



# building on strength 08

corporate social  
responsibility overview

# Who we are

TELUS is a leading national telecommunications company in Canada, with \$9.7 billion of annual revenue and 11.6 million customer connections including 6.2 million wireless subscribers, 4.2 million wireline network access lines and 1.2 million Internet subscribers. Led since 2000 by President and CEO, Darren Entwistle, TELUS provides a wide range of communications products and services including data, Internet protocol (IP), voice, entertainment and video. In support of our philosophy to give where we live, TELUS, our team members and retirees have contributed \$137 million to charitable and not-for-profit organizations and volunteered more than 2.6 million hours of service to local communities since 2000. Nine TELUS Community Boards across Canada lead our local philanthropic initiatives. For more information about TELUS, please visit [telus.com](http://telus.com).

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### Caution regarding forward-looking statements summary

This report contains statements about expected future events and financial and operating results of TELUS that are forward-looking. By their nature, forward-looking statements require the company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other 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 could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this report is subject to the disclaimer and qualified in its entirety by the assumptions (including assumptions for 2009 targets), qualifications and risk factors referred to in this report, in the Management's discussion and analysis starting on page 12 of the TELUS annual report – financial review ([telus.com/annualreport](http://telus.com/annualreport)) and in other TELUS public disclosure documents and filings with securities commissions in Canada (on [sedar.com](http://sedar.com)) and in the United States (on EDGAR at [sec.gov](http://sec.gov)). TELUS disclaims any intention or obligation to update or revise forward-looking statements, except as required by law. All financial information is reported in Canadian dollars unless otherwise specified.

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## About this report

Information contained in this 2008 corporate social responsibility (CSR) report covers the period from January 1, 2008 to December 31, 2008 unless otherwise stated. The material includes TELUS' wireline and wireless operations across Canada, as well as TELUS International, where specified. As our TELUS International footprint expands, we will strive to ensure that this is better reflected in the scope of our key performance indicators. Currently, TELUS International is fully represented in our economic indicators, workplace demographics, integrity training and compensation and benefits. The 2007 CSR report was issued on June 2, 2008.

Also contained in this report are 2008 targets and results and 2009 targets for key performance indicators in three main categories related to CSR – economy, society and environment.

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

Symbol:

 information was independently reviewed by PricewaterhouseCoopers LLP (PWC) in 2008

# Priorities and Results



## 2008 and 2009 CSR priorities

We take a triple bottom line approach to business, balancing economic growth with a diligent focus on environmental and social goals. The scorecard that follows illustrates, at a glance, TELUS' CSR results and highlights from 2008 compared to our 2009 CSR priorities.

Issue	2008 CSR priority	2008 results	2009 CSR priority
Economic growth	Realize TELUS' 2008 consolidated financial targets: revenue, operating earnings, earnings per share (EPS) and capital expenditures	TELUS met two of four original consolidated targets. While targets for consolidated revenues and capital investments were met, earnings targets were impacted by start-up costs associated with growth services	Realize TELUS' 2009 consolidated financial targets: revenue, operating earnings, EPS and capital expenditures, while maintaining compliance with financial policy targets
Governance, integrity and transparency	Certify under Section 404 of SOX on a continuous basis and conduct annual fraud risk assessment	Certified under Section 404 of SOX and completed third annual fraud risk assessment	Certify under Section 404 of SOX on a continuous basis, conduct annual fraud risk assessment and continue to prepare for the conversion to International Financial Reporting Standards for accounting Successfully integrate CSR requirements into annual key business unit strategic review process and establish regular CSR scorecard progress reviews by the Audit Committee (quarterly) and the Executive Leadership Team (mid-year and year end)
Community welfare	A 5% increase in total donations and team member participation in Team TELUS Cares programs Develop and implement a tool for quantifying the social and business impact of TELUS' community investment strategy	Achieved an 8.5% increase in total donations and a 23% increase in team member participation Developed a community investment ROI scorecard (for internal TELUS use) in 2008, using key performance indicators to measure our performance in giving, reach, opinion and worth to TELUS	Evolve TELUS' overall community investment strategy to more closely align with our strategic intent, business priorities and financial performance Increase Ipsos Reid research "Contribution to Community" composite perceptions overall by 3% in each city where we have a TELUS Community Board
Workplace well-being	Implement a new Team TELUS focus for CSR. This will consist of three team member metrics – turnover, engagement and Team TELUS Cares participation	Successfully implemented new Team TELUS focus, including turnover, engagement and Team TELUS Cares participation, and achieved targets for all three metrics	Acknowledging an increased focus on operational efficiency and workforce restructuring, we will support our team members with wellness and workplace engagement programs and in giving back to the communities where we live through Team TELUS Cares participation <sup>1</sup>
Environmental sustainability	Perform a complete assessment of TELUS' energy consumption and develop targets for absolute reductions in direct and indirect carbon dioxide (CO <sub>2</sub> ) emissions for 2009 and beyond. Targets to be normalized to reflect acquisition and divestiture activity	Completed energy consumption and CO <sub>2</sub> assessment. Developing target for absolute CO <sub>2</sub> emission reductions by 2019	Publicly disclose our absolute CO <sub>2</sub> emission reduction target Achieve a 2% year-over-year decrease in CO <sub>2</sub> emissions and energy consumption normalized to revenue

<sup>1</sup>) Team member turnover, which was a metric in 2008, has been removed from the CSR and corporate scorecards in recognition that voluntary turnover has significantly decreased due to the downturn in economic conditions. We continue to track this metric for 2009.

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## 2008 results and 2009 targets at a glance

The following is a summary of TELUS' key economic, social and environmental performance results for 2008 and our 2009 targets. To determine the content of each report, TELUS assesses the CSR materiality of certain aspects of its business, as well as using the pertinent Global Reporting Initiative (GRI-G3) reporting guidelines to help direct its disclosure. The GRI-G3 guidelines provide a baseline for the type of discussion, as well as the volume and type of metrics that can be found within the report. Last year, we reported on at least 20 indicators required to assess at a "B" Level, however, we lacked the management approach discussion to adequately assess ourselves as such. This year, we have closed the gap and have self-assessed our GRI-G3 compliance level as "B".

- ✓✓ Exceeded target
- ✓ Met target
- ✗ Missed target

## Economy

Performance measure	Original target for 2008 <sup>1</sup>	2008 results		2009 target <sup>2</sup>	GRI-G3
Consolidated					
Revenues	\$9.6 to \$9.8 billion	\$9.653 billion	✓	\$10.025 to \$10.275 billion	EC1 Core
EBITDA <sup>3</sup>	\$3.8 to \$3.95 billion	\$3.779 billion	✗	\$3.75 to \$3.9 billion	—
Earnings per share (EPS) – basic	\$3.50 to \$3.80	\$3.52	—	\$3.40 to \$3.70	—
EPS – basic (excluding income tax-related adjustments) <sup>4</sup>	\$3.50 to \$3.80	\$3.37	✗	\$3.40 to \$3.70	—
Capital expenditures (excluding expenditures for Advanced Wireless Spectrum licences in 2008) <sup>5</sup>	Approx. \$1.9 billion	\$1.859 billion	✓	Approx. \$2.05 billion	EC8 Core
Wireline segment					
Revenue (external)	\$4.975 to \$5.075 billion	\$5.021 billion	✓	\$5.05 to \$5.175 billion	EC1 Core
EBITDA <sup>3</sup>	\$1.725 to \$1.8 billion	\$1.774 billion	✓	\$1.65 to \$1.725 billion	—
Wireless segment					
Revenue (external)	\$4.625 to \$4.725 billion	\$4.632 billion	✓	\$4.975 to \$5.1 billion	EC1 Core
EBITDA <sup>3</sup>	\$2.075 to \$2.15 billion	\$2.005 billion	✗	\$2.1 to \$2.175 billion	—
Long-term financial policies and objectives					
Net debt to EBITDA (excluding restructuring costs)	1.5 to 2 times	1.9 times	✓	1.5 to 2 times	—
Unutilized liquidity	Maintain a minimum of \$1 billion	\$1.15 billion	✓	Maintain a minimum of \$1 billion	—

1) Set in December 2007.

2) Please refer to Caution regarding forward-looking statements summary. The economic targets were set on December 17, 2008.

3) Earnings before interest, taxes, depreciation and amortization (EBITDA) is not a calculation based on Canadian or U.S. generally accepted accounting principles (GAAP).

4) A non-GAAP measure.

5) The 2008 capital expenditures target was set excluding expenditures in the AWS auction.

## Social

Performance measure	2008 target	2008 results		2009 target <sup>2</sup>	GRI-G3
Community	Develop and implement a tool for quantifying the social and business impact of TELUS' community investment strategy	Developed a community investment ROI scorecard (for internal TELUS use) in 2008, using key performance indicators to measure our performance in giving, reach, opinion and worth to TELUS	✓	Evolve TELUS' overall community investment strategy to more closely align with our business strategic intent, priorities and financial performance Increase Ipsos Reid research "Contribution to Community" composite perceptions overall by 3% in each city where we have a TELUS Community Board	SO1 Core
Engagement Index	58 %	58 %	✓	62 %	—
Wellness participation	n/a	n/a	—	Develop a measure for our suite of wellness programs. Target 20% team member participation in Active Living wellness program for 2009	—
Team TELUS Cares programs	Increase total donations and participation in Team TELUS Cares programs by 5%	Achieved an 8.5% increase in total Team TELUS Cares donations and a 23% increase in team member participation	✓✓	Increase overall participation in Team TELUS Cares program to 40% of our team member base	—
Average voluntary turnover	10.3 %	10.3 % <sup>6</sup>	✓	8.1 % <sup>7</sup>	LA2 Core
Team member recognition spend	Approx. \$7.2 million <sup>8</sup>	\$8.8 million	✓	\$8.2 million	—
Investment in learning	Approx. \$36 million <sup>9</sup>	\$29.1 million	✗	\$29.4 million	LA10 Core, LA11, LA12
Overall days lost per full-time equivalent team member	Review the way we measure absenteeism and develop targets for the future	Review deferred until 2009 8.7 days per year <sup>10</sup>	✗	Less than 8.7 days per year Review the way absenteeism is measured and develop robust targets for the future	—

## Environment

Performance measure	2008 target	2008 results		2009 target <sup>2</sup>	GRI-G3
Environmental management system (EMS)	Complete 80% of the upgrades to our environmental management system (EMS – ISO 14001:2004)	65% of gap closure plan completed	✘	Develop and launch EMS gap closure implementation plan for HR business unit	EN26 Core
EMS review of TELUS International	Include TELUS International in EMS gap closure plan subject to business requirements	Partial review of TELUS International completed	✘	Establish working group to provide regular updates on TELUS International's environmental performance	—
Eco-efficiency	n/a	Achieved 0.1 kWh/\$ revenue, which is an efficiency improvement of 7.7% over 2007	—	Achieve 2% year-over-year eco-efficiency improvement	EN5
CO <sub>2</sub> efficiency	Establish new absolute reduction targets	Worked to establish new absolute reduction targets  Achieved 0.032 kg/\$ revenue, which is a 0% year-over-year CO <sub>2</sub> efficiency improvement	✘  —	Publicly disclose long-term absolute reduction targets  Achieve 2% year-over-year CO <sub>2</sub> efficiency improvement	EN16 Core
Wireless device recycling	50,000 wireless devices	86,645 wireless devices	✓✓	90,000 wireless devices	EN26 Core
Paper consumption	10% reduction	21% reduction	✓✓	10% reduction	EN1, EN26 Core
Water consumption	Review measurement protocol and capture 90% of use	Reviewed measurement protocol and captured 60% of use	✘	Update measurement protocol and capture 100% of use	EN8 Core
Environmental site assessments	600 assessments	572 assessments	✘	Complete 1,780 assessments, including 80 by Environment team members <sup>11</sup> Develop new methodology	EN26 Core
High-risk site assessments	100% of high-risk sites	75% of high-risk sites	✘	75% of high-risk sites Develop new methodology	EN26 Core
Spills and releases	100% reporting	100% reporting	✓	100% reporting	EN23 Core
Fuel system upgrades	30 fuel system upgrades	36 fuel system upgrades	✓✓	18 fuel system upgrades	EN26 Core
Halon removal	20% year-over-year reduction	14% reduction	✘	15% year-over-year reduction	EN26 Core
Contaminated sites	Investigate 25 sites and complete 10 sites	Investigated 27 sites Completed 4 sites	✓ ✘	Investigate 20 sites and complete 5 sites Develop new methodology	EN14, EN2, EN6 Core

6) Based on domestic turnover.

7) Target based on Conference Board of Canada 2008 result for communications/telecommunications average voluntary turnover less 20% to account for reduced turnover during the current challenging economic times.

8) The calculation of recognition spend in 2008 has been revised from 2007 to better reflect the actual spending on recognition expenses at TELUS. The 2008 target was restated based on the revised calculation.

9) Adjusted from 2007 report due to minor corrections in methodology.

10) Our review was deferred until 2009; previous methodology was used to establish our result.

11) The increased target for 2009 reflects the number of sites assessed with an environmental health and safety inspection routine more frequently used by field staff.

# Message and Strategy

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### A message from our CEO

TELUS views our commitment to corporate social responsibility as an important priority. It is also a fundamental part of our culture, which strives to make our brand live up to the promise — the future is friendly — in the hearts and minds of our customers, team members, community partners and shareholders. We believe that to prosper as a company, we must deliver superior returns to our shareholders, provide exceptional value to our customers and balance our responsibility as a corporate citizen.

We also believe that maintaining our strong focus on sustainability despite the challenging economic and capital market environment will differentiate us amongst our peers, present compelling business opportunities and contribute to our long-term success. Indeed, our ongoing efforts to conduct business with a triple bottom line approach, balancing economic, environmental and social sustainability practices, will help position us to advance our national growth strategy in a responsible and future friendly manner.

#### Inspired by the TELUS values

The TELUS team is passionate about the culture they have helped shape and the shared set of values that guide our daily interactions with clients, community and business partners, and one another. Without a doubt, TELUS has a rich legacy of business success. Our achievements are attributable to the incredible collective effort of our team over so many decades, which helped form the foundation of our company and our community giving efforts today. Through our brand promise and our commitment to the TELUS values, we are dedicated to enhancing consumers' lifestyles, improving the competitiveness of business and demonstrating innovation in corporate social responsibility.

#### We embrace change and initiate opportunity

Our company has a long history of embracing change in order to navigate through industry, economic and regulatory changes. Importantly, our team recognizes that we have a shared responsibility to adapt effectively in order to address the current economic challenges and optimize our performance. In the second half of 2008 we focused on proactively reducing costs by streamlining and integrating select business units; centralizing our purchasing and vendor management activities; containing compensation and benefits-based costs; and reducing travel, contractor and consulting costs. This focus will continue throughout 2009.

Our efforts in this regard are required to support our investment in building and deploying a high-speed packet access (HSPA) network, which is to be launched in early 2010 as well as our purchase of additional spectrum licenses across Canada in the advanced wireless spectrum auction. These initiatives will significantly strengthen our competitive position by giving our clients more choice with the broadest selection of wireless solutions and applications.

We are also investing significantly to enhance our broadband infrastructure in British Columbia, Alberta and Eastern Quebec. This investment will fuel our growth and improve our competitiveness, better position us against cable TV companies for high-speed Internet service and support the launch of exciting new services for customers, such as all digital TELUS TV.

Our efforts to optimize our performance are also required to support strategic investments and long-term prosperity in our industry verticals, for example healthcare. Despite massive investment, our national healthcare system is in the midst of a challenge of historical proportions that is impacting the life of every single Canadian. TELUS is answering this challenge with a clear transformation agenda, which includes delivering critical health

information to the point of patient care; bringing clinical expertise to rural communities; and shifting the focus by using technology, from the remediation of disease to the prevention of disease.

The TELUS team is resolute in our commitment. Over three years, TELUS is investing \$100 million dollars in healthcare technology. This includes:

- Bringing ground-breaking applications for remote patient monitoring to market;
- Driving the ubiquitous adoption of electronic health records and prescriptions;
- Providing the secure storage of patient information; and
- Automating the healthcare system with patient-centered, technology solutions that will engage patients as an equal partner in the management of their health.

Through these investments, we will foster healthcare collaboration, drive disease prevention, reduce costs, empower patients, and ultimately, transform the way critical health information is delivered across the continuum of care.

Supported by the effort and thought leadership of our team members, TELUS recently earned recognition as the 2008 Health Company of the Year by the Information Technology Association of Canada. Moreover, for the second year in a row, TELUS was named the number one Canadian Healthcare Solution Company by Branham300, a premier ranking of information technology companies. We are looking forward to building upon this success.

TELUS recognizes the opportunity to prudently invest in these areas of prime strategic importance to advance our growth strategy. While these investments have negative cash flow implications in the short term, they are designed to create long-term value for our shareholders and customers.

#### We have a passion for growth

We are passionate about positioning our company at the forefront of our global peers and investing to develop the best talent in the communications industry worldwide. TELUS continues to provide training and development opportunities to enhance personal leadership competencies, motivate our team to think and perform at a world-leading level, and further enhance our overall effectiveness. In 2009, we plan to invest approximately \$30 million in team member learning consistent with our \$29 million investment in 2008 in this regard.

Our dedication to career development and growth has earned international recognition. Notably in 2008, TELUS was cited as one of Canada's most admired companies for effective internal people programs by The Beacon Group for our excellence in the overall management of our people and human capital. TELUS was also one of five companies to be awarded a prestigious Industry Achievement Award from SkillsSoft, the international leader in e.learning, for our global leadership in supporting team member growth and professional development.

Notably, our accomplishments in training and development in 2008 build upon our legacy of success in this regard. In 2007, the American Society for Training and Development (ASTD) honoured TELUS with an ASTD Best Award, recognizing organizations that demonstrate enterprise-wide success as a result of employee learning and development. TELUS placed third worldwide after a comprehensive evaluation of more than 100 organizations from across eight countries. Moreover, in 2005, Josh Blair earned Learning Leader of the Year, an international recognition by Thomson NETg Illuminati, for his innovative approach to results-based career development programs.



### **We believe in spirited teamwork**

Despite difficult economic times, we have continued to invest in our innovative community board strategy, fully realizing a national scope with the launch of our ninth TELUS Community Board in Atlantic Canada. Since their inception, TELUS Community Boards have allocated \$16.9 million to local charities and non-profit organizations, and supported 1,200 community projects. In 2009, we are planning to donate a further \$4.1 million to support local, grassroots charitable organizations across Canada as compared to \$5.4 million in 2008.

Through Team TELUS Cares, our giving and volunteer program, team members and retirees continue to engage in spirited teamwork to improve our communities. Collectively, the TELUS team is making a significant impact across the country demonstrating our philosophy to 'give, where we live' by contributing more than \$137 million to charitable organizations across Canada and volunteering over 2.6 million hours during the last eight years. Additionally, our third annual TELUS Day of Service set a participation record in 2008 with more than 8,600 team members, retirees, family members and friends volunteering to make a positive difference in their communities and the environment.

In 2008, we also joined the Juvenile Diabetes Research Foundation in the first annual TELUS Walk to Cure Diabetes as part of our three-year, \$1.2 million partnership, which also provides funding for Canadian-based diabetes research initiatives. Team members, retirees, friends and family members raised \$525,000, which TELUS matched dollar for dollar, bringing the total to more than \$1 million. In total, 45,000 Canadians participated in the walks, raising more than \$8 million to fund diabetes research efforts.

### **We have the courage to innovate**

Our 2008 corporate social responsibility report demonstrates our commitment to provide insight into our programs, measurement tools and accountabilities, and highlights our efforts to continuously innovate our practices in this regard. I encourage you to review our results against our stated priorities for 2008 as well as our plans for 2009 across the economic, social and environmental aspects of our business.

The dedication of the TELUS team to maintaining robust and transparent disclosure on corporate social responsibility is earning our company global recognition. I am pleased that for the eighth consecutive year TELUS was listed on the Dow Jones Sustainability World Index and for the first time we were named to the Corporate Knights/Innovest Strategic Value Advisors 2009 Global 100 Most Sustainable Corporations List. Notably, we were one of only five Canadian companies that qualified. TELUS also earned honours for the second straight year at the Corporate Reporting Awards presented by the Canadian Institute of Chartered Accountants. Additional details of our achievements can be found in the awards section of our report.

Inspired by our shared values and the strength of our proven strategy, TELUS aims to remain at the forefront of our global peers to create long-term value for our investors, team members, customers and the communities we serve. We look forward to building on our strength in 2009 and beyond.

Sincerely,



Darren Entwistle  
President and Chief Executive Officer  
A Member of the TELUS Team  
June 4th, 2009



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## A message from our CFO

TELUS has issued a corporate social responsibility report since 1997. This tradition has evolved from a public disclosure of only TELUS' environmental performance to a vehicle through which we annually provide transparent, balanced and comprehensive disclosure of our combined economic, social and environmental triple bottom line performance.

At TELUS, we are committed to helping make the future friendly in part by being a leading Canadian corporate citizen. We also believe what gets measured, gets done! As such, reflecting the seriousness with which we regard our commitment to continuously improve our CSR impact, we have applied our performance management approach to our CSR goals and therefore have set annual targets, measure and monitor our progress and then report on our results in a manner consistent with our financial reporting methodology.

Over the past several years, we have increasingly aligned our CSR processes with our overall strategic and business performance planning processes. Accordingly, our CSR results, along with our stakeholder input, are used to inform our management decisions and identify areas where continued improvement may be required.

Our CSR reporting is intended to give stakeholders a clear understanding of where we have succeeded and where we believe more focus is required to further our CSR goals. For example, while we achieved a number of our 2008 targets related to revenue, team member engagement and wireless handset recycling, we were challenged in other areas, such as basic earnings per share and the closure of gaps between our existing environmental management system and the ISO 14001:2004 standard.

For our 2008 CSR report, we have once again engaged PricewaterhouseCoopers to review certain key performance indicators and provide a statement as to the accuracy of the reported results. We have continued to use the Global Reporting Initiative (GRI)-G3 guidelines as a reporting framework to guide our approach to public CSR disclosure and have self-assessed our 2008 CSR level of disclosure at a "B" level. This means we are reporting on a minimum of 20 GRI-G3 or product responsibility performance indicators and we have provided information with respect to our management approach for each indicator category.

We believe management is responsible for designing, maintaining and testing the effectiveness of the company's internal controls over CSR reporting, as it is with our financial reporting and related disclosures. We have reasonable assurance in regards to the accuracy of the data contained within this report.

We intend to increase the level of disclosure in 2009 and beyond, with the goal of being able to self-assess at an "A" level in the future. For example, we will seek to more fully include TELUS International operations in our key performance indicators, particularly as they relate to our environmental performance. In addition, we intend to develop an ethical procurement policy so that we can use our purchasing power to encourage more efficient use of resources by our suppliers. We will also stay abreast of developing CSR criteria and continue to solicit stakeholder feedback to further improve our measurement approach.

In 2009, recessionary forces, technological change and the threat of new competition present operational challenges to TELUS and our ability to meet a number of our CSR objectives. Despite this, we will strive to continue to make prudent sustainable investments even during challenging economic times. We will continue to take a long-term strategic and integrated approach to CSR, including adhering to our commitment to ongoing, balanced, transparent disclosure; maintaining and building upon our strong foundation of ethics and corporate governance; and striving to ensure that our core priority CSR commitments are sustainable in relation to our financial performance in both good and challenging economic times as we continue to position our company for long-term future success.

Sincerely,



Robert McFarlane  
Executive Vice-President and  
Chief Financial Officer  
Member of the TELUS Team  
June 4th, 2009



We at TELUS aspire to be one of Canada's leading corporate citizens. We follow the Global Reporting Initiative (GRI) definition of corporate social responsibility (CSR), which is:

*A firm's accountability to internal and external stakeholders for organizational performance towards the goal of sustainable development.*

We work to achieve this by integrating economic, social and environmental considerations into our business practices. At a business operations level, our view of CSR includes, but is not limited to the following:



In the spirit of continuous improvement, we enhanced this year's CSR report in terms of:

- CSR process (how we build the report)
- Content (what we put in the report)
- Media (how we share the report).

This year, our approach has resulted in an all-digital reporting structure, with the CSR report built as a website from the ground up. Printed collateral will be limited to a summary brochure and a small postcard promoting the website address. Thanks to our web-based format, we have included more detail, self-assessed at a GRI-G3 "B" level and provided more TELUS-specific examples of CSR in action in this year's report.

#### CSR and governance

We believe strong corporate governance is necessary to provide a solid foundation for CSR leadership. It encompasses considerations such as:

- Ethical conduct and the demonstration of ethical standards and expectation-setting by leaders
- Having an independent and effective Board that oversees management
- Accountability to investors and other stakeholders

- Effective internal controls and transparent disclosure of strategic objectives and results that facilitate accountability
- External and internal assurance
- Reasonable executive compensation.

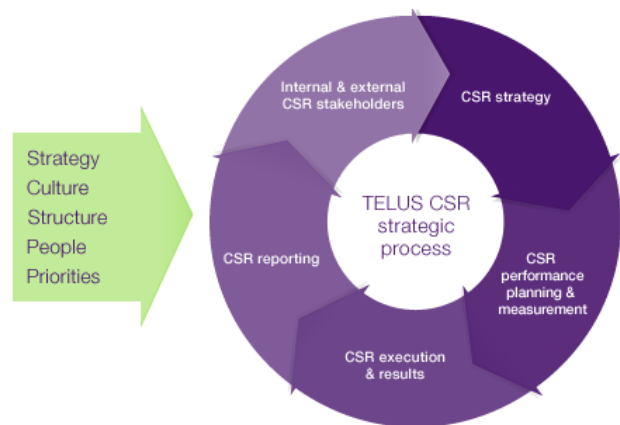
TELUS' strategic CSR vision is to contribute to a better world by ensuring long-term corporate economic viability, supporting the communities where we live, work and serve and by being stewards of the environment.

We employ a continuous improvement cycle informed by input from our internal and external stakeholders, to develop CSR programs with tangible outcomes, such that we can evaluate and report on our performance.

At TELUS, we have executed on a consistent strategy since 2000. Our strategic imperatives:

- Focusing on growth markets of data and wireless
- Building national capabilities
- Partnering, acquiring and divesting as necessary
- Providing integrated solutions
- Investing in internal capabilities
- Going to market as one team.

*support our strategic intent... to unleash the power of the Internet to deliver the best solutions to Canadians at home, in the workplace and on the move.*



To execute on this strategy, we have developed a customer-focused organizational structure, adopted a set of values:



*engaged the right people and then developed organizational priorities for success.*

This pressure-tested model is informed by the strategic context in which our firm operates. This includes: industry economics and technological change, the competitive landscape, customer requirements, the regulatory environment and our core competencies. Our vision of being a leading corporate citizen, and the tools we have as an organization to achieve this, are part of our core competencies.

Overall responsibility of the organization's CSR performance resides with the Executive Leadership Team. A CSR leadership team, comprised of directors and vice-presidents from the various TELUS business units, was established in 2006. This team meets quarterly, or more frequently as necessary, to review progress against CSR objectives and assess new or ongoing CSR initiatives. High-level progress reviews are provided quarterly to the Audit Committee of the TELUS Board of Directors.

Based on strategic input from external and internal sources, the CSR leadership team is responsible for executing our CSR strategy, identifying issues and opportunities and delivering programs to address them. TELUS' Executive Leadership Team and business unit vice-presidents are responsible for the approval of the overall strategic direction of our CSR programs. Our annual CSR report is the vehicle through which we disclose our performance and communicate our commitments for the future. Furthermore, it is the primary conduit for soliciting stakeholder feedback on our programs and performance.

### Stakeholder engagement

We solicit strategic input from various stakeholders and other sources, including:

- External stakeholders – customers, shareholders, debtholders, non-governmental organizations, peer organizations, socially responsible investment companies, governments, TELUS Community Boards, suppliers
- Internal stakeholders – team members, business unit leadership, executive
- External verification of data collection processes and data integrity from auditors
- Guidelines for reporting from third parties (e.g. Global Reporting Initiative)
- TELUS enterprise risk assessment participants
- Industry organizations (e.g. Canadian Business for Social Responsibility, Research Network for Business Sustainability)
- Academics

In addition to our normal interaction with stakeholders, we took a more focused approach to engaging with certain external stakeholders in 2008. We met one-on-one to obtain specific feedback on our CSR reporting and performance with:

- The chairs of the TELUS Community Boards (non-TELUS members)
- Markets Initiative (a non-governmental organization focused on reducing paper consumption)
- Ethical Funds (a socially responsible investment company)
- Ivey School of Business Centre for Building Sustainable Value.

In 2008, our internal and external stakeholders helped us identify the following areas of focus:

- Determining appropriate level of expenditure during times of restraint
- Assessing the impact of our community investment strategy
- Enhancing team member engagement, diversity and inclusion
- Addressing our contribution to climate change
- The role of our expanding international operations/activities
- Extending our influence in the supply chain
- Client churn, client transactional scores and TELUS Customer Value Measurement
- Customer satisfaction and service levels.

In this report, we have made an effort to address the first six significant issues. In 2009, we intend to focus more closely on the role of our expanding international operations and our ability to extend our influence in the supply chain.

### Business and Management Practices

At TELUS, business risk is defined as the degree of exposure associated with key strategic, financial, organizational and process objectives in relation to the effectiveness and efficiency of operations, the reliability of financial reporting, compliance with laws and regulations, and the safeguarding of assets within an ethical organizational culture.

To enable alignment with the triple bottom line, TELUS uses an enterprise-wide risk and control assessment process that solicits and synthesizes the expertise and insight of team members from all areas of the organization. This process seeks to address key risks to TELUS, including those related to CSR. More information on our risk assessment process is available in section 10 (Risks and risk management) of the 2008 annual report at [telus.com/annualreport](http://telus.com/annualreport). Information on financial liabilities is listed in the Consolidated financial statements and notes section of the annual report.

# Issues and opportunities

## 6

### Issues and opportunities summary

To increase transparency and respond more effectively to stakeholder feedback, we have identified issues and opportunities that can benefit from particular focus. We believe that, if addressed now, these challenges to our current business model can become opportunities for success in the future.

#### Sustainable growth during challenging economic times

In 2009, TELUS faces intensifying competition from cable-TV companies, and existing and new wireless companies, while operating in a challenging macroeconomic environment, facing increasing margin and revenue pressures. We expect to see continued decline in our traditional services as some customers replace our local and long-distance services with wireless and voice over IP (VoIP) offerings.

To help alleviate these competitive challenges, TELUS is continuing to significantly expand and enhance our broadband footprint, including the continued roll-out of high-definition TV and personal video recorder (PVR) service in certain cities in British Columbia, Alberta and Eastern Quebec. This allows us to leverage our Future Friendly Home® strategy through bundling (selling multiple services), which enhances retention.

We expect competition in the wireless market to remain intense, with competition from existing providers as well as new providers that won spectrum in Industry Canada's 2008 Advanced Wireless Spectrum (AWS) auction. The auction raised \$4.25 billion for the federal government, almost three times more than initially anticipated. As a result of government policy to reserve spectrum for new wireless entrants, a number of potential new entrants acquired spectrum in various regions of Canada, although no potential national provider emerged. TELUS expects to face new entrant competition beginning in late 2009 or 2010. However, the number and long-term viability of new entrants in various markets remain uncertain because of, amongst other things, the significant amount of capital needed for build-out requirements, the high cost of the spectrum and start-up, weak capital market conditions, and restrictions on foreign investment.

Consistent with TELUS' national growth strategy focused on wireless and data, we acquired an average of 16.2 MHz of spectrum across Canada for \$882 million, strengthening our strong spectrum position and provide capacity for future fourth generation (4G) service offerings once this technology becomes commercially available in the post-2012 timeframe. Long-term evolution (LTE) is quickly emerging as the global standard for 4G wireless technology and is expected to become a commercial reality in the post-2012 timeframe. To transition to 4G, TELUS is building a High Speed Packet Access (HSPA) wireless broadband network, which we expect to launch nationally by early 2010. It will allow us to optimally transition to 4G by significantly enhancing data speeds and international roaming capabilities compared to current technology.

While it is expected that 2009 will be a challenging year from a macroeconomic perspective, TELUS has maintained a conservative approach to our financial policies, which has resulted in a strong balance sheet, ample liquidity and an enviable debt maturity profile despite the significant spectrum outlay. This gives us flexibility to adapt to both opportunities and challenges in this dynamic growth industry and positions TELUS to weather a weakening economy while continuing to make strategic growth investments for the future. These significant growth investments include:

- Building a next generation HSPA wireless broadband network
- The continued roll-out Koodo Mobile®, our new wireless basic service and brand
- The expansion of our broadband coverage, including TELUS TV®

- Implementation of large, managed data network contracts focused on four key industry verticals – the public sector, healthcare, financial services and energy.

#### Managing increased demand with a focus on positive community impact

We strive to be a leading corporate citizen and have a positive impact on the society around us. We do this:

- By designing our products to be safe and consumer-friendly
- By fostering the high performance, diversity and wellness of our team members
- Through our community investment strategy.

Since 2000, TELUS, our team members and retirees have contributed more than \$137 million to charitable and not-for-profit organizations and volunteered more than 2.6 million hours of service to local communities in support of our philosophy to give where we live.

We understand TELUS' success is directly linked to the health of our communities. Our team members and their families live, work and play in the community. We hire from the community, and our customers are part of the community. This symbiotic relationship defines our TELUS community investment strategy.

TELUS' community investment strategy focuses on three main components:

- Creating healthy communities by providing donations to local grassroots community programs
- Supporting charitable causes that relate to our core business
- Engaging our team members and retirees to give back to their local communities.

Each year, we spend millions of dollars and give thousands of volunteer hours to make a positive difference in our communities through a wide range of leading philanthropic initiatives. In 2009, however, we face some significant challenges, including a reduction in our philanthropic dollars, consistent with necessary cost reductions across the organization. The financial crisis and worsening economy in Canada that are directly impacting TELUS bring new urgency to the need to manage these dollars in such a way that we maximize the impact of our efforts, as the demand for supporting charitable causes increases.

#### Striving to be an employer of choice

Declining economic conditions and rising unemployment levels in 2009 as well as concerns about the duration of the economic recession have impacted the TELUS team. Maintaining team spirit and engagement, while making cost-containment decisions, many of which have a direct impact on team members, will be a major workplace challenge and focus in 2009.

Despite this significant challenge, we remain committed to offering team members the opportunity to:

- Work on leading-edge solutions for our customers
- Be part of an exciting and learning-focused culture
- Contribute to the community through service and giving.

In 2009, we plan to:

- Sustain the financial commitment for learning and career development close to 2008 levels and expand our complement of learning options, such as classroom courses, online learning and tuition reimbursement
- Support team member wellness and work life balance through access to support services and wellness practitioners, health screening and improvement programs, and an Active Living program

- Continue to support team members working when and where they can be most effective, which includes mobile and teleworking through our Work Styles program
- Engage team members in addressing the business challenges and recognizing their accomplishments
- Continue to engage, support and inspire women at TELUS in the pursuit of excellence in their careers through the TELUS Connections program
- Foster a workplace that is inclusive and respects diversity, building on the momentum achieved with our Respectful Workplace training and resolution support
- Focus on developing programs (such as a customized awareness training program) through our Diversity and Inclusiveness Council
- Support team members in giving back to the communities where they live, work and serve through Team TELUS Cares programs.

#### Improving the measure of our ecological footprint and dealing with climate change

At TELUS, we continually strive to improve our environmental performance and better understand our ecological footprint. In 2008, we focused our strategy on developing progressive environmental standards, policies and meaningful targets. Our core focus was to more closely align our environmental management system (EMS) with ISO 14001:2004 standards and to have a complete TELUS climate change strategy ready to implement in 2009.

By the end of 2008, we had successfully closed approximately 65 per cent of the gaps identified between our EMS and the ISO 14001:2004 standard, missing our stated target of 80 per cent. We had challenges

predicting the scope, timing and resources needed to achieve this objective. Given available resources and the current economic climate, our goal for 2009 is to develop and begin implementation of the remaining EMS gap closure plan, focusing specifically on our Human Resources business unit. As a medium-sized, enabling business unit responsible for all major real-estate functions, Human Resources was identified as the most suitable place to begin detailed implementation. Our long-term goal remains to have the entire company in a position to be certified by the end of 2013.

In 2008, one of TELUS' key environmental objectives was to develop a meaningful climate change strategy. Due to a variety of factors, we faced challenges garnering a complete understanding of our carbon footprint and how to mitigate our impact. However, the realization of the breadth of scope resulted in the inclusion of increased internal stakeholder input and expert external consultation. Because of this, we were able to better understand TELUS' energy use profile, carbon footprint and measures needed to make meaningful CO<sub>2</sub> emission reductions, including core in-house efficiency programs, internal education and green power purchase in geographical areas where fossil fuels are used for electricity generation.

Although we missed completing the strategy in 2008, the opportunity for greater input and extending our timeline has made for more meaningful reduction targets in energy consumption moving forward. In 2009, we intend to finalize our absolute reduction targets and begin communicating them. In addition, we will continue to track and seek to improve our efficiency, both in terms of energy consumption and CO<sub>2</sub> generation, as it relates to our ability to generate revenue.



## Building on sustainable economic growth

TELUS is focused on building sustainable economic growth for the benefit of our investors, customers, team members, suppliers and the communities where we live, work and serve. Our Future Friendly suite of products and services can enhance the lives of Canadians, enable the success of our customers and contribute to the development of sustainable communities — all while delivering long-term, positive results for our investors. We contribute to our economy through our purchasing decisions, by paying taxes, and by driving innovation and investing in technological research and development.

In 2008, the Canadian telecom industry generated estimated revenues of approximately \$40 billion. As a leading telecommunications provider in Canada, TELUS generated \$9.65 billion in revenues in 2008, or approximately 24 per cent of the total.

Revenue in the Canadian telecom market grew approximately 4.4 per cent in 2008, consistent with the mid-point of the 3.5 to 5.5 per cent growth experienced in recent years and higher than overall gross domestic product growth. Wireless and enhanced data continued to be the focus of increased investment and act as growth engines for the sector. Offsetting this growth was continued wireline industry weakness in voice service revenue, with declining long distance and legacy data revenues.

The Canadian wireless industry continued to experience robust growth with estimated 2008 year-over-year industry revenue and earnings before income, taxes, depreciation and amortization (EBITDA) growth of approximately 11 per cent and seven per cent, respectively.

The Canadian wireless industry continues to represent a meaningful growth opportunity, due to a national wireless penetration rate of 65 per cent, which is below other developed countries. For example, wireless penetration in the U.S. is approximately 87 per cent. The Canadian wireless market continued to grow at a healthy pace with almost 1.6 million new subscribers in 2008, or an estimated 4.6 point increase in wireless penetration. A gain of approximately 4.5 percentage points is expected in 2009.

It is expected that 2009 will be a challenging year from a macroeconomic perspective. TELUS will continue our focus on national growth in wireless, data and IP and expect revenue growth to be adversely affected by recessionary conditions placing pressure on profit margins.

#### TELUS' 2008 financial highlights

In 2008, TELUS' operating revenues increased 6.4 per cent to \$9.65 billion, largely due to wireless growth and wireline data growth, including new wireline data revenues from the January 2008 acquisition of Emergis. Revenues from wireline data and wireless services represent 69 per cent of total revenues, up from 67 per cent in 2007 and 28 per cent in 2000. This is consistent with our strategic imperatives focusing national growth in wireless, data and Internet Protocol (IP).

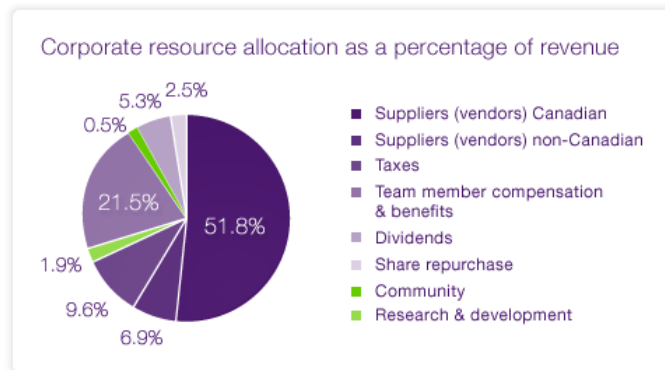
When 2008 EBITDA of \$3.8 billion is compared to 2007 EBITDA excluding a largely one-time \$169 million expense, the increase was only 0.6 per cent. This was due to growth in wireless and data revenues being partly offset by costs supporting growth, including acquisition and retention costs related to record digital wireless subscriber additions, higher restructuring costs in support of efficiency activities and short-term dilutive growth initiatives. These initiatives include TELUS TV, Koodo Mobile and upfront implementation costs of new, large enterprise contracts.

Net income decreased by \$130 million or 27 cents per share (basic) in 2008 when compared to 2007. The decrease included lower net income tax recoveries and related interest of \$208 million (63 cents per share). Net income before income tax-related adjustments increased by \$78 million, or 36 cents per share.

Cash flow, defined as EBITDA less capital expenditures, declined by \$950 million to \$1.0 billion, due mainly to the \$882 million payment for Advanced Wireless Spectrum (AWS) licenses in 2008 and increased capital expenditures supporting broadband investments and upfront expenditures to support new enterprise clients. Excluding payment for AWS spectrum

licenses, cash flows would have declined by three per cent or \$68 million to \$1.9 billion.

The following chart shows how TELUS allocates its resources, relative to revenue. The largest percentage (52 per cent) goes to paying our suppliers, 92 per cent of which are Canadian companies or multi-national companies with locations in Canada.



#### Financial highlights

Years ended December 31

	2008	2007	% change
\$ in millions, except per share amounts and ratios			
Operating revenues	9,653	9,074	6.4
Operating income	2,066	1,974	4.7
Net income	1,128	1,258	(10)
Earnings per share, basic	3.52	3.79	(7.1)
EBITDA <sup>1</sup>	3,779	3,589	5.3
As adjusted <sup>2</sup>			
EBITDA	3,779	3,758	0.6
Operating income	2,066	2,143	(3.6)
Net income	1,128	1,363	(17)
Earnings per share, basic	3.52	4.11	(14)
Capital expenditures	1,859	1,770	5.0
Simple cash flow <sup>3</sup>	1,038	1,988	(48)
Dividends declared per share	1,825	1,575	16
Dividend payout ratio <sup>4</sup>	56 %	54 %	(2) pts

- 1) Earnings before interest, taxes, depreciation and amortization.
- 2) In 2007, EBITDA (as adjusted) and operating income (as adjusted) exclude an incremental charge of \$169 million relating to the introduction of a net-cash settlement feature for share option awards granted prior to 2005. Net income (as adjusted) and earnings per share (as adjusted), exclude \$105 million and 32 cents, respectively, for this charge on an after-tax basis.
- 3) EBITDA (as adjusted) less capital expenditures and, for 2008, deducting payment of \$882 million for AWS spectrum licences.
- 4) Based on earnings per share excluding favourable tax-related adjustments and the 2007 net-cash settlement feature expense.

To learn more about TELUS financial performance and targets for 2009, visit TELUS' 2008 annual report.

In 2008, we increased our capital expenditures to almost \$1.9 billion, or 19 per cent of operating revenues. The increase in capital expenditures in 2008 was directed to investments supporting high bandwidth services for business and residential customers, the next generation wireless High Speed Packet Access (HSPA) network, and upfront expenditures to support new enterprise customers.

#### Capital expenditures by province

\$ in millions	2008 <sup>1</sup>	%	2007	%
British Columbia	451	24	454.6	25.7
Alberta	739	40	699.3	39.5
Saskatchewan	1	0.0	0.5	0.0
Manitoba	1	0.0	5.5	0.3
Ontario	444	24	433.7	24.5
Quebec	183	9.8	154.6	8.7
Atlantic Canada	9	0.5	1.3	0.1
Outside Canada <sup>2</sup>	31	1.7	20.8	1.2
Total capital expenditures	1,859	100	1 770.3	100

- 1) Rounded.
- 2) Primarily TELUS International.

Notwithstanding current economic trends, in 2009, TELUS expects to make increased capital investments of approximately \$2.05 billion, 10 per cent higher than 2008, representing approximately 20 per cent of expected operating revenues as we focus on expanding our wireless and wireline broadband and data capabilities and coverage.

#### Supporting Canadian businesses

Through our purchasing power, TELUS supports Canadian companies, which helps strengthen Canada's economy. In 2008, we paid approximately \$6.5 billion in total vendor payments (including goods and services tax and provincial sales tax), of which 88 per cent or \$5.7 billion went to vendors with locations in Canada.

Ninety-two per cent of the vendors with which we do business are Canadian companies or multi-national companies with locations in Canada.

#### Vendor payments by location

\$ in millions	2008	% of total	2007 <sup>1</sup>	% of total
Spent with vendors with locations in Canada	5,699	88	5,371	88
Spent with non-Canadian vendors	764	12	756	12
Total vendor payments	6,463	100	6,127	100

- 1) 2007 Canadian and non-Canadian vendor spend was restated from \$5,176 million and \$622 million, respectively, or an increase of \$195 million and \$134 million. Restatement was due to the inclusion of an additional vendor class.

#### The taxes we pay

In 2008, TELUS remitted taxes of almost \$1.1 billion to several levels of government, which in turn supports services for Canadians. This included a net payment of \$5.8 million in federal and provincial corporate income taxes and \$227 million in payroll, property tax, provincial corporation capital taxes, and sales taxes on goods and services used by TELUS, net of Province of Quebec tax credits received. In addition, TELUS collected \$830 million in sales taxes from our customers, which was remitted to federal and provincial government agencies.

Based on the assumption of the continuation of the rate of TELUS earnings, the existing legal entity structure, and no substantive changes to tax regulations, we expect substantial net cash tax payments of approximately \$320 to \$350 million in 2009, in respect of payments for the 2008 tax year in February 2009 and on an installment basis for 2009. All else being equal, this will bring the estimated total taxes to be remitted for 2009 to approximately \$1.4 billion.

Total federal and provincial taxes remitted			
\$ in millions	2008	2007	2006
Federal and provincial corporate income tax paid (recovery)	5.8	(122.7)	(103.0)
Other tax payments <sup>1</sup> :			
Federal government	70.1	67.7	66.4
Provincial and municipal governments and school boards:			
British Columbia	64.3	69.3	69.5
Alberta	25.0	35.4	37.9
Saskatchewan	0.2	0.2	0.2
Manitoba	0.7	0.4	0.4
Ontario	38.9	37.9	31.9
Quebec, net of tax credits	27.3	15.6	22.7
Maritime provinces	0.2	0.1	0.0
Provincial sub-total	161.8	170.9	166.5
Total other tax payments	226.7	226.6	229
Sales tax collected			
Goods and services tax and harmonized sales tax	480.0	535.7	549.8
Provincial sales taxes:			
British Columbia	133.2	130.4	126.0
Saskatchewan	1.4	1.1	1.4
Manitoba	4.4	3.4	3.0
Ontario	106.8	82.4	82.9
Quebec	103.9	93.6	75.2
Maritime provinces	0.7	0.5	0.4
Provincial sub-total	350.4	311.4	288.9
Total sales taxes collected	830.4	847.1	838.7
Total federal and provincial taxes remitted	1,068.1	963.0	968.5

1) Includes payroll, property and business taxes, provincial corporation capital taxes and sales taxes on goods and services used by TELUS, net of salary-based Quebec Tax credits received

### Building our future through research and development

TELUS invested an estimated \$210 million in research and development in 2008, compared with an estimated \$85 million in 2007. A portion of our 2008 investment went into the development, evaluation and testing of our next generation wireless network using HSPA, an advanced mobile broadband network technology currently being built by TELUS for commercial launch by early 2010.

In our wireline operations, we test and trial emerging new technologies and fund collaborative research and development activities with communications research organizations, such as TRLabs (Telecommunications Research Laboratories). TRLabs is the largest not-for-profit applied telecommunications research consortium in Canada. As an industrial partner, TELUS contributed \$660,000 per year in sponsorships and in-kind funding to TRLabs.

Estimated investment in research and development

\$ in millions	2008	2007	2006
Research and development	210	85	130

### Building on corporate governance and disclosure

The Canadian Institute of Chartered Accountants (CICA) recognized TELUS' leadership in corporate governance and disclosure in December 2008.

- For the second year in a row, TELUS won the Overall Award of Excellence for Corporate Reporting and for the first time, TELUS received the Award of Excellence for Financial Reporting
- TELUS received honourable mention for Excellence in Corporate Governance Disclosure, which is the fourth year of recognition in this category
- For a second year, we were recognized for Excellence in Sustainable Development Reporting, receiving an honourable mention in this category.

In 2008, the TELUS 2007 annual report ranked once again among the best in the world, according to a global survey of annual reports. In September, the Annual Report on Annual Reports by e.com awarded TELUS an A+ and ranked our report third best in the world.

## 8

### The strength of our commitment to community

We give where we live describes more than our community investment approach. It reflects our belief that we should have a positive impact on the society around us through our business and human resources practices.

We endeavour to do this:

- By designing our products to be safe and consumer-friendly;
- By fostering the high performance, diversity and wellness of our team members; and
- Through our community investment strategy

#### The strength of our commitment to customers

##### Client satisfaction

The Canadian telecommunications industry is highly competitive, so understanding how TELUS is viewed by our clients is critical to our business. At TELUS, we track four client satisfaction metrics. We disclose two of these metrics – our blended churn rate and the number of complaints our regulator, the Canadian Radio-television and Telecommunications Commission (CRTC), receives. We do not report results from our national data collection e-tool and transactional surveys of our clients because of competitive sensitivity.

Customers register complaints through the CRTC and the Commissioner of Complaints for Telecommunications Services Agency (CCTS). The CCTS is an independent agency that deals with consumer and small business complaints relating to local, long distance and wireless telephone services and Internet access. The CRTC established the CCTS in July 2008.

We monitor the status of the complaint investigation process through an internal tracking system. We logged 25 per cent more complaints in 2008 than 2007.

In September, TELUS turned down its analogue first-generation wireless network, deployed in the mid-1980s. The analogue network had reached the end of its useful service life and only 27,600 customers were using it just before deactivation. TELUS began notifying customers of the pending network shutdown about one year earlier. Customers were offered free digital phones and the option of higher-powered long-range phones at below-cost prices. The shutdown of the analogue network frees up more spectrum for digital capacity and allows TELUS to focus on improvements in the current third generation network and prepare for future 4G services.

In 2008, normalized blended subscriber churn (excluding deactivation of analogue subscribers) increased to 1.52 per cent from 1.43 per cent a year



ago. This reflected increasing competitive intensity in the wireless market, including the impact of higher prepaid churn, in part due to the growth of basic post-paid brands in the market. The blended churn rate including the deactivation of analogue subscribers was 1.57 per cent in 2008.

Competition in the Canadian wireless market has also intensified with the launch of wireless number portability (WNP) in March 2007. WNP gave wireless phone customers the ability to change carriers without having to change their phone number. TELUS has experienced modestly higher churn rates since the introduction of WNP. The initial post-WNP phase of pent-up demand to switch has subsided, but churn rates may be permanently higher in the future.

We also attribute 0.05 percentage points of this churn to the turn-down of our analogue network in 2008. Analogue cellular phones, introduced in the 1980s, were considered the first generation of wireless communications. Wireless technology evolved to digital or 2G, then to high-speed digital or 3G. Today, our networks are evolving to 4G. Before winding down our analogue network, we worked to transition the 27,600 clients who still used analogue cell phones to more modern technology.

#### Client satisfaction indicators

Indicator	2008	2007	2006
Monthly blended wireless churn <sup>1</sup>	1.52 %	1.45 %	1.33 %
CRTC and CCTS complaints	2,535	2,029	2,692

1) Churn rate is calculated by dividing the number of wireless devices our clients disconnected during a given period by the average number of wireless devices on our networks during that same period. It reflects both prepaid and postpaid services. In 2008, monthly blended wireless churn excludes the impact of 27,600 subscriber deactivations resulting from the turning down of the analogue network.

#### Incoming text messages

In the summer of 2008, TELUS announced that we would begin charging for incoming text messages to clients who do not subscribe to a text message feature bundle. The announcement generated significant media coverage and attention from various stakeholders due to, among other things, customer concerns over having to pay for spam.

TELUS has always believed that it is not fair for customers to be charged for spam messages. Our policy has always been to credit customers for spam messages they have received. TELUS uses sophisticated spam filters to eliminate most of these types of messages from reaching clients. In August, we introduced an even easier way for clients to be credited for any spam messages they receive. Clients can simply send the spam message to 7726 with the word SPAM in the body of the message and their account is adjusted automatically. The credit is processed with no questions asked of the client by TELUS.

#### The strength of our community investment

TELUS is committed to being a leading corporate citizen. Our efforts focus on supporting arts and culture, education and sport, and health and well-being in our environment in ways that benefit youth or showcase the innovative use of technology.

#### Total philanthropic giving

\$ in millions	2008	2007	2006	2005	2004	2003	2002	2001	2000	Total
Community investment <sup>1</sup>	13.0	13.4	9.0	6.2	8.6	7.8	7.6	7.7	11.9	85.2
In-kind	1.3	0.7	0.6	1.0	1.4	2.4	2.3	3.3	1.1	14.1
Team TELUS Cares programs <sup>2</sup>	4.3	3.7	0.4	1.2	3.3	2.6	2.7	1.5	1.4	21.1
Community Boards	5.4	4.6	3.5	3.5	0.0	0.0	0.0	0.0	0.0	16.9
Total	23.9	22.4	13.6	11.9	13.2	12.8	12.6	12.5	14.4 <sup>3</sup>	137.2

1) Includes corporate donations, TELUS match to Team TELUS Care programs.

2) Includes only donations made by TELUS team members, retirees and other eligible participants.

3) Restated due to previous inconsistency in data collection.

We support organizations that are:

- Helping to create the next generation of audiences and artists
- Promoting physical and high-performance skills, recreation and accessibility to sports for all
- Advancing research, disease prevention and care and helping to ensure a cleaner and healthier environment.

Since 2000, TELUS, our team members and retirees have contributed more than \$137 million to charitable and not-for-profit organizations and volunteered more than 2.6 million hours of service to local communities in support of our philosophy to give where we live. In 2008, our total financial and in-kind assistance was \$24 million.

#### TELUS and team member financial and in-kind assistance

In 2008, we met our goal of developing a return on investment scorecard, using key indicators to measure the performance of our community investment initiatives in terms of giving, reach, opinion and worth to TELUS. It gives us the ability to measure the impact of our community investment in terms of value created for TELUS. Because of the competitively sensitive nature of the output, this tool is for internal TELUS use only.

For several years, TELUS has partnered with Ipsos Reid, one of the world's leading survey-based marketing research firms to help us better understand our market, challenges, and competitors. In 2009, we plan to increase our "contribution to community" composite perceptions overall by three per cent in each city where we have a TELUS Community Board.



TELUS continues to be a member of the Caring Company program, a designation by Imagine Canada. This means we donate more than one per cent of our pre-tax profits to charitable organizations each year.

#### TELUS Community Boards

TELUS' unique and innovative national program of community boards strives to ensure money gets to the people who need it the most. It also enables us to develop key stakeholder relationships and build innovative community partnerships. There are nine TELUS Community Boards across the country – Victoria, Vancouver, Edmonton, Calgary, Toronto, Ottawa, Montreal, Rimouski and Atlantic Canada. The boards consist of distinguished community leaders and local TELUS team members who provide insight and inspiration to help make informed decisions about TELUS' response to community needs.

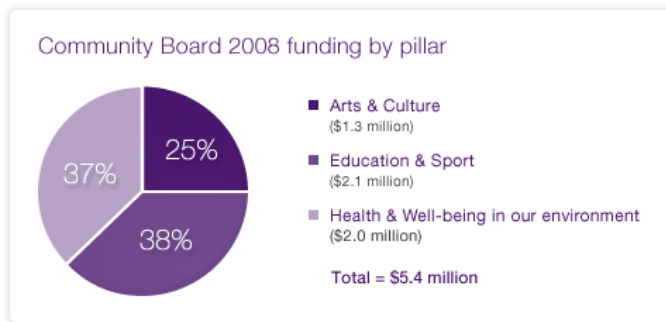
In 2008, our community boards provided \$5.4 million in funding to 366 community projects. Since their inception in 2005, TELUS Community Boards have donated \$16.9 million and supported 1,205 community projects.

#### TELUS Community Boards-2008 funding by pillar

In 2009, the TELUS Community Boards plan to provide \$4.1 million in funding to various community projects. This reduction is consistent with other necessary cost reductions across the organization.

At the end of December 2008, 59 per cent of our 132 board members were external to TELUS. We are committed to keeping the boards' composition at more than 50 per cent external representation, including at least one Olympian and one youth representative.

In late 2008, we announced the appointment of General Rick Hillier as Chair of the TELUS Atlantic Canada Community Board and we officially launched the board in the first quarter of 2009.



In the past, we helped organizations in the charitable sector be more successful by offering workshops on marketing, media relations and building government alliances. In 2008, our target was to hold workshops in Edmonton, Calgary and Vancouver. However, we shifted our focus, holding a "celebration of giving" event in Edmonton and hosting a community discussion forum in Calgary and we cancelled the Vancouver workshop because of budget constraints.

More than 120 TELUS team members, community board members, charitable partners, key community influencers and members of the media attended the July event in Edmonton. We used the opportunity to present 20 donations from the TELUS Employee Charitable Giving campaign to local organizations, including United Way, Alberta Cancer Foundation, Edmonton Humane Society, and Stollery Children's Hospital.

In September, the TELUS Calgary Community Board initiated a community conversation focused on environmental sustainability and its impact on the health and well-being of the Calgary community. The forum engaged local community leaders and Dr. Ben-Eli, an international expert on sustainability. We intend to engage the community in more conversations about strengthening the social fabric of our communities.

Find out about our funding guidelines and the online request for funding.

### Investing beyond our large centres

In 2008, we provided \$250,000 in donations and \$90,000 in sponsorships to grassroots not-for-profit organizations in the smaller or more remote areas in Western Canada through our Community Advisory Teams.

In 2009, we intend to donate \$80,000 through this program. In addition, we intend to introduce a grassroots sports program for mid-sized communities such as Red Deer and Prince George.

### Taking flight with Santa

For the last six years, Santa Claus has joined team members and the TELUS Community Ambassadors for the TELUS Santa Flights, spreading holiday cheer to families and children in four cities. The program brings families with children who have life-threatening illnesses together for a very special and festive day. Read about it.

Families participate in gingerbread house decorating and other holiday crafts and have professional family photos taken with Santa and Mrs. Claus. Then they board the TELUS plane to take off for a memorable ride in the sky with the Clauses.

The Santa Flights program runs in Edmonton, Calgary, Vancouver and Toronto and supports TELUS' partnerships with healthcare community partners, including McMaster Children's Hospital, The Foundation for Sick Children (SickKids), BC Children's Hospital, Ronald McDonald House Southern Alberta and Make-A-Wish Foundation Northern Alberta.

### Upopolis

In 2006, TELUS partnered with the Kids' Health Links Foundation to develop the Upopolis program. Upopolis is a private social community that connects young hospital patients to their families, friends and school network. It is designed to alleviate stress, isolation and loneliness while kids are in medical care and is currently available at McMaster Hospital in Hamilton and BC Children's Hospital in Vancouver.

The patients are able to stay connected through e-mail, instant messaging and social networks with other Upopolis members. They can also share experiences through personal blogs and create their own online discussions and they can stay informed about homework assignments from their teachers.

We hope to implement Upopolis in several more children's hospitals across Canada by 2010. In June 2008, the Information Technology Association of Canada (ITAC) recognized TELUS with an ITAC IT Heros Award for Upopolis.

Team TELUS Cares Programs<sup>1</sup>  
in \$ millions (rounded)

Year	Employee Charitable Giving <sup>2</sup>		Dollars for Doers		Dollars for Fundraisers		Total
	Pledged donations	TELUS match	Volunteer hours	TELUS donations	Dollars raised by team members	TELUS match	
2009 <sup>3</sup>	3.4	3.7					
2008	2.7	2.6	453,094	0.7	0.9	0.6	7.5
2007	2.7	2.5	417,302	0.5	0.5	0.4	6.6
2006	0	2.0	390,000	0.4			2.4
2005	1.0	1.0	139,248	0.2			2.2
2004	2.9	2.9	324,277	0.4			6.2
2003	2.3	2.3	351,526	0.3			4.9
2002	2.4	2.4	349,634	0.3			5.1
2001	1.5	1.5	154,970	s.o.			3.0
2000	1.44	1.44	62,305	s.o.			2.8
<b>Total</b>	<b>16.9</b>	<b>18.6</b>	<b>2,642,356</b>	<b>2.8</b>	<b>1.4</b>	<b>1.0</b>	<b>40.8</b>

1) Does not include TELUS International.

2) Formerly called TELUS Dollars for Dollars.

3) 2009 Employee Charitable Giving information is available at this time due to the pledges are made in 2008 to be donated to charities in 2009; all other 2009 program information is not available until year end 2009.

4) Estimated breakdown as exact breakdown is unavailable.

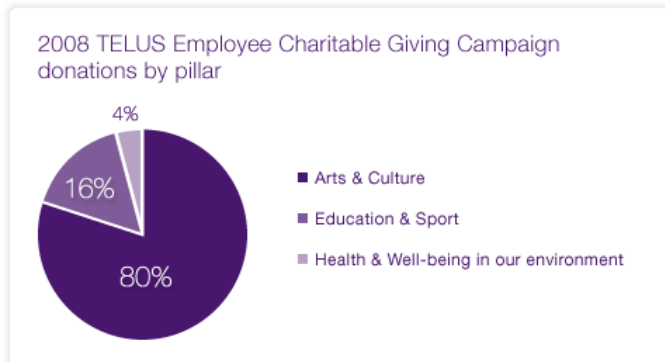
### The strength of our team member engagement in the community

Charitable organizations across Canada need support not only from corporations but from individuals. The Team TELUS Cares programs are designed to motivate and mobilize team members to give where they live. In 2008, TELUS, our team members and retirees contributed more than \$24 million of financial and in-kind assistance and as well as more than 450,000 volunteer hours to charitable and not-for-profit organizations across Canada through these programs.

Our target for 2008 was an increase of five per cent in total donations and participation across all team member programs, which include TELUS Employee Charitable Giving, TELUS Dollars for Doers, TELUS Dollars for Fundraisers and TELUS Day of Service. We exceeded all targets. It was, in fact, a record year for participation in all four programs. Under these programs, actual 2008 donations increased by 8.5 per cent, overall participation increased by 23 per cent, and volunteer hours increased by more than eight per cent over 2007.

### TELUS Employee Charitable Giving

TELUS Employee Charitable Giving (formerly called TELUS Dollars for Dollars) is one of the most generous corporate charitable giving programs in Canada. Under the program, TELUS matches – dollar for dollar – all eligible team member and retiree donations to more than 45,000 approved registered charities, such as the Canadian Cancer Society and the Canadian Breast Cancer Foundation. Team members can donate as much as \$20,000 per year through the program.



Team member donations are processed through payroll deduction and retiree donations are processed through pension deduction. TELUS dealers and members of TELUS' Board of Directors and Community Boards are also invited to participate in the program.

Since 2000, this program has donated \$35.5 million to community organizations across Canada. TELUS covers all administration costs, which means every penny of each donation goes to the charities chosen by our team members.

In 2008, we gave \$5.3 million to more than 2,900 charities across Canada:

- \$2.0 million from team members
- \$0.7 million from retirees and board members
- \$2.6 million match from TELUS.

These amounts reflect the amounts pledged during the 2007 campaign. Donations pledged in 2008 will be reported in the 2009 Corporate Social Responsibility report.

### Employee Charitable Giving donations (including TELUS match)

Campaign year	Year donation given	Donation total (\$ in millions)
2008	2009	7.1
2007	2008	5.3
2006	2007	5.3
2005	2006	2.0
2004	2005	2.0
2003	2004	5.8
2002	2003	4.6
2001	2002	4.8
2000	2001	2.9
1999	2000	2.8
<b>Total</b>		<b>35.5<sup>1</sup></b>

1) 2009 Employee Charitable Giving information is available at this time due to the pledges are made in 2008 to be donated to charities in 2009.

### TELUS Dollars for Doers

Charitable organizations across Canada need both volunteers and money so they can continue providing services to people in need. By recognizing team members' volunteer efforts with charitable donations, TELUS helps answer both these needs.

Under this program, individual team members who record a minimum of 50 volunteer hours in a year can claim a \$200 cheque to the eligible charity of their choice. Teams of four or more TELUS team members who record a minimum of 200 volunteer hours in the year can claim a \$1,000 cheque to the eligible charity of their team's choice.

Since 2000, team members and retirees have recorded 2.6 million volunteer hours in communities across Canada. Our 2008 target was to increase recorded volunteer hours by five per cent, compared to 2007. In 2008, 4,525 team members and retirees gave 453,094 volunteer hours and TELUS provided \$707,100 in donations in support of the program. This represents an eight per cent increase over 2007.

### TELUS Dollars for Fundraisers

Under TELUS Dollars for Fundraisers, which was introduced in May 2007, TELUS matched up to \$500 for personal pledges or up to \$5,000 for team pledges for team members who participated in a fundraising activity such as a run or walk.

In 2008, 1,815 team members and 586 guests raised \$911,987. TELUS provided \$629,073 to eligible charitable organizations in matching funds. As a result, 189 charities received \$1.54 million in funding.

To align with other necessary cost reductions across the organization, we cancelled the Dollars for Fundraisers program. In 2009, we will focus our efforts on simplifying our range of programs.

# 9

## Building on the strength of our team members

Our team members are the face, heart and soul of our organization, simultaneously embodying and projecting our company's values. TELUS' commitment to its team members is reflected in our workplace policies, which include diversity, ethics, respect, and labour relations.

### Corporate citizenship and the workplace

Striving to be one of Canada's leading corporate citizens means making a commitment to team members. There are three facets of team members' lives where TELUS can have a positive influence. They are:

- Professional – team members' work and their ability to feel they are contributing to the workplace in a substantial and meaningful way. It also means they have the ability to learn and grow in their careers
- Personal – team member well-being, Employee and Family Assistance Programs, work/flex options as well as financial rewards
- Public/Community – enabling team members to give where they live in the way that they choose.

We measure how well we are delivering on our commitment to team members, by tracking metrics for key programs. They include:

- Engagement – designed to measure the extent to which TELUS is a great place to work. Engagement is a key driver of team member productivity and customer satisfaction. Engagement is tracked on our corporate scorecard
- Wellness – TELUS has a strong commitment to providing Work Life Solutions for team members and their families, while being a leader in corporate health practices in Canada
- Team TELUS Cares – designed to measure the ease and flexibility with which team members can support community giving and volunteer activities.

Team member turnover, which was a priority in 2008, has been removed from the CSR and corporate scorecards in recognition that voluntary turnover has significantly decreased due to the downturn in the economy. We have replaced this with our Wellness program, which recognizes and supports the health and well-being of our team members at TELUS.

This commitment will enhance our existing employment value proposition for team members, which includes being able to work on leading edge

solutions for our customers, being part of an exciting and learning-focused culture and contributing to the community through service and giving.

At TELUS, we promote and enable these three facets of the team member



### Labour relations

TELUS team members, located across Canada, are represented by a number of unions, including the Telecommunications Workers Union (TWU), the Syndicat Québécois des employés de TELUS (SQET), the Syndicat des agents de maîtrise de TELUS (SAMT), B.C. Government and Service Employees' Union (BCGEU), Canadian Union of Public Employees (CUPE) and Calgary Board of Education Staff Association (CBESA).

### 2008 workplace demographics

Group <sup>1</sup> <sup>A</sup>	British						Total
	Alberta	Columbia	Ontario	Quebec	Other <sup>2,3</sup>	International <sup>4</sup>	
TELUS wireless	710	960	4,753	1,961	206	0	8,590
TELUS wireline	6,550	7,707	2,526	3,291	44	7,933	28,051
Total	7,260	8,667	7,279	5,252	250	7,933	36,641

1) As of December 31, 2008.

2) For TELUS wireless, other includes Manitoba (53), New Brunswick (39), Newfoundland (27), Nova Scotia (66) and Saskatchewan (21).

3) For TELUS wireline, other includes Manitoba (6), Nova Scotia (11) and Saskatchewan (27).

4) For TELUS wireline, international team members are located in Singapore, the Philippines, the United States, the United Kingdom, South Korea and Australia.

Team member type <sup>1</sup> <sup>A</sup>	British						Total
	Alberta	Columbia	Ontario	Quebec	Other <sup>2,3</sup>	International <sup>4</sup>	
Temporary	353	327	56	284	24	0	1,044
Regular	6,907	8,340	7,223	4,968	226	7,933	35,597
Total	7,260	8,667	7,279	5,252	250	7,933	36,641

1) As of December 31, 2008.

2) For Temporary, other includes Manitoba (1), New Brunswick (9), Newfoundland (1) and Nova Scotia (13).

3) For Regular, TELUS wireline, other includes Manitoba (58), New Brunswick (30), Newfoundland (26), Nova Scotia (64) and Saskatchewan (48).

4) Regular international team members are located in Singapore, the Philippines, the United States, the United Kingdom, South Korea and Australia.

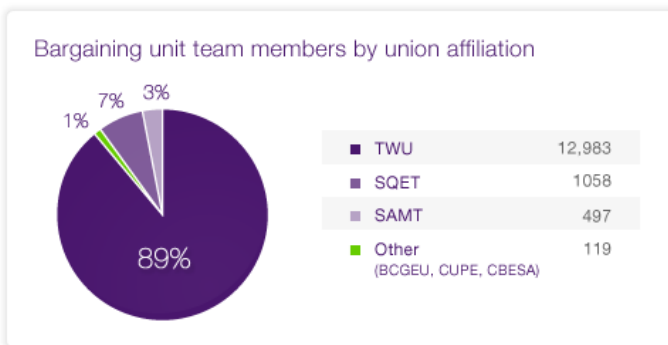
## Union representation <sup>A</sup>

Group <sup>1</sup>	Bargaining unit			Management	Total	%
	unit	Management	Total			
TELUS wireline	10,625	9,493	20,118		53 %	
TELUS wireless	4,032	4,558	8,590		47 %	
TELUS International	0	7,933	7,933		0 %	
<b>Total</b>	<b>14,657</b>	<b>21,984</b>	<b>36,641</b>		<b>40 %</b>	

1) Active staff count as at December 31, 2008.

### Collective bargaining

In September 2008, TELUS signed a collective agreement with the SAMT, covering approximately 484 professional and supervisory employees in TELUS' wireline operations in Québec. Benefits to these team members include a performance bonus based on both personal and corporate objectives as well as a new flexible benefits plan. The terms of the new collective agreement will remain in effect until December 31, 2011.



Renewal negotiations for the collective agreement with the SAMT, in the wireless segment, covering approximately 13 professional and supervisory team members, concluded in February 2009 with the ratification of a collective agreement that expires in December 2012. The new agreement provides for improved base pay and performance bonuses and introduces flexible benefits coverage to these team members.

The current collective agreement with the TWU, covering approximately 12,983 team members across Canada, remains in effect until November 19, 2010. The current collective agreement with the SQET, covering approximately 1,058 team members in the TELUS Québec operating region, remains in effect until December 31, 2009.

### Common Interest Forum

TELUS senior leadership and the TWU had two meetings of the Common Interest Forum in 2008, with meeting dates proposed for 2009. We created the Common Interest Forum under the terms of the current TELUS/TWU

## Workforce profile<sup>1</sup> <sup>A</sup>

%	Canadian workforce availability <sup>2</sup>	Canadian workforce actual representation for telecommunications <sup>3</sup>	2007 TELUS actual	2006 TELUS actual <sup>4</sup>	2005 TELUS actual <sup>4</sup>	2004 TELUS actual <sup>4</sup>
Women	43.0	41.0	38.8	39.9	41.3	42.2
Members of visible minorities	17.4	13.6	13.3	13.6	13.5	14.5
Aboriginal people	1.3	1.3	1.7	1.7	1.7	1.8
Persons with disabilities	4.2	1.8	2.8	2.8	2.3	2.6

1) Based on data collected for reporting under the Federal Employment Equity Act. Figures for 2008 for TELUS are not available until June 2009.

2) Canadian workforce availability refers to the percentage of the designated group (i.e. visible minorities, Aboriginals, persons with disabilities, women) in the Canadian workforce who have the skills necessary to fill positions at TELUS. Based on 2001 Census data, this is the most current information available.

3) Most recent data available. Canadian workforce actual representation for telecommunications carriers refers to the percentage of the designated group (i.e. visible minorities, Aboriginals, persons with disabilities, women) who are employed in telecommunications in Canada. As reported in the 2007 Employment Equity Act annual report published by the Government of Canada.

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 in Canada. The 2004 to 2006 data has been revised from last year's report to exclude team members on leave to align with guidance from the Canadian Human Rights Commission.

collective agreement to encourage dialogue. Topics of discussion can include industry developments, corporate strategy, growth of the business and staffing requirements.

### Grievances

Grievances and arbitrations filed in 2008 remained at a consistent level with 2007. Discipline, pay and scheduling of time off remain the most common issues in 2008.

## Grievances/Arbitrations<sup>1</sup> <sup>A</sup>

Group	2008	2007	2006
TELUS wireline	419	415	562
TELUS wireless	136	153	146
<b>Total</b>	<b>555</b>	<b>568</b>	<b>708</b>

1) Does not include TELUS International as there is no union representation within in this operation.

### Diversity and inclusion

We believe diversity is a key success driver in the global marketplace and that our workforce should mirror the diversity of the available workforce. By embracing people with a wide range of unique experiences and abilities, we believe we can cultivate innovation, positive change and make our organization stronger. Therefore, we strive to build a culture of inclusion – one that respects and recognizes the individual skills and perspectives of each team member – and create a workplace where all team members have the opportunity to reach their full potential.

In Canada, TELUS is legislated by the federal Employment Equity Act. The purpose of this Act is to eliminate workplace barriers related to four designated groups – women, Aboriginal peoples, persons with disabilities and members of visible minorities – and address equitable work practices for all Canadians.

We track the representation rates of these four designated groups within our workforce. By analyzing the data, we are able to develop strategies and implement programs to close gaps. The representation rates show minimal variation over the reporting period in most categories, however, the number of women at TELUS decreased. We believe part of the decrease is attributable to the fact that more men are entering previously female-dominated client care roles. While this change is reflected in our annual representation rates, the external benchmark data is based on 2001 census data, which may not have kept pace with hiring trends in this occupational group. We anticipate the release of 2006 Census data for the next reporting cycle.

We are addressing elements of the decrease in the number of women with programs such as the TELUS Connections network, which is part of a comprehensive approach to making our workplace more inclusive.

In 2008, we announced the establishment of a Diversity and Inclusiveness Council. It will be comprised of 12 frontline and management team

members to be identified in 2009. The council will develop a diversity and inclusiveness strategy to help create a work environment where all team members feel valued and their differences respected. We intend to set metrics related to employee diversity resource groups, diversity marketing, community partnerships and bias-free recruitment and retention to measure our success. We believe our diversity and inclusiveness strategy will also elevate the TELUS brand and further distinguish us as an employer of choice.

### Connections – the TELUS women's network

We created the TELUS Connections network in 2006 to engage, support and inspire women at TELUS in the pursuit of excellence in their careers. The program focuses on personal growth and development and provides local networking opportunities. We have 2,800 Connections members.

In 2008, we raised awareness of how TELUS is recruiting, promoting and developing women for senior management roles. We did this by:

- Increasing the number of Connections members by 2,400 to 2,800
- Increasing the number of team members who have completed the four-module Taking the Stage program from 800 to 1,180
- Promoting the Women's Executive Network (WXN) Wisdom mentoring program (31 team members participated in the program)
- Launching "Briefcase Moms", a work-life balance course offered in six cities across Canada – 552 team members participated in 2008 (narrowly missing our target of 600)
- Offering 75 local networking events and 20 community outreach programs, reporting 690 volunteer hours and raising \$20,000
- Holding 13 executive breakfasts and forums and providing 400 guest seats at 34 of WXN's breakfast series
- Launching a Connections monthly newsletter.

TELUS sponsored the Women's Leadership Forum (WLF), which was held in Calgary in June and Vancouver in September 2008. The theme of the two-day event was Shine – Radiate Your Leadership. About 1,100 women, including about 400 TELUS team members, participated.

TELUS and Connections have been supporting the WLF every step of the way. See the power of women working together.

TELUS sponsors the Women's Executive Network (WXN) which creates and delivers innovative networking, mentoring, professional and personal development for women in business. Connections sponsors WXN's breakfast series, Canada's Most Powerful Women: Top 100, and the WXN Wisdom II mentoring program.

In 2009, Connections will invite all female team members to join the network. We also intend to:

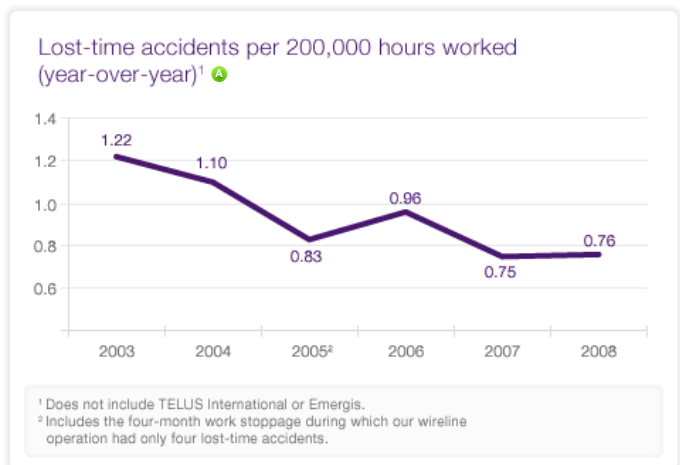
- Increase number of Connections members from 2,800 to 3,100
- Increase the number of team members who have completed the Taking the Stage program from 1,180 to 1,600
- Promote the WXN Wisdom mentoring program – increase participation to 41 team members
- Introduce a mentoring program
- Hold 75 local networking events
- Hold 20 local outreach events
- Hold eight ELT Breakfasts and Forums and provide 400 guest seats at 34 of WXN's breakfast series.

### Safety management

TELUS monitors its safety management system closely to prevent workplace accidents and injuries. Our first priority is to attempt to eliminate any hazard. If a hazard cannot be eliminated, we provide team members with the health and safety information, knowledge and skills they need to perform their work activities safely. We do this by:

- Developing and communicating health and safety policies and standards
- Training team members in hazard assessment and control
- Providing safety supervision through inspections
- Communicating identification and controls of new and recurring workplace hazards via safety bulletins

- Investigating all accidents and injuries for the purpose of preventing their recurrence
- Providing regular reporting on safety performance.



In addition, we have control processes and systems in place to monitor the effectiveness of the application of the acquired information, knowledge and skills by team members. In recent years, TELUS' lost-time accidents per 200,000 person-hours worked has remained low. The number of lost-time accidents per 200,000 person-hours worked was relatively flat in 2008 compared to 2007. We will focus on maintaining these low numbers in 2009.

### Engagement

Team members share their views and perspectives through the Pulsecheck survey, designed by Hewitt Associates, to help TELUS identify the type of improvements required to make TELUS a great place to work. Our fall 2008 Pulsecheck survey results indicated a corporate engagement score of 58 per cent ▲, achieving our target and progressing toward the 65 per cent threshold for top companies measured by Hewitt Associates.

We are encouraged by our results – particularly the five per cent increase to 58 per cent in overall engagement compared to our fall 2007 score. The industry benchmark for significant change in engagement over a one-year period is two per cent. We believe the fact that we exceeded that benchmark for significant change in 2008 is an indication that our focus on improving engagement at TELUS is yielding positive results.

We also achieved increases across our top engagement drivers, notably in the areas of managing performance, manager support and recognition. For example, recognition increased by eight per cent, reflecting our efforts to build a culture of appreciation.

In 2008, we also focused on developing enhanced career planning and progression tools to better equip team members with the resources necessary to chart and take ownership of their own career development. We saw a two per cent increase in the career opportunities measure in the Pulsecheck survey.

As committed, we successfully introduced the TELUS Engagement Forum at both the corporate and business unit levels. The forums have made great strides in driving engagement initiatives into their respective business units over the past year. The Forum will continue to allow our leaders to align, validate and drive the right initiatives across TELUS and in the business units to improve on the greatest opportunities for engagement. Find out more about one of our teams.

The approximately 300-person Finance Operations (FinOps) team, which performs functions such as Credit Services and Accounts Payable, has seen its engagement scores increase significantly over the past few years, following the introduction of a few key programs.

**The Finance Operations Recognition Program**

Designed to complement the corporate-wide Bravo program, this initiative encourages team members to recognize their colleagues for one of three levels of performance or behaviour. Since the May 2007 launch, 805 awards have been presented and 89 per cent of FinOps team members have received recognition through this program.

**MyChoice Webinar Series**

MyChoice offers a series of webinars on subjects team members say are of interest or of benefit to them. Participants receive credit on their developmental records for the webinars. To date, 77 per cent of FinOps team members have attended webinars in the series. The webinars are also recorded and made available to the entire TELUS team.

**MyVoyage**

MyVoyage is a personal development program launched in December 2007. This year-long challenge has four levels of development team members need to complete to reach the desired destination in their journey. Adapted from an initiative developed in Operator Services, the Finance Operations program includes increasingly challenging tasks at each level. The tasks, such as "Assist in the development of a peer" and "Sign up and complete a 360 online survey," are designed to promote the growth and development of the individual. Rewards are given to team members for completing each level. To date, 52,800 Bravo and Team Machine points have been awarded in the program and a recognition event is planned for those who completed the voyage by November 2008. Sixty-nine per cent of Finance Operations team members are currently enrolled in this voluntary program.

We aim to continue to strengthen engagement at TELUS over the longer term and further differentiate ourselves from other employers. We appreciate that increased team member engagement leads to stronger customer satisfaction, which, in turn, may drive enhanced economic performance for the company. In 2009, our engagement target is 62 per cent. This represents another significant increase of four percentage points. We will focus on:

- Enhancing the relationship between managers and team members, focusing on performance coaching, recognition and career development
- Examining root causes and developing continuous improvement strategies that will address work process issues
- Focusing on supporting team members as they may be affected by ongoing cost efficiency efforts.

**Integrity**

The TELUS team places 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 integrity issues, all team members must complete online training annually as a term of employment.

In 2008, we created one online bilingual course called TELUS Integrity 2008, which combined previously separate ethics, respectful workplace, corporate security and privacy training modules. (One hundred per cent <sup>A</sup> of all TELUS team members, including TELUS International, completed the TELUS Integrity 2008 course as of January 2009.)

The TELUS Integrity 2009 course will enhance the expectation setting for all team members in regards to ethics, respect, privacy and security and will be updated to deal with new and emerging issues.

**Ethics Policy**

The TELUS Ethics policy ties together all policies regulating business behaviour and provides guidelines for the standards of ethical conduct by all team members, including officers and members of the Board of Directors. The policy is updated annually, communicated to team members and housed on TELUS' internal and external websites.

**TELUS EthicsLine**

Through the TELUS EthicsLine (1-888-265-4112 or telus.ethicspoint.com), team members and external stakeholders can raise anonymous and confi-

dential questions or complaints related to accounting, internal controls or ethical issues.

In 2008, the Ethics office fielded 356 <sup>A</sup> calls. Of these, it was determined that 108 (30 per cent) did not relate to the Ethics policy, and were therefore referred to more appropriate areas, such as Client Care and Human Resources. Of the remaining 248 <sup>A</sup> calls, 104 were inquiries from team members seeking advice on ethical situations and 144 were complaints from external and internal stakeholders. Each complaint was researched and resolved appropriately. The Audit Committee of the Board of Directors reviewed a summary report of these calls.

The Ethics office concluded there had been 64 <sup>A</sup> breaches of the Ethics policy in 2008, compared to 62 in 2007. The most frequent violations in 2008 were related to breaches of company policies and confidentiality and misappropriation of information. None involved fraud by team members who had a significant role in internal controls over financial reporting. Approximately 80 per cent involved team members with five years or less service with TELUS.

Breaches of ethics and discipline

Number of breaches .....	64 <sup>A</sup>
Number of team members disciplined .....	93
Employment terminated .....	39
Employment suspended.....	39
Letter on employment file.....	9
Team members resigned.....	6

In 2009, the Ethics Office plans to continue enhancing new team member orientation.

**Respectful workplace**

Respect is a cornerstone of our values and culture at TELUS. When we respect each other, we improve work relationships, enhance teamwork and increase productivity. Our national Respectful Workplace Policy helps us support an inclusive, respectful workplace where all team members are treated with dignity and respect, free from harassment or discrimination. A team of investigators looks into issues that arise and a dedicated department and corporate sponsor provide program oversight.

As noted previously, all team members are required to complete the Integrity online training course annually, that includes respectful workplace training. This ensures that all team members are aware of the protections and process available to them should an inappropriate workplace issue arise.

In 2009, we intend to review the policy and procedures to ensure they continue to be effective.

An indicator of the inclusiveness and respect within our workforce is based on analysis of complaints filed by team members with the Canadian Human Rights Commission (CHRC). These complaints identify practices that are causing concern and provide an objective process for determining or confirming the appropriateness of practices as business and societal priorities evolve.

CHRC complaints <sup>A</sup>	2008	2007	2006
New	11	13	15
Closed	10	14	21
In progress at year end	7	6	7

**Performance culture**

TELUS works to attract and retain the best talent in the global communications industry by offering outstanding opportunities for growth, development and employment options throughout our team members' careers.

**Attracting and retaining the best talent**

TELUS offers an integrated total rewards framework of competitive, performance-based rewards. We believe paying people appropriately for their strategic contribution helps create a high-performing team. It mini-

mizes the direct and indirect costs of replacement, including recruitment, development and knowledge transfer, and maximizes collective efficiency and effectiveness of processes and innovation.

Our cash compensation includes base salary and performance bonuses, which allow team members to share in the risk and reward of running the company. Some team members also qualify for sales incentive programs. In addition, we provide medium-term (executive stock units) and long-term (restricted stock units and/or option awards) incentives for high performers and high-potential team members. We also provide flexible benefits and encourage recognition at all levels of the organization.

As of year end 2008, 72.4 per cent of management professional team members were paid on or above our compensation strategy. Our strategy is to pay team members within ranges that factor in their performance rating and what the market pays for certain jobs. High performers at TELUS are targeted to be paid at or above the 75th percentile on total compensation.

Total compensation and benefits <sup>(A)</sup>

\$ in millions	2008	2007	2006	2005
Total compensation and benefits	2,325.8	2,329.2	2,027.9	1,896.6

We use the Conference Board of Canada's latest survey of voluntary turnover for the telecommunications/communication industry as a benchmark. In 2008, the Conference Board recorded a 10.3 per cent <sup>(A)</sup> voluntary turnover rate in our industry in Canada. With an average turnover of 10.3 per cent, we met our target in 2008. We also track voluntary separation of highly rated managers and professionals, but for competitive reasons we do not disclose it. For 2009, our target for average turnover is less than 8.1 per cent.

Our latest team member satisfaction survey indicated that 61 per cent of management professionals agree or strongly agree with the statement, "My benefits meet my needs well." This represents a slight decrease from the 2007 fall survey that resulted in a 64 per cent positive response rate.

At TELUS, we are focused on promoting strong relationships, daily acknowledgement, and both informal and formal recognition. In mid-2008, we launched an enriched recognition program called Bravo. Designed with team member input, Bravo provides the resources necessary for managers and front-line team members to create a company-wide culture of appreciation.

Bravo allows team members to send and receive recognition in the form of e.cards and points that can be redeemed for gift items. Through Bravo, we also recognize team members every five years on their career milestones with a gift of points and either a plaque or a tree planted in their name.

In 2008, TELUS spent \$8.8 million on team member recognition. This expenditure reflects 0.15 per cent of TELUS' overall operating expense in 2008. Our target in 2008 was \$7.2 million. This has been updated to reflect the actual spend on recognition expenses at TELUS.

Total team member recognition spend <sup>(A)</sup>

	2008	2007
Actual spend	\$8.8 million	\$7.8 million

1) Restated to reflect changes in the calculation methodology.

In 2009, we have budgeted \$8.2 million for recognition to cover Bravo awards and points, service anniversary awards and separate recognition programs that exist within our business units.

**Welcome to TELUS**

Welcome to TELUS sessions start the journey for new team members by providing a comprehensive overview of TELUS, our history, strategy, culture and team member expectations. This enables team members to be more productive in their new roles, and reinforces their choice to join the TELUS team. In 2008, 1,284 participants completed 69 sessions of the two-day, bilingual program. In 2009, we plan to develop Welcome to TELUS sessions for other locations commencing with our new centre in Las Vegas.

**Developing the strength of our leaders**

TELUS is committed to assisting managers with direct reports to develop best-in-class management and leadership skills. Leading at TELUS - Management Fundamentals is designed to support new leaders with an in-depth overview of the TELUS specific processes/tools used in leading a team, and focuses on a leader's accountability for successfully engaging and building relationships with their team members throughout the stages of the team member lifecycle. In 2008, 576 team members completed this program.

We also offer strategic development programs for all leaders with direct reports. One example is Leading at TELUS - Skills Essentials, a bilingual, modular program focused on coaching and engagement related skills. To date, 820 leaders have completed all four modules and 811 leaders have completed one or more sessions.

**Leadership NOW**

The leadership NOW program is one of TELUS' exciting career development initiatives that recognizes and invests in the development of our top leadership talent. The program focuses on the development of TELUS' existing and future high-potential leaders who have the demonstrated desire and capability to move into roles of greater responsibility in the near future. This 12-month program is designed to develop key leadership competencies.

Each program tier has targeted core and elective curriculum to develop key leadership skills necessary for a next-level position. Participants have the opportunity to attend a variety of learning activities, including classroom sessions, guest speaker events, networking events and webinars. They also benefit from myNetwork, an online social networking tool, and the leadership NOW portal, an online source for leadership resources, including articles, videos and books. In 2008, 38 per cent of the participants were women.

Leadership NOW participants by tier and province

Tier	British Columbia				Total
	Alberta	Ontario	Quebec		
Emerging leaders	58	71	64	25	218
Managers	76	71	77	31	255
Directors	12	6	14	3	35
Total	146	148	155	59	508

**Senior Leadership Forum**

This annual forum is designed to strengthen the effectiveness of our senior leadership team by enhancing their personal leadership competencies and reinforcing connections with fellow leaders. TELUS recognizes that the senior leaders play a critical role in leading, educating and inspiring team members by helping them develop and execute to their fullest potential.

Working with the Rotman School of Management and INSEAD, two of the world's leading graduate business schools, the Senior Leadership Forum provides excellent educational content designed to build high-performance corporate leadership skills and capabilities. Through case studies and group discussions tailored to TELUS' challenges and opportunities, participants gain knowledge, experience and techniques to enhance TELUS' leadership and business execution. It also contributes to fostering a strong pipeline of candidates for our succession plans.

**Lifelong learning**

As a learning-focused technology company, TELUS is committed to investing in professional growth for all team members to help them deliver exemplary results. Throughout their careers, team members are provided with learning opportunities that are presented in a wide variety of learning formats and strategies, showcasing our technology solutions and capabilities. This approach enables team members to receive training when and how they want.



In 2008, we:

- Introduced a five-part training series featuring host Josh Blair, executive vice-president, Human Resources and Dr. John Izzo. The Five Secrets You Must Discover Before You Die series focused on how we can be more spirited in our work and personal lives by exploring the secrets to happiness and a more meaningful life
- Launched SkillSoft Books 24x7. This initiative provides access to online learning resources including courses, business and technical books, skill simulations, and mentoring opportunities across many professional and technical categories in partnership with SkillSoft and Books 24x7.
- Launched Career Alert, an enhanced career planning and progression tool that enables team members to create an online job profile and receive e-mail alerts when matching jobs are posted.

#### Learning investment <sup>A</sup>

	2009 budget	2008 actual	2008 budget	2007	2006	2005
\$ in millions						
Amount spent <sup>1</sup>	29.4	29.1	35.6	32.3	33.3	33.2

1) Does not include TELUS International.

#### Courses completed

	2008	2007	2006
e.Learning <sup>1</sup>	279,000	216,000	361,000
Instructor led	83,000	62,000	64,000
Total	362,000	278,000	425,000

1) Does not include TELUS International.

Year over year, the number of courses team members complete fluctuates, depending on initiatives underway, the introduction of new services and other factors. The number of courses completed in 2006 was substantially higher as a result of training opportunities carried forward due to a labour disruption in 2005.

#### Award-winning HR practices – link to awards site

In 2008, we received:

- An Innovation award from WorkLife BC in recognition of our thought leadership and our commitment to work/life solutions for team members and their families
- The Skillsoft Global Perspectives Industry Achievement Award for our global leadership in supporting team member growth and professional development
- Recognition for excellence across our continuum of people practices, being named a Human Capital Leader by The Beacon Group.
- Also in 2008, Aberdeen Group selected TELUS for its annual case study on how technology improves learning because we are considered to have best-in-class practices that can serve as a benchmark for other companies.

#### Teletrips – TELUS team member reduced emissions and \$ savings (estimated)

	Participants	Total km saved	Total hours saved	CO <sub>2</sub> e reduced (Kg)	Total \$ saved
Corporate	156	176,887	8,570	22,170	35,668 \$
At Home <sup>1</sup>	376	561,718	8,489	61,180	64,449 \$
Total	532	738,605	17,059	83,350	100,117 \$

1) At Home agents.

#### Work Styles

Work Styles is an enterprise-wide initiative that supports team members, in eligible roles, working when and where they are most effective – at home, in the office, or a combination of both. The program helps managers and team members achieve real business and environmental benefits, by recognizing the need to support flexible, non-traditional styles of work. At the same time, we are continuing to measure the environmental benefits of non-commuting and modified commutes.

TELUS introduced the Work Styles program in 2007, and throughout 2008, we continued to enhance its scale and scope. It has offered greater flexibility for our team members, helped reduce emissions and provided an opportunity to reduce our real estate footprint, saving dollars and land use and lessening our impact on the environment. Our results:

- More than half of the TELUS team or 18,500 team members are remote-work enabled
- 16,500 team members work remotely at least once per week
- Approximately 6,500 team members work remotely every day.

In 2008, we also introduced a voluntary tracking tool that allows us to measure the environmental benefits of the program and establish benchmarks against which we can measure our progress. The chart below, based on the input of 532 team members who tracked their results, demonstrates the positive environmental, economic and societal impacts.

In 2009, we intend to continue enabling work when and where it is most effective, recognizing the changing, more collaborative nature of work today. We believe in empowering team members with the tools to make choices about their work styles. We plan to continue developing new strategies for IT provisioning and workplace settings based on this increasing work reality.

#### Absenteeism

In 2008, TELUS' absenteeism rate was 8.7 <sup>A</sup> days per full-time equivalent position, compared to 9.2 in 2007. This represents a five per cent decrease over the prior year, a trend we want to continue. Absenteeism includes paid and unpaid time due to sickness, medical appointments and other non-productive time. In 2008, we committed to review the way we measure absenteeism and develop targets for the future. We deferred this project to 2009 as part of our overall health and absenteeism strategy review.

# 10

## Building on the strength of our commitment to the environment

Being one of Canada's largest telecommunications companies with approximately 36,000 team members, 5,400 vehicles and 3,800 buildings and structures comprising some 11.5 million square feet, we recognize that we can influence our surrounding environment. Therefore, we strive to minimize our environmental impact and reduce our ecological footprint by continually improving our operations.

In 2008, we continued to track our traditional environmental metrics and focused much of our efforts on two wide-reaching initiatives:

- We continued to enhance our environmental management system (EMS) with the goal to more closely align with ISO 14001:2004, an internationally accepted standard for managing the environmental aspects and impacts of a business
- We worked with internal and external stakeholders to develop a long-term carbon reduction strategy.

We want to continually improve our environmental performance, increase our transparency in reporting and identify opportunities and risks to TELUS. We strive to have our environmental programs reflect our goal to be one of Canada's leading corporate citizens.

### Our governance approach

Responsibility for TELUS' environmental footprint is shared by senior leaders across the organization, all with specific areas of expertise. The Audit Committee of TELUS' Board of Directors receives quarterly reports in regards to TELUS' ongoing environmental risk management activities. The Environment team, which is located within the Risk Management department of the Finance business unit, is comprised of professionals from across Canada responsible for our environmental management systems and corporate social responsibility programs. These programs are the management tools for setting policies, implementing programs, tracking performance and reducing our impact.

TELUS' commitment to continuously improve efficiency through new and innovative projects continued in 2008. For example, in 2008 we announced plans to retrofit TELUS House Quebec, a legacy building in Quebec City, to LEED silver level. We also continued building TELUS House Toronto, for which we will seek LEED certification. With expected occupancy in 2010 and 2009, respectively, these two properties will complement TELUS House Ottawa, which was constructed to a LEED silver level in 2007.

### Environmental Management System

Our long-term goal is to align our EMS programs with ISO 14001:2004, enabling the entire organization to be certified by the end of 2013. For 2008, we set the following targets:

- Complete 80 per cent of the remaining gap to ISO 14001:2004
- Include TELUS International within our EMS enhancement efforts.

We did not fully reach these targets because we had challenges predicting the scope, timing and resources needed to fully achieve these objectives. In 2008:

- We closed an estimated 65 per cent of the remaining gap to ISO 14001:2004
- TELUS International underwent a partial risk assessment in 2008.

We have engaged an external EMS consultant to assist us in assessing the work required to close the remaining gaps. This effort will involve implementing new and enhancing environmental management programs across the company. These work tasks require extensive effort and resources. As a result of our consultations and our own internal assessment, we are focusing our efforts on developing and beginning an implementation plan for our Human Resources business unit in 2009. Given the relative size of this business unit, its interaction with all other TELUS business units, its risk to employee ratio, and that our real estate functions reside within it, this area of the organization was identified as the most appropriate place to focus our EMS upgrade efforts. Full organizational compliance with the standard is expected by the end of 2013 and our workplans have been adjusted accordingly. The HR implementation will inform and guide our enterprise EMS implementation in subsequent business units in 2010 and beyond.

### Environmental training

Environmental training helps us ensure we are fulfilling our responsibility as a leading corporate citizen. We provide this training to targeted TELUS team members and contractors on a continuous basis. In 2008, TELUS team members took 9,256 environmental courses. The year-over-year reduction in training reflects the fact that not all of our environmental courses need to be taken each year.

#### Environmental training

	2008	2007	2006
Courses taken <sup>1</sup>	9,256	10,403	9,144

1) Does not include TELUS International team members.

### Energy and emissions

In 2008, working with our primary real estate partners, we identified that our 2007 energy consumption and carbon emissions had been overstated. Our 2007 energy values were stated as 1,094,120,000 kWh and 363,000 tonnes of CO<sub>2</sub>. We are restating our 2007 energy consumption as 1,001,589,000 kWh and our CO<sub>2</sub> output as 317,000 tonnes. This means, compared to 2006, our energy footprint decreased by 2.9 per cent in 2007 and our CO<sub>2</sub> footprint decreased by 3.6 per cent.

#### TELUS energy consumption<sup>1</sup> ▲

kW hours	2008	% change	2007 <sup>4</sup>	% change <sup>4</sup>	2006
Direct sources <sup>2</sup>	340,331,000	4.4	325,994,000	(9.2)	359,050,000
Indirect sources <sup>3</sup>	619,886,000	(6.5)	663,095,000	(1.4)	672,650,000
Subtotal	960,217,000	(2.9)	989,089,000	(4.1)	1,031,700,000
Green Tag Power	12,500,000	0	12,500,000	—	—
Grand Total	972,717,000	(2.9)	1,001,589,000	(2.9)	1,031,700,000
Air travel conversion	41,459,000	(17)	50,166,000	n/a	n/a

1) All results in kW hours. Conversion factors from Environment Canada (Canada's Greenhouse Gas Inventory 2006).

2) Includes all types of direct energy fuels – natural gas, gasoline, diesel, propane, steam and heating oil.

3) Includes indirect energy – commercially sourced electricity.

4) Represents restated 2007 values and % change from 2006.

### Energy use

At TELUS, we continue to categorize energy consumption (kWh or kilowatt hours) in three main categories (based on World Business Council for Sustainable Development Greenhouse Gas Protocol)

- Scope 1 or direct energy sources (such as fuels that include natural gas, gasoline, diesel, propane and heating oil)
- Scope 2 or indirect energy sources (such as electricity)
- Scope 3 or other energy sources (such as air travel).

Our energy consumption decreased slightly in 2008, compared to 2007, falling from 1,001,589,000 to 972,717,000 kWh of energy consumed. This is a 2.9 per cent decrease over 2007 and represents 0.17 per cent of Canada's total electricity use based on 2006 Canadian reported consumption. See [eia.doe.gov/emeu/cabs/Canada/Electricity.html](http://eia.doe.gov/emeu/cabs/Canada/Electricity.html).

Our total 2008 energy consumption decreased slightly and we saw improvements in our energy efficiency. In 2008, our eco-efficiency improved from 0.11 kWh/\$revenue to 0.1 kWh/\$revenue, which is a 7.7 per cent improvement. This is a result of ongoing efforts to improve efficiency in our network and data centre facilities. Our eco-efficiency target moving forward continues to be a two per cent decrease year over year.

### Carbon disclosure

Our goal for 2008 was to develop a climate change policy with a new set of targets based on an assessment of our carbon emissions and a plan to reduce our footprint. Due to the changing regulatory landscape and increasing scope of the carbon project, we did not meet our goal.

TELUS greenhouse gas emissions (tonnes CO<sub>2</sub> equivalent) <sup>A</sup>

	2008	% change	2007 <sup>2</sup>	% change <sup>2</sup>	2006
Direct emissions	73,000	4.7	70,000	(10.2)	78,040
Indirect emissions	252,000	2.0	247,000	(1.5)	251,160
Total	325,000	2.6	317,000	(3.6)	329,200
Air travel	12,000	(9.3)	13,000	s.o.	s.o.
Total (including air travel) <sup>1</sup>	337,000	2.1	330,000		

1) Does not include TELUS International.

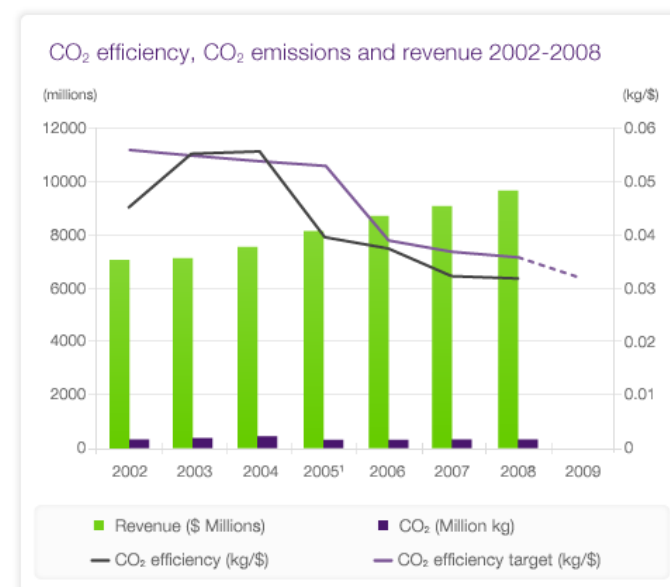
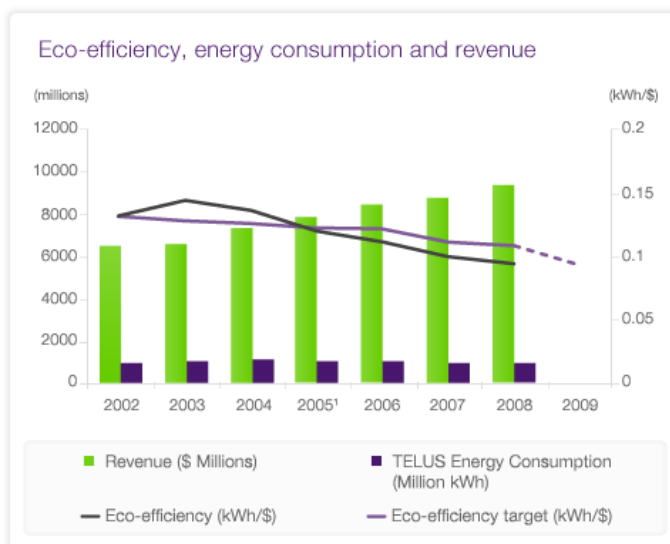
2) 2007 values and % change from 2006 restated to correct reporting error.

TELUS' total CO<sub>2</sub> output remained relatively consistent compared to the last two years. Our Scope 1 and 2 CO<sub>2</sub> output for 2008 was 325,000 tonnes. When we include Scope 3, our total CO<sub>2</sub> output was 337,000 tonnes. This represents a 2.6 and 2.1 per cent increase, respectively. Despite our overall national energy use slightly decreasing, increased energy consumption in Alberta and changes to Environment Canada's Green House Gas Inventory conversion factors for Alberta, combined with reduced overall energy consumption in British Columbia resulted in increased overall CO<sub>2</sub> output.

TELUS continues to be an active member of the Carbon Disclosure Project, which is an international organization dedicated to improving awareness of and reducing the impact of climate change.

Although our targets moving forward will focus on absolute energy reductions, we will continue to track and report our CO<sub>2</sub> efficiency normalized to revenue. Our CO<sub>2</sub> efficiency remained the same at 0.032 kg/\$, from the same as in 2007. Our target for 2009 is a two per cent improvement in CO<sub>2</sub> efficiency.

Our goal for 2009 is to set absolute reduction targets for future years. We have formed a TELUS Carbon Team to realize this goal.



## Teleconferencing

One of our strategies to offset our emission contribution is to invest resources in the promotion of teleconferencing as an alternative to travel for meetings. Through this effort, we have reduced both CO<sub>2</sub> and nitrous oxide emissions. Since we began reporting on this metric in 2001, we have seen continuous improvement in our emissions avoidance. In 2008, the use of our internal and external conferencing activity increased by 27 per cent over 2007 with 1.1 million teleconferences and video conferences.

At TELUS, we use teleconferencing to enable team members in different parts of the country to work collaboratively, to engage in issue-based discussions and share information with large groups. For example, Darren Entwistle, president and CEO, hosts regular Ask the Leadership Team sessions in which he invites team members from across the country to interactive presentations using teleconferencing technology.

Below are statistics for CO<sub>2</sub> and pollutant avoidance for both TELUS' internal operations and our customers from the use of our video and teleconferencing tools. While this is a commonly used approach to estimate emissions avoidance associated with telecommunications technology, there is a risk that the data provided does not accurately reflect the realities associated with using these services. The number of participants, the distances travelled, and the mode of transportation can all vary greatly, especially in a company such as TELUS with national and international operations.

Estimated pollutants avoided using video and teleconference

\$ in millions	2008	2007	2006	2005
Conference calls <sup>1</sup>	1,184,409	929,937	740,350	557,400
CO <sub>2</sub> (metric tonnes)	500,000	395,037	314,500	236,800
Nitrous oxide (metric tonnes)	55	44	35	26
% change	27	26	33	-

1) The calculation assumes six participants who travelled an average of 300 kilometres by car to attend a meeting. Formulas used from Environment Canada.

## Waste and recycling

Waste management is a high priority at TELUS. In 2008, we continued to improve our waste management systems, recycling, refurbishing and repurposing 599 metric tonnes of e-waste (e.g. telecommunications equipment, IT equipment, and electronics). This compares to 453 metric tonnes in 2007 and 27 metric tonnes in 2006.

We recycled 2.2 million kilograms of paper in 2008, compared to 1.5 million kilograms in 2007. We also improved our overall landfill avoidance and hazardous waste management through our waste chemical recovery program. Hazardous waste recovery for 2008 was 8,115 kilograms compared to just 1,481 kilograms in 2007. Our total landfill avoidance for 2008 was 7,148 metric tonnes of solid material avoided, compared to 685 metric tonnes in 2007. For final disposition of e.waste products in Canada, TELUS employs domestic recycling facilities only.

In addition to responsible waste disposal, we also focus on giving certain products extended life. For example, TELUS continues to support the Computers for Schools program. In 2008, we donated:

- 5,961 desktop computers
- 2,881 laptop computers
- 432 printers
- 2,038 monitors

In total, we donated 4,997 more units of electronic equipment to the Computers for Schools program in 2008 than we did in 2007.

In 2008, we set a goal to recycle 50,000 wireless devices and through our ongoing relationship with Tree Canada, we committed to plant a tree for each recovered device. We surpassed our goal, recycling 86,645 units. As noted below, this result, combined with a number of other TELUS programs, provided funding for the planting of significantly more trees in 2008 than in 2007.

Our target for 2009 is to recycle 90,000 wireless devices.



## Tree Canada Partnership

In 2008, TELUS programs provided sponsorship for the planting of 170,162 trees through our partnership with Tree Canada. TELUS' programs that support Tree Canada are: e.bill program, wireless handset recovery program, e.delivery of annual report, 2008 Summer Perks program and team member recognition.



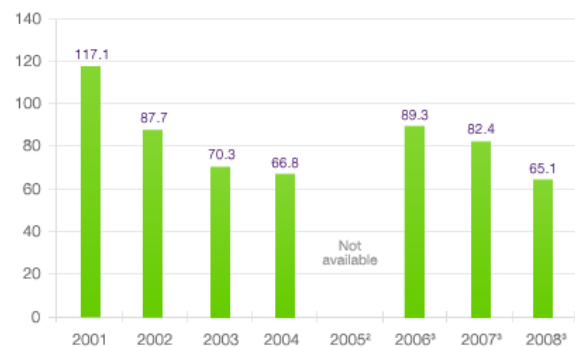
Tree Canada Foundation  
Fondation canadienne de l'arbre  
www.tcf-fca.ca

## Paper consumption

In 2008, the TELUS team brought a renewed focus to our paper reduction, responsible paper purchasing and team education efforts. Our goal for 2008 was a 10 per cent reduction over 2007 consumption. We exceeded our target by reducing our paper consumption by 21 per cent, compared to 2007. Our total consumption dropped to 65.1 million sheets. Our target for 2009 is another 10 per cent year-over-year reduction.

TELUS has partnered with Markets Initiative (<http://www.marketsinitiative.org>) to co-develop internal responsible paper purchasing guidelines that will result in TELUS using paper with increasing amounts of post-consumer recycled content derived from Forest Stewardship Council verified sources. These guidelines are targeted to be completed in 2009. We are also working with Markets Initiative on our team member education programs, forest conservation education and paper reduction strategies.

Paper consumption at TELUS<sup>1</sup>



■ Millions of sheets

<sup>1</sup> Does not include TELUS International.

<sup>2</sup> Not available due to labour disruption.

<sup>3</sup> Values reported from 2006 onward reflect the inclusion of a third vendor providing paper to our mobility operations.

## Environmentally friendly choices in our corporate stores

When clients purchase a handset at a TELUS corporate store, they can make the proactive choice to not receive a paper bill. Clients can register online and use the e.bill tool to opt for bill notification via text message, e-mail or both. Currently, only seven per cent of our customers have elected to receive their bills electronically.

Once purchases are complete and clients are ready to tote their new TELUS handset home, they can continue that green feeling because the retail bag they are walking out with is made with paper sourced from sustainable forests. And the company that manufactures the paper is Canadian, further reducing TELUS' environmental footprint.

## Water consumption

TELUS' water footprint is defined by our total consumption. While we are still facing challenges tracking our total water consumption across the organization, we have been able to track results in most of our properties.

Our target for 2009 is to implement a management and tracking system that will result in TELUS being able to fully account for our complete water footprint.

#### Water consumption at TELUS

\$ in millions	2008	2007 <sup>1</sup>	2006	2005
Total measured use (cubic metres)	1 million	1.4 million	1.5 million	1.04 million
Total estimated use (cubic metres)	1.7 million	s.o.	1.7 million	1.7 million
Estimated per cent of use	60 %	s.o.	88 %	60 %
Water/team member <sup>2</sup> (cubic metres)	27/year	s.o.	65/year	65/year
Canadian norms (domestic) <sup>3</sup> (cubic metres)	120/year	s.o.	125/year	125/year

1) Our lack of reportable values for 2007 is a result of identified deficiencies in how we tracked consumption.

2) Based on measures used to determine consumption at selected TELUS facilities, divided by team members, not including TELUS International.

3) Environment Canada website. (ec.gc.ca/water/en/info/facts/e\_domestic.htm)

#### Environmental non-compliance

The past year marked the third year in a row that TELUS has not been fined for environmental non-compliance. We believe this reflects the successful performance of our environmental management processes and the effectiveness of our team member training program. Our goal is to continue to comply with all regulations and therefore avoid all fines in 2009.

#### Environmental fines paid

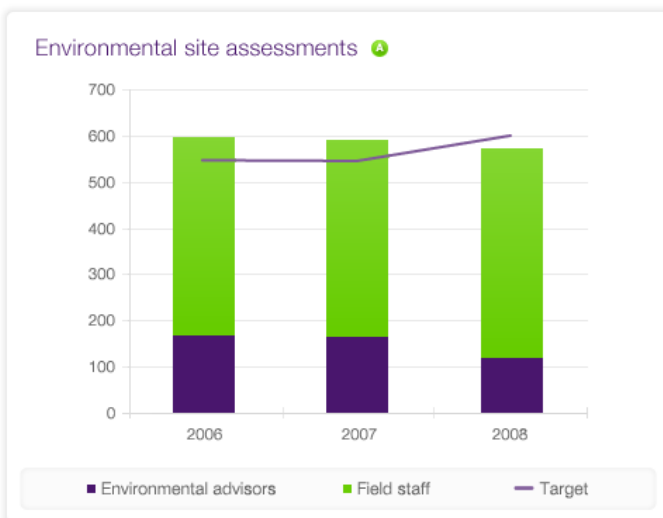
Year	2008	2007 <sup>1</sup>	2006	2005	2004
Fines (in \$)	0	0	0	0	11,500 <sup>1</sup>

1) Does not include the cost of an estimated \$50,000 rehabilitation effort we undertook at a grassland in the southern interior of British Columbia. The grassland was damaged by construction activity.

#### Environmental site assessments

TELUS team members and contractors continually assess our key properties for compliance to 14 areas of corporate environmental policy and regulation. The results of these assessments are tracked electronically and each site is benchmarked against the corporate standard. Management team members then follow up on issues highlighted in the compliance reports. In 2008, we achieved a compliance score of 89 per cent, compared to 86 per cent in 2007.

Our 2008 goal was to conduct 600 site assessments and 100 per cent of high-risk/high-value sites. We performed complete environmental site assessments at 572 sites, which included 75 per cent of high-risk/high



1) Our target for 2009 using an alternate combined environmental and safety assessment routine is 1,780 sites.

value sites. We missed our targets primarily due to resource challenges and changing business requirements for our team members in the field.

In 2008, as part of ongoing operational efficiency measures, we assessed the overlap in our current environmental and safety inspection routines. The findings of this assessment led to the discontinuation of the past environmental assessment routine for 2009, and utilization of an existing combined environment and safety assessment routine which covers the majority of our significant environmental building risks and is conducted more frequently than the previous routine. In addition, it will allow us to more readily achieve our target of reviewing 100 per cent of our high-risk/high value sites. As a result of this change, our 2009 target has increased significantly from 2008, and will provide a new baseline for subsequent years. The new target of 1,780 includes 1,700 assessments completed by field staff and 80 by Environment team members.

#### Spills and releases

Compared to recent years, we reported more spills – 115 in total in 2008. We believe this is attributable to the training of team members and contractors to report all spills and releases regardless of type or amount. The total estimated volume of substances released was considerably less than in 2007 (490 vs. 9,250 litres), owing to a lack of any individual significant spills or releases. Substances spilled and/or released can include ozone-depleting substances, such as R-22 and Halon, fuel from generators or vehicles, battery acid and hydraulic fluid. We strive in every case to comply with local, provincial and federal reporting requirements.

A 24-hour hotline that team members and others can call in the event of a spill or release is in place. The hotline staff provides guidance for onsite management and provide subsidiary reporting to external agencies as required. Follow up and root cause analysis per incident are performed by the environment team.

Improvements in our investigation process and system upgrades continue to result in more thorough reporting. Our target for 2008 was to maintain 100 per cent compliance with legislated reporting requirement and to reduce the total number of spills and associated amounts by 25 per cent through the implementation of learnings from our root-cause analysis. In 2008, the total number of spills actually increased, resulting in missing our target by 25 per cent. Nevertheless, we achieved the compliance target with respect to external federal and provincial reporting requirements. We also noted a 28-per-cent drop in the number of reportable spills in 2008. The total spills target poses a challenge for us in that we seek to increase awareness and reporting requirements, while simultaneously reducing the number of spills, two objectives that seem to work against each other. For 2009, we will seek to remain 100 per cent compliant with our regulatory requirements and continue to increase awareness around spills and releases through training of TELUS team members and contractors.

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

Spill type / year	2008	2007	2006
Reportable	21	29	8
Not reportable	94	49	20
Total spills	115	78	28
Approximate volume (L) <sup>2</sup>	490	9,250	425
Approximate weight (kg) <sup>3</sup>	740	945	60

1) Spill amounts reflect best estimate based on investigation results.

2) Volume in litres includes liquid petroleum hydrocarbons, battery acid, glycol and other.

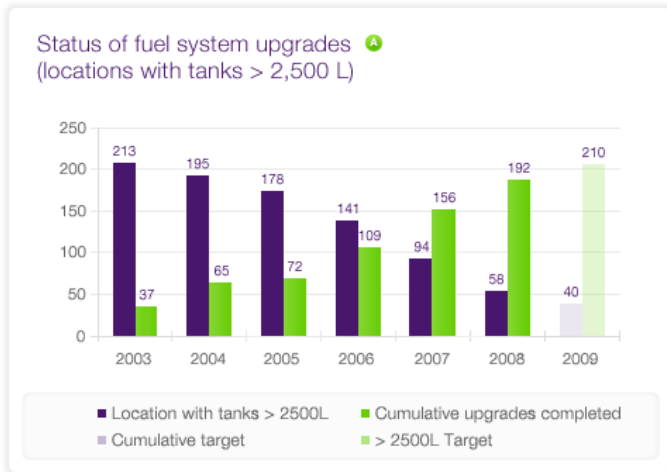
3) Weight in kilograms includes refrigerants (Chlorofluorocarbons) and fire suppression agents (Halon and FM-200).

#### Fuel system upgrades

To enable continuity of services as required by federal regulation, TELUS must provide its own back-up electrical power in the event that commercial electricity sources are not available. In addition, TELUS has certain remote sites where commercially provided power is not currently available. This requires the use and storage of diesel and propane fuel for power generation. Diesel fuel poses an environmental risk if it leaks from either a storage tank or faulty fuel line.

We continue to focus on fuel system upgrades as installation and maintenance of these systems help mitigate the future risk of environmentally damaging spills.

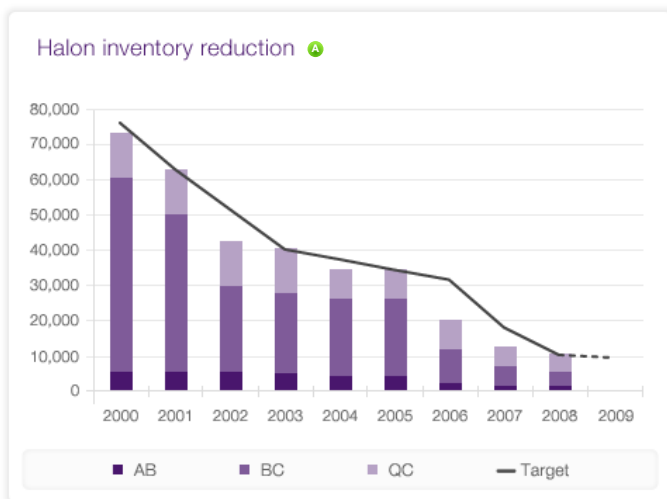
Our target for 2008 was to complete 30 sites at a capital expenditure of 3.5 million dollars, in support of our long-term target to upgrade all sites that have tanks larger than 2,500 litres by year-end 2010. We exceeded our short-term target, completing 36 sites. Based on our understanding of the new federal requirements as they apply to the communications sector, we de-stressed the timeline for full program completion and have adjusted our 2009 target accordingly. Our target for 2009 is to complete 18 sites at a capital expenditure of approximately \$1.5 million, which reflects corporate resource prioritization, as well as the new regulatory environment. As a result, we have adjusted our target for program completion to the end of 2011.



#### Halon inventory reduction

To enable continuity of services as required by federal regulation, TELUS must provide its own back-up electrical power in the event that commercial electricity sources are not available. In addition, TELUS has certain remote sites where commercially provided power is not currently available. This requires the use and storage of diesel and propane fuel for power generation. Diesel fuel poses an environmental risk if it leaks from either a storage tank or faulty fuel line.

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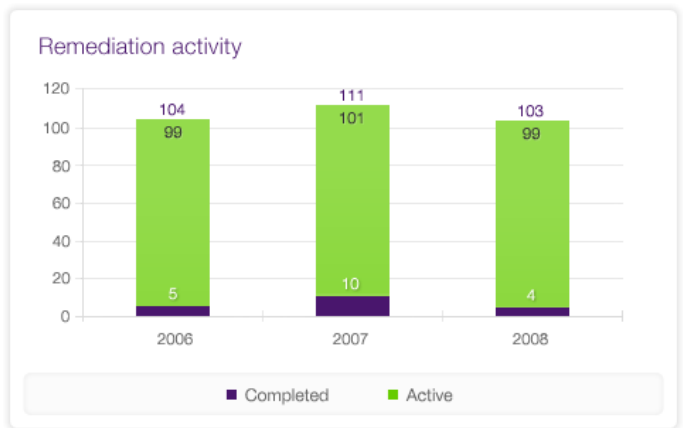
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de-stressed the timeline for full program completion and have adjusted our 2009 target accordingly. Our target for 2009 is to complete 18 sites at a capital expenditure of approximately \$1.5 million, which reflects corporate resource prioritization, as well as the new regulatory environment. As a result, we have adjusted our target for program completion to the end of 2011.

#### Remediation activity

To manage the issue of environmental degradation from spills and releases that do occur, TELUS prioritizes sites to be addressed using a risk matrix method based on the Canadian Council of Ministers of the Environment (CCME) approach. Remediation techniques vary with the extent of the contaminated area, and the degree and type of contamination.

Our 2008 target was to investigate 25 sites and complete remediation work on 10 sites. We successfully investigated 27 sites; however, we completed only four remediation projects. Due to changing business requirements and unexpected complexities in the field, the progress of some projects was delayed. We continue to focus on remediation as a means to improve our environmental footprint.



Completed sites include those where the contaminants have been physically removed from the site soil, air and groundwater, as well as sites that have been assessed to confirm that there are no unacceptable levels of contaminants present, as determined by comparison to either generic or site-specific, risk-based criteria. Active sites include those that are being monitored, assessed or remediated.

For 2009, we will seek to achieve progress on 20 sites and complete five. This target has been adjusted downward to reflect current resource levels and organizational business requirements for 2009. In addition, we will develop a new methodology that better reflects the degree of organizational environmental risk mitigation achieved by this program.

# Independent Review

*To the Board of Directors and Management of TELUS Corporation ("TELUS")*

We have reviewed the selected quantitative performance indicators identified in Attachment A and presented in TELUS's online Corporate Social Responsibility Report (the "Report") for the year ended December 31, 2008. TELUS management is responsible for collection and presentation of the indicators and information set out in the Report. Our responsibility is to review the selected quantitative performance indicators and report our conclusion based on our review. A review does not constitute an audit and consequently we do not express an audit opinion on the selected quantitative performance indicators.

## Scope


The selected quantitative performance indicators comprise quantitative indicators relating to community investment, health & safety, environment, employee relations and other areas set out in Attachment A. The selected quantitative performance indicators were chosen by TELUS primarily on the basis of perceived external stakeholder interest. We did not review the narrative sections of the Report, except where they incorporated the selected quantitative performance indicators.

## Methodology

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 quantitative performance indicators that we reviewed. Our review criteria were based on the Global Reporting Initiative Sustainability Reporting Guidelines, TELUS management definitions, and accepted industry standards for environment, health and safety reporting. Our procedures included obtaining and evaluating evidence related to the selected quantitative performance indicators. More information on our review process is set out in Attachment B.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the selected quantitative performance indicators presented in Attachment A and in TELUS's online 2008 Corporate Social Responsibility Report are not presented in all material respects in accordance with the relevant criteria.



PricewaterhouseCoopers LLP  
Vancouver, British Columbia, Canada  
May 20th, 2009

## Attachment A

### TELUS 2008 Corporate Social Responsibility Report Reviewed Performance Indicators

All figures as of December 31, 2008, unless otherwise noted. All financial figures in Canadian dollars.

GRI Ref	Performance Indicator	Coverage	2008 Value	Notes
1.	EC1 Community investment	Canada	\$24.0 million	-
2.	EN1 Paper consumption	Canada	65.1 million sheets	-
3.	EN3 Total energy use – direct sources	Canada	340,331,000 kWh	-
4.	EN4 Total energy use – indirect sources	Canada	632,386,000 kWh	Includes both conventional and Green Tag power
5.	EN16 Total direct greenhouse gas emissions	Canada	73,000 tonnes CO <sub>2</sub> e	-
6.	EN16 Total indirect greenhouse gas emissions	Canada	252,000 tonnes éq CO <sub>2</sub>	-
7.	EN19 Volume of halons removed from inventory for recycling	Canada	1,800 kg	-
8.	EN23 Number of reportable spills and releases	Canada	21	Definition of "reportable" varies by jurisdiction
9.	EN23 Number of non-reportable spills and releases	Canada	94	Definition of "non-reportable" varies by jurisdiction
10.	EN23 Estimate total volume of spills and releases	Canada	Liquids: 490 litres Gases: 740 kg	-
11.	EN26 Number of completed environmental site assessments and inspections	Canada	By Environmental Advisors: 122 By field staff: 450 TOTAL: 572	-
12.	EN26 Number of fuel system upgrades	Canada	36	Includes both fuel system upgrades and removals
13.	EN26 Number of active and closed remediation sites	Canada	Number of sites investigated: 27 Number of remediation projects closed: 4	-
14.	HR4 Number of human rights cases opened and closed	Canada	Cases carried over from previous year: 6 New cases opened: 11 Cases closed: 10 Cases still in progress: 7	Human rights cases as defined by the Canadian Human Rights Commission
15.	LA1 Total workforce – by region	Company-wide	British Columbia: 8,677 Alberta: 7,260 Ontario: 7,279 Quebec: 5,252 Other: 250 International: 7,933 TOTAL: 36,641	"Other" refers to other Canadian provinces and the USA. "International" refers to TELUS's call centre operations in the Philippines.
16.	LA1 Total workforce – by employment type	Company-wide	Regular: 35,597 Temporary: 1,044 TOTAL: 36,641	Active employees only. "Regular" refers to permanent full time and part time employees.
17.	LA2 Voluntary employee turnover rate	Canada	10.3 %	-
18.	LA4 Total number of grievances and arbitrations	Canada	555	-
19.	LA4 Unionization – percent of workforce unionized	Company-wide	Wireline: 53% Wireless: 47% TELUS International: 0% TOTAL: 40%	-
20.	LA7 Lost time accident rate	Canada	0.76	Number of lost time accidents per 200,000 work hours
21.	LA7 Absenteeism rate	Canada	8.7	Number of days absent per employee per year



22.	LA10	Learning investment expenditures	Canada	\$29.1 million	-
23.	LA13	Workforce demographics – gender and minorities as a percent of TELUS workforce	Canada	Women: 38.8% Visible minorities: 13.3% Persons with disability: 2.8% Aboriginal people: 1.7%	Because of lag in receiving national benchmark data, reported values are as of December 31, 2007
24.	n/a	Employee recognition expenditures	Canada	\$8.8 million	Monetary value of rewards and events designed to recognize employee performance.
25.	n/a	Employee engagement - percentage of employees expressing job satisfaction	Company-wide	58 %	Based on employee survey by third-party consultant
26.	SO3	Percent of employees completing ethics training	Canada	100 %	-
27.	SO4	Total number of inquiries and complaints made to TELUS EthicsLine	Canada	356	Total number of calls received, before screening and categorization
28.	SO4	Number of inquiries and complaints made to TELUS EthicsLine relating to the company's ethics policy	Canada	248	-
29.	SO4	Number of concerns determined to be breaches of ethics policy	Canada	64	-

n/a = not applicable

## Attachment B

### Description of Our Review Process

TELUS Corp. asked us to review certain assertions by management regarding the Company's corporate social responsibility performance and to provide a report setting out our conclusion. Our review team comprised individuals with backgrounds and experience in environment, health and safety, social, economic and financial assurance.

We carried out our review work at TELUS's head office in Vancouver, British Columbia. During our review, we obtained, examined, and evaluated evidence using a variety of procedures, including:

- Interviewing relevant TELUS management and staff
- Obtaining an understanding of the management systems, processes, and controls used to generate, aggregate and report the data within TELUS's various departments and offices
- Examining relevant internally and externally generated documents and records, including correspondence with external parties where appropriate
- Comparing the Company's assertions to publicly available third party information
- Testing and re-calculating performance data on a sample basis
- Assessing the information for consistency with our knowledge of TELUS's overall operations

We did not carry out detailed testing to the extent required to express an audit opinion, nor did we test the controls over the data gathering and reporting processes.

# Global Reporting Initiative (GRI) guidelines

This report has been prepared using the Global Reporting Initiative (GRI-G3) guidelines, including the telecom sector supplement. The index below lists where in the report the reader can find information related to each GRI criterion – either in the report or in the TELUS 2008 annual report. Combined, these reports form TELUS' reporting package of economic, social and environmental performance.

The 2008 Corporate Social Responsibility (CSR) reporting period consists of the 2008 calendar year and information reported within is confined to that period. TELUS has been publishing annual CSR reports since 1997. Questions concerning content of information within the 2008 CSR report should be directed to [sustainability@telus.com](mailto:sustainability@telus.com).

For the 2008 reporting period, TELUS has self-assessed our Global Reporting Initiative (GRI-G3) compliance level as "B".

## 4.1 Management approach

For the application of Global Reporting Level B, TELUS must disclose our management approach for the following aspects:

Economic	Social	Environnemental
Human rights	Society	Services accountability

### Business and management approach

At TELUS, business risk is defined as the degree of exposure associated with key strategic, financial, organizational and process objectives in relation to the effectiveness and efficiency of operations, the reliability of financial reporting, compliance with laws and regulations, and the safeguarding of assets within an ethical organizational culture.

In an effort to ensure alignment with the triple bottom line, TELUS solicits and synthesizes the expertise and insight of team members from all areas of the business. This process seeks to address key risks to TELUS, including those related to CSR.

### Economic approach

TELUS' economic management approach is specified through the strategic imperatives we set in 2000.

- Focusing on growth markets of data and wireless
- Building national capabilities
- Partnering, acquiring and divesting as necessary
- Providing integrated solutions
- Investing in internal capabilities
- Going to market as one team.

Our corporate values are as follows:



You can read more about our specific economic performance, market presence and economic impacts at [telus.com/annualreport](http://telus.com/annualreport).

### Social approach

Our team members are the face, heart and soul of our organization, simultaneously embodying and projecting our company's values. TELUS' commitment to its team members is reflected in our workplace policies, which range from diversity, ethics and respect to labour relations.

TELUS invests in developing the best talent in the global communications industry, to drive engagement and success of the TELUS team. We remain committed to offering team members the opportunity to:

- Work on leading-edge solutions for our customers
- Be part of an exciting and learning-focused culture
- Contribute to the community through service and giving.

In 2009, we plan to:

- Sustain the financial commitment for learning and career development close to 2008 levels and expand our complement of learning options, such as classroom courses, online learning and tuition reimbursement
- Support team member wellness and work life balance through access to support services and wellness practitioners, health screening and improvement programs, and an Active Living program
- Continue to support team members working when and where they can be most effective, which includes mobile and teleworking through our Work Styles program
- Engage team members in addressing the business challenges and recognizing their accomplishments
- Continue to engage, support and inspire women at TELUS in the pursuit of excellence in their careers through the TELUS Connections program
- Foster a workplace that is inclusive and respects diversity, building on the momentum achieved with our Respectful Workplace training and resolution support
- Focus on developing programs (such as a customized awareness training program) through our Diversity and Inclusiveness Council
- Support team members in giving back to the communities where they live through the Team TELUS Cares charitable giving and volunteer program.

TELUS remains committed to being an employer of choice. Evolving and enhancing our employment brand demonstrates our commitment to team members and those who want to be a part of the TELUS team. Detailed disclosure relating to our employment practices, management/labour relations, health and safety and diversity is found in detail within the report.

### Environmental approach

Responsibility for TELUS' environmental footprint is shared by senior leaders across the organization, all with specific areas of expertise. The vice-president of Risk Management and Chief Internal Auditor has project oversight of all of our programs and supports the director of Environment. The Environment team is comprised of professionals from across Canada responsible for our environmental management systems and corporate social responsibility programs. These programs are the management tools for setting policies, implementing programs, tracking performance and reducing our impact. All aspects listed in the GRI management disclosure are found in detail within the report.

### Human rights management approach

The TELUS ethics policy ties together all policies regulating business behaviour and provides guidelines for the standards of ethical conduct by all team members, including members of the Board of Directors and officers. The policy, which specifically addresses human rights, is updated annually, communicated to team members, and housed on TELUS' internal and external websites.

## Society management approach

Our community investment philosophy – ‘We give where we live’ – reflects our belief that we should have a positive impact on the society around us through our business and human resources practices. We endeavour to do this by ensuring our products are safe and consumer-friendly, enabling diverse work styles and fostering high performance, flexibility and collaboration among our team members. Our key programs are as follows:

- Customer Satisfaction
- Internet Safety
- Green Business Solutions
- Safe Driving
- Privacy Controls
- Community Giving.

## Global Reporting Initiative (GRI-G3) guidelines

This report has been prepared using the Global Reporting Initiative (GRI-G3) Guidelines, including the telecom sector supplement. The index below lists where you can find information related to each GRI criterion – either in the report or in the TELUS 2008 annual report. Combined, these reports form TELUS’ reporting package of economic, social and environmental performance.

The 2009 Corporate Social Responsibility (CSR) reporting period consists of the 2008 calendar year and information reported within is confined to that period. TELUS has been publishing annual CSR reports since 1997. Questions concerning content of information within the 2008 CSR report should be directed to sustainability@telus.com.

For this report, TELUS is self declaring at a Level B, based on the assessment of our report content against the criteria in the GRI application levels.

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**Footnotes**

- 1 Appears in TELUS 2008 Annual Report to Shareholders
- 2 Redundant with telus.com
- 3 NA = not available
- 4 NR = not relevant
- 5 Not discussed, internal policy, tracked internally
- 6 Appears throughout report

# Glossary

**3G (third generation):** Describes wireless technology that offers highspeed packet data mobile wireless Internet access and multimedia communications at minimum transmission rates of 144 Kbps in mobile (outdoor) and two Mbps in fixed (indoor) environments. Analog cellular is the first generation of wireless and digital is the second.

**4G (fourth generation):** Describes the next generation of future wireless technology, which is still in the developmental stages. Long-term evolution (LTE) has emerged as the leading technology for adoption as 4G.

**AWS (advanced wireless services) spectrum:** AWS spectrum in the 2 GHz range, which is expected to be utilized in North America for 4G services.

**bandwidth:** The difference between the top and bottom limiting frequencies of a continuous frequency band, or indicator of the information-carrying capacity of a channel. A greater bandwidth provides a greater information-carrying capacity.

## **CRTC (Canadian Radio-television and Telecommunications**

**Commission):** The federal regulator for radio and television broadcasters, and cable-TV and telecommunications companies in Canada.

**digital:** A transmission method employing a sequence of discrete, distinct pulses that represent the binary digits 0 and 1 to indicate specific information, in contrast to the continuous signal of analog. Digital networks provide improved clarity, capacity, features and privacy compared to analog systems.

**HSPA (high-speed packet access):** A 3.5 or higher generation GSM technology capable of delivering wireless data download speeds of up to 30 Mbps.

**LTE (long-term evolution):** An evolving 4G mobile communications technology, capable of wireless broadband speeds of up to 100 Mbps, with commercial deployment expected to start in 2010 or later.

**postpaid:** A conventional method of payment for wireless service where a subscriber pays for a significant portion of services and usage in arrears, after consuming the services.

**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 licensed and utilized by the carrier.

**VoIP (voice over Internet protocol):** The transmission of voice signals over the Internet or IP network.

# Find out more

## **Investor information**

TELUS is committed to generating sustainable economic growth. To find out more, visit [telus.com/investors](http://telus.com/investors).

## **Governance**

TELUS is strengthening Canada's communities through the Governance Essentials Program. To find out more, visit [telus.com/gep](http://telus.com/gep).

## **Community giving**

TELUS has a unique and innovative national program of nine community boards. Since 2005, the TELUS Community Boards have donated \$16.9 million to support 1,205 community projects. To find out more, visit [telus.com/community](http://telus.com/community).

## **Employment**

TELUS is a great place to work, with a focus on attracting and retaining the best talent. To find out about employment at TELUS, visit [telus.com/careers](http://telus.com/careers).

## **Environmental stewardship**

TELUS is committed to doing our part as an environmental steward. To learn more, visit [telus.com/csr](http://telus.com/csr).

## **Strategic Intent**

TELUS' strategic intent is to unleash the power of the Internet to deliver the best solutions to Canadians at home, in the workplace and on the move.



the future is friendly®

TELUS Corporation  
555 Robson Street  
Vancouver, British Columbia  
Canada V6B 3K9

Phone: (604) 697-8044

Fax: (604) 432-9681

[telus.com](http://telus.com)

