ar.telus.com/>.

**2015 Wireline Results:**

- Revenue (external) of \$5.6 billion, an increase of 2.8 per cent from 2014
- EBITDA, excluding restructuring and other costs of \$1.6 billion, an increase of 4.4 per cent from 2014
- TV customer base 1,005,000, an increase of 89,000 from 2014
- High-Speed Internet customer base of 1,566,000, an increase of 91,000 from 2014.

In 2015, TELUS returned more than \$1.6 billion to shareholders, including \$992 million in dividends paid and \$635 million in share purchases. During the year, we raised our quarterly dividend twice, most recently in November, representing an annual increase of 10.5 per cent. This was our tenth increase since May 2011, when we first announced our multi-year dividend growth program targeting two dividend increases per year of circa 10 per cent annually. In May 2013, we extended this program to the end of 2016. Since the beginning of 2011, we have returned a total of \$6 billion to shareholders including \$4.2 billion in dividends, and \$2.2 billion in share purchases.

**Economic Value Distributed – consolidated numbers**

\$ millions	2015	2014	2013
Goods and services purchased	5,532	5,299	4,962
Employee benefits expense, excluding employee defined benefit plans expenses and amounts capitalized	2,590	2,401	2,316
Employer contributions to defined benefit plans	94	88	200
Capital expenditures, excluding spectrum licenses	2,577	2,359	2,110
Interest paid	458	412	364
Income taxes paid, net	256	464	438
Dividends declared for the holders of equity shares	1,011	935	866
Cash payments for spectrum licenses	2,048	1,171	67
<b>Total</b>	<b>14,566</b>	<b>13,129</b>	<b>11,323</b>

**6.1.3**
**Supporting Canadians**

TELUS helps strengthen Canada's economy through our purchase of goods and services required for our operations. This supports Canadians and the companies where they work and invest.



Dollar amount of goods paid to Canadian vendors (4.8% increase)

In 2015, we spent approximately \$8.7 billion in total vendor payments (including goods and services tax and provincial sales tax), which represented 69 per cent of consolidated revenues. Approximately \$8 billion or 92 per cent of total vendor payments went to Canadian companies or multi-national companies with locations in Canada.

Our spending and operations outside of Canada support the broader global communities in which we live, work and serve.

## Vendor payments by location

\$ millions	2015	2014	2013
Vendors with locations in Canada	7,982	7,688	6,955
Non-Canadian vendors	703	602	555
<b>Total vendor payments</b>	<b>8,685</b>	<b>8,290</b>	<b>7,510</b>

## Paying taxes

TELUS' contribution to the prosperity of Canada is evidenced through our responsibility as a corporate citizen. Since 2002, we have remitted taxes of approximately \$18 billion to federal, provincial, local and international governments, which in turn, supports services for Canadians and other citizens in those jurisdictions where TELUS operates. This amount increases to over \$25 billion when payroll remittances for employees are considered. Including annual spectrum fees and spectrum purchases in the same period, TELUS has remitted approximately \$22 billion to various levels of government, and over \$30 billion with payroll remittances.

In 2015, TELUS remitted in excess of \$1.8 billion to all levels of government. This included:

- Net payment of \$256 million in federal, provincial and international corporate income taxes
- Payment of \$273 million in employer portion of payroll taxes, property and business, public utility and non-creditable/non-refundable sales taxes on goods and services acquired by TELUS in the operation of our business
- Sales taxes remitted of \$1,236 million for goods and services taxes (GST), harmonized sales taxes (HST), Quebec sales taxes (QST), provincial sales taxes (PST), and international value-added taxes (VAT) collected from our customers. In addition, TELUS paid \$701 million for GST, HST, QST and VAT to suppliers on the acquisition of goods and services that was ultimately refunded by the applicable government authorities levying such taxes

- Payroll taxes withheld from employees and remitted to the federal and Quebec governments of \$687 million
- 9-1-1 taxes of \$19 million charged to customers and remitted to the governments in participating Canadian provinces for provision of emergency 9-1-1 services.

TELUS follows a Comprehensive Tax Conduct and Risk Management Policy ("the Tax Policy") that has been adopted by the TELUS Board of Directors. The Tax Policy, which is consistent with the overarching [Code of Ethics and Conduct](#), outlines the principles of employees' responsibilities and professional conduct. It outlines our requirement to comply with tax laws while considering our rights as a taxpayer, in the various jurisdictions where we operate. The Tax Policy also provides a framework for assessing tax risks that takes into account, not only potential financial impacts to the company, but also impacts to our customers, reputation, brand and employees.

TELUS' philosophy regarding tax can be summarized as follows:

- TELUS pays tax that is legally due and observes the provisions of the relevant law and related jurisprudence
- Where TELUS' interpretation of the tax laws differs with that of the tax authorities, we commit to resolving these issues in the most cost-effective and timely manner, while seeking to maintain a long-term, open and constructive relationship with the tax authorities
- TELUS will not take any position that clearly falls outside of the relevant governing legislation and prevailing jurisprudence.

In accordance with the Tax Policy, all exchanges of goods, property and services between TELUS' companies are conducted for fair market value consideration. Transfer pricing between the companies is based on comparable terms and the commercial nature of the transactions.

For details on TELUS' 2016 tax assumptions, please see section nine of our [MD&A](#) in our 2015 Annual Report <http://ar.telus.com/>

Table title

\$ millions	2015	2014	2013
Corporate Income Tax Paid			
Canada			
Federal	146.6	254.7	247.6
British Columbia	57.7	83.9	85.2
Alberta	20.5	44.9	35.4
Saskatchewan	0.3	0.8	0.7
Manitoba	0.3	0.8	0.7
Ontario	17.9	36.7	31.9
Quebec	6.9	29.5	24.3
Atlantic provinces	1.5	3.4	2.5
International	4.3	9.5	9.5
<b>Total corporate income tax payments</b>	<b>256.0</b>	<b>464.2</b>	<b>437.6</b>
Other tax payments			
Canada			
Employer portion of payroll taxes	139.6	138.2	123.9
Property and business taxes	107.2	105.7	103.2
Non-creditable/ non-refundable sales taxes			
Federal	0.3	0.3	0.3
British Columbia	27.1	30.2	20.0
Saskatchewan	0.1	0.1	0.1
Manitoba	0.6	1.4	0.3
Ontario	1.3	1.5	0.0

\$ millions	2015	2014	2013
Quebec	0.8	0.8	0.8
Atlantic provinces	0.0	0.0	0.0
International	16.6	11.2	5.3
Provincial premium and capital taxes	0.0	(0.3)	0.7
Quebec tax credits	(20.8)	(8.6)	(4.7)
<b>Total other tax payments</b>	<b>272.8</b>	<b>280.5</b>	<b>249.9</b>
Payroll taxes remitted	<b>687.1</b>	<b>612.3</b>	<b>608.2</b>
9-1-1 taxes and other payments remitted	<b>25.9</b>	<b>16.0</b>	<b>7.8</b>
Sales taxes remitted <sup>1</sup>			
Canada			
Canadian GST and HST	838.8	803.0	810.1
British Columbia	166.3	156.3	115.1
Saskatchewan	5.5	4.5	4.0
Manitoba	5.0	5.3	4.9
Ontario	0.0	0.0	0.0
Quebec	215.9	209.6	196.8
Atlantic provinces	0.0	0.0	0.4
International VAT	4.1	2.4	3.9
<b>Net sales taxes collected/ remitted</b>	<b>1,235.6</b>	<b>1,181.1</b>	<b>1,135.2</b>
<b>Total Canadian and International taxes remitted</b>	<b>2,477.4</b>	<b>2,554.1</b>	<b>2,438.7</b>

<sup>1</sup> The Sales taxes remitted consists of GST, HST, QST, PST and VAT collected from our customers. In addition, TELUS paid \$701.1 million for GST, HST, QST and VAT to suppliers on the acquisition of goods and services that was ultimately refunded by the applicable government authorities levying such taxes

## Investing in our network

TELUS has made significant investments in recent years, which have enhanced the connectivity of Canadians by extending the speed, reach and capabilities of our advanced broadband networks.

In 2015, we continued investing in broadband infrastructure and 4G LTE expansion and upgrades, as well as in network and systems resiliency and reliability. This allowed us to:

- Provide faster available Internet speeds and greater capacity
- Connect more homes and businesses to high-speed Internet services
- Extend the reach of Optik TV
- Enhance our healthcare solutions.

We also continued our long-term strategy of investing in urban and rural communities with commitments to deliver broadband network capabilities to as many Canadians as possible. We expanded our fibre-optic footprint by connecting more homes and businesses directly to fibre-optic cable, and delivering faster broadband Internet speeds.

We launched our 4G LTE wireless broadband network in 2012, and have since expanded our coverage to 96 per cent of the Canadian populations, up from 89 per cent at the end of 2014. This is complemented by our HSPA+ network, covering 99 per cent of the Canadian population.

During 2015, we successfully acquired 21 AWS-3 wireless spectrum licences in the Department of Innovation, Science and Economic Development's (formerly Industry Canada) AWS-3 wireless spectrum auction and a residual spectrum licences auction. We also acquired 122 wireless licences in the Department of Innovation, Science and Economic Development's 2500 MHz wireless spectrum auction. In aggregate, these licences cost approximately \$2 billion, increasing our national spectrum holdings by approximately 57 MHz to approximately 151 MHz. Since mid-2013, in support of our top corporate priority of putting

customers first, we have invested more than \$3.6 billion to acquire wireless spectrum licences in the Department of Innovation, Science and Economic Development's spectrum auctions and other transactions. Notably, TELUS has acquired more spectrum in the last 30 months alone, than we have in the previous 28 years. Through these investments, we have doubled our position with respect to spectrum, thus supporting the execution of our long-term LTE deployment strategy to continue delivering on the varied needs of our customers.

At the end of 2015, our wireline broadband coverage reached more than 2.85 million households and businesses in B.C., Alberta and Eastern Quebec, including close to 700,000 homes and businesses covered by fibre-optic cable across 61 communities, which now provides those premises with immediate access to our gigabit-capable fibre-optic network.

In June 2015, we announced a \$1 billion investment in the City of Edmonton, Alberta to connect more than 90 per cent of homes and businesses directly to our state-of-the-art fibre-optic network over the next six years. In October 2015, we announced a \$1 billion investment to connect the majority of homes and businesses in the City of Vancouver, B.C. directly to our fibre-optic network over the next five years. As the networks continue to launch, local residents and businesses will have access to faster Internet speeds of up to 150 megabits per second. In the coming years, we plan to offer families and businesses increasingly faster speeds over this gigabit-capable network. These investments are part of our broader fibre-optic strategy to bring our network of the future to communities across British Columbia, Alberta, and Eastern Quebec. Moreover, this investment provides a distinct advantage to these communities and their residents by potentially stimulating employment and economic growth. This investment also allows healthcare providers, educators and technology companies to reimagine how they deliver services, and develop entirely new solutions.

Since 2000, TELUS has invested more than \$29 billion in technology and communications infrastructure across the country to significantly enhance the connectivity of Canadians.

### 6.1.4 Innovation

Having the courage to innovate is a TELUS value we embrace. To nurture this in our employees, we commit to innovation as a company – as evidenced by our financial investment in research and development (R&D) to improve service for our customers.

In 2015, TELUS invested \$206 million in R&D, compared with \$194 million in 2014.

#### Estimated investment in research and development

	2015	2014	2013
Consolidated - millions of dollars	206	194	161

Since 2005, TELUS has invested close to \$2.3 billion in R&D.

Our commitment to investing in technology remains a key component of our strategy to support sustainable business growth, and its success underpins the future of our organization. These investments are driving market share growth and are laying a transformational foundation for the betterment of our customers, employees and shareholders.

Our R&D spending in 2015, and the \$12 million increase over 2014, reflects our continued elevated focus on the development of wireline and wireless broadband networks, and related services and applications. During the year, we introduced TELUS Fibre into hundreds of thousands of homes, businesses, clinics, hospitals and community spaces, creating Canada's first gigabit-enabled urban centres.

Our team continued to drive progress in the evolution of our networks and service offerings in 2015, by:

- Continuing to work on our IPTV technology platform to deliver a reliable customer experience.
- Hitting a historic milestone by activating our one millionth Optik TV customer, five years after launching Optik in 2010. This has earned TELUS the distinction of being one of the fastest growing television providers in the world.
- Forging key partnerships to grow third wave services in both consumer and business markets, such as Internet of Things (IoT) and machine-to-machine (M2M). This included the introduction of two new IoT platforms, one for domestic and one for international deployments, which provide self-service to our customers in more than 200 markets around the world.
- Building on the launch of our IoT Marketplace a year ago, TELUS delivered innovative solutions to numerous business customers. Solutions that were most resonant with customers included: food safety; remote monitoring; and managed wireless connectivity for commercial vehicles such as taxis and buses.

In 2015, we inaugurated TELUS Garden, our new corporate home in downtown Vancouver. TELUS Garden is the first LEED (Leadership in Energy and Environmental Design) Platinum office tower in Vancouver and the third LEED-certified office tower in our portfolio of recently opened office spaces across Canada. Our development uses 80 per cent less energy than traditional systems, boasts the largest solar panel system in the city and contributes to reducing carbon dioxide emissions by more than a million kilograms annually. Construction progressed concurrently on TELUS Sky, our new 60-storey, 222-metre tall building in Calgary also being built to LEED platinum standards.

TELUS also sponsors academic research institutions, primarily at the post-secondary level, with the goal of exploring scientific questions and overcoming practical challenges specific to our industry. We collaborate with professors, students and postdoctoral fellows to discover the most advanced technology innovations that will provide the highest possible quality of communications services to Canadians. In doing so, we are also helping to train the next generation of engineers and technicians.

TELUS' participation in nationwide research networks involves a large numbers of industry sponsors, academia and government participants. This includes, but is not limited to:

- University of British Columbia
- University of Victoria
- University of Alberta
- University of Calgary
- University of Manitoba
- Carleton University
- University of Toronto
- York University
- École Polytechnique de Montréal
- Université Laval
- McGill University
- McMaster University
- University of Waterloo
- Université du Québec à Rimouski
- B.C. Institute of Technology Computer Information Technology
- Algonquin College
- Sheridan College - Institute of Technology and Advanced Learning
- Emily Carr University of Art & Design
- Mitacs
- American University of Beirut
- University of Southern California - Communication Technology Management (CTM)
- Networks of Centres of Excellence of Canada National Sciences
- Ontario Centers of Excellence (OCE)
- Natural Sciences and Engineering Research Council (Canada)
- Engineering Research Council of Canada.

To bridge the gap between academic research and commercialization, TELUS sponsors and participates in a number of entrepreneurial, start-up accelerators and business incubator partnerships with:

- CENGN - Centre of Excellence in Next Generation Networks
- TEC Edmonton
- Smart City Montreal – Innocité Montréal
- Start-Up Calgary
- ASTech Foundation
- Start-Up Edmonton
- VENUS Cybersecurity Corporation
- Start-Up Canada / Start-Up Toronto.

TELUS is an active and influential member in several of the world's largest global professional associations dedicated to advancing research and technology innovation. Our commitment to the membership of these consortiums contributes to developing the standards and solutions that are creating the future of the information and communications technologies. Examples of associations we partner with are:

- Global System for Mobile Communications Association (GSMA)
- TM Forum (formerly TeleManagement Forum)
- Next Generation Mobile Networks (NGMN)
- Metro Ethernet Forum
- Alliance for Telecommunications Industry Solutions (ATIS)
- ITU (International Telecommunication Union)
- Third Generation Partnership Project (3GPP)
- Broadband Forum
- Digital ID and Authentication Council of Canada
- Small Cell Forum
- American Registry for Internet Numbers
- Organization for the Advancement of Structured Information Standards (OASIS)

- Optical Internetworking Forum (OIF)
- Society of Cable Telecommunications Engineers
- Society of Motion Picture and Television Engineers.
- UHD (Ultra High Definition) Alliance
- Fibre to the Home Council
- Open Networking Foundation (ONF).

These alliances provide a global source of information, knowledge and networking for industry leaders, like TELUS, who advance the use of technology and integrated systems.

### Strategic investments

In 2015, TELUS capital expenditures, excluding spectrum licenses, were close to \$2.6 billion or 21 per cent of total operating revenues, slightly higher than 20 per cent in 2013. Of this, we invested \$893 million in our wireless networks, and close to \$1.7 billion in our wireline networks. This reflects our continued focus on investing in wireline and wireless broadband network infrastructure expansion and upgrades, as well as in network and systems resiliency and reliability, to provide faster available Internet speeds and greater capacity, connect more homes and businesses to high-speed Internet services, extend the reach of Optik TV, and enhance our healthcare solutions.

TELUS plans to continue making increased investments in our wireless and wireline broadband infrastructure, with higher targeted capital investments of approximately \$2.65 billion in 2016, excluding spectrum licences and non-monetary transactions. For more information and a complete set of 2016 financial targets and assumptions, see our fourth quarter 2015 results and 2016 targets quarterly report issued February 11, 2016.

### Capital expenditures by region

\$ millions	2015	2014	2013	2012
British Columbia	866	752	737	707
Alberta	862	862	760	649
Saskatchewan	3	2	2	2
Manitoba	10	24	16	11
Ontario	458	406	267	229
Quebec	330	283	302	355
Atlantic Canada	2	3	2	2
Outside Canada	46	27	25	26
<b>Total capital expenditures</b>	<b>2,577</b>	<b>2,359</b>	<b>2,110</b>	<b>1,981</b>

In addition, TELUS also invests internationally to provide our customers a greater breadth of business process outsourcing services.

## 6.2 Ethics

The [TELUS Code of Ethics and Conduct](#) ties together all policies regulating our business behaviour and provides guidelines for the standards of ethical conduct by employees, including officers and members of [TELUS' Board of Directors](#). The code is updated and shared annually, and can be found on TELUS' internal and external websites.

### TELUS EthicsLine

Through the [TELUS EthicsLine](#) (1-888-265-4112 or [telus.ethicspoint.com](mailto:telus.ethicspoint.com)), employees and external stakeholders can raise anonymous and confidential questions or file complaints related to accounting, internal controls or ethical issues.



Calls received by ethics office in 2015  
(43.6% increase from 2014)

In 2015, 410 <sup>A</sup> contacts were made to the Ethics Office, with callers seeking advice on ethical situations or making complaints. This represents a 25 per cent increase over the 328 similar contacts made in 2014 which is attributed to an increase in training and awareness initiatives and an increase in Each complaint was investigated, resolved appropriately and reported to the Human Resources and Compensation Committee, as well as the Audit Committee of **TELUS' Board of Directors** [↗](#).



Number of ethics complaints in 2015  
(19.7% increase from 2014)



Number of requests for advice in 2015  
(37.4% increase from 2014)

### Calls received by the Ethics Office

	2015	2014	2013
Requests for advice	136	99	97
Ethical complaints	274	229	241
Disclosures <sup>1</sup>	61		
<b>Total calls</b>	<b>471</b>	<b>328</b>	<b>338</b>

<sup>1</sup> TELUS requires disclosure to the Ethics Office of any gifts or benefits to team members from third parties exceeding \$250.

### Breaches of ethics and discipline

In 2015, there were 85 <sup>A</sup> breaches of TELUS' Code of Ethics and Conduct involving 114 employees compared with 127 breaches involving 167 employees in 2014. The most frequent violations were related to breaches of company policies, although none involved fraud by employees with a significant role in internal controls over financial reporting.

### Overview of 2015 EthicsLine contacts and cases

Category	Nature of inquiries or complaints	Number of cases resulting in disciplinary action
Violation of policy	221	62
Falsification of contracts, records or reports	14	8
Conflict of interest	79	4
Misuse of assets or services	19	6
Discrimination or harassment	44	0
Confidentiality or misappropriation	7	2
Theft	5	3
Bribery and corruption	0	0
Improper giving and receiving of gifts	13	0
Other	8	0

Detailed reporting on all EthicsLine activity, including nature of complaints or inquiries received, as well as breaches determined including type, location, business area and tenure of employee is shared with the Audit Committee and Human Resources and Compensation Committee of our Board of Directors on a quarterly basis.

### Discipline for breaches of ethics

Corrective action	2015	2014	2013
Employment terminated	71	97	118
Employment suspended	21	33	24
Letter in employment file	11	36	4
Team member resigned	11	1	9
<b>Total employees disciplined</b>	<b>114</b>	<b>167</b>	<b>155</b>

#### 6.2.1 Privacy

Millions of Canadians use the Internet and mobile devices, including smartphones and tablets, to keep in touch, study, work, shop and stay healthy. The rising integration of technology into both our personal and professional lives is changing the way we communicate and share information about ourselves, generating new challenges related to information security, effective oversight and accountability. It is vitally important to us, that our customers know they can trust us to be:

- Respectful of their privacy
- Transparent about how we handle, use and secure their personal information.

Protecting our customers' privacy is critical part of how we put our customers first. We take great care to safeguard the personal information that we collect to make certain our customers' privacy and confidentiality are maintained. TELUS privacy documents are reviewed regularly and updated as required.

To help our customers understand TELUS' privacy practices, we have created four information sources that explain those practices. These sources provide varying levels of detail, allowing the customer to choose the level of detail that is most suitable in helping them make informed decisions.

- The [TELUS Privacy Commitment](#) provides a summary of our customer privacy practices. In our Privacy Commitment we reassure our customers that unless we have their express consent, we will not share their personal information with or sell it to third-party marketers, or use their personal information to enable third-party targeted advertisements.

We have also created a [support document](#) called About TELUS' Privacy Commitment, which outlines:

- What we do (i.e. reasons why we collect and use personal information)
- What we don't do
- What a customer may do, if at any time a customer is concerned about the use of their personal information
- Contact information should a customer want more details about our commitment.
- The [TELUS Privacy Code](#) is a document that explains our privacy policy in greater detail. It provides specifics about our practices to protect the personal information of both customers and employees.
- The FAQ document was created to answer customer questions regarding TELUS' privacy practices. Customers can also call us at 1-800-567-0000 or email us. [\[privacy@telus.com\]](mailto:privacy@telus.com)

All documents are available online [\[www.telus.com/privacy\]](http://www.telus.com/privacy), and can be printed without changing web pages.

TELUS has also created a privacy commitment specifically for our employees. We review this confidential document on a regular basis to ensure it is relevant for employees.

Additional policies complement and support TELUS' Privacy Commitment and Privacy Code, including our Code of Ethics and Conduct, Corporate Security policies, Supplier Code of Conduct and the Code of Conduct for Business Sales Activities (confidential), all of which support confidentiality of customer information.

Our Chief Data & Trust Officer is responsible for oversight of the TELUS Privacy Code and for making sure that internal controls are implemented by the business to support our code and commitments. Our privacy team works closely with the Chief Security Office to properly safeguard our customer and employee information. For privacy and security matters that involve countries outside of Canada, we work with privacy lawyers with local expertise. Internal controls include the following:

- Our annual internal Enterprise Risk and Control Assessment survey includes questions specific to privacy that may identify emerging risks for TELUS.
- We require Privacy Impact Assessments for all projects that involve the collection, use or disclosure of personal information. These assessments are reviewed and approved by Certified Privacy Professionals in the TELUS Compliance and Privacy Office as well as by members of the TELUS Chief Security Office who are certified information security systems professionals and/or global information assurance professionals.
- TELUS has Privacy Breach Response and Notification protocols embedded into our processes and training modules, which are reviewed regularly.

## Privacy complaints



Privacy complaints from the Office of the Privacy Commissioner of Canada

We are pleased to report that no privacy complaints were received by TELUS from the Office of the Privacy Commissioner of Canada in 2015.

### 6.2.2

## Anti-bribery and corruption

Bribery and corruption is one of the primary obstacles to economic development. It undermines the rule of law, weakens trust in public institutions and challenges democratic principles. Bribery and corruption can exist in any society, rich or poor, creating a need for continued vigilance by regulators, law enforcement agencies and industry leaders.

Risks from bribery and other forms of corruption are a concern for companies both in Canada and abroad. Companies may be confronted with demands for bribes, challenged by competitors acting corruptly or faced with employees violating their codes of conduct. TELUS mitigates these risks by implementing and enforcing a robust Anti-Bribery and Corruption Compliance Program that is supported by clear policies, processes and controls.

Since 2012, we have addressed anti-bribery and corruption risks through a risk-based framework that includes:

- Senior management involvement and support: senior leaders across TELUS were identified as responsible and accountable for making sure the Anti-Bribery and Corruption Compliance Program is effectively implemented and consistently monitored. Senior executives set the tone to create a culture where bribery is unacceptable.
- Corporate compliance policies and procedures: a specific Anti-Bribery and Corruption Policy was rolled out to the TELUS team after being approved by the [TELUS Board of Directors](#), The policy provides further clarity and guidance for employees and third parties engaged by TELUS, and supplements other guidance in the [TELUS Code of Ethics and Conduct](#), the [Supplier Code of Conduct](#), and our Code of Conduct for Business Sales Activities.
- Training and education: our annual Integrity training highlights our zero-tolerance approach to bribery and corruption. Further training continues to be provided through our Business Sales Code of Conduct and Anti-Bribery and Corruption programs.

- Incentives and consistent disciplinary procedures: annual performance objectives were created for employees responsible for implementing and monitoring the compliance program. Failure to act in accordance with the Anti-Bribery and Corruption Policy may subject employees to disciplinary action, which may include dismissal.

See section 10 of the [MD&A](#) in our 2015 Annual Report <http://ar.telus.com/> for a discussion of ethical compliance.

## 6.3 Transparency

### Overview

2015 saw an increase, globally, in the number of articles, discussions and political debates about disclosures of personal information to government organizations for law enforcement purposes. Accurate information about the nature and volume of requests private companies receive from law enforcement for the personal information of Canadians helps inform this ongoing discussion and thus shape our country's privacy landscape. It is in that spirit that we once again provide this information in a readily-accessible annual document. This year marks the third year that we have contributed in this way to the privacy dialogue; we are proud of our record of being transparent with our customers about how we respectfully handle and secure their data.

Respecting our customers' privacy is vitally important to TELUS and is a foundational principle of our Customers First philosophy. TELUS, as a national telecommunications company, routinely receives requests for information about our customers from law enforcement agencies and other government organizations, and is legally required to respond. This transparency reporting is intended to provide insight into our approach to responding to these requests and data regarding the numbers and types of information requests we received in 2015, as well as 2014.

Since the publication of our 2014 transparency disclosure, Canada's Department of Innovation, Science and Economic Development published voluntary [Transparency Reporting Guidelines](#). TELUS' transparency reporting practices were already generally consistent in approach, but there are some differences. In some instances, we had historically provided more detailed breakdowns of the law enforcement requests we receive and in others we had provided less detail. This year's transparency reporting format mirrors our previous formats, allowing us to provide customers and others with a strong sense of trends year over year and also providing the greatest degree of granularity that we believe is helpful and informative.

The most notable change in data this year, is the reduction of voluntary disclosures of basic customer information – name and addresses associated with a telephone number - to zero. This is due to the R. v. Spencer decision of the Supreme Court of Canada that came out in June of 2014. That decision clarified that law enforcement agencies require a warrant to obtain the name and address information of our customers unless an individual's life, health or security is at risk, or the information is readily available in a published telephone directory. The decision resulted in the complete elimination in 2015, of voluntary disclosures made in response to non-emergency requests without a warrant.

Similar to 2014, the vast majority of the requests we received in 2015, were for information to help find or communicate with someone in an emergency. Getting a call from a local police detachment or 9-1-1 operator centre asking for help locating someone who is lost or suicidal are typical examples of this type of request. We provided information in response to 51,413 requests for information in an emergency last year, an average of 141 every day.

Consistent with our Customers First philosophy, TELUS will challenge information requests which we believe go beyond what is lawful. For example, we will challenge any request or court order that we believe goes beyond what a judge is authorized to order under applicable legislation, such as the Criminal Code, and we will only release confidential customer information when we are satisfied it is appropriate to do so. When it comes to court orders, we challenged or declined to provide information in response to about 15 per cent of the requests we received because we thought the order was invalid or over-reaching.

When necessary we will take an issue to court, as demonstrated by a challenge we launched in early 2014, to a court order that would have required TELUS to disclose to a law enforcement agency the names, addresses, phone numbers and billing information of more than 9,000 TELUS wireless customers who happened to be using their wireless devices in the vicinity of certain TELUS wireless sites in the Peel, Ontario region during specific periods of time. TELUS believed that the order was unnecessarily broad in scope, and therefore, unlawful. The issue was resolved early in 2016, with the [Ontario Superior Court ruling](#) that the request was indeed unlawful, which both protected our customers' privacy and provided greater clarity about how much information police can request about Canadians in such 'tower dump' cases. In 2015, TELUS also challenged law enforcement agencies' use of Assistance Orders to obtain subscriber information associated with phone numbers, where we believed the more stringent General Warrant should be required. [Our challenge](#) was unsuccessful in court.

TELUS intends to continue advocating for our customers' privacy, while responding to legal court orders as required. It is an important balance, and we are pleased to present this transparency disclosure as part of the evolving dialogue about how that balance is best struck.

### Approximate Numbers of Requests from Government Organizations<sup>1</sup>

	2015	2014	YoY change %
Court Orders/ Subpoenas <sup>2</sup>	4,517	4,005	+12.5
Court Orders	3,993	3,550	+15.5
Subpoenas MLAT Orders	1	2	-50
Customer Name and Address Checks	0	30,946	-100
Emergency Calls	51,413	61,596	-16.5
Internet Child Exploitation Emergency Assistance Requests	0	144	-100
Legislative Demands	1,237	1,247	-0.8
<b>Total</b>	<b>57,167</b>	<b>97,938</b>	<b>-41.6</b>

<sup>1</sup> TELUS has calculated these numbers based on how requests are recorded in our systems. We note that this may or may not be consistent with how other telecommunication services providers calculate the number of requests they receive in these categories.  
<sup>2</sup> TELUS measures the number of requests in this category based on numbers of court orders or subpoenas received, rather than the number of impacted subscribers. Many court orders and subpoenas request information with respect to more than one TELUS subscriber.

Types of requests TELUS receives	
Court Order/ Subpoena	<p>Description: An order or subpoena is a legal demand from a court or other legal authority directing TELUS to provide customer information. The information may be associated with any TELUS service, including wireless, wireline or Internet. Most orders and subpoenas require TELUS to provide historic information, such as telephone records. A small minority of the court orders require TELUS to provide real-time information; for example, the content of a telephone call (by means of a wiretap) or the location of a cell phone.</p> <p>Applicable law: Criminal Code of Canada.</p>
MLAT Orders	<p>Description: These requests take the form of an order issued by a Canadian court pursuant to the Mutual Legal Assistance in Criminal Matters Act. Typically, these are requests for aid from a law enforcement agency in another country related to a criminal investigation, and require an order from a Canadian court. We don't respond to requests that come directly from foreign agencies, but will provide information if ordered to do so by a Canadian court.</p> <p>Applicable law: The Mutual Legal Assistance in Criminal Matters Act.</p>
Customer Name and Address Checks	<p>Description: Requests to provide basic customer information, such as customer name and address on a voluntary basis. These requests were usually made to identify an individual associated with a telephone number, most often so police can ensure they are serving a warrant on or arresting the correct individual. The June 2014 decision of the Supreme Court of Canada in the case of R. v. Spencer made it clear that a court order is required for TELUS to provide customer name and address information except in an emergency or where the information is published in a directory. Consequently, TELUS has not complied with any non-emergency requests for voluntary disclosure in 2015.</p> <p>Applicable law: Personal Information Protection and Electronic Documents Act (PIPEDA), CRTC rules with respect to customer confidentiality; see also applicable TELUS Service Terms and customer Privacy Commitment.</p>
Emergency Calls	<p>Description: These are urgent requests for help locating or assisting where an individual's life or property is at imminent risk. For example, TELUS will provide police or other emergency responders with location information for a wireless device belonging to someone who is lost or in danger.</p> <p>More than half of such requests (43,484 in 2015) came from 9-1-1 call centres seeking help locating a caller in distress. The remaining 7,929 requests came from local police or emergency service providers.</p> <p>In these cases we only provide the information needed to respond to the emergency.</p> <p>Applicable law: PIPEDA and CRTC rules with respect to customer confidentiality.</p>
Internet Child Exploitation Emergency Assistance Requests	<p>Description: In response to police requests, in the past TELUS would disclose the name and address of a customer using an IP address to help the police investigate a real-time case of online child sexual exploitation. Previously, it was understood that such disclosure without a court order was permitted under Canadian law and TELUS' service terms. However, the Supreme Court of Canada in the Spencer case (referred to above) has ruled that such disclosure requires a court order, except in an emergency. Accordingly, TELUS has amended our practices in this regard.</p> <p>Since that court decision, TELUS has collaborated with law enforcement agencies to establish a new process to expedite the sharing of this critical information through court orders where children are in danger, while abiding by the spirit and language of the Spencer decision.</p> <p>TELUS has always required a court order to provide customer information associated with an IP address in other cases.</p> <p>Applicable law: PIPEDA, Criminal Code of Canada</p>
Legislative Demands	<p>Description: A request for information by a government body, where TELUS is required by applicable legislation to provide the information. For example, pursuant to the Income Tax Act, the Canada Revenue Agency may require TELUS to disclose certain customer information.</p> <p>Applicable law: Any federal or provincial legislation that authorizes a government body to request information from TELUS.</p>

## Frequently asked questions

### What is the process for responding to information requests?

TELUS has a process for carefully assessing information requests received from law enforcement agencies and other government organizations:

- A request is received and logged by TELUS' Corporate Security department.
- A specially trained and authorized TELUS Security team member reviews the request to ensure it has been correctly prepared and is legally valid. In the case of emergency calls, this involves obtaining confirmation that the situation involves an imminent risk to an individual's life or property.
- If the representative has any concerns, those concerns are brought to the attention of a supervisor, TELUS' legal department and privacy office, or the agency or organization, as appropriate, for resolution.
- Once the representative is satisfied that the request is valid, they will take appropriate steps to properly respond to the information request. For example, this could include searching relevant TELUS databases for the requested information.

### How long does TELUS keep my information?

TELUS keeps customer information only as long as necessary to comply with the law and to fulfill our business purposes. For example, TELUS retains copies of customer bills for approximately seven years to satisfy legal requirements such as taxation law.

What legislation applies to the protection of customer privacy?

TELUS' telecommunications businesses are governed by the federal Personal Information Protection and Electronic Documents Act (PIPEDA) and by rules prescribed by the CRTC with respect to customer confidentiality.

This transparency reporting covers TELUS' telecommunications businesses, including wireless, wireline and Internet.

## 6.4

# Regulatory compliance

## Overview

Regulation is an important feature of TELUS' operating environment. Our telecommunications, broadcasting and radio-communication services are regulated under federal legislation by the Canadian Radio-television and Telecommunications Commission (CRTC), which reports to Parliament through the Minister of Canadian Heritage. This legislation and accompanying regulations relate to, among other matters, rates, terms and conditions for the provision of telecommunications services, licensing of broadcasting services, licensing of spectrum, and restrictions on ownership and control by non-Canadians.

Although many of the telecommunications services we provide are no longer subject to the detailed regulatory oversight they once were, we still manage tariffs for the subset of telecommunications products and services still subject to rate regulation by the CRTC. TELUS is also subject to a variety of CRTC rules relating to:

- Privacy
- Access to emergency services
- Accessibility requirements for disabled customers.

Generally, these types of safeguards and obligations apply to all carriers. We are also subject to significant regulatory oversight under the Broadcasting Act in relation to our Optik TV service.

We believe there are aspects of telecommunications that justify government regulation in certain circumstances. In terms of advocacy on telecommunications services before the CRTC and other federal bodies, TELUS' consistent position is that social regulation (i.e. includes matters such as privacy safeguards for customers, rules concerning access to emergency services, and accessibility requirements for disabled customers) should apply to all providers of telecommunication services.

TELUS' position is that technical regulation (i.e. rules governing the exchange of traffic between providers and the connection of equipment to telecommunications networks) should also apply to all providers because all customers on all networks must be capable of exchanging traffic with each other.

TELUS believes economic regulation should be confined to circumstances where government intervention is justified, such as in the case of a monopoly with non-transitory "market power" over the provision of an essential service. To the extent that economic regulation is imposed in competitive markets, investment and innovation is hampered, which is harmful for consumers and the economy overall. In an environment where technology and consumer preferences are rapidly evolving, it is essential for regulation to be streamlined and flexible, so that we can quickly respond to change and continue to provide the high-quality, robust and innovative networks that citizens and businesses depend on, every day, to participate in society and the economy.

In 2015, the CRTC issued a number of regulatory decisions that affect our wireless, wireline and television distribution services.

In one major decision, the CRTC set new rules that regulate wholesale domestic roaming rates that TELUS, Rogers and Bell can charge new entrant domestic wireless service providers. The CRTC's review to finalize those rates is ongoing.

In another decision, the CRTC determined that new wireline facilities, including fibre to the premises (FTTP) facilities, are to be subject to regulatory rules, so that competitors can lease those facilities to provide their own services to retail customers. TELUS is not yet required to provide wholesale services on our FTTP facilities, but is expected to be in the future. TELUS has supported a Petition to Cabinet that seeks to overturn the CRTC's decision in this area.

The CRTC also introduced new rules requiring greater choice for consumers in the packaging of television services, as well as enhanced competitive safeguards to make certain that providers such as Optik TV are able to negotiate fair wholesale rates for content. In addition, the CRTC announced it will establish a new Television Service Provider Code of Conduct that will ensure fair and transparent relationship between service providers and their customers. These decisions were the result of the 2014 Let's Talk TV proceeding, where TELUS supported these measures. In addition to preparing for the implementation of these decisions, TELUS continued to advocate for consumer choice and competitive safeguards in CRTC proceedings that raised concerns about access to content on digital platforms.

As part of our comprehensive government and stakeholder relations strategy, and our continued focus on meeting regulatory requirements, TELUS also engaged other federal government departments and agencies in 2015. We worked with Canada's Department of Innovation, Science and Economic Development, the Competition Bureau, and Canadian Heritage to advocate for policies that enhance competition, innovation and investment. At the provincial and municipal levels, we continued to work with governments and community stakeholders on issues ranging from the construction of new cellular towers (under federal rules) to extending broadband services to unserved and underserved areas.

### AWS-3 and BRS Auctions

In March, May and August of 2015, TELUS announced that it had acquired significant additional spectrum in Canada's three Department of Innovation, Science and Economic Development spectrum auctions. This additional spectrum will allow us to increase our mobile broadband capacity to better serve our customers across the country. TELUS began operationalizing the newly acquired BRS spectrum soon after the auction, and will continue to do so through 2016. Spectrum acquired in the original and residual AWS-3 spectrum auctions will be operationalized in step with the U.S. mobile industry over the next few years.

## 6.4.1

## Compliance with legislation and industry codes

## Anti-spam legislation

Key provisions of Canada's anti-spam legislation (CASL) took effect between 2014 and 2015. TELUS has implemented policies and procedures to address the requirements of CASL that impact our business. For example, CASL imposes certain consent and form requirements that apply to commercial electronic messages (e.g., emails and text messages) sent by TELUS to past, current and potential customers, as well as a consent requirement that applies to the installation of computer programs on computing devices. To support compliance with CASL, TELUS employees receive general training and information about this legislation through updates to our annual Integrity course and through internal communications efforts. Employees in key business and operational units also received more comprehensive training targeted to their specific functions to support full compliance with CASL.

## Wireless Code

The CRTC's Wireless Code, a concept we proposed, came into effect in December 2013, and establishes a mandatory code of conduct for all providers of retail mobile wireless voice and data services when they provide services to consumer and small business customers. The Wireless Code applies across Canada and sets baseline requirements for customer rights and service provider responsibilities that all mobile wireless service providers must follow. In 2015, the CRTC has verified, through its Wireless Code Implementation Report Card, that TELUS is in full compliance with the Wireless Code.



Percent decrease in complaints to the CCTS from 2014

In 2015, TELUS continued to lead the industry in customer satisfaction. The Commissioner for Complaints for Telecommunications Services (CCTS), which administers both the Wireless Code and the Deposit and Disconnection Code, released its annual report in December 2015, showing that TELUS' Customers First approach has resulted in a substantial decline in customer complaints for the fourth consecutive year.

Despite being one of Canada's largest communications providers, TELUS received only 466 ▲ complaints (down from 653 in the 2014 report). TELUS now accounts for just 4.7 per cent of the 9,988 complaints received by the CCTS over the last year, while Canada's other two major national carriers together account for more than 50 per cent. Additionally, complaints related to TELUS decreased by 29 per cent in 2015, from a year earlier, despite growth in our wireless and wireline subscriber base. The 175 ▲ complaints related to Koodo Mobile® were an increase of 1.7 per cent from a year earlier, while the 55 ▲ complaints related to Public Mobile showed a 57 per cent reduction when compared to the previous year. With only 1.8 per cent and 0.6 per cent of the total complaints, respectively, Koodo Mobile and Public Mobile continued to lead their peer group of national carrier flanker brands with the lowest number of complaints submitted to the CCTS.

## Safety Code 6

In March 2015, Canada's Department of Innovation, Science and Economic Development issued new, more stringent requirements that limit the amount of radio frequency (RF) emissions from wireless infrastructure, including antennas. These requirements, called Safety Code 6, apply to TELUS as a licensee of wireless spectrum, and we are in compliance.

## Wholesale wireless roaming caps

In 2014, the Federal Government passed legislation to place a cap on the wholesale wireless rates charged by carriers to other carriers for roaming in Canada. TELUS implemented these caps in June 2014. Following a 2015 decision by the CRTC, TELUS filed tariffs for regulated rates for wholesale roaming services provided to new entrant wireless service providers. Because the CRTC now regulates rates for wholesale roaming, the legislated rate caps for roaming are no longer required by the Federal Government.

## Internet Traffic Management Practices

TELUS manages Internet traffic on small portions of our wireline network in accordance with the CRTC's policy regarding technical Internet Traffic Management Practices (ITMPs). TELUS employs these measures only in communities where network demand is greater than the available capacity to provide the majority of our customers with the best possible online experience. Only at times of limited congestion will customers using the most bandwidth potentially notice slower speeds. This allows us to adhere to the policy and provide the majority (i.e. upwards of 80 per cent) of customers using less bandwidth with a better experience and more consistent Internet speeds.

TELUS also employs a technical ITMP called Wireless Video Experience Optimization on our nationwide 4G wireless network. This:

- Optimizes streaming video files for delivery over wireless networks,
- Reduces network congestion
- Helps customers reduce their data usage
- Allows videos to load faster, reducing the chance of annoying stalls.

The technology does not look at what videos our customers are streaming, rather it focuses only on certain technical characteristics of the files that carry them.

## Copyright: Notice & Notice Compliance

In January 2015, all companies offering Internet services in Canada were required to comply with new rules found in the Copyright Act. These rules require Internet Service Providers (ISPs) to forward notices received from copyright-holders about alleged acts of copyright infringement to relevant customers. "Notice & notice" describes the two-part notice communication system by which copyright holders may notify consumers that a claim of alleged copyright infringement is being made against a customer. Copyright holders must receive an email response in reply from ISPs, indicating the success or failure at sending notices on to customers, and if a notice cannot be forwarded the reason why failure occurred must be explained. No customer data, or personal information, is provided to the copyright holder through this process. Although TELUS had voluntarily participated in notice forwarding prior to 2015, this year, with compliance required, we experience a 178 per cent increase in the number of notices processed.

### 6.4.2

## Broadcasting

### Consistently Advocating for Consumer Choice and Competition

In 2015, the CRTC released several decisions following the 2014 Let's Talk TV hearing, which focused largely on consumer choice in television services. TELUS participated in the hearing to advocate for stronger competitive safeguards that would allow service providers like Optik TV to offer greater packaging flexibility to their customers. Many of these proposals were reflected in the CRTC's decisions, and will benefit all Canadian consumers of television services in the future.

Following the release of the CRTC's decisions, TELUS began the work necessary to provide additional flexible packaging options to Optik TV customers, as well as a "skinny basic" entry-level package. This work is supported by the introduction of stronger competitive safeguards in the Wholesale Code, which the CRTC established to make sure that television service providers are able to negotiate fair deals for content with the owners of programming services. As an industry leader in consumer choice, Optik TV looks forward to launching these new options beginning in early 2016. TELUS also participated in several proceedings before the CRTC regarding access to content on digital platforms for Canadian consumers. In these proceedings, we consistently took the position that Canadians must be able to access content on digital platforms regardless of their choice of television service provider or ISP. TELUS anticipates the CRTC will release decisions in these proceedings in 2016.

### New Television Service Provider Code of Conduct

An additional outcome of the Let's Talk TV proceeding was the CRTC's decision to establish a new Television Service Provider Code of Conduct ("TVSP Code") that will be administered by an industry ombudsman and will take effect on September 1, 2017. The TVSP Code is intended to ensure a fair and transparent relationship between television service providers and their customers, and provide customers recourse to an independent third-party in the event of a dispute.

TELUS has consistently supported the CRTC's proposal to establish this code, and the appointment of the Commissioner for Complaints for Telecommunications Services (CCTS) as industry ombudsman. Related to this, TELUS participated in a hearing to review the CCTS' mandate, to make sure it is as effective as possible when dealing with customer complaints about their service providers. TELUS' current practices are already generally compliant with the provisions of the new code, so we anticipate becoming fully compliant with the code prior to the deadline set by the CRTC.

## International Operations

TELUS is responsible for ensuring all of our non-Canadian operations comply with regulatory laws and requirements in foreign jurisdictions. To accomplish this, we research the general regulatory requirements, fees, privacy, data protection, and other compliance obligations that apply in the jurisdictions where we operate. We also acquire and maintain the necessary foreign authorizations for non-Canadian operations, and cooperate with regulatory and tax authorities as required.

TELUS has our own team that provides strategic regulatory planning and guidance for international corporate transactions, and this team reviews all international business opportunities for regulatory compliance. We also engage external counsel for guidance where necessary to support compliance with ongoing regulatory responsibilities.

### 6.4.3

## Aboriginal relations and stakeholder engagement

Our Aboriginal Relations team works with Aboriginal governments and organizations, as well as provincial and federal agencies, to create respectful and meaningful relationships to support TELUS' strategic business initiatives and policies. We base our interactions with Aboriginal governments on recognition of the important relationship Aboriginal peoples have with the land, respect for the cultural and environmental sensitivities, as well as unique social and historic identities of individual nations and communities. By seeking and engaging in meaningful consultation with respect to Aboriginal title, rights and interests, treaty rights and self-governance, we achieve continued success in bringing connectivity and technological improvements to Aboriginal communities and extending our service infrastructure.

In 2015, TELUS collaborated with partners on several key initiatives, including the CRTC's Deferral Account program, ANTCO Pathways to Technology, and the Connecting B.C. Agreement, to bring connectivity to rural First Nation communities. These initiatives involved the provisioning of broadband, high-speed Internet and wireless services to support First Nations' social and economic development, public safety, governance, health care and education opportunities. Many of the 2015 CRTC Deferral Account and ANTCO Pathways to Technology projects required extensive consultation and collaboration with First Nations to deal with the complex challenges of building infrastructure into geographically-remote communities. TELUS worked closely with all governments and partners to make certain connectivity maximized benefits to the First Nations. These projects also enabled the creation of First Nation owned and operated local ISP.

Other TELUS initiatives involved working proactively with Aboriginal governments to provide new fibre-optic infrastructure upgrades to communities and support new First Nation residential and commercial developments on reserve lands, First Nations Land Management Act lands, self-government and treaty lands, and private lands. These initiatives required the Aboriginal Relations team to work closely with Aboriginal governments to secure their approval and cooperation, in compliance with federal, provincial and First Nations laws. Through this collaborative work, TELUS provided enhanced wireline and wireless services to community buildings, including residences, schools, health centres and government offices.

TELUS will continue to learn from our positive experiences in working with Aboriginal governments in 2015, and continue to build best practices in community engagement and provision of services.

### 6.4.3

## Political Contributions

As a means of supporting the democratic process, TELUS will occasionally provide contributions to a regional political party, campaign or candidate in Canada. These contributions are made in accordance with the Canadian laws, as well as our TELUS Code of Ethics and Conduct. In accordance with federal law, TELUS does not make contributions to federal political parties, constituency associations or candidates in Canada. As per our internal policy, TELUS does not make political contributions in countries other than Canada.

As part of our commitment to public transparency, TELUS discloses our total political contributions each year in our Sustainability Report. In 2015, TELUS contributed a total of \$93,972 to provincial political parties, campaigns, and candidates in Canada, in accordance with applicable contribution limits. Details regarding these contributions are available on each province's elections agency website.

## 6.5

# Business continuity

## Overview

At TELUS, we believe robust business continuity planning is a cornerstone for supporting our customer first culture, and delivering reliable products and services.

## Planning, readiness and testing

We recognize the potential of threats that could disrupt our ability to meet our obligations to customers, employees, the community, and shareholders. TELUS demonstrates our commitment to these stakeholders through a sustainable business continuity management program focused on managing the risks and related business impacts that could result from disruptions to our telecommunications, IT networks and services, workplaces, workforce or supply chain.

The effectiveness of TELUS' business continuity capability is supported by the following key program elements:

- A governance structure with executive sponsorship, oversight at the board level, and engagement at all levels of the organization to build business continuity capability
- A planning framework that is founded on standards, aligned to organizational needs, and calibrated with best practices, with a comprehensive focus on mitigation; preparedness; response and recovery capabilities; and organizational resilience
- A comprehensive emergency management framework and organization that supports a consistent approach to all levels of threats and incidents through clear roles and responsibilities; trained and exercised employees; a Crisis Management Team comprising senior leaders; and linkages among internal stakeholders and with key external stakeholder

- A culture that drives business continuity leadership and continuous improvement, including training and awareness, exercises and testing, and embedding business continuity capability and resilience into organizational processes
- Collaboration with emergency agencies, communities, and other organizations to plan for and respond to emergencies and disasters. TELUS also contributes to the development of the practice of business continuity through our work with emergency agencies, business continuity organizations, and standards groups.

The TELUS commitment to robust business continuity planning has been recognized by national and international business continuity organizations in the recent past:

- 2011 [DRI Canada Award of Excellence](#)  for our business continuity program
- 2014 [Business Continuity Institute North American Award](#)  for the Most Effective Recovery of the Year for our response to the 2013 southern Alberta flooding.

## Responding to events

TELUS has a solid track record of effectively managing the impacts of disruptive events. In 2015, climate-related threats were a significant factor, as we responded to wildfires in western Canada and to severe weather and storms across our Canadian and international operations.

## Current and future focus

Climate-related threats are an increasing concern to TELUS, particularly after the devastating floods in southern Alberta and the super typhoon Haiyan in the Philippines in 2013. In response, our CEO launched a corporate-wide initiative to address climate threats, focusing on weather event monitoring, climate incident playbooks, augmenting incident management processes, and developing organizational resilience. We continued to focus efforts in 2015, on implementing lessons learned from managing these threats and improving our capabilities to respond to them.

As incidents of cyber-security threats have increased, TELUS has taken steps to build our capabilities to respond to these threats. In 2015, we developed a cyber-security incident plan and exercised our crisis management team on this threat.

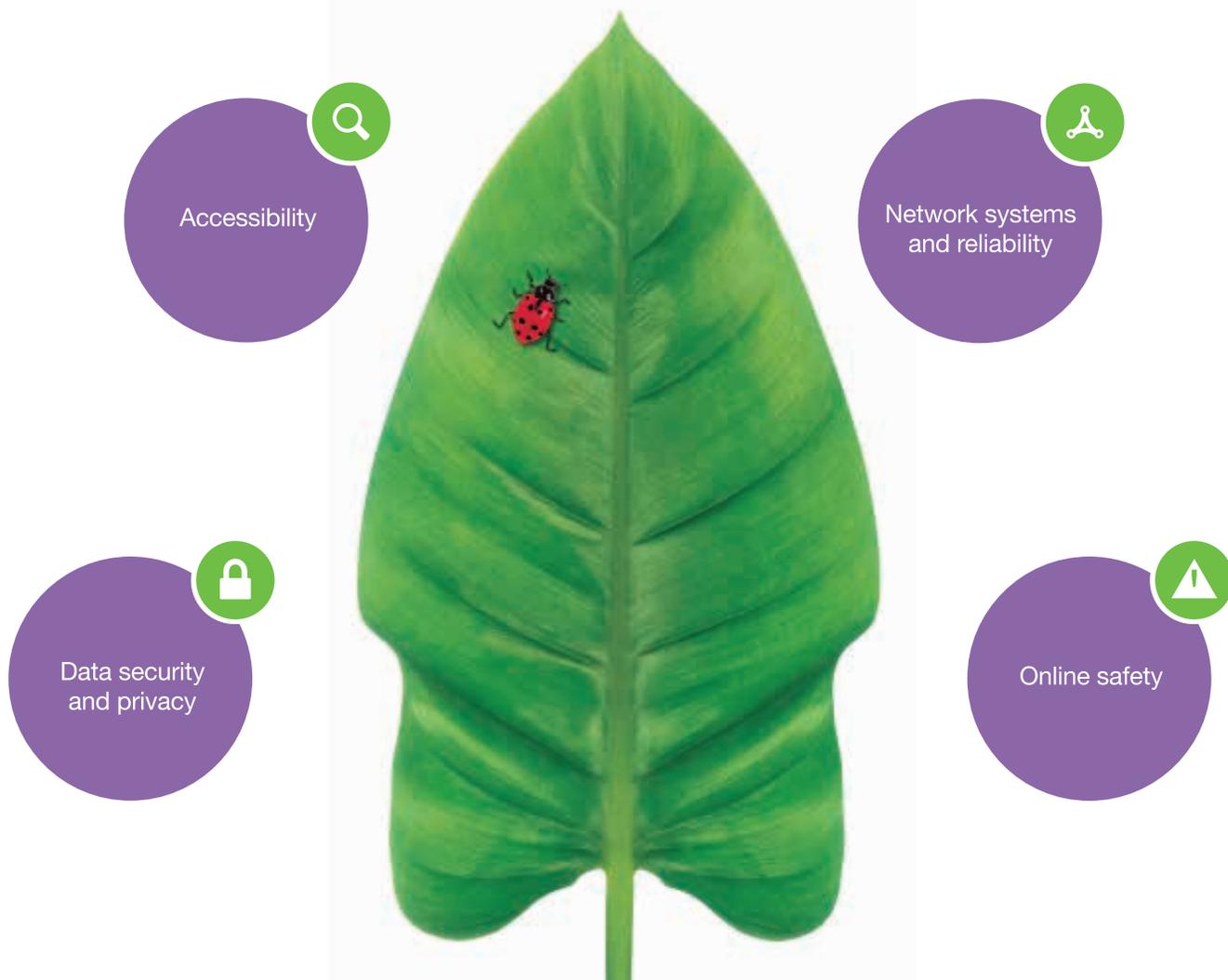
In 2016, the focus for business continuity will be to improve our ability to identify threats to the organization, educate employees on risk, and improve our ability to manage and recover from disruptive events. A special focus will be on creating an external threat database and providing organizational leadership with a clearer view to the risks that may impact us.

See section 10 of the [MD&A](#) in our 2015 Annual Report for a discussion on Process Risks. <http://ar.telus.com/>.



# Customer experience

Our number one corporate priority is to deliver on TELUS' Future Friendly brand promise by putting customers first, enhancing reliability and pursuing global leadership in the likelihood of our clients to recommend our products, services and people.





CUSTOMER EXPERIENCE

## Meet a TELUS health trailblazer

Ben Pobjoy is an inspiration. He's a TELUS customer who turned a successful New Year's resolution into a way to pay it forward to thousands of Canadians.

TELUS customer Ben Pobjoy was in a rut. After a move to Toronto, he realized he could no longer feel good about his diet of fast food and soda or the fact that he was 250 lbs.

Like many of us, Ben made a New Year's Resolution in 2015. He'd tried other times and failed. But this time, using a little technology and a lot of resolve, he not only walked his way to success, but showed us all how to pay it forward.

“Most of us don’t even know what we’re capable of. It just starts with a single step.”

— Ben Pobjoy, TELUS Customer



## Healthy living turned to giving

Ben simply put one foot in front of the other, walking around the city. He listened to music and podcasts on his iPhone and tracked his steps, calories and progress. He covered an astounding 5,800 kms (3,600 miles) over the year, achieving a 100 lb weight loss. The journey encouraged him to make a difference in others' lives, and so he prepared and gave away over 1000 sandwiches along the way to those in need. TELUS was so inspired by Ben's spirit and his accomplishments that for every share of a video he posted on Facebook, TELUS donated \$5 to 60 Minute Kids' Club, a free in-school program providing kids tools to be physically active for 60 minutes every day, for life. Ben's video has inspired a nation and has received close to 1.3 million views.

## Steps to success

Ben attributes much of his success to technology. His smartphone and Beats by Dre headphones became powerful tools to keep him in the game. Music, podcasts and health apps all inspired him to continue.

His favourite health apps? [MyFitnessPal](#)  tracked calories and pounds lost and helped him not only see progress before it was reflected in the mirror, but also taught him a lot about the nutritional value of foods. [RunKeeper](#)  was Ben's go-to for tracking his walks.

### [Walking with Sandwiches: Ben's New Year's Resolution](#)



## 7.0

# Customer experience

Inspired by nature, we're taking care of our customers' needs.

Delivering on TELUS' future friendly brand promise by putting customers first, enhancing reliability and pursuing global leadership in the likelihood of our clients to recommend our products, services and people remains our number one corporate priority.

## 7.1

# Network and systems reliability

## Overview

Reliability matters to our customers. We know that we have great impact on one of the top drivers of likelihood to recommend through ensuring high quality and reliable products, services, and customer interactions. The backbone of building a reliable brand is constantly elevating our network and systems stability, which is designed for growth. Within operations and applications development, we know our customers expect and deserve 'always up' service, good customer service, and dependable products and services. Layer onto this the need to provide sustainable solutions that consider environmental longevity, and the focus on reliability intensifies exponentially.

## Customer's First

Our number one strategic priority of putting customers first includes focusing on investments that enhance reliability and security, so we can deliver consistent, as promised results, and excellent operational levels for our products and services. In 2015, we increased the resiliency of and modernized our billing system and interactive voice response system, and reduced customer order transaction time by 20 per cent. We have also worked to minimize the required outage windows as we upgrade our operational systems. In 2015, we exceeded our internally set outage reduction targets – all to improve the customer experience.

## Culture

Providing the best products and services that go beyond our customer's expectations is our ultimate aim and is the foundation of our Customers First culture. TELUS employees are focused on becoming even more proactive with our customer support as we advance the use of network monitoring capabilities to best manage our network reliability. To us, being reliable means keeping our promises to our customers and peers, providing high quality deliverables, and sharing learnings at all stages as we work together to deliver industry-leading systems and networks.

## Risk Identification

Employees and leaders from across TELUS have continued to evolve the identification and tracking frameworks that allow us to recognize and highlight risks within our systems and network, prioritizing the risks based on impact and probability. We continue to identify these risks proactively as part of our promise to manage risks before they impact our customers.

### Driving Improvements

Putting our customers first means preventing problems from happening and reducing the impact to our customers should something occur. Restoring customer service is our immediate focus when incidents take place. In 2015, we improved the stability during changes to our call routing systems, increasing successful changes by over 10 per cent and driving down high severity incident tickets by 50 per cent over 2014. Continuing to share learnings across the organization, and driving further improvement is our aim for 2016.

## 7.2

# Data security and privacy

TELUS is working hard to protect customers from threats to the security and privacy of their data, specifically from the ever increasing number of sophisticated cybersecurity threats.

**In 2015, we:**

- Continued to invest in the highest protection across our broadband and cellular networks
- Engaged security solutions to protect more of our websites from security threats that could affect customers and their data
- Improved security measures around MyAccount to increase protection to our customers' information and services
- Continued our research and development efforts to detect network traffic anomalies and security threats, including improvements to how we manage employee access to systems and customer information.

The TELUS Chief Security Office has procedures, guidance and controls to manage data privacy and security, including:

- Policies governing our information technology: these policies govern the management of information technology assets and resources, enterprise networks, telecommunications networks and other physical assets used to deliver safe and secure products and services to our customers
- Security development methods and governance controls: security is a core foundation in the governance processes related to project design for products and services
- Vulnerability Management Program: this includes both a daily vulnerability assessment and emerging security threat assessment
- Intrusion prevention systems: these systems monitor TELUS' network for malicious traffic and drop traffic based on certain rules
- Mobile encryption: TELUS protects data on laptops to mitigate data leakage risks from the loss or theft of portable devices.

In keeping with Payment Card Data Security Standard requirements issued by the Payment Card Industry Security Council, TELUS continues to enhance our security controls to meet new industry standards as well as ever-evolving changes in the threat landscape.

### 7.3 Accessibility

In 2014, after consultation with advocacy groups representing persons with disabilities, TELUS submitted an application to the CRTC seeking approval for over \$700,000 in projects to enhance the accessibility of our telecommunications services. This [application](#) was filed as part of TELUS' ongoing commitment to spend a portion of our Deferral Account funds to improve the accessibility of telecommunication services in Canada. The proposed initiatives would result in improvements to the TELUS and Koodo websites, making them fully accessible on all mobile devices, tablets and desktop PCs. TELUS has also proposed dedicating funds to improve the accessibility of the TELUS webmail portal, as well as an audit of several mobile handsets to assess their accessibility. A CRTC decision is still pending on this request.

In 2015, we continued to work with the [Accessibility Committee of the Canadian Wireless Telecommunications Association](#) (CWTA), hosting meetings where ongoing efforts to better serve persons with disabilities are discussed.

Since 2013, TELUS undertook activities to examine the accessibility of the wireless handsets that it offers to customers including auditing the handsets against a list of 28 accessibility features and 11 personas. Throughout 2014 and 2015, TELUS requested three additional external audits that analyzed the newest of our most popular wireless devices representing a range of mobile platforms and price points. These additional audits confirmed that TELUS continues to offer a broad range of wireless handsets that provide different service features, many of which may appeal to customers with limited abilities including sensory, cognitive and mobility. Some of these service features include built-in screen readers, alternate input device support, voice recognition, speech-to-text, video calling and messaging, audible, visual, and vibration alerts and notifications, hearing aid compatibility, teletypewriter ("TTY") support, and many other features. TELUS reviews on a regular basis, the mobile handsets in our inventory to make certain they meet the highest

possible level of accessibility. In 2015, TELUS developed a Mobile Handset Accessibility Feature Checklist. This checklist will help see that we continue to provide a range of accessible handset options to customers with visual, hearing, cognitive, physical and speech disabilities. The document will also be embedded in our procurement processes.

On our [website](#), we list the mobile handsets that have passed through our accessibility audits and support accessibility features. It includes the brands and models offered by TELUS and the features that provide an increased access for persons with varying levels of abilities.

At the end of 2014 and into 2015, TELUS worked with a third party to audit one of our TELUS Mobile Applications. The intention of the audit was to use the learnings to create an Accessibility Requirement document for iOS and Android for TELUS mobile apps. As a result, we now have standards and guidelines as part of our internal review process, which ensure both apps and new web pages follow [accessibility guidelines and standards](#).

In 2015, we hired an accessibility consultant to help build awareness, culture and strategy around accessibility and drive innovation for this specific customer segment. This builds on the market intelligence surveys we use to identify whether we are offering easy-to-use products and services for people with a disability.

In 2015, we expanded our program that provides a customized after sale service to our wireless customers through our [TELUS' Learning Centres](#) available in stores across the country. Conducted by TELUS experts, these one-to-one or group sessions help customers maximize the benefits from their devices and plans. Persons with disabilities can use the opportunity to focus on the specific features in a smartphone that increase the accessibility of wireless communications, depending on the customer's specific needs.

In 2013, as part of a CRTC proceeding, TELUS advocated for the implementation of video relay services, a superior form of relay services that improves the accessibility of voice telecommunications for deaf, speech impaired and hearing impaired customers who communicate using sign

language. As a result of that proceeding, the CRTC determined that video relay services should be implemented in Canada. TELUS will contribute to the funding for this national program. VRS services are expected to be launched later in 2016.

To better serve our wireless customers who are deaf or hard of hearing we introduced in October 2015, a \$15 discount on any in-market smartphone postpaid plan. 8.3. This discount was implemented for these customers because they do not use the voice component included in the wireless base rate plan.

## Growing our broadband network



Number of remote and rural communities in B.C., Alberta, Ontario & Quebec connected to the TELUS network since 2010

Through TELUS' Deferral Account broadband initiative, approved by the CRTC in 2010, TELUS is extending broadband service to 159 rural and remote communities in B.C. (98 communities), Alberta (50 communities) and Quebec (11 communities). By the end of 2014, broadband service was available in 146 or 92 per cent of those communities, and the remainder are scheduled for completion by the end of 2015. TELUS is proud to bring broadband service to these communities, which would likely continue to be underserved otherwise.

## 7.4

# Online safety

## Overview

We believe we have an important role to play to help keep Canadians safe from online criminal activity such as financial fraud and cyberbullying. [TELUS WISE](#) (Wise Internet and Smartphone Education) is a unique and versatile educational program focused on Internet and smartphone safety. This program demonstrates our commitment to our communities by offering innovative training and consultative advice to parents, educators and children about safe and responsible Internet use.

TELUS WISE has partnered extensively to deliver this important program.

Our partners include:

- Amanda Todd Legacy
- Bullying.org
- Canadian Association of Chiefs of Police (CACFP)
- Canadian Centre for Child Protection
- Hockey Canada
- MediaSmarts
- PREVNet
- Public Safety Canada
- Leave the Phone Alone campaign / RCMP Youth Division.

We offer this free program to all Canadians and promote it to groups who will benefit the most from it (i.e. adults/parents, kids, teachers, policing services and community groups, and sports groups).

We plan to reach 3 to 4 million Canadians by the end of 2019 with our TELUS WISE program.

Program highlights:

- We have reached over 900,000 Canadians with this program
- Our more than 500 TELUS Learning Centres offer TELUS WISE as a component to one-on-one sessions booked by customers
- There are over 150 TELUS and dealer partner employees that are trained TELUS WISE Ambassadors who volunteer their time to deliver this program to Canadians
- Our employees contributed over 5,000 hours to this cause in 2015
- The TELUS WISE program has been officially endorsed by the [Canadian Association of Chiefs of Police](#)
- TELUS has invested over \$2 million in the creation, delivery and evolution of the TELUS WISE program since 2012.

Collaboration with our partners has delivered important educational materials such as:

- [TELUS WISE Helping our kids use their smartphone safely guide](#)
- [TELUS WISE Helping our kids navigate their wired world](#)
- [TELUS WISE Privacy matters guide](#)
- [TELUS WISE distracted driving guide](#)
- [TELUS WISE Helping Canadian adults navigate their wired world](#)
- [TELUS WISE tip sheets](#), produced in English, French, Chinese, Punjabi and Spanish
- [TELUS WISE](#) footprint comic and activity books.

To learn about all of our TELUS WISE resources for Canadians, such as comic strips and videos, tip sheets, a distracted driving guide and more on privacy matters, visit [telus.com/wise](http://telus.com/wise).

For 2016, our plan includes the following goals:

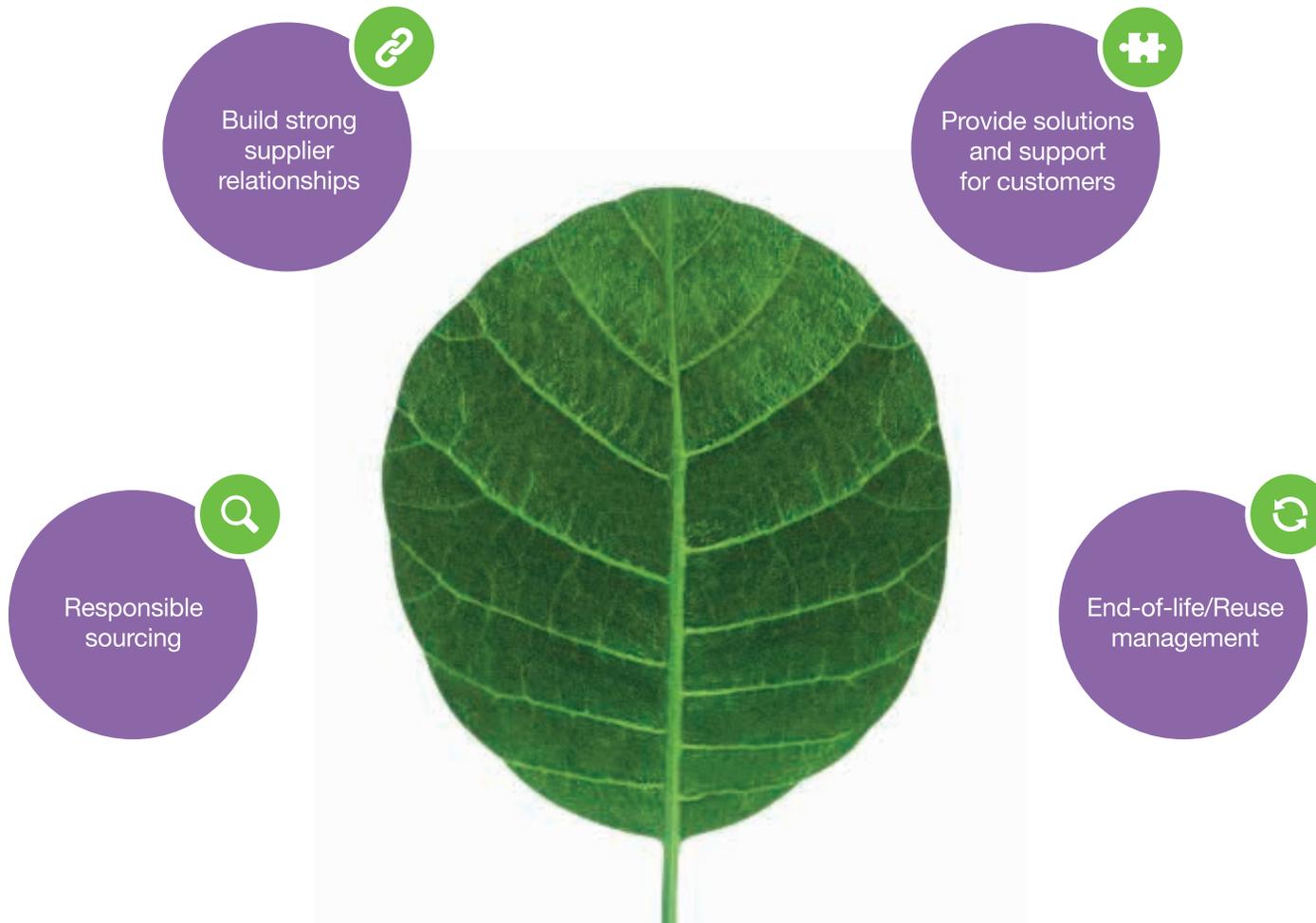
- To be viewed as a leader in keeping Canadian families safe online
- Reaching 1.5 million Canadians with [TELUS WISE](#).

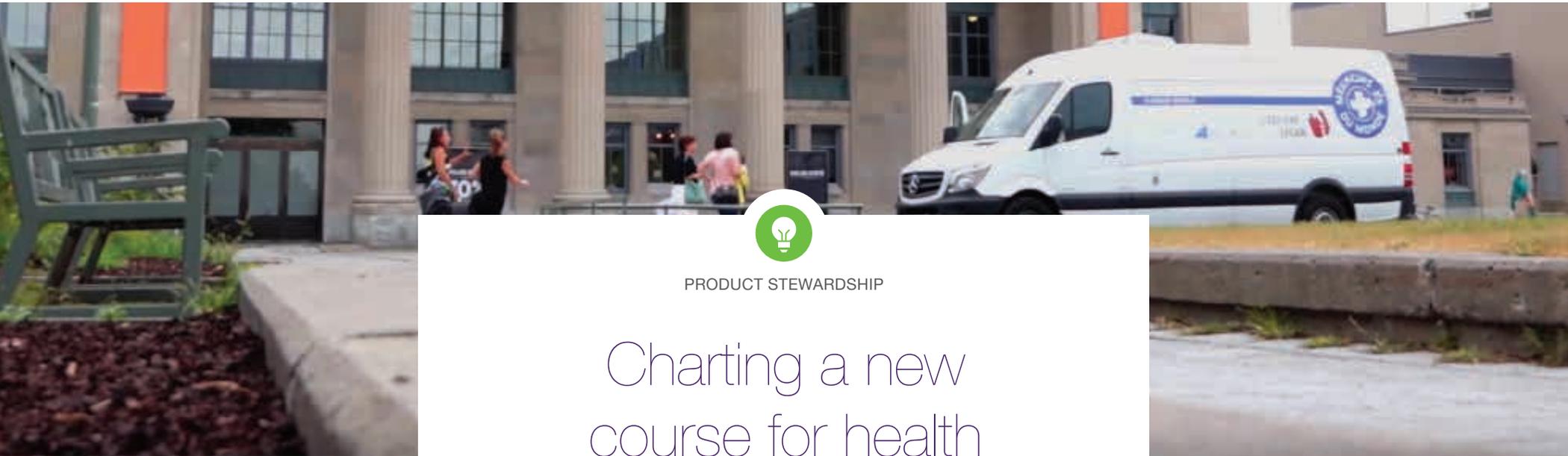


# Product stewardship

Our commitment to sustainability means partnering with suppliers that share similar values and practices.

As a result, we offer solutions that help our customers meet their own sustainability goals.





PRODUCT STEWARDSHIP

## Charting a new course for health

Bringing healthcare to Montreal's disadvantaged is now a reality with the innovative technology of TELUS and Doctors of the World.

One of the most challenging issues in healthcare is treating the homeless and vulnerable in our communities. But a unique partnership between TELUS Health and NGO Doctors of the World has made huge strides with Canada's first mobile health clinic.

Located in Montreal, the clinic has cared for more than 3,000 citizens and has now connected 800 homeless to the healthcare system. It's the result of the joint venture's ability to not only just treat patients, but document their care for the first time.



“Health IT has the power to transform not only the way we deliver health solutions, but also the health outcomes Canadians receive today.”

— Paul Lepage, President of TELUS Health



## Uniting people and technology

The travelling health vehicle can reach populations that are vulnerable and at risk for physical and mental illness that traditionally remain untreated and aren't in the healthcare system. The clinic has a patient reception area with nursing care and also an examination table and doctor's workstation. The workstation is equipped with TELUS LTE Wi-Fi network connectivity and TELUS Health electronic medical record solutions. This technology allows the doctors and nurses to collect and store data, examine results over time, and treat patients that have had undocumented medical histories in the past. It creates a better continuity of care and brings new hope for bringing primary care to the homeless.

The successful venture between TELUS Health and [Doctors of the World](#)  has resulted in new ways of viewing healthcare in urban environments. An exploration of how to expand this initiative across the country is underway, and will focus on other major Canadian cities where homeless, immigrants with precarious status, sex workers and other marginalized groups can also benefit from better care.

It's estimated that between **150,000 to 300,000 Canadians are homeless**. Studies have revealed that within a year, 75 per cent of our homeless ended up in a hospital emergency room and 31 per cent had been admitted to treat a severe illness. The expansion of the Mobile Health Clinic program would lend hope that more access to primary care could prevent some of these illnesses and serious emergencies.



[Driving better health outcomes for marginalized populations](#)

## 8.0

# Product stewardship and innovation

## Innovative and sustainable products and services.

At TELUS, we pursue strategic alliances that complement our commitment to providing innovative solutions for our customers that help them meet their sustainability goals. This includes unleashing the power of the Internet to deliver the best solutions to Canadian consumers and businesses, offering energy efficient devices and equipment, and considering the lifecycle of our products with plans in place for refurbishment and recycling when the time comes.

## 8.1

# Sustainable Supply Chain

## Overview

When it comes to the communities where we live and work, our commitment extends beyond the services and technology we provide. We promise to protect the most important and vital part of these communities – the environment they are a part of. TELUS does this in many ways, and making sure our suppliers place the same level of importance on sustainability is an integral consideration for our Procurement and Supply Chain Management team.

Highlights for 2015:

- Implemented several initiatives to enhance customer experience and reduce costs
- Initiated process improvements to divert waste and increase recycling
- Co-hosted a supplier diversity development workshop and increased industry collaboration
- Further strengthened our supplier governance practices

## 8.1.1

# Environmental and social standards

TELUS adheres to strict internationally recognized environmental and social standards and we expect our suppliers to do the same. We identify and minimize environmental and social risks in our supply chain in two ways:

- **Supplier Risk assessment survey:** we use this survey to seek our suppliers' commitment to identifying the social and environmental impacts of their process and business. In 2015, we continued our practice of updating survey questions and engaging a third party with a goal to leverage their expertise in this field, increase roll-out efficiency and improve the response rate. We launched this revised survey to a new list of our top critical suppliers and we achieved a 100 per cent response rate. The questions are objective with certain responses raising a 'risk' flag. We follow up with suppliers with the intent to reduce those risks identified within 30 to 90 days, depending on the severity of the risk. In 2015, none of our respondents were deemed high-risk.
- **Supplier Code of Conduct:** all of our suppliers have a contractual obligation to abide by the [TELUS Supplier Code of Conduct](#). Our suppliers are expected to comply with all applicable environmental, labour and human rights laws and are encouraged to have a strategy, including policies and programs to manage and monitor compliance with these laws and international standards. For example, suppliers are expected to manage, monitor and reduce the environmental impact of the following:
  - Consumption of resources (e.g., fuel, electricity, water, paper, etc.)
  - Usage, handling and disposal of hazardous and non-hazardous wastes
  - Release of contaminants into the air (e.g., GHG emissions, ozone depleting substances, volatile organic compounds)
  - Release of contaminants into water and soil
  - Product life cycle, including product content as well as the recovery and appropriate disposition of materials.

Our suppliers are expected to be aware of [TELUS' Environmental Policy](#) and relevant aspects of our environmental management system, which is certified to the [ISO 14001:2004](#) standard.

2,210

Number of network equipment parts that were not sent for unnecessary repair, saving TELUS almost \$600,000

### Commitment with suppliers to build a sustainable supply chain

TELUS takes an active role in managing our supply base through the entire procure-to-pay process. In doing so, we seek mutually beneficial relationships inclusive of special incentives for suppliers. Specific examples include:

- Where the opportunities are available, we offer longer-term contract commitments allowing suppliers to plan and manage their production and supply management effectively.
- TELUS maintains a strong focus on forecasting interlock with key suppliers to be certain both parties maximize investments in their supply chains and return incremental value to shareholders and customers. Examples include weekly forecast meetings with handset vendors, and monthly discussions with vendors who supply equipment for infrastructure or that we provide to our business customers.
- We use proactive partnership models to evaluate and optimize our stranded network assets with a focus on profit sharing and environmental sustainability.
- To achieve best-in-class status, we forge relationships with suppliers who have environmental, social and governance factors built into their strategies, making certain our supply base is not only efficient but also robust and capable of meeting customer demands in crisis situations.

### Cooperation with the Canadian Supply Chain Management Association (SCMA)

The Supply Chain Management Association (SCMA) is the voice of the supply chain management profession in Canada, and is the principal source of training, education and professional development. TELUS is partnering with SCMA, and has joined their board to support supply chain management professionals across the country.

#### 8.1.2

### Programs and initiatives

TELUS' procurement and supply chain management team collaborate with internal and external partners to further integrate sustainability into our culture by developing action plans that have positive economic, environmental and social impacts. In early 2015, a supply chain sustainability steering committee was launched to develop new objectives, action plans and define and implement measures of success. Additionally, a cross functional team conducted a Supplier Sustainability Risk Fair Process workshop. A number of recommendations were developed, including assessment of suppliers' sustainability commitments throughout the procurement process and monitoring ongoing compliance with TELUS sustainability requirements through surveys and audits. In 2015, several initiatives were expanded and introduced, including our:

2,210

Number of network equipment parts that were not sent for unnecessary repair, saving TELUS almost \$600,000

29,200

Number of wireless devices not sent for repair, saving each customer one trip to a TELUS store



Number of wireless devices that were returned and used in TELUS' certified pre-owned program

- National Managed Spares Program:** centralization of maintenance spare parts supporting wireless networks, wireline networks and business customer installations resulting in improved availability; reduced system outage times (less transportation); improved spare parts level management; and increased revenue from unnecessary parts resale instead of parts being idle or recycled. In 2015, TELUS saved almost \$600,000 of repair costs and avoided sending 2,210 network equipment parts for unnecessary repair.
- Wireless device repair process enhancements:** focus on reducing the need for a repair through improved quality, diagnostics and customer support, leading to an improved customer experience and reduced use of resources. Enhancement also improved ease and speed of repair for consumer and business customers in the event that they have a real or perceived issue with the performance of their smartphone or standard wireless device. The year-over-year reduction in devices submitted for repair was 15 per cent. This represents 29,200 devices weighing approximately 3,200Kg that were not shipped for repair (approximately 50 per cent by air). Each reduction in repair also saves a customer at least one trip to a TELUS store and a seven-day wait time while their phone is being repaired.
- Wireless device certified pre-owned program:** recovery of qualified wireless devices from customer returns and excess inventory, as well as the testing, refurbishment, and certification of previously owned devices to TELUS customers. This has resulted in improved customer satisfaction, asset management, and reduced recycle, asset shrinkage and waste. In 2015, we recovered 111,233 returned devices that otherwise would have been sent for e-waste processing.

### 8.1.3

## Process improvement

At TELUS our goal is to integrate environmental thinking into all facets of our supply chain. Defined as green supply chain management, this includes product design, material sourcing and selection, manufacturing processes, delivery of the final product as well as end-of-life/re-use management of the product after its useful life.

From 2013 through 2015, we re-engineered the end-to-end process for supply and asset recovery of products used by our customers in their homes to improve product traceability, recovery and the customer experience. By implementing a new system that allows customers who cancel their TELUS subscription to more easily return their TV and Internet equipment, we have increased the return rate of equipment from 65 to 95 per cent, as well as the number of refurbished units we can re-use, diverting them from recycling and landfill.



Reduction in the number of cardboard boxes purchased from 2014



Amount of equipment and materials diverted from landfill

In 2015, in addition to improving the volume and diversity of assets being recovered through various programs, we launched or enhanced initiatives and processes targeted at reducing packaging, transportation and materials handling. Examples include:

- **Future Friendly Home (FFH) Device and accessories recovery:** recover, test, refurbish and re-use equipment from product returns, resulting in improved asset management, extended product lifetime, and reduced waste. In 2015, we re-used 700,000 pieces of FFH equipment and reclaimed for re-use over 230,000 parts from returns (e.g., smartcards, power adaptors, remote controls, microfilters, modem stands).
- **Multi-pack initiative:** in 2015, Lean Principles were used to enhance our initiative launched in 2014 aimed at reducing the use of packaging materials (cardboard and polystyrene) during the refurbishment process. In 2015, this initiative resulted in savings of more than \$1.2 million and reduced the number of cardboard boxes purchased by 360,000. Improvements included box re-design to reduce material content by 25 per cent and introducing new anti-static packaging to improve productivity. The recovery of 38,000 boxes from installers for re-use improved the quality of returned product and reduced the amount of plastic replacement parts used in the refurbishment process. These continuous improvements further cut unnecessary waste and saved resources in our communities. TELUS extended this initiative to our main equipment vendor for new purchases also.
- **Double stack trailer:** in 2015, the aforementioned packaging improvements allowed us to optimize pallet orientation and stacking in trailers to increase packing density and stability and further improve long-haul shipment efficiency. In 2015, we saved \$260,000 in direct freight costs and reduced CO2 emissions.
- **FFH – Set Top Box (STB) software load:** in 2015, we moved our refurbished STB software loading process to earlier in the supply chain, and created a fully automated process. This increased product quality, reduced rework, handling and transport as well as lead time and inventory. This also led to direct cost savings of \$140,000 resulting from the more efficient software loading process.
- **Future Friendly Home equipment kitting:** the process for kitting refurbished Satellite TV equipment (adding accessories and collateral) was streamlined to move it earlier in the refurbishment process. This reduced handling and the need to reopen packaged product to reduce process lead time, errors and cost. In 2015, direct cost savings were \$27,000.

- **Network equipment decommissioning and asset recovery:** as TELUS regenerates our network, we decommission old network equipment and actively recover these assets through a central process. Equipment is assessed for re-use within TELUS, marketed and sold for re-use, or recycled. In 2015, over \$700,000 in revenue was generated for re-investment in decommissioning and asset recovery activity, and 1,745 tonnes of network equipment was responsibly recycled.
- **Diversion from landfill:** we actively manage asset reclamation and recycling for products and materials that cannot be re-used or re-sold to maximize the amount of material that is diverted from landfill and recycled as raw material. As recycling technology improves, we will add to the range of materials that are recycled. In 2015, 8,081 tonnes of equipment and materials was diverted from landfill.

#### 8.1.4

### Supplier governance

We strive to award business to suppliers who demonstrate a strong commitment to sustainable development by adopting ethical, labour, health and safety, and environmental principles. These principles must align with ours to help ensure the well-being of their employees, contractors and communities. This is done through the use of our [Supplier Code of Conduct](#) (SCOC). The SCOC is embedded into all contracts. We also utilize a TELUS Supplier risk assessment and ComplyWorks tool to further monitor supplier sustainability practices and to mitigate risk.

### 8.1.5

## Supplier Diversity Program

Our Supplier Diversity Program encourages economic development and provides more opportunities for ethnic minority, Aboriginal, and/or women-led organizations to bid for our business in competitive processes, so that TELUS' suppliers reflect our diverse customer base and bring new ideas and creativity to our company.

The scope of our program continues to include Canadian companies that are certified by the Canadian Aboriginal and Minority Supplier Council (CAMSC), Women Business Enterprises (WBE) Canada, and the Canadian Gay and Lesbian Chamber of Commerce (CGLCC).

We continue to build capacity in corporate Canada by providing thought leadership in the policy development and growth of supplier diversity through Board representation, partnerships and development programs. Specifically:

- TELUS is a corporate partner of these three organizations, working to incorporate certified suppliers into the supply chain
- TELUS' Vice President Procurement serves on the CAMSC, TELUS' director of Business Enablement serves on the WBE Canada board.

Industry recognition and external awareness outreach initiatives:

- TELUS was featured in a number of diversity-focused publications and industry events promoting the positive impact of diverse suppliers.
- We reached out to corporate partners, advocating the value of supplier diversity and encouraging corporate members to join and partner with organizations like CAMSC and WBE Canada, etc.
- TELUS teamed up with two other corporations to co-host a supplier diversity development workshop – a first in Canada. The goal of the workshop was to provide key learnings from the perspective of both the corporation and certified supplier, and facilitate a forum for networking. There were approximately one hundred participants – 55 diverse suppliers, 30 corporate suppliers and 15 from supplier diversity organizations.
- TELUS is a founding corporate partner with the CGLCC.

As part of TELUS' commitment to supplier diversity and developing long-standing partnerships with suppliers that mirror our core values, we introduced our Supplier Diversity Mentorship Program last year. Six diverse-owned and certified companies worked with top TELUS executives to develop targeted strategies to strengthen and grow their businesses. Together, personalized goals were developed for each of our protégés, harnessing TELUS' experience and expertise to help them grow and develop as individuals and companies.

The program will run every two years and is set to launch in Q2 2016. Our strategy is to grow the number of participants, both protégés and mentors. Also, TELUS will expand the program beyond procurement to provide mentors from various departments such as Sales, Marketing and Human Resources. TELUS works in partnership with RBC, Accenture and TD bank to continuously support the Canadian supplier diversity mentoring program to help advance diverse businesses.

In 2015, we continued to work with our stakeholders to implement projects that tracked, reported and improved environmental and social impacts throughout our supply chain. By continuing to host workshops, diversity programs and by sharing best practices through industry association and our own events, we remain committed to transforming the way we, and our partners, do business. In 2016, we will implement the recommendations from our Fair Process workshop so that we can assess and monitor the sustainability performance of our suppliers and partners and advance the sustainability of our supply chain.

## 8.2

# Product stewardship and innovation

### Overview

At TELUS, we make it a priority to deliver innovative and transformational solutions for our customers that not only provide value but deliver positive social and environmental impacts. We collaborate with partners that share these priorities and assist us in making sure we offer products and solutions designed with a full lifecycle in mind, including plans for recycling or refurbishment at the end of their life.

In 2015, internal dialog around product and services responsibility led us to enhance our efforts to implement “closed loop” systems. Some of our early initiatives in this area include:

- Establishment of our 90 per cent waste diversion goal by 2020
- Recycling of office furniture, network infrastructure and equipment, and mobile devices
- Efforts to reduce the impacts of our products throughout their useful life.

### Furniture recycling in our operations



Landfill diversion rate from decommissioned offices in 2015

TELUS has collaborated with Green Standards Ltd. and csr eco solutions on 21 office decommissions in Vancouver, Calgary, the Greater Toronto Area, Montreal and Halifax, since 2012 with more planned for 2016. In 2015, these projects have achieved a landfill diversion rate of 97 per cent. Of the 314 metric tonnes of office equipment diverted from landfill, 47 per cent was recycled, almost 30 per cent was donated to local non-profits and 22 per cent was resold. Further collaboration is planned for 2016, as we plan to decommission more office spaces.

Two examples of organizations who have benefitted from donated furniture are:

### Mission Association for Community Living

The Mission Association for Community Living has been providing high quality, inclusive support to children and their families, as well as adults with disabilities, since 1958. It currently supports over 450 individuals in the Mission, B.C. area with a variety of programs including respite care, housing, childcare, employment training, and support services.

*“As our costs are not always covered by our government funding, we greatly appreciate every opportunity to improve our operations. We always put our programs and services first, ahead of the needs of our administrative team. With the desks, tables and chairs donated, we’ve been able to create a more professional and comfortable office space, as well as improve our employment training facility, which helps adults with disabilities learn essential work skills.”*

– Dawn Hein, Executive Director,  
Mission Association for Community Living

### About Transforming Faces

Transforming Faces closes the gap in cleft care by providing free, local, and ongoing multi-disciplinary cleft care for children and adults in developing countries.

*“We want to be smart about donor dollars, so this furniture was a great way to make our office more professional and functional without spending scarce resources. Thank you to TELUS and Green Standards for their community and environment-focused approach to managing excess products.”*

– Ann Rosenfield, Executive Director

## Waste reduction at the source

Our strategy and focus in 2015, was to work with our internal and external stakeholders to identify and action opportunities to:

- Enhance product packaging design to reduce our environmental impact
- Reduce the number of trucks required to move materials through our supply chain, saving money and reducing CO2e emissions
- Reduce the amount of space required to store materials in our warehouses, creating efficiencies
- Divert materials to a recycler, to avoid sending them to landfill.

By collaborating with internal and external partners we identified opportunities to complete in 2015, and priorities we can address in 2016. Examples include:



Amount of wood diverted from landfill as a result of from recycling wooden reels

- **Diverting materials from a landfill:** our fibre and copper transportation company sourced a recycler for wooden cable reels once they have reached the end of their useful life. Nearly 250 wooden reels were recycled last year, diverting more than 1,250KG's of wood from landfill
- **Transportation:** our Warehousing and Distribution team has implemented a transportation approval process to confirm urgency of material transfers between our cable yards. This will reduce transportation costs and CO2e emissions related to the movement of materials. Prior to implementing this process, we would often pay for a dedicated truck to transport materials between locations when regularly scheduled consolidated transportation would meet business requirements.

- **Packaging:** our technicians identified that our third-party logistics provider was shipping hardware (e.g., nuts, bolts, etc.) in individual labelled bags for each piece. This created a lot of waste for technicians who unpacked and disposed of the bags and labels, not to mention the wasted labour required by our vendor to pack and label each item. Changing this practice is leading to cost savings for both partners as well as less waste.

## 2016 opportunities:

- Explore options to reduce TELUS branded packaging for mobility accessories
- Re-evaluate the process for internal IT deliveries to TELUS personnel to determine if packaging reductions can occur
- Explore options to consolidate scheduled shipments to our field warehouse locations, reducing the number of trucks on the road
- Work with our third-party logistics vendor to improve inventory planning and explore options to consolidate shipments from our regional distribution warehouse to our field warehouses without impacting customer service levels or key performance indicators
- Work with our third-party logistics vendor, Purchasing, and Inventory Planning teams, to explore options to reduce the distance that materials travel in our internal supply chain before reaching the customer.
- Although we were successful in implementing new waste reduction initiatives this year, we also encountered challenges:
- We have not yet been able to source a reliable fibre recycling vendor
- Gaining support from our fibre drop/multiport vendor to reduce packaging is taking longer than anticipated. We are working with them to review the cost and environmental savings to reinforce the positive impact for both partners.

As we work with our vendors to reduce packaging and increase density of materials, we need to complete change management activities with our purchasing, inventory planning teams and other internal stakeholders. This will make certain changes are well communicated, so positive initiatives in one area do not drive waste or confusion in other areas of the business.

### Tools recovery blitz

With a focus on safety and recycling, in 2015 our teams in Alberta and British Columbia engaged in a spring cleaning tools recovery blitz. The teams started by purging all non-serviceable items and non-compliant gear. This allowed certain pieces of equipment to be assigned to the repair process. This activity also reduced potential safety hazards with old equipment. Other tools were immediately added to our tools inventory for reassignment and thus positively effecting availability of tools for our new hires. This activity also resulted in cost savings of \$39,000.

Our focus for 2016 is to further drive accountability and ownership by putting in place a process that allows us to reassign tools each quarter and consolidate high value tools. This will reduce landfilling and purchasing costs. For non-compliant gear, we will continue to work with our partners to recycle or resell tools where possible.

## 8.3 Innovative products and services

### Overview

More than a decade ago, we made a defining decision to leverage our world-class broadband networks, technology and innovation to tackle the challenges facing our healthcare system. Since then, we have invested more than \$1.5 billion to bring patient-centric solutions to market.

Today, TELUS Health is a leader in telehomecare, electronic medical records, electronic health records, consumer health, benefits management and pharmacy management. TELUS Health solutions give health authorities, providers, physicians, patients, and consumers the power to turn information into better health outcomes.

### Product innovation award: PharmaSpace

In April 2015, the TELUS Health PharmaSpace platform was awarded the prestigious Mercure award in Innovation – Investissement Québec at the 35th Mercuriades Gala, organized by the Fédération des chambres du commerce du Québec.

Launched in 2011, the PharmaSpace solution is now used by many of Québec's pharmacies, enabling 400,000 Québec residents to renew prescriptions online, and receive and share information digitally with their pharmacist.

### Improved access, care and health outcomes: Home Health Monitoring

TELUS is taking part in a major initiative with the Ontario Telemedicine Network (OTN). Using our Home Health Monitoring (HHM) solution, OTN is helping 2,500 patients manage chronic conditions, including congestive heart failure and pulmonary disease, from the comfort of their own home. This means they get the care they need without having to travel to visit their care providers. It also means they can identify health issues before they become life-threatening events.

Thanks to our partnership with the OTN, hospital readmissions for participants have been reduced by 70 per cent and ER visits are down by 76 per cent. We are also conducting similar trials in other parts of Canada and seeing great success there too. Additionally, with the HHM solution, healthcare professionals can support a much larger group of patients (increased from 20 to 120 patients per day).

### Evolution of product portfolio: Electronic Medical Records



Number of physicians using TELUS Health's EMR app, which has improved patient treatment

TELUS Health is a leader in electronic medical records (EMR), with approximately 15,000 physicians across Canada using our platforms to manage more than nine million patient files and the equivalent of approximately 45 million patient interactions.

In 2015, we designed and introduced a mobile EMR app, unsure if it would hit the mark with doctors. We thought doctors would be happy with a tool that would allow them to access their appointment calendar and patient details after-hours, helping them to get away from the office earlier. What we learned is that doctors are also using this app as a clinical tool throughout the day in their practice.

For instance, they can take a picture on their smartphone of a patient's rash or sprained joint and then upload it to the patient's EMR chart, a process that was previously cumbersome. Through this small-scale innovation, doctors have discovered a way to become more efficient in helping their patients.

Today, 3,000 physicians are using the app regularly in the office, at home, and on the go. We will continue to enhance the app's capabilities to help more doctors provide enhanced care to their patients.

### EMR and Doctors of the World – mobile health clinic

A small-scale innovation that is making a big impact is [Doctors of the World](#) , Canada's first mobile healthcare clinic. Launched in partnership with TELUS Health, this clinic provides a way to reach Montréal's homeless population, allowing the mobile medical team to perform more than 3,000 medical examinations, tests and vaccinations since its launch in June 2014 through 2015. Through this clinic, more than 800 Montréalers have been integrated back into the public health system.

The mobile clinic is connected to the broader healthcare system via our LTE wireless network and patients' health information is captured in our Electronic Medical Records solution. These technologies allow doctors and nurses to collect and store data, examine results, build a documented medical history and treat patients over time for better continuity of care. Doctors of the World is looking to expand the mobile clinic to other Canadian cities, such as Vancouver and Edmonton, in partnership with TELUS.

### Wellness and Patient Engagement: Personal Health Records (PHRs)

Personal Health Records (PHRs) are user-friendly, online solutions that give patients a way to manage their own health information. A self-controlled snapshot of an individual's health record, Canadians with a PHR can add personal information, such as their birth date, emergency contacts, health history, and lists of allergies, conditions and chronic diseases. Allowing patients to take every day healthcare into their own hands, Canadians can also use PHRs in emergencies, when travelling or when working with physicians unfamiliar with their health histories.

### PHR and Youth Mental Health – Sandbox project

The Sandbox Project was created to improve the health of Canada's children and youth, an estimated 1.2 million of whom are affected by mental illness. The goal of The Sandbox Project is to make measurable progress against international health indicators within the next five years, with a particular focus on improving health outcomes for Canadian children with respect to injury prevention, obesity, mental health, and the environment. TELUS began its partnership with this project in 2015.

With the support of its corporate partners such as TELUS, Sandbox hopes to use technology as an opportunity to ease the many burdens associated with youth mental health and to better enable productive collaboration between care recipients and their primary caregivers and providers.

## PHR and Employee Wellness: Sprout

In 2015, TELUS Ventures announced a strategic investment in [Sprout](#), a leading Canadian organization helping companies engage employees to improve their health and wellness. Sprout helps companies and their workforces by providing technology-based tools that motivate employees to get fit, with additional tools for leaders to manage and measure the positive impact fitness has on their business. Sprout's platform drives employee participation and engagement in wellness programs by allowing them to set goals, create challenges and compete amongst colleagues. Sprout provides tools that track physical activity and other metrics such as nutrition and mental health, as well as biometrics such as BMI for a holistic approach to wellness. The platform also integrates with leading fitness trackers such as the Nike +, Fitbit, Jawbone and Strava. Additionally, Sprout's reporting functionality makes certain that companies can easily track and measure the impact wellness initiatives are having on their business.

- Improved quality of care, patient flow, patient safety and continuity of care
- Reduced redundancy (duplicate testing)
- More informed health care decisions and improved patient outcomes.

Clinicians also benefit from:

- Improved efficiency of clinical decision-making
- Improved ability to better manage, coordinate and plan care
- Increased ability to monitor patient outcomes.

## Ontario's Connecting GTA: Electronic Health Record (EHR)



Percent of Toronto's population that will be positively impacted by the Connecting Greater Toronto Area initiative - a partnership between TELUS Health & eHealth Ontario

In partnership with eHealth Ontario, TELUS Health was instrumental in introducing Connecting Greater Toronto Area (cGTA), an integrated electronic health record to 12 hospitals and five community care access centres. More than 30,000 clinicians are currently registered to use cGTA with training underway for an additional 10,000 clinicians. The solution offers access to records for more than 2.4 million patients, representing approximately 36 per cent of the region's population. With 90 per cent of the solution built, 2016 will see continued adoption by clinicians and sites, expansion of the solution into other regions of Ontario. Important patient benefits of provincial or regional EHR solutions include:



# Glossary

**4G (fourth generation):** As defined by the International Telecommunications Union, 4G is the generation of wireless technologies, including HSPA+ and LTE, which offers a substantial improvement in speed over HSPA.

**absenteeism rate:** The figure reported includes absences related to illness or injury (excluding long-term disability) calculated as average number of productive days lost due to absenteeism per one full time equivalent headcount

**absolute energy:** Refers to a reduction in overall energy consumption not relative to anything else.

**app:** A program or application that delivers functionality to users on their mobile device, television or computer to address a specific need or purpose.

**at home:** specifies where an employee works from home on an established schedule for 90 per cent or more of the work week. The employee travels to a TELUS location for training, special meetings, etc.

**best employers:** Refers to the average engagement score of the top 50 companies in the Aon Hewitt database of 280 Canadian companies that took part in their annual Best Employers study/survey.

**Bravo awards:** Bravo awards, aligned to the TELUS leadership values and values attributes, are intended to recognize employee performance. Bravo electronic cards: Bravo offers a selection of electronic greeting cards that employees can send for any number of reasons: to congratulate an employee for a big achievement, to thank someone for a job well done, to spread a team message, to invite others to a team get together, or to say hi to a co-worker you haven't seen in a while. Cards can be sent immediately or created in advance and future dated for delivery.

**broadband:** Telecommunications services that allow high-speed transmission of voice, data and video simultaneously at rates of 1.5 Mbps and above.

**Career Milestone acknowledgements:** Through Bravo, career milestones are acknowledged on an employee's first year, and every five year increment thereafter with a tree planted by Tree Canada in celebration of each milestone.

In addition, employees celebrating a 25+ year milestone will receive a gift of Bravo points they can redeem for merchandise in the Bravo catalogue. cause marketing: A type of campaign involving the cooperative efforts of a company and a non-profit organization resulting in cross promotional activities that drive charitable donations to the non-profit organization.

**CEO Commemorative Coin program:** TELUS coins are presented as a personal symbol of appreciation from the CEO for memorable accomplishments.

**CHLOE awards:** Launched by Connections, the TELUS women's network, these awards profile and celebrate exceptional women who have made a profound difference at TELUS or in their community as well as leaders who have made a significant contribution to the advancement of women at TELUS.

**closed loop system:** A "closed-loop" system is a system that can be closed through recovery, re-use or recycling, avoiding any waste. Closer to the customer: a program that provides leaders with the opportunity to hear and learn from frontline employees. Spending a day in the shoes of customer-facing employees helps leaders make impactful changes to better serve customers and support our team.

**conflict minerals:** Refer to minerals mined in conditions of armed conflict and human rights abuses, notably in the eastern provinces of the Democratic Republic of the Congo.

**Connections Honours Leaders of Excellence (CHLOE):** profiles and celebrates exceptional women who have made a profound difference at TELUS or in their community, as well as leaders, men or women, who have made a significant contribution to the advancement of women at TELUS.

**CO2e:** Equivalent carbon dioxide is a measure for describing how much global warming a given type and amount of greenhouse gas may cause, using the functionally equivalent amount or concentration of carbon dioxide (CO2) as the reference.

**CRTC (Canadian Radio-television and Telecommunications Commission):** The federal regulator for radio and television broadcasters, and cable-TV and telecommunications companies in Canada.

**Crisis management team:** A team consisting key leaders (i.e., media representative, legal counsel, facilities manager, business continuity coordinator), and the appropriate business owners of critical functions who are responsible for recovery operations during a crisis.

**Customers First:** A TELUS corporate priority focused on creating a best-in-class customer experience as measured by the voice of our customers.

**Customers First Champions awards:** Launched in 2011, the Customers First Champion (CFC) program recognizes front line employees who support, advocate and advance a Customers First culture by consistently going above and beyond to deliver an exceptional experience. The CFC program highlights and celebrates customer experience wins and shares examples of what exceptional looks like. Employees across TELUS are invited to nominate a Customers First Champion.

**Customer Service 2.0:** A case management approach to customer service where a dedicated employee takes end-to-end accountability of a customer request until the customer is satisfied that we have delivered the desired outcome

**deferral account:** The Canadian Radio-television and Telecommunications Commission (CRTC) created the “Deferral Account” initiative in 2002 as part of a policy to encourage competition in residential phone services. The Commission required the incumbent telephone companies to assign to such accounts amounts equal to revenue reductions that would otherwise would have taken place due to the operation of the “price cap” regime under which telephone service rates were regulated at the time. The CRTC subsequently consulted with the public and industry for several years regarding what to do with the funds that had accumulated in these accounts, ultimately accepting TELUS’ proposal that the majority of the funds be used to extend broadband Internet access to remote communities, with five per cent to be used to enhance services for people living with disabilities. The Commission ordered that the remainder of the funds be rebated to urban customers in 2010.

**District Energy System:** Created in partnership with TELUS and Westbank, the innovative District Energy System (DES) at TELUS Garden is one of the first systems in Vancouver to use waste heat from a neighbouring site to heat and cool a new development. Heat from the existing TELUS data centre and the new office tower’s cooling systems are being harvested by the DES to provide heating and cooling for the office and residential towers, commercial

spaces and amenities, and to heat domestic hot water for both towers. The DES is a major element of TELUS Garden’s sustainability strategy and contributes to the development’s approximate 80 per cent reduction in energy demand from conventional sources.

**emission factors:** The most common approach for calculating greenhouse gas emissions is through the use of emissions factors that are representative values relating the quantity of an emission with an activity associated with the release of that emission. Sources used include the Canadian National Inventory report.

**employee engagement:** Engagement at TELUS is about strengthening the spirit and capturing the minds of employees in a way that contributes to their and our overall business performance. An engaged team is realized when employees truly believe in and are proud of the company they work for, and see a strong connection between their daily contributions and TELUS’ success.

**Employee Resource Group (ERG):** are groups of employees who join together in their workplace based on shared characteristics, beliefs, perspectives or life experience.

**e-waste:** Electronic waste, e-waste, or e-scrap describes discarded electrical or electronic devices.

**Fair process:** Aims to engage team members at all levels in collaborative decision making, leveraging their knowledge and encouraging a business ownership culture.

**Formal, informal and social learning:** Formal includes: courses (online or in classrooms), conferences, forums and roadshows, accreditation and degree programs. Informal includes: online books and research databases; webinars and webcasts; coaching and mentoring; and websites; social includes: blogs and wikis, micro-blogging, social networking, and video sharing.

**Future Friendly Home (FFH):** The TELUS Future Friendly Home is a collection of services designed to improve the lives of TELUS’ customers.

**Internet of Things (IoT):** A network of uniquely identifiable end points (or things) that interact without human intervention, most commonly over a wireless network. These systems collect, analyze and act on information in real time and can be deployed to enable the creation of smart connected businesses, homes, cars and cities.

**IoT Marketplace:** An online space offering turn-key IoT solutions from cutting-edge innovators and industry-leading technology companies.

**IPTV technology platform:** Internet Protocol television (IPTV), is a system through which television services are delivered using the Internet protocol suite over a packet-switched network such as a LAN or the Internet, instead of being delivered through traditional terrestrial, satellite signal, and cable television formats. Optik TV is TELUS' IPTV based television service. Optik TV currently uses the Ericsson Mediaroom middleware platform for its service.

**ISO 14001:2004:** Is a family of standards related to environmental management that exists to help organizations (a) minimize how their operations (processes etc.) negatively affect the environment (i.e. cause adverse changes to air, water, or land); (b) comply with applicable laws, regulations, and other environmentally oriented requirements, and (c) continually improve in the above areas.

**Lean principles:** To maximize customer value while minimizing waste. Simply, lean means creating more value for customers with fewer resources. A lean organization understands customer value and focuses its key processes to continuously increase it.

**LEED:** Leadership in Energy and Environmental Design (LEED) is a rating system that is recognized as the international mark of excellence for green building in 150 countries.

**Likelihood to recommend (L2R):** The likelihood of our customers to recommend our products, services and people as measured by ongoing surveys

**LTE (long-term evolution):** A 4G mobile telecommunications technology, capable of advanced wireless broadband speeds that has emerged as the leading global wireless industry standard. TELUS' 4G LTE coverage is currently capable of delivering manufacturer-rated peak download speeds of up to 75 Mbps (typical speeds of 12 to 25 Mbps expected).

**Lost Time Accident (LTA):** Under the Canada Labour Code, an LTA is any time lost as a result of an accident. Lost time begins on the day subsequent to the accident.

**material issues:** For a definition on material issues in the context of the GRI reporting framework, please see the [GRI website](#) .

**Mbps (megabits per second):** A measurement of data transmission speed, defined as the amount of data transferred in a second between two telecommunications points or within a network. Mbps is millions of bits per second and Gbps (gigabits per second) is billions.

**NAL (Network Access Line):** A wireline connection from a customer location to the PSTN [public switched telephone network] which includes: i) a telephone number, ii) a connection to the PSTN and iii) access from the customer location to the service provider's office

**Own.it awards:** This is a process improvement methodology award launched in 2011. It provides recognition to employees who demonstrate a commitment to collaboration and quality in order to deliver on our future friendly brand promise.

**Ovation awards:** These recognize employees who are departing TELUS and who have achieved 25 completed years of service. The Ovation award includes a gift of Bravo points that employees can redeem for merchandise and gift cards in the Bravo catalogue as well as a choice of memento. All full time and part time employees are eligible to receive Ovation awards.

**Passion for growth awards:** Recognizes employees who exhibit the TELUS value: We have a passion for growth for exceptional leadership. Recipients of this award are recognized for significant and measurable achievements impacting our business, customers and team.

**performance development:** Relates to the process of setting objectives, performance appraisals and reviews, and establishing career development plans (including formal, informal and social learning) to enhance the performance of individual employees. This is also one of the top five drivers of the Pulsecheck employee engagement score.

**postpaid:** Conventional method of payment for service where a subscriber is billed and pays for a significant portion of services and usage in arrears, after consuming the services.

**Power Usage Effectiveness (PUE):** The ratio of the total amount of power used by a computer data centre facility to the power delivered to computing equipment.

**Presidents Club awards:** TELUS celebrates sales employees whose passion for growth and spirited teamwork are worthy of the highest form of recognition by our company. Each year, top performers earn a place in the Presidents Club and receive an incredible experience at a destination selected by our senior executives.

**Pulsecheck:** TELUS' annual on-line employee engagement survey.  
**remediation:** Removal of contamination at a site to levels that do not exceed regulatory standards.

**roaming:** A service offered by wireless network operators that allows subscribers to use their mobile phone while in the service area of another operator.

**SAR (specific absorption rate):** - a measure of the amount of radio frequency energy absorbed by the body when using a mobile phone

**shared value:** This involves creating economic value in a way that also creates value for society by addressing its needs and challenges. Businesses can achieve shared value creation by reconnecting company success with social progress. Shared value is not social responsibility, philanthropy, or even sustainability, but rather a new way to achieve economic success.

**simultaneous substitution:** A process in which local Canadian television signals are substituted over television signals from U.S. and more distant Canadian stations when the programming being aired on both channels is the same. This process sees that the programming rights purchased by local Canadian television stations are protected, which further allows them to invest in local news and Canadian programming.

**spectrum:** The range of electromagnetic radio frequencies used in the transmission of sound, data and video. The capacity of a wireless network is in part a function of the amount of spectrum licenced and utilized by the carrier.

**TeamHub:** A cloud-based technology that integrates TELUS' talent management functions to improve alignment of objective setting, performance management, career development, learning, compensation and succession management for the company.

**TELUS Community Ambassadors:** A large pool of current, former and retired employees who are passionate about volunteering in the communities where they live, work and serve.

**TELUS International:** Our international operations in the Philippines, United States, United Kingdom, Guatemala, El Salvador, Romania and Bulgaria.

**TELUS leadership values:** The TELUS team works together to deliver future friendly services and our values guide the way we work. They are: we embrace change and initiate opportunity; we have a passion for growth; we believe in spirited teamwork; we have the courage to innovate.

**TELUS Legend awards:** This award pays tribute to employees who have consistently lived our leadership values and made significant contributions to the TELUS legacy. All active and former employees with 20 or more years of service are eligible.

**third wave services:** embedded, intuitive computing in which our homes, vehicles, businesses, and personal devices have the ability to think, sense, understand, and respond to our needs.