

what matters to **you** matters to **us**

2013 CORPORATE SOCIAL RESPONSIBILITY
REPORT



 **TELUS**

the future is friendly®

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

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About this report

Forward-looking statements

This report contains statements about future events, including with respect to our 2014 consolidated and segmented targets, 2014 normal course issuer bid, multi-year dividend growth and share purchase programs, and financial and operating performance of TELUS that are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and predictions and are subject to inherent risks and uncertainties.

There is significant risk that the forward-looking statements will not prove to be accurate and there can be no assurances that TELUS will complete all purchases under the 2014 normal course issuer bid. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors (such as regulatory and government decisions, the competitive environment, our earnings and free cash flow, our capital expenditures and spectrum licence purchases, and a change in our intention to purchase shares) could cause actual future performance and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified by the assumptions (including assumptions for 2014 targets, semi-annual dividend increases to 2016, and our ability to sustain and complete multi-year share purchase programs to 2016), qualifications and risk factors referred to in Management's discussion and analysis, starting on page 42 of the 2013 TELUS annual report and in other TELUS public disclosure documents and filings with securities commissions in Canada (on [SEDAR](#)) and in the United States (on [EDGAR](#)). Except as required by law, TELUS disclaims any intention or obligation to update or revise forward-looking statements and reserves the right to change, at any time at its sole discretion, its current practice of updating annual targets and guidance.

Material issues

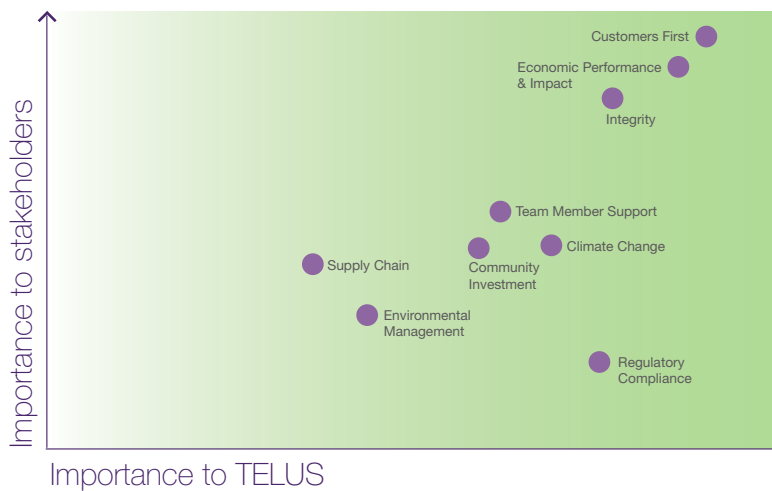
You want us to report on what matters to you.

In early 2014, TELUS once again reviewed the scope of our CSR report, to make sure it is relevant to stakeholders and identifies and integrates



emerging issues into our strategy development. We convened a sustainability advisory panel which was facilitated by The Delphi Group, a strategic management consulting organization. Panelists included representatives from different stakeholder groups including customers, team members, suppliers, shareholders, non-governmental organizations, TELUS Community Board members, media, community partners, peer organizations and investment companies with socially responsible mandates. The purpose of the session was to have panelists assess and discuss TELUS' and stakeholder material issues and provide feedback on our CSR report content, design and functionality.

Through our advisory panel we were able to reaffirm that the material issues previously identified remain key reporting priorities for our stakeholders. For our 2014 report, we will update our materiality matrix to reflect the feedback provided by our stakeholder advisory panel as well as other stakeholder feedback received throughout 2014.



We believe that streamlined CSR reporting, focused on our performance with respect to material issues, better serves our stakeholders, increases employee engagement, spurs innovation, builds momentum for sustainability initiatives, fosters enhanced governance and increases accountability. Shortening and focusing our CSR report also makes it more relevant and reader friendly.

In this report, we will focus our disclosure on our nine material topics, and align our CSR targets to these issues. We will convey our performance and strategy for each issue in such a way that our stakeholders are able to easily understand where TELUS is on our sustainability journey.



Stakeholder inclusiveness

Having a voice matters to you. Your input matters to us.

In each of the sections of this report, we describe who our stakeholders are and how we engage with them to inform our sustainability strategy and reporting. The following groups have been identified as TELUS stakeholders through a formal internal review process and by collaborating with independent third parties:

- Customers
- Shareholders
- Debt holders
- Federal, provincial and municipal governments
- Internal stakeholders — team members, business unit leaders and executive leaders
- TELUS alumni/retirees
- TELUS Community Board members
- Community partners
- Suppliers and strategic partners
- Aboriginal peoples and their communities
- TELUS Community Ambassadors
- Non-governmental organizations
- Academic organizations
- Investment companies with socially responsible mandates
- Credit rating agencies and sustainability indices
- Peer organizations
- TELUS enterprise risk assessment participants.

In 2013, we continued to engage stakeholders to discuss key topics and concerns, and assess and affirm the material issues to be reported upon in our CSR report. Throughout this report, you will find specific examples of stakeholder engagement and their influence in our operations.

In 2014, stakeholders will continue to help us refine our reporting and focus on issues that matter. Feedback will be gathered through surveys, focus groups and community panels, and collaborating with corporate advisory panels, academia and industry experts. We will also use interactive communication tools such as blogs and other social media tools, emails, websites as well as chats and phone conversations to gather input. We will continue to attend and participate in conferences, various Boards, and consult with unions.



Customer input

Connecting with our stakeholders is an important part of our business improvement process. In 2013, we strengthened our commitment to deliver exceptional customer experiences with the goal of becoming the most recommended company in the markets we serve. For 2014, our number one corporate priority is once again to deliver on our future friendly brand promise by putting customers first. Every interaction our team members have with our customers is an opportunity to listen, gather feedback and determine if our products and services are delivering superior value.

We measure our customer experience using our Likelihood to Recommend (L2R) framework. This framework is supported by four pillars:

- Products and services
- Reputation and brand image
- Pricing and transparency
- Contact experience.

Every quarter, Canadian consumers are surveyed on whether they would recommend our products, services and people to friends or family members. We also ask our business customers how likely they are to refer TELUS' products and services to their colleagues or other businesses. Responses are used to determine our L2R results, which provide a tangible measure of how we are tracking to our goal of becoming the most recommended company across all of our markets. We share these results with our team members, which helps us identify further opportunities and actions that can enhance the customer experience.

We communicate with our customers each day through various social media tools. To inspire conversations and decisions that help TELUS grow, we monitor and engage with customers directly through Facebook, Twitter, YouTube and LinkedIn in English, and Facebook, Twitter and YouTube in French.

For more information, visit the Customers First section of this report.

Team member input

We believe engagement is about strengthening the spirit and capturing the hearts and minds of team members in a way that contributes to our overall business performance. An engaged team is realized when team members truly believe in and are proud of their company and see a strong connection between their daily contributions and our overall success.

We build more productive workplaces and create stronger connections with our customers and communities by:





- Seeking out suggestions for improvement and measuring the impact of past programs through our annual Pulsecheck survey and a survey of senior leaders on human resources practices
- Hosting team member forums that encourage collaboration on topics such as leadership and engagement
- Working with union leaders from the Telecommunications Workers Union (TWU), Syndicat Québécois des employés de TELUS (SQET) and the Syndicat des agents de maîtrise de TELUS (SAMT) unions through the Consultative Forum
- Engaging union representatives on topics such as diversity and health and safety
- Offering business process improvement programs and training to leverage the knowledge and passion of our team
- Providing social media tools such as wikis, blogs, webinars and video sharing, enabling team members to more effectively collaborate throughout our organization.

Shareholder communication

TELUS connects with current and potential investors and the public in the following ways:

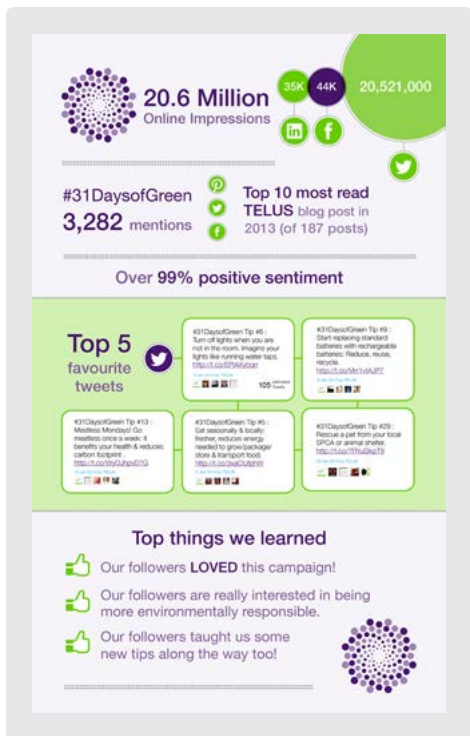
- Regular [news releases](#) around corporate and marketing developments
- Our annual disclosure package, which includes the annual report, information circular, corporate social responsibility (CSR) report and annual information form
- Annual shareholder meetings and quarterly investor conference calls and webcasts
- Participating in investor conferences and meeting with financial analysts and investors
- Meetings with shareholder advocacy groups (such as the [Canadian Coalition for Good Governance](#)) to discuss executive compensation or governance issues.

Spotlight on social media

Increasingly, one of the key tools we use to engage our stakeholders is social media. Primarily through Twitter, we engage our stakeholders in two-way conversations on sustainability and other issues directly or through campaigns. Using our [@telus](#) account, and the [#TELUSCSR](#) hashtag, our stakeholders have direct access to our team.

In 2013, we engaged with our stakeholders with a focus on four key sustainability campaigns:

- Environmental awareness (March through June)
Earth Hour: 604,000 Twitter impressions, 65 mentions



Earth Day: Two million Twitter impressions, 743 mentions
Environment Week: 923,000 Twitter impressions, 87 mentions

- Give where we live
4,890 posts to givherewelive.ca and
38.2 million Twitter impressions using [#givherewelive](https://twitter.com/givherewelive)
- #31DaysofGreen
20.6 million impressions (December 2013 and January 2014)
LinkedIn post: 38,474 impressions, 27 likes
Facebook: (two posts combined): Reach of 44,272 people, 353 likes, 58 shares of posts.

Our total Twitter impression in 2013, reached almost 35 million, a significant increase from 4.2 million impressions in 2012. Our objective for 2014 is to reach 40 million impressions.

Reporting parameters and what's new

CSR reporting and disclosure matters to you. Transparency matters to us.

Increasingly, stakeholders are considering our sustainability performance in their purchasing, employment, and investment decisions, which is why we continue to integrate sustainability considerations into our operations and strategies. Through our CSR report, we aim to disclose our performance on material issues in a way that demonstrates the relationship between business success and the sustainability issues in our operations. As signatories to the United Nations Global Compact (UNGC), which asks companies to embrace universal principles, we also report our progress on human rights, labour, environment and anti-corruption.

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

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

Our report is web-based and is compatible for viewing with most mobile devices. Since 2013, we have placed a greater focus on sharing information in a visual way, complementing the text and highlighting key data points with easy to understand graphics. Based on stakeholder feedback, further emphasis has been put on website navigation and search functionality, making the site easier to use.



Throughout our report, we highlight TELUS' focus on putting customers first. We continue to include more information from our international operations and have increased the scope of our climate change disclosure. Specifically, we are restating the baseline year of our climate change strategy, so that we can include energy data from our leased properties to more accurately show our energy use and greenhouse gas emissions. We declare our report at a GRI-G3 A+ level and have asked Deloitte LLP to confirm our rating.

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

Information contained in this 2013 report covers January 1 to December 31, 2013, unless otherwise stated. The material includes TELUS' operations across Canada as well as TELUS International, unless otherwise stated. Also contained in this report are 2013 targets and results, and 2014 targets for key performance indicators in alignment with material issues.

We use the following symbol **A** to highlight information reviewed by an independent registered chartered accounting firm, Deloitte LLP.

We are always seeking ways to improve our CSR and welcome your feedback and suggestions. Please send any questions or comments to sustainability@telus.com.

Targets

In 2013, TELUS set 24 targets aligned to nine material issues to measure and progress our sustainability performance. These material issues were confirmed by engaging with TELUS' key stakeholders and by applying a structured, evidence-based process for assessing materiality to guide future years' report content as well as strategy and targets that reflect our objective to balance economic growth with environmental and social goals.

We met 15 of our 24 objectives in 2013. Our strong financial and environmental performance is reflected in our results as we met three of four economic targets and all of our climate change and environmental stewardship targets. Our capital expenditures in 2013 exceeded the target as a result of our continued investment in:

- Wireline and wireless broadband infrastructure
- Network and system resiliency and reliability to support our ongoing Customers First initiatives
- Large enterprise deals



- Preparation of the network and systems for future retirement of outdated assets.

Our number one priority remains putting customers first. This is demonstrated through our results for customer complaints with the [Commissioner of Complaints for Telecommunication Services \(CCTS\)](#), which are down 27 per cent and represent 6.4 per cent of overall industry complaints — down from 10 per cent compared to the previous year. We improved or maintained our Likelihood to Recommend (L2R) results in four of five customer segments in 2013, but missed our targets for several reasons, including customer uncertainty resulting from increased media attention in our industry as a result of a potential new foreign entrant into the Canadian marketplace. Please see the L2R section of our report for more analysis on results and objectives for 2014.

In 2013, we introduced our innovative integrity index, which includes internal and external measures of compliance to codes of conduct, senior manager behaviour and training effectiveness. We improved upon our baseline score of 93 — achieving a score of 93.6 — by maintaining or improving our results in all related metrics, but did not meet our target of 94.



Our domestic results place TELUS as number one globally amongst organizations of our size and composition

Our team member engagement improved both domestically and internationally. Our domestic results place TELUS as number one globally amongst organizations of our size and composition according to our independent survey administrator, Aon Hewitt. At TELUS International we realized an increase to 73 per cent in 2013, up from 71 per cent in 2012 and 67 per cent in 2011; however, we missed our engagement target of 74 per cent. In addition, we continued our positive trend of improved team member safety results, decreasing our lost-time-accident rate per 200,000 person hours worked to 0.74 from 0.77 in 2012.

We also met both of our Supply Chain targets, introduced in 2013, demonstrating our efforts to improve our supply chain sustainability. For 2014, we have redefined our supplier risk assessment metric to better measure improvements in understanding risks in our supply chain by setting an objective to increase the scope of our assessments.

Strong results for volunteerism and community giving positively impacted our customers' belief that TELUS makes a difference in their community as measured by our L2R framework. This helped us meet three related targets in 2013. Our newly established target for community investment awareness, however, was not met, so enhanced communication efforts are planned to improve our results in this area for 2014. A move of one of our planned TELUS International Day of Giving events from 2013 to 2014 also impacted our participation result, and our 2014 target has been set to drive the growth of this program.

In 2014, we plan to reassess our targets to affirm alignment to our material issues based on stakeholder engagement activities. We will also confirm that these metrics are driving business performance.

2014 CSR targets

Material issue	Key performance indicator	2014 target		2013 result	2013 target
Environmental stewardship	Wireless devices recycled	580,000	✓	582,869	400,000
	Paper purchase reduction	10%	✓	15%	10%
Climate change	Annualized energy reductions	40.5 GWh	✓	41.88 GWh	40.5 GWh
Community investment	Team TELUS Cares total volunteer hours	635,000	✓	627,276	573,000
	L2R: 'TELUS makes a difference in my community'	47%	✓	43.3%	40.4%
	TELUS Day of Giving® participation — Domestic	15,000	✓	14,298	13,000
	TELUS Day of Giving participation — International	5,850	✗	5,400	7,100
	Community investment awareness ¹	53%	✗	49%	53%
Team member support	Pulsecheck engagement (TELUS)	85%	✓	83%	83%
	Pulsecheck engagement (TELUS International)	76%	✗	73%	74%
	Safety: lost time accidents per 200,000 person-hours worked ²	0.74 LTA	✓	0.74 LTA	0.77 LTA
Integrity index	Index	94	✗	93.6	94
Customers First	Likelihood to Recommend (L2R) Consumer	74%	✗	71%	75%
	L2R Small Business Solutions (SMB ³)	75%	✗	72%	75%
	L2R TELUS Business Solutions	75%	✓	n/a	n/a
	L2R Enterprise	77%	✗	71%	73%
	L2R TELUS Health	75%	✗	71%	75%
	L2R TQ Business ⁴	76%	✓	73%	73%
Supply chain	Contracts integrated with Supplier Code of Conduct ⁵	100%	✓	100%	100%
	Completed supplier risk assessments ⁶	65%	✓	100%	100%
Regulatory compliance	TELUS complaints as a per cent of overall complaints to the CCTS	5%	✓	6.4%	10%
Economic performance and impact	Revenues (consolidated)	\$11.9 to \$12.1 billion 4 to 6%	✓	\$11.4 billion 4.4%	\$11.4 to \$11.6 billion 4 to 6%
	EBITDA ^{7,8}	\$4.15 to \$4.35 billion 3 to 8%	✓	\$4.02 billion 4.1%	\$3.95 to \$4.15 billion 2 to 8%
	Basic EPS ^{7,8}	\$2.25 to \$2.45 11 to 21%	✓	\$2.02 9.2%	\$1.90 to \$2.10 3 to 14%
	Capital Expenditures ⁹	\$2.2 billion	✗	\$2.11 billion 6.5%	Approx. \$1.95 billion

1 As measured by an Omni survey asking Canadians about their awareness of TELUS' various community investment initiatives. Per cent indicated is those who answer 'very aware' or 'somewhat aware'.

2 Targets for 2013, as announced on February 15, 2013 excluded the impact of Public Mobile acquisition.

3 The target for 2013 was for Small and Medium Business (SMB). For 2014, we have established two new customer segments: Small Business Solutions (SBS) and TELUS Business Solutions (TBS).

4 TQ Business annual target revised from 67 to 73 per cent to align with new survey methodology.

5 For all new contracts signed after January 2012, our revised Supplier Code of Conduct is included.

6 The target for 2013 was defined as per cent of follow up complete to determine risk-level based on assessment. In 2014, the target definition will be revised to mean response rate for risk assessment surveys initiated, with a baseline of 47 per cent (2013 result).

7 Earnings before interest, taxes, depreciation and amortization (EBITDA) is a non-GAAP measure and does not have any standardized meaning prescribed by IFRS-IASB. We have issued guidance on and report EBITDA because it is a key measure used to evaluate performance at a consolidated level and the contribution of our wireless and wireline segments. For definition and explanation, see [Section 11](#) of the MD&A in the 2013 annual report.

8 Adjusted for the two-for-one stock split effective April 16, 2013.

9 The capital expenditures targets and results exclude expenditures for spectrum licences.



Sustainability at TELUS

Executive Chair message

Serving our customers by contributing to healthier and more sustainable communities

TELUS and our 43,400 team members are dedicated to putting our customers first and our significant efforts to build healthier and more sustainable communities are an extension of this commitment. What matters to our customers matters to us and this is why we take a triple-bottom-line approach, balancing our economic, social and environmental contributions as we strive to be a socially responsible corporation. Indeed, we believe that in order to do well in business we must do 'good' in the communities where we live, work and serve, and we are committed to advancing our corporate social responsibility goals by deploying advanced broadband networks to citizens living in both urban and rural Canada; harnessing our thought leadership and technology innovation to answer Canada's healthcare challenge; reducing our energy consumption and greenhouse gas emissions; moving information and ideas as opposed to people and vehicles; developing workplaces that incorporate the most advanced communications technology and the highest environmental standards; investing in Canadian youth through grassroots community programming; and serving our fellow citizens in need from coast-to-coast-to-coast.

We continue to conduct our business operations and strategies in alignment with our longstanding everyday leadership values of having a passion for growth; embracing change and initiating opportunity; having the courage to innovate; and believing in spirited teamwork. We also embrace universally accepted principles in human rights, labour, environment and anti-corruption practices, guided by the [United Nations Global Compact](#). Notably, this commitment adds an additional dimension of accountability that exemplifies our dedication to be a globally leading corporate citizen.

Differentiating our business in the hearts and minds of Canadians

Delivering on our promise to consistently place our customers at the forefront of every decision we make remained our top corporate priority in 2013. Guided by our Customers First declaration and by embedding our





Customers First commitments within our culture, we achieved industry-leading results in customer satisfaction and further differentiated our company in the hearts and minds of Canadians. Some examples include:

- Canadians voted Koodo the number one standalone provider and TELUS the number one national full-service provider for the second straight year in J.D. Power and Associates' annual Wireless Total Ownership Experience survey
- As reported by the Commissioner for Complaints for Telecommunications Services in its 2012–2013 annual report, the number of complaints reported for TELUS decreased by 27 per cent year over year whilst complaints increased by 26 per cent for the Canadian telecommunications industry as a whole; this result built on the previous year, during which complaints reported for TELUS decreased by 13 per cent whilst complaints increased by 35 per cent for the industry as a whole
- Our postpaid wireless churn, which represents the number of customers to leave TELUS, dropped to an industry-leading rate of just over one per cent.

Our collective efforts to put our customers first are resonating with Canadians and at the end of 2013, 71 per cent of our consumer customers, 72 per cent of our small and medium-sized business customers and 71 per cent of our large enterprise customers said they were likely to recommend TELUS. Notably, TELUS is number one in the enterprise segment and we are building upon this hard-fought momentum by pursuing even more ambitious targets across all business segments in 2014.

We further demonstrated our passionate commitment to our customers by taking significant legal steps to defend their privacy rights. In a landmark case that was decided by the Supreme Court of Canada in March 2013, TELUS successfully argued that the seizure of text messages on a prospective basis by law enforcement agencies requires a wiretap authorization issued by a judge. Importantly, the decision strengthened the privacy rights of TELUS customers and other Canadians with respect to their private electronic communications.

The TELUS team also made significant contributions toward answering one of Canada's greatest social challenges — enhancing the delivery of healthcare. Indeed, through our partnerships with medical practitioners in communities throughout the country, we are delivering healthcare technology solutions that bridge time and distance, crack the code on affordability and support better patient outcomes. By way of example, TELUS is now the largest provider of electronic medical records (EMR) in Canada; our EMR services support 12,500 physicians and positively impact more than 45 million patient encounters each year. We are also working with the Government of Alberta to create a digital personal health record (PHR) for every citizen in the province. Additionally, we are leveraging our technology solutions to bridge the digital divide



TELUS is now the largest provider of electronic medical records (EMR) in Canada.



by connecting specialists concentrated in urban hospitals with patients in rural communities. Notably, in 2013, TELUS was named the top healthcare IT solutions provider in Canada for the fifth year by Branham300.

Investing in Canada's economy for the benefit of all Canadians

Our strategic investments in broadband wireless and wireline technology and services, coupled with our team's unwavering commitment to putting customers first, are driving exceptional financial results and creating long-term value for our investors. Since 2000 through to March 2014, the TELUS team has achieved a total shareholder return of 286 per cent, the highest total shareholder return amongst our global peers. Notably, we significantly surpassed our second place peer globally over this period by 110 percentage points.

TELUS contributes to the nation's economy by:

- Purchasing goods and services in Canada required for our operations
- Providing employment and compensation to our team members
- Paying dividends and interest to our investors
- Investing in research and development of emerging technologies
- Paying taxes to multiple levels of government.

Including spectrum purchases and annual spectrum fees, TELUS has remitted taxes of more than \$14 billion in the past nine years alone and these funds have paid for a multitude of government services for Canadians. TELUS adheres to Canadian and international tax laws, which is in alignment with our longstanding track record of open and transparent corporate reporting and globally leading governance practices.

Demonstrating our commitment to environmental innovation

TELUS is a national and global telecommunications leader and we have a responsibility to our many stakeholders to set a leadership example by driving bold solutions that ensure our operations are environmentally sustainable today and in the future. In this regard, we continue to take action to reduce the overall environmental impact of our domestic and international operations.

In 2013, we completed a five-year process to align our environmental management system with the ISO 14001:2004 standard, an internationally respected framework that helps organizations reduce their impact on the environment. We also embedded our Climate Change





Strategy deeper within the layers of our operations. By decommissioning legacy equipment; improving efficiency of power and cooling systems in targeted buildings; and consolidating our national real estate footprint, we exceeded our target and eliminated 41.9 gigawatt hours of energy use from our operations in 2013. This is the equivalent of removing 6,000 vehicles from the road. In 2014, the TELUS team will continue to find new and creative ways to reduce our absolute energy consumption.

Another way in which we are fulfilling our role as a champion of environmental stewardship is by pursuing Leadership in Energy and Environmental Design (LEED) gold or platinum standards in all of our new buildings and upgrading all of our Internet data centres to achieve LEED certification within the next five years. We also completed construction of our Super Internet Data Centre in Kamloops, B.C. which, like its sister facility in Rimouski, Quebec, is equipped with next-generation technology that reduces energy consumption and water consumption by 80 per cent. Notably, our Rimouski data centre was named one of the most innovative data centres in the world by the Uptime Institute.

In addition to creating two of the greenest Internet data centres in the world, we are also shifting our office infrastructure to a greener footprint by expanding our portfolio of award-winning, LEED office towers to include TELUS Garden in Vancouver and TELUS Sky in Calgary. Our new corporate home in Vancouver is being built to the LEED platinum standard and features an innovative district energy system that will capture low-grade waste heat from our adjacent network equipment building and redistribute it throughout the residential and office components of the new development, contributing to an 80 per cent reduction in energy demand for heating and cooling. Through our district energy system and other building features, we will reduce our carbon dioxide emissions by one million kilograms per year, which is the equivalent of planting 400,000 trees. Similarly, TELUS Sky, scheduled to be completed in late 2017, will meet the highest LEED standard and showcase leading-edge communications technology and next-generation environmental solutions, contributing to our total of more than 1.3 million square feet of LEED space, nationally. Our commitment to environmental sustainability is also demonstrated throughout our TELUS House Toronto office tower, which has been recognized by Corporate Knights as the greenest building in Canada in their large building category.



Through our district energy system and other building features, we will reduce our carbon dioxide emissions by one million kilograms per year, which is the equivalent of planting 400,000 trees.

Complementing our large-scale construction projects and environmental management initiatives are the many grassroots endeavours carried out by our Green Teams. I am tremendously grateful to these dedicated volunteers for educating our broader TELUS team through workshops, special events and lunch and learns. In 2013, these teams promoted car-pooling groups; orchestrated clothing drives and other recycling projects; assisted in waste audits; and hosted community gardening and composting workshops.



Without a doubt, our emphasis on continuous improvement in respect of our environmental management has helped drive our success and in 2013 our perseverance and spirited teamwork were rewarded with three prestigious awards. We were:

- Ranked a [Global 100 Most Sustainable Corporation](#) for the fourth time — one of only five Canadian corporations to have achieved this since 2009
- Named to the [Dow Jones Sustainability North America Index](#) for the 13th consecutive year — the only North American telco or cableco to have achieved such
- Recognized for the second consecutive year as one of Canada's Greenest Employers.

Joining hands to help others in need

The TELUS team demonstrated characteristic generosity, compassion and teamwork in response to several devastating disasters that took place in 2013 here at home as well as overseas. From the flooding in Southern Alberta to the train derailment and explosion in Lac-Mégantic, Quebec to the powerful typhoon that struck the Philippines where 7,000 TELUS International team members are based, our team members stepped up and played a vital role in the emergency response. Working around the clock, their efforts included restoring emergency communications, assembling and distributing Comfort Kits and food supplies and raising critically needed funds for the Red Cross. I am incredibly proud of the thousands of team members who selflessly provided comfort and care to those evacuees and citizens in need.

Team members, retirees, families and friends also joined together to serve their own communities during our annual TELUS Day of Giving. A record 14,000 volunteers participated in 500 activities across Canada and our TELUS International team embraced this special opportunity to make a positive difference in their communities as well. I am pleased to share that our international effort grew even larger this year with our teams in Sofia, Bulgaria and Bucharest, Romania hosting their first TELUS International Day of Giving events.

It was also an exceptional year for our 11 TELUS Community Boards in Canada and international boards in the Philippines, Guatemala and El Salvador. Since 2005, our 14 TELUS Community Boards have allocated a total of \$41.5 million to 3,285 innovative and grassroots projects that have addressed the needs of millions of children and youth whilst helping them pursue their dreams and realize their full potential.

Recognizing the need to foster the next generation of community champions, TELUS is supporting Canadian youth to give back to their communities through our ground-breaking program, Give Where You Live. Launched in 2013 in partnership with Free The Children, we have



A record 14,000 volunteers participated in 500 activities across Canada and our TELUS International team embraced this special opportunity to make a positive difference in their communities as well.



TELUS, our team members and retirees have contributed an unparalleled \$350 million to charitable organizations across Canada and volunteered 5.4 million hours of service in local communities.

presented our inspiring workshops to over 24,000 high school students in schools across B.C., Alberta, Quebec and Atlantic Canada and given them the tools to identify and address social and community issues of concern to them and take action create positive change. To encourage children and youth to volunteer in their communities all year round, we also launched We365, a smartphone and online app that makes it easy for young Canadians to participate in fun volunteer challenges, track their volunteer hours and join a community of socially conscious peers.

Further demonstrating our commitment to creating healthier and safer communities for Canadian youth, we expanded the scope and reach of TELUS WISE, our Internet and smartphone safety education program. This national program, developed in collaboration with MediaSmarts and other industry experts, offers training and tips to parents, educators and children about how to be safe and responsible when using social media and the Internet. In their volunteer roles as TELUS WISE ambassadors, team members hosted sessions with 2,000 adults and 600 school children in 2013.

These tremendous contributions further elevated the TELUS team's legacy of community building which dates back more than a century. Indeed, in the last 14 years alone, TELUS, our team members and retirees have contributed an unparalleled \$350 million to charitable organizations across Canada and volunteered, with our hearts and hands, 5.4 million hours of service in local communities throughout our nation's vast geography. The TELUS team continues to be immensely proud of having been the first ever Canadian company named the Most Outstanding Philanthropic Corporation globally by the U.S.-based Association of Fundraising Professionals (AFP) and the first ever Most Outstanding Philanthropic Corporation in Quebec by that province's AFP chapter.

Embracing the opportunity to be a globally leading employer

In 2013, we achieved global leadership in team member engagement with an unparalleled 83 per cent engagement score, our fourth consecutive year of improvement. Indeed, our independent survey administrator, Aon Hewitt, confirmed that we rank number one globally amongst employers of our size and workforce mix.

Importantly, the TELUS team understands that our culture of engagement is our most effective and sustainable competitive advantage, and in this regard, we were very proud to become the sixth company ever inducted into Canada's [Canada's 10 Most Admired Corporate Cultures Hall of Fame](#) in 2013.

We also embrace the opportunity to continuously strengthen our skills and knowledge and in 2013, the [American Society for Training and](#)



[Development](#) (ASTD) recognized TELUS with an eighth BEST award for excellence in leveraging learning to enhance organizational performance. Notably, only two other organizations worldwide have received as many BEST awards as the TELUS team.

Building a friendly future

This letter is but a snapshot of our heartfelt efforts to put our customers and Canadians first whilst continuing to elevate our corporate social responsibility performance and outcomes. I hope that by reading our 2013 CSR report you will gain an understanding of the TELUS team's passionate commitment to our fellow citizens and the communities where we live, work and serve. Our unwavering focus and concerted efforts have contributed to a stronger country economically, socially and environmentally and in turn, enhanced Canada's reputation as a global leader. We look forward to continuing to advance our globally leading corporate social responsibility and we thank you for your support.

Sincerely,

Darren Entwistle
Executive Chair
Member of the TELUS team

June 3, 2014

TELUS team member Shain Allibhai, shown here with Darren Entwistle, is one of our top customers first champions, recognized for consistently delighting our customers, every day.





Chief Sustainability Officer message

Embracing sustainability as a way of doing business

Sustainability is at the heart of everything we do at TELUS. It's a holistic mindset that guides each business decision, customer connection, team member interaction and community outreach effort. Our goal is to make the future friendly, making the world a better place not only for our children, but for generations to come.

We demonstrate our commitment to sustainability across our company and across Canada through our energy and resource reduction programs, green buildings, and technology investments that allow our team and our customers to move ideas instead of people. Our team members are increasingly embracing our goals, and to support this elevated focus, we strengthened our commitment to sustainability and sustainable development in 2013 through the creation of our Chief Sustainability Office, creating a centralized vision and governance.

Sustainability innovation and environmental leadership

Technology is a key enabler of sustainable living; as mobile connectivity expectations continue to grow, we are striving to deliver the next generation of solutions that will transform how we live, from healthcare and education, to work and play.

Our vision is sustainable transformation, not just incremental improvement, for all of our objectives and action plans. We're further ahead in certain areas than others and recognize the need for an inclusive and collaborative approach to understand where we can be better. For 2014, we are focusing on pursuing alternative energy opportunities to complement our energy management program, seeking innovative product and service offerings, and looking for ways to build sustainability capacity and awareness with our customers, suppliers and team members.





A better planet for us all

We believe that the health of our communities, our customers and our team is tied to the health of our planet. What matters to you, matters to us; we will invest in our future by progressing our environmental performance to complement our strong track record of economic and social investment in Canada.

Sincerely,

Andrea Goertz

Chief Sustainability and Communications Officer
Member of the TELUS team

June 3, 2014

Andrea Goertz and Toby Heaps at the Corporate Knight's Best 50 Corporate Citizen's in Canada event, Toronto June 6, 2013.





CSR leadership

Sustainability matters to you.

Corporate responsibility matters to us.

TELUS is committed to Corporate Social Responsibility (CSR) and sustainable growth. Our triple-bottom-line approach balances economic growth with environmental and social goals. We are delivering on our future friendly® brand promise by putting customers first on our journey to become a global leader in the likelihood our customers recommend our products, services and people.

We follow the [Global Reporting Initiative](#) (GRI) definition of CSR, which is:

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

As signatories to the [United Nations Global Compact](#) (UNGC) and by having our reporting aligned to GRI guidelines, we are using international frameworks that both inform our strategy and help us communicate our progress to our stakeholders. This allows TELUS to achieve important goals:

- Integration of our sustainability strategy with universal principles and international standards
- Demonstration of our CSR commitment through policies, processes, and disclosure
- Providing stakeholders with focused, comprehensive and transparent information about our sustainability performance
- Standardization of our CSR report.

Governance and disclosure

Accountability matters to you.

Good governance matters to us.

At TELUS, we are committed to sound and effective practices in corporate governance, which provide the foundation for CSR leadership. The following considerations support this foundation:

- Ethical conduct, ethical standards and expectation-setting by leaders
- An independent and judicious 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
- Executive compensation that rewards performance and responsible risk taking.

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

> **Having and disclosing** a majority voting policy for the election of directors since 2007

> **Securing** independent verification of select key performance indicators in our annual TELUS corporate social responsibility report since 2004

> **Holding** our third annual say-on-pay vote on executive compensation in 2013, which received almost 95 per cent approval from shareholders

> **Adopting** an anti-bribery and corruption policy in 2013, which outlines the expectations for team members relating to anti-bribery and corruption matters in Canada and abroad

> **Continuously reviewing and updating** our Ethics policy and Integrity training to maintain relevancy and assist team members and contractors in making effective decisions regarding ethical, respectful workplace, security and privacy issues.

In 2013, we continued to implement enhancements that help us achieve good governance and increase investor confidence. Often, TELUS is an early adopter of emerging best practices, and following is a list of initiatives implemented in 2013:

- Adopted a **Board Diversity policy**
- Sign the **Catalyst Accord**
(25% of the board must be women by 2017)
- Imposed a **15-year limit** on tenure of Board Directors
- Added **performance-contingent incentives** for executive compensation

- Adoption of a Board diversity policy and a public commitment to targets that provide for between 30 and 40 per cent of our independent members of our Board being diverse members and a minimum of 25 per cent women by May 2017
- Signed the Catalyst Accord, a pledge by major Canadian corporations to increase the proportion of their board seats held by women to 25 per cent by 2017
- Adoption of a term-limit policy to enable ongoing Board renewal and refreshment. The new policy imposes a 15-year limit on tenure for directors who joined the Board after January 1, 2013
- Enhanced executive compensation practices by adding performance-contingent incentives to existing time-vesting incentives, as part of annual long-term incentive compensation. These new performance-contingent incentives are based on achieving certain corporate performance metrics to better align this component of executive compensation to TELUS' corporate strategy.

For more information on our [Board of Directors](#) and corporate governance at TELUS, please refer to our [2014 Information Circular](#).

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

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

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

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

More information on our risk assessment and mitigation process is available in section 10 (Risks and risk management) of the Management's discussion and analysis (MD&A) within our [2013 annual report](#). Information on financial liabilities is listed in the consolidated financial statements and notes section of the annual report.

TELUS' strategic intent is a foundation of our governance program and is supported by [six strategic imperatives](#). These imperatives guide our actions in meeting our operational and financial goals and position our Company for future growth. To execute this strategy, we have a customer-focused organizational structure and a set of core leadership values:



We embrace change & initiate opportunity



We have a passion for growth



We believe in spirited teamwork



We have the courage to innovate

Each year, we set corporate priorities to advance our growth strategy and put our customers first.



CSR leadership team

Overall responsibility for our CSR performance resides with TELUS' [Executive Leadership Team](#). In 2006, a CSR leadership team representing all TELUS business units was established and this team of senior leaders continues to foster a culture of sustainability. The team meets regularly to review progress against CSR objectives and assess new or ongoing initiatives. The team focuses on further entrenching CSR practices, measures and objectives throughout our Company. We provide progress reviews each quarter to the Corporate Governance Committee of [TELUS' Board of Directors](#) as well as updates to the Audit Committee on CSR reporting progress, typically in the first quarter of each year.

TELUS' Executive Leadership Team and our Chief Sustainability Officer (appointed in 2013) are responsible for the approval of the overall strategic direction of our CSR programs. Our annual CSR report discloses our performance and commitments for the future. Furthermore, our report is a catalyst for gathering stakeholder feedback on our programs and performance.

For a full statement of TELUS' corporate governance practices, including our Board policy manual and disclosure regarding our governance practices compared to those required by the NYSE, refer to our TELUS 2014 information circular or visit the [governance section on our website](#).



United Nations Global Compact

The United Nations has developed a global agreement, or compact, to help businesses align their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, the environment and anti-corruption. TELUS supports the compact and we align our report with its principles. We became a signatory of the UNGC in 2010 and continued our support throughout 2013.

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

"TELUS has played a critical role in establishing the Global Compact Network Canada as a leading corporate responsibility initiative in Canada, since we began to design and launch the local network in early



TELUS' leadership in collaborating with other Canadian companies has played a key role in the 15% growth the network has seen in 2013

2013," said Helle Bank Jorgensen, head, Global Compact Network Canada. "TELUS' leadership in collaborating with other Canadian companies has played a key role in the 15% growth the network has seen in 2013. I commend TELUS' leadership in organizing and pursuing a national working group on communication for 2014 and look forward to continuing to collaborate."

Human rights

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

TELUS has a long-standing commitment to respecting and protecting human rights as outlined in our [Ethics policy](#) and reflected in our respectful workplace, employment equity and diversity practices.

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 TELUS Board of Directors, wherever we conduct business. The Ethics policy, which is updated and published annually, formalizes our commitment to safeguard internationally proclaimed human rights. Further details are provided for team members in our Respectful Workplace policy.

In addition to complying with these two policies, our [international operations](#) follow local legislation that protects human rights in all jurisdictions where we operate.

Each year, TELUS requires its team members and contractors to complete an online training course that outlines key aspects of the Ethics, Respectful Workplace, Security and Privacy policies. Entitled Integrity 2013, the course was completed by all team members and over 97 per cent of contractors, compared to 92 per cent in 2012. TELUS has also implemented specific training based upon its Respectful Workplace policy.

TELUS has several processes in place to further monitor company practices:

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



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

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

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

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

Each year, key points from TELUS' Respectful Workplace policy are covered in the mandatory Integrity training course. In addition, all newly hired employees are provided training on the policy. Our overriding goals are to help team members understand the law, and what is considered acceptable behaviour at work as well as the protections and processes available to them should an inappropriate workplace issue arise.

TELUS analyzes complaints filed by team members with the [Canadian Human Rights Commission](#) to determine if there are any internal practices that are causing concern and require attention.

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





Labour standards

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

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

TELUS team members across Canada are represented by four different unions: the Telecommunications Workers Union (TWU), the Syndicat Québécois des employés de TELUS (SQET), the Syndicat des agents de maîtrise de TELUS (SAMT) and the B.C. Government and Services Employees' Union (BCGEU). The agreement with the TWU, which expires on December 31, 2015, covers approximately 10,925 team members across Canada and uniquely, is the only nationwide collective agreement in the wireless and wireline telecom industry.

Additionally, we have approximately 1,515 team members represented by the SQET and the SAMT in the province of Quebec under three separate collective agreements (one with the SQET and two with the SAMT). The SQET contract, covering approximately 885 trades, clerical and operator services team members, expires December 31, 2014. We expect to begin collective bargaining with SQET in the fall of 2014.

Our subsidiary, TELUS Sourcing Solutions Inc., is a signatory to a collective agreement with the BCGEU, which covers approximately 60 team members. That contract came into effect on May 1, 2013 and expires on April 30, 2016.

Union recognition through consultation

TELUS strongly believes in building professional and respectful relationships with the bargaining agents representing our team members. Communications with the unions is recognized as an important element in nurturing these relationships. To that end, we have negotiated provisions in our collective agreements with the TWU and the SQET that establishes formal structured consultation committees and processes. In addition to the regular information sharing with unions in 2013, there were approximately six consultation sessions with unions at the executive level to discuss emerging strategic issues in the telecom industry.

Additionally, TELUS endeavors to provide advance notice to its unions and affected team members regarding operational changes such as contracting out, technological change and mergers, acquisitions and divestitures. Notice requirements of such changes are contained in the collective agreements.



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

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

UNGC Principle 5: The effective abolition of child labour.

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

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

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

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

- **Connections:** our women's network
- **Abilities network:** for team members and family members with varying abilities
- **Eagles:** our First Nations network
- **Mosaic:** for new Canadians
- **Spectrum:** a network for our lesbian, gay, bisexual, transgender and allies.

To learn more about diversity and inclusiveness at TELUS, review our 2013 TELUS Diversity and Inclusiveness Report.





Environment

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

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

TELUS' [Environmental policy](#) explains our commitment to environmental responsibility. TELUS has had a formal environmental management system (EMS) since the mid-1990s. In 2013, we reached alignment with the ISO 14001:2004 standard, and looking forward, we will continue to make improvements to our EMS, evaluating the certification of our system to the ISO 14001:2004 standard in 2015.

TELUS established a Climate Change Strategy in 2010 with a goal of reducing absolute energy consumption by 10 per cent and realizing a 25 per cent reduction in greenhouse gas emissions by 2020 based on 2010 levels. We monitor and report our progress annually and these goals form a component of our executive's personal performance objectives.

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

The strength of our environmental and sustainability culture at TELUS is the result of over two decades of dedicated work in this field. Since we published our first environmental report in 1992, we have continued to evolve our environmental management and sustainability program to support what we believe is a best-in-class corporate responsibility program. Our disclosure now aligns to the Global Reporting Initiative A+ level and in 2013, we were named to the Dow Jones Sustainability North American Index for the thirteenth consecutive year. The Environmental Management section of this report details initiatives that promote greater environmental responsibility, including training, auditing and ongoing assessment of our environmental performance and compliance.

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

TELUS develops and implements technology solutions that support the principle of moving ideas instead of people. Our TELUS Technology Labs enable testing, trialing and proof of concept of emerging technologies and services. Associated with the labs, TELUS Innovation Centres across



Canada showcase our current and potential future networks and services. When we implement environmentally friendly technologies internally, we not only support our own sustainability goals, we provide benefits to society as a whole by reducing resource use and greenhouse gas (GHG) emissions. In 2013, we aimed to eliminate 40.5 gigawatt hours of energy use (GWh) from our operations. We exceeded our target by eliminating 41.9 GWh, which also resulted in \$3.8 million in annualized cost savings. Externally, we offer videoconference and teleconference technologies for our customers and partners, which reduces the need for travel, providing a reduced carbon footprint.

Key project highlights and results for 2013 include:

- Improved efficiency of power and cooling systems in targeted buildings: 19 GWh eliminated
- Reduced energy consumption from real estate consolidation and energy efficiency programs: 8.8 GWh eliminated
- Rimouski's Super Internet Data Centre online information technology load consumption reduction: 5.1 GWh eliminated
- Legacy equipment turndowns: 4.7 GWh eliminated
- Server/storage decommissioning: 2.55 GWh eliminated.

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

Anti-corruption

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

Strengthening anti-bribery and corruption procedures across TELUS remains a priority. In 2013, we continued to build on our risk-based review and framework developed in 2012. Here are the highlights:

- **Senior management involvement and support:** senior leaders across TELUS were identified as responsible and accountable for making certain the anti-bribery and corruption compliance program is effectively implemented and consistently monitored. Senior executives set the tone to create a culture where bribery is unacceptable.
- **Corporate compliance policies and procedures:** in 2013, a specific anti-bribery and corruption policy was approved by the TELUS Board of Directors to provide further clarity and guidance for TELUS team members and third parties engaged by TELUS. This supplements guidance in the [TELUS Ethics policy](#), the [Supplier Code of Conduct](#) and our Code of Conduct for Business Sales Activities.
- **Training and education:** our annual Integrity training highlights our zero-tolerance approach to bribery and corruption. Further training





continues to be provided through specific Business Sales Code of Conduct training, and will also be provided through a specific anti-bribery and corruption training program set for launch in 2014.

- **Monitoring, auditing, and reporting mechanisms:** team members in various areas of the company are tasked with managing the ongoing effectiveness of the compliance program. Future reviews and audits will be conducted and reports will be provided to the TELUS Board of Directors as appropriate.
- **Incentives and consistent disciplinary procedures:** specific objectives will be created in 2014 for team members responsible for implementing and monitoring the compliance program. Failure to act in accordance with anti-bribery and corruption policy will subject TELUS team members to disciplinary action, up to and including dismissal.

Sustainability awards

In 2013, TELUS earned external recognition for our accomplishments and commitment to Corporate Social Responsibility, continuing our strong track record of sustainability leadership:

Corporate Knights Global 100 Most Sustainable Corporations in the World

In January 2014, TELUS was honoured as one of 2014's Global 100 Most Sustainable Corporations in the World by [Corporate Knights](#) at the World Economic Forum in Davos, Switzerland. This is the fourth time we have earned the Global 100 recognition.

Dow Jones Sustainability Index (DJSI) North American Index Leader



In 2013, TELUS was named a DJSI North American Index Leader in the Telecommunications Services sector for the thirteenth consecutive time, an accomplishment unequalled by any North American telecommunications or cable company. The DJSI follows a best-in-class approach, including companies across all industries that outperform their peers in a range of sustainability metrics. The [RobecoSAM](#) group (an investment firm focused exclusively on sustainability investing) invites the world's 2,500 largest companies from 58 industry sectors, to report annually on their sustainability performance.



Canadian Professional Accountants (formerly CICA) 2013 Corporate Reporting Awards

In 2013, TELUS earned Honourable Mention for Excellence in Sustainable Development Reporting (second across all industry sectors in Canada) for the sixth time.



FTSE4Good Index

For the seventh time, TELUS is a member of the FTSE4Good Index Series. The Index Series objectively measures the performance of companies that meet globally recognized corporate responsibility standards. Transparent management and criteria make [FTSE4Good](#) a valuable tool for consultants, asset owners, fund managers, investment banks, stock exchanges and brokers when assessing or creating responsible investment products.

Canadian Society of Corporate Secretaries

TELUS received the inaugural Excellence in Governance Award from the Canadian Society of Corporate Secretaries for the best sustainability, ethics and environmental governance program.



Other awards

- Named one of Canada's Greenest Employers in association with [Canada's Top 100 Employers](#) award
- Listed on the NASDAQ OMX CRD Global Sustainability Index
- Included in Sustainalytics/McLean's top 50 most socially responsible organizations in Canada
- TELUS remains a component of the Jantzi Social Index, created by [Sustainalytics](#) a company that supports investors around the world with the development and implementation of responsible investment strategies. The firm partners with institutional investors who integrate environmental, social and governance information and assessments into their investment decisions
- Ranked eighth out of 300 on ReportWatch's 2013 annual report on annual reports, which includes a review of the CSR report.



Environmental stewardship



Overview

TELUS is committed to continuously improving our environmental stewardship. Through our environmental management system (EMS) we have identified our significant environmental impacts, which are actively managed by setting objectives and targets, developing management programs and tracking performance. Through our adherence to this formal framework we are able to reduce our environmental impacts year over year.

We recognize that effective environmental stewardship cannot be practiced in isolation. We have numerous stakeholders that are engaged in our efforts to improve. Stakeholders include landowners we partner with when building our infrastructure, government agencies we consult with on how to implement new legislation, and conversations with our customers that lead to a better understanding of the environmental impacts that are most important to them. Stakeholder engagement is an intrinsic component of our environmental management system and a responsibility inherent to delivering leading-class telecommunication services.

A more sustainable future

Managing TELUS' environmental footprint is a responsibility shared by everyone at our company. TELUS' environmental professionals and senior leaders who have expertise in risk management, network, real estate and supply operations, legal compliance, health and safety, and procurement work together with our Corporate Social Responsibility (CSR) leadership team to guide and enact our sustainability vision.

Our EMS is management's tool for setting policies, implementing programs, tracking performance, and reducing our environmental impacts. The CSR leadership team provides executive-level oversight, guidance and strategic direction for sustainability matters at TELUS and the Corporate Governance Committee of [TELUS' Board of Directors](#) receives quarterly reports on TELUS' ongoing environmental risk management activities.

In 2013, we remained committed to demonstrating environmental leadership and reducing the overall environmental impact of our domestic



and international operations. It was another successful year when many of our sustainability plans were realized, including:

- Completion of the alignment of our EMS with the ISO 14001:2004 standard and a third-party EMS and compliance audit of our Alberta operations
- Completion of the company-wide removal of Halon fire suppression systems
- Becoming the first telecom company globally to set a specific public target for the reduction of halocarbon (refrigerant gas) releases from our HVAC systems
- Receiving Leadership in Energy and Environmental Design (LEED) gold certification for our largest Internet Data Centre in Toronto
- Reducing our paper purchases by 15 per cent, exceeding our goal of 10 per cent
- Switching our paper purchases from 30 per cent post-consumer recycled (PCR) content to 50 per cent PCR, which resulted in 74 per cent of paper purchased being 50 per cent PCR
- Continuing to provide telephone and video conferencing technology solutions to customers and team members that enable the movement of ideas instead of people, reducing travel internally by nearly 50 per cent since 2007
- Execution of more than 100 energy reduction initiatives through our energy management program
- Initiation of third-party waste audits at 18 of our largest waste-producing facilities to assist in the development of a new corporate waste management strategy
- Launching the internal website, Environment Gateway, which provided internal stakeholders improved access to environmental resources and EMS documentation.



Environmental leadership

Green buildings

Construction continues on [TELUS Garden](#) our team's head office tower in downtown Vancouver. Set for completion by 2015, the development will be one of the most technologically innovative and environmentally friendly sites in North America, reducing energy consumption from conventional sources by up to 80 per cent compared to similar buildings. Setting a new standard for sustainability, TELUS Garden will showcase Canada's first Leadership in Energy and Environmental Design (LEED) Platinum office building as well as a residential tower built to LEED Gold standards.

In 2013, we announced plans to open [TELUS Sky](#), one of the first office towers in Calgary built to the LEED Platinum standard. TELUS Sky will



use 35 per cent less energy than developments of a similar size. Plans are underway to further improve energy efficiency, with the goal to have the final development use 80 per cent less energy than similar properties. At the end of 2013, TELUS is the largest lease holder of LEED Platinum space in North America, including TELUS House Toronto, TELUS Garden in Vancouver, and our latest development in Calgary, TELUS Sky.

Kamloops Super Internet Data Centre

In 2013, we opened our Kamloops Super Internet Data Centre (SIDC) creating 75 new jobs. Similar to our SIDC in Rimouski, Kamloops is one of the most technologically advanced and environmentally sustainable data centres in the world. TELUS invested \$75 million to build the Centre, providing another sustainable solution for our customers. SIDC design highlights include:

- Taking advantage of Kamloops' naturally low humidity, the Centre consumes 80 per cent less energy and 86 per cent less water than typical data centres
- Using outside air for cooling 99 per cent of the year, requiring only 40 hours of mechanical cooling each year. This removes 2,300 tonnes of carbon dioxide from the environment — the equivalent of emissions from 10,000 Canadian homes
- Power Usage Effectiveness (PUE) of 1.15.

The SIDC is built to LEED Gold environmental standards and has received Tier III certification from the [Uptime Institute](#). The Centre is one of only two Tier III facilities in Canada and the only Tier III facility with certification for both design and construction.



To learn more about our data centres, [watch now](#).



Assessing our vehicle fleet

Outside of our facility based energy management initiatives, we are also looking at ways to reduce the footprint of our fleet operations. Since 2010, we have reduced the size of our fleet by six per cent, from 4,800 vehicles to less than 4,500 at the end of 2013. In addition, the average monthly litres of fuel consumed dropped by five litres per vehicle per month in 2013 compared to 2012, in part due to replacing older model vehicles with newer fuel efficient models. Other key initiatives include:

- Collecting current vehicle operating (driving characteristics) data on our service fleet to identify opportunities to deploy hybrid and alternative fuel technologies



- Deploying test vehicles to evaluate technologies with the highest potential return and validating the expected benefits in actual operational environments
- Continuing to look for opportunities to reduce the size of our fleet and to leverage efficiency gains in vehicle engines, powertrains and new technologies

Work Styles

Work Styles is a program designed to create value by providing team members with the flexibility to choose a work style that best suits their needs and offers the following benefits:

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

Reduced emissions and savings resulting from Work Styles programs

Participants ¹	Total km saved ²	Total hours saved ³	CO ₂ reduced (kg) ⁴
7,558	19,600,000	1,160,352	4,654,000

1 Revised for 2013 — assumes mobile team members work three days/week at home and at-home workers five days/week.
 2 Kilometres (km) — average 15 km round trip (Environment Canada standard).
 3 Hours saved — based on 54 minutes per day (Environment Canada standard).
 4 CO₂ reduced — based on average mid-size car fuel efficiency and Environment Canada emission factors.

We regularly speak with leaders and team members to gather feedback and suggestions for improvement and are working with our Information Technology teams to develop a Work Styles roadmap that supports future technology requirements. In 2013, we improved technology by:

- Doubling the capacity of our virtual private network (VPN) across Canada
- Preparing for the 2014 launch of enhanced secure corporate and open guest Wi-Fi capabilities in our Work Style buildings across Canada

Work Styles adoption rate

%	2013	2012	2011
Team members in a mobile work style	60	47	35

By 2015, we aim to have 70 per cent of our team members located in our top national buildings working in a mobile or at-home capacity. We will also continue to share our journey and lessons with our customers to help them advance their own mobile work plans.



To learn more about the Work Styles program, [watch now.](#)

TELUS Health technologies

Close to 50 per cent of all provincial budgets in Canada are dedicated to healthcare, yet according to the [2012 Commonwealth Fund Health Policy Survey](#) the Canadian healthcare system consistently rates amongst the lowest internationally when compared to 11 OECD countries in the areas of:

- Accessibility to a doctor or nurse when sick or needing care
- Delays for specialist appointments and elective surgeries
- Adoption rates for Electronic Health Records.

To help address these issues, over the last decade we have leveraged our world-class innovation and technology to tackle the challenges facing our healthcare system. We have invested more than \$1 billion to bring healthcare information technology to market that enables the flow of information across the continuum of care.

Some of the solutions we provide include:

- [Electronic Medical Records](#)
- [Telehealth](#), our high-definition videoconferencing solution and scheduling platform that connects patients in real-time with the best informed medical experts nationally
- [Remote Patient Monitoring Solutions](#), which enable clinicians to closely monitor patients in the comfort of their homes.



Through our Telehealth technology, a patient suffering from a heart condition that lives in a remote or non-urban community can visit the Telehealth enabled clinic in her community and receive treatment from a cardiologist based in an urban centre, using high-definition videoconferencing in both locations. This patient's consultation can occur cost-effectively and without the risk, stress and the expense of travelling hundreds of kilometres from home.

Our broadband technology is enabling the home to be the hospital room of the future, in a world where we will undoubtedly have a shortage of hospital beds. The communities that have embraced these technologies and services have seen emergency room visits and re-admissions reduced by 40 per cent for patients with chronic diseases. Additionally, medical practitioners who once provided home care to 20 patients per week are now able to monitor 120 patients per day.

[TELUS Health](#) is turning information into better health outcomes. We are:

- Empowering doctors, nurses and extended health teams to



coordinate and share information to provide integrated care efficiently and cost-effectively

- Offering doctors, patients and their families the ability to share information anytime, anywhere to further involve patients in the management of their own health
- Enabling pharmacists to provide better medication management and healthcare services for clients
- Improving benefits claims management to make the process more efficient for employees, companies and insurance providers
- Allowing hospitals, governments and health system managers to analyze information for finding best practices, evidence-based treatments and quality improvements
- Encouraging patients to care for themselves at home and wherever life takes them.

Our steadfast efforts to enhance and improve the delivery of healthcare in Canada has resulted in TELUS being recognized by Branham 300 as the number one [Information and Communications Technology partner](#) to the Canadian healthcare sector for five out of the last six years.

For more information on how TELUS is supporting healthier, more sustainable communities, refer to our [website](#).



To see how TELUS is addressing key issues in health, [watch now](#).

Green Teams

TELUS Green Teams are a dedicated group of team members who volunteer their time to promote sustainability in the workplace and at home. Led by a diverse, environmentally-focused cross-section of team members, our Green Teams seek to make a difference at work and in our communities, both in Canada and at our international locations in Central America and the Philippines. Green Teams are organized at the national and local levels, and are open to all team members.

In 2013, we began to engage external stakeholders as partners to help us realize the Green Team's vision to live and work green. A good example is our partnership with Communities Growing Together to launch TELUS Community Garden, a rooftop garden located at our downtown Toronto offices. This exciting initiative has a broad sustainability focus with the following objectives:

- Promoting urban gardening awareness and sustainable food practices for team members and the community
- Providing a wellness space within TELUS House Toronto where team members can meet and connect



- Teaching team members about the benefits of gardening, whole-food nutrition, preserving and cooking
- Connecting other gardening communities within the area
- Growing local produce for donation or sale to team members or the community
- Demonstrating the positive impact of Corporate Community Gardens through the engagement of an academic research partner and tracking metrics like employee engagement, wellness before, during and after gardening activities, communications and events.

In 2013, there were 18 Green Teams at TELUS, including three new teams in Montreal and Edmonton. These teams are supported by more than 120 volunteers who participated in many events, including:

- Promotion of car-pooling and transportation alternatives through [Smart Commute Scarborough](#)
- Clothing drives and other recycling initiatives
- Assisting in waste audits
- Hosting films and webinars on green living and sustainability in communities
- Community gardening and composting workshops
- Writing blogs and articles for external and internal audiences.



Green Team members also continued their sustainability leadership by organizing and participating in environmental events and celebrations such as Earth Hour, Earth Day, and Environment Week. Through these organizational and leadership activities our Green Team volunteers are able to further their personal growth and career development objectives, improve their communication skills and build their professional network.

In 2014, Green Teams will promote green ideas and environmentally sustainable living by collaborating with internal operations teams and individual team members to:

- Reduce their carbon footprint
- Improve the stewardship of natural resources
- Enhance waste diversion programs
- Further promote green commuting initiatives.

Green Teams also plan to finalize the transformation of their governance and organizational structure to best align with corporate strategy and priorities as well as to provide a framework for tracking and coordinating local and national initiatives.

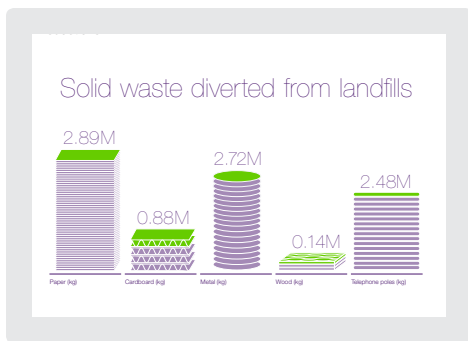


Waste and recycling

In 2013, we embarked on a full review of our waste and recycling processes, including how we collect waste data, to better understand the opportunities for improvement and determine waste diversion targets. Waste audits were completed by an independent consultant at a representative sample of our buildings, with a focus on the most populated buildings. The results of the audits provided important information we are using to develop a waste management action plan. Conversations with our primary and secondary waste haulers and recyclers were also held to determine how to improve the accuracy and standardization of our waste collection data. These initiatives are expected to be completed in early 2014, providing us with a foundation to establish a long-term waste diversion target that we will publish in our 2014 CSR report.

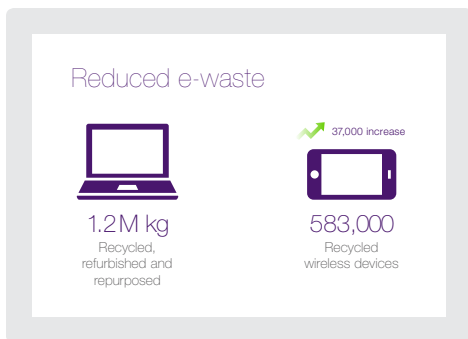
In 2014, we will also enhance communications and education for TELUS team members and contractors with the intent to maximize the use of our existing recycling services. We plan to accomplish this by introducing new signage and publishing regular waste and recycling information bulletins on our intranet.

In 2013, we diverted 10.45 million kilograms of material from landfills, which included:



Solid waste

- 2.89 million kilograms of paper and 0.88 million kilograms of cardboard
- 2.72 million kilograms of metal
- 0.14 million kilograms of wood
- 2.48 million kilograms of decommissioned telephone poles.



Electronic waste

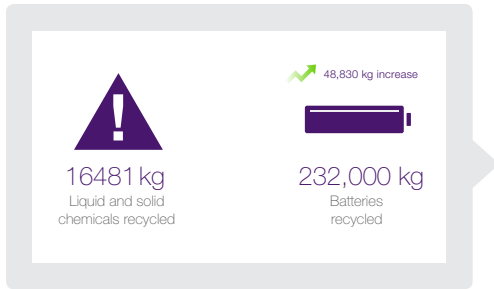
- Recycled, refurbished and repurposed 1.20 million kilograms of e-waste
- Recycled 583,000 wireless devices, compared to 546,000 in 2012 (exceeding our 2013 goal of 400,000 wireless devices) through internal programs and [Canadian Wireless Telecommunications Association's Recycle My Cell](#)



TELUS also offers [Certified Pre-Owned Phones](#) providing affordable device options that help reduce environmental impacts. Our goal for 2014 is to recycle 580,000 wireless devices.



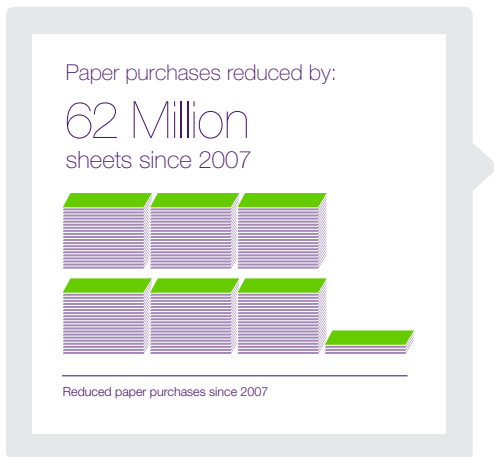
Hazardous waste



Our operations generate small quantities of hazardous waste, yet we continue to look for reductions and where possible, use non-hazardous alternatives. In 2013, TELUS recycled:

- 8,732 kilograms of liquid and 7,749 kilograms of solid hazardous waste from our facilities including motor oil, antifreeze and fuel from fleet operations
- 232,000 kilograms of batteries from network equipment and fleet operations.

Continuing our sustainable paper journey



One of our most successful sustainability accomplishments is our continued decrease in paper purchases across our company. Not only did we decrease our paper purchases in 2013 by 15 per cent to 21 million ^A sheets of paper, we successfully increased the use of recycled paper into our purchasing behaviour. Since 2007, we have reduced our paper purchases by nearly 75 per cent, or over 62 million sheets.

In 2008, we set a target to have all TELUS copy paper be 100 per cent post-consumer recycled (PCR) Forest Stewardship Council (FSC) certified by 2015. While the global supply of 100 per cent PCR has occasionally faced challenges due to increasing demand, we continue to move toward our target. Today, not only is 100 per cent PCR FSC paper on the market, high quality “tree-free” paper is also available. TELUS has trialed this eco-friendly paper with solid results.

Our goal for 2013 was to transition our copy paper to 50 per cent recycled content or greater. We have made good progress, but some team members are still purchasing paper with no recycled content. Data concerning our paper purchases in 2013 included:

- For the entire year, 77 per cent of copy paper purchased was either 30, 50 or 100 per cent PCR FSC certified, 30 per cent of which was 100 per cent PCR
- In the fourth quarter, 80 per cent of copy paper purchased by team members was 50 per cent or higher.

Our goal for 2014 is to reduce our paper purchases by 10 per cent.



Water consumption

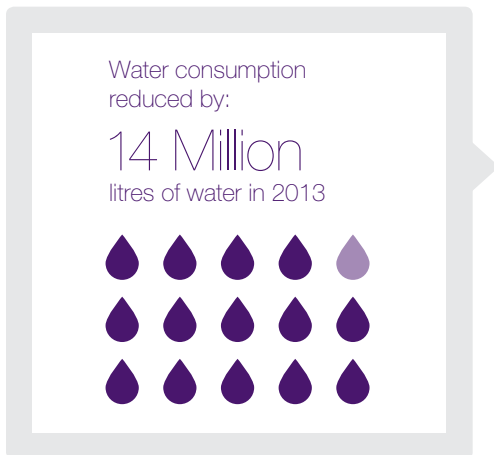
In 2013, we identified further opportunities to reduce water consumption. We met with our property management partner responsible for our owned properties to further understand how and where our water is being consumed, and to launch a water-reduction program at our top 10 water consuming buildings. In 2014, we plan to perform a water optimization review at one of our Internet data centres to assess whether it conforms to modern consumption standards. To get baseline water consumption information in 2013, our team performed water audits at this building and others. This included:

- Reviewing typical facility activities, processes and schedules
- Identifying existing water conservation and monitoring programs including the use and placement of sub-meters
- Capturing water quality requirements, such as the need to use potable water for indoor fixtures and fittings and the ability to use grey water for process water and irrigation
- Documenting known inefficiencies and leaks
- Mapping seasonal variations in water use including the ability to capture and use rainwater.

Additionally, in 2013, we implemented potable water irrigation projects at TELUS House Burnaby, Calgary and Edmonton locations that saved 3.86 million litres of water. We accomplished this by installing climate controlled [ExACTET](#) smart irrigation systems.

Our water consumption for 2013 at our domestic owned properties was 452 million ^A litres compared to 466 million litres in 2012 — a 2.9 per cent decrease. For the first time, we are able to report water consumption from 43 per cent (based on square footage) of our leased properties. In 2013, our water consumption for our tracked leased space was 185 million litres. In 2014, we plan to increase the per cent of leased space where we are able to track consumption. Water consumption at our TELUS Philippines locations was 89.3 million ^A litres in 2013, compared to 86.5 million litres in 2012. In 2014, we plan to establish mechanisms to start tracking water consumption for our locations in Central America.

For 2014, HVAC upgrades are planned to decrease water consumption in our largest Internet Data Centre in Toronto. We also plan to investigate water consumption at our Edmonton Toll Building (one of our highest consumption sites) working to improve efficiency. Our goal is to develop a TELUS water stewardship plan by the end of 2014.





Environmental compliance

Our goal, set in 2009, was to align our Environmental Management System (EMS) with ISO 14001:2004 by 2014 and this has now been achieved. In 2013, we focused on our fuel management standard as well as our construction risk management procedures. Looking forward, we will work on both these elements as well as continue to advance our plan to certify our system to the ISO 14001:2004 standard in 2015.

Auditing and site assessments

To affirm our compliance with regulatory requirements, TELUS standards and the ISO 14001:2004 framework, we conduct regular site assessments and audits of our operations. In 2013, we had an external regulatory compliance and EMS audit conducted at several facilities in Alberta and are conducting a similar audit program in Ontario and Quebec in 2014.

In addition to external audits, our team of environment professionals conducted 55 site audits throughout the year on a sample of TELUS facilities prioritized by their potential for environmental risks.

0 fines for environmental non-compliance

1755 site audits on TELUS facilities

Training

Environmental training, provided to our team members and contractors for more than 30 years, is a key component of our EMS. Our training programs are designed to give team members the necessary information to address potential environmental risks associated with their work. Training covers topics such as spills and releases response and reporting, and the transportation and disposal of waste. In 2013, our team members completed 1,922 training courses with environmental themes. This is an increase over the 1,718 courses completed in 2012 and is a result of our course refresher frequency, which ranges from one to three years.

In 2014, to meet the ISO 14001:2004 requirements, we will introduce a new environmental awareness training program that covers requirements for contractors.

Team Members completed: 1,922 training courses

Environmental infractions

Since 2006, TELUS has not been fined for environmental non-compliance. We attribute this successful performance to our environmental management processes and the effectiveness of our team member training program.

To enhance transparency, we are now reporting to the Corporate Governance Committee of TELUS' Board of Directors on environmental compliance issues resulting in written warnings from regulatory authorities. In 2013, we received two such warnings:



- The first was for an unauthorized alteration of an unnamed water course, a violation under the [Alberta Environmental Protection and Enhancement Act](#). The violation occurred during the installation of new cable conduit along Highway 63, south of Fort McMurray, Alberta. Unfortunately, our design engineers and plowing contractor did not recognize a small channel as a water body, and plowed through it rather than directionally drilling under it (TELUS' standard practice). TELUS worked with an environmental consultant to remediate the damage to the satisfaction of the regulator, and continues to make improvements to our construction risk screening and contractor environmental awareness program.
- The second incident involved the late reporting of a propylene glycol release from a building in Montreal, Quebec. The spill occurred due to a leak in the cooling loop of the roof condensers. Due to late reporting of the incident by TELUS contractors (36 hours following incident), we were issued an administrative notice of non-compliance by the Quebec Ministry of Sustainable Development, Environment and Parks, under the [Environment Quality Act](#). TELUS has reviewed the spill reporting procedures with the contractors, so that reporting procedures are properly adhered to in future.

Spills and releases



Under federal and provincial legislation, spills and releases over established thresholds are required to be reported to the appropriate agency. In addition to reporting externally, we require that all spills (liquids) and releases (gas), regardless of the quantity, must be reported internally. The number of reportable spills by regulatory standards decreased from 43 in 2012, to 36 in 2013. Overall, we recorded 201 spills, an increase of 11 spills over 2012.

The majority (over 80 per cent) of our recorded spill incidents are halocarbon releases from air conditioning equipment used to cool our facilities and network equipment. In 2012, we recognized a trend of increasing halocarbon release quantities at our facilities. To address this issue and reduce release quantities, we developed a comprehensive halocarbon management strategy. This operational strategy, implemented in January 2013, included several components:

- Increased frequency of leak testing on HVAC equipment at our 80 largest sites from the regulated yearly frequency, to twice annually
- Conducting third-party assessments at our highest potential risk sites leading to recommendations for revised maintenance and capital replacement regimes
- Completion of an inventory of all HVAC equipment to aid in long-range planning for capital replacement
- Evaluation of options to remove halocarbons, including a review of best practices used in other companies



- Establishment of a new public target to reduce the quantity of halocarbon released by 10 per cent from 2012 levels by the end of 2015.

The halocarbon management strategy introduced in 2013 contributed to a reduction in the weight of gas released from 2,105 kg in 2012 to 1,497 kg in 2013, a 29 per cent decrease.

The volume of liquids spilled in 2013, increased when compared to 2012, primarily due to three glycol coolant spills from HVAC systems in our facilities. As part of our halocarbon management strategy we are increasing our focus on HVAC system maintenance and replacement to reduce the incidence of spills.

In 2013, we continued to categorize our spill and release incidents based on volume. Quantity ranges for each type of material have been developed for each category (A, B and C) based on regulatory standards and associated hazards. Using this classification approach, TELUS defined Category A spills and releases as both reportable and serious, and set a target of zero for this category. In 2013, we had one Category A spill, a 1,568 litre glycol spill (50 per cent water/50 per cent propylene) from an HVAC system at a Montreal, Quebec facility.

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

Spills and releases reporting¹

	2013	2012	2011 ²
Reportable	36 A	43	37
Not reportable ³	165 A	147	176
Total spills and releases	201	190	213
Approximate volume (L) ⁴	3,181 A	672	10,311
Approximate weight (kg) ⁵	1,497 A	2,105	1,685
Category A — reportable, serious ⁶	1	0	4
Category B — reportable, significant ⁶	41	47	40
Category C — not reportable, insignificant ⁶	159	143	169

1 Spill amounts reflect best estimates based on investigation results.

2 2011 data has been restated to reflect the results of independent audits conducted after the publishing of the 2011 CSR report.

3 Spills and releases below regulatory thresholds do not require reporting and are termed "not reportable." Definition of "reportable" varies by jurisdiction.

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

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

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

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

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

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



Halocarbon releases
decreased by 29%

Halon removal

Halon 1301 was introduced in the 1960s in the North American telecommunications industry for fire extinguishing, yet was later determined to have very high ozone-depleting properties. TELUS started a multi-year effort in 2004 to remove all Halon from our facilities and is able to report that in 2013, we became Halon-free. Having recycled approximately 140,000 kg of Halon 1301 over the years, we have now shifted our focus to reducing the impacts of the ozone-depleting gases such as R22, which we use in our HVAC systems.

Addressing contamination

By using a risk matrix based on the [Canadian Council of Ministers of the Environment](#) approach, TELUS prioritizes the site management of environmental impacts from historical and current spills and releases. Assessment and remediation techniques can vary with the extent of the contaminated area and by the degree and type of contamination. We focus on remediation as a means to improve our environmental footprint.

Our 2013 target was to conduct assessment and/or remediation work on 25 sites and complete remediation work on five sites. Completed sites refer to sites that have known contamination remediated according to the appropriate regulatory guidelines for soil and/or groundwater. We successfully investigated 33 [A](#) sites and met our target to remediate five sites.

One of our largest remediation projects was completed in 2013 at our Baie-des-Loups tower site. In 2011, TELUS reported that an 8,500 litre diesel spill had occurred at the tower site in a remote community on Quebec's Lower North Shore. The site is powered by a diesel generator that leaked diesel from a broken fuel filter fitting. Over the next two years, TELUS conducted a staged remediation program that included excavation of a majority of the impacted soil from the site as well as reclamation activities where soil and vegetation were removed. All spill response, remediation and reclamation efforts were completed to the satisfaction of the provincial Ministry of Sustainable Development, Environment and Parks. To prevent a reoccurrence of this type of incident, we upgraded the spill protection at this site and all other prime power diesel generator sites nationally.

Our target for 2014 is to conduct assessments and remediation activities at 27 sites and to once again complete remediation on five sites.





Radio frequency emissions

TELUS understands there are public concerns over potential impacts associated with low levels of non-ionizing radio frequency (RF) emissions from mobile phones and mobile phone towers. We look to recognized experts with peer-reviewed findings, and government agencies to provide guidance on potential risks. While a small number of epidemiological studies have revealed that exposure to RF fields might be linked to certain cancers, other studies have not supported this association. Furthermore, animal cancer and laboratory studies have found no evidence that RF fields are carcinogenic to laboratory rodents or cause DNA damage.

In May 2011, the [International Agency for Research on Cancer](#) (IARC) noted that a positive association has been observed between long-term, heavy use of mobile phones and certain brain cancers for which a causal interpretation is considered to be credible, but that chance, bias or confounding could not be ruled out with reasonable confidence. The IARC classified RF electromagnetic fields from wireless phones as possibly carcinogenic to humans — a classification that includes 272 items such as chloroform, coffee and nickel. The IARC also called for additional research into long-term, heavy use of mobile phones.

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

[Industry Canada](#) is responsible for establishing safe limits for signal levels of radio devices. We believe that the handsets and devices we sell as well as our cell towers and other associated devices, comply with all applicable Canadian and U.S. government safety standards.

Impacts of wireless network expansion

Cellular towers are the backbone of our wireless network, allowing for the connectivity of TELUS devices. Due to limitations on the range of some towers and the increasing demand for bandwidth resulting from increased smartphone adoption, we have to continuously improve our network including the evaluation of new tower locations. We partner with other network operators to minimize the number of new tower locations and reduce the environmental and aesthetic impacts these towers can have.



Exclusive jurisdiction over the placement of cellular towers is set out under Industry Canada's requirements in circular [CPC-2-03](#) for telecommunication carriers. If a new tower is required, TELUS follows the [Industry Canada Default Public Consultation Process](#) when reviewing locations unless the land use authority has their own recommended protocol. As part of the consultation process, we are required to directly consult with all residents within a distance equal to three times the height of the proposed tower. TELUS is also required to consult with the public through a notification process and if there are public concerns about a tower location, including its aesthetic impact, we work to address these concerns and reach a mutually agreeable solution.





Climate change

Overview

According to World Economic Forum's 2014 Global Risks report, the failure of climate change mitigation and adaptation is the fifth greatest risk. Within this greater global context, TELUS is faced with increasing demands as customers wish to remain connected while at home or on the move. Consequently, meeting the needs of our customers requires more energy to support our growing network for both our wireless and wireline products and services. Our stakeholders tell us that during this time of growth, we must remain committed to minimizing the environmental impact of our operations.

Accounting for all the energy use and greenhouse gas emissions in a company of our size and scope continues to be challenging, yet each year we make material improvements in our data reliability and transparency. Many of our efforts over the past few years have been focused on working with landlords, property managers, utility companies and third-party experts to better capture energy data for our leased properties.

In 2013, we determined we had auditable data for our leased properties dating back to 2010. Previously, we considered only our owned properties in our target setting and in our baseline year calculations. Since our leased properties account for 12 per cent of our domestic building energy footprint, we believe it is important to incorporate this data into our climate change strategy disclosure and target setting. For this reason, we are restating our baseline year in our climate change strategy targets from 2009 to 2010. Our restated targets are:

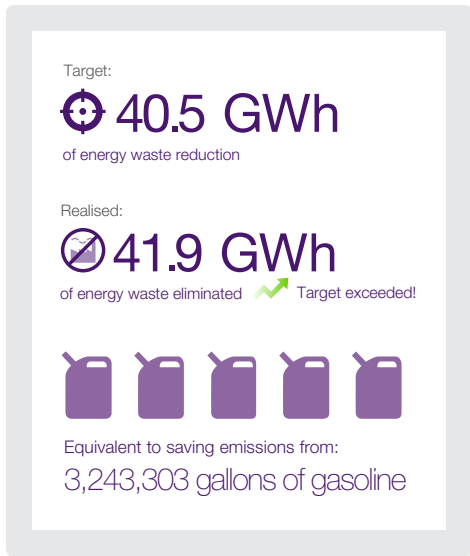
- 10 per cent absolute energy reduction by 2020 over 2010 consumption
- 25 per cent GHG emission reduction by 2020 over 2010 levels.

Energy reduction

Our energy management program is focused on improving energy efficiency in our operations, which will result in consumption and cost reductions that support the objectives aligned to TELUS' Climate Change Strategy. Annual energy objectives and priorities focus on areas for energy conservation measures (ECMs) identified at the business unit level. Our program consists of two key streams:

- Corporate projects with major energy impacts and incremental ECMs





- Measurement and tracking of our performance, including in our corporate scorecard and our CEO's personal objectives.

In 2013, we aimed to eliminate 40.5 gigawatt hours of energy use (GWh) from our operations. We implemented more than 100 energy reduction initiatives, resulting in the elimination of 41.9 GWh of annualized energy waste and \$3.8 million in annual savings.

Key project highlights and results:

- Improved efficiency of power and cooling systems in targeted buildings: 19 GWh eliminated
- Reduced energy consumption from real estate consolidation and energy efficiency programs: 8.8 GWh eliminated
- Rimouski Super Internet Data Centre online information technology load consumption reduction: 5.1 GWh eliminated
- Legacy equipment turndowns: 4.7 GWh eliminated
- Server/Storage decommissioning: 2.55 GWh eliminated.

Despite these significant energy reductions, our networks continue to expand due to an increasing customer base and demand for data. As a result of the growing network capacity and associated energy demand, our total year-over-year energy use decreased by less than the 41.9 GWh of annualized energy efficiency savings identified above.

Overall energy footprint

When it comes to our overall energy footprint, we categorize energy consumption (GWh) in three categories (based on [World Business Council for Sustainable Development Greenhouse Gas Protocol](#)):

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

Our energy footprint is made up of direct energy (e.g., gas, natural gas, diesel, propane) and indirect energy (i.e. electricity) for our domestic-owned and leased real estate properties, cell tower sites, vehicle fleet, team member air travel and remote generator fuel. We are increasingly integrating energy data for our international operations.

Methodology change for leased property

Previously, we calculated energy consumption at our leased properties by including space we occupied as well as sub-leased space that we did not occupy, but for which we paid the energy bills. Given our significant efforts to reduce our leased space footprint and the availability of new



energy data, which allows us to separate leased and subleased space, we are now able to recalculate our occupied leased space footprint back to 2010. As a result, we will be restating our leased property GWh and GHG emission data dating back to 2010, and going forward will only be including occupied lease space in our calculations.

Data from our retail operations was assured this year and presently accounts for 48 per cent of our retail space, except for our Black's locations. Additional retail space data will be added in the future. We have also added TELUS International Central America properties to our energy and GHG accounting for 2012 and 2013.

Results

When compared to last year's footprint, our 2013 domestic direct and indirect energy consumption decreased by one per cent primarily due to our significant reduction in leased office space in locations powered by natural gas. Our total energy consumption, including our International, Retail and TELUS Health properties was 1,319 GWh, including 383 **A** GWh of direct and 936 **A** GWh of indirect energy.

Our strategic objective is to reduce energy consumption by 10 per cent from our 2010 baseline (domestic Scope 1 and 2). In 2013, we started to see the results of our energy reduction initiatives with a decrease in consumption of 0.4 per cent when compared to 2010.

In 2013, we also measured our energy efficiency in terms of GWh/customer connection. Based on this metric, energy efficiency improved by 2.2 per cent over 2012, going from 93.5 to 91.5 kWh/customer connection. We have restated our 2012 energy efficiency result from 83 to 93.5 kWh/customer connection because we have added our leased property data to our owned property data.





Total energy consumption (GWh)

	2013	% change	2012	% change	2011	% change	2010
Direct	321	-6	342	-1	347	-5	364
Indirect	895	1	884	0	887	4	857
Total for comparison to prior years¹	1,216	-1	1,226	-1	1,235	1	1,221
International direct ²	0.36	152	0.14				
International indirect	25	14	22	38	16	-6	17
TELUS Health direct	36	13	32				
TELUS Health indirect	10	0	10				
Retail direct	26	8	24				
Retail indirect	6	20	5				
Total	1,319	0	1,319				

1 Total includes owned and leased real estate, domestic fleet, cell tower sites and remote generators.

2 TELUS Central America energy use was added in 2012 and 2013.

3 Retail values currently accounts for 48% of our total retail space, except for our Black's locations.

4 Due to methodology changes Scope 3 Emissions (Air Travel) are accounted for in the GHG calculations but not in the Total Energy calculations.

Total domestic Scope 1 and 2 energy versus baseline (GWh)

	2013	% change	2010
Total direct	321	-12	364
Total indirect	895	4	857
Total	1,216	-0.4	1,221



Greenhouse gas reduction

Our greenhouse gas (GHG) target is a 25 per cent absolute reduction over 2010 levels by 2020. In 2013, we continued to benefit from the energy reduction initiatives implemented through our energy management program.

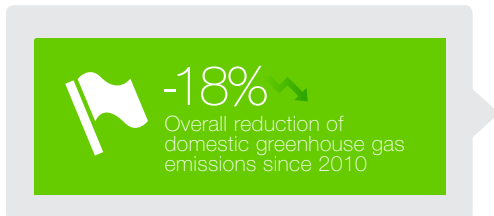
Similar to our energy reporting, we are reporting a total CO₂e value with our leased properties now included but we have excluded our TELUS Health, Retail and International properties in order to compare this year's results with the new 2010 baseline year.

- Baseline emissions totaled 318,100 tonnes CO₂e in 2013, compared to 368,000 in 2012. This is a 14 per cent decrease. The primary contributor to this decrease is the ongoing implementation of real estate consolidation and our Work Styles program, which allow us to significantly reduce our leased property footprint. A



secondary factor is that our emission calculations are influenced by the emission factor estimated annually by Environment Canada for each province. In 2013, the Alberta emission factor used in our calculations was lower than in 2012.

- Our total GHG emissions, including our TELUS Health, International and Retail properties, are 347,100 tonnes CO₂e. Our total GHG emissions as assured include 82,100 **A** tonnes CO₂e direct emissions and 260,300 **A** tonnes CO₂e indirect emissions.
- Our Scope 3 emissions, defined as air travel emissions totalled 4,700 **A** tonnes CO₂e and remained similar to 2012. These emissions are significantly lower than our baseline year (2010) due to the continued implementation of our flight reduction program that encourages the use of Cisco TelePresence, a high-definition video-conference service, between TELUS locations across Canada.



Our goal is to achieve a 25 per cent reduction in emissions by 2020 as compared to our new baseline year of 2010. We are pleased to report that as of 2013, our emissions are 18 per cent below the 2010 baseline. These significant gains are a reflection of all of our energy reduction strategies, and the reduction of our leased building space in Alberta, where energy reductions have the greatest effect on GHG emissions.

We also measure our CO₂e efficiency in terms of CO₂e/customer connection. Our CO₂e efficiency improved by 15 per cent in 2013 over 2012, going to 0.024 from 0.028 tonnes of CO₂e/customer connection. We have restated our 2012 CO₂e efficiency result from .0257 to 0.28 CO₂e /customer connection because we have added our leased property data to our owned property data.

Total greenhouse gas emissions (tonnes CO₂e)

	2013	% change	2012	% change	2011	% change	2010
Domestic direct	70,800	-7	76,000	0	75,700	-2	77,300
Domestic indirect	247,300	-15	291,900	-10	324,000	4	311,000
Total Scope 1 and 2 comparison to prior years	318,100	-14	368,000	-8	399,700	3	387,500
Air travel	4,700	2	4,500	-41	7,600	-1	7,700
International direct	90	157	35				
International indirect	11,100	12	11,300	59	7,100	13	6,300
Health direct	6,500	5	6,200				
Health indirect	765	-48	800				
Retail direct	4,700	9	4,300				
Retail indirect	1,200	9	1,100				
Total (including Scope 3)	347,155	-12	396,135	-4	414,400	3	402,300

1 Total includes owned and leased real estate, domestic fleet, cell tower sites and remote generators.

2 Calculated using DEFRA 2013 GHG Conversion Factors.

3 TELUS Central America energy use was added in 2012 and 2013.

4 Retail values currently account for 48 per cent of our total retail space, except for our Black's locations.



Total domestic emissions versus baseline (tonnes CO₂e)

	2013	% change	2010
Domestic direct	70,636	-9	77,606
Domestic indirect	246,709	-20	309,888
Total for comparison to baseline	317,345	-18	387,494

To further our progress toward our climate change objectives, in 2014 we plan to complement our energy management program by pursuing alternative energy opportunities across our networks and facilities.



Community investment

Overview

Your community matters to you.

Giving where we live matters to us.



Our investments in the community are deeply rooted in our culture and brand promise — the future is friendly®. Keeping this promise means engaging with the public, our team members, retirees and partners to identify how we can best meet the needs of our communities. We continue to evolve and grow our programs to drive shared value creation by building a strong social fabric and supporting long-term business growth. With a particular emphasis on innovation, health, and engaging and empowering youth through technology, we will accomplish our goals by:

- Using our expertise in technology to help build stronger and healthier communities
- Creating lasting, strategic partnerships with community and charitable organizations
- Providing grants to grassroots organizations in Canada and internationally
- Investing in our cause marketing programs — a platform that is mutually beneficial to the communities we support and our business
- Supporting our team members and retirees who directly contribute to charities and community-based organizations
- Financially supporting causes in a way that has impact to the community and helps sustain our business.

In 2013, we:

- Supported over 4,600 charities and gave more than \$46.23 million in support of numerous causes
- Contributed \$5.7 million to 478 community organizations through our 11 Canadian and three International TELUS Community Boards
- Connected with youth through our national co-title sponsorship of We Day, directly reaching more than 120,000 youth through nine Canadian events
- Developed and launched 30 marketing campaigns resulting in more than \$2 million in donations to charities and community organizations
- Engaged more than 14,000 team members, retirees, family and friends on our annual day of giving
- Recorded more than 625,000 volunteer hours through our Team TELUS Cares programs



- Established three new TELUS Community Ambassador clubs for a total of 23 clubs across Canada, whose members created and donated 70,886 care items valued at more than \$685,500
- Improved customer awareness of TELUS' community support — 43 per cent agreed we made a positive difference in their community compared to 39 per cent in 2012
- Won a Halo award for Best Social Media Campaign from the Cause Marketing Forum.

In 2014, we are planning a strategic shift in our community investment practice, moving to two broad pillars of support in health and education, while maintaining our local community approach to giving. We aim to transform healthcare by funding socially innovative health technology projects in self-management, disease prevention, clinical research and primary health care and aim to enhance and inspire learning by bridging the digital divide and creating a vibrant environment for kids to learn using technology.

Over the coming years, TELUS will continue to invest in the growth and well-being of our communities.

Stakeholder engagement

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



Measuring our giving

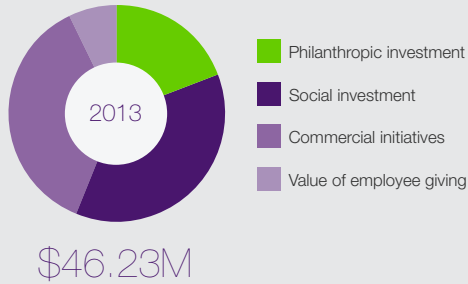
Understanding the impact of our community investment program is critical to our program's success. We work with the [London Benchmarking Group](#) and use their methodology to measure our impact. Our community investments can be categorized as follows:

- **Philanthropic investment:** one time or intermittent donations in response to charity appeals or in support of employee charitable activities (see section on humanitarian relief)
- **Social investment:** long-term strategic involvement in community partnerships that address a specific range of important social issues (see strategic partnerships section)
- **Commercial initiatives:** activities in the community that directly



support a business objective or promote or protect the commercial interest of the corporation (see section on cause marketing)

- **Employee giving:** contributions to a community project that can be directly linked to our involvement in the project (see TELUS Day of Giving section).



TELUS total giving

\$ millions	2013	2012	2011
Philanthropic investment	8.92	6.80	7.83
Social investment	17.06	18.97	22.93
Commercial initiatives	17.02	14.78	11.89
Value of employee giving ¹	3.23	3.43	3.54
Total	46.23 ^A	43.98	46.19

¹ TELUS-matched dollars are included in the philanthropic investment category.



Imagine Canada

We have been designated an [Imagine Canada](#) Caring Company since 1995. As a company with this designation, TELUS gives more than one per cent of our pre-tax profits to charitable organizations each year. In 2013, TELUS surpassed this goal and contributed 2.6 per cent of our pre-tax profits. For 2014, we plan to once again surpass our contribution of two per cent of pre-tax profits to charitable and not-for-profit organizations.

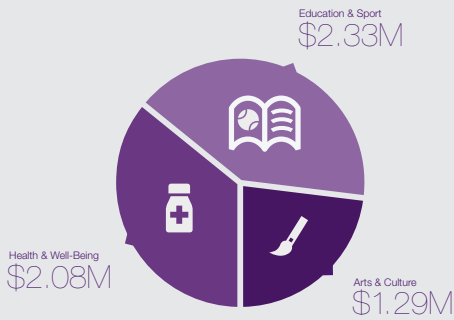
How we give

Community Boards



[TELUS Community Boards](#) are an innovative funding model that puts philanthropic decision-making in the hands of local leaders who know their communities best. Their focus is to provide grants to grassroots charities that support local youth. Preference is given to projects that also demonstrate tangible technological or social innovation. In 2013, the 11 TELUS Community Boards across Canada contributed \$5.4 million to local charities supporting 438 projects. Additionally, our three international Community Boards — in Guatemala, El Salvador and the Philippines — contributed \$300,000 to 40 charitable projects in their communities.

At the end of 2013, 59 per cent of Community Board members were external representatives.



TELUS Community Board funding by focus areas in 2013

\$ millions	Total	Per cent of total funding
Health & Well-being	\$2.08	36%
Education & Sport	\$2.33	41%
Arts & Culture	\$1.29	23%
Total	\$5.70	100%

In 2014, TELUS will examine the expansion of our Community Board footprint to help educate and empower youth and support healthy communities.

Humanitarian relief

TELUS is deeply committed to [lending a hand](#) to communities in crisis, at home and around the world. We provide aid to registered Canadian and international charities in a variety of ways. In 2013, we provided relief for the following disasters:



- **Flooding in Southern Alberta, Canada:** \$2 million in support, free calling, disaster recovery, comfort kits, volunteer support, and a relief concert
- **Train disaster at Lac Mégantic, Quebec, Canada:** free texting and calling, Red Cross support, text to donate, comfort kits, and access to our emergency fibre optic network
- **Typhoon Haiyan, Philippines:** free long distance calling, Red Cross support, text to donate, comfort kits, food delivery, free TV, and a \$100,000 contribution from the Philippines Community Board.

To increase our ability to mobilize when disaster strikes at home, TELUS expanded its partnership with the Canadian Red Cross by implementing [Ready When the Time Comes](#). In 2013, TELUS provided training opportunities to team members in conjunction with our [TELUS Day of Giving](#). Since 2000, TELUS, our team members and retirees have donated more than \$1.2 million to support the Canadian Red Cross.

Since 2009, TELUS has donated more than \$3.8 million in financial and in-kind support of humanitarian relief efforts in Canada, Philippines, Japan, Africa, Haiti and other locations.



[Watch](#) how our team members' actions had a positive impact during the Southern Alberta floods



Strategic partnerships

In 2013, TELUS entered into [partnerships](#) with a number of organizations in the areas of health and well-being, environment, education, sport, and arts and culture. We supported the development and education of youth, inspiring them in creativity and empowering them to give back. We also aim to support positive health outcomes for all Canadians. Here are a few highlights of our activities in 2013:

Highlights of 2013:

> **Free The Children:** as the national co-title sponsor of all [We Day](#) events across Canada, we created the Give Where You Live philanthropy educational program and jointly launched the [We365](#) mobile application — a digital platform to inspire and enable youth to give back every day of the year. This partnership dates back to 2007. To learn about We Day and how youth are becoming inspired to change the world [watch now](#). To learn how the We365 app works, [watch now](#).



> **My Giving Moment:** supporting the Governor General's national [campaign](#) for a Caring Canada is a natural fit for us. Through this campaign we are supporting a movement to increase community participation in activities that matter.



> **Canadian Centre for Child Protection:** as a founding partner of the [Canadian Centre for Child Protection](#) TELUS has supported the organization by creating the [TELUS Mobile Safety Series](#) and the [Smartphone Safety Guide](#) which has been distributed to more than 500,000 children. We also support Safer Internet Day and Cyberbullying Day, all in an effort to create safer communities for kids and peace of mind for parents.



> **World Wildlife Foundation:** through this partnership we provided opportunities for our team members and customers to support animal and habitat protection by stopping the degradation of the planet's natural environment and building a future where people and nature thrive.



> **Juvenile Diabetes Research Foundation:** as title sponsor of the [TELUS Walk to Cure Diabetes](#) we made every step count to improve the health of thousands of Canadians.



> **TELUS Science Centres:** partnerships with five science centres across Canada in Vancouver, Calgary, Edmonton, Montreal and Toronto allow us to inspire tomorrow's innovators.



> **60 Minute Kids' Club:** TELUS offers this program to schools and challenges children from kindergarten to grade six to be physically active for 60 minutes every day. Participants learn about nutrition, hydration and other healthy lifestyle choices, while tracking their progress online.



> **HEROS** (Hockey Education Outreach Society): TELUS supports a grassroots program that uses the game of hockey as a catalyst to teach life skills to underprivileged youth.



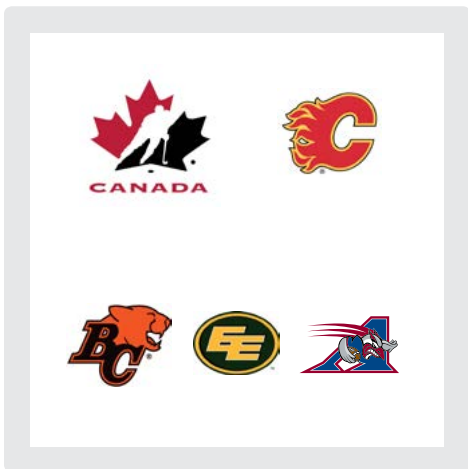
> **Tree Canada:** Since 1998, TELUS and [Tree Canada](#) have partnered together to create a greener and healthier living environment for Canadians. As part of our shared vision of growing better places to live, 47,122 trees were planted in the 2013–14 season. Since our partnership began, 458,189 trees have been planted and maintained across Canada.



To help cultivate meaningful partnerships that align with our five [strategic priorities](#), a new online application tool was implemented in 2013. This tool clearly outlines our investment priorities and has improved the online experience for applicants. In 2014, we plan to continue driving greater shared value through our partnerships. To apply for sponsorship, visit telus.com/sponsorships.

Sponsorships

Our sponsorship focus is on establishing strategic [business partnerships](#) that align with our leadership values and business priorities. These sponsorships help us to connect with our customers in meaningful ways. Here are a few examples of our 2013 activities:



- **Hockey:** our partnerships with Hockey Canada, the Calgary Flames and several Western Hockey League teams allowed us to support one of Canada’s most beloved sports and pastimes.
- **Canadian Football League:** for the fourth consecutive season, TELUS connected football fans with the sport they love, culminating in a national celebration at the Grey Cup Festival. TELUS is also a long-time community supporter and partner of teams such as the BC Lions, Edmonton Eskimos and Montreal Alouettes.

Encouraging youth to give back

Give Where You Live

TELUS wants to help youth translate their passion and ideas into real change. Our Give Where You Live program educates, encourages and empowers middle and high school students to become leaders and make philanthropy an important part of their lives. Each participating school is encouraged to identify causes in its community that students, classes



Growing up, my friends and I were always searching for ways we could help get involved and make a difference in our community, but they were difficult to find.

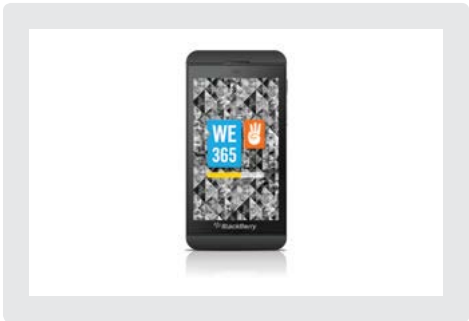
or entire schools can support. Once groups have developed a strategy, they may apply for a \$1,000 charitable grant from TELUS, to bring their initiative to life and experience what it feels like to give.

The Give Where You Live philanthropy speaking tours, workshops and curriculum will be delivered in 105 British Columbia, Alberta, Quebec and Atlantic Canada secondary schools by the end of the 2013–14 school year. The plan is to expand to remaining provinces, involving 150,000 Canadian youth by 2017.

“Growing up, my friends and I were always searching for ways we could help get involved and make a difference in our community, but they were difficult to find,” said Craig Kielburger, founder of Free The Children. “The Give Where you Live program will provide our schools and their students with all the tools, information and support they ever wanted to help spark change and support their local community, helping them to become future leaders and change makers.”

We365

In 2013, TELUS and Free The Children introduced [We365](#), an innovative mobile app and online community that helps youth give back to their communities every day of the year. Youth can explore causes, take action by participating in challenges, track volunteer hours, promote social activism and connect with others who share their passions. We365 uses technology to inspire today’s youth, and mobilizes them to make a meaningful difference in communities — locally and globally. Since its launch in mid-October, 28,293 users have downloaded the app.



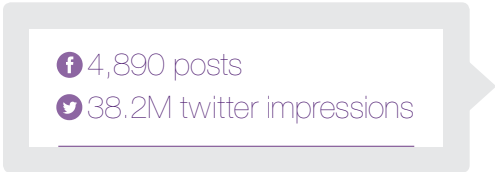
Community investment marketing

TELUS’ philosophy of community investment — to give where we live — is communicated to our customers through our national mass marketing campaigns, which are aligned to our marketing pillars. For instance, our commitment to youth and technology is demonstrated through our We Day campaign. Our philosophy is also supported by regional and local cause marketing programs, such as TV and Phones for Good, and through our social media platforms that share the many compelling stories of how we are caring for our communities as demonstrated through our Give Where We Live Campaign.



National cause marketing

Give Where We Live



Launched in 2013, Give Where We Live is TELUS' most successful integrated social media campaign and provided an opportunity to extend TELUS Day of Giving, our flagship volunteer program, across the country. The goal was to spark a movement to increase volunteerism and support for local community organizations. Over one month, the campaign allowed Canadians to show how they made a difference in their communities by sharing photos and testimonials:

- 4,890 posts to givewherewelive.ca and 38.2 million Twitter impressions using [#givewherewelive](https://twitter.com/givewherewelive)
- Ten photo contest winners won the chance to direct a \$10,000 donation to the community organization of their choice.



Watch Michelle's story to see how her acts of kindness inspired us to give where she lives, [watch now](#).

For more on this campaign, [click here](#).

World Wildlife Fund



The conservation of wildlife and their habitat is critical to enabling healthy, sustainable communities. Across Canada, habitat loss and degradation, pollution, invasive species, climate change and unsustainable harvesting have put 676 species at risk of extinction. This is why our \$1 million, four-year partnership with [World Wildlife Fund](#) is so important to all of us at TELUS.

Our commitment to animal welfare was at the forefront of our Critter campaign, which ran from mid-November, 2013 to mid-January, 2014. The campaign invited team members and customers to join us in protecting Canadian wildlife and their habitat by buying a TELUS panda and joining our [#hometweethome](#) social media campaign. We engaged with Canadians through mass media, social media and experiential campaigns, as well as through the [2014 TELUS Calendar](#), TELUS holiday e-cards, the We365 app, and an internal team member campaign.

Campaign highlights included:

- A state-of-the-art Twitter-powered vending machine in Pacific Centre Mall in Vancouver
- Buzz on social media including coverage on both [Mashable](#) and [Marketing Magazine](#) websites in addition to top blog sites including [Vancouver is Awesome](#)



- Uptake on Facebook, including over two million impressions and 160,000 engagements.



To see the impact of our Twitter-powered Panda vending machine, [watch now](#).

TELUS also supports hundreds of other animal-related charities each year. When filming animals for our advertisements, we only work with reputable owners and accredited zoos and sanctuaries, and require a professional animal advocacy representative to oversee all productions.

Regional cause marketing



TV and Phones for Good

In select communities, for every customer who signs up for Optik TV or activates a smartphone through the [TV for Good](#)[®] and [Phones for Good](#)[®] campaigns, TELUS gives \$25 to a local community project. In 2013, we:

- Contributed more than \$360,000 to 11 local community projects in British Columbia, Alberta and Quebec through our TV for Good campaigns
- Contributed more than \$398,000 to eight projects across British Columbia, Alberta, Ontario and Atlantic Canada through our Phones for Good campaigns.

Since the campaigns started in 2009, TELUS has contributed \$10.2 million to 84 local community partners.

In 2014, we will continue to focus our cause marketing efforts on key local markets, helping TELUS and our customers to truly give where they live.

In 2013, our Atlantic Canada cause marketing campaigns had a sole focus — helping teachers do what they do best — teach. Through our new and innovative TELUS Technology for Teachers Fund, we helped unleash the power of the Internet, using a medium that is central to how youth learn and communicate.

Successful applications were chosen by the TELUS Atlantic Canada Community Board and awarded one-time grants of up to \$5,000 to purchase technology for their classrooms, having a positive impact on the quality of education.



Through our new and innovative TELUS Technology for Teachers Fund, we helped unleash the power of the Internet, using a medium that is central to how youth learn and communicate.

Team member programs



We are committed to fostering a corporate culture of giving by engaging team members and retirees with structured volunteer and donation opportunities to help make a positive difference in the communities where we live, work and serve. Since 2006, TELUS has been motivating and mobilizing team members and retirees through its [Team TELUS Cares](#) programs: [TELUS Day of Giving](#), [Team TELUS Charitable Giving](#), [Dollars for Doers](#), the [TELUS Walk to Cure Diabetes](#), and [TELUS Community Ambassadors](#).

In 2013, through Team TELUS Cares programs, TELUS, our team members, retirees, families and friends contributed \$8.3 million of financial assistance and more than 625,000 volunteer hours to charitable and not-for-profit organizations across Canada. Following are our 2013 highlights:


 \$6.4M

 2,600 charities

- TELUS Day of Giving saw us donate 42,000 volunteer hours. More than 14,000 team members, retirees, family and friends participated in more than 500 activities across Canada in partnership with not-for-profit organizations. This represented an overall participation increase of 14 per cent, exceeding our goal of 13,000 participants. In 2014, our goal is to bring together 15,000 Canadian participants at TELUS Day of Giving events.
- We gave \$6.4 million to more than 2,600 charities across Canada through our Team TELUS Charitable Giving program. Since 2000, we have contributed more than \$70 million to thousands of community organizations across Canada. In 2014, our goal is to give more than \$4 million through this program.
- Team members and retirees participating in Dollars for Doers recorded 627,276 volunteer hours, an increase of 10.4 per cent over 2012, with 58,948 hours — more than the 568,328 recorded in 2012. In total, TELUS donated more than \$758,000 through Dollars for Doers in 2013. In 2014, our goal is for team members and retirees to record 635,000 volunteer hours.
- Through the TELUS Walk to Cure Diabetes, we are generating public awareness and raising funds to find a cure. Since 2000, we have contributed more than \$7 million to the [Juvenile Diabetes Research Foundation](#). In 2013, more than 4,200 team members, family and friends participated in 70 community Walks across Canada, and raised more than \$540,000.
- Through the [TELUS Community Ambassadors](#) we created and donated 70,886 care items (e.g., heart and lung pillows, kits for kids, baby blankets, etc.) spending more than \$685,500 for supplies and donating time to make a difference in the lives of people in need. Ambassadors exceeded their goal of 70,000 care items, achieving an increase of more than four per cent over 2012. Also, three new clubs were established, with membership increasing by 400, exceeding target by 60 per cent. In 2014,

 **TELUS**
community ambassadors*



Created & donated over
70,886 items  4% increase

Ambassadors celebrate their 10-year milestone for this program and their goal is to enlist 150 new members to join clubs across Canada and produce 73,000 care items for people in need.

TELUS International hosts TELUS Days of Giving in every location where we operate, including the United States, the United Kingdom, [Romania](#), [Bulgaria](#), [Guatemala](#), [El Salvador](#), and the [Philippines](#). More than 5,400 team members participated in nine events that included building 20 homes in one day, constructing a school, packing relief kits for those impacted by Typhoon Haiyan and refurbishing an orphanage. The TELUS Day of Giving videos from across the globe tell the story of our team members and the lives they impact:

Philippines:



Christmas packages for
5,500 families

- **Philippines:** after reeling from the aftermath of super typhoon Haiyan, more than 1,000 team members packed Christmas packages for 5,500 affected families as part of their 7th annual TELUS Day of Giving ([video](#)).
- **Guatemala:** more than 2,000 team members donated their time, money and effort to build a school for young children. The school was built by team members in just one day.
- **El Salvador:** 1,000 team members helped revitalize a community by rebuilding 20 homes and building a soccer field, playground and community centre over two days.
- **Romania:** the first TELUS Day of Giving was held in partnership with the Red Cross, 120 team members donated 1,000 hours of service by repainting the Ciresarii Centre for abused children ([video](#)).

In each region, team members are committed to ongoing volunteer opportunities, based on the needs of their local community, once again demonstrating our spirited teamwork, agile thinking and caring culture that puts our customers first.





Team member support

Overview

A personal connection matters to you. Developing and supporting our team matters to us.

TELUS' team members are the heartbeat of our company and their experience at work is irrefutably tied to our business success. We recognize that our peers and competitors can emulate TELUS products and services; the one thing they cannot replicate is our high-performance culture. When we invest in our people and support their professional goals and personal well-being we drive engagement, thereby fuelling their commitment to the company and the execution of our corporate strategy.

By listening, and including team members in decision-making processes, we promote a culture of collaboration and inclusion where every team member feels responsible and empowered to drive change and innovation. This makes a difference for our customers, communities and ultimately our business.



Highlights of 2013:

> **Reached** 83 per cent engagement making us number one globally amongst organizations of our size and composition

> **Entered** into the Hall of Fame as one of [Canada's Top 10 Most Admired Corporate Cultures](#) and recognized as one of the [Top 100 Employers in Canada](#) for the fourth consecutive year



> **Introduced** TeamHub — a cloud-based technology that integrates our talent management functions to improve

alignment of objective setting, performance management, career development, learning, compensation and succession planning for the company

> **Continued** to evolve our Work Styles program with new support materials for team members and leaders around recognition, performance development and technology

> **Launched** a Team Member Resource Group (TRG) for retired Canadian Armed Forces team members or those currently serving in the reserves, and their families.



In 2014, TELUS will continue to focus on creating an engaging and impactful culture to support the execution of our corporate strategy. Some activities we plan to undertake in 2014 to support our goals include:

- Continue to build a workforce that mirrors Canada's diversity and is inclusive to all team members through education and a new TRG
- Communicate and consult with our team through our intranet, social platforms and various forums
- Develop business unit action plans focused on our high engagement drivers — work processes, career opportunities, performance development, compensation, and recognition
- Launch improvements and continue to drive quality conversations related to team member performance
- Continue to expand the Work Styles program with better reference materials, and support for leaders and team members
- Encourage team member feedback on our pay practices while continuing to benchmark against organizations
- Promote Healthy Living programs and awareness for well-being and mental health.

Team member strategy

Our team members and globally-leading culture are our biggest sustainable competitive advantage. TELUS' human resources strategy is designed to support our team members in creating a culture that will lead us to deliver on our future-friendly promise for our team, our customers, and our communities. It involves:

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



Who we are

The TELUS team is a strong, collaborative network of skilled team members who drive results and innovation to make a difference for our team, our customers and our communities.

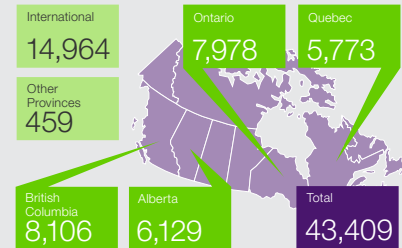
We are committed to drawing from a diverse candidate pool that reflects our customers and the communities we serve. TELUS International's recruitment policy for senior roles is to promote from within the local team or hire candidates from the local market wherever we operate. Integrating new team members in a way that helps them relate and thrive within our unique culture is important to us. Specifically, in 2013 we:



- Brought our retail facing team members — TELUS, Koodo, and Black's — together under one banner — TELUS Retail Limited
- Welcomed 415 Public Mobile team members to the TELUS family
- TELUS Health acquired MD Practice Software LP, making us Canada's largest electronic medical record provider.

Demographics by residence

Group ¹	AB	BC	ON	QC	Other	Total
Domestic ²	6,129 A	8,106 A	7,978 A	5,773 A	459	28,445
International ³	—	—	—	—	14,964 A	14,964
Total	6,129	8,106	7,978	5,773	15,423	43,409 A



1 As of December 31, 2013.

2 For Domestic, Other includes Manitoba (102), Saskatchewan (116), New Brunswick (77), Nova Scotia (116) and Newfoundland & Labrador (48).

3 For International, Other includes the regions of Asia Pacific: Australia (4), Philippines (6,762); Europe: Bulgaria (813), Romania (275), the United Kingdom (17); Central America and the Caribbean: Barbados (1), El Salvador (2,219), Guatemala (3,842), Jamaica (7) and Saint Lucia (1); and the United States (1,022).

Demographics by team member type

Team member type ¹	AB	BC	ON	QC	Other	Total
Regular (domestic) ²	6,033	7,921	7,891	5,540	450	27,835 A
Temporary (domestic) ³	96	185	87	233	9	610 A
Regular (international) ⁴	—	—	—	—	14,964	14,964 A
Temporary (international)	—	—	—	—	—	—
Total	6,129	8,106	7,978	5,773	15,423	43,409 A

1 As of December 31, 2013.

2 For Regular (Domestic), Other includes Manitoba (100), Saskatchewan (116), New Brunswick (73), Nova Scotia (113) and Newfoundland & Labrador (48).

3 For Temporary (Domestic), Other includes Manitoba (2), Saskatchewan (0), New Brunswick (4), Nova Scotia (3) and Newfoundland & Labrador (0).

4 For Regular (International), Other includes the regions of Asia Pacific: Australia (4), Philippines (6,762); Europe: Bulgaria (813), Romania (275), the United Kingdom (17); Central America and the Caribbean: Barbados (1), El Salvador (2,219), Guatemala (3,842), Jamaica (7) Saint Lucia (1); and the United States (1,022).

Team members by generation

Group ¹	Silent Generation (1925–1945)	Baby Boomer (1946–1964)	Generation X (1965–1979)	Millennial (1980–2000)	Total
Domestic	19	6,959	10,956	10,511	28,445
International ²	1	372	2,573	12,018	14,964
Total	20	7,331	13,529	22,529	43,409

1 As of December 31, 2013.

2 International includes the regions of Asia Pacific: Australia (4), Philippines (6,762); Europe: Bulgaria (813), Romania (275), the United Kingdom (17); Central America and the Caribbean: Barbados (1), El Salvador (2,219), Guatemala (3,842), Jamaica (7) Saint Lucia (1); and the United States (1,022).



Team members covered by a collective agreement

Group	Team Members covered by a Collective Agreement	Total Team Members	% covered by a Collective Agreement
Domestic	12,501	28,445	44 ^A
International	–	14,964	0 ^A
Total¹	12,501	43,409	29

¹ As of December 31, 2013.

Team members by union affiliation

Union	# of team members
Telecommunications Workers Union	10,924
Syndicat Québécois des Employés de TELUS	885
Syndicat des agents de maîtrise de TELUS	631
B.C. Government and Service Employees' Union	61
Total	12,501

Telecommunications Workers Union	10,924
Syndicat Québécois des Employés de TELUS	885
Syndicat des agents de maîtrise de TELUS	631
B.C. Government and Service Employees' Union	61

In the fall 2014, we expect to begin collective bargaining with Syndicat Québécois des Employés de TELUS as their contract expires on December 31, 2014.



We recognize that diversity of thought — the genesis of innovation — enhances our competitive position and allows us to benefit from complimentary expertise

Diversity and inclusiveness

[Diversity and inclusiveness](#) is more than just a human resource practice, it encompasses all areas of our business from our people practices to suppliers to product and service offerings to the work we do in the community. Our diverse and inclusive culture helps TELUS make significant advancements attracting and retaining the best talent, as team members feel more engaged in a workplace that embraces them for who they are, the perspective they bring and their unique skills. We recognize that diversity of thought — the genesis of innovation — enhances our competitive position and allows us to benefit from complimentary expertise, which is a driver for our success. In 2013, we continued to advance our leadership in this area:



Consultation and communication

> **Named** one of [Canada's Best Diversity Employers](#) for the fifth year in a row and one of the [Best Employers for New Canadians](#)



> **Launched** a Team Member Resource Group (TRG) for employees who are either active in, or retired from, the Canadian Military and their families

> **Held** two Executive Breakfasts bringing together members of Spectrum — our Lesbian Gay Bisexual Transgender, Queer and Allies (LGBTQA) TRG — and senior leaders to share the great things TELUS is doing in the LGBTQA workplace, marketplace and community



> **Expanded** our mentoring program for new Canadians led by Mosaic — our TRG for New Canadians — to include Toronto, Edmonton and Montreal



> **Participated** in National Aboriginal Day, with Eagles — our Aboriginal TRG — hosting events across Canada



> **Continued** our focus on celebrating women in leadership, with numerous events across Canada focusing on unconscious bias, mentoring and authentic leadership led by Connections, our women's resource group



> **Led** educational sessions on diversity and inclusiveness at TELUS, the benefits and how it drives business success.



Workforce profile of domestic federally regulated team members¹

%		Canadian workforce availability ²	2012 ^{3,4}	2011 ³	2010 ³
Women	Overall		36.5 A	37.5	37.5
	Senior managers ⁵	42.9	13.6 A	14.2	16.5
	Middle & other management ⁵		30.6 A	32.0	31.7
Members of Visible Minorities	Overall		15.5 A	15.0	16.0
	Senior managers ⁵	21.1	8.6 A	9.0	9.0
	Middle & other management ⁵		13.2 A	12.7	12.8
Persons with Disabilities	Overall		2.7 A	2.7	3.0
	Senior managers ⁵	4.6	1.8 A	1.5	2.3
	Middle & other management ⁵			2.2	2.2
Aboriginal People	Overall		1.4 A	1.4	1.6
	Senior managers ⁵	1.7	1.4 A	1.5	2.3
	Middle & other management ⁵		1.1 A	1.2	1.1

1 Based on data collected for reporting under the *Federal Employment Equity Act*. Figures for 2013 for TELUS are not available until July 2014.

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 may have the skills necessary to fill positions at TELUS. Based on 2006 Census data, this is the most current information available.

3 TELUS actual refers to the percentage of the designated group (i.e. Visible minorities, Aboriginals, Persons with disabilities, Women) who are employed at TELUS. Figures are calculated based on the voluntary completion of a survey and may not be representative of the actual percentage of the TELUS workforce.

4 In 2012, a significant number of TELUS team members were moved from our federally regulated company to our provincially regulated company, thus removing them from our counts in 2012; these team members may be included in our 2011 and 2010 data if they filled in a survey. This change was reported as an internal move, rather than as a termination in consultation with Human Resources and Social Development Canada.

5 Senior managers are vice presidents and above, middle and other managers are managers and directors.

6 Sample size for these two occupational groups was too small to report individually, therefore the numbers have been combined.

Workforce profile of international team members

%	2013	2012	2011
Women	45.0	48.7	44.8
Men	55.0	51.3	55.2

Workforce profile of executive leadership team¹

%	2013	2012	2011
Women	16	0	23
Men	84	100	77

1 As of December 31, 2013.

Profile of Board of Directors¹

%	2013	2012	2011
Women	8	8	8
Men	92	92	92

1 Independent Directors only (CEO is not included).



For 2014, our CEO has included diversity and inclusiveness as one of his annual objectives, seeking to increase diversity on the Executive Leadership Team and Board of Directors. In 2013, the Corporate Governance Committee recommended, and the Board approved, a board diversity policy. Pursuant to the policy, the Board adopted a target of having diverse members represent between 30 and 40 per cent of its independent members, with a minimum representation of 25 per cent women, by May 2017.

Other 2014 goals are to:

- Continue to build a workforce that mirrors Canada's diversity and is inclusive to all team members
- Partner with various business units to further embed diversity and inclusiveness into our business practices
- Build awareness of the connections between the value of a diverse and inclusive workforce and our Customers First priority
- Increase the importance of self-identifying, through our Employment Equity Survey, for new and existing team members
- Increase participation in all of our [TRGs](#) and to launch one new TRG.

To learn more about diversity and inclusiveness at TELUS, check out the 2013 TELUS diversity and inclusiveness report.

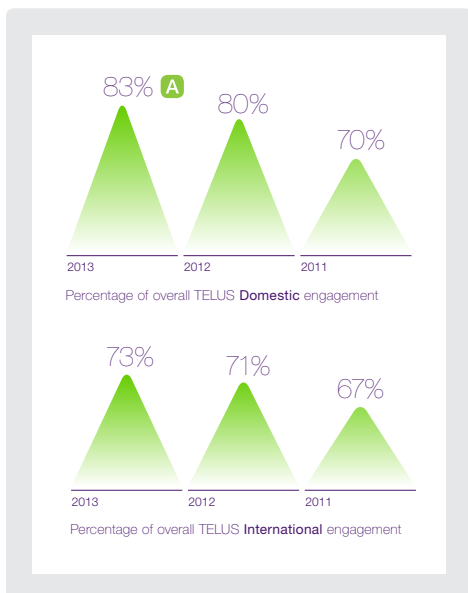
Engagement

To gauge whether we are providing a positive team member experience we collect feedback from our team at various stages of their career — as a new hire, after 100 days, through our annual engagement survey and at their exit. We have aligned these four surveys to help us measure specific aspects of their experience and our culture and to identify areas for improvement.

Our annual engagement survey, Pulsecheck, is an important tool to help us gather, review and address team member feedback. Team members are involved in creating and implementing action plans to address TELUS' biggest areas of opportunity. Changes implemented in 2013, as a result of our team's feedback at the end of 2012, included:

- Improving work processes
- Enhancing and introducing new recognition programs
- Strengthening our performance development process
- Increasing communication around career development opportunities
- Developing a more transparent compensation and performance bonus program.

These improvements resonated with team members as evidenced by our increased engagement scores in 2013, which met our target





domestically and saw a two per cent increase internationally. Our independent survey administrator, Aon Hewitt, confirmed “with engagement at 83 per cent, TELUS is number one globally amongst organizations of its size and composition.”

The 2013 survey results include improvements in critical areas influencing engagement, referred to as engagement drivers.

Year-over-year engagement results from Pulsecheck

%	2013 ¹	2012 ³	2011
Overall engagement — TELUS Domestic	83 A	80	70
Overall engagement — TELUS International ²	73 A	71	67

1 New operations in Europe (Bulgaria and Romania) are included in 2013 TELUS International results, which also include Philippines, Central America and US operations.

2 2013 TELUS International results are showing as an aggregate figure and the 2012 data has been updated to show the same aggregation.

3 2012 results have been adjusted based on 2013 structure (a group with 255 responses was moved from TELUS Domestic to TELUS International).

Year-over-year engagement scores for main engagement drivers — TELUS Domestic

%	2013 (n = 23,733) ¹	2012 ² (n = 23,569) ¹	2011 (n = 21,430) ¹
Work processes	64	60	49
Career opportunities	70	68	60
Performance development	76	74	66
Compensation	49	47	39
Recognition	75	73	67

1 “n” represents the total number of survey respondents.

2 2012 results have been adjusted based on 2013 structure (a group with 255 responses was moved from TELUS Domestic to TELUS International).

Year-over-year engagement scores for main engagement drivers — TELUS International

%	2013 ³ (n = 9,828) ¹	2012 ² (n = 8,633) ¹	2011 (n = 8,481) ¹
Work processes	65	62	58
Career opportunities	65	64	59
Performance development	72	68	64
Recognition	64	63	58

1 “n” represents the total number of survey respondents.

2 2012 results have been adjusted based on 2013 structure (a group with 255 responses was moved from TELUS Domestic to TELUS International).

3 New operations in Europe (Bulgaria and Romania) are included in 2013 TELUS International results.

When analyzed further, our engagement scores have gone up year over year and indicate that team members regardless of role, work style, gender, business unit or generation are highly engaged. There is no material difference between genders on any of the key drivers of engagement.

As scores rise, the importance of maintaining a high level of engagement includes focusing on the drivers that have the highest potential to



negatively affect engagement. Since 2011, corporate social responsibility has been a high-impact driver for sustaining engagement.

In 2014, our goal is to increase engagement. Our target for Canada is a two per cent increase to 85 per cent, and for TELUS International it is a three per cent increase to 76 per cent.

Consultation and communication

Communicating and consulting with our team is at the core of creating an inclusive, innovative and supportive culture. We recognize that by listening to team member issues and ideas we build a bond, strengthening their engagement. We use a variety of means to share information and collect feedback, including:



- **Intranet site:** team members are kept up to date with our corporate strategy, and internal and external news. This is also where we celebrate the successes of our team members' hard work and commitment to putting customers first as well as our work in the community
- **Social platforms like wikis, SharePoint, and Jam (our micro-blogging site):** team members can share information and learnings with one another and leaders
- **Newsletters and bulletins:** a monthly newsletter from our CEO, along with other business unit specific newsletters and bulletins keep team members informed in real time
- **Frontline Forums:** full-day sessions hosted by TELUS' executive leadership team, including our CEO, to provide frontline team members with the unique opportunity to ask questions as well as make direct recommendations on how we can improve work processes and the customer experience
- **Director Leadership Forums and Senior Leadership Forums:** multi-day sessions where senior leaders engage in spirited discussion around how to create a team member experience that helps TELUS deliver on its priority to put customers first while attracting and retaining top talent to complement our existing high-performing team
- **Manager Leadership Forums:** full-day sessions where managers have an opportunity to engage with senior leaders and the executive leadership team to share ideas, discuss corporate priorities and how to collectively contribute to TELUS' growth strategy
- **Closer to the Customer:** provides leaders with the opportunity to hear and learn from frontline team members. Spending a day in the shoes of customer-facing team members helps leaders make impactful changes to better serve customers and support our team.
- **You Know First:** a communications philosophy that puts team members first, so they are aware of major events or changes within our industry before the public. Through communications channels such as



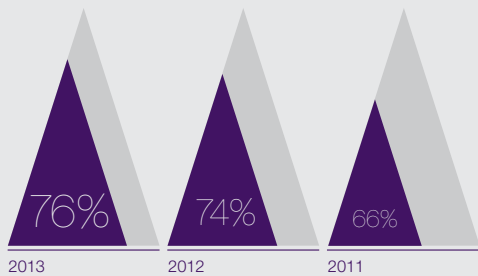
urgent alerts and real-time newsfeeds, team members have access to the information they need to be our strongest brand ambassadors.

In 2014, we will continue to communicate with our team in these unique ways, as well as seek out new ways to share and solicit feedback.

Performance development

We believe that a high-performance culture is created and sustained when team members act in alignment with our strategy. This is supported by a rigorous leadership and feedback process to assess how effectively we are achieving our deliverables, supporting our team members and providing development opportunities.

All team members collaborate in formal performance conversations annually, and for many, several times each year. Leaders are encouraged to meet with their team members on a monthly basis to assess performance and support development. TELUS' performance review forms the basis of the annual performance bonus. We believe the investment and commitment of our leaders to our team members' performance positively contributed to increasing the engagement of our team for four consecutive years by 25 per cent.



Year-over-year performance results from Pulsecheck

%	2013	2012	2011
Team members that feel performance development helps them meet their goals — TELUS	76	74	66
Team members that feel performance development helps them meet their goals — TELUS International	72	68	64

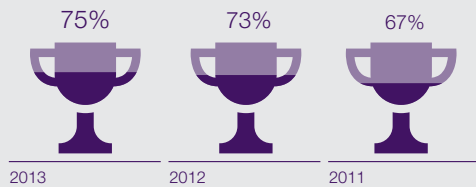
Our enterprise talent management application, TeamHub, includes a new performance tool that will launch in 2014. It will improve the alignment of objectives that support and link to our corporate strategy, the creation of SMART (specific, measurable, achievable, relevant, time-bound) objectives, and will assist with providing meaningful and timely feedback through monthly status reports in addition to our formal semi-annual and annual reviews. We believe this will lead to more meaningful and insightful conversations for team members and leaders, and that pay for performance will be realized for all team members. The adoption of this process and system capabilities will be an ongoing focus of our performance development strategy in 2014 and future years.



Recognition

Recognition is a fundamental component of our engagement strategy as it impacts team member performance and our business success. It drives desired behaviors, plays a role in retention, and improves morale by showing team members we care. We strive to support a culture of appreciation where giving and receiving recognition is easy and aligned to our leadership values.

Our primary method of recognizing team members is our Bravo rewards program. Supported by our leadership values, this program allows team members to send and receive formal and informal recognition to colleagues in the form of e-cards, gifts, gift cards as well as points that can be redeemed for online catalogue items. Additionally, our partnership with Tree Canada provides team members an opportunity to celebrate career milestones while contributing to a greener and healthier living environment. Of the 458,189 trees that have been planted by Tree Canada on behalf of TELUS since 1998, a total of 17,302 trees were in honour of team member career milestones.



Year-over-year Bravo recognition

	2013	2012	2011
Bravo e.cards sent (#)	36,698	32,653	34,155
Bravo gift and point awards sent (#)	67,081	64,601	60,268
Value of awards sent (\$ in millions)	5.68	5.28	5.19

In 2013, more than 1,790 team members were recognized through seven corporate recognition programs that reward team members who have lived our leadership values and made a significant contribution to the organization. Two examples of these programs are:

- **Customers First Champions:** team members nominate colleagues for consistently going above and beyond in delivering exceptional customer experiences. Recipients receive monetary rewards and are invited to a prestigious gala hosted by TELUS' executive team.
- **CHLOE awards:** profiles and celebrates exceptional women who have made a profound difference at TELUS or in her community, as well as leaders, men or women, who have made a significant contribution to the advancement of women at TELUS.



To see how we celebrate our Customers First Champions, [watch now](#).



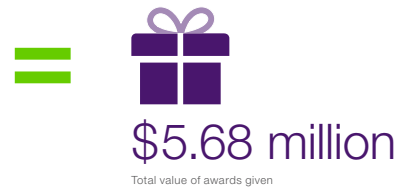
Additionally, in 2013 we focused our efforts on providing training as well as online and real-time support for leaders and team members working in virtual teams or in teams using multiple work styles. We also added numerous electronic e-cards supporting diversity events and holidays to better recognize our diverse team.

For our TELUS International team members, there are a variety of formal recognition programs, as well as on-the-spot personal recognition, to reward team members who have provided exceptional customer service, exceeded sales targets, and exhibited team work and product mastery. Some highlights include:

- **The Rock Hall of Fame:** a peer recognition program where high-performing frontline agents receive an award, gift and public recognition
- **VIP Heroes:** rewards the top 10 per cent of performers with a month of “VIP” treatment including snacks and choice workstations.

Year-over-year recognition results from Pulsecheck

%	2013	2012	2011
Team members that feel they are appropriately recognized — TELUS	75	73	67
Team members that feel they are appropriately recognized —TELUS International	64	63	58



In 2014, we will continue to refine our existing programs, reference materials and communications to better support leaders and team members in cultivating our culture of recognition. A specific focus will be applied to the Work Styles program to increase recognition of teleworkers.



Learning and collaboration

Our company is made up of diverse and talented individuals and we cultivate the leadership potential in each and every team member. We understand that team member engagement directly correlates to the investment we are making in the resources available to our team. These resources provide opportunities for team members to enhance their skills and develop their careers.



For the eighth time, in 2013, we received a BEST award from the [American Society for Training & Development \(ASTD\)](#), the training industry's most rigorous and coveted recognition, which recognizes organizations that demonstrate enterprise-wide success through team member learning and development.

We support team members by offering formal, informal and social learning approaches which allows them to learn what they need to know, when they need to know it, regardless of location. Examples of our approaches include:

- **Formal:** courses (online or in classrooms); conferences, forums and roadshows; accreditation and degree programs
- **Informal:** online books and research databases; webinars and webcasts; coaching and mentoring; and websites
- **Social:** blogs and wikis; micro-blogging; social networking; and video sharing.

To help us understand the effectiveness of our learning and collaboration tools and programs, we survey 8,000 randomly selected team members each quarter and ask them to identify the type of learning used and indicate whether the learning has improved their performance.

In the fourth quarter of 2013, 5,600 team members responded to our survey resulting in an average 17.5 per cent response rate. The results indicate that investments in programs and tools for team members are helping their job performance.

Return on learning^{1, 2}

Learning type	Formal	Informal	Social
Team members that used learning type (total)	3,834	3,523	1,959
Team members that used that learning type (%)	68%	63%	35%
Team members that feel the learning opportunities helped their performance on the job (total)	3,066	2,984	1,157
Team members that feel the learning opportunities helped their performance on the job (%)	80% A	5% A	59% A

¹ Our key learning metric, which is based on team-member feedback and indicates the impact that formal, informal and/or social education has had on team member job performance over the previous quarter.

² Results are for fourth quarter 2013 from 5,600 respondents to an online survey distributed to 32,000 random TELUS domestic team members (8,000 each quarter).



In 2014, we plan to officially launch the TELUS Transformation Office. This external consulting initiative will help customers assess and strengthen their current leadership and organizational culture; including learning and career opportunities, onboarding, induction, and flexible working options.

TELUS Leadership Philosophy



We see everyone as a leader and support team members in making and implementing decisions in a fair and collaborative manner. In support of this philosophy, we offer a variety of learning opportunities that help shape and define leadership at TELUS. This includes specialized programs for high-performing and high-potential team members; leadership courses for new leaders; and courses aimed at improving skills such as coaching, communication, presentations, collaboration, and emotional and social intelligence. In 2013, we made the following enhancements to support this philosophy:

- Launched new learning and social collaboration platforms as part of TeamHub, allowing team members to have greater control over their learning and interactions, while providing leaders with better visibility into the learning activities of those they support
- Held Senior Leadership Forums focusing on our culture as the lasting cornerstone of our competitive advantage and the role leaders have in shaping it
- Revamped our high-performing/high-potential program Leadership NOW, which provides professional development, team building, mentorship, networking, and coaching
- Re-launched our leader training program, Lead Your Team, which focuses on cultivating the behaviours that will help new leaders support and build collaborative, engaged teams.

2013–2014 Leadership NOW participation by gender

Leadership NOW participation ¹	High-Performer ²	High-Potential ³	Total	%
Women	177	94	271	37
Men	325	139	464	63

1 Leadership NOW — our program for high-performing/potential team members.

2 High-Performers — Demonstrated exceptional performance (results + values) but are not yet maximizing their leadership competencies (promotability); Performing at the highest standard and may or may not have the desire to move to the next level.

3 High-Potentials — Demonstrated exceptional leadership competencies (promotability), have mastered their current position and need immediate challenge to keep them engaged and empowered or they may be focused on maximizing their performance to be better positioned for the next level.



Year-over-year learning results from Pulsecheck

%	2013	2012	2011
Team members that are satisfied with the learning and development support they receive — TELUS	76	76	70
Team members that are satisfied with the learning and development support they receive — TELUS International	77	76	73

In 2014, we plan to continue to develop new learning programs and revamp existing ones to better suit the evolving needs of our team members. We will also continue to promote these programs and raise their visibility across the Company.

Collaborative learning

Team members have access to leading-edge and traditional methods of learning to help them develop, share knowledge and build connections. Our approach allows them to learn what they need to know, when they need to know it, regardless of location; and involves formal, informal and social learning. In 2013, team members once again gained access to new programming. We:

> **Launched** Jam, a micro-blogging site where team members can share information and collaborate with one another by posting videos, links to articles or create conversations

> **Expanded** our use of TELUS Collaboration House (TCH), a virtual environment where team members use digital avatars to communicate and collaborate with others in a Voice over Internet Protocol and web-cam enabled community

> **Ran** mobile pilot programs to increase the pervasiveness of learning through increased accessibility to learning materials

> **Unveiled** new interactive learning programs that use a game-based approach to motivate behavior change. These learning opportunities improve the availability of experiential learning for all team members

> **Launched** four instructor-led courses focused on working and leading in a Work Styles environment.

In 2013, TELUS International launched IAspire, a global learning program for developing emerging leaders, and implemented new technology platforms that bring global teams together, like the [TI Blog](#), the TELUS International intranet, TeamHub Learning, Salesforce.com, and HubSpot, a marketing automation platform.

In 2014, we will continue our focus on making learning and collaboration resources and tools available to all team members



through the use of TCH, TeamHub, mobile programs, and interactive learning. We will also continue to support team members and leaders with tools and resources to help them succeed in performing and leading in our work-style environment.

Career development

Team members are encouraged and empowered to take charge of their professional and personal development. Through various learning and collaboration opportunities, team members can develop skills in their current role to position them for both lateral and promotional opportunities in the future.

Career development is a part of our annual objective setting and performance review process. Team members and leaders set goals, which are supported by learning and development opportunities throughout the year. As well, to support their career development, team members have access to an online portal that provides them with information on how to create meaningful career action plans.

Our operations at TELUS International Philippines and TELUS International Central America provide educational opportunities for team members through an innovative TELUS International University (TIU) program that helps team members earn Bachelor and Masters Degrees while working. TIU provides tuition assistance through a subsidized program and students have access to state-of-the-art library centres in TELUS buildings and onsite university professors.

Year-over-year career development results from Pulsecheck

%	2013	2012	2011
Team members that are satisfied with the career development opportunities available to them — TELUS	70	68	60
Team members that are satisfied with the career development opportunities available to them — TELUS International	65	64	59

In 2014, we will continue to provide leaders and team members with career development resources that lead to meaningful career development conversations. Additionally, we will launch a new Customized Career Development Plan portal on TeamHub where team members and leaders can align objectives and performance with career development plans.



Succession planning

One of the most important responsibilities a leader has is the development of the next generation of leaders who will advance our business strategy and business growth into the future. At TELUS, we have built succession planning into our regular business planning processes, so that every senior leader has a succession plan in place. Leaders incorporate outcomes from the planning into regular career conversations with successors, demonstrating our ongoing commitment to growing careers.

Regular strategic talent reviews and succession planning with our executive team not only support business continuity, but also mitigate business risk by building greater diversity of thought into everything we do. This benefits not only our team members and our organization, but ultimately results in an exceptional customer experience.

In 2014, we're advancing this process through new tools and systems that will allow us to integrate information in a more accessible and scalable fashion. We will be able to cascade the succession planning process to over 2,000 manager positions across TELUS.



Total rewards

TELUS team members benefit from a flexible and diverse rewards package that spans salary and a performance bonus to flexible benefits, retirement and share purchase programs, as well as discounts on products and services. Team members value the traditional components of this package, as well as health and wellness programs, future friendly workplaces and a life balance account.

Compensation

TELUS' compensation philosophy is to balance market-based pay with pay for performance. Team member compensation consists of a fixed (base salary) and a variable (performance bonus and/or sales incentive) component. High performers are targeted to be compensated above the median of the external competitive market of organizations where we compete for talent; placing them at or above the 75th percentile. Compensation surveys are completed with external consulting firms that specialize in benchmarking. Terms and conditions (including wages) for all team members covered by a collective agreement are negotiated between the parties.

TELUS' average entry-level wage in Canada is above the median of minimum wages for all entry level roles including management professionals, bargaining unit and retail; the overall average is 33¹ per cent above the median. The base wages received by TELUS International





Philippines team members are more than 30 per cent higher than the Philippines National Capital Region Minimum Wage. This range increase is in line with supplementary income to team members who have certain technical and language skills and grants various allowances for meals and transportation. In Central America, a role as a call centre agent often pays twice what an administrative role at a bank would pay.

¹ Methodology for calculating this average has changed to include management professionals, bargaining unit and retail team members.

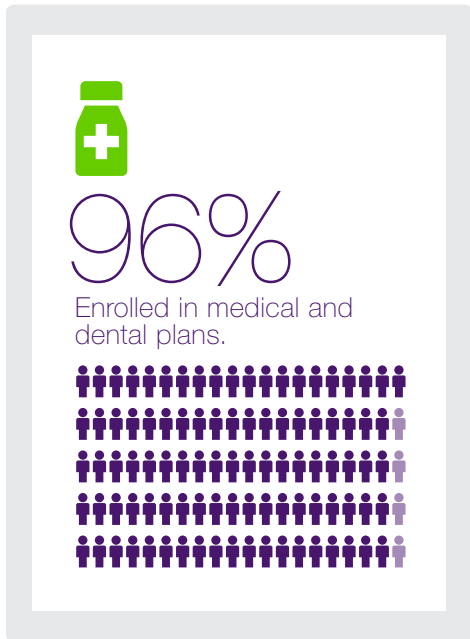
In 2014, we will continue to seek team member feedback on our pay practices through our annual team member survey, benchmark against organizations where we compete for talent and manage our costs to provide a compensation package that recognizes high-performing and high-potential team members.

Benefits

We provide competitive, comprehensive and flexible benefit packages for most permanent team members. This allows team members to customize a plan to suit their diverse personal and family situations. Our benefits, which include life and long-term disability insurance and access to comprehensive health plans, help provide financial security. In 2013, 96 per cent of team members participated in our extended health and dental plans.

While benefits are not provided to temporary team members, most do receive a company contribution that they may use toward health and dental costs.

In 2013, we introduced a number of features such as Maximum Allowable Cost pricing, mandatory generic drugs and a dispensing fee cap into our drug plan to maintain economic sustainability. The total cost of pay and benefits increased as a result of our annual compensation programs, increases to legislated benefit costs (e.g., Medical Services Plan in B.C., Employment Insurance, and Canada Pension Plan) as well as usage and inflation in our dental and extended health plans. These costs, however, were offset by drug plan savings.



Retirement and savings plans

We are committed to helping our team members save for retirement through a variety of methods. These include defined benefit or defined contribution pensions with matching options, a voluntary group RRSP, as well as education sessions.

Team members are also able to purchase TELUS shares through regular payroll deductions. This flexible savings plan allows team members to purchase between one and 10 per cent of their base compensation and



Over **21,000**
Team Members participate in the Employee Share Purchase Plan

Over **15,000,000**
Shares controlled by those Team Members

up to six per cent is matched by TELUS to a rate of 40 per cent (35 per cent for directors or above).

In 2013, 80 per cent of eligible team members were enrolled in one of our retirement savings plans and more than 21,000 team members participated in the Employee Share Purchase Plan, controlling almost 15 million shares and ranking as our sixth largest common shareholder.

Total pay and benefits

\$ millions	2013	2012	2011
Total pay and benefits ¹	\$2,743	\$2,743	\$2,258

¹ After transition to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Company's date of transition to IFRS-IASB was January 1, 2010, and its date of adoption was January 1, 2011.

We will continue to provide education around retirement savings and will allow team members in the defined contribution plan to make additional voluntary contributions to help them save for retirement.

In 2014, the total cost of pay and benefits are forecasted to increase as a result of our annual compensation programs, increases to legislated benefit costs (e.g., Medical Services Plan in B.C., Employment Insurance and Canada Pension Plan), increasing levels of contributions in TELUS Defined Contribution Pension Plan, TELUS Health and TELUS Retail Pension Plans as well as usage and inflation in our dental and extended health plan.

Executive pay

TELUS' executive compensation philosophy is based on performance with a clear and direct linkage between compensation and the achievement of business objectives (short, medium and long-term). Using both market-based and performance-based approaches, compensation is structured through an appropriate mix of fixed versus at-risk methodologies, which factor in personal performance, corporate performance and competitive market compensation data. TELUS' compensation practices are robust and formulaic and involve the consideration of a number of internal and external performance measures consistent with our pay-for-performance philosophy.

The Compensation Committee of the Board of Directors is responsible for reviewing and approving compensation arrangements of all Executive Vice Presidents, other than the tCEO, and for reviewing and recommending to the Board the compensation arrangements of the CEO. For more information regarding our compensation philosophy, please refer to our [2014 Information Circular](#).



Healthy living

A strong and healthy team is a crucial component to delivering the best products and services to our customers. TELUS invests heavily in our Healthy Living program which focuses on both mind and body, with programming such as:



- Healthy Minds: a comprehensive mental health strategy that includes a variety of resources to educate and support team members and leaders
- Support Programs: healthy eating, leadership support, child and elder care support services, quit smoking resources, retirement and financial support services, support for major life events, and Partners for Life — Canadian Blood Services
- Employee and Family Assistance Program (EFAP): confidential assistance to team members and their families through short-term access to an extensive national network of counsellors 24/7
- Health Screening: cold and flu awareness and vaccinations, biometric screening, cancer screening, health coaching and smoking cessation programs
- Practitioners: a selection of wellness practitioners across the country offering a range of services including massage, naturopathy and chiropractic services
- Active Living: access to onsite fitness facilities, discounts at various yoga and fitness centres across the country, active living challenges, and an expert speakers series
- Spirituality: seven non-denominational prayer and contemplation spaces across the country encourage team members to find a place for spirituality during their day.

In 2013, to increase team member participation, we added and enhanced several elements of our program:

- Offered webinars and workshops, and shared stories on our intranet site and Jam on topics such as nutrition, mental health and cancer prevention
- Continued our partnership with the Canadian Cancer Society to reinforce cancer prevention
- Increased access for team members participating in our Work Styles program by offering offsite and virtual options, including tools and resources to help them better manage their physical and emotional health, wellness, and work-life balance
- Held a national health challenge, Project Lucky 13, providing team members with resources and support to help them to be healthy and signed a partnership with TriFit, our new national fitness provider
- Offered training, workshops, consultations for leaders and continue supporting them through our EFAP.

In 2013, our wellness reach rate, which is the number of team members participating in wellness programs, was 85 per cent. This surpassed our





2012 wellness reach rate by five per cent. This growth is largely due to increased communication and focus on online programs and challenges in support of our team members working in a mobile capacity.



To learn more about Healthy Living at TELUS, check out this [video](#).

In 2014, we will continue to promote health prevention and align TELUS Healthy Living programs with TELUS sponsored events like organ donation and other wellness and healthy community events. We will continue to educate and inform team members about how they can proactively manage their health and well-being with a continued focus on mental health. TELUS aims to ease the burden of mental health issues by supporting programs like Mental Illness Awareness Week and leadership support. As we increase participation in our Work Styles program, we will continue to shift our program offerings to offsite and virtual options.

TELUS appointed a Chief Wellness Officer in early 2014, who will use a combined Doctor of Medicine (MD) and Doctor of Naturopathy (ND) clinical model to enhance the physical and mental health of our team and their family members, and to help TELUS Health bring our wellness solutions to the marketplace.



Work Styles™

Flexibility matters to our team members. Work Styles is a program designed to create value by providing team members with the flexibility to choose a work style that best suits their needs. The ability to work in the office, at a mobile site or at home offers the following benefits:

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

TELUS team member reduced emissions and savings

Participants ¹	Total km saved ²	Total hours saved ³	CO ₂ reduced (kg) ⁴
7,558	19,600,000	1,160,352	4,654,000

1 Revised for 2013 — assumes mobile team members work three days/week at home and at-home workers five days/week.

2 Kilometres (km) — average 15 km round trip (Environment Canada standard).

3 Hours saved — based on 54 minutes per day (Environment Canada standard).

4 CO₂ reduced — based on average mid-size car fuel efficiency and Environment Canada emission factors.



We regularly engage with leaders and team members to gather feedback and suggestions for improvement and are working with Information Technology teams to develop a Work Styles roadmap that supports future technology requirements. In 2013, in direct response to feedback, we made several enhancements to this program:

- Developed and launched training courses for leaders and team members working in a virtual environment
- Launched the new Work Styles community site
- Integrated Work Styles programming into performance development plans, tools and workshops
- Improved technology by:
 - Doubling the capacity of our virtual private network (VPN) across Canada
 - Making all self-serve software accessible over our VPN
 - Improving the quality of our softphone service, enabled printing from home and introduced new corporate email solutions for mobile devices
 - Revamping the Reservation System for mobile and at-home team members to book mobile workstations
 - Preparing for the 2014 launch of enhanced secure corporate and open guest Wi-Fi capabilities in our Work Style buildings across Canada
- Enabled sales teams to have effective conversations about the Work Styles program with their clients by providing reference materials, including a sample solutions roadmap.

As our workforce continues to evolve through Work Styles, we are making sure team members working in a mobile or at-home work style remain as engaged as those working in our offices. In 2013, 94 per cent of mobile team members felt Work Styles was positive for TELUS. Mobile and at-home team members had a one percentage point and a two percentage point respective increase in overall engagement. Notably, engagement scores are consistent for team members whether they are resident or mobile.



60%

adopted a mobile work style



To learn more about the Work Styles program, [watch now.](#)

Work Styles adoption rate

%	2013	2012	2011
Team members in a mobile work style	60	47	35

By 2015, TELUS aims to have 70 per cent of team members located in our top national buildings working in a mobile or at-home capacity. Additionally, TELUS continues to share our journey and lessons with our customers to help them advance their own mobile work plans.



Turnover rates

Our turnover rates for team members have increased, primarily due to increased competition for talent. Additionally, the integration of Black's retail team members into our team has impacted our result as the retail industry typically realizes higher turnover rates.

Year-over-year domestic turnover rates¹

%	2013	2012	2011
Voluntary ²	10.7 A	9.4	11.0
Involuntary	4.3 A	3.5	3.2
Total	15.0 A	12.9	14.2

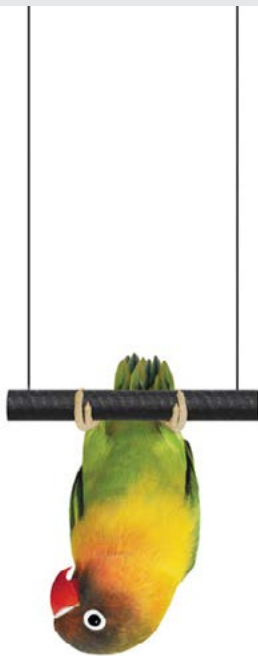
1 In 2013, we changed our calculation methodology to use a headcount denominator determined by averaging year-opening over year-closing numbers, not an average of all twelve month-ending headcounts. As well, we are only reporting on domestic team members that are tracked in the primary Human Resources Management system. These changes have impacted the voluntary turnover numbers previously reported in 2012 and 2011.

2 Voluntary rates include team members that left the Company due to retirement. 2012 and 2011 voluntary turnover numbers have been recalculated to include retirement, and therefore, are different from what was disclosed in previous years.

Annual turnover by gender and age

%	Female	Male	Millenials ¹	Generation X ²	Baby Boomers ³	Silent Generation ⁴	Total
2013	16.6 A	14.0 A	24.1 A	8.3 A	13.4 A	48.9 A	15.0 A
2012	14.4	12.1	22.5	7.6	10.5	35.0	12.9
2011	16.1	13.0	23.6	9.5	12.2	20.0	14.2

1 Millenials: born from 1980 to 2000. 2 Generation X: born from 1965 to 1979. 3 Baby Boomers: born from 1946 to 1964. 4 Silent Generation: born from 1925 to 1945.



Safety and absenteeism

We continually monitor the effectiveness of TELUS' safety management system at both the workplace and corporate levels and investigate all reported health and safety complaints and accidents to address emerging safety issues. Safety performance results are reported every quarter to the Human Resources and Compensation Committee of [TELUS' Board of Directors](#).

We train team members to identify and manage their workplace hazards and set performance targets for hazard control programs. We aim to provide every team member representation from a joint health and safety committee or a health and safety representative and have more than 80 Health and Safety Committees and representatives across Canada. In the past seventeen years, TELUS has had no work-related deaths.



Our target of 0.77 lost time accidents (LTA) per 200,000 hours worked was met and our 2013 results improved by decreasing from 0.77 to 0.74 LTA per 200,000 hours worked. TELUS has realized a steady reduction in LTAs per 200,000 hours worked from 0.90 in 2010 to 0.74 in 2013, and this result continues to compare favourably with the three-year (2009–2011) U.S. Telecommunications Industry average of 1.1 LTA per 200,000 hours worked. Our goal for 2014 is to continue to reduce accidents and injuries and maintain or improve our past ratio of 0.74 LTA.

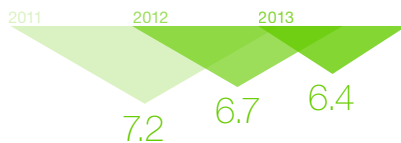
Lost Time Accidents (LTA) per 200,000 hours worked¹

	2013	2012	2011
TELUS actual	0.74 ² A	0.78	0.77
TELUS target	0.77	0.77	0.82

¹ Data presented is for TELUS Canadian team members tracked in the primary Human Resources Management system.

² Data from TELUS' records as of January 24, 2014.

Decrease in absenteeism (days)



In 2013, the TELUS absenteeism rate (which includes paid and unpaid time off work due to personal illness or work-related injury) again decreased to 6.4 days per full-time equivalent position. Our absenteeism rates are well below the average of 9.1 days per full-time equivalent position for Canadian organizations with more than 500 employees.

Absenteeism rates

Year	TELUS absenteeism per full-time employee	Average Canadian rates ¹		
		For full-time employee	For organizations with > 500 employees	For unionized organizations
2013	6.4 A	Average Canadian rates for 2013 not available at time of publishing		
2012	6.7	7.6	9.1	11.0
2011	7.2	7.7	9.3	11.3

¹ Statistics Canada absenteeism rates.

In 2014, we will continue to build on the positive momentum of our declining absenteeism rates by increasing team member awareness of absenteeism-related costs and providing training on our attendance management process for leaders. In addition, our continued focus on health and wellness will help us proactively address absenteeism.

Integrity

Overview

We recognize that how we work is as important as what we do.

Achieving our business objectives in a manner consistent with our leadership values, matters to us. At TELUS, we value integrity in all we do, which means we expect our team members to act honestly, comply with the laws and regulations governing our business and maintain an ethical work environment. Having a shared understanding and commitment to integrity sets the foundation for us to put our customers first.

To promote company-wide awareness of integrity issues, all team members read our policies and complete our training programs. We also offer access to subject matter experts who work as a virtual team across the corporation, both in Canada and internationally, to address questions and investigate potential breaches in the areas of ethics, privacy, security, respectful workplace as well as bribery and corruption.



Feedback from our Integrity Course



Team Member Surveys



Customer Surveys



Integrity index

To measure our performance we developed a comprehensive integrity index. This industry-leading practice uses results from our Integrity training course, team member surveys, customer surveys and reported breaches of our policies to assess:

- How well team members understand and comply with TELUS' codes of conduct
- The extent to which our senior managers behave with integrity
- How successful our Integrity training is.

In 2012, we established a baseline score of 93 per cent and in 2013, a target of 94 per cent. In 2013, TELUS' result was 93.6 per cent with improvements made across most components of the index. We aim to maintain or improve our score each year.



Integrity training

To promote company-wide awareness of integrity issues, all team members complete annual online integrity training as a condition of their employment. This course is updated annually to address new and emerging issues related to ethics, privacy, respectful workplace, security and anti-bribery and corruption. All TELUS team members (100 **A** per cent), and 97 per cent of contractors with access to our information systems, completed this course in 2013.

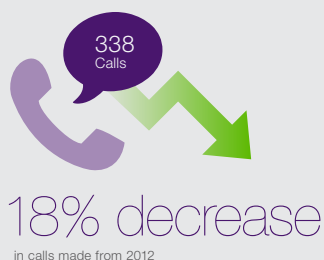
Ethics

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 TELUS' [Board of Directors](#). The policy is updated and shared with team members annually and can be found on TELUS' internal and external websites.

TELUS EthicsLine

Through the TELUS EthicsLine (1-888-265-4112 or telus.ethicspoint.com), team members and external stakeholders can raise anonymous and confidential questions or file complaints related to accounting, internal controls or ethical issues.

In 2013, 338 calls were received by the EthicsLine, with callers seeking advice on ethical situations or making complaints. This represents an 18 per cent decrease in the number of calls over 2012, which may be attributed, in part, to a delay in the annual Integrity course launch because of our need to complete a company-wide system upgrade. Traditionally, the launch of the course raises awareness of integrity issues across the company. Each complaint was investigated, resolved appropriately and reported to the Human Resources and Compensation Committee, as well as the Audit Committee of [TELUS' Board of Directors](#).



Calls received by the Ethics Office

Type	2013	2012	2011
Requests for advice	97	114	87
Ethical complaints	241	298	178
Total calls	338 A	412	265

Breaches of ethics and discipline

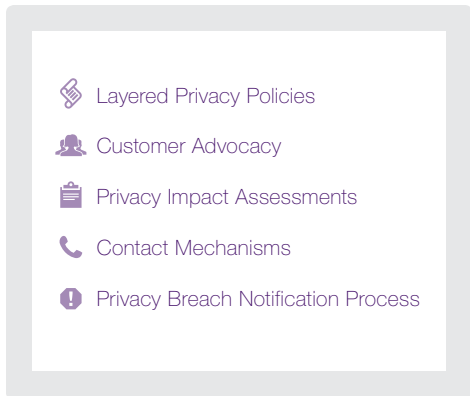
In 2013, there were 118 ^A breaches of TELUS' Ethics policy, compared with 112 in 2012, and 65 in 2011. The most frequent violations in 2013 were related to breaches of company policies. None of these incidents involved fraud by team members who had a significant role in internal controls over financial reporting. Corrective action was taken in each case of a breach, with some of the breaches resulting in discipline or the dismissal of more than one team member.

We also continued to rely upon our education program to increase team members' awareness of ethics and the total number of team members receiving discipline decreased in 2013. Notably, 63 per cent of employees receiving discipline had five years or less of service, representing a 13 per cent increase since 2012. In 2014, we will focus our education program for this group to provide our newest team members a good understanding of TELUS' expectations in this area.

Discipline for breaches of ethics

Corrective action	2013	2012	2011
Letter in employment file	4	48	7
Employment suspended	24	30	18
Employment terminated	118	100	44
Team member resigned	9	5	4
Total team members disciplined	155	183	73

Privacy



TELUS respects the privacy of our customers and team members and has a long-standing policy of protecting privacy in all of our business operations. To provide customers with easy and quick access to key information about our practices in this area, TELUS follows the international standard of using multi-layered notices:

- The first layer provides a notice entitled [About TELUS' Privacy Commitment](#) as well as [Frequently Asked Questions](#) document that allows customers to understand TELUS' privacy practices at a glance
- The second layer is the [TELUS Privacy Commitment](#), which provides more details on the collection, use, disclosure, and protection of personal information as well as information on the choices available to customers
- The third layer is the [TELUS Privacy Code](#) that presents our

comprehensive privacy policy and is structured to provide specific details about TELUS' privacy practices.

Each document provides different levels of detail allowing the customer to choose the level of information that is most suitable for making informed decisions.

TELUS' Chief Compliance and Privacy Officer is responsible for oversight of the TELUS Privacy Code and making certain that internal controls are implemented by the business to support our code and commitments. For privacy matters that involve countries outside of Canada, we work with privacy lawyers with local expertise. To meet European Union Directive requirements for our international operations, TELUS International has been [Safe Harbour](#) certified since 2012.

TELUS advocates for customer privacy with Supreme Court win

In 2013, our efforts to protect the privacy of our customers resulted in a landmark decision by the Supreme Court of Canada. In 2010, a law enforcement agency had presented TELUS with a general warrant (a form of search warrant) that required TELUS to produce copies of all text messages sent and received by two of its customers on a prospective, daily basis. TELUS applied to the Ontario Superior Court of Justice to quash the general warrant on the grounds that this unusual investigative technique amounted to a virtual wiretap and, therefore, required a wiretap authorization. Obtaining a wiretap authorization involves a more rigorous legal process that would have provided stronger privacy safeguards for the two individuals who were the subject of the police investigation.

The Ontario Superior Court of Justice ruled against TELUS. However, we persisted and appealed to the Supreme Court of Canada and in March 2013, the Supreme Court ruled in our favour. TELUS' determination to pursue this matter to the Supreme Court demonstrates our commitment to protecting the privacy of our customers.

Implementing our privacy policy

We use a number of mechanisms to implement our privacy code:

- We maintain a toll-free number and email address (1-800-567-0000 or privacy@telus.com), so customers can contact us regarding privacy issues or access requests
- Our annual Enterprise Risk and Control Assessment survey includes questions specific to privacy that may identify emerging risks
- We require Privacy Impact Assessments for all projects that involve the collection, use or disclosure of personal information. These





assessments are reviewed and approved by Certified Privacy Professionals in the TELUS Compliance and Privacy Office as well as by members of the TELUS Chief Security Office who are certified information security systems professionals and/or global information assurance professionals

- TELUS has a Privacy Breach Notification process embedded into our processes and training modules, which are reviewed annually.

Managing data privacy and security

The TELUS Chief Security office has procedures, guidance and controls to manage data privacy and security, including:

- **Policies governing our information technology:** these policies govern the management of information technology assets and resources, enterprise networks, telecommunications networks and other physical assets used to deliver safe and secure products and services to our customers
- **Security development methods and governance controls:** security is a core foundation in the governance processes related to project design for products and services
- **Vulnerability Management Program:** this includes both a daily vulnerability assessment and emerging security threat assessment
- **Intrusion prevention systems:** these systems monitor TELUS' network for malicious traffic and drop the traffic based on certain rules
- **Mobile encryption:** protects data on laptops to mitigate data leakage risks from the loss or theft of portable devices.

In 2013, TELUS met all Payment Card Industry data security standards to protect our customers' credit card data and plans to continue this practice.

Privacy complaints

In 2013, one complaint was filed against TELUS with Canada's Office of the Privacy Commissioner (OPC). The complaint was investigated by the OPC with our full cooperation. The OPC completed their investigation in early 2014 and concluded the complaint was not well-founded.

Respectful workplace

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



TELUS' Respectful Workplace Office performs an annual review of its policy to establish continued compliance with associated legislation in each of the jurisdictions where we operate. In 2013, the Respectful Workplace complaint process was reviewed and revised to reflect minor changes.

Analysis of complaints filed with the Canadian Human Rights Commission (CHRC) is an indicator used to determine if there are internal practices that need attention at TELUS. In 2013, there were no incidents of internal practices requiring amendment. Should there be a complaint filed, the CHRC may refer a complaint back to the internal TELUS resolution process, investigate the complaint and come to a resolution or dismiss the complaint.



*Canadian Human Rights Commission



over 70% decrease since 2011

CHRC complaints

	2013	2012	2011
New	7 A	6	24
Closed	8 A	24	10
In progress at year end	5 A	6 A	24

Closed CHRC complaints

	2013	2012	2011
Referred to TELUS internal resolution process	0	6	6
Resolution reached	2	7	3
Dismissed	6	11	1

In addition to the annual Integrity training course that all team members are required to complete, a new respectful workplace training course is under development to provide further details of what constitutes acceptable behaviours in the workplace, changes to legislation, and also what protections and processes are available should an issue arise. This new course will be available in 2014.



Anti-bribery and corruption

We continue to strengthen anti-bribery and corruption procedures across all regions where we operate. In 2013, we continued to build on the risk-based review and framework developed in 2012, as follows:

- **Senior management involvement and support:** senior leaders across TELUS were identified as responsible and accountable for making sure the anti-bribery and corruption compliance program is effectively implemented and consistently monitored. Senior executives set the tone to create a culture where bribery is unacceptable.
- **Corporate compliance policies and procedures:** in 2013, a specific anti-bribery and corruption policy was approved by the TELUS Board of Directors to provide further clarity and guidance for TELUS team members and third parties engaged by TELUS. This supplements other guidance in the [TELUS Ethics policy](#), the [Supplier Code of Conduct](#) and our Code of Conduct for Business Sales Activities.
- **Training and education:** our annual Integrity training highlights our zero-tolerance approach to bribery and corruption. Further training continues to be provided through specific Business Sales Code of Conduct training, and will also be provided through a specific anti-bribery and corruption training program set for launch in 2014.
- **Monitoring, auditing, and reporting mechanisms:** team members in various areas of the company are tasked with ensuring the ongoing effectiveness of the compliance program. Future reviews and audits will be conducted and reports will be provided to the [TELUS Board of Directors](#) as appropriate.
- **Incentives and consistent disciplinary procedures:** specific objectives will be created in 2014 for team members responsible for implementing and monitoring the compliance program. Failure to act in accordance with the anti-bribery and corruption policy will subject TELUS team members to disciplinary action, up to and including dismissal.



★ Customers First

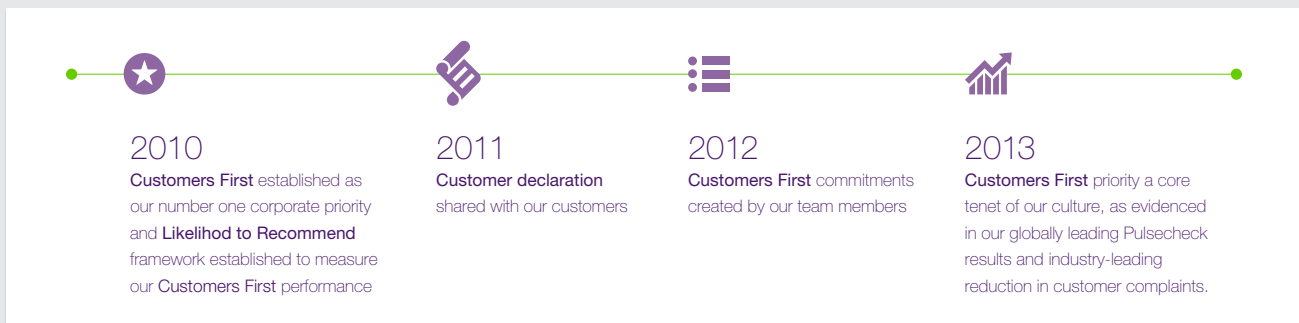
Overview

What matters to our customers, matters to us.

Our top priority since 2010 is putting our customers first. We do this by consistently delivering exceptional client experiences and winning the hearts and minds of Canadians on our journey to become a world leader when it comes to the likelihood that our customers recommend our products, services and people.

We know that listening to our customers is an integral part of our Customers First journey and that taking action based on what they say is just as important. Throughout 2013, we worked harder to identify what our customers are looking for and delivered products, services and experiences that met their expectations.

Every team member, regardless of their role, has a responsibility to put customers first, which is why we have continued to integrate a Customers First culture across the organization.



Engaging with our customers

At TELUS, we are committed to delivering exceptional customer experiences and we know this can only be achieved by listening to and taking action on customer feedback.

We use the information gathered from them to develop new and innovative products and services, improve processes and policies and



enhance network reliability to reflect our belief that what is important to customers is important to us.

In 2013, we engaged with our customers in many ways. Through more than 28 million calls into our contact centres, nearly 63,000 social media chat sessions and more than 17,000 customer surveys you told us what was important:

- Fair and flexible pricing
- Innovative products and services
- Reliable network and services
- Safety and privacy protection
- Taking care of our communities
- Friendly and helpful interactions.

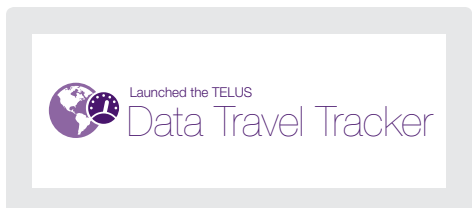
In 2013, we responded to this customer and other stakeholder feedback by implementing many new programs and enhancements to our existing product and service solutions.

Fair and flexible pricing

In 2013, we became the first wireless carrier in Canada to offer two-year terms. We did this in advance of the implementation of the Wireless Code, federal legislation that TELUS advocated for on behalf of our customers.



Additionally, in 2009, we began making changes to our wireless rate plans based on feedback from our customers, including the elimination of system access fees and offering plans with Clear and Simple pricing. In 2013, we took this one step further by introducing [TELUS SharePlus Plans](#) that give customers the convenience of unlimited nationwide talk and text and the ability to share wireless data across multiple devices in the same household.

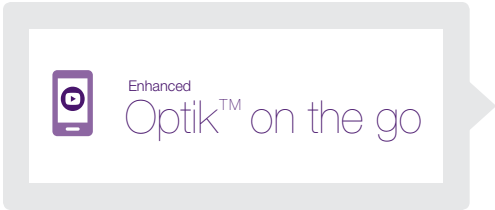


Our customers also told us that keeping track of their data usage matters — especially when travelling outside of Canada. We launched [TELUS Data Travel Tracker](#), a browser-based web portal that allows customers to check real-time data usage from their mobile device. It also provides customers with text message notifications when they reach certain levels of data usage, blocks data once high data usage levels are reached and provides a summary text message showing customers their total data usage while away.



Innovative products and services

In August, 2013, TELUS became the first provider in Western Canada to offer new [wireless digital boxes](#) to our Optik TV™ subscribers. This service gives customers the freedom to move their TV without the need for a TV outlet and the flexibility to have up to four wireless digital boxes, in addition to their PVR.



To see our latest commercial featuring this service, [watch now.](#)

Our customers also asked for more choice and flexibility from their TV service provider, so we launched the following [Optik™ on the go](#) enhancements:

- Added more than 1,500 titles, including more HD programming than ever before
- Access to more new releases, an expanded library of movies and the ability to watch trailers prior to renting
- Access to content from any screen during the rental period and the option to begin watching on one screen and finish viewing on another
- Improved overall video quality with optimized picture colour and brightness.



To learn more about our Optik on the go enhancements, [watch now.](#)



Innovation in health care matters to many of our stakeholders. Since 2010, we have been investing in our [eClaims](#) solution and have seen steady growth in its adoption. In 2013, more than 75 per cent of Canadian private insurance plan members were able to use TELUS' online eClaims service, reducing paper-based processes, claims processing time and costs. This solution allows more than 19,600 extended healthcare providers across Canada to submit claims on behalf of patients through an online web portal designed to support point-of-service processing.

In 2013, TELUS continued to expand its health care innovation by providing Electronic Medical Records (EMR) solutions to 9,000 Canadian physicians across the country and supporting more than 25 million patient interactions each year. In 2013, we announced the acquisition of the [PS Suite EMR](#) solution from the Canadian Medical Association's MD Physician's Services Group. This addition complements our investment of more than \$1 billion in EMR over the past five years, including our previous acquisitions of Wolf Medical Systems in Western Canada and KinLogix in Quebec.

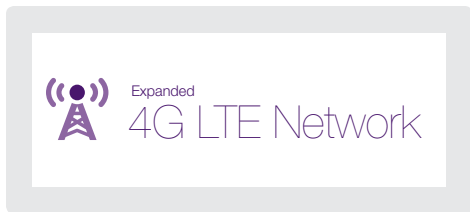
Our focus for 2014 will be to continue to advance TELUS' leadership position in healthcare information management, delivering better health outcomes for Canadians by enabling doctors, clinicians, and pharmacists with highly reliable information technology, tools and applications.



Reliable network and services

Our customers expect access to the latest technology and the ability to stay connected wherever they go. This is resulting in a growing demand on our networks:

- The average Canadian spends 45 hours and watches 300 video clips online each month
- 254 million texts are sent in Canada every day
- 10 million debit transactions are processed in Canada every day
- 14 million Canadians access their Facebook newsfeed every day — 9.4 million use their wireless device to do so.



To make sure our customers can enjoy the best network coverage, speeds, and quality, TELUS has invested more than \$102 billion in operations and technology across Canada since 2000. Our investment in world-leading networks has resulted in wireless data speeds that are the [second fastest](#) in the world. Canadian subscribers enjoy speeds more than twice the typical speeds in Germany and Italy, three times the average speeds offered in the U.S. and France and nine times faster than the U.K.


Since 2012, we have been growing our 4G Long Term Evolution (LTE) network, which is our fastest network yet. In 2013, our wireless broadband networks covered 99 per cent of the Canadian population — more than 81 per cent of the coverage is 4G LTE.

To further TELUS' commitment to bring all Canadians — urban or rural — our world-class network and broad range of smartphones and devices, we expanded our network. In 2013, customers in the Northwest Territories and Yukon, Canada's North, were able to sign up for TELUS wireless products and services and enjoy our 4G and 4G LTE technology.

In 2013, we began to provide our 4G LTE network to customers in Regina and Saskatoon. We also began our Manitoba expansion by launching TELUS' first 4G LTE sites in Winnipeg, including the James Armstrong Richardson International Airport. In 2014, we plan to further our expansion in Manitoba.

In 2013, TELUS led a consortium with Rogers, Bell and Videotron to design, build and operate a leading-edge mobile network in the Montreal metro, which will cover all 67 subway stations and tunnels as well as train cars. Montreal will become one of the only cities in the world to have a 4G LTE mobile underground network.



 To see an example of how we are reaching new communities, [watch now.](#)

In addition to expanding and enhancing our networks, TELUS is focused on protecting our networks so our customers can rely on them. In June 2013,



Southern Alberta was struck with the worst flooding in its history, affecting 26 communities and causing the evacuation of more than 100,000 people from their homes. TELUS experienced severe damage to telecom fibre cables across the region, affecting customer landlines, wireless service, Internet, and television, as well as one of our national transport links, which help move telecom voice and data traffic across the country.

Hundreds of TELUS technicians worked around the clock to protect the network and keep communities connected. They repaired damage by placing 2,500 metres of temporary fibre. They also dispatched portable cell sites to evacuation centres throughout Calgary and High River and installed generators to run power to critical sites. Services were largely maintained and outages were generally recovered within four to 24 hours.

We have comprehensive programs to mitigate, prepare for, respond to, and recover from threats to our network. The 2013 floods in Southern Alberta tested the capability of these programs and validated TELUS' resiliency.

For information on how TELUS supported humanitarian efforts related to this flood, see the Community investment section.

Safety and privacy protection



Protecting our customers against online threats such as cyberbullying, identity theft, malware and phishing is increasingly important. Strong cyber security is essential to maintaining the integrity and reliability of our network, as well as protecting the privacy of personal customer information. TELUS has implemented a variety of stringent processes, policies, and procedures to protect our customers and the services we offer from the full spectrum of online threats.

In 2013, we also designed and launched key programs to educate and raise awareness among Canadians and drive stronger policymaking around privacy. An example of our innovation and leadership in safety and privacy protection was the expansion of our unique educational program [TELUS WISE](#)[®] (Wise Internet and Smartphone Education). Previously introduced to our team members and business customers, in 2013 we formally launched this program focused on the topic of Internet and smartphone safety/security to protect all Canadians from online criminal activity such as financial fraud and cyberbullying. We have reached Canadians through:

- The sharing of 250,000 copies of TELUS WISE and TELUS WISE [TELUS WISE footprint](#) materials, including tip sheets and activity books
- Hosting TELUS WISE seminars for more than 1,500 adults
- Reaching more than 500 children with our TELUS WISE footprint school sessions
- Distributing more than 100,000 TELUS WISE footprint activity books to [We Day](#) participants.



In 2014, we will expand this innovative educational program by:

- Creating programs specifically for seniors, high school and college students, Aboriginal communities and military families
- Launching interactive TELUS WISE applications
- Offering TELUS WISE seminars in more languages
- Being a leader in Internet and Smartphone safety and security research.

Additionally, in 2013 we partnered with the [Canadian Centre for Child Protection](#) to launch [Find Me ID](#), a new app designed to help find missing or lost children. This easy-to-use free app allows parents to email the most critical information about their child and a current photo directly to law enforcement or other important contacts should a child go missing.

The app provides a direct link to [MissingKids.ca](#) — Canada's Missing Children Resource Centre where families in crisis can access support 24/7.

In 2013, our efforts to protect the privacy of our customers resulted in a landmark decision by the Supreme Court of Canada. The Court accepted TELUS' argument that the seizure of text messages on a prospective basis by the police requires a wiretap authorization, not just a general warrant, which is easier for the police to obtain.

Our efforts to strengthen privacy protection for Canadians were recognized by Dr. Ann Cavoukian, Ontario's Information and Privacy Commissioner. In congratulating TELUS on the successful outcome of its appeal to the Supreme Court, she stated that: "As the right upon which our freedoms are based, privacy is deserving of the most rigorous protection. In today's day and age of electronic communication it is especially vital for technology leaders to commit to the protection of customer privacy and to enforce customer awareness of how their information is used." (Source: [TELUS Blog](#))

TELUS will continue to evolve industry-leading cybersecurity and privacy practices for its networks and customers. This will happen through our investments in next generation research and development, standards, and best practices, as well as our partnerships with communities, government, and law enforcement.

In addition to privacy concerns, smartphone and mobile safety matters to our customers. Cellphone Courtesy Month in 2013 offered TELUS an opportunity to raise awareness around the importance of proper cellphone etiquette in an engaging way. With the help of a bold social marketing campaign using the hashtag [#keepitinyourpants](#) we encouraged conversations about good cellphone manners by advertising in locations where bad habits are most prominent: checkout lines, washroom stalls and even on sidewalks. Through the use of social media, print media and a grassroots marketing campaign, we were able to help educate millions of Canadians on a serious subject in a way that was fun and effective.



TELUS also created a [Tumblr blog](#) where we encouraged Canadians to upload their own examples of cellphone pet peeves.



To take a look at our campaign in action, [watch now.](#)



Taking care of our communities

How TELUS invests in communities matters to our customers. In 2013, we continued to evolve and grow our programs by building a strong social fabric and supporting long-term business growth. We place a particular emphasis on innovation, health, and engaging and empowering youth through technology. In 2013, we contributed more than 2.6 per cent of our pre-tax profits to charitable organizations. Team members, friends, and their families also lent their hearts and hands to the causes that matter most to them. Highlights from 2013 include:

- Supported more than 4,600 charities and gave more than \$46.23 million in support of numerous causes
- Recorded more than 625,000 volunteer hours through our Team TELUS Cares programs.



Friendly and helpful interactions

Throughout 2013, we continued to grow our presence on social media by delivering friendly and effective support through our online communities. With the help of a team of trained social media agents and new engagement software, TELUS was able to identify and react quickly to customer service opportunities on Twitter ([@TELUSsupport](#)) and respond to posts on our [Facebook](#) wall. In 2013, we had more than 56,000 support engagements with customers over Twitter, and more than 6,000 on Facebook. TELUS more than doubled its total Twitter followers, surpassing 75,000 for [@TELUSsupport](#), [@TELUSfr](#) and [@TELUS](#) combined.

TELUS has also been offering a desktop chat service for technical support of our Home Solutions customers since 2004. In 2013, we launched a new platform and expanded our offering, allowing our customers to chat with highly trained Home Solutions and Mobility agents able to help with anything from a billing question to providing complex technical assistance.

With more than one million chats in 2013, our focus for 2014 will be offering our customers the ability to add new services or complete sales through our chat tool from their desktop or on the go with their mobile device.



Another way we help and interact with our customers is through our [TELUS Blog](#), launched in December 2012. In 2013, we published 187 blog posts on topics that matter to our customers such as how we are giving back to the community, insights into the telecom industry, and news about our latest commercials and critters. Blog readership grew to more than 66,000 unique visitors. In 2014, we plan to continue having honest conversations on our blog about a refined set of topics that matter most to our customers.

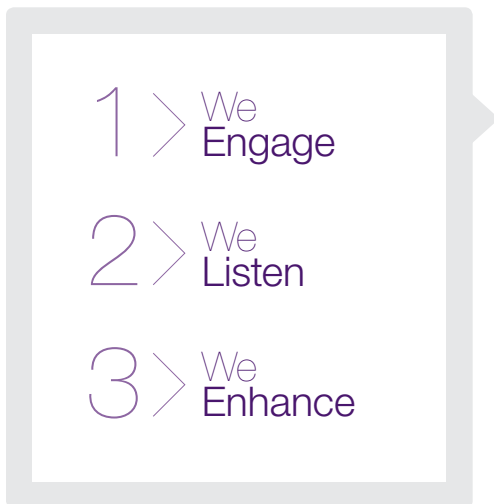
We continued to innovate in 2013 by launching a social platform that customers can use to share their knowledge and assist one another with questions about TELUS products and services. [TELUS Neighbourhood](#) offers content in a social way by providing customers the opportunity to create content and post questions or comments about their own experiences in a moderated forum. Since its launch in June, more than 11,000 customers have registered, publishing nearly 6,000 forum posts in more than 2,000 unique forum threads, and nearly 1,000 blog posts. By creating this community of advocates in 2013, we have reduced the number of customer to agent interactions by more than 28,000. In 2014, we plan to continue to grow awareness and adoption of this customer-based community while introducing functionality that will allow individuals to rank posts and earn badges for contributing helpful content.

Putting customers first

Putting customers first is our number one priority and the responsibility of every TELUS team member. In 2013, our Customers First focus was embedded into performance development plans, recognition, learning, community investment and cause marketing programs, recruitment and communication processes as well as the negotiation of collective agreements.

We know that great customer experiences start with a great team member experience. In 2013, we:

- Provided clarity for team members on the actions and behaviours that support our Customers First priority
- Created opportunities for team members to spend time shadowing colleagues in frontline roles
- Recognized team members who go above and beyond in consistently delivering exceptional customer experiences
- Routinely measured how likely our customers are to recommend our products and services and shared those results with all team members.





Customers First commitments

In 2012, team members created our Customers First commitments, which complement our leadership values and guide our actions to consistently put customers first:

- We take ownership of every customer experience
- We work as a team to deliver on our promises
- We learn from customer feedback and take action to get better, every day
- We are friendly, helpful and thoughtful.

Closer to the Customer

Through our Closer to the Customer program, team members have the opportunity to spend time with fellow team members who work in frontline roles to gain a more personal understanding of the experiences our customers have when interacting with TELUS.

Since starting the program in 2010, 9,265 team members have participated, resulting in thousands of ideas on how we can improve the overall experience for customers and team members. In 2014, we aim to have another 3,800 team members participate in the program.

Customers First Champions

Our Customers First Champions (CFC) program recognizes team members who consistently go above and beyond to deliver exceptional customer experiences. Since the program's inception, 448 team members have been named Champions — 177 were selected in 2013.

The first ever CFC gala was held in 2013, paying tribute to Champions from across the country. A parade of recipients and their guests earned the applause of TELUS senior leaders and took their place as the inaugural class of Champions.



- **We stay focused through our Customers First commitments:** Commitments to our customers are integrated into a minimum of 50 per cent of team members' personal performance objectives
- **We seek to understand opportunities to improve through Closer to the Customer events:** 2,347 team members participated in our job shadowing program in 2013
- **We measure success through our Likelihood to Recommend results:** Included in every team member's performance objectives and our corporate scorecard
- **We celebrate excellence through the Customers First Champions program:** 177 team members recognized for providing exceptional customer experiences.



TELUS International

TELUS International is a Business Process Outsourcing (BPO) provider that offers exceptional customer service, supporting more than 150 million transactions annually for more than 100 clients across multiple locations. Customers located around the world are served in more than 30 languages.

We are an industry leader, providing contact centre solutions to some of the world's most well-known brands in a diverse range of industries. We have developed strong, longstanding partnerships with our clients by helping to maximize cost efficiencies and achieving solid customer service results.

We demonstrate our commitment to putting customers first through spirited teamwork, agile thinking and a caring culture. We invest in our team and in our communities, which results in best-in-class team member engagement, industry-leading attrition rates, and an unwavering focus on innovation and performance.



To learn more about our team's caring culture, watch the [video](#) of the first ever TELUS Day of Giving in Romania.

Other 2013 highlights include:

- Co-presented with Google at [Call Center Week](#) in Las Vegas
- Published two white papers — [Outsourcing for Social Good: A BPO Perspective](#) and [Defining, Discussing and Calculating Attrition](#)
- Celebrated a two per cent increase in team member engagement
- 1,204 team members participated in TELUS International University, a program that helps team members earn Bachelor's and Master's degrees at subsidized rates while working.



Click [here](#) to see how TELUS International provides innovative customer service.

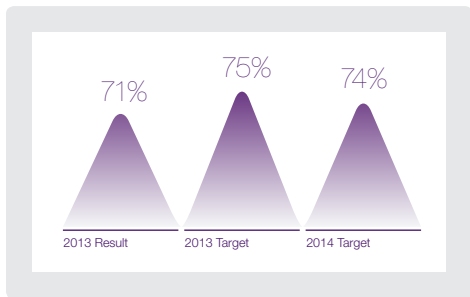
In 2014, we plan to grow our Customers First culture by strengthening our communications and customer care support to the world's largest and most demanding clients.





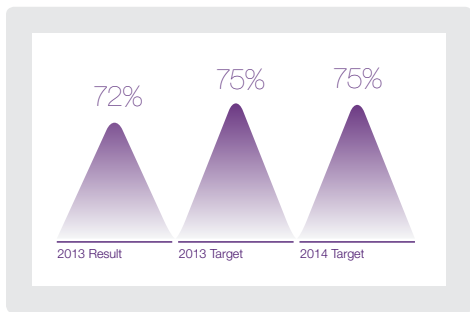
Customer satisfaction

Likelihood to Recommend (L2R) is the framework TELUS uses to measure success in the eyes of our customers and is an integral part of our Customers First journey. Throughout each year, we collect survey results for our various business segments, communicate them internally, and use them to improve our processes.



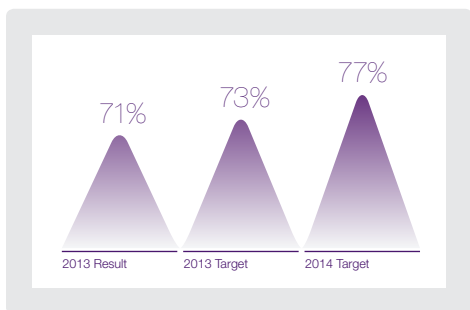
Consumer

At the end of 2013, 71 per cent of our consumer customers would recommend TELUS as a provider of home phone, Internet, TV and wireless services, compared with 72 per cent in 2012. Our 2013 target of 75 per cent was not met, which we attribute to an increased media focus on our industry during the summer months with respect to a potential new foreign entrant into the Canadian wireless marketplace.



Small and Medium Business

Our 2013 results show that 72 per cent of our Small and Medium Business (SMB) clients and customers would recommend TELUS to their colleagues or other businesses. This is an impressive 16 percentage point increase since 2011. While this result is consistent with our 2012 result, we did not meet our 2013 target of 75 per cent. This very competitive and growing customer segment provides us with many opportunities to improve our customer experience. As reflected in our 2014 targets, we will be segmenting this SMB market into two new segments to align with our enhanced approach to improving the customer experience.

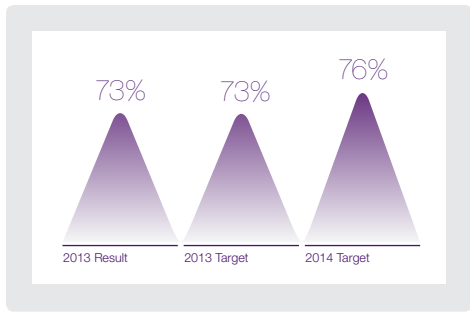


Enterprise

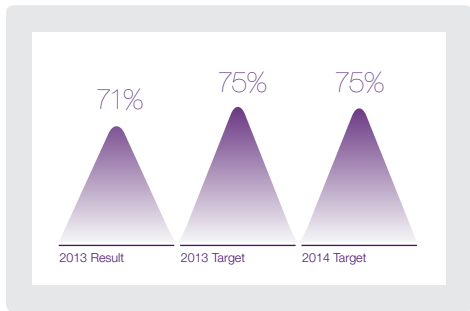
Our Enterprise teams use a Customer Loyalty Index to measure customer loyalty. In 2013, we achieved a loyalty rating of 71 per cent, up from 70 per cent in 2012. Although slightly below our 73 per cent target, our result makes us the leader in this market segment. To remain a leader, in 2013 we made internal operational changes, including a reorganization that we believe will allow us to provide the enhanced customer service experience we envision for this customer segment. We are confident that our refreshed approach will yield results in 2014.

TELUS Quebec Business

In 2013, our strong L2R result showed 73 per cent of Enterprise and SMB customers served by TELUS Business Solutions in Quebec (TQ Business) would recommend our solutions to colleagues and organizations in their



respective industries. This increase stems mostly from improvements made to operational processes throughout our supply chain. Additionally, changes were made to the L2R survey, providing respondents with additional flexibility when answering questions. The survey now mirrors the model we use nationally, which is less restrictive. These combined changes contributed to the seven basis point increase from 2012, making TQ Business the only segment to reach its 2013 target.



TELUS Health and Payment Solutions

Our 2013 results for Enterprise and SMB clients served by TELUS Health show that 71 per cent of our customers — below our 75 per cent target — would recommend our solutions to colleagues and organizations in their respective industries. This result is lower than 2012 and up one percentage point from 2011. Service outages that occurred with one of our large customers in Alberta had a significant impact on our 2013 results.

2013 results and 2014 targets

2013 results

%	2013 Result	2013 Target	2012 Result	2012 Target
Consumer	71	75	72	77
SMB	72	75	72	65
Enterprise	71	73	70	67.5
THPS	71	75	72	77
TQ Business ¹	73	73 ²	64 ³	55

¹ TQ Business quarterly L2R results reported on a YTD basis.

² TQ Business annual target revised from 67 to 73% to align with new survey methodology.

³ TQ Business 2012 results increased from 59 to 64% with inclusion of Atlantic Provinces.

Looking ahead to 2014

Starting in 2014, our L2R categories will reflect organizational changes that took place within TELUS Customer Solutions (TCS) in 2013. Moving forward, we will not have targets for our former SMB customer segment as we have created two new customer segments, Small Business Solutions (SBS) and TELUS Business Solutions (TBS), and have set targets accordingly.

2014 targets

%	Consumer	TBS	SBS	Enterprise	THPS	TQ Business
2014 target	74	75	75	77	75	76



Commissioner of Complaints for Telecommunications Services

Each year, the Commissioner for Complaints for Telecommunications Services (CCTS) releases its [annual report](#), detailing the wireless complaints it receives. The CCTS is an independent organization dedicated to working with consumers and telecommunications service providers to resolve complaints and is industry funded. Canadian Telecommunications service providers are ordered by the CRTC to participate in the CCTS process once a complaint is received from one of their customers.

For the second consecutive year, TELUS saw a sharp decrease in complaints, while complaints filed across the industry continued to rise. In fact, TELUS is the only major wireless provider that saw a decrease in complaints year over year.

In the 2012 to 2013 reporting cycle:

- TELUS customer complaints were down 27 per cent compared to the previous year
- Complaints filed against TELUS dropped to 6.4 per cent of the total complaints filed, compared to 11 per cent during the previous reporting period
- The number of complaints against TELUS, as well as TELUS' share of the total number of complaints, has been steadily declining over the past three years, while those of our competitors have been on the rise.

Customer complaints decreased by 27%

For the third year in a row, there has been a decline in customer complaints

CCTS complaints summary

	TELUS 2012–2013	Total ¹ 2012–2013	TELUS 2011–2012	Total ¹ 2011–2012	TELUS 2010–2011	Total ¹ 2010–2011
Complaints accepted	883 ^A	13,692	1,211	10,838	1,387	8,007
TELUS percentage of total	6%		11%		17%	
Resolved	615	8,690	967	7,103	1,149	5,203
Closed	73	539	65	459	48	228
Percentage resolved or closed at pre-investigation stage	78%		85%		86%	
Resolved	178	4,033	164	2,523	162	1,535
Closed	46	725	45	555	71	646
Recommendations issued	1	41	4	27	4	60
Recommendations rejected	0	8	0	11	0	10
Decisions issued	0	8	0	11	0	10
Decisions accepted	0	3	0	5	0	2
Decisions rejected	0	5	0	4	0	8

¹ All participating service providers.



Procurement and supply chain management

Overview

A sustainable supply chain matters to you.
An effective working relationship with our suppliers matters to us.

At TELUS, we pursue strategic alliances that complement our core skills and provide innovative next-generation solutions for our customers. Our strategic alliances include world-class technology organizations that share our sustainability vision, understand our corporate strategy and deliver superior customer experiences.

TELUS adheres to strict environmental and social standards and we expect our suppliers to do the same. There are three ways that TELUS identifies and supports the sustainability of our partners in our supply chain:

- **Supplier Risk Assessment Survey:** surveys are sent to our suppliers and include questions that identify the environmental and social risks and impacts of their processes and operations. Questions are objective with certain responses raising a 'risk' flag that TELUS follows up on within 30 to 90 days depending on its severity.
- **Supplier Code of Conduct:** our suppliers are contractually obligated to abide by the [Code](#) and are expected to demonstrate a commitment to sustainable development by adopting ethical, labour, health and safety, and environmental principles that align with ours and ensure the well-being of their employees, contractors and communities.
- **TELUS' Environmental Policy:** suppliers are expected to be aware of the [policy](#) and relevant aspects of our environmental management system, which aligns with the ISO 14001:2004 standard.





Sustainable supply chain practices

We take an active role in managing our supply chain through the entire procure-to-pay process. In doing so, we seek to achieve mutually beneficial relationships inclusive of special incentives for suppliers. Specific examples include:

- **Longer term contract commitments:** allowing suppliers to plan and manage their production and supply management effectively
- **Forecasting:** maintaining forecasting connections with key suppliers to help both parties to maximize investments in their supply chain and return incremental value to shareholders and customers
- **A proactive partnership model:** allowing us to strengthen our relationships with our strategic partners through collaborative working groups with frequent touchpoints and scorecard reviews focusing on profit sharing and environmental sustainability.

Managed spares program

In 2013, we identified a new way to manage our network inventory. We improved our parts and technician dispatch systems to reduce our repair time for system outages in our wireline and wireless networks and complete business customer installations earlier. By understanding where our major outages happen from a geographic perspective, and making sure the parts and resources needed are located with an hour's travel time for our technicians, we are better able to put customers first.

Wireless device repair process enhancements

To support our goal of becoming a global leader in the likelihood our customers recommend our products, services and people, we have made device repair easier. In 2013, we collaborated with our device suppliers and distribution channels to make changes to our repair process, which has led to a reduction in wait times from up to three weeks to three to five days. When a customer has a real or perceived issue with their device, team members in our stores send the devices directly to the manufacturer and provide customers with a back-up device while they wait. Customers also receive notifications so they can track the progress of their device's repair online.





Green supply chain

In 2013, we engaged consultants to help further integrate sustainability into our procurement and supply chain management processes with the objective of reducing costs while minimizing environmental impacts. We define green supply chain management as the integration of environmental thinking into every aspect of our supply-chain management. This means we consider each step in the chain, from product design to material sourcing and selection to the manufacturing process to the delivery of the final product. We also consider a complete life-cycle assessment of our products, which includes their recycling potential.



TV equipment life-cycle assessment

In 2013, we identified an opportunity to allow customers who cancel their TELUS subscription to more easily return TV equipment. Simplifying our return process has led to waste diversion from landfills and the increased re-use of equipment. We have also focused on reducing the use of packaging materials such as cardboard and polystyrene by packaging refurbished TV equipment into smaller, reusable containers that contain multiple pieces of equipment.

In 2014, we plan to further enhance the equipment return process by providing new tools that will allow our technicians to easily deliver and return equipment for refurbishing or recycling.

Waste diversion

For products and materials that cannot be reused or resold, TELUS pursues opportunities to recycle and divert these assets from landfills. We continue to enhance our recycling and diversion programs in our operations and are collaborating with our property managers and waste haulers with the goal of establishing waste diversion targets by 2015.

Paper conservation

Over the past 15 years, we have reduced our paper purchases by more than 80 per cent. Our internal purchasing process encourages the use of paper made from a minimum 30 per cent post-consumer recycled (PCR), Forest Stewardship Council certified content. In the fourth quarter of 2013, more than 80 per cent of our paper purchases were 50 per cent PCR. Our goal is to transition to 100 per cent PCR by the end of 2015.

Highlights for 2014

We are committed to making continued enhancements to our [supply chain sustainability](#). Additional plans for 2014 include:

- Supporting category strategies that optimize TELUS' value for money and fund future growth
- Developing a network of contacts throughout our business who identify areas where we can add diverse suppliers into the sourcing process
- Building and improving the Supplier Diversity Mentorship Program based on stakeholder feedback
- Developing a program that encourages our corporate partners to include certified suppliers in their supply chain, with a plan to track this program's outcomes.

Supplier governance

In addition to integrating successful sustainability initiatives into our supply chain, we support our suppliers' efforts to do the same. We integrate our [Supplier Code of Conduct](#) in all contracts, manage and monitor risk through supplier risk assessments and use our ComplyWorks management tool to connect suppliers and contractors to TELUS so that we can monitor compliance with our business processes and policies.

Our supply chain governance work begins when we assess potential business partnerships using a sustainability index. We complete this assessment of potential vendors by gauging their responses to questions related to:

- Transparency and disclosure
- Social and environmental impact
- Human rights and labour
- Use of natural resources and climate change impact.

TELUS employs its Supplier Code of Conduct to monitor risk and ensure that suppliers share similar values towards sustainability.





Assessing risk

There is a growing expectation from stakeholders that we better understand potential risks in our supply chain, and improve supply chain sustainability. Our goal in 2013 was to consider our business partners' operations within our supply chain and assess the risk levels associated with these relationships. TELUS has thousands of external business partners, so we targeted the top 100 partners defined as critical to our business operations. We designed a TELUS supplier risk questionnaire to assess risk associated with governance as well as the social and environmental practices of our external business partners. Through our risk assessment we wanted to influence our suppliers and contractors through our purchasing policy and improve their performance in the risk areas we identified. We also wanted to:

- Gain a better understanding of our suppliers commitment to corporate social responsibility
- Demonstrate our own commitment to understanding risks.

The industry standard: 44%

In 2013, our response rate: 47%

In 2014, our target: 65%

We achieved a 47 per cent response rate for our survey and after required follow up, none of the respondents were identified as having risk concerns. This response rate is in line with other industry surveys. For example, the average supplier response rate for all companies participating in the Carbon Disclosure Project's Supply Chain Program was 44 per cent in 2011 and 39 per cent in 2012.

In 2014, we plan to work with a third party supply chain management company to continue our risk assessment efforts. We intend to focus on efficiency of survey delivery, data collection and management as well as improved categorization of risks based on supplier responses. We are setting a target of a 65 per cent response rate for our risk assessment surveys in 2014.

Our partner will also work with us to enhance conflict mineral compliance in our supply chain. They will implement a program to collect, assess and report data from our suppliers related to the sourcing of Tin, Tantalum and Tungsten and Gold (3TG) and provide us with:

- Reasonable country of origin inquiries and due diligence when required for suppliers for conflict minerals, back to the smelter of origin
- Mapping and visualization of each traced supply chain and auditable documentation
- Assessment of all smelters identified through tracing
- Data mining to identify warning signs and other circumstances that may indicate that 3TG minerals are entering our supply chain.

To achieve best-in-class status, we collaborate with and support vendors in our supply chain to be efficient, flexible and capable of meeting customer demands regardless of vendor issues that have the potential



to affect our customers. We believe that by forging relationships with suppliers that have similar sustainability values built into their strategy, and by actively supporting vendors to keep improving their processes, we will build a robust and low-risk supply chain.

Building capacity through engagement

Supplier Diversity program

In January 2012, TELUS launched a [Supplier Diversity](#) program which encourages economic development and provides more opportunities for ethnic minority, Aboriginal, and/or female-led organizations to bid for our business. The program helps us provide equal access to diverse suppliers that are reflective of our customers and communities. In 2013, TELUS strengthened its Supplier Diversity program through a number of initiatives, including:

- Providing thought leadership to the [Canadian Aboriginal and Minority Supplier Council](#) (CAMSC) and WEConnect [WEConnect](#) in policy development and growth of supplier diversity in Canada
- Working alongside the [Canadian Gay and Lesbian Chamber of Commerce](#) (CGLCC) to develop a program for recognizing and certifying Lesbian Gay Bisexual Transgender, Queer and Allies (LGTBQA) owned companies.

Additionally, CAMSC awarded TELUS the Corporation of the Year, an award that recognizes corporations that actively include certified Aboriginal and minority suppliers in their procurement opportunities, assists in the development of these suppliers and promotes supplier diversity and business development within their corporation and to their vendors and other businesses organizations.

In 2014, we will continue to evolve our Supplier Diversity program by continuing to have our team members serve on the Board of both CAMSC and WEConnect and working with our strategic partners to encourage them to integrate diversity into their procurement and supply chain management policies and practices.

TELUS' Supplier Diversity Mentorship program

As part of our commitment to supplier diversity and developing longstanding partnerships with suppliers that mirror our core leadership





values, we are constantly evolving our Supplier Diversity Mentorship program, which launched in 2013. TELUS invited all CAMSC, WEConnect and CGLCC certified suppliers to participate in this 12-month program with two key components:

- **Executive Protégé program:** six diverse suppliers and certified companies work with top TELUS executives to develop targeted strategies to strengthen and grow the partnering business
- **Protégé Training and Development:** we provide participants with the tools to be successful including access to workshops and a Protégé toolkit.

In 2013, TELUS incorporated supplier diversity metrics into senior leader's performance scorecards, driving variable pay and directly affecting their compensation. We also introduced an awareness campaign internally, which includes:

- Twice annual strategic reviews with our president and CEO
- Procurement and Supply Chain management team monthly meetings
- Training and awareness workshops for all team members
- Program success and updates through internal social media platforms.

Externally, we focused on hosting and participating in events that will guide our future planning in this area. These included:

- Enrollment in CAMSC's Corporate Learning Centre (completing four of six learning modules)
- Attendance and sponsorship of CAMSC's Diversity Procurement Fair and Betting on Diversity event
- Hosting the LGBTQA Supplier Diversity Workshop
- Hosting the CGLCC Corporate Roundtable
- Attendance at the CAMSC awards dinner.



Regulatory compliance

Overview

The complexity and intensity of regulation has increased over the years, making regulatory compliance a critical issue for organizations such as ours. Companies must now contend not only with internal, government and industry-specific regulations and policies, but also with regulatory requirements of networked partners, suppliers and customers. TELUS aims to meet and exceed compliance expectations in all areas.

To this end, we are involved in a wide variety of Canadian Radio-television and Telecommunications Commission (CRTC) regulatory proceedings advancing and defending TELUS' interests with the objectives of eliminating unnecessary sector-specific regulation and rationalizing and streamlining the regulation that remains. TELUS is also involved with other federal government departments and agencies, including Industry Canada for spectrum-related issues and the Competition Bureau with respect to competition-related matters. TELUS also works with provincial and municipal governments on a wide variety of issues, examples include cell tower consultations with municipal authorities across the country and extending broadband services to unserved and underserved areas in partnership with the Government of British Columbia.

We also manage the tariffs for TELUS' regulated products and services and address complaints made by customers to either the CRTC or the Commissioner for Complaints for Telecommunications Services (CCTS). Our commitment to put customers first was reflected in the 2012 to 2013 CCTS annual report, which showed that the number of complaints reported for TELUS has decreased by 27 per cent whilst overall complaints about the industry increased by 26 per cent year over year (33 per cent excluding TELUS' results). On a complaints per million client connections basis, the amount of TELUS and Koodo complaints combined was approximately one-quarter that of our two major peers and one-thirteenth that of the most notable new entrant. This success built on the similarly impressive results delivered in 2012, when TELUS realized a 13 per cent decrease in complaints while industry complaints rose by 35 per cent.



Complaints about TELUS:

27% decrease

Complaints about the industry:

26% increase



Wireless

Building our wireless network in collaboration with local government

Wireless carriers across Canada face significant challenges in meeting consumer demand for coverage, speed and network reliability. TELUS works closely with local governments to determine how to best provision new wireless infrastructure that not only meets customer demands and provides economic development and job creation, but addresses the concerns of impacts in local communities.

In 2013, TELUS participated in the development of the City of Vancouver's Digital Strategy — the first of its kind in Canada — aimed at enhancing digital engagement and access, improving infrastructure and supporting the municipality's digital economy. In 2013, the City of Vancouver approved a Wireless Protocol that recognized the value of the wireless industry and the significant investment being made in the City's future through the build out of wireless technology. These two documents mark the culmination of a multi-year industry effort, led by TELUS, to collaborate with local government on the design and construction of wireless infrastructure. Also in partnership with the City of Vancouver in 2013, TELUS launched what is believed to be the world's first pilot project combining low-profile wireless sites with electric vehicle charging stations. TELUS invested \$1 million to build three sites — at no cost to taxpayers — that both enhance wireless capacity and enable electric vehicles to recharge.

In 2013, TELUS became the first North American carrier to begin deploying 4G microcell technology in communities across the county. Small cells are attached to existing infrastructure such as city-owned lamp-standards and TELUS-owned wooden poles, to significantly improve high-speed street-level 4G service. The widespread deployment of microcells follows the successful launch of the technology in Vancouver to an international audience of wireless industry leaders at the 2012 Global Mobile Broadband Forum.

Accessibility

In 2013, recognizing that accessing 911 services can be difficult for individuals with hearing or speech challenges, TELUS updated its network in B.C. and Alberta to make it possible to text 911. This new service, which will be implemented in 2014, allows callers who have registered their cell phones to dial 911 to initiate a text exchange with the emergency operator.





Implementation of CRTC's Wireless Code

In June, 2013, the CRTC issued the [Wireless Code](#), a mandatory code of conduct that all mobile wireless service providers must follow. The Wireless Code is a set of customer rights and protections and service provider responsibilities that apply to mobile wireless service contracts with individual and small business customers. The Wireless Code came into effect in December, 2013.

In November 2013, TELUS announced that it had completed all of its necessary contract and system changes to confirm its compliance with the Code. Our implementation was assisted by the fact that we had instituted customer-friendly provisions as part of our practices long before the Code was drafted. These provisions include [Anytime Upgrades](#), removing unfair cancellation fees, customer notifications for data usage in Canada and while roaming abroad to help avoid bill shock, and clear, simple and plain language service terms.

To fully align with the Wireless Code, we made several modifications to our policies and procedures. For example, TELUS implemented domestic and international data blocks and notifications at \$50 and \$100 respectively to help customers control their data usage. As well, we were the first Canadian carrier to introduce new Code-compliant two-year pricing plans. These plans offer data sharing, unlimited nationwide talk and text and allow customers to upgrade to a new device after two years instead of three.




We became the first Canadian Company to introduce 2-year pricing plans

700 MHz Auction


In February, 2014, we announced we had secured spectrum licences equating to a national average of 16.6 MHz in Canada's 700 MHz spectrum auction. These licences, which were acquired for \$1.14 billion, help us deliver enhanced mobile broadband connectivity to our consumer and business customers nationwide, building on our existing national 4G LTE network. The auction marked the first time 700 MHz spectrum has been made available to Canadian wireless carriers. This band of spectrum is prized for its ability to penetrate into buildings and transmit over long distances.

The addition of this 700 MHz spectrum will allow us to expand our Long Term Evolution (LTE) coverage into rural areas, extending TELUS' national 4G LTE network from 80 to 97 per cent of the Canadian population. We will also further enhance our coverage in urban areas, adding much needed capacity for our more than 7.8 million customers. We have already begun to prepare our wireless cell sites to deploy 700 MHz spectrum, and plan to begin operationalizing the spectrum for the benefit of customers as soon as it is made available in 2014.

We spent:




1.14 billion



to secure additional wireless spectrum, enhancing mobile connectivity for customers

and plan to extend coverage to:

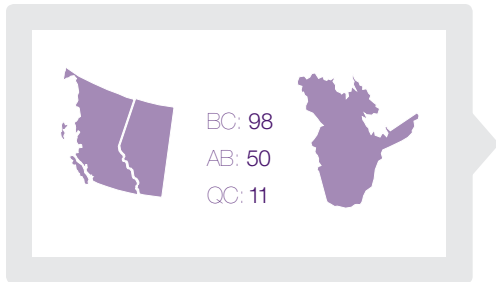


97%* of the Canadian population

* up from 80%



Wireline



Building our broadband network

Through our deferral account initiative, TELUS is extending broadband service to 159 rural and remote communities in B.C. (98 communities), Alberta (50 communities) and Quebec (11 communities). The initiative began in 2010 and is planned to be completed in 2014. By the end of 2013, broadband service was available in 118 Deferral Account communities.

Accessibility

TELUS has dedicated funds from its deferral account to improve accessibility for persons with disabilities. For example, TELUS conducted the first video relay services trial of its kind in Canada. The trial allows hearing impaired customers to communicate using sign language, which is transmitted via a videophone to a sign language interpreter, who then translates the conversation to a hearing person. We are a strong advocate for a national video relay service in Canada and are currently waiting for a decision from the CRTC on whether video relay services will be offered on a more widespread basis.

Broadcasting

Measures to protect choice for Canadians and limit anti-competitive behaviour

We continue to advocate for more choice for television viewers by offering greater flexibility in our theme pack based marketing of television services.

As a result of increasing vertical integration (VI) in the Canadian broadcasting industry, TELUS has also lobbied for competitive safeguards to protect programming choice and limit anti-competitive behaviour by VI companies. In 2013, the CRTC established the [VI Code of Conduct](#), which provides guidelines governing commercial arrangements between broadcasting distribution, programming and production undertakings. In addition, the CRTC has entrenched these and other anti-competitive safeguards applicable to certain television programming, broadcasting distribution and radio programming undertakings in the form of mandatory conditions of licence. The CRTC has also amended the [Digital Media Exemption Order](#) by adding new sections that limit anti-competitive behaviour on the part of vertically integrated entities.





International operations

TELUS is responsible for making certain all of our non-Canadian operations comply with the regulatory laws and requirements in foreign jurisdictions. To accomplish this, we complete initial research into the general regulatory requirements, fees, privacy, data protection, and other compliance obligations for doing business and providing services outside of Canada. We also collaborate internally to acquire and maintain required foreign authorizations, and externally with regulatory and tax authorities as required.

We also have a team that provides strategic regulatory planning and guidance for international corporate transactions such as acquisitions, restructurings, and financings and international service offerings as well as international contract reviews. We work directly with TELUS stakeholders to develop all international service offerings, and review all international business opportunities for regulatory compliance. When we need to, we work with outside counsel for guidance to make sure we complete ongoing regulatory compliance obligations.

Other regulatory issues

Copyright Notice and Notice Regime and Customer Privacy

Copyright law protects the expression of ideas and enables the commercialization of creative works such as books, music, and films. Copyright law applies to these and other forms of content on the Internet, and those using the Internet are responsible for making sure their online activities do not violate the rights of copyright holders. Canadian law recognizes that Internet service providers (ISPs) are not responsible for what their customers do online. However, for the past 10 years, TELUS and other large ISPs have participated in a voluntary regime known as Notice and Notice to assist rights-holders in enforcing their rights online. Consistent with our privacy commitment to customers, we do not disclose confidential customer information to rights-holders or their agents unless ordered to do so by a court.

Under the Notice and Notice regime, rights-holders (i.e. film studios) hire service providers to monitor peer-to-peer file-sharing networks and capture the Internet Protocol (IP) addresses of Internet users who illegally make files containing the rights-holders' copyright works available to others. These service providers are able to match a captured IP address with an ISP by using publicly-available databases. They then send the ISP an email alleging that one of its customers has infringed the copyright






of the owner of the work. We are able to match the IP address received in the complaint with the customer account that was assigned that IP address at the time and date in question. We then send our own email to the address associated with the customer account, with the relevant details of the complaint, as well as information on why the customer might have received it (e.g., other people using the customer's Wi-Fi Internet access).

Amendments to Canada's *Copyright Act* passed in 2012, but not yet in force will formalize the voluntary Notice and Notice regime and extend it to all ISPs as well as other online service providers such as web hosts. The law will introduce new obligations for ISPs, such as maintaining records of which customers were sent copyright complaint notices, in the event that a rights-holder subsequently starts legal proceedings against a customer. ISPs will also be required to report back to the complainant that their complaint was forwarded or an explanation of the reasons why it could not be forwarded, such as when TELUS no longer possesses the necessary records. However, as is the case under the existing regime, no confidential customer information will be disclosed to the complainant unless a court orders it.

TELUS continues to provide input to Industry Canada and the Department of Canadian Heritage on the development of the detailed regulations that must be enacted before the formal Notice and Notice regime comes into force, which is anticipated in the second half of 2014. We continue to prioritize customer privacy and the efficient operation of this regime in our submissions.

We lobbied on behalf of customers for:

-  Access to more choice for TV Viewers
-  Protection of private information in regards to copyright complaints
-  Maintaining a level playing field for the 700MHz auction

Advocating for a level playing field in the 700 MHz spectrum auction

In the summer of 2013, TELUS and the wireless industry participated in a public affairs campaign focused on the need for a level playing field for the 700 MHz auction that occurred early in 2014. TELUS, our team members, customers and supporters were engaged in this effort to raise our concerns around the possibility of a large foreign player being able to enter the auction under government rules that provided them an advantage over Canadian companies and acquire 50 per cent of the available prime spectrum. As a Canadian company, we were concerned that we would be disadvantaged in this auction by not being allowed to bid on the same spectrum available to foreign companies, which is crucial to our delivery of world-leading wireless services in rural and urban Canada.

In early 2014, we were able acquire the necessary spectrum to continue our short and long-term delivery of wireless services to all Canadians.



Aboriginal relations

The TELUS Aboriginal Relations team works with First Nation and Aboriginal governments and organizations as well as provincial and federal agencies to create respectful and meaningful relationships to support our strategic business initiatives and policies. We have built these relationships by recognizing cultural and environmental sensitivities, while understanding the unique social-historic context of individual nations and communities. By acknowledging the existence of Aboriginal title and rights, treaty rights, and the jurisdiction and decision-making powers of these governments, in 2013, we continued to bring connectivity to rural First Nation communities and expanded our infrastructure.

In 2013, TELUS worked with stakeholders on several key initiatives including the Deferral Account, [ANTCO Pathways to Technology](#) and the [Connecting B.C. Agreement](#) to bring connectivity to rural First Nation communities. These agreements involved providing high-speed Internet and wireless technologies to support First Nations economic development, governance, health care and education opportunities.

We also worked diligently to secure land and access rights on First Nation reserve, Aboriginal rights and title, and treaty settlement lands in compliance with federal, provincial and First Nation laws. This includes completing agreements under the *Indian Act*, *First Nations Land Management Act*, and Treaty and Self-Government models.

In British Columbia, we worked proactively with Aboriginal governments, provincial and federal agencies to meet and exceed consultation and accommodation requirements to speed up and support key TELUS initiatives including enhancing rural connectivity, installing fibre to the home and providing technology for new residential and commercial developments on First Nation lands. This approach has strengthened our relationship with First Nations and partners, while providing TELUS with secure access to expand wireline and wireless infrastructure in these areas.

In Alberta, TELUS developed and successfully implemented policy regarding Aboriginal consultation and accommodation as part of the provincial process for acquiring Crown tenure. This resulted in meaningful engagement with Aboriginal governments and allowed our key projects to proceed.

Political contributions

As noted in the [TELUS Ethics policy](#), TELUS will occasionally provide contributions to a political party, campaign or candidate in Canada, as a means of supporting the democratic process, but only where legally permitted, and not to secure favours or preferential treatment. We do not



permit political contributions in countries other than Canada, and federal law does not permit corporate contributions to federal political parties, constituency associations or candidates in Canada.

As part of our commitment to public transparency, TELUS discloses our total political contributions each year in our Corporate Social Responsibility report. As noted in our 2013 report, TELUS contributed a total of \$98,732 to provincial political parties, campaigns and candidates in Canada, in accordance with provincial and municipal limits. Details of provincial contributions are available on each province's elections agency website.





Economic performance and impact

Overview

Shareholder value matters to you.

Performance matters to us.



TELUS supports sustainable economic growth for the benefit of our investors, customers, team members, suppliers and the communities where we live, work and serve. Our products and services enhance the lives of Canadians, enable the success of our customers and contribute to the development of sustainable communities as well as Canada's digital economy, while delivering long-term financial and operating results for our investors.

We contribute to the economy by:

- Making purchase decisions that benefit Canadians
- Providing employment and compensation to our team members
- Paying \$1.8 billion in taxes to multiple levels of government
- Paying \$866 million in dividends and interest to our investors
- Supporting over 4,600 charities with more than \$43 million dollars
- Spending approximately \$2.1 billion in capital improvement programs
- Driving innovation through the provision of state-of-the-art information communication technology, services and know-how for our customers which enhances the connectivity of Canadians
- Investing in the most advanced communications technology available globally to deliver a superior experience to our customers.

TELUS pursues an active research and development program to meet market demand for faster and more comprehensive telecommunications and entertainment services for consumers. We monitor technology developments globally to be able to offer the best to our customers.

For a discussion of the economic and industry environment in which we operate, visit section nine of our 2013 annual report — [General Outlook](#) for trends and expectations for the telecommunications industry.



Connecting with our investors

TELUS makes regular disclosure to current and potential investors and the public through communications mechanisms such as:

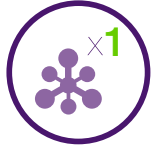
- [News releases](#) management's discussion and analysis, [financial statements](#) related regulatory filings and quarterly investor conference calls and webcasts
- Regular news releases around corporate and marketing developments
- Our annual disclosure package, which includes the annual report, information circular, corporate social responsibility (CSR) report and annual information form
- Annual Shareholder meetings
- Meetings with shareholder advocacy groups (such as the [Canadian Coalition for Good Governance](#)) to discuss executive compensation or governance issues.

TELUS held its Annual and Special Meeting in Montreal, Quebec, where our CEO and Board Chair reviewed a successful 2012 and addressed shareholder inquiries. The meeting was well received and was attended by over 400 participants, with shareholders voting on corporate resolutions. The results of our corporate resolutions were positive, with shareholders re-affirming their support for the Board and CEO.

In 2013, TELUS also engaged with current and potential investors by responding to day-to-day investor and analyst inquiries, participating in investor conferences, and meeting with financial analysts and investors. As of February 2014, 18 equity analysts regularly monitor, analyze and issue reports on TELUS. To facilitate additional investor meetings and reduce travel expenses and time, we frequently used Cisco TelePresence, a high-definition video-conference service, between TELUS locations across Canada. By using this technology, we reduced our carbon footprint.



4 quarterly earnings and target calls



1 Shareholder Meeting



12 Investor Conference Presentations & Tours



166 Investor Meetings

Investor conferences and meetings

Conferences and meetings	2013	2012	2011
Conference calls with webcast:			
Quarterly earnings calls and targets call	4	4	5
Shareholder meetings	1	2	1
Investor conference presentations and tours	12	7	7
Investor meetings	166	137	167



In 2013, TELUS continued to be recognized for excellence in corporate governance and reporting, earning the following accolades:

- Ranked the best in Canada for Overall Corporate Reporting by the [Chartered Professional Accountants of Canada](#) — the sixth time TELUS has been recognized in the past seven years
- Won the 2013 Governance Gavel Award for best disclosure of approach to executive compensation from the Canadian Coalition for Good Governance
- Earned a spot in the top ten, with the [eighth best annual report](#) in the world and an A rating in an international ranking of the top 500 reports
- Won the inaugural Excellence in Governance Award from the [Canadian Society of Corporate Secretaries](#) for the best sustainability, ethics and environmental governance program
- [IR Magazine's](#) 2013 Canada survey ranked TELUS number three of the top 50 Investor Relations programs in Canada.

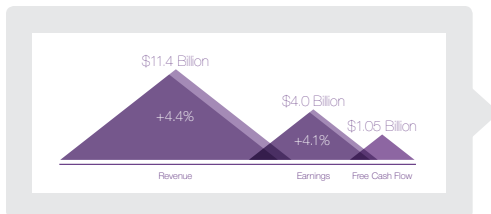
We continue to welcome shareholder feedback through our ir@telus.com inbox.

Financial and operating highlights

Financial results matter to you.
Achieving goals matters to us.

Our ongoing wireless and wireline broadband investments continued to drive enhanced financial and operating performance in 2013. These investments strengthened our competitive position, helping us attract new customers and retain existing ones. Strong financial and operating performance in 2013 once again supported superior returns to our investors — in terms of share price appreciation and increased dividends — as well as our ability to better respond to the needs of our other stakeholders.

Consolidated revenue and earnings before interest, taxes, depreciation and amortization (EBITDA) increased by 4.4 per cent and 4.1 per cent in 2013 to \$11.4 billion and \$4.0 billion, respectively. This growth reflects increasing customer connections, higher wireless average monthly revenue per subscriber unit (ARPU) and growing data revenues. Consistent execution of our growth strategy, focused on wireless and data, is reflected in the total of wireless revenues and wireline data revenues, which increased to 82 per cent of consolidated revenues in 2013 (up from 80 per cent in 2012).





Full year free cash flow was \$1.05 billion in 2013 (free cash flow is a non-GAAP measure and more information is available in section 11 of Management's discussion and analysis within our [2013 annual report](#)) Growth in EBITDA was partially offset by increases in capital expenditures and income tax payments. Strong ongoing operating momentum in both wireless and wireline, and confidence in the significant investments we continue to make in our broadband networks, allowed us to expand our three-year dividend growth model of two increases per year of approximately 10 per cent annually, another three years through the end of 2016. In addition, we purchased \$1 billion in TELUS shares in 2013, and announced the intention to purchase up to \$500 million in TELUS shares each year through to the end of 2016.

[For more information on our 2013 performance highlights, click here.](#)

For 2014, TELUS is targeting consolidated year-over-year revenue growth of between four and six per cent, while EBITDA is targeted to be higher by three to eight per cent. Revenue and EBITDA should benefit from continued strong execution in wireless and wireline both driven by data services. Basic earnings per share (EPS) is targeted to be higher by 11 to 21 per cent, due to EBITDA growth combined with a reduction in shares outstanding, reflecting our share purchase programs.

For wireless, network revenue is targeted to increase between five and seven per cent in 2014 on the basis of modest growth in subscribers as well as modest ARPU growth due to increasing data usage and benefit of TELUS [SharePlus data sharing plans](#). Subscriber loading should benefit from a Canadian wireless industry penetration gain of approximately one to two percentage points driven by postpaid growth. TELUS should continue to benefit from its 4G long-term evolution (LTE) network investments resulting in continued growth in data and roaming revenues and helping to offset lower voice revenue.

In wireline, revenue is targeted to increase between three and five per cent in 2014, as we assume continued data revenue growth from Optik TV and high-speed Internet, as well as from business services, partially offset by continued decreases in legacy voice revenues.

Consolidated capital expenditures in 2014 are targeted to increase modestly to approximately \$2.2 billion, excluding the purchase of spectrum licenses. In 2014, our plan is to continue:

- Investing in wireless capacity and network growth
- Broadband infrastructure expansion and upgrades, including bringing fibre optic cable deeper into the network, to support Optik TV and high-speed Internet subscriber growth and faster Internet broadband speeds.

Capital intensity as a percentage of consolidated revenue is targeted to be approximately 18 per cent.



Economic value distributed

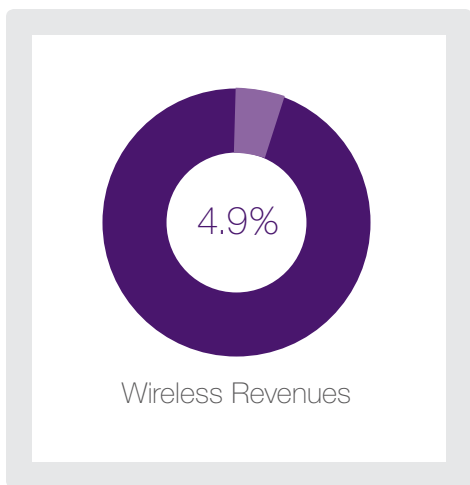
	\$ millions	2013	2012	2011
Goods and services purchased		4,962	4,820	4,726
Employee benefits expense, excluding employee defined benefit plans expenses		2,316	2,139	1,925
Employer contributions to defined benefit plans		200	173	298
Capital expenditures		2,110	1,981	1,847
Interest paid		364	337	378
Income taxes (inclusive of investment tax credits) paid, net		438	150	150
Dividends declared for the holders of equity shares		866	794	715
Total		11,256	10,394	10,039

The preceding disclosure regarding TELUS' 2014 financial targets contains forward-looking information fully qualified by the caution in the Forward-looking statements found in this report, please refer to our [press release](#) for an at-a-glance look at our 2014 financial targets.

For a detailed look at our 2014 targets and a longer-term view of our financial performance or to learn more, [click here](#).

Great coverage matters to you.
Reliable networks matter to us.

Wireless



External wireless revenues increased by \$285 million or 4.9 per cent in 2013 due to subscriber and ARPU growth. Blended ARPU increased by 1.6 per cent mainly due to a change in subscriber mix and growth in data usage and roaming, partly offset by a decline in voice ARPU and greater penetration by the lower-ARPU Koodo brand. These results reflect increased adoption of smartphones and growth in mobile Internet connection devices and tablets, enabled by our national 4G LTE and HSPA+ networks. At December 31, 2013, smartphone subscribers represented 77 per cent of the postpaid subscriber base, as compared to 66 per cent a year earlier. Wireless EBITDA increased by 5.9 per cent to \$2.6 billion in 2013, reflecting strong data revenue growth and overall expense management. The wireless EBITDA margin, based on total network revenue, increased to 45.8 per cent in 2013 from 45.4 per cent in 2012.

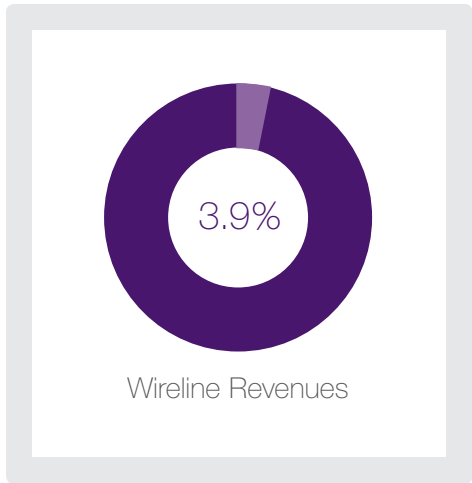
Total gross subscriber wireless additions decreased by 1.9 per cent in 2013, with higher-value postpaid gross additions down 4.8 per cent. Total



net subscriber additions decreased by 7.3 per cent compared to 2012, while higher-value postpaid net additions decreased by 8.7 per cent. The decline in gross and net additions is attributed to slower wireless market growth and continued competitive intensity. Our low postpaid churn rate of 1.03 per cent was best-in-class and lowest amongst our peers, and decreased six basis points over 2012. Notably, our postpaid churn rate was the lowest in seven years, reflecting the success of our relentless efforts to differentiate TELUS by putting customers first.

Wireline

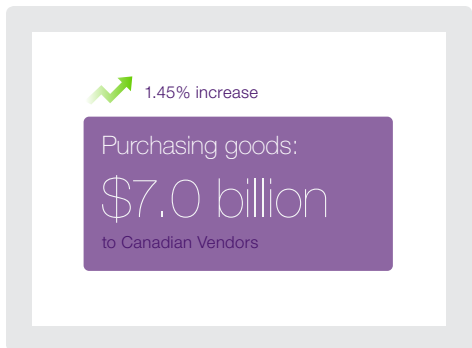
External wireline revenues increased by \$198 million or 3.9 per cent to \$5.3 billion in 2013, primarily due to a 10.8 per cent increase in data revenues, partially offset by declining legacy voice and other revenues. Growth in data revenue was driven by Optik TV™ and TELUS high-speed Internet services, as well as increasing business process outsourcing service revenues and growth in TELUS Health revenues, partly offset by lower equipment sales. Wireline EBITDA increased one per cent to \$1.4 billion in 2013, as growth in data services combined with efficiency programs offset the decline in legacy revenues. The wireline EBITDA margin declined 0.7 points to 26.0 per cent in 2013, as growth in lower-margin data services such as high-speed Internet and TELUS TV, was more than offset by the decline in higher-margin legacy voice services.



TELUS' Optik TV subscriber base increased by a strong 20 per cent to 815,000, and our high-speed Internet subscriber base increased by 5.2 per cent to approximately 1.4 million at the end of 2013. Total network access lines (NALs) decreased by 4.5 per cent to 3.3 million at year-end. This was slower than the 5.2 per cent decrease in 2012 as greater bundling of services with TELUS TV® stemmed losses from the ongoing impact of competitive dynamics and technological substitution in legacy communications services.

Supporting Canadians

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



In 2013, we spent approximately \$7.5 billion in total vendor payments (including goods and services tax and provincial sales tax), which represented 66 per cent of consolidated revenues. Approximately \$7.0 billion or 93 per cent of total vendor payments went to Canadian companies or multi-national companies with locations in Canada.



Vendor payments by location

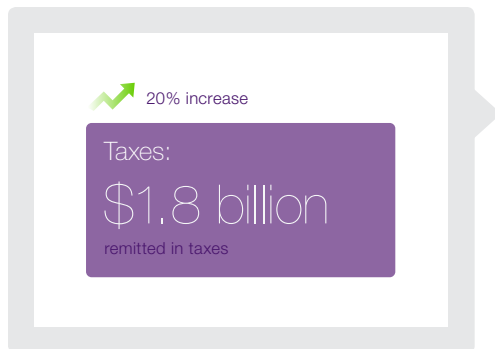
\$ millions	2013	2012	2011
Vendors with locations in Canada	6,955	6,927	6,848
Non-Canadian vendors	555	649	781
Total vendor payments	7,510	7,576	7,629

Paying taxes

TELUS' contribution to the prosperity of our country is evidenced through our responsibility as a corporate citizen. Over the past nine years, TELUS has remitted taxes of approximately \$11.8 billion to federal, provincial, local and international governments, which in turn, support services for Canadians in those jurisdictions where TELUS operates. Including annual spectrum fees and spectrum purchases over the same period as well as the 700 MHz spectrum auction costs in 2014 to the federal government, TELUS has remitted more than \$14.2 billion to various levels of government in support of services for Canadians. In turn, these taxes and spectrum fees are helping to support services for citizens in communities across Canada where we live, work and serve.

In 2013, TELUS remitted \$1.8 billion to many levels of government. This included a:

- Net payment of \$437.6 million in federal, provincial and international corporate income taxes
- Payment of \$249.9 million in payroll, property and business tax and non-creditable/non-refundable sales taxes on goods and services acquired by TELUS in the operation of its business
- Sales taxes remitted of \$1,135.2 million for goods and services taxes (GST), harmonized sales taxes (HST), Quebec sales taxes (QST) international value-added taxes (VAT) collected from our customers. In addition, TELUS paid \$613.6 million for GST, HST, QST and VAT to suppliers on the acquisition of goods and services that was ultimately refunded by the applicable government authorities levying such taxes.



TELUS follows a Comprehensive Tax Conduct and Risk Management Policy ("the Tax Policy") that has been adopted by the [TELUS Board of Directors](#). The Tax Policy, which is consistent with the overarching [TELUS Ethics policy](#), outlines the principles underlying and guiding the roles of team members, their responsibilities, personal conduct, the method of conducting business in relation to tax law and the approaches to working relationships with external taxing authorities and external advisors. The Tax Policy recognizes our requirement to comply with tax laws in the context of the rights that TELUS has, as a taxpayer, in the various jurisdictions in



which we operate. The Tax Policy also recognizes the strategic intent of our tax management for the purpose of maximizing TELUS cash flow and shareholder value, which in turn is dependent on TELUS' role as either a taxpayer or when TELUS acts as an agent on behalf of various government entities (e.g., billing, collecting and administering GST, HST, PST etc. and/or remitting payroll and payroll related taxes).

Accordingly, in the Tax Policy, TELUS' philosophy regarding the payment of tax is considered in three major categories, as follows:

- For income, capital and tax on certain sales or products and services acquired by the company, TELUS pays tax that is legally due and observes the provisions of the relevant law and related jurisprudence. We may on occasion differ in our interpretation of tax laws with the tax authorities; however, we are committed to resolving these issues in the most cost-effective and timely manner while seeking to maintain a long-term, open and constructive relationship with the tax authorities. TELUS will not take any position that clearly falls outside of the relevant governing legislation and prevailing jurisprudence.
- For payroll and indirect tax (i.e. commodity tax), including GST, HST, QST and other forms of VAT, where TELUS collects tax from employees and customers and remits them to the government as de facto agent, TELUS endeavors to apply a standard of what a reasonable prudent person should do to comply with the legislation and interpretations.
- In the case of property taxes, TELUS recognizes the importance of its role in contributing to the public infrastructure and service in the municipalities in which it operates, and accordingly supports paying property taxes for the taxable real property and operating plant that it owns and maintains. At the same time, in order to safeguard its assets, TELUS will appeal amounts that appear to be excessive on a relative basis.

In accordance with the Tax Policy, all exchanges of goods, property and services between companies within the TELUS group of companies ("the Group") are conducted for fair market values consideration. Transfer pricing between the companies in the Group is based on comparable terms and commercial nature of the transactions.

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 net cash income tax payments in 2014 to increase from \$437.6 million to approximately \$540 million to \$600 million. Given TELUS' external financial guidance, this should result in the estimated total taxes remitted for 2014 to increase to approximately \$2.0 billion to \$2.1 billion. Including the 700 MHz Spectrum Auction and annual spectrum fees to the federal government of \$1.2 billion, total tax remitted for 2014 is expected to increase to approximately \$3.2 billion to \$3.3 billion.



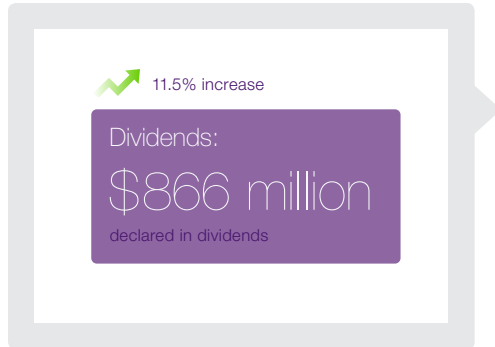
Total federal, provincial and international taxes remitted

\$ millions	2013	2012	2011	2010
Corporate income tax paid				
Canada				
Federal	247.6	76.6	108.1	196.3
British Columbia	85.2	44.1	40.7	50.4
Alberta	35.4	10.5	(5.2)	21.3
Saskatchewan	0.5	0.1	0.1	0.3
Manitoba	0.7	0.2	0.2	0.4
Ontario	31.9	3.9	1.3	24.3
Quebec	24.3	3.2	4.6	14.1
Maritime provinces	2.5	0.4	0.6	1.1
International	9.5	11.0	0.1	2.9
Total corporate income tax payments	437.6	150.0	150.5	311.3
Other tax payments				
Canada				
Employer portion of payroll taxes	123.9	112.4	105.5	99.9
Property and business taxes	103.2	78.0	76.8	76.7
Non-creditable/non-refundable sales taxes				
Federal	0.3	0.2	0.3	0.1
British Columbia	20.0	3.1	3.9	13.2
Alberta	0.1	0.1	0.0	0.0
Saskatchewan	0.3	0.4	0.8	0.5
Manitoba	0.0	0.0	0.1	9.4
Ontario	0.8	0.7	0.7	0.5
Quebec	0.0	0.0	0.0	0.0
Maritime provinces	0.0	0.0	0.0	0.0
International	5.3	3.8	3.5	3.8
Provincial premium and capital taxes	0.7	(0.1)	(5.5)	3.0
Quebec tax credits	(4.7)	(6.8)	(13.6)	(13.3)
Total other tax payments	249.9	191.8	172.5	193.8
Sales taxes remitted¹				
Canada				
Canadian GST and HST	810.1	943.4	899.7	657.7
British Columbia	115.1	0.0	0.0	58.2
Saskatchewan	4.0	3.4	2.7	1.8
Manitoba	4.9	4.9	4.4	4.7
Ontario	0.0	0.0	0.0	57.2
Quebec	196.8	179.4	143.1	118.5
Maritime provinces	0.4	1.7	1.3	1.1
International VAT	3.9	3.4	5.8	7.5
Net sales taxes collected/remitted	1,135.2	1,136.2	1,057.0	906.7
Total Canadian and International taxes remitted	1,822.7	1,478.0	1,380.0	1,411.8

¹ The Sales taxes remitted consists of GST, HST, QST and VAT collected from our customers. In addition, TELUS paid \$613.6 million for GST, HST, QST and VAT to suppliers on the acquisition of goods and services that was ultimately refunded by the applicable government authorities levying such taxes.



Paying dividends and interest



TELUS rewards investors by paying dividends to shareholders and interest to debt holders.

In 2013, TELUS declared \$866 million in dividends to our equity investors. This represents \$1.36 per share, post our April 2013 two for one share split, 11.5 per cent higher than in 2012. From 2004 to the end of 2013, TELUS increased its dividend 13 times and returned \$9.5 billion to shareholders, or more than \$15 per share when including share repurchases that occurred in this timeframe.

TELUS' long-term dividend payout ratio guideline is 65 to 75 per cent of prospective sustainable net earnings. In May 2013, we announced our intention to extend our three-year dividend growth model, for two increases per year of approximately 10 per cent annually. Initially announced in 2011, with the final semi-annual increase in November 2013, it has been extended from 2014 through 2016. These guidelines provide investors with greater clarity and a framework to assess the potential for future dividend increases. Planned increases align with our confidence in the outlook for the company's operational performance, earnings and cash flow. There can be no assurance that we will complete our 2014 normal course issuer bid or renew the share purchase program for 2015 and 2016. See Caution regarding forward-looking statements — Ability to sustain and complete multi-year share purchase programs through 2016 in our [2013 MD&A](#).

Over the past three years, TELUS led its telco peers in total return to shareholders of 81 per cent including dividends and capital appreciation. Since 2000, TELUS' total shareholder return of 246 per cent has led that achieved by incumbent telecommunications companies globally.

TELUS has a solid long-term track record of prudent financial policies that is reflected in the strong investment grade credit ratings (BBB+/A-, stable trend) that we currently hold. For nine consecutive years, we have achieved our long-term financial policy objective on net debt to EBITDA (excluding restructuring costs) of 1.5 to 2.0 times.

Dividends and interest paid to equity and debt holders

	2013	2012	2011
Dividend declared per Common Share	\$1.36	\$1.22	\$1.1025
Dividend payout ratio ¹	71%	69%	67%
Dividends declared for the holders of Common Shares (millions)	\$866	\$794	\$715
Interest paid in respect of interest expense	\$341	\$337	\$378
Interest paid in respect of long-term debt prepayment premium	\$23	—	—

¹ The annualized fourth quarter dividend declared per share divided by basic earnings per share for the year.



Investing in our network

TELUS has made significant investments in recent years, which have enhanced the connectivity of Canadians by extending the speed, reach and capabilities of our advanced broadband networks. This includes the build-out, launch and enhancement of our nationwide, next generation high-speed packet access plus (HSPA+) wireless network. TELUS' network is capable of supporting manufacturer-rated peak wireless data download speeds of up to 42 megabits per second and covering 99 per cent of the Canadian population. Our [4G LTE](#) launched in 2012, provides Canadians with the fastest wireless technology available in the world today. In 2013, we expanded our LTE network to cover more than 81 per cent of Canada's population across approximately 170 markets — up from two-thirds of the population at the end of 2012. Outside of LTE coverage areas, TELUS' LTE devices also operate on our extensive HSPA+ network.

In January and February 2014, TELUS participated in Industry Canada's auction of 700 MHz spectrum licences successfully obtaining a national average of 16.6 MHz in spectrum for \$1.14 billion. This will enable us to effectively roll out LTE to 97 per cent of the Canadian population. Spectrum in the 700 MHz range has superior propagation capabilities that make it effective and efficient in covering Canada's expansive rural geography, as well as improving the quality of in-building coverage in urban areas. We also plan to participate in Industry Canada's auction of spectrum in the 2,500 to 2,690 MHz bands in April 2015.

TELUS continues to expand our wireline broadband network, significantly enhancing the performance and customer reach of our high-speed Internet and IP-based TV services. This includes pushing fibre optic cable deeper into the network, including directly to homes, to support Optik TV and high-speed Internet subscriber growth and faster Internet broadband speeds. Based on ADSL2+ and VDSL2 technology, our broadband HD coverage reached more than 2.7 million households in British Columbia, Alberta and Eastern Quebec, as compared to approximately 2.4 million households in 2012. These investments have given more Canadians access to fast, high-speed Internet connectivity and innovative IP-delivered services such as our premium differentiated Optik TV and Optik Internet.

We are further enhancing the speed and capabilities of our wireline broadband networks with VDSL2 bonding technology, doubling existing VDSL2 speeds to up to 50 Mbps. Of the more than 2.7 million households covered by our broadband network, 89 per cent now have access to these faster speeds offered by bonding technology.

TELUS alone has invested more than \$2.4 billion in spectrum-related costs since the 2008 Advanced Wireless Services auction and since 2000, TELUS has invested more than \$30 billion in technology and communications infrastructure across the country to significantly enhance the connectivity of Canadians.



Innovation

Smart solutions matter to you. Innovation matters to us.



TELUS invested \$161 million in research and development (R&D) in 2013. R&D was slightly higher in 2012 and 2011 due to considerable investments in the planning and development associated with our 4G LTE wireless broadband network prior to its launch in early 2013.

Throughout 2013 and in 2014, we have continued to make significant investments in our next generation wireless and wireline broadband networks, including IP-based services, supporting strong customer growth and increased demand for higher speed Internet and wireless capacity. We look forward to providing an improved 4G LTE experience as we deploy the 700 MHz spectrum in rural and urban markets in 2014 and 2015.

Estimated investment in research and development

\$ millions	2013	2012	2011
Research and development	161	170	183



In 2013, TELUS opened a Super Internet Data Centre (SIDC) in Kamloops, B.C, a replica of our award-winning facility in Rimouski, Quebec. This LEED (Leadership in Energy and Environmental Design) Gold Data SIDC offers our clients next-generation cloud computing solutions with unsurpassed connectivity, superior functionality, state-of-the-art security and industry-leading reliability. The SIDC has been identified as one of the most energy-efficient data centres in the world. The \$75 million, 215,000-sq ft facility, is projected to use up to 80 per cent less power and 86 per cent less water than a typical data centre of its size. Its peak power utilization effectiveness (PUE), the ratio of total energy used by the SIDC to the energy delivered to the computing equipment, is estimated at a very low 1.15. The Centre uses 100 per cent outside air for cooling when temperatures are as high as 30°C — a huge improvement over the 7°C threshold typical with traditional chiller plant setups.

TELUS added 127 communities to its 4G LTE wireless network footprint, including smaller and more remote communities across Canada for a total of more than 200 communities, representing coverage for more than 81 per cent of Canadians. We also brought our 4G LTE service to the citizens in Yellowknife and Whitehorse in Canada’s North.

Furthermore, we added 14 new communities to our Optik TV footprint in 2013, and launched a variety of innovative features and apps that support



a fully mobile viewing experience. TELUS' Optik TV footprint covers more than 2.7 million households in Alberta, British Columbia and Quebec. Our revolutionary home entertainment solutions now service 2.2 million combined TV and Internet client connections across those three provinces.

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

TELUS participation in nationwide research networks involves a large numbers of industry sponsors, academic, and government participants. This includes but is not limited to the University of British Columbia, University of Alberta, University of Calgary, University of Manitoba, Carleton University, Université Laval, University of Toronto, York University, Algonquin College, Sheridan Institute of Technology and Advanced Learning, Emily Carr University of Art & Design, Harvard College, Mitacs, Fraunhofer Institute, the American University of Beirut, Networks of Centres of Excellence of Canada and the National Sciences and Engineering Research Council of Canada.

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

- Global System for Mobile Communications Association
- TM Forum (formerly TeleManagement Forum)
- Next Generation Mobile Networks
- Metro Ethernet Forum
- Alliance for Telecommunications Industry Solutions
- Third Generation Partnership Project
- Digital ID and Authentication Council of Canada
- CTIA: The Wireless Association
- Continua Health Alliance
- American Registry for Internet Numbers
- Global Platform
- Small Cell Forum
- Organization for the Advancement of Structured Information Standards
- Optical Internetworking Forum
- Society of Cable Telecommunications Engineers
- Society of Motion Picture and Television Engineers.

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



Strategic investments

In 2013, TELUS capital expenditures were \$2.11 billion or 19 per cent of total operating revenues. We invested \$712 million in our wireless networks, principally to expand our urban 4G LTE network as well as the continued expansion of coverage and capacity of our 4G HSPA+ network. We also invested \$1.4 billion in wireline initiatives, including our advanced broadband network to continue expanding its speed, reach and capabilities.

Capital expenditures by region

\$ millions	2013	2012	2011
British Columbia	737	707	723
Alberta	760	649	640
Saskatchewan	2	2	—
Manitoba	16	11	20
Ontario	267	229	172
Quebec	302	355	271
Atlantic Canada	2	2	4
Outside Canada	25	26	17
Total capital expenditures	2,110	1,981	1,847

Consolidated capital expenditures in 2014 are targeted to increase modestly to approximately \$2.2 billion, excluding the purchase of spectrum licenses. TELUS plans to continue investing in wireless capacity and network growth. We intend to continue broadband infrastructure expansion and upgrades, including bringing fibre optic cable deeper into the network, to support Optik TV and high-speed Internet subscriber growth as well as faster Internet broadband speeds. In 2014, capital intensity, as a percentage of consolidated revenue, is expected to be approximately 18 per cent.

Complimentary to our wireless and wireline business, TELUS continues to invest in its health and international business segments. Our goal of improving reach, collaboration and outcomes within the healthcare ecosystem was further reinforced with our 2013 acquisition of PS Suite EMR, a business previously operated by the Canadian Medical Association's MD Physicians Services Group. This acquisition allowed us to expand our electronic medical records (EMR) platform to approximately 10,000 physicians in Canada.

We invest internationally to provide our clients a greater breadth of business process outsourcing services. Our continued integration of TELUS International Europe has allowed us to provide services to clients in more than 30 different languages.

Appendices

Assurance report

To: The Board of Directors and Management of TELUS

What we looked at: scope of our work

We have reviewed selected corporate-wide and business unit performance indicators in TELUS' 2013 Corporate Social Responsibility Report on Sustainability (the Report) for the year ended December 31, 2013. TELUS management is responsible for collection and presentation of the indicators and information set out in the Report. A review does not constitute an audit and, consequently, we do not express an audit opinion on the selected performance indicators.

TEL US was responsible for selecting performance indicators as well as their presentation in the report. We reviewed the selected quantitative indicators noted in Appendix A and TELUS' self-declaration that it has met the A+ level of conformance with the GRI requirements. We did not review the narrative sections of the Report, included as footnotes, except where they incorporated the selected performance indicators. Our responsibility is to express an independent conclusion on whether anything has come to our attention that causes us to believe that the selected performance indicators are not presented fairly, in all material respects, in accordance with the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines (2006 version). The GRI G3 definitions can be found at www.globalreporting.org.

What we did: assurance standards and key assurance procedures

We conducted our review in accordance with the International Standard on Assurance Engagements (ISAE) 3000 developed by the International Federation of Accountants. As such, we planned and performed our work in order to provide limited assurance with respect to the selected performance indicators that we reviewed. Our review criteria were based on the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines (2006 version). Our procedures included:

- interviewing relevant TELUS management and staff responsible for data collection and reporting;





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

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

What we found — Our conclusion

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

Deloitte LLP
Chartered Accountants
Vancouver, British Columbia, Canada
June 2, 2014

Appendix A — Selected performance indicators reviewed

Selected performance indicators reviewed: The following selected performance indicators were included in our review of TELUS' Corporate Social Responsibility Report for the year ended December 31, 2013.

GRI ref	Performance indicator	Coverage	2013 Value
EC1	Community investment	Company-wide	\$46,231,684
EN1	Paper consumption	Canada	21 million sheets
EN3	Total energy use- Direct sources	Company-wide	383,469 kWh (000s)
EN4	Total energy use- Indirect sources	Company-wide	936,309 kWh (000s)
EN8	Total water withdrawal by source- Canada	Canada	452,381 m ³
EN8	Total water withdrawal by source- International	Company-wide	89,308 m ³
EN16	Total direct greenhouse gas emissions	Company-wide	82,116 tonnes CO ₂ e
EN16	Total indirect greenhouse gas emissions	Company-wide	260,366 tonnes CO ₂ e
EN17	Total direct and indirect greenhouse gas emissions by weight	Company-wide	4,697 tonnes CO ₂ e
EN23	Number of reportable spills and releases	Canada	36
EN23	Number of non-reportable spills and releases	Canada	165
EN23	Estimate total volume of spills and releases	Canada	Liquids: 3,181 litres Gases: 1,497 kg
EN26	Number of active and closed remediation sites	Canada	33
HR4	Number of human rights cases opened and closed	Canada	Carried over from previous year: 6 New cases opened: 7 Cases closed: 8 Cases still in progress: 5
LA1	Total workforce – By region	Company-wide	British Columbia: 8,106 Alberta: 6,129 Ontario: 7,978 Quebec: 5,773 Other: 459 International: 14,964 Total: 43,409
LA1	Total workforce – By employment type	Company-wide	Regular (Canada): 27,835 Temporary (Canada): 610 Regular (International): 14,964 Temporary (International): — Total: 43,409 Silent Generation: (C) 19 (Intl) 1 Baby Boomers: (C) 6,959 (Intl) 372 Generation X: (C) 10,956 (Intl) 2,573 Millennials: (C) 10,511 (Intl) 12,018 Total: 43,409
LA2	Voluntary employee turnover rate	Canada	Overall voluntary: 10.7% Involuntary: 4.3% Total: 15.0% Female: 16.6% Male: 14.0% Silent Generation: 48.9% Baby Boomers: 13.4% Generation X: 8.3% Millennials : 24.1%
LA4	Unionization – Percent of workforce unionized	Company-wide	TELUS domestic: 44% TELUS International: 0%
LA7	Lost time accident rate	Canada	0.74
LA7	Absenteeism rate	Canada	6.4



GRI ref	Performance indicator	Coverage	2013 Value
LA10	Return on learning	Canada	Formal: 80% Informal: 85% Social: 59%
LA13	Workforce demographics – Gender and minorities as a percent of TELUS workforce	Canada	Women overall: 36.5% Women Sr. Manager: 13.6% Women Middle & other mgmt: 30.6% Visible minorities overall: 15.5% Visible minorities Sr. Manager: 8.6% Visible minorities Middle & other mgmt: 13.2% Persons with disability overall: 2.7% Persons with disability Sr. Manager: 1.4% Persons with disability Middle & other mgmt: 1.8% Aboriginal overall: 1.4% Aboriginal Sr. Manager: 1.4% Aboriginal Middle & other mgmt: 1.1%
n/a	Employee engagement – Percentage of employees expressing job satisfaction	Company-wide	Domestic: 83% TELUS International Central America: 73%
PR5	Number of complaints lodged with the CCTS	Canada	883
SO3	Percent of employees completing ethics training	Company-wide	100%
SO4	Number of inquiries and complaints made to TELUS Ethics Office relating to the company's ethics policy	Company-wide	338
SO4	Number of concerns determined to be breaches of ethics policy	Company-wide	118

Global Reporting Initiative (GRI) guidelines

Overview



This report has been prepared using the Global Reporting Initiative (GRI-G3) Guidelines. The index below lists where you can find information related to each GRI criterion – either in the report or in the [TELUS 2013 annual report](#). Combined, these reports form TELUS’ reporting package of economic, social and environmental performance.

The 2013 Corporate Social Responsibility (CSR) reporting period consists of the 2013 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 2013 CSR report should be directed to sustainability@telus.com.

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures	Report on: 1.1 2.1 – 2.10 3.1 – 3.8, 3.10 – 3.12 4.1 – 4.4, 4.14 – 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 – 4.13, 4.16 – 4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.		Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, human rights, Labor, Society, Product Responsibility.		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) Reporting on the Indicator or b) Explaining the reason for its omission	

*Sector supplement in final version

Throughout the year we also provide information to the Dow Jones Sustainability Indexes, FTSE4Good, the Carbon Disclosure Project and other organizations that help investors understand the economic, environmental and social performance of companies.

For this report, TELUS is self declaring at a Level A+ checked, based on the assessment of our report content against the criteria in the GRI application levels. Deloitte has provided limited assurance of indicators symbolized throughout the report with **A**.

TELUS supports the UN Global Compact and its 10 principles covering human rights, labour, environment and anti-corruption. The Communications of Progress section our Corporate Social Responsibility Report cover TELUS’ progress in 2013 in these areas and we reference the UNGC Principles in the GRI table.



Profile

Description	Page	UNGC Principle
1.1 Statement from CEO	12-18	Statement of support
1.2 Statement of key impacts, risks and opportunities	3, 12-18, 33, 49, 55, 66, 90, 87, 110, 117, 125	Principle 7, 8, 9

Organizational Profile

Description	Page	UNGC Principle
2.1 Name of reporting organization	TELUS	
2.2 Major services	106 telus.com/en	
2.3 Operational structure-main division, operating companies	about.telus.com/community/english/about_us/company_overview telusinternational.com/about/locations	
2.4 Location of headquarters	telusinternational.com/about/locations	
2.5 Countries in which TELUS operates	telusinternational.com/about/locations	
2.6 Nature of ownership	about.telus.com/community/english/investor_relations/financial_documents/annual_information_form_archive (See page 5)	
2.7 Markets served	120 partner.telus.com/en/products , partner.telus.com/en/sectors , partner.telus.com	
2.8 Scale of reporting organization	67-69, 127-130	
2.9 Significant changes – openings, closings, structure	12-18 about.telus.com/community/english/investor_relations/shareholder_%26_bondholder_services/shareholder_services/mergers_and_acquisitions	
2.10 Awards received in the reporting period	31-32	

Reporting parameters

Description	Page	UNGC Principle
3.1 Reporting period	8-9	
3.2 Date of most recent previous report	8-9 The 2012 Report was published June 2013	
3.3 Reporting cycle	Annual	
3.4 Contact point for questions	8	
3.5 Process for defining report content	3-4, 5-8, 143	
3.6 Boundary of report	3-4	
3.7 Limitations on scope of report	3-4 Any limitations on the scope or boundaries are disclosed within each respective indicator.	
3.8 Basis for reporting on ventures that can affect comparability from period to period	No applicable to our scope of reporting	
3.9 Decision to apply or not apply GRI principles	143 Data measurement, base of calculation and assumptions used are described in the respective sections of the indicator	
3.10 Explanations for restated information from previous reports	Any restatements are clearly stated within the Report	
3.11 Significant changes in measurement methods	Throughout the Report	
3.12 Table identifying the location of the Standard Disclosures in the report	143	
3.13 Policy and current practice with regard to seeking external assurance for the report.	139-142	

Governance, commitments, and engagement

Description	Page	UNGC Principle
4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	about.telus.com/community/english/investor_relations/corporate_governance/board_members_%26_committees	
4.2 Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	Chair of Board of Directors is not an executive officer on TELUS Board of Directors	
4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	about.telus.com/community/english/investor_relations/corporate_team/board_of_directors	
4.4 Mechanism for stakeholders to provide direction	3-4 about.telus.com/community/english/investor_relations/corporate_team/board_of_directors , about.telus.com/community/english/investor_relations/corporate_governance/contacts	
4.5 Linkages between executive compensation and achievement of organizational goals	Executive Compensation discussed in Annual Report about.telus.com/investors/annualreport2013/?lang=en Information Circular page 52	
4.6 Process for governance body to ensure conflict of interest avoided	21-24	
4.7 Process for ensuring required expertise of Board members	about.telus.com/community/english/investor_relations/corporate_governance/board_members_%26_committees	
4.8 Mission and value statements, codes of conduct, policies relevant to economic, social and environmental performance	12-18 , 21-24, 33, 49, 55, 66, 90, 91-92, 87, 110, 117, 125	
4.9 Process of governance body for overseeing the organization's management of economic, social and environmental performance and status of implementations	24 about.telus.com/community/english/investor_relations/corporate_governance/board_members_%26_committees	
4.10 Process for evaluating the highest governance body performance with respect to economic, social and environmental performance	about.telus.com/community/english/investor_relations/corporate_governance/board_members_%26_committees/committees See pages 27-31 inclusive of 2014 Information Circular	
4.11 Discussion on whether and how the precautionary principle is addressed	21-24	Principle 7
4.12 Externally developed economic, social and environmental charters or principles to which the organization prescribes or endorses	24-31, 143	
4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: Has positions in governance bodies; Participates in projects or committees; Provides substantive funding beyond routine membership dues; or Views membership as strategic	24-31, 56-57, 130-135	
4.14 Stakeholders engaged by the organization	6-8	Principle 10
4.15 Basis for identification and selection of stakeholders	6-8, 55-56, 97-104 TELUS understands our stakeholder group as we have numerous feedback mechanisms. We are also active in benchmarking our industry where telecommunication stakeholders are widely agreed upon.	Principle 10
4.16 Approaches to stakeholder engagement, including frequency of engagement by types and by stakeholder group	6-8	Principle 10
4.17 Key topics and concerns that have been raised through stakeholder engagement and how the organization has responded to those key topics and concerns, including through its reporting	3-4, 6-8, 97-104	Principle 10

Economic performance indicators

Core/Add	Description	Page	UNGC Principle	
Management Approach				
	Economic	125		
Economic Performance				
EC1	core	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments	56-57, 82-84, 127-130	
EC2	core	Financial implications and other risks and opportunities for the organization's activities due to climate change	40-42, 49	Principle 7
EC3	core	Coverage of the organization's defined benefit plan obligations	82-84, 127-130	Annual Report - Pension obligations (see Section 10.12)
EC4	core	Significant financial assistance received from government	Government assistance is included in the Consolidated Statements of Income and Other Comprehensive Income as Other operating income. Page 110.	
Market Presence				
EC5	add	Range of ratios of standard entry-level wage compared to local minimum wage at significant locations of operation	82-84	
EC6	core	Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation	115-116, 130-135	about.telus.com/community/english/about_us/company_overview/telus_partners/procurement_and_supply_chain_management/supplier_diversity
EC7	core	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operations	67-69	
Indirect Economic Impacts				
EC8	core	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind and pro bono engagement	12-18, 34, 107-108, 130-135, 136	
EC9	add	Understanding and describing significant indirect economic impacts, including the extent of impacts		

Social performance indicators

Core/Add	Description	Page	UNGC Principle	
Management Approach				
	Community Investment	55-56		
	Team Members	66-67, 88-89		
	Human Rights	24-31, 66-67, 110	Principles 1, 2, 6	
Employment				
LA1	core	Total workforce by employment type, employment contract, and region	67-69	
LA2	core	Total number and rate of employee turnover by age group, gender, and region	88	TELUS does not break down by region.
LA3	add	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	82-84	
Labour/Management Relations				
LA4	core	Percentage of employees covered by collective bargaining agreements	69	Principles 1, 3

	Core/Add	Description	Page	UNGC Principle
LA5	core	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	TELUS does not include this in our disclosure but this information is covered in collective agreements	Principle 3
Occupational Health and Safety				
LA6	add	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	88-89 TELUS does not report this statistic.	Principle 1
LA7	core	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	88-89 TELUS have tailored their formula as follows: Totals missed days over the period [defined as (Non-Occupational hours + Occupational hours absence hours) / 7.5 hours] divided by totals FTE headcount [defined as (Available hours + Overtime hours) / 1950].	Principle 1
LA8	core	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	85-86 Employee and Family Assistance Program	Principle 1
LA9	add	Health and safety topics covered in formal agreements with trade unions	3-4 TELUS does not deem this to be significantly material.	
Training and Education				
LA10	core	Average hours of training per year per employee by employee category	75, 78-82	
LA11	add	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	78-82	
LA12	add	Percentage of employees receiving regular performance and career development reviews	75	
Diversity and Equal Opportunity				
LA13	core	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	71	Principles 1, 6
LA14	core	Ratio of basic salary of men to women by employee category	82-84 TELUS discloses compensation but do not report on ratio of men to women by employee category	
	add	Employee engagement: percentage of employees expressing job satisfaction	73	
Social Performance Human Rights				
HR1	core	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	113-114 In 2011 TELUS made it mandatory for all new contracts to agree to our Supplier Code of Conduct which has human rights covered.	Principles 1, 2, 3, 4, 5, 6
HR2	core	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	113-114 In 2011 TELUS made it mandatory for all new contracts to agree to our Supplier Code of Conduct which has human rights covered. in 2013 we launched our Supplier Risk Assessment screening and that is currently ongoing.	Principles 1, 2, 3, 4, 5, 6
HR3	add	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	91-92	Principles 1, 2, 3, 4, 5, 6
Non-Discrimination				
HR4	core	Total number of incidents of discrimination and actions taken	92, 95	
Freedom of Association and Collective Bargaining				
HR5	core	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	27 All TELUS team members have the right to freedom of association and collective bargaining and is covered in our UNGC commitment Principle 3	Principles 1, 2, 3



Core/Add	Description	Page	UNGC Principle
Child Labor			
HR6 core	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	TELUS does not have operations using child labour and this covered in our UNGC commitments 27-28 TELUS is currently conducting a Supplier Risk Assessment in our supply chain to better understand the risk	Principle 5
Forced and Compulsory Labor			
HR7 core	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor	27-28 TELUS does not have or allow forced or compulsory labour	Principle 4
Security Practices			
HR8 add	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations		Principle 1, 2
Indigenous Rights			
HR9 core	Total number of incidents of violations involving rights of indigenous people and actions taken	94-95, 123 TELUS does not have human rights violations against indigenous people	
Social Performance: Society			
Community			
SO1 core	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	47-48, 56-57, 130-135	
Corruption			
SO2 core	Percentage and total number of business units analyzed for risks related to corruption	21-24, 90	Principle 10
SO3 core	Percentage of employees trained in organization's anti-corruption policies and procedures	91	Principle 10
SO4 core	Actions taken in response to incidents of corruption	92 This is covered in TELUS' Annual Report Section 10.9 Litigation and Legal	Principle 10
Public Policy			
SO5 core	Public policy positions and participation in public policy development and lobbying	117	Principle 1-10
SO6 add	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	123-124	
Anti-Competitive Behavior			
SO7 add	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	This is covered in TELUS' Annual Report Section 10.9 Litigation and Legal	
Compliance			
SO8 core	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	43-48, 117-124 This is covered in TELUS' Annual Report Section 10.9 Litigation and Legal but TELUS not disclose financial values as it is confidential. Amount of legal actions not disclosed as deemed confidential	
Social Performance: Product Responsibility			
Customer Health and Safety			
PR1 core	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	TELUS does not have mechanism in place nor have we assessed or reported on lifecycle stages or health and safety of our products. However, our products and services are approved by all legal/governing bodies relevant to the product or service that we provide	Principle 1 to 10

	Core/Add	Description	Page	UNGC Principle
PR2	add	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes		
Products and Service Labeling				
PR3	core	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements	TELUS does not discuss this in the Report, however our products and services adhere to all laws and labelling requirements	
PR4	add	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	43-48 This is covered in TELUS' Annual Report Section 10.9 Litigation and Legal	
PR5	add	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	97-104, 107-108, 109	
Marketing Communications				
PR6	core	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	21-24, 63, 113-115	
PR7	add	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes		
Customer Privacy				
PR8	add	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	94	
Compliance				
PR9	core	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	43-48 This is covered in TELUS' Annual Report Section 10.9 Litigation and Legal. TELUS discloses our environmental compliance. We do not have significant fines for non-compliance concerning the provisions and use of products and services.	

Environmental performance indicators

	Core/ Add	Description	Page	UNGC Principle
Management Approach				
		Environment	33-34, 40-41, 49	Principle 7
		Supply chain	110	Principle 1,7,8,9
Materials				
EN1	core	Materials used by weight or volume	41 Other than our paper purchase, this metric is not material to our business operations as we are not a manufacturer, thus it is not reported on	
EN2	core	Percentage of materials used that are recycled input materials	This metric is not material to our business operations as we are not a manufacturer. However, TELUS' paper purchasing policy requires use of a minimum of 30% PCR.	
Energy				
EN3	core	Direct energy consumption by primary energy source	49-52	Principle 7, 8
EN4	core	Indirect energy consumption by primary source	49-52	Principle 7, 8
EN5	add	Energy saved due to conservation and efficiency improvements	49-52	Principle 7, 8
EN6	add	Initiatives to provide energy-efficient or renewable energy based products and services, and reduction in energy requirements as a result of these initiatives	TELUS does not currently take part in renewable energy project as our concentration is on in-house reductions	Principle 7, 8, 9
EN7	add	Initiatives to reduce indirect energy consumption and reductions achieved	36, 49-52	Principle 7, 8



	Core/ Add	Description	Page	UNGC Principle
Water				
EN8	core	Total water withdrawal by source	42	
EN9	add	Water sources significantly affected by withdrawal of water	3-4	TELUS does not deem this to be significantly material.
EN10	add	Percentage and total volume of water recycled and reused	TELUS does not measure this	
Biodiversity				
EN11	core	Land owned, leased, managed in biodiversity rich habitats	3-4	TELUS does not deem this to be significantly material.
EN12	add	Significant impacts on biodiversity	TELUS does not deem this to be significant as we do not undertake construction in biologically sensitive areas or do we have significant impact on biodiversity	
EN13	add	Habitats protected and restored	3-4	TELUS does not deem this to be significantly material.
EN14	add	Strategies, current actions and future plans for managing impacts on biodiversity	3-4	TELUS does not deem this to be significantly material.
EN15	add	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	3-4	TELUS does not deem this to be significantly material.
Emissions, Effluents and Waste				
EN16	core	Total direct and indirect GHG emissions by weight	52-54	Principle 7, 8
EN17	core	Other relevant indirect GHG emissions by weight	52-54	Principle 7, 8
EN18	add	Initiatives to reduce GHG emissions and reductions achieved	49	Principle 7, 8, 9
EN19	core	Emissions of ozone depleting substances by weight	52-54	Principle 7, 8
EN20	core	NO, SO and other significant air emissions by type and weight	52-54	Principle 7, 8
EN21	core	Total water discharge by quality and destination	3-4	TELUS does not report on this as it not material to our operations
EN22	core	Total weight of waste by type and disposal method	40-41	Principle 7, 8
EN23	core	Total number and volume of significant spills	44-45	Principle 8
EN24	add	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex and percentage of transported waste shipped internationally	3-4	TELUS does not deem this to be significantly material.
EN25	add	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	3-4	TELUS does not deem this to be significantly material.
Products and Services				
EN26	core	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	34-39, 46	Principles 7,8,9
EN27	core	Percent of products sold and their packaging materials that are reclaimed by category	TELUS does not currently have a system in place to track or report this	
Compliance				
EN28	core	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	43	Principle 8
Transport				
EN29	add	Significant environmental impacts of transporting other goods and materials used for the organization's operations and transporting members of the workforce	3-4	TELUS does not deem this to be significantly material.
Overall				
EN30	add	Total environmental protection expenditures and investments by type	3-4 , 34-35, 40-41, 43-48, 49	



Frequently asked questions

Why does TELUS produce a CSR Report?

We believe that sharing our sustainability performance, strategy and future commitments with respect to TELUS' material issues is critical to stakeholder engagement. Our report is also a catalyst for gathering stakeholder feedback on our programs and performance.

Additionally, our disclosure spurs innovation, builds momentum for sustainability initiatives, fosters enhanced governance and increases team member engagement and accountability.

In this report, we focus our disclosure on our nine material topics, and align our CSR targets to these issues. We convey our performance, strategy and future commitments for each issue in such a way that our stakeholders are able to easily understand where TELUS is on our sustainability journey. By shortening and focusing our CSR report we make it more relevant and reader friendly.

How was TELUS' CSR performance in 2013?

In 2013, TELUS set 24 targets aligned to nine material issues to measure and progress our sustainability performance. These material issues were confirmed by engaging with TELUS' key stakeholders and by applying a structured, evidence-based process for assessing materiality to guide future years' report content as well as strategy and targets that reflect our objective to balance economic growth with environmental and social goals. We met 15 of our 24 objectives in 2013 and received numerous awards for our reporting, governance and disclosure.

Who oversees TELUS' CSR programs?

Overall responsibility for our CSR performance resides with TELUS' [Executive Leadership Team](#). In 2006, a CSR leadership team representing all TELUS business units was established and this team of senior leaders continues to foster a culture of sustainability. The team meets regularly to review progress against CSR objectives and assess new or ongoing initiatives. The team focuses on further entrenching CSR practices, measures and objectives throughout our Company. We provide progress reviews each quarter to the Corporate Governance Committee of [TELUS' Board of Directors](#) as well as updates to the Audit Committee on CSR reporting progress, typically in the first quarter of each year.





What does Customers First mean?

Our top priority since 2010 is putting our customers first. We do this by consistently delivering exceptional client experiences and winning the hearts and minds of Canadians on our journey to become a world leader when it comes to the likelihood that our customers recommend our products, services and people.

We know that listening to our customers is an integral part of our Customers First journey and that taking action based on what they say is just as important. Throughout 2013, we worked harder to identify what our customers are looking for and delivered products, services and experiences that met their expectations.

Every team member, regardless of their role, has a responsibility to put customers first, which is why we have continued to integrate a Customers First culture across the organization.

How much does TELUS invest in community activities and how does it make those decisions?

The TELUS team's legacy of community building dates back more than a century. Indeed, in the last 14 years alone, TELUS, our team members and retirees have contributed an unparalleled \$350 million to charitable organizations across Canada and volunteered, with our hearts and hands, 5.4 million hours of service in local communities throughout our nation's vast geography. The TELUS team continues to be immensely proud of having been the first ever Canadian company named the Most Outstanding Philanthropic Corporation globally by the U.S.-based Association of Fundraising Professionals (AFP) and the first ever Most Outstanding Philanthropic Corporation in Quebec by that province's AFP chapter.

To learn more about TELUS' Community Investment programs [click here](#).

How has TELUS demonstrated environmental leadership?

In 2013, we remained committed to demonstrating environmental leadership and reducing the overall environmental impact of our domestic and international operations. It was another successful year when many of our sustainability plans were realized, including:

- Completion of the alignment of our EMS with the ISO 14001:2004 standard and a third-party EMS and compliance audit of our Alberta operations
- Completion of the company-wide removal of Halon fire suppression systems
- Becoming the first telecom company globally to set a specific public target for the reduction of halocarbon (refrigerant gas) releases from our HVAC systems



- Receiving Leadership in Energy and Environmental Design (LEED) gold certification for our largest Internet Data Centre in Toronto
- Continuing to provide telephone and video conferencing technology solutions to customers and team members that enable the movement of ideas instead of people, reducing travel internally by nearly 50 per cent since 2007
- Execution of more than 100 energy reduction initiatives through our energy management program
- Initiation of third-party waste audits at 18 of our largest waste-producing facilities to assist in the development of a new corporate waste management strategy
- Launching an internal website, the Environment Gateway, which provides internal stakeholders improved access to environmental resources and EMS documentation.

Why does TELUS have a climate change strategy?

According to World Economic Forum's 2014 Global Risks [report](#), the failure of climate change mitigation and adaption is the fifth greatest risk. Within this greater global context, TELUS is faced with increasing demands as customers wish to remain connected while at home or on the move. Consequently, meeting the needs of our customers requires more energy to support our growing network for both our wireless and wireline products and services. Our stakeholders tell us that during this time of growth, we must remain committed to minimizing the environmental impact of our operations.



What does TELUS do with all the mobile devices that people return to its stores?

TELUS remains committed to ensuring the internal electronic waste (e-waste) generated from our operations as well as the electronic products sold to our customers are responsibly recycled, refurbished or repurposed. In 2013 we:

- Recycled, refurbished and repurposed 1.2 million kilograms of e-waste
- Recycled 583,000 wireless devices, compared to 546,000 in 2012 (exceeding our 2012 goal of 400,000 wireless devices) through internal programs and [Canadian Wireless Telecommunications Association's Recycle My Cell](#).

TELUS also offers [Certified Pre Owned phones](#) providing affordable device options that help reduce environmental impacts. Our goal for 2014 is to recycle 580,000 wireless devices.



How does TELUS influence other organizations in becoming more sustainable?

The United Nations has developed a global agreement, or compact, to help businesses align their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, the environment and anti-corruption. TELUS supports the compact and we align our report with its principles. We became a signatory of the UNGC in 2010 and continued our support throughout 2013.

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

Glossary

4G (fourth generation): As defined by the International Telecommunications Union, 4G is the next generation of wireless technologies, including HSPA+ and LTE, which offers a substantial improvement in speed over HSPA.

absenteeism rate: The figure reported includes absences related to illness or injury (excluding long-term disability) calculated as average number of productive days lost due to absenteeism per one FTE headcount.

absolute energy: Refers to a reduction in overall energy consumption not relative to anything else.

ADSL2+: An IP technology that allows existing copper telephone lines to carry voice, data and video and enables three simultaneous video streams into a home.

app: A program or application that delivers functionality to users on their mobile device, television or computer to address a specific need or purpose.

at home: Works from home on an established schedule for 90 per cent or more of the work week. The team member travels to a TELUS location for training, special meetings, etc.

best employers: Refers to the average engagement score of the top 50 companies in the Aon Hewitt database of 280 Canadian companies that took part in their annual Best Employers study/survey.

broadband: Telecommunications services that allow high-speed transmission of voice, data and video simultaneously at rates of 1.5 Mbps and above.

cause marketing: A type of campaign involving the cooperative efforts of a company and a non-profit organization resulting in cross promotional activities that drive charitable donations to the non-profit organization.

cloud computing: A system in which software, data and services reside in data centres accessed over the Internet from any connected device.

conflict minerals: Refer to minerals mined in conditions of armed conflict and human rights abuses, notably in the eastern provinces of the Democratic Republic of the Congo.

CO₂e: Equivalent carbon dioxide is a measure for describing how much global warming a given type and amount of greenhouse gas may cause, using the functionally equivalent amount or concentration of carbon dioxide (CO₂) as the reference.

crown tenure: Crown land is land or land covered by water (i.e. rivers or





lakes) that is owned by the provincial government. When an individual or organization wishes to use Crown land for a specific purpose, the province may agree to enter into a tenure agreement to rent the land for a certain purpose over a set period of time.

CRTC (Canadian Radio-television and Telecommunications

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

Customers First: A TELUS corporate priority focused on creating a best-in-class customer experience as measured by the voice of our customers.

deferral account: The Canadian Radio-television and Telecommunications Commission (CRTC) created the deferral account in 2002, requiring telecommunication providers to keep their rates at 2002 levels to encourage other companies to compete for home phone service business. The companies had to set funds aside in deferral accounts as if they had reduced phone service rates. The CRTC then consulted with the public and industry for several years about what to do with the companies' accounts, ultimately accepting TELUS' proposal that the majority of the funds be used to provide broadband Internet to remote communities, with five per cent used to enhance services for people living with disabilities. Any money left over had to be rebated to urban customers.

emission factors: The most common approach for calculating greenhouse gas emissions is through the use of emissions factors that are representative values relating the quantity of an emission with an activity associated with the release of that emission. In Canada, Environment Canada assigns a value related to the electricity grid by province.

e-waste: Electronic waste, e-waste, or e-scrap describe discarded electrical or electronic devices.

HSPA+ (high-speed packet access): A 4G technology capable of delivering manufacturer-rated data download speeds of up to 21 Mbps (typical speeds of four to six Mbps expected).

IP (Internet protocol): A packet-based protocol for delivering data across networks.

ISO 14001:2004: Specifies requirements for an environmental management system to enable an organization to develop and implement a policy and objectives which take into account legal requirements, other requirements to which the organization subscribes, and information about significant environmental aspects.

life balance account: A benefit that provides team members with an annual dollar amount for activities that help achieve a work life balance.



LTE (long-term evolution): A 4G mobile telecommunications technology, capable of advanced wireless broadband speeds that has emerged as the leading global wireless industry standard. TELUS' 4G LTE coverage is currently capable of delivering manufacturer-rated peak download speeds of up to 75 Mbps (typical speeds of 12 to 25 Mbps expected).

Lost Time Accident (LTA): Under the Canada Labour Code, an LTA is any time lost as a result of an accident. Lost time begins on the day subsequent to the accident.

Mbps (megabits per second): A measurement of data transmission speed, defined as the amount of data transferred in a second between two telecommunications points or within a network. Mbps is millions of bits per second and Gbps (gigabits per second) is billions.

Microcell: A mini network site that extends a wireless network in the home or small business to provide better mobile performance.

mobile worker: Consistently works in a variety of locations, which may or may not include working from home.

NASDAQ OMX CRD Global Sustainability Index: The index is comprised of the top 100 companies listed on a U.S. stock exchange that are taking a leadership role in sustainability performance reporting. The index is managed by the NASDAQ OMX Group, Inc., the world's largest exchange company and CRD Analytics, a leading provider of independent sustainability investment analytics.

performance development: Relates to the process of setting objectives, performance appraisals and reviews, and establishing career development plans (including formal, informal and social learning) to enhance the performance of individual team members. This is also one of the top five drivers of the Pulsecheck team member engagement score.

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

Power Usage Effectiveness (PUE): The ratio of the total amount of power used by a computer data centre facility to the power delivered to computing equipment.

Pulsecheck: TELUS annual on-line team member engagement survey.

PVR (personal video recorder): An interactive TV set-top box with a hard drive that records, stores and plays back video content.

resident worker: Works at an assigned desk in a TELUS location 90 per cent or more of the work week, and may work as mobile or at home on occasion.



remediation: Removal of contamination at a site to levels that do not exceed regulatory standards.

roaming: A service offered by wireless network operators that allows subscribers to use their mobile phone while in the service area of another operator.

shared value creation: This involves creating economic value in a way that also creates value for society by addressing its needs and challenges. Businesses can achieve shared value creation by reconnecting company success with social progress. Shared value is not social responsibility, philanthropy, or even sustainability, but rather a new way to achieve economic success.

SMB: This is an acronym for Small and Medium Business, a former TELUS customer segment.

social marketing: Marketing concepts, combined with other approaches (i.e. public relations activities, social media etc.) are used to influence behaviors that benefit individuals and communities for the greater social good.

spectrum: The range of electromagnetic radio frequencies used in the transmission of sound, data and video. The capacity of a wireless network is in part a function of the amount of spectrum licenced and utilized by the carrier.

team member engagement: Engagement at TELUS is about strengthening the spirit and capturing the minds of team members in a way that contributes to their and our overall business performance. An engaged team is realized when team members truly believe in and are proud of the company they work for, and see a strong connection between their daily contributions and TELUS' success.

TELUS International: Our international operations in the Philippines, United States, United Kingdom, Barbados, Jamaica, St. Lucia, Guatemala, El Salvador, Romania and Bulgaria.

TELUS Leadership Philosophy (TLP): The TLP is a leadership framework aimed at nurturing leadership in all team members, providing a consistent, simplistic model, regardless of department, tenure or title. The TLP empowers team members to enhance the customer experience, solve problems and grow our business.

VDSL2 (very high bit-rate digital subscriber line 2): Fibre-to-the-node technology offering typical data download speeds of five to 25 Mbps, which enables four simultaneous video streams into a home. These rates can be increased further by bonding multiple lines together.

vertical integration: The ownership or control by one entity of programming services, such as conventional television stations, or pay and specialty services, as well as distribution services, such as cable



systems or direct-to-home (DTH) satellite services. Vertical integration also includes ownership or control by one entity of both programming undertakings and production companies.

Wi-Fi (wireless fidelity): The commercial name for networking technology that allows any user with a Wi-Fi-enabled device to connect to a wireless access point or hotspot in high-traffic public locations.



the future is friendly®

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