



the future is friendly®

# GOOD BUSINESS, DOING GOOD

2018 SUSTAINABILITY REPORT

# Contents

<b>ABOUT THIS REPORT</b> .....	<b>4</b>	<b>Building stronger communities</b> .....	<b>53</b>
Report scope .....	5	Impact and measurement .....	53
Forward-looking statements .....	6	Community Boards .....	56
Limited assurance report .....	7	Launching the TELUS Friendly Future Foundation .....	57
		Connecting for good .....	57
<b>CEO LETTER</b> .....	<b>10</b>	<b>OUR SUSTAINABILITY CULTURE</b> .....	<b>60</b>
<b>TELUS in 2018</b> .....	<b>21</b>	<b>Contributing to the Canadian economy</b> .....	<b>62</b>
<b>MANAGING SUSTAINABILITY AT TELUS</b> .....	<b>22</b>	Financial and operating highlights .....	63
Stakeholder engagement and materiality .....	23	Supporting Canadians .....	63
Good governance .....	25	Vendor payments .....	63
Risk management .....	27	Investing in our network infrastructure .....	63
Targets and Sustainable Development Goals .....	28	Paying taxes .....	65
Ethics .....	30	Research and development .....	68
<b>OUR PURPOSE</b> .....	<b>31</b>	<b>Indigenous relations</b> .....	<b>70</b>
Revolutionizing access to healthcare .....	33	<b>United Nations Global Compact</b> .....	<b>71</b>
Caring for the environment .....	39	<b>Business continuity management</b> .....	<b>72</b>
Energy and GHG emissions .....	41	<b>OUR PEOPLE</b> .....	<b>74</b>
Responsible resource use .....	43	<b>Employee experience</b> .....	<b>76</b>
Environmental management .....	46	Monitoring engagement .....	76
Creating a friendlier online world .....	50	Turnover .....	76
		Talent development .....	77
		Work Styles .....	78
		Board of Directors diversity representation .....	79
		Total Rewards .....	79

<b>Health, safety and well-being</b> .....	<b>82</b>
Health .....	82
Safety .....	82
Well-being .....	84
<b>Labour and human rights</b> .....	<b>85</b>
Labour .....	85
Human rights .....	86
Diversity and inclusiveness .....	87
<b>OUR VALUE CHAIN</b> .....	<b>91</b>
<b>Supply chain sustainability</b> .....	<b>92</b>
Conflict minerals .....	95
Privacy and trust .....	95
Anti-bribery and corruption .....	97
Transparency .....	97
<b>Regulatory compliance</b> .....	<b>101</b>
Compliance with legislation, regulation and industry codes .....	101
<b>Putting Customers First</b> .....	<b>104</b>
Leadership in customer satisfaction .....	104
Reliability .....	106
<b>GLOBAL REPORTING INITIATIVE</b> .....	<b>107</b>
<b>GLOSSARY</b> .....	<b>112</b>

TELUS is committed to leveraging our world-leading technology to enable remarkable human outcomes in our all-connected world. We have \$14.4 billion of annual revenue and 13.4 million customer connections, including 9.2 million wireless subscribers, 1.9 million high-speed Internet clients, 1.2 million residential network access lines and 1.1 million TELUS TV® customers.

With the support of our talented team, we provide a wide range of communications solutions to consumers and businesses, including wireless, data, IP, voice, television, entertainment, video, and home security and automation.

Through TELUS Health, we are enabling improved health outcomes for Canadians, advancing our position as the leading provider of healthcare technology solutions. TELUS International provides innovative customer experience, digital transformation and business process service solutions for clients around the globe.

In support of our heartfelt philosophy to give where we live, TELUS has contributed \$1.2 billion in value – through philanthropy and volunteerism – since 2000.


# ABOUT THIS REPORT



## Report scope

Every year, we share our sustainability strategy and progress to help us build trust with our stakeholders. Our target audience for this report includes TELUS team members, community members, investors, shareholders, governments, rating agencies, non-governmental organizations, civil society, suppliers and others as described in the [Stakeholder engagement and materiality](#) section of this report.

Sustainability is embedded in our core business strategy and our sustainability performance provides us with social, environmental and economic opportunity. Through our Sustainability Report, we aim to disclose our performance on important issues in a way that highlights the relationship between business success and sustainable development. As signatories to the [United Nations Global Compact \(UNGC\)](#), which asks companies to embrace universal principles, we also report our progress on human rights, labour, environment and anti-corruption. Please see our website for our [2018 UNGC Communication on Progress](#).

Our report is available on our website at [telus.com/sustainability](https://telus.com/sustainability). Throughout our report, we highlight TELUS' focus on how we are doing well in business, by doing good in our communities. We include data and information from the operations of some of the subsidiaries of TELUS. Each year, TELUS uses a structured process, aligned with our stakeholder engagement and materiality activities, that helps us define our report content and topic boundaries. This process includes a mapping exercise of the Global Reporting Initiative (GRI) principles to our social purpose, material issues and report content. We declare our report in accordance with GRI Standards at the core level and have engaged Deloitte LLP to confirm our declaration. Our GRI table can be found at the end of this report. We use the following symbol  to highlight information reviewed by Deloitte LLP, an Independent Registered Public Accounting Firm.

Information contained in this 2018 report covers January 1 to December 31, 2018, unless otherwise stated. The material includes TELUS' domestic and international operations across Canada, including the operations of TELUS International, unless otherwise stated. Also contained in this report are targets,

aligned with key focus areas and the United Nations' [Sustainable Development Goals \(SDGs\)](#). Our long-term targets are forward-looking information that should be read together with the cautionary note regarding "[Forward-looking statements](#)".

This report contains hyperlinks to other websites operated by parties other than TELUS. Such hyperlinks are provided for reference only. TELUS is not responsible for the availability of these external sites, nor is it responsible for any of the content, advertising, products, or other materials shared. TELUS' inclusion of hyperlinks does not imply any endorsement of the material on such websites or any association with their operators. Under no circumstances shall TELUS be held responsible or liable, directly or indirectly, for any loss or damage caused or alleged to have been caused in connection with the use of or reliance on any content, goods, or services available on such website. Any concerns regarding external websites should be directed to its respective site administrator or webmaster.

Our annual Sustainability Report is just one way we communicate our progress toward reaching our sustainability goals.

Additionally, as signatories to the UNGC, and by having our reporting aligned to GRI guidelines, we are using international frameworks that both inform our strategy and help us transparently communicate our progress to stakeholders.

This allows TELUS to achieve two important goals:

1. Integrate our sustainability strategy with universal principles and international standards
2. Provide stakeholders with focused, comprehensive and transparent information about our sustainability performance.

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

For more information about TELUS, please visit [telus.com](https://telus.com).

## Forward-looking statements

### Caution regarding forward-looking statements summary

This sustainability report contains forward-looking statements including statements relating to our 2019 targets, expected performance and multi-year dividend growth program. By their nature, forward-looking statements do not refer to historical facts and require the Company to make assumptions and predictions, and are subject to inherent risks. There is significant risk that the forward-looking statements will not prove to be accurate and there can be no assurance that TELUS will achieve its targets or performance goals or maintain its multi-year dividend growth program.

Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors (such as regulatory developments and government decisions, the competitive environment, technological substitution, economic performance in Canada, our cost reduction initiatives, our earnings and free cash flow, and our capital expenditures) could cause actual future performance and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified by the assumptions (including assumptions on which our 2019 annual targets and guidance are based and

regarding semi-annual dividend increases through 2019), qualifications and risk factors as set out in Management's discussion and analysis, especially Sections 9 and 10, and in other TELUS public disclosure documents and filings with securities commissions in Canada (on SEDAR at [sedar.com](http://sedar.com)) and in the United States (on EDGAR at [sec.gov](http://sec.gov)).

Except as required by law, TELUS disclaims any intention or obligation to update or revise forward-looking statements, and reserves the right to change, at any time at its sole discretion, its current practice of updating annual targets and guidance. Statements regarding our 2019 targets are presented for the purpose of assisting our investors and others in understanding certain key elements of our expected 2019 financial results as well as our objectives, strategic priorities and business outlook. Such information may not be appropriate for other purposes.

## Limited assurance report

To: The Board of Directors and Management of TELUS

### Our scope of our work

We have undertaken a limited assurance engagement of the accompanying selected corporate-wide and business unit information (Appendix A) included in TELUS' 2018 Sustainability Report (the Report) for the year ended December 31, 2018.

### TELUS responsibility for the Sustainability Report

TELUS management is responsible for the collection and presentation of the disclosures and information set out in the Report. TELUS is also responsible for selecting the information as well as their presentation in the report. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a sustainability report that is free from material misstatement, whether due to fraud or error.

### Our independence and quality control

We have complied with the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Control 1, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Our responsibility, assurance standards and key assurance procedures

Our responsibility is to express a limited assurance conclusion on the selected information in TELUS' 2018 Sustainability Report based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement 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

information that we reviewed. Our criteria were based on the Global Reporting Initiative (GRI) Sustainability Standards 2016 (or GRI Standards). Our procedures included:

- interviewing relevant TELUS management and staff responsible for data collection and reporting;
- obtaining an understanding of the management systems, processes and the relevant controls used to generate, aggregate and report the data at TELUS regional operations and head office;
- reviewing relevant documents and records on a sample basis;
- testing and re-calculating information related to the selected information on a sample basis;
- assessing the information for consistency with our knowledge of TELUS operations, including comparing TELUS' assertions to publicly available third-party information; and
- assessing the selected quantitative information noted in Appendix A and TELUS' self-declaration that it has met the Core level of conformance with the Global Reporting Initiative (GRI) Sustainability Standards 2016 (GRI Standards) requirements. The GRI Standards definitions can be found at [www.globalreporting.org/standards/](http://www.globalreporting.org/standards/).

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.

### Limited assurance conclusion

Based on our work described in the Scope of Our Work section above and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected information are not presented fairly, in all material respects, in accordance with the relevant criteria.



Deloitte LLP  
Chartered Professional Accountants  
Vancouver, British Columbia, Canada

July 10, 2019

## Appendix A

### Selected corporate-wide and business unit sustainability information


#### Selected sustainability information

The following selected sustainability information were included in our limited assurance engagement of TELUS' Corporate Social Responsibility Report for the year ended December 31, 2018.

GRI Standard Ref	Performance indicator	Coverage	2018 value												
201-1	Direct economic value generated and distributed	Company-wide	\$150,247,847												
301-1	Materials used by weight or volume	Canada	11 million sheets												
302-1	Energy consumption within the organization (direct sources)	Company-wide	294,279 kwh (000s)												
302-1	Energy consumption within the organization (indirect sources)	Company-wide	873,008 kwh (000s)												
305-1	Direct (Scope 1) GHG emissions	Company-wide	64,861 tonnes CO <sub>2</sub> e												
305-2	Indirect (Scope 2) GHG emissions	Company-wide	264,363 tonnes CO <sub>2</sub> e												
305-3	Other indirect (Scope 3) GHG emissions	Company-wide	9,453 tonnes CO <sub>2</sub> e												
306-3	Significant spills (reportable)	Canada	31												
306-3	Significant spills (non-reportable)	Canada	204												
306-3	Significant spills (volume)	Canada	Liquids: 485.76 litres Gases: 1,699.91 kg												
406-1	Incidents of discrimination and corrective actions taken	Canada	Carried over from previous year: 12 New cases opened: 12 Cases closed: 6 Cases still in progress: 18												
102-8	Information on employees and other workers (region)	Company-wide	<table border="0"> <tr> <td>British Columbia: 7,754</td> <td>Newfoundland &amp; Labrador: 145</td> </tr> <tr> <td>Alberta: 5,433</td> <td>New Brunswick: 68</td> </tr> <tr> <td>Saskatchewan: 106</td> <td>Nova Scotia: 122</td> </tr> <tr> <td>Manitoba: 115</td> <td>Yukon: 1</td> </tr> <tr> <td>Ontario: 6,931</td> <td>NWT: 3</td> </tr> <tr> <td>Quebec: 5,305</td> <td>International: 31,982</td> </tr> </table>	British Columbia: 7,754	Newfoundland & Labrador: 145	Alberta: 5,433	New Brunswick: 68	Saskatchewan: 106	Nova Scotia: 122	Manitoba: 115	Yukon: 1	Ontario: 6,931	NWT: 3	Quebec: 5,305	International: 31,982
British Columbia: 7,754	Newfoundland & Labrador: 145														
Alberta: 5,433	New Brunswick: 68														
Saskatchewan: 106	Nova Scotia: 122														
Manitoba: 115	Yukon: 1														
Ontario: 6,931	NWT: 3														
Quebec: 5,305	International: 31,982														
			<b>TOTAL: 57,965</b>												
102-8	Information on employees and other workers (employment type)	Company-wide	<table border="0"> <tr> <td>Permanent (Canada): 25,225</td> <td>Silent Generation: (C) 2 (Intl) 3</td> </tr> <tr> <td>Temporary (Canada): 758</td> <td>Baby Boomers: (C) 3,497 (Intl) 440</td> </tr> <tr> <td>Regular (International): 31,202</td> <td>Generation X: (C) 10,254 (Intl) 3,561</td> </tr> <tr> <td>Temporary (International): 780</td> <td>Millennials: (C) 12,227 (Intl) 27,974</td> </tr> <tr> <td></td> <td>Generation Z: (C) 3 (Intl): 4</td> </tr> </table>	Permanent (Canada): 25,225	Silent Generation: (C) 2 (Intl) 3	Temporary (Canada): 758	Baby Boomers: (C) 3,497 (Intl) 440	Regular (International): 31,202	Generation X: (C) 10,254 (Intl) 3,561	Temporary (International): 780	Millennials: (C) 12,227 (Intl) 27,974		Generation Z: (C) 3 (Intl): 4		
Permanent (Canada): 25,225	Silent Generation: (C) 2 (Intl) 3														
Temporary (Canada): 758	Baby Boomers: (C) 3,497 (Intl) 440														
Regular (International): 31,202	Generation X: (C) 10,254 (Intl) 3,561														
Temporary (International): 780	Millennials: (C) 12,227 (Intl) 27,974														
	Generation Z: (C) 3 (Intl): 4														
			<b>Total: 57,965</b>												
			<b>Total: 57,965</b>												



GRI Standard Ref	Performance indicator	Coverage	2018 value
401-1	New employee hires and employee turnover	Canada	Overall voluntary: 10.2% Involuntary: 4.1% Total: 14.4% Female: 14.5% Male: 14.3%
102-41	Collective bargaining agreements	Company-wide	TELUS domestic: 36% TELUS International: 0%
403-2	Hazard identification, risk assessment, and incident investigation (LTAR)	Canada	0.63
403-2	Hazard identification, risk assessment, and incident investigation (Absenteeism)	Canada	6.26
404-1	Average hours of training per year per employee	Canada	Overall: 11.4 Males: 12.2 Females: 9.9 BU: 14.4 MP: 8.5 Retail: 14.3 Single Contributor: 10.9 Middle Manager: 17.8 Senior Manager: 5.6
405-1	Diversity of governance bodies and employees	Canada	Women overall: 34.9% Visible minorities overall: 30.6% Persons with disability overall: 5.8% Aboriginal overall: 3.7%
n/a	Percentage of employees expressing job satisfaction	Company-wide	Domestic: 85% International: 81%
102-43, 44	Approach to stakeholder engagement	Canada	TELUS: 944 Koodo: 360 Public Mobile: 142
205-2	Communication and training about anti-corruption policies and procedures	Company-wide	100%
205-3	Confirmed incidents of corruption and actions taken (inquiries and complaints relating to the company's ethics policy)	Company-wide	501
205-3	Confirmed incidents of corruption and actions taken (breaches of ethics policy)	Company-wide	164

A close-up photograph of numerous leaves with a striking purple and green color palette. The leaves are densely packed and show detailed vein patterns. The lighting creates a mix of deep purple and vibrant green tones, giving the background a rich, textured appearance.

**GOOD BUSINESS  
AND DOING GOOD  
ARE MUTUALLY  
INCLUSIVE**

CEO LETTER

## The Social Capitalism Company

TELUS leads the world in respect of social capitalism. Companies that embrace social capitalism do so by using their core business to serve a greater social purpose that benefits all of their stakeholders, from shareholders and customers to our most vulnerable citizens. At TELUS, social capitalism is not supplemental to our strategy, but rather the central thesis of what we do, why we do it and what we stand for as a culture. The value we create for our stakeholders is a direct result of our collective focus on putting our communities first in our hearts, minds and actions.

Our company embraces universally accepted principles in human rights, labour, environment and anti-corruption practices, guided by the United Nations Global Compact. Importantly, this commitment generates an additional dimension of accountability that exemplifies our dedication to being a globally leading corporate citizen.

### Leading the world in creating a friendlier future

Inspired by our passionate social purpose, the TELUS team is helping to improve the social, economic and health outcomes of Canadians and simultaneously driving value for our shareholders. As we work to change the paradigm on health, education, the environment and social inequities, we are creating a friendlier future – one where technology breaks down barriers, keeps us safe and empowers us all to achieve our full potential.

### Investing to bridge digital divides, both geographic and socio-economic

We know that technology is a great equalizer, but only if we all have access to it equally. Unequal access to technology is exacerbating the unacceptable social barriers facing Canadians: 40 per cent of low-income families lack consistent Internet access, putting kids at risk of falling behind in school; 350,000 young people are in government care, often experiencing an isolating transition to adulthood, unable to participate in our digital world; and 35,000 Canadians are homeless on any given night, many disconnected from the basic right in Canada to healthcare.

Our TELUS team has stepped up to address these pressing social issues, making unprecedented investments in technology to bridge geographic and socio-economic divides and support more vibrant and sustainable communities. Indeed, since 2000 TELUS has invested \$175 billion to connect Canadians to the people, resources and information that make their lives better. Moreover, TELUS has an enviable track record of rolling out new technology and infrastructure to the breadth of our Canadian population, enabling a symmetrical urban and rural experience, ensuring all citizens have access to the digital tools to drive improved health, social and economic outcomes in their communities.

### Empowering underserved Canadians through our Connecting for Good programs

These investments are helping to remedy many of the critical inequities facing Canadians through solutions like TELUS' portfolio of Connecting for Good initiatives. Our life-changing programs provide TELUS-subsidized access to the technologies that underpin the success of so many Canadians at risk of being left behind in our increasingly digital society.

Notably, [TELUS Internet for Good](#) offers 110,000 low-income families access to low-cost, high-speed Internet service and a computer, free online music education programming from The Royal Conservatory, as well as digital literacy training and [TELUS Wise](#) support to help them participate safely in our digital

world. These resources will connect underserved families to their community and to the tools that characterize today's learning experience. Internet for Good will provide children with opportunities such as learning a new language online, taking virtual journeys to see the Wonders of the World or learning how to play an instrument – all from the comfort of their home. We will not rest until we reach every single one of the 40 per cent of families in Canada who are lacking this fundamental resource and until all children have the same access to digital resources, social connections and educational information as their classmates.

Through [TELUS Mobility for Good](#), today, we are offering 20,000 young people aging out of foster care a free smartphone and data plan for two years. This program is empowering vulnerable youth with a vital lifeline to the tools needed to stay in touch with social workers offering support; to contact prospective employers, post-secondary institutions and healthcare providers; to access educational mobile apps and websites; and to remain connected with friends through their social networks. We will not rest until every one of the 350,000 young people currently in government care is able to begin their independent life feeling safer, more confident and connected, and better prepared for their future.

Lastly, [TELUS Health for Good](#) is removing many of the barriers Canadians living on the streets face in receiving medical care and re-connecting thousands of patients to the public healthcare system. TELUS mobile health clinics provide essential primary medical care, including electronic health records, to these marginalized Canadians, generating 15,000 patient visits since the program's inception in 2014. We will not rest until all 35,000 of these at-risk Canadians have access to the health and social care they need and deserve, including vital support for mental health. I am positive that the "universal" in healthcare is supposed to mean all of our citizens, not just those of us lucky enough to have an address.

### Fostering the responsible use of technology in our digital world

Whilst connecting to technology is an essential part of our daily lives, resolving inequities through programs like Connecting for Good can only be considered successful if that technology is also being used responsibly. Unfortunately, this is not always the case. At TELUS, we understand the power of technology and all the

good it can help us achieve. We also understand that technology has the potential to enable negative and cruel behaviour, such as cyberbullying and the subsequent anguish it can cause our families. Heartbreakingly, more than one million kids are cyberbullied each month, sometimes with tragic repercussions. This statistic represents an unacceptable and devastating reality that demands action.

Indeed, we are holding ourselves responsible for helping address this major social issue. By way of our TELUS Wise program, we are encouraging young Canadians to become digital citizens, whilst simultaneously protecting our youth online. Through TELUS Wise, we have engaged with more than seven million Canadians, providing the tools and knowledge to stay safe online. Moreover, as part of our mission to [#EndBullying](#), since 2018, we have motivated more than two million Canadians to take our TELUS Wise digital pledge and join us in rising above cyberbullying. Together, with the support of Canadians from coast to coast, we will not consider our efforts successful until every young person can safely engage online and the nefarious practice of cyberbullying has been eradicated for good.



As the leading social  
capitalism company,

we are using our technology to resolve critical economic  
inequities facing Canadians and to address our most  
pressing social challenges.

## Investing in technology innovation to answer our world's most pressing social challenges

Investing in leading-edge technology is imperative to prevent the next pandemic, preserve our planet and deliver on the promise of a thriving digital economy. In this regard, TELUS' technology innovation is addressing one of the most pressing social issues of our lifetime: healthcare effectiveness and efficiency. Indeed, with as much as half of all provincial budgets being invested into healthcare, Canada's spending is one of the highest in the world and growing due to our aging population and the prevalence of chronic diseases.

### Helping healthcare professionals deliver better health outcomes

At TELUS, we believe that by building a primary healthcare ecosystem that places the patient at the centre, we can deliver better health outcomes for our fellow Canadians, for less money spent. Importantly, using technology, we can also shift the focus from the remediation of disease to the prevention of illness. In this regard, our technology innovations are enabling better access to vital healthcare information leveraging our broadband wireless and fibre networks that are the best in the world in respect of speed, coverage and quality. By way of example, we are the leading provider of the [electronic medical records](#) that are helping physicians and pharmacists provide better care across the healthcare continuum, through secure access to patient files that detail medical history and ensure continuity of care.

TELUS is also focusing our innovation on improving the flow of information in the primary healthcare sector. Our [ePrescribe](#) technology is evolving our health system away from handwritten prescriptions and reducing the associated errors and sad outcomes they can entail. The digitization of prescription fulfilment not only leads to improved medication adherence but will also help to track medication misuse, which is critical in the battle against opioid addiction. In this regard, complementing the efforts of our Health for Good mobile health clinics, we are bringing critical insight into the opioid crisis plaguing our communities by means of a TELUS Health Original documentary, [Painkiller: Inside the Opioid Crisis](#). This enlightening video, which has already been viewed more than one

million times, strives to raise awareness about this heartbreaking social tragedy and, ultimately, save lives through education. This documentary is available through our unique [TELUS Healthy Living Network](#), which provides customers with hundreds of curated health-themed programs through TELUS Optik on Demand.

### Supporting employee wellness in a burdened healthcare system

TELUS is driving employer-based support of health and wellness as a major thrust in answering the national healthcare burden. Employers can play a significant role in optimizing the health of their teams, leading to reduced absenteeism and elevated employee engagement that will, in turn, drive any organization's success. Through our Medisys-on-Demand virtual care service, as well as our investment in BEACON, a digital mental health support service, we are helping employers support the physical and mental well-being of their employees and their families by way of a digital platform that provides personalized care from a health professional.

### Enabling better health outcomes through better health information

TELUS is committed to providing all Canadians with the tools, information and support to enable them to live healthier and happier lives. Across Canada, there are five million people who do not have a family physician and many struggle to find urgent care after hours. In an effort to address healthcare accessibility challenges, our [Babylon by TELUS Health](#) service empowers Canadians with immediate and reliable medical knowledge and support. Our smartphone application offers an expansive symptom checker powered by an extensively researched artificial intelligence engine, as well as a one-on-one virtual consultation feature, allowing patients to speak directly with a doctor within a couple of hours from the comfort of their homes or on the move. In addition, the [TELUS LivingWell Companion](#) service supports elderly Canadians in sustaining their independence by providing a constant connection to loved ones. In the case of an accident or a fall, customers simply push a button to activate a two-way conversation, or an automatic fall detection feature will be initiated.

TELUS' technology will continue transforming healthcare in ways that were unimaginable only a few years ago. We are enabling a future where access to healthcare will be personal, precise, predictive, preventative and amazingly universal. Indeed, with new capabilities to capture and analyze data, healthcare will be transformed through a detailed understanding of how outcomes are influenced by genetics, environment, diet, lifestyle and medication on an individual basis. We are working toward a digital future in which healthcare professionals can readily leverage artificial intelligence alongside the insights provided through genomics, bio-analysis and imaging in order to deliver optimized preventative wellness protocols as well as disease treatments for each patient on a customized basis.

#### Moving health information to the point of care quickly and securely

We know that delivering information digitally across the healthcare continuum can only be effective if the networks carrying the information are reliable, fast, secure and expansive. In 2018, TELUS earned global recognition in network excellence from OpenSignal, J.D. Power, PCMag, Tutela and the consumer-initiated Ookla Speedtest. These leading rankings, each received consecutively for two years or more, reinforce the superiority of our network, whether assessed on speed and availability or customer experience. Thanks to our award-winning network, supported by the expertise of our talented Canadian engineers and technologists, we have the infrastructure and thought leadership to deliver on our promise of connected healthcare for all Canadians.

#### Smart technologies helping us care for the planet our children will inherit

We are equally focused on the health of our planet. Our investments are building a more sustainable world for our future generations. By way of example, despite our country's dispersed population and vast and rugged geography, broadband networks, ubiquitously deployed, are bridging time and distance, allowing us to live and work in the areas of our choosing without compromising productivity.

Indeed, in a world of powerful wireless and fibre technology, you do not have to live in Vancouver, with its associated cost of living, to work in Vancouver.

TELUS' innovative Work Styles program is one way we are allowing people to work where and when it is most convenient and productive. Through this program, we have decreased our environmental footprint by eliminating 18,500 tonnes of carbon dioxide emissions and reducing 2.9 million hours of commuting time in 2018 alone – time that can be spent on more precious endeavours, like engaging with loved ones. Importantly, we are able to recognize our high-performing team members by endorsing their participation in our Work Styles program, thereby driving enhanced team member engagement. We are further reducing our carbon footprint by using super high-definition video-conferencing technology that mimics a face-to-face meeting, which has contributed to more than \$40 million in team member travel savings since 2007, whilst increasing team collaboration across the country. Reflecting our commitment to creating workplaces built to the highest leadership in energy and environmental design (LEED) standards, our team members and operations occupy one of the largest LEED platinum footprints in all of North America.



We are leveraging  
our technology,

in concert with our social innovation, to ensure every  
Canadian is connected safely, reliably and responsibly.

### Finding digital solutions to help feed a hungry world

As part of our efforts to promote sustainability and wellness, we are expanding our reach in the emerging agriculture technology sector. By leveraging technology innovation and artificial intelligence, we will help farmers and ranchers produce food for the world's ever-expanding population more efficiently, safely and in a more environmentally friendly manner. Our efforts to optimize food production will contribute to a better yield of food supply to meet the ever-growing requirements of our planet and our fellow citizens. In addition, through our technology, we will help to answer the challenge of food traceability to ensure retailers and consumers can trust the health and responsible production of their food, from the farm or ranch all the way to the fork. Importantly, we are striving to provide innovative solutions to advance the agriculture sector on a worldwide basis, whilst positioning Canada as a preferred global supplier of safe, sustainable food.

### Enabling our digital economy to drive Canada's competitiveness and create skilled jobs

TELUS is also leveraging our investments in technology innovation to advance economic diversity and empowering our nation to drive the kind of sustainable innovation that elevates the competitiveness of our private sector. By offering the infrastructure necessary to promote innovation across the country, we are able to attract new industries and innovators, supporting the jobs of today and those that have yet to be imagined. The advantage our networks provide Canadians cannot be overstated. We cannot have a vibrant private sector without powerful, world-leading technology and robust infrastructure that is widely deployed. Indeed, by connecting Canadians to the opportunities that underpin our success, we are supporting growth and skilled job creation for Canada. Moreover, through our best-in-class networks, we are providing start-ups and home-based businesses with access to the same Internet speeds, functionality, reliability and security that large enterprises currently enjoy.

### Powering the success of Canadian businesses

Our broadband network investments, coupled with next-generation services for businesses, such as unified communications, cloud computing and network security, are enabling Canadian organizations of all sizes to increase their productivity and enhance their contributions to our nation. We are partnering with businesses to enable their digital transformations and thereby strengthen the engagement and effectiveness of their teams, enhance the experiences they offer to their customers, increase the efficiency of their supply chain and sales channels, better leverage data insights and ultimately, increase revenue whilst rationalizing costs.

By leveraging technology innovation, including machine-to-machine communications and artificial intelligence, we are helping our business clients be more efficient and productive in terms of risk management. For example, we are enabling organizations across Canada to support the safety of their field workers and long-haul drivers, secure the transmission of sensitive financial data and access vital healthcare information at the point of care. In this vein, we take to heart the undeniable fact that our networks, platforms, devices and applications enable the successful operation of every sector of our economy and thereby fuel job creation, as well as our country's competitiveness.

### Setting Canada up for success by leading the way in 5G and fibre

Throughout 2018, we continued to evolve our wireless network toward the 5G ecosystem that is foundational to democratizing access to the transformative technology of today and tomorrow. Moreover, TELUS increased its active fibre connections by 34 per cent last year, well exceeding the Organization for Economic Co-operation and Development average, and connected our 100th fibre community along the way. Our near-ubiquitous wireless network, together with the fibre backbone that underpins it, will cost-effectively support the transformative 5G technology that will drive innovation whilst fuelling economic growth for generations to come. Indeed, in concert with the emerging artificial intelligence economy, this new ecosystem will power our smart homes, vehicles, businesses and intelligent cities, as well as the applications, devices

and services that improve educational outcomes, support environmental sustainability, enable our entrepreneurial spirit and unleash human productivity.

## Even in a digital world, the most important connection is the human connection

Perhaps most meaningfully, our social purpose is animated by a deeply human side – the TELUS team. Our unparalleled and collective commitment to being a leader in social capitalism has earned us recognition as the most philanthropic company on a global basis. It has also helped to drive world-leading engagement across our team, placing TELUS within the top one per cent of employers globally, when compared against companies of similar size and composition.

### Putting our communities and customers first inspires team member engagement

Our highly engaged, high-performing team is inspired by a sense of purpose borne from our commitment to doing good in our communities. This passion for putting our communities first motivates us to also put our customers first and earn their trust and loyalty. There is truly a synergistic relationship between what we do in business in terms of driving positive outcomes for our customers relative to the competition, and what we do socially to drive positive outcomes for our communities to ensure they are healthier, more sustainable and more vibrant. This, in turn, fuels heightened business performance and value for our shareholders, ultimately enabling us to reinvest in our communities.

### Reflecting the diversity of the communities and customers we serve

Embedded within the globally admired culture we have built together is our belief that diversity creates a whole that is so much stronger than the sum of its parts. We are a team that fosters inclusion; recognizes and celebrates every team member's unique talents, voice and abilities; and encourages our team members to always bring their whole selves to work. Our diverse and

inclusive work environment facilitates a broader and more creative exchange of ideas, promotes better talent acquisition and retention, and sparks innovation. These critical attributes foster elasticity of thought, skills, knowledge and perspectives, which help us to better understand and support the needs of our diverse communities and customer base. Much of our progress with respect to diversity and inclusiveness is driven by our team members themselves. Notably, 7,100 team members volunteer in five groups that celebrate diversity and inclusiveness in Canada and in the global communities where we operate. Our groups provide support, mentorship and camaraderie for team members and their families: Abilities supports colleagues living with varied abilities; Connections links women professionals at TELUS; Eagles provides support for Aboriginal team members; Mosaic welcomes newcomers to Canada; and Spectrum connects LGBTQ team members around the globe. Our team's commitment to inclusion extends to our TELUS Board of Directors, and by the end of 2019, we will exceed the objectives we set for ourselves regarding Board diversity, with 50 per cent of our independent directors reflecting our overall diversity objective and 42 per cent being women.

### The most giving company in the world

Our award-winning culture of caring underpins our passion for giving. The spirited volunteerism of our 85,000 team members and retirees worldwide reinforces TELUS' position as the most giving company in the world. Indeed, thanks to the extraordinary generosity of our TELUS family, since 2000, we have contributed \$1.2 billion, through \$690 million in financial support and 1.3 million days of volunteerism, to create stronger, healthier communities.

Throughout 2018, the TELUS team continued to give with our hearts and our hands, including the 36,000 volunteers who participated in our hallmark TELUS Days of Giving events across Canada. These dedicated members of our TELUS family supported their communities through nearly 2,000 initiatives in the year, including sorting 68,000 pounds of food at food banks, filling 13,500 backpacks with school supplies for children in need and serving 27,000 healthy meals to feed the hungry. Through our TELUS Days of Giving, we are inspiring hope and improving the circumstances of tens of thousands of our fellow citizens.



The impact of our team's commitment to giving back is also felt in our communities around the globe, with thousands of team members volunteering their time each year. For example, in the Philippines, where our team members have been giving back for a decade, 2,800 volunteers refurbished an underfunded and overpopulated elementary school in 2018, improving educational outcomes for the 6,000 students who attend Kamuning Elementary School and Quezon City High School. Similarly, at our 2018 TELUS Days of Giving in Quetzaltenango, Guatemala, more than 400 team members helped to build a health centre – the first in the history of TELUS Days of Giving – benefitting more than 19,000 citizens in the community.



Darren Entwistle volunteered alongside 800 dedicated members of our TELUS family for our annual TELUS Days of Giving in Sofia, Bulgaria. Twelve-thousand trees were planted in the newly minted TELUS International Forest, reversing the destruction caused by severe insect damage in this previously lush environment.

Across Europe, team member volunteers have improved educational outcomes for tens of thousands of young people, building, renovating and revitalizing schools around the region, including the Louis Braille school for visually impaired children in Sofia, Bulgaria. For three consecutive years, during our TELUS Days of Giving, our team from TELUS International Bulgaria worked with the school to improve the living and educational facilities – including a completely new library – ensuring all students have access to the tools and support to help them realize their full potential. From promoting inclusion through our Pride initiatives in the Philippines to holding a “cyclo-thon” in support of children’s rights in India to building two classrooms and a computer lab for 600 underserved children living in the El Progreso Community, Santa Tecla, El Salvador, we are focused on growing our business around the world, while at the same time, making a positive contribution to the communities where our teams members

live and serve. The increased team member engagement engendered by our commitment to community is a key factor in our ability to recruit, retain and inspire our team, who ultimately drive the success of our business, enabling us to reinvest in our global communities and generate meaningful change across our TELUS International footprint.

### Caring for our youth, today and tomorrow

This passionate commitment to giving is further epitomized by our TELUS Community Boards. Our 18 Boards worldwide exemplify an innovative approach to charitable giving – one that puts decision-making in the hands of local leaders who know their communities best to ensure our resources are accessible to local grassroots organizations and yielding the desired social outcome. From the launch of our first TELUS Community Board in Edmonton in 2005, to building a much-needed school for children and their families living on the outskirts of a landfill in Guatemala City with our TELUS International team, this concept has transformed into a critical funding model focused on improving social and health outcomes for youth around the world, whether it be in education, the performing arts, science, technology, social entrepreneurship or environmental conservation. Since that first life-changing discussion in 2005, our amazing TELUS Community Boards have contributed \$72 million to 7,000 grassroots programs, helping two million youth each year.

### Engendering social responsibility and volunteerism within our youth

Building on the incredible work being done by our Community Boards, our TELUS family is also helping to enable the success of our young people in a challenging world. Through our technology innovation, we are connecting youth to the enormous educational, social and philanthropic opportunities surfaced by our digital society. Moreover, by embracing critical partnerships like those with WE Charity, we are providing our future leaders with the tools and inspiration to engage as agents of change. Indeed, as the national sponsor of WE Day since 2007, we have introduced millions of young people to the importance of volunteerism and the desire to generate lasting social change.

### Assuring a friendly future in perpetuity

As the capstone of the good we have done in our communities over the past two decades, we created the [TELUS Friendly Future Foundation](#) following the sale of TELUS Garden, our corporate home in Vancouver. Enabled through an unprecedented \$120 million gift from TELUS – the largest donation made by a publicly traded Canadian company in history and one of the largest ever in North America – the Foundation exemplifies our connection to both our communities and our customers and will build on the meaningful work being done by our TELUS Community Boards. Indeed, by reinvesting the profit from the monetization of TELUS Garden into creating a sustainable funding model to support our crucial social endeavours in perpetuity, our team is demonstrating that social capitalism is very much at the heart of our social and economic purpose. This seminal event in the history of corporate giving is a reflection of our enduring commitment to fuse technology, social innovation and human compassion to provide a friendlier future for vulnerable young Canadians.

### Leadership in social purpose is symbiotic with our leadership in business

To us, doing well in business and doing good in our communities are mutually inclusive. Our leadership in social capitalism is reflective of our world-leading results in respect of team engagement, customer outcomes, financial results and shareholder value creation.

### Delivering best-in-class results

Once again, in 2018, TELUS achieved industry-leading customer growth, with 474,000 total net client additions across our wireless and wireline businesses, establishing a leadership margin of 111,000, or more than 30 per cent, as compared to our closest national peer. In addition, we realized industry-leading customer loyalty, inclusive of achieving the best combined retention levels on record across all of postpaid wireless, high-speed Internet and best-in-class Optik TV. Moreover, 2018 marked the fifth consecutive year in which TELUS achieved postpaid wireless churn below one per cent – a globally leading

accomplishment. Indeed, our unsurpassed customer loyalty is the product of a highly engaged team, motivated by a social purpose that reflects our dual focus on putting our communities and our customers first. When customers choose to do business with TELUS, they understand it is reciprocated by the positive social outcomes we support in their communities.

TELUS also delivered a strong financial performance, as reflected in our healthy revenue and EBITDA expansion. Additionally, our free cash flow grew by 24 per cent in 2018, which led the Canadian industry. Our leading wireline revenue contributed to wireline EBITDA growth that led the industry for the second consecutive year. Notably, 2018 marked our sixth year of wireline EBITDA growth, a performance unrivalled among our global incumbent peers.

### Delivering the best dividend growth program

Thanks to our consistently strong and industry-leading operational and financial results, TELUS continues to return significant capital to our shareholders whilst maintaining a robust balance sheet and simultaneously making significant capital investments in advanced broadband technologies. In 2018, we announced two more dividend increases, in line with our current dividend growth program, which is targeting annual growth of between seven and 10 per cent through 2019. Since we established our first three-year dividend growth program in 2011, our cash dividend to shareholders has more than doubled. We have now returned \$16 billion to shareholders since 2004, including \$11 billion in dividends, representing over \$27 per share. This is the most attractive, long-standing and consistent dividend growth program in the private sector.

### Delivering world-leading shareholder returns

TELUS continues to be the unparalleled leader in shareholder returns over the long term. Since the beginning of 2000 through the end of 2018, TELUS has generated a total shareholder return of 429 per cent, more than 250 points higher than the return for the Toronto Stock Exchange's S&P/TSX Composite Index of 173 per cent and dramatically overshadowing the MSCI World Telecom Services Index return of negative seven per cent over the same period. During

the 15 multi-year time periods since 2000, for the years ending from 2004 until today, TELUS' total shareholder return was number one in the world versus its incumbent peers 13 times, surpassing the second place finisher by an average of 48 percentage points over those periods. As of June 6, 2019, our total shareholder return since 2000 is 503 per cent, a substantial 122 per cent higher than our closest global peer and better than the TSX by 296 per cent.

Our long-running global leadership in giving back, team member engagement, customer service excellence and total shareholder return is no coincidence, but rather, empirical proof of our social capitalism thesis and the inextricable link between the economic vibrancy of our company and the welfare of the communities we serve. Importantly, these returns support the retirement and other savings of our more than 600,000 shareholders, as well as the millions who own TELUS shares in pension and mutual funds in Canada and around the world.

#### Honouring our tax obligations

A reflection of our enduring belief in the profound connection between the success of our business and the welfare of our communities is our commitment to tax morality. Since 2000, we have contributed \$39.1 billion in total tax remittances, including payroll taxes and spectrum renewal and purchase fees, to our federal, provincial and municipal governments. Last year alone, we supported our communities through tax remittances totalling \$2.6 billion, inclusive of remitting \$586 million in payroll income taxes on behalf of our middle-class Canadian team members. By paying our taxes transparently and fairly, TELUS is supporting economic, educational, cultural, environmental and health opportunities for our fellow citizens.

#### Building value in our company's brand

Clearly, TELUS is establishing a leadership example in the holistic economics of what it means to conduct good business. In the same way that social capitalism is aligned with our strategy, technology investments and culture, it is also explicitly aligned with our brand and the promise it represents. TELUS

remains an industry leader in brand resonance, having increased the value of the TELUS brand from a few hundred million dollars in 2000 to nearly \$10 billion in 2018, as assessed by Brand Finance. Our brand value is a symbol of the trust Canadians have placed in our company and the affinity they hold for an organization that shares their values – a company that delivers on their brand promise of a friendly future.

#### Advancing social capitalism in 2019 and beyond

Inspired by our social and business leadership over the past two decades, we approached 2019 with our typical sense of purpose, as reflected in the financial, community giving and social impact targets we set for the year. This includes underlying growth in revenue of up to five per cent, EBITDA of up to six per cent and earnings per share of up to 10 per cent. In addition, our 2019 outlook for free cash flow, before income taxes, dividends and spectrum payments, is robust, at up to 29 per cent growth.

Our 2019 goals for community giving and social impact include: inspiring 40,000 members of our TELUS family to volunteer for TELUS Days of Giving

### 2019 corporate priorities

Our corporate priorities help guide our actions as we execute on our national growth strategy.

- Honouring our customers, communities and social purpose by our team delivering on our brand promise
- Leveraging our broadband networks to drive TELUS' growth
- Fuelling our future through recurring efficiency gains
- Driving emerging opportunities to build scale in TELUS Health and TELUS International.

and contributing 1.1 million volunteer hours for the year – both increases of 10 per cent – as well as connecting a cumulative total of 60,000 vulnerable Canadians with our world-leading technology through our TELUS Internet for Good, TELUS Mobility for Good and TELUS Health for Good programs by year-end. Also, our total giving target is to contribute \$50 million to charitable organizations, and to fundraise over \$4 million for the TELUS Friendly Future Foundation. In addition, having surpassed our 2020 goals in energy and greenhouse gas reduction, in 2019 we will focus on making additional progress in achieving our 90 per cent waste diversion target by 2020, further reducing our environmental footprint.

Our unwavering commitment to leveraging our technology to improve outcomes for our fellow citizens, combined with our track record of generating world-leading operating financial and shareholder results, defines TELUS as the leader in social capitalism – perhaps the only sustainable form of capitalism in our world today. By continuing to deliver exceptional experiences and value for our communities, customers, team members and shareholders, we will make the economic and social investments necessary to deliver on our promise of a friendly future for all.

Thank you for helping advance our social purpose.



Darren Entwistle  
Member of the TELUS team since 2000  
June 25, 2019



# TELUS in 2018

**DJSI World Index** 3rd consecutive year

**Environmental Management System**  
ISO 14001-2015 certified

**\$2.9 billion** in capital investment, supporting the most advanced communication technology available globally

**1.7 million** Canadians have taken the TELUS Wise digital Pledge, committing to being kind online

Named to Corporate Knights  
**Best 50 Corporate Citizens**  
in Canada

**22,407 MWh** in renewable energy purchased

Launch of the  
**TELUS Friendly Future Foundation**  
made possible by an unprecedented  
**\$120 million** endowment from TELUS

Since 2000, **\$1.2 billion** in value given to our communities through **\$650 million** in financial support and **1.21 million** volunteer days

**26.9% reduction**  
in absolute GHG emissions compared to 2010

**11.6% absolute reduction**  
in energy use compared to 2010

The background of the image features several purple globe thistle flowers. One flower in the foreground is in sharp focus, showing its intricate, spherical structure of tiny purple blossoms. Other flowers are visible in the background, but they are out of focus, creating a bokeh effect. The overall color palette is dominated by vibrant purples and lush greens.

**MANAGING  
SUSTAINABILITY  
AT TELUS**

# Stakeholder engagement and materiality

## Approach

Doing good business means listening to and considering the expectations of the people and groups we impact, or who impact us, through our operations. Fostering these relationships is critical to the ongoing success of our business.

We are committed to integrating stakeholder engagement and related outcomes within our governance, strategic planning and decision-making processes, as well as our operations. We also rely on our stakeholders to provide a diversity of input that helps inform our sustainability strategy, validate material issues and identify emerging issues.

The following is a non-exhaustive prioritized list of various groups that we consider stakeholders for the purpose of our sustainability strategy:

- Customers, employees, shareholders, debt holders, Board of Directors
- Governments, NGOs, suppliers and strategic partners
- Community partners, responsible investment organizations, Community Board members
- Indigenous peoples and their communities
- Credit rating agencies, sustainability indices and rating agencies
- TELUS alumni and retirees, Community Ambassadors
- Peer organizations, academic organizations and media.

We routinely assess and prioritize our key stakeholder groups based on our various stakeholder engagement and benchmarking activities. We also seek to continuously improve the ways in which our stakeholders have access to provide us feedback on the topics important to them.

## Identifying material issues

In 2018, we continued to host stakeholder engagement activities that are core to our approach. We once again conducted internal sustainability surveys and convened focus groups with the assistance of third-party agencies to help us validate and prioritize our material issues and help identify emerging issues.

Additionally, we conducted an innovative community-focused stakeholder engagement pilot in Surrey, British Columbia. We engaged over 1,200 members of the community in malls, libraries, schools, at the local food bank as well as at meetings with specific groups such as seniors, Indigenous Peoples, new Canadians and first responders. We asked community members a series of questions to help us understand what societal issues were most important to them and also how they believed TELUS could help address these issues.

Following this stakeholder engagement exercise, in late 2018, and into early 2019, we engaged [AccountAbility](#) to assist us in applying a methodology and framework to assess what we heard from our stakeholders and further determine, validate and prioritize our material issues. This work continues into 2019.

This assessment validated a number of our foundational material issues and also led to the identification of several key other issues where we may be able to further leverage our technology to make an impact as well as other emerging issues. We also received more than 100 ideas on how TELUS could provide equal access of our technology solutions, promote responsible use of our technology and leverage our technology for good. Our purpose – revolutionizing access to healthcare, caring for the environment, creating a friendlier online world and building stronger communities – is aligned with many of the key issues identified.

We plan to leverage this framework to help inform our organizational purpose and identify opportunities for value creation. Lastly, we intend to take what we heard and design and implement long-term strategies to improve TELUS' performance and maximize our impact. These efforts remain a work in progress.

In 2019, we will continue to:

- Assess what we learned through our 2018 stakeholder engagement activities and leverage our work with AccountAbility
- Enhance ongoing stakeholder engagement activities and implement ideas and feedback
- Participate in industry-related dialogues, workshops and internal discussions
- Complete regular research, benchmarking and media-scanning activities
- Seek ways to further align business objectives and targets to the Sustainable Development Goals (SDGs).

## Foundational Material Issues

**International principles:** UNGC principles and UN Sustainable Development Goals

**Governance:** Ethics, integrity, privacy, transparency and trust

**Value Chain:** Strong economic performance, supporting team members, supply chain sustainability

**Customers First:** Network reliability, legal and regulatory compliance, business continuity

## Material issues identified through Surrey BC pilot

Alignment to purpose	Revolutionizing access to healthcare	Caring for the environment	Creating a friendlier online world	Building stronger communities
TELUS has mature strategy and programs	Healthcare system capacity constraints	Environmental impacts and climate change	Cyber and virtual safety	Social disadvantage
	Healthy living and promotion of wellbeing			
TELUS is increasing business focus and innovation	Senior citizen wellbeing	Sustainable and resilient cities	Youth at risk	Physical and property safety
			Equal access to education	
TELUS is assessing risk and opportunity for shared value	First responder wellbeing			Population growth and demographic change





# Good governance

At TELUS, we have a long-standing commitment to sound and effective corporate governance and full and fair disclosure practices. We continually review and enhance these practices to achieve higher standards and pursue greater transparency and integrity year after year.

Each year, we set corporate priorities to advance our growth strategy and put our customers first. We also implement initiatives that help us achieve good governance, such as beginning the process to implement the recommendations from the [Task Force on Climate-related Financial Disclosure \(TCFD\)](#). For governance initiative details, please see our [Annual Report](#), our [2019 Information Circular](#) and for TCFD, our [Annual Information Form](#).

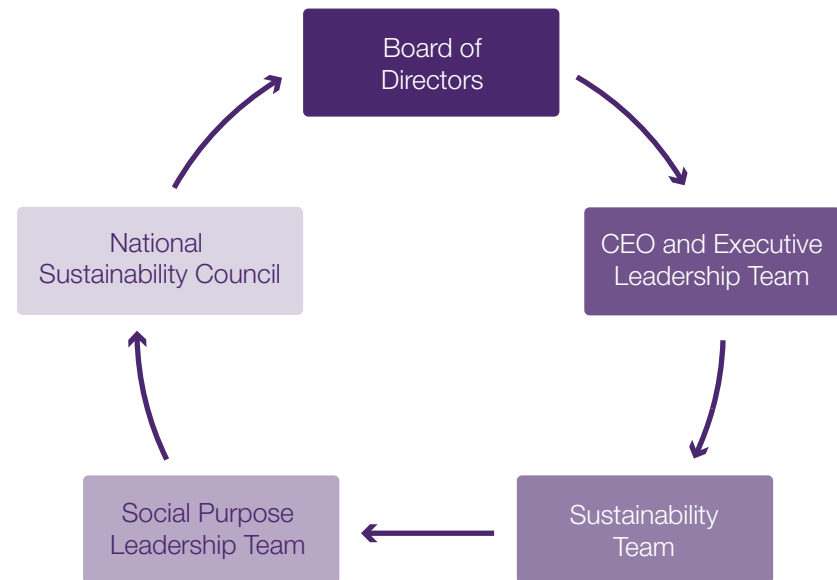
In 2013, we introduced our innovative Integrity Index, which includes internal and external measures of compliance to codes of conduct, senior manager behaviour and training effectiveness. We continue to do good business and have maintained consistent results over the past six years, realizing an improvement from a 2017 result of 93.21 to 93.73 in 2018. These practices provide the foundation of sustainability leadership at TELUS, which is supported by the following considerations:

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

# Sustainability governance

TELUS believes in the importance of linking organizational sustainability performance to pay. Therefore, we include a sustainability index in our corporate scorecard that includes environmental and social impact metrics, the results of which impact every team member's compensation. For details, please see TELUS' [2019 Information Circular](#).

The TELUS Board of Directors has overall responsibility for our sustainability performance. Our Chief Executive Officer and Executive Leadership Team are responsible for the approval of the overall strategic direction of our sustainability programs and report on these matters to the Board of Directors.



Our Social Purpose Leadership Team (SPLT) is made up of senior leaders from all TELUS business units. They are accountable for integrating social purpose throughout our company in collaboration with our Sustainability and Corporate Citizenship and Communication teams. The SPLT also helps to nurture a culture of sustainability, reviews progress against our objectives and assesses new or ongoing initiatives.

The Sustainability and Environmental Compliance Team provides quarterly progress updates to the Corporate Governance Committee of the TELUS Board of Directors and other relevant updates to the Board as required.

Our National Sustainability Council (NSC) is made up of a diverse group of more than 20 employees who dedicate up to 10 per cent of paid working time to deliver on its mandate: to champion enterprise-wide alignment and integration of sustainability initiatives, as well as provide a framework for coordinating local and national sustainability initiatives.

Council members create impact through three resource groups focused on:

- Behaviour change: to reduce natural resource use (i.e. energy/paper/waste)
- Communication: to support sustainability education and training
- Green Team growth and support: to better coordinate and measure volunteer activity and impact.

Local TELUS employees are doing good by volunteering for Green Teams across the company. In 2018, our Green Team volunteers hosted 30 events, including 10 shoreline cleanups, a national mobile device recycling initiative and multiple clothing drives. This led to removal of 250 pounds of garbage from shorelines, the recycling of 500 devices and upcycling of more than 1,000 clothing items.



# Risk management

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

- Operations
- Reliability and integrity of financial reporting
- Compliance with laws and regulations, policies procedures and contracts
- Safeguarding of assets within an ethical organizational culture.

Consistent with our balanced approach to business, our enterprise-wide risk and control assessment practices solicit and incorporate the expertise and insight of employees from all areas and levels of the organization, including our Board of Directors. We seek to continuously improve enterprise risk governance by voluntarily:

- Assessing perceptions of risk resiliency, risk appetite and risk management integration in key decision processes
- Assigning executive-level owners for managing and mitigating key risks, including climate-related 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 [2018 annual MD&A](#).



# Targets and Sustainable Development Goals

TELUS has joined many other Canadian companies to advance progress toward the 17 United Nations (UN) Sustainable Development Goals (SDGs) in partnership with the Global Compact Network Canada (GCNC). The SDGs include transformative global targets that intend to shape policy development, organizational strategy and stakeholder engagement through 2030.

In 2017, we set targets that focused on social outcomes in the following areas:

- Transforming healthcare
- Providing access to education for children and youth
- Enabling the digital economy
- Fostering more inclusive and equitable communities
- Caring for our environment
- Creating a sense of online safety, security, protection and respect of privacy.

We also aligned these social outcomes to relevant Sustainable Development Goals. We believe our strategy and actions will drive our performance in realizing these specific global goals.







We continue to make good progress toward these six targets. We have exceeded three targets and remain on track to meet the remaining three by 2020. These targets are continually being assessed, and in 2019, our objective is to determine revised impact targets for some of our current targets, set new timelines to achieve these goals, and also determine if there are any new impact goals aligned to SDGs that can be created. We will communicate the outcomes of this process in our 2019 Sustainability Report.







In addition to focusing on these six SDGs and targets, in 2018, TELUS began participating in a Gender Equality Project (supporting SDG 5 – Gender Equality), which is facilitated by the GCNC in conjunction with the Government of Canada’s Minister of Status of Women. The GCNC’s expected outcome of this

three-year project is a Gender Equality Blueprint that will become a common framework to lead Canadian companies on the path to gender equality in the workplace and beyond.

Please see the table below which demonstrates how TELUS is doing good.

## Looking forward to 2020

<p>Health <b>85K</b></p> <p>Primary and extended healthcare providers using TELUS technology to connect to each other and their patients</p> 	<p>Education <b>250K</b></p> <p>Canadians and youth located in other countries reached through our informative and interactive TELUS Wise workshops</p> 	<p>Digital Economy <b>140</b></p> <p>Communities connected through PureFibre build</p> 
<p>Community <b>\$600M</b></p> <p>Donated to local charities since 2000</p> 	<p>Environment <b>25%</b></p> <p>GHG emissions reduction over 2010 and levels</p> 	<p>Privacy &amp; Trust <b>7.5M</b></p> <p>Canadians reached through TELUS Wise</p> 

SDG	Progress	Related SDG Target
	Exceeded	85,769 primary and extended healthcare providers using TELUS technology to connect to each other and their patients. A revised impact target is being considered in 2019.
	On track	190,000 Canadians and youth located in other countries reached through our informative and interactive TELUS Wise workshops. This target has been revised from previous years.
	On track	81 communities connected through PureFibre with 15 communities in progress. In our 2017 report, we misstated that 85 communities had been completed when in fact it was 75. We are at risk of missing this target by 2020.
	Exceeded	\$682M donated to local charities since 2000. A revised impact target is being considered in 2019.
	Exceeded	26.8% GHG emission reduction over 2010 levels. New targets will be set in 2019.
	On track	7M Canadians reached through TELUS Wise programs. A revised impact target is being considered for 2019.

In addition to focusing on these six SDGs and targets, in 2018, TELUS began participating in a [Gender Equality Project](#) (supporting SDG 5 – Gender Equality), which is facilitated by the GCNC in conjunction with the Government of Canada’s Minister of Status of Women. The GCNC’s expected outcome of this

three-year project is a Gender Equality Blueprint that will become a common framework to lead Canadian companies on the path to gender equality in the workplace and beyond.

# Ethics

At TELUS, good business is based on our culture of ethical behaviour. We value integrity and transparency. These values ultimately shape the decisions we make as an organization, which are guided by our [Code of Ethics and Conduct](#). Our Code addresses a wide range of critical topics, including but not limited to:

- Avoiding conflict of interest
- Safeguarding our brand and reputation as well as our company's assets, information and intellectual property
- Protecting our customers' data and privacy
- Accepting gifts and benefits.

All team members, including security personnel, as well as our suppliers, vendors, community partners and members of our Board of Directors and TELUS Community Boards share this commitment to personal and professional integrity. The Code is updated and shared annually, and can be found on TELUS' internal and external websites.

## TELUS EthicsLine

Through the [TELUS EthicsLine](#) (1-888-265-4112 or [telus.ethicspoint.com](http://telus.ethicspoint.com)), employees and external stakeholders can raise anonymous and confidential questions or file complaints related to accounting, internal controls or ethical issues.

In 2018, 665 contacts were made to the Ethics Office, with callers seeking advice on ethical situations or making complaints. This represents a 5 per cent decrease over the 702 similar contacts made in 2017, which can be primarily attributed to a decrease in ethical complaints. Of these 665 contacts, 501 <sup>A</sup> were inquiries and complaints relating to our Code of Ethics and Conduct.

## Contacts to the Ethics Office

Type	2018	2017	2016
Requests for advice	212	181	136
Ethical complaints	289	394	356
<b>Total calls</b>	<b>501</b>	<b>575</b>	<b>492</b>

In 2018, there were 164 <sup>A</sup> breaches of TELUS' Code of Ethics and Conduct involving 168 employees, compared with 127 breaches involving 190 employees in 2017. The most frequent violations were related to breaches of company policies. No breaches related to an officer of TELUS or involved the integrity of our financial reporting.

Detailed reporting on all EthicsLine activity, including nature of complaints or inquiries received, as well as breaches determined including type, location, business area and tenure of employee, is shared with the Audit Committee and Human Resources and Compensation Committee of our Board of Directors on a quarterly basis.

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 employee. Almost 70 per cent of employees receiving discipline had five years or less of service.

## Discipline for breaches of ethics

Corrective action	2018	2017	2016
Employment terminated	126	136	116
Employment suspended	17	22	25
Letter in employment file	19	26	24
Team member resigned	6	6	13
<b>Total employees disciplined</b>	<b>168</b>	<b>190</b>	<b>178</b>

A close-up photograph of several green leaves, showing their intricate vein patterns. The leaves are layered, with some in the foreground and others behind, creating a sense of depth. The lighting is soft, highlighting the texture of the leaf surfaces. Centered over the leaves is the text "OUR PURPOSE" in a clean, white, sans-serif font. The word "OUR" is in a lighter weight, while "PURPOSE" is in a bold, uppercase font.

OUR **PURPOSE**

## Creating an amazing future

At TELUS, we believe that doing well in business involves doing good in our communities. We are committed to leveraging our world-leading technology to help those who need our support the most and enable remarkable human outcomes in our all-connected world.

We are a social capitalism company, investing to bridge digital, social and economic divides and connecting people to what matters most:

- Better health outcomes
- Caring for the planet our children will inherit
- Advancing educational opportunities for our future leaders
- Keeping people safe in our digital world.





# Revolutionizing access to healthcare

We believe that technology will have an important impact on delivering better health outcomes for Canadians. From connecting doctors and other health practitioners with one another and their patients to harnessing information to make prevention and wellness more accessible to everyone, we are committed to providing reliable healthcare products and services that empower patients and their providers.

With over 2,600 dedicated team members and over \$2.5 billion invested in health since 2008, TELUS Health is creating opportunities by:

- 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 processes more efficient for employees, companies and insurance providers
- Allowing hospitals, governments and health system managers to analyze information to identify best practices, evidence-based treatments and quality improvements
- Empowering Canadians to manage their health at home and wherever life takes them.

We believe that the current state of Canadian healthcare is not sustainable. According to the Canadian Institute for Healthcare Information, national spending on healthcare in current dollars was \$100 billion in 2000, \$200 billion in 2011 and now stands at over \$250 billion. Healthcare experts agree there is a dire need for increased patient satisfaction, experience, and safety, as well

as improved clinical access and decreased costs. We have identified five key issues where health information and our communications technology can make a positive difference:

1. Chronic disease management
2. Medication errors and non-compliance
3. Long wait times and poor access
4. Lack of focus on prevention and patient self-management
5. The need for performance improvement.

## Chronic disease management: the technologies that are leading to improved health experiences

A 2018 report from the Public Health Agency of Canada states that 16 per cent of the Canadian population reports they have been diagnosed with at least two of the 10 common chronic diseases. Furthermore, it is estimated that Canadians over 60 years of age generally have three or more chronic diseases.

Diabetes affects three million Canadians, cardiovascular disease is the underlying cause of death for one in three people, and cancer represents at least nine per cent of total healthcare costs across the country – and this is just a snapshot of the chronic illnesses affecting Canadians.

We believe that the most effective chronic disease management programs: are patient-centric; encourage self-management; are built on evidence-based outcomes; and supported with leading tools and technology such as:

- Electronic Medical Records (EMR): capturing, organizing and displaying patient data in a customizable, user-friendly way – aiding in identifying those at risk and those requiring routine screening
- Personal Health Records (PHR): sharing data securely between patients and healthcare professionals and giving patients a way to manage their own health

- Remote Patient Monitoring: allowing physicians to closely monitor patients – no matter where they are
- OACIS Clinical Information System: providing a consolidated patient history leveraging existing health infrastructure in a way that gives clinicians access to the most timely and accurate data.

## Medication errors and non-compliance

Adverse drug effects, prescription errors and patients not taking their medication are widespread issues across the country:

- Four million prescriptions have been lost or damaged by Canadians
- Nearly 1.7 million Canadians returned to their doctor for a new prescription.

In fact, the most common reason for a visit to hospital emergency rooms is bad medication management. According to a World Health Organization report, medication non-adherence accounts for five per cent of Canadian hospital admissions and five per cent of physician visits, resulting in an additional \$4 billion in health care costs annually. Additionally, the rising cost of drugs is putting pressure on patients, employers and governments.

To help optimize drug selection for patients, enable easy identification of drug interactions and ensure appropriate therapy management, we offer several clinical decision support tools to deliver greater patient outcomes, including:

- Drug Information System (DIS): connecting pharmacists, physicians and other authorized healthcare providers to view and contribute to patient medication profiles
- TELUS Health Integration Platform: securely connecting pharmacists, physicians and other healthcare professionals to a patient's Electronic Health Record (EHR), empowering teams with the accurate, complete, up-to-date information they need to provide comprehensive care
- TELUS Pharma Space: a tool that allows patients to view the drugs entered in their profile, request prescription refills, and track prescription status

## Long wait times and poor access

According to the Canadian Institute for Health Information, many Canadians are unhappy with wait times and access to care and Canada continues to earn low scores related to wait times in international rankings.

There is a need to optimize the healthcare system's scarce resources to improve communications and enhance the patient experience. To help improve access and increase visibility for various organizations, we offer TELUS iScheduler, a centralized platform that allows for the more efficient coordination of time, people and resources.

## Lack of focus on prevention and patient self-management

Canada lags behind other countries when it comes to providing tools and technology to help patients manage their own care. Patients want:

- Remote and home monitoring technologies that can help them make more informed decisions
- Electronic health records that are accessible to themselves and their care-givers.

Online health tools are available to help individuals maintain healthier lifestyles, understand their risks for chronic disease and other conditions, modify their behavior to mitigate the risks, and if they have an illness, effectively manage it. Our EMR, PHR and Remote Patient Monitoring solutions offer patients, doctors and pharmacists increased collaboration and efficiency in addition to better patient outcomes.

## Performance improvement

In Canada, the majority of healthcare experiences happen at the community level, in isolated patient encounters with health professionals who operate separately from one another. This has led to a financially inefficient system.

Much-needed change is possible through technology innovation. TELUS Health tools allow us to partner with stakeholders across the health sector to deliver critical improvements to:

- Consumers
- Physicians
- Pharmacists
- Health regions
- Hospitals
- Insurers
- Employers
- Workers' compensation boards
- Allied healthcare providers such as chiropractors, physiotherapists and massage therapists.

## Improving the delivery of healthcare, one story at a time

The four stories that follow, showcase how TELUS Health is working with some of the best technology providers in the world, health partners, and storytellers to:

- Raise awareness of the opioid crisis with the aim of saving lives
- Deliver apps that give physicians seamless and mobile access to patients Electronic Medical Records
- Offer those living in rural regions access to healthcare professionals from the comfort and safety of their own home
- Deliver healthcare anywhere and anytime it's needed.

## Painkiller: Inside the Opioid Crisis is a TELUS documentary aimed at raising awareness and saving lives

The global opioid crisis is reaching epidemic proportions. In 2017, there were nearly 4,000 apparent opioid-related deaths in Canada. In September 2018, The Globe and Mail newspaper revealed the opioid crisis is leading to the death of 11 Canadians daily. They also said life expectancy in British Columbia has dropped for the first time in decades – and threatens to do the same across Canada.

A TELUS Health Originals documentary, directed by Mathew Embry, shines a spotlight on the social crisis Canadians are facing. “People are dying of drug overdoses in unprecedented numbers,” says Dr. Patricia Daly, Chief Medical Officer, Vancouver Coastal Health.

“And most of those deaths are caused by what we call opioid drugs. These are a class of drugs that include heroin, morphine; they include some legal drugs and illegal drugs. Most of the deaths occurring now are because we have a contamination of the illegal drug supply with a drug called Fentanyl.”

Dr. Daly is just one of the experts featured in this compelling 42-minute TELUS-produced documentary aimed at raising awareness of what Fentanyl is, how lethal it can be, and how it is gravely affecting all corners of our country. Embry, speaks to frontline responders, border services and addiction specialists who provide their perspective on the underlying problem to this ongoing crisis. He also shares the very personal accounts of families whose loved ones, tragically, did not survive.

“What many people do not understand is that no socio-economic group is spared in this crisis – rather, it affects all Canadians – our children, our neighbours, our friends and our families,” says TELUS CEO, Darren Entwistle.

“As a company committed to creating better health outcomes for Canadians through better health information, these statistics are unacceptable. As an organization with a strong health services division, we know something can be done.”

“We want millions of our fellow Canadians to see this film and to change the conversation around addiction,” he added.

Painkiller: Inside the Opioid Crisis was launched November 28, 2018. As of March 31, 2019, the documentary had been viewed 165,000 times, triggering a \$50,000 donation from TELUS. Funds go to organizations providing critical care to those in need through our Health for Good program and our Mobile Health Clinics, powered by TELUS Health.

[Watch Painkiller](#) now.



## TELUS EMR Mobile makes for seamless workflow for physicians on the go

On after hours calls, physicians need quick and easy access to their patient's medical records. With TELUS EMR Mobile, doctors can quickly access basic patient information, including health conditions, medications, lab results and past consultations.

This free mobile app, launched in 2014, provides physicians using TELUS EMR seamless access to Electronic Medical Records (EMR) from either an Apple or Android Device – in the clinic, at home or on the road. Doctors can upload photos directly to charts, quickly view basic medical records, check their schedule or contact the patient. Beginning in 2018, physicians can view lab

results while on the go. This allows them to make quick and informed decisions based on test results by taking prompt action right from their mobile device.

“Being at a home visit and being able to look up a patient's history to remind myself of some of the previous troubles they've had, is very useful,” said Dr. Adrian Morris, a family physician in Kelowna, B.C., and EMR user since 2004. “I think TELUS is showing a commitment to making things easier for us and that makes me happy to be on board.”

“Some things can be hard to describe by typing up a note. Putting a picture into the chart saves a lot of typing, it saves a lot of time, and you can sequentially see people at one to six months and see a dramatic improvement,” said Dr. Morris.

The app also includes an address book to reach other providers involved in the patient's care team and the technology is also helping provide seamless workflow. Over 13,000 Canadian healthcare professionals are using the TELUS EMR Mobile app.

“In a very baseline way, TELUS EMR Mobile adds value to my practice, but on a day-to-day basis it adds value to my life,” said Dr. Marc Lindy, a podiatrist in Vancouver, B.C.

## Helping chronic care patients stay healthy and at home

In remote communities in British Columbia – where long drives over twisting and dangerous roads are a reality – just getting to the hospital can be a health risk. A new Home Health Monitoring (HHM) service offered through the province's Community Paramedicine (CP) program is supporting residents in rural regions that have traditionally had a small network of healthcare professionals.

The CP program was designed to help rural and small communities fill in gaps in healthcare and also stabilize the staffing of paramedics. The first phase began in April 2015, with the selection of nine prototype communities in the Northern, Interior, and Vancouver Island Health Authorities. A provincial rollout began in April 2016, with the selection of an initial 76 rural and remote communities. The

final phase of implementation began January 4, 2018, with the introduction of rural advanced care community paramedics in larger communities.

The program empowers patients to track their health from the comfort of their own home.

“HHM is a natural fit for the CP program,” says Rita Jervis, TELUS Health’s Director of Transformation Services. “The two programs have the same goals: engage and educate those most vulnerable to health emergencies.”

Easy-to-use equipment is provided at no cost to the patient through a partnership with TELUS Health and is delivered to the patient’s home by the community paramedic who will explain and demonstrate the system. Equipment consists of a tablet computer, weigh scale, blood pressure monitor and education binder. The tablet prompts patients to take measurements, perform activities or answer questions on a daily basis. The Community Paramedic checks in with the patient on a regular schedule to review the results. This drastically reduces the need to go to walk-in clinics or visit family physicians.

“There’s so many patients who say, ‘I want the Community Paramedics to come in, but I don’t want home support.’ So, it allows us to have someone in there,” said Dr. Shelina Musaji, Kaslo, B.C.

More than 100 community paramedics in 99 communities seeking additional healthcare services are using home health monitoring as part of the CP program.

Many chronic care patients are elderly and have never used technology before. While it is initially intimidating for them to sit down with the tablet, devices and TELUS’ HHM system, they quickly find that the equipment is very intuitive to use.

This new approach to chronic disease management is helping Community Paramedics build relationships and trust with patients, providers and the community as whole. The approach is focused on patients with five risk conditions: Chronic Obstructive Pulmonary Disease, diabetes, heart failure, being at greater risk of falls, and palliative. Patients are getting better care with

the proactive CP model – it helps prevent deterioration, ambulance calls, and hospitalizations.

“When patients can trust you, they will open up about what’s really bothering them instead of being scared of what their symptoms could mean,” says Chris Michel, Community Paramedic in Boston Bar, B.C. “And that’s when we can really help them.”

Patients using HHM are also more informed about their conditions.

“My daily work as a Community Paramedic is all about promoting health,” says Michel. “I visit and monitor at-risk patients. I hold health seminars and disease-specific workshops. I help people learn more about their conditions and how to self-manage their health. It’s fascinating, rewarding work.”

“By preventing daily emergencies, Community Paramedics stand to make a big difference in health in those hard-to-serve areas,” says Jeff Kingdon, TELUS Health’s Project Manager for the CP program.

## Partnering to deliver healthcare anywhere and anytime it’s needed with virtual care

Babylon and TELUS Health have teamed up to provide a new mobile app that lets you check symptoms, see a doctor and check your clinical records – all from your own phone. More than 50 per cent of Canadians find it difficult to quickly access after-hours medical care without going to an emergency department. More than six million Canadians also live in rural areas or have mobility issues. This app offers more than access to quality care, it offers peace of mind.

The partnership was announced in the fall 2018, and launched in March 2019. Canadians across the country who download the Babylon by TELUS Health app on iTunes or Google Play can immediately use the app’s artificial intelligence (AI) chatbot Symptom Checker. At launch, British Columbians were the first to get access to the app’s one-on-one video consultation feature, allowing them

to speak directly and privately with a B.C.-licensed family doctor. The Babylon by TELUS Health app complements existing healthcare services and provides another option for those who are unable to access non-emergency healthcare on evenings, weekends or holidays.

“At TELUS Health, we leverage the power of technology to deliver better health outcomes, empowering Canadians with the right tools, information and support they need to live healthier and happier lives,” said Juggy Sihota, vice president, Consumer Health. “Our partnership with Babylon, through a globally-leading virtual care solution, will enable consumers to get access to healthcare anywhere and anytime they need it.”

Babylon is a global leader in AI and digital health that delivers technology solutions to approximately three million direct members outside of Canada and is accessible to tens of millions more through the organization’s worldwide partnerships. Since the launch in Canada, more than 4,000 Canadians have downloaded the app. In 2019, a French language app and service will also become available to Canadians.

A recent study by the [Canadian Medical Association](#) found that 75 per cent of Canadians believe that new technologies could solve existing issues in our healthcare system. Further, seven in 10 Canadians would take advantage of virtual physician visits and many believe that it would lead to more timely and convenient care.

[Learn more about Babylon by TELUS Health.](#)

## Medisys On-Demand latest in workplace virtual care offering

On average, Canadians take two to six days off per year for medical visits. Each of those five-minute visits takes approximately two hours of time away from the workplace.

“The financial benefits of adopting virtual care can be significant,” says Juggy Sihota, vice president, TELUS Health. “More importantly, 24/7 access to healthcare for employees and their families provides peace of mind and reduces stress – both of which play a significant role in workplace wellness, happiness and productivity.”

TELUS Health is making Medisys On-Demand – a virtual healthcare app – available to customers. The app provides 24/7, personalized medical support to employees and their family members. It lets employees connect instantly with nurses and doctors via text and video chat.

Employees can benefit from the convenience of writing and renewing of prescriptions, accessing specialist referrals and lab requisitions as well as access to health records over the app.

Companies who already offer virtual healthcare solutions are seeing results. Their organizations are reporting reduced absenteeism because employees are initiating healthcare earlier, before minor issues have the potential to become more serious health problems.

[Learn more about Medisys On-Demand here.](#)

# Caring for the environment

## Doing good for our climate: reducing energy use and lowering our GHG emissions

When it comes to climate change action, we are leaders in our industry. Canada's climate is expected to undergo further substantial change and there is an increased risk of severe weather events such as heavy rainfall and related flooding, as well as dry spells and related forest fires. These events impact our ability to provide reliable service to our customers<sup>1</sup>.

As a social capitalism company, we are committed to following sustainable and responsible business practices and making decisions that balance economic growth with social and environmental benefits.

TELUS has a strong foundation of sustainability governance which supports our commitment to environmental stewardship and responsible corporate citizenship. This governance includes developing and implementing effective strategies, assessing and managing risks (including climate-related risks), setting targets and objectives as well as reporting on our progress and performance.

We understand our operations can have an impact on the environment and our Environmental Policy and Environmental Management System, certified to the ISO 14001:2015 standard, act as a guide and framework to manage and report on environmental risk.

We also understand there can be a financial impact on our operations from climate-related risks and opportunities. Therefore, we have disclosed relevant governance practices, strategies, risk management activities and targets in this report. TELUS continues to develop processes to quantify the potential financial impacts of climate-related risks and the costs of actions taken to manage these risks.

<sup>1</sup> [Impacts of Climate Change](#), Environment Canada (2018).

# Governance

The Corporate Governance Committee of the Board of Directors has a risk oversight role, which includes corporate social responsibility and environment matters, including impacts of climate change.

Our management team regularly assesses and manages climate-related risks in a variety of ways including:

- Having a sustainability index, including environmental and social metrics on our corporate scorecard
- Benchmarking through formal and informal materiality assessments
- Data and scenario analysis processes.

## Strategy

Our climate-related risk strategy includes three key components:

- **Mitigation:** focusing on absolute energy use and carbon dioxide emission (CO<sub>2</sub>e) equivalent reduction
- **Adaptation:** focusing on business continuity planning and readiness for the potential physical risks of a changing climate on our operations
- **Innovation:** to help customers realize their climate change targets through product and service solutions such as video conferencing.

## Risk management

Climate-related risks are assessed in our Enterprise Risk Governance and Management processes, which includes Board and Executive Leadership Team oversight, and are described in [Section 10.1 Overview of our 2018 annual MD&A](#) and updated in our quarterly MD&As as required.

## Metrics and targets

Doing good business means demonstrating results that reduce our impact on climate change. We have the following goals:

- Reduce our absolute domestic energy consumption by 10 per cent from 2010 levels by 2020
- Reduce our absolute domestic greenhouse gas (GHG) emissions by 25 per cent from 2010 levels by 2020.

We support the UNGC Principles on the environment, and our targets are aligned in support of UN SDG 13.

## Our GHG reporting approach

We are committed to transparent and relevant disclosure for our performance in addressing climate change. TELUS follows the [Greenhouse Gas Protocol](#) methodology when reporting energy usage and GHG emissions. We use emission factors collected from the [Canadian National Inventory Report](#) to calculate our results.

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

- **Scope 1:** direct energy sources such as fuel combustion that include natural gas, gasoline, diesel, propane and heating oil
- **Scope 2:** indirect energy sources such as electricity used to power our network and offices
- **Scope 3:** other indirect emissions sources such as air travel and employee commuting.

## 2018 highlights



11.6% reduction  
in energy consumption from 2010 levels.

26.86% reduction  
in GHG emissions from 2010 levels

500,000+ tonnes  
cumulative GHG emissions saved since 2010

22,407 MWh  
of renewable solar energy generated and purchased by  
TELUS as a part of a long-term Power Purchase Agreement  
from a new solar facility in Brooks, AB.



## Energy and GHG emissions

TELUS' energy footprint consists of direct energy and indirect energy for domestic owned and leased real estate properties, cell tower sites, vehicle fleet, and remote generator fuel that are within our operational control. 2010 was chosen as our base year for our targets because it is the earliest year in which we have reliable and consistent data.

### Energy consumption results

In 2018, we reduced our absolute energy consumption by 4.8 per cent year-over-year when compared to our 2017 results. We were able to achieve absolute reductions while driving increased customer growth and energy efficiency, and reducing our energy consumption related operational costs.

### 2018 highlights

- 12.3 GWh saved from continued focus on upgrade of power, cooling and LED lighting infrastructure in support of our future friendly® promise
- 45.1 GWh saved by improving our power use efficiency within our buildings and our network, including the turndown of redundant equipment, network power optimization and the elimination of real estate space
- 22.4 GWh of renewable energy was generated at a new solar farm in Brooks, Alberta in 2018. TELUS entered into a long-term Power Purchase Agreement, allowing the financial security needed for this renewable power generation facility to be built.

### Domestic energy intensity

eMWh	2018	2017 <sup>1</sup>	2016	2015	2014	2010
eMWh per Revenue (\$M)	78.102	87.979	97.500	102.947	110.766	129.682
eMWh per Customer Connection	0.083	0.090	0.098	0.103	0.108	0.120

1 eMWh includes domestic scope 1 and 2 energy sources

2 2017 eMWh intensity reflects 2017 adjusted revenue of \$13.408 million (was \$13.304 million).

In 2019, we will continue to focus on investment in network optimization, infrastructure upgrades, real estate space reduction, lighting retrofits and innovative renewable technology investment to drive future savings and absolute energy reductions. We also anticipate that we will have significant challenges due to the nature of our core business, which is energy intensive and driven by increased data usage and customer connections.

### GHG emissions results

In 2018, we demonstrated our commitment to doing good business by reducing our absolute GHG emissions by 9.6 per cent year-over-year compared to our 2017 results. We further reduced our net impact by 5.2 per cent with the realization of Eco-Logo Certified Renewable Energy Credits generated at the solar farm in Brooks, Alberta.

### 2018 highlights

- 57.8 GWh saved from energy reduction programs
- 9,800 tonnes CO<sub>2</sub>e reduced due to improved emission factors in Alberta for electricity generation as per the April 2018 Canadian National Inventory Report
- 1,878 tonnes CO<sub>2</sub>e reduced specifically from upgrading gas powered HVAC chillers to newer, more efficient electric powered HVAC chillers in our Calgary, AB locations.

### Domestic GHG emissions intensity

tCO <sub>2</sub> e <sup>1</sup>	2018	2017 <sup>2</sup>	2016	2015	2014	2010
GHG tCO <sub>2</sub> e per Revenue (M)	21.043	24.948	26.581	28.013	30.433	42.220
GHG tCO <sub>2</sub> e per Customer Connection	0.022	0.025	0.026	0.028	0.029	0.039

1 tCO<sub>2</sub>e includes domestic scope 1 and 2 energy sources

2 2017 GHG intensity reflects 2017 adjusted revenue of \$13.408 million (was \$13.304 million).

As our business grows, from a revenue and customer connection perspective, we are becoming 12 to 15 per cent more efficient year-over-year in terms of GHG emissions. In 2019, we will continue to focus on economically favourable renewable energy investments to further reduce our impact, continue to drive energy and operational costs efficiencies within our networks and buildings, and we will look for new ways to innovate and drive sustainable growth.

## International GHG emissions

In 2018, we measured a minor increase in GHG emissions at our international locations largely due to improvements in our ability to more accurately secure, analyze and disclose data for multiple sites year over year<sup>1</sup>.

<sup>1</sup> In 2017 data for operations in Bulgaria, Romania and Nevada, U.S. were added.

## Company-wide energy results

Company-wide energy consumption results	2018	2017	2016	2015	2014	2010
<b>Domestic energy consumption (eMWh)</b>						
Scope 1	292,366	313,788	355,956	352,624	388,084	416,099
Scope 2	829,815	865,847	891,951	934,422	941,333	853,754
<b>Domestic energy consumption</b>	<b>1,122,181</b>	<b>1,179,635</b>	<b>1,247,907</b>	<b>1,287,046</b>	<b>1,329,417</b>	<b>1,269,853</b>
<b>International energy consumption (eMWh)</b>						
Scope 1	1,913	4,000	2,235	824	913	0
Scope 2	43,193	39,018	30,521	28,574	27,226	16,093
<b>International energy consumption</b>	<b>45,106</b>	<b>43,018</b>	<b>32,756</b>	<b>29,398</b>	<b>28,139</b>	<b>16,093</b>
<b>International &amp; domestic energy consumption (eMWh)</b>						
Scope 1	<sup>A</sup> 294,279	317,788	358,191	353,448	388,996	416,099
Scope 2	<sup>A</sup> 873,008	904,865	922,473	962,996	968,559	869,847
<b>Company-wide energy consumption</b>	<b>1,167,287</b>	<b>1,222,653</b>	<b>1,260,664</b>	<b>1,316,444</b>	<b>1,357,555</b>	<b>1,285,946</b>
<b>Renewable energy</b>						
Renewable energy <sup>1</sup>	22,407	30,000	23,000	0	0	0

<sup>1</sup> 2018 Renewable energy from Brooks, AB solar farm REC's, 2016-17 from market REC purchases.

## Company-wide GHG emissions results

Company-wide GHG emissions results	2018	2017	2016	2015	2014	2010
<b>Domestic GHG emissions (tCO<sub>2</sub>e)</b>						
Scope 1	64,396	68,069	76,489	75,508	83,273	88,165
Scope 2	237,950	266,437	263,571	290,373	280,766	325,257
<b>Domestic GHG emissions</b>	<b>302,346</b>	<b>334,506</b>	<b>340,060</b>	<b>365,881</b>	<b>364,039</b>	<b>413,422</b>
<b>International GHG emissions (tCO<sub>2</sub>e)</b>						
Scope 1	465	863	247	212	230	0
Scope 2	26,413	24,181	20,418	19,160	18,431	10,169
<b>International GHG emissions</b>	<b>26,878</b>	<b>25,044</b>	<b>20,665</b>	<b>19,372</b>	<b>18,661</b>	<b>10,169</b>
<b>International &amp; domestic GHG emissions (tCO<sub>2</sub>e)</b>						
Scope 1	<sup>A</sup> 64,861	68,931	76,736	75,720	83,503	88,165
Scope 2	<sup>A</sup> 264,363	290,618	283,989	309,533	299,197	335,426
<b>Company-wide GHG emissions</b>	<b>329,224</b>	<b>359,549</b>	<b>360,725</b>	<b>385,253</b>	<b>382,700</b>	<b>423,591</b>
<b>Renewable energy GHG emissions reductions (tCO<sub>2</sub>e)</b>						
Renewable energy GHG impact <sup>1</sup>	17,119	23,700	18,330	0	0	0
<b>Net Domestic GHG emissions</b>	<b>285,227</b>	<b>310,806</b>	<b>321,730</b>	<b>365,881</b>	<b>364,039</b>	<b>413,422</b>


<sup>1</sup> 2018 Renewable energy from Brooks, AB solar farm REC's, 2016-17 from market REC purchases.

In 2019, we plan to continue to expand our renewable energy purchasing strategies and for the first time, establish renewable energy targets.

## Scope 3 emissions

We are doing good business by focusing on decreasing GHG emissions from our operations but also by collaborating with our suppliers and customers on meeting their own climate-related goals. For the past several years, TELUS has reported emissions linked to employee business travel and employee commuting. We commit to continue our analysis and seek process improvements so that we can better capture data that will help us develop strategies and action plans to reduce and report on Scope 3 emissions.

### Air travel

In 2018, emissions as a result of our employee air travel increased by 10.1 per cent to 8,528 tonnes CO<sub>2</sub>e from 7,734 tonnes CO<sub>2</sub>e in 2017. This increase is primarily the result of an increase in trips due to business growth. Similarly, emissions from our corporate and float planes also increased by 114 tonnes CO<sub>2</sub>e over the same period. In 2018, total emissions from air travel amounted to 9,453  tonnes CO<sub>2</sub>e. We use the [Small Emitters Tool](#) to help calculate these Scope 3 emissions.

In 2019, we intend to continue to leverage virtual meeting technology where possible to reduce the need for air travel.

### Employee commuting

In 2017, we made great strides in improving the way we collect data used to report the impacts of employee commuting. In 2018, we were able to realize further improvements by leveraging building access data to most of our buildings and combine this with employee commuting data from a survey to employees working at those buildings. This helped us establish a more accurate portrait of emissions resulting from employee commuting. More than 4,140 people responded, representing a 17 per cent sample of the domestic employee population of 24,855. This led to a margin of error of one per cent.

Our data shows that our Work Styles<sup>®</sup> program reduces our environmental footprint through reductions in commuting-related GHG emissions when employees can work from home.

## 2018 TELUS employee reduced emissions and savings

Total Domestic Employees <sup>1</sup>	Total km saved	Total hours of commuting saved	CO <sub>2</sub> e avoided (tonnes) <sup>2</sup>
24,855	146,749,073	2,924,020	18,055

1 Based on survey sample of 4,142 employees with a margin of error of one per cent.

2 CO<sub>2</sub>e avoided: Defra 2018 emission factors and based on average mid-size car fuel efficiency.

### Employee commuting snapshot

Transportation	Employee Distribution	Annual CO <sub>2</sub> e emissions (tonnes)
Car	13,742	9,735
Light Rail	2,982	349
Train	2,838	178
Bus	2,142	400
Walk / Run / Bike	1,896	-
Carpooling	1,032	308
Car Share Service	132	29
Motorcycle	90	29
<b>Total</b>	<b>24,854</b>	<b>11,028</b>

## Responsible resource use

### Aiming for zero waste

At TELUS, we believe that doing good is good business. This is why we aim to be a zero-waste company. In 2016, we established a goal of diverting 90 per cent of our discarded materials from landfill by the end of 2020 for our domestic operations.

In 2018, we diverted 70.2 per cent of our waste materials from landfill, a significant drop from 78.2 per cent in 2017. The decline in diversion is the result of three key causes:

- Having identified a problem with a recycling service provider responsible for recycling out-of-service wooden telephone poles in 2017, we have not been able to recycle 100 per cent of our poles since 2016. If we could recycle 100 per cent of these poles as per previous practice, our diversion rate would have been 78.8 per cent, a slight improvement over our 2017 diversion rate.
- In 2017, we completed two large recycling projects, one for outdated electronic equipment and another for underground metal cables. We did not have the 100 per cent diversion rate associated with these large sources of recyclable materials in our 2018 data, therefore, our diversion rate dropped.
- Our office waste recycling rate has declined marginally. Analysis continues on this trend, however, we believe the decline is in part due to more accurate measurements, specifically, replacing estimated waste weight with actual weights from our various data sources.

We continue to increase investments in waste and recycling infrastructure and team member education.

To achieve our zero-waste target, we are working through a Waste Reduction Strategy that consists of 56 projects, including upgrading our major facilities with new recycling services, containers and signs.

Our strategy is focused on the largest sources of waste with the aim of reducing or recycling them. In 2018, we completed a number of projects, including:

- Partnering with the City of Rimouski, Quebec, to add recycling and composting services to five of our key facilities
- Conducting waste audits on our Plant Centres (work yards) to determine the largest contributors to landfill at these sites and design a better recycling drop-off system
- An employee education campaign at 25 of our largest facilities across Canada, using posters and online advertisements to encourage waste reduction and recycling
- Engaging TELUS' Green Teams, our National Sustainability Council, Real Estate department, and property managers in an employee-led campaign to properly sort recycling and reduce single-use packaging.

In 2019, we will continue to do good business by implementing our five-year waste reduction strategy. We plan to revisit our goals and increase our focus on key issues like telephone pole recycling in addition to further implementing our expanded recycling and composting system to dozens of buildings across Canada. We will also continue to reduce paper consumption and the amount of packaging on products we sell to our customers.

### Waste and recycling by source (all units are metric tonnes)

Source	Reverse Logistics	Owned Properties	Leased Properties	Totals
Recycled	8,527.57	1,751.85	930.92	11,210.34
Landfill	1,455.14	2,322.17	982.70	4,760.01
Total	9,982.71	4,074.02	1,913.62	15,970.35
Diversion %	85.4%	43.0%	48.6%	70.2%

### Recycled and Re-used Waste (all units are metric tonnes)

Type	2018	2017	2016	2015	2014
E-Waste (mt) excluding mobile devices	2,005.78	2,282.57	2,354.56	1,330.52	1,289.54
Mobile devices (units)	298,529	210,292	245,930	219,375	380,315

### Hazardous waste

Our operations generate small quantities of hazardous waste, such as aerosol cans, batteries and motor oil. We continue to look for reduction opportunities and, where possible, use non-hazardous alternatives. In 2018, TELUS recycled all of its hazardous waste:

- 5 litres of liquid and 29,485 kg of solid hazardous waste from our facilities including motor oil, antifreeze and fuel from fleet operations
- 240.96 metric tonnes of batteries from network equipment and fleet operations.

## Furniture recycling

We remain in partnerships with Green Standards Ltd., CSR Eco Solutions and Steelcase, who are supporting our office decommissioning projects across the country.

In 2018, we achieved a landfill diversion rate of 93 per cent (152 tonnes) for our decommissioning projects. We are also doing good through donations of almost 19 tonnes of office furniture to local charities. In 2019, we will continue to work with our partners to close the recycling loop and divert useful furniture to organizations who need it most.

## Water

Water consumption for 2018 at domestic-owned and leased properties was 563 million litres compared to 647 million litres in 2017 – a 12.2 per cent decrease in water usage. This decrease is a result of water efficiency projects completed in previous years, as well as the installation of newer and more efficient HVAC equipment that improved water use efficiency and reduced wasted water.

Our TELUS International water consumption was 19.6 million litres, which is 51 per cent lower compared to 2017. We conducted a thorough data review and learned that for our sites in Central America, water usage was previously reported as cubic meters when it was in fact units of drinking water consumed. This significantly overstated our 2017 water results in our international operations. If we compare our 2018 TELUS International water consumption to our adjusted 2017 results of 16.7 million litres, we actually experienced a 16.8% increase in water consumption for our International sites.

TELUS' water sources are municipal water supplies or other water utilities. Water is not drawn from other sources and although we employ rainwater harvesting at certain sites, the percentage of water reused or recycled is unknown.

## Saving trees by using less paper

In 2018, TELUS continued our long history of reducing paper consumption and targeting a 10 per cent year-over-year paper purchase reduction. We have reduced paper use by 60 per cent since the implementation of our paper reduction program in 2011, from nearly 29 million sheets to just under 12 million sheets. This has saved us more than \$2 million.

In 2018, we reduced our paper purchases by 19 per cent – the equivalent of saving 383 trees. Additionally, 95 per cent of our paper purchases continued to be 30, 50 or 100 per cent post-consumer recycled content, or were from tree-free sources.

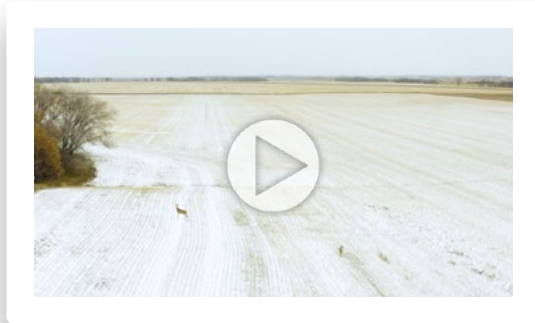
Part of our success in paper reduction can be attributed to the growth in e-bill adoption by customers. In 2018, 81 per cent of wireless and 62 per cent of wireline customers opted to receive paperless bills. Ongoing investment in our digital billing experience aims to reduce customer effort and improve self-serve options across mobility and home services while reducing the need for paper.

Total paper consumption data is only tracked for TELUS' domestic operations in Canada, and it currently excludes consumption from TELUS International. We are not currently able to track paper consumption accurately at our TELUS International locations, and estimate paper consumption could be approximately 19% of the overall domestic paper consumption. TELUS is working towards accurately compiling and reporting this excluded data, and disclosing this information in future years.

## Trees for paper program

In 2018, TELUS continued its efforts to understand our total current paper and packaging consumption. Establishing an accurate picture requires collaboration with numerous internal teams as well as external partners. We continue to improve the scope and quality of our data.

We also continued implementation of our overall paper and packaging reduction strategy. With a focus on both reducing the quantity consumed as well as the environmental impact generated by our choice of paper products, we have made some impactful decisions. We have reduced paper consumption by 19 per cent year-over-year and have begun to compensate for our use by planting trees for the paper and packaging with our longstanding partner Tree Canada. These trees will benefit the community by capturing carbon, providing oxygen and wildlife habitat for generations to come. As of the date of this report, we intend to plant 54,000 trees to compensate for the 2018 paper and packaging we consumed. [For an overview of our program, watch here.](#)



In 2018, we also began a collaboration with our external partners to establish clear guidelines for preferred paper and packaging options for TELUS.

### Trees for paper facts

Year	2018	2017
Sheets of copy paper consumed	<span style="color: green;">▲</span> 11,723,500	14,457,200
Total paper and packaging consumed in metric tonnes	1,550	1,400
Trees planted to offset previous year consumption	48,600	–
Planting location	Oak River, Manitoba on land of the Manitoba Wildlife Federation Habitat Foundation	–
Impacts generated	Wildlife habitat and corridors, carbon sequestration, clean air and aesthetic beauty for local residents	–

In 2019, we will execute on identified priorities to help us achieve our 10 per cent year-over-year reduction goal for both paper and packaging. We will also further our efforts to create standards for paper purchases and packaging requirements in collaboration with our external partners. TELUS plans to continue reducing our environmental impact by looking for positive social benefits through our tree plantings.

## Environmental management

### Our environmental sustainability is tied to global standards

Our environmental management system (EMS) provides the foundation for all of our environmental sustainability initiatives. In 2018, TELUS completed the required external audits to certify our EMS to the updated ISO 14001:2015 standard. Maintaining this ISO standard positions us as a global leader making continual improvements to our environmental management processes, and TELUS is committed to identifying even more ways to better our performance.

### Auditing and site assessments

To affirm our compliance with regulatory requirements, TELUS standards, and maintain our ISO 14001 certification, we conduct regular site assessments and audits of our domestic operations. In 2018, SGS Canada, our ISO 14001 registrar, completed a maintenance audit of our operations in Canada. This was followed by an internal EMS audit of our Alberta operations in the fall. As part of our ongoing annual ISO 14001 maintenance audits and our yearly internal regulatory compliance and EMS audits, in 2019, the internal audit will be focused on operations in the provinces of Ontario and Quebec.

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

## Training

Environmental training, provided to our employees and contractors for more than 30 years, is a key component of our EMS. Our training programs are designed to give employees the necessary information to address potential environmental risks associated with their work. Training covers topics such as spills and releases, response and reporting, and the transportation and disposal of waste. In 2018, employees completed 2,823 training courses with environmental themes. This is a decrease over the 3,722 courses completed in 2017, and is a result of our course refresher frequency, which ranges from one to three years.

## Environmental compliance

We are proud of our environmentally-conscious business approach and we attribute this successful performance to our environmental management processes and the effectiveness of our employee training program.

Quarterly reports are presented to the Corporate Governance Committee of TELUS' [Board of Directors](#) on issues resulting in written warnings or investigations by regulatory authorities. To enhance transparency, the lone 2018 incident is outlined below:

- In November 2018, during the decommissioning of a large air conditioning unit used to cool our network equipment at TELUS' Data Centre in North York, Ontario, a 111 kg discrepancy in the amount of R-123 refrigerant gas was identified. The exact cause of the discrepancy is unknown but was likely caused by a slow leak of refrigerant prior to decommissioning. The maintenance contractor failed to notify the internal TELUS Spill Line within 24 hours as per TELUS procedures and as a result the release was not reported to Environment Canada within the 24-hour time limit. TELUS was issued a notice of violation and an administrative monetary penalty of \$1,000 for the late reporting. We take this release seriously. TELUS and our contractors completed a formal review following the incident and implemented additional training to reinforce the importance of mandatory reporting requirements.

## Spills and releases

We take spills and releases seriously and are continuously working to mitigate their impact. Under federal and provincial legislation, spills and releases that exceed established thresholds must be reported to the appropriate agency. In addition to reporting externally, we require that all spills (liquids) and releases (gas), regardless of the quantity, must be reported internally to our 24/7 Spill Line.

- Total number of spills increased from 222 in 2017, to 236 in 2018
- Reportable spills increased from 25 in 2017, to 32 in 2018
- The volume of refrigerant gas released increased from 1,358 kg in 2017 to 1,698 kg in 2018
- The volume of liquids spilled decreased from 6,814 litres in 2017, to 486 litres in 2018 (no large liquid releases).

The majority – over 85 per cent – of our recorded spill incidents are halocarbon releases from air conditioning equipment used to cool our facilities and network equipment. The number of these releases increased from 197 in 2017, to 216 in 2018.

Halocarbon releases show regular variability when compared year-over-year and are most significantly impacted by hot weather events, which result in additional system stress. TELUS continues to monitor our halocarbon releases and seek out opportunities to use more efficient cooling technologies. This includes upgrades to our current systems.

## Reporting

In 2018, 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 2018, we had two Category A spills, both due to large halocarbon (refrigerant gas) releases from HVAC units.

## Assured data

Spills <sup>1</sup>	2018	2017	2016
Reportable	A 31	25	30
Not reportable <sup>2</sup>	A 204	197	231
Total spills and releases	236	222	261
Approximate volume (L) <sup>3</sup>	A 486	6,814	244
Approximate weight (kg) <sup>4</sup>	A 1,700	1,360	1,679
Category A – reportable, serious <sup>5</sup>	2	1	–
Category B – reportable, significant <sup>5</sup>	51	37	45
Category C – not reportable, insignificant <sup>5</sup>	183	184	216

- Spill amounts reflect best estimates based on investigation results.
- Spills and releases below regulatory thresholds do not require reporting and are termed "not reportable." The definition of "reportable" varies by jurisdiction.
- Volume in litres includes liquid petroleum hydrocarbons, battery acid, glycol and other.
- Weight in kilograms includes refrigerants (Chlorofluorocarbons) and fire suppression agents (Halon and FM-200).
- Halocarbon – Category A > 100 kg, Category B = 10 - 100 kg, and Category C < 10 kg  
Hydrocarbon – Category A > 1000 L or enters water, Category B = 100 - 1000 L, and Category C < 100 L  
Glycol – Category A > 500 L, Category B = 5 - 500 L, and Category C < 5 L  
Battery acid – Category A > 50 L, Category B = 5 - 50 L, and Category C < 5 L.

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

## Addressing contamination

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

Our 2018 target was to complete remediation work at five sites. A 'completed site' is one where known contamination has been remediated according to the appropriate regulatory guidelines for soil and/or groundwater. In 2018, we exceeded our target, completing remediation of seven sites.

Our target for 2019 is to complete remediation on an additional five sites, based on our resource requirement planning processes.

## Radio frequency emissions

### Transparency and new research on radio frequency emissions

[Innovation, Science and Economic Development \(ISED\)](#) Canada is responsible for establishing safe limits for signal levels of radio devices. We are confident the wireless devices we sell, as well as our cellular antennas and other associated devices, comply with all applicable Canadian and U.S. government safety standards. Notwithstanding this, some members of the public are concerned over potential impacts associated with low levels of non-ionizing radio frequency (RF) emissions from mobile phones and cellular antennas.

TELUS looks to recognized experts with peer-reviewed findings and government agencies to provide guidance on potential risks. While a small number of epidemiological studies have revealed that exposure to RF fields might be linked to certain cancers, other studies have not supported this association. The most recent scientific opinion published in May 2018 from the [Scientific Council on Electromagnetic Fields from Sweden \(SSM\)](#) concluded that "no new health risks have been identified" and that results of studies of cell phones and brain cancer are "not entirely consistent but mainly point towards a lack of association."



Health Canada's advisory [Safety of Cell Phones and Cell Phone Towers](#), noted that the link between RF emission exposure and cancer risk is far from conclusive and more research is needed. The [International Agency for Research on Cancer](#) 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.

### Impacts of wireless network expansion

Cellular antennas found on towers and other structures are the backbone of our wireless network, allowing for the connectivity of TELUS devices that our customers rely on. Due to limitations on the range of some antennas and the increasing demand for bandwidth resulting from increased smartphone adoption, we need to continuously improve our network and evaluate new antenna locations. In every instance, we seek to partner with other network operators to minimize the number of new locations so we can reduce the environmental and aesthetic impacts these antennas may have on our customers and communities.

Exclusive jurisdiction over the placement of cellular antennas is set out under ISED requirements in circular [CPC-2-0-03](#) for telecommunication carriers. If a new antenna location is required, we follow the [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 antenna structure. We are also required to consult with the public through a notification process and if there are concerns about an antenna location we work to address these concerns and reach a mutually agreeable solution.

TELUS is currently collaborating with the University of Toronto and University of Alberta on antenna and systems research. These collaborations support a network build strategy that favours low power microcells over large, high power towers, an approach that also reduces handset transmit power and associated user exposure, infrastructure visibility, and community concerns over tower siting. We have been employing this strategy for our wireless expansion in recent years and it will become increasingly important with the implementation of next-generation 5G technology. [Additional information can be found on our website.](#)

See [Section 10.10 of the 2018 annual MD&A](#) regarding concerns relating to radio frequency emissions.

# Creating a friendlier online world

## Keeping Canadians safe online

As part of our long-term commitment to help youth realize their potential, we invest in educational initiatives to promote friendly and responsible online behaviour. An important part of this work is our commitment to help #EndBullying and inspire digital literacy through our [TELUS Wise](#)® program.

## TELUS Wise is empowering youth and adults alike, to stay safe online

TELUS Wise, now in its sixth year and endorsed by the Canadian Association of Chiefs of Police in 2014 and again in 2018, is a free digital literacy educational program. We offer workshops and provide online tools to help users protect their online security, privacy and reputation, rise above cyberbullying, and use technology responsibly. Through this program we are empowering youth and adults alike with tools and knowledge to stay safe online.

Since inception, over 190,000 youth, adults and seniors have participated in our free TELUS Wise workshops, and the program has achieved more than seven million touchpoints with Canadians. In 2018, we were proud to host our first international workshop in Manila, Philippines.

Workshops include:

- **TELUS Wise footprint:** helps elementary school children learn how to be good digital citizens and keep their digital footprint clean
- **TELUS Wise impact:** engages middle school and junior high students in a conversation around cyberbullying, helping them explore and understand different options for safe and appropriate ways of intervening when they witness cruel behaviour online

- **TELUS Wise in control:** engages middle school, junior high and high school students in a discussion about cyberbullying, identity theft, protecting and positively growing their online reputation and more
- **TELUS Wise:** intended for adults, this workshop covers topics such as living and parenting in a digital society, and Internet, smartphone and social media safety
- **TELUS Wise seniors:** engages Canadian seniors in a discussion about getting the most out of participating in our growing digital society, safely.

Attendees	Cumulative	2018	2017	2016–2013
Total workshop attendees	191,711	52,385	30,709	108,647

Doing good business means we monitor and adhere to evolving safety standards that protect the health of our customers. Our workshops are delivered by hundreds of TELUS Wise Ambassadors who want to do good in their communities. This group consists of TELUS employees, retirees and community members.

Workshops are well received, with 81 per cent of participants indicating they would recommend the workshops to others. Educators, like Lynette Witherspoon and Kim Hordal-Hlewka, from Edmonton's Michael Phair Junior High School are supporters of the program for the value it offers to their students.



“It’s like learning to drive,” Witherspoon said of the importance of digital literacy both in the classroom and at home. “You would never just give a 16-year-old a car and say ‘Here, figure it out.’ There are countless courtesies and safety parameters to learn and understand. If nobody teaches them, kids will only learn through mistakes, and sometimes those mistakes are just too big.”

In 2018, our TELUS Wise program received a YMCA of Quebec Peace Medal in the Corporate Peace Initiative category. Peace Medals are awarded to individuals or groups who demonstrate exemplary vision, creativity and dedication to make our communities, our country or our world more peaceful.

In 2019, we look forward to launching online versions of our youth workshops, enabling educators and students, especially those in rural communities, to more easily access program information. Additionally, we will launch a new workshop targeted at high school students, engaging teens in a conversation about building and maintaining a healthy relationship with technology and offering tips on ensuring resiliency and well-being in our connected world.

By the end of 2020, we hope to reach over 250,000 Canadians, as well as youth located in other countries, with our interactive and informative workshops.

## Working together to #EndBullying

TELUS has spent two decades delivering a friendly future and that promise is ingrained in everything we say and do. We also know that the online connectivity we provide can be the very tool that youth use to harm others. TELUS has long opposed bullying, as evidenced by the launch of TELUS Wise in 2013, and our involvement in other anti-bullying community programs. In 2018, we launched a national, integrated #EndBullying campaign.



The campaign, targeted at all Canadians but with a greater focus on parents, youth and teachers, kicked off in May and is intended to raise awareness

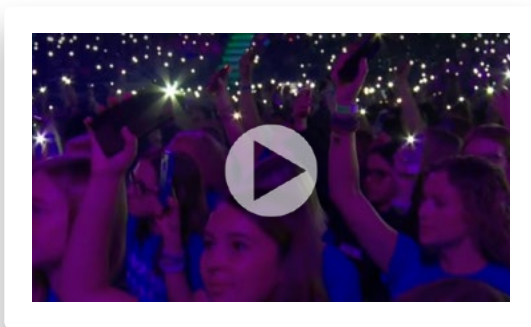
about the prevalence of cyberbullying. The campaign represents our very public stance against bullying. To help drive meaningful change, the campaign invited Canadians to take the TELUS Wise Digital Pledge and commit to being kind online. By the end of 2018, close to 1.7 million Canadians joined us on our mission to help create a safer, friendlier world online by engaging in the campaign and taking the Pledge. We committed to donate \$1 for each pledge received, up to one million pledges. This led to a \$1 million donation to support #EndBullying programs for youth in Canada in 2018.

Doing good business means we are leveraging our sponsorships to advocate for social change. Helping people and communities navigate our digital world is at the core of what we do, and our sponsorships reflect that we can improve the connections that matter the most.



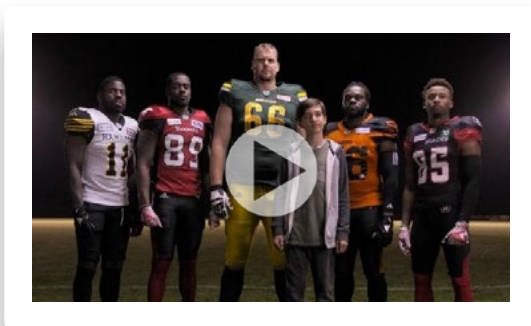
In 2018, we worked with a number of partners to promote the important #EndBullying message, including WE, Hockey Canada and the CFL.

**WE:** through our 12-year partnership with WE, hundreds of thousands of youth have been empowered to rise above to #EndBullying. As the national co-title sponsor of WE Day events, we shared our #EndBullying message with over 123,000 youth at nine WE Day events across Canada. In addition to events across the country, we continued to work with WE to promote our joint WE Rise Above campaign and digital literacy curriculum to WE schools. The curriculum included learning modules featuring TELUS Wise materials and empowers teachers to bring important conversations like cyberbullying awareness to the classroom.



Watch thousands of Canadian youth take the [TELUS Wise Digital Pledge](#) at WE Day in 2018.

**Canadian Football:** we partnered with a number of teams – the BC Lions, Calgary Stampeders, Edmonton Eskimos, Hamilton Tiger-Cats, Ottawa REDBLACKS and Montreal Alouettes – to launch a campaign to promote the importance of good sportsmanship both on the field and online.



Watch our co-created [football #EndBullying video message](#).

Select CFL athletes, equipped with TELUS Wise workshop materials and content, visited Canadian classrooms to share the importance of good digital citizenship.

Hamilton Tiger-Cats players, Larry Dean and Mike Daly, deliver a [TELUS Earn your Stripes](#) workshop to a gymnasium of youth.



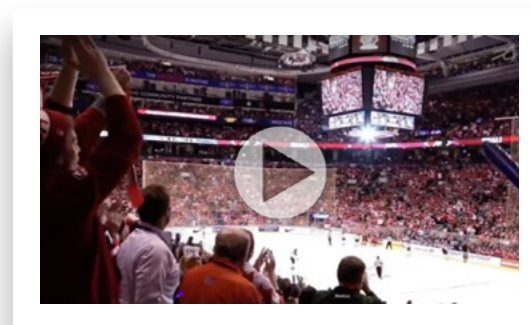
**Hockey Canada:** in today's connected world, being a good sport online is as important as being a good sport on the ice.

Hockey Canada and TELUS are committed to #EndBullying, and teamed up to create [THE CODE](#). An extension of the TELUS Wise program, THE CODE is designed specifically for the hockey community. It offers customized, free educational tools, resources and workshops to help hockey fans, players and families safely and respectfully navigate digital spaces.



THE CODE is also a pledge that every player, fan, coach, parent, official, volunteer or administrator can make to be a good digital citizen and a great teammate.

Watch Jordan Eberle, Team Canada member, and 2019 THE CODE Ambassador, speak to [the importance of lifting each other up, rather than pushing others down](#).



# Building stronger communities

The TELUS team is passionate about giving back and providing support in the communities where we live and work. Guided by our philosophy – we give where we live® – we are committed to driving positive social outcomes and helping to build stronger and healthier communities. In 2018, TELUS, our team members and retirees contributed more than \$150 million to charitable and community organizations and volunteered one million hours.

## Impact and measurement

Understanding the broad 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:

\$ millions	2018	2017	2016	2015	2014	2013
Philanthropic investment	7.92	8.59	6.92	7.50	6.36	8.92
Social investment	130.01	19.98	15.55	19.07	18.92	17.06
Commercial initiatives	10.26	14.41	17.34	14.89	16.61	17.02
Value of employee giving <sup>1</sup>	2.06	2.35	2.54	2.52	2.47	3.23
<b>Total</b>	<b>A 150.25</b>	<b>45.33</b>	<b>42.35</b>	<b>43.98</b>	<b>44.36</b>	<b>46.23</b>

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

## Giving back to our communities

Since 2000, TELUS, our team members and retirees have contributed \$682 million to charitable and community organizations and volunteered 10 million hours of service to local communities.

In 2018, we engaged over 36,000 team members, retirees, family and friends globally through our annual [TELUS Days of Giving](#)®.



## Employee and retiree giving programs

Our employee and retiree giving programs are the cornerstone of our giving promise. Through the collective efforts of our present and past team members, our philanthropy has a positive impact on the charities we support. Assisting with tasks that are essential to the success of community-building, organizations provide volunteers with a sense of purpose, peace and overall well-being. This commitment of time also translates into tangible savings for non-profit groups, freeing up already scarce time, resources and dollars to focus on the important work of helping those who need it the most. We believe a culture of giving is at the heart of a healthy, vibrant community.

## Team TELUS Cares

Through Team TELUS Cares (TTC) programs, our employees and retirees do good by coming together to make a difference in their communities. They support causes they care about through a collection of community engagement programs that motivate, mobilize and reward employees and retirees who make positive change in the communities where we live and work.

## TELUS Days of Giving 2018

TELUS Days of Giving is just one of the many opportunities for our team to volunteer throughout the year. We held our 13th annual TELUS Days of Giving in May and June 2018. This led to more than:

- 24,000 volunteers helping at over 1,800 activities across Canada
- Fifty TELUS Days of Giving in eight countries, including the launch of TELUS Days of Giving India
- Combined, we had 36,000 participants giving their time to help their communities.

It is thanks to the unparalleled efforts of our TELUS team members, retirees, friends, family, customers and partners that we are able to serve those who need our support the most.



## TELUS Match

We are committed to giving our team members and retirees a unique opportunity to support their communities and the causes they care about. That is why when they make a donation to a registered charity, we do too, matching team members and retiree donations up to \$2,500 per person, per year.

Every year, thousands of charities across Canada receive funds from us on behalf of the employees and retirees who participate in TELUS Match. Since 2000, this annual workplace campaign has contributed over \$93 million to support the important work of charitable organizations across the country.



\$93 million

contributed through  
TELUS Match campaign since 2000

## Volunteer rewards

In today's world, time is our most valuable resource – and when we give our time to make a difference in the lives of others, the impact we can have is remarkable. We are committed to recognizing our team members and retirees who volunteer selflessly to make our communities better places to live. For every volunteer hour a member of our team records in a calendar year, we make a \$1 donation to the charity of their choice.

For the second year in a row, in 2018, our TELUS family contributed more than one million volunteer hours in communities across Canada and around the globe. Since 2000, we have volunteered more than 1.21 million days.



1.2 million +  
volunteer days since 2000

## TELUS Community Ambassadors

TELUS Community Ambassadors, our network of volunteers comprised of current and retired team members, contribute their time and resources to do good in their communities and support our giving promise.

Passionate about giving back, over 5,000 Ambassadors support 23 clubs across B.C., Alberta, Ontario, Quebec, and Atlantic Canada. In 2018, in addition to each individual club's activities focused on the needs of their own communities and members, our Ambassadors:

- Donated more than 58,000 care items
- Fundraised over \$230,000
- Filled 13,550 Kits for Kids with school supplies
- Prepared 8,000 Comfort Kits with basic toiletries and comfort items for homeless and displaced families.



## Community Boards

We continue to build upon our legacy of giving where we live. TELUS Community Boards are an innovative funding model that puts philanthropic decision-making in the hands of local leaders who know their communities best. The focus of the Boards is to provide grants to grassroots Canadian charities that support disadvantaged youth. Preference is given to projects that also demonstrate tangible technological or social innovation.

Since inception in 2005, our Community Boards have contributed \$72 million and supported 7,000 projects.

In 2018, our 13 TELUS Community Boards across Canada contributed \$4.2 million to local charities and supported more than 370 projects. Additionally, our five TELUS International Community Boards – in Bulgaria, Romania, Guatemala, El Salvador and the Philippines – contributed approximately \$650,000 (US\$500,000) in support of 84 projects.

Central to our giving promise is the support of local initiatives such as these highlighted projects:

### **Education | Atlantic Canada:**

#### Phoenix Youth High School Student Support Program

The TELUS Atlantic Community Board invested \$20,000 in Halifax, Nova Scotia's Phoenix Youth High School Student Support Program. This program provides high school students with daily academic coaching and tutoring, engaging youth in math and literacy upgrading, and practice and exam preparation. This coaching and tutoring directly supports graduation requirements for their high school programming.

### **Health | Quebec City:**

#### Sustainable health – social clinic

The Maison de la Famille Nouvelle-Beauce received a grant from the TELUS Quebec City Community Board to implement a social-pediatric clinic to support children and families that are at-risk with a focus on social integration, respect and the reduction of impacts related to difficult living conditions.

### **Education | Vancouver:**

#### Young Entrepreneur Leadership Launchpad (YELL)

The TELUS Vancouver Community Board funded YELL's Indigenous & Youth at Risk program with a grant of \$20,000. This grant allowed for the expansion of YELL's program into Vancouver inner city schools with a specific focus on providing indigenous youth with a year-long accredited entrepreneurship and innovation high school course.

### **Health | Manitoba:**

#### Kids Help Phone

The Manitoba Texting Pilot Project, a free and confidential texting service offering 24/7 crisis resolution support to youth, received \$20,000 from the TELUS Manitoba Community Board. This on-demand program provides youth, including vulnerable individuals from remote areas, with an immediate connection to trained volunteer crisis responders. This eliminates wait times, busy signals and the need for a data plan or Internet connection.



## Launching the TELUS Friendly Future Foundation



In 2018, we launched the TELUS Friendly Future Foundation™, an independent charitable organization founded to address the social and economic challenges facing Canada's vulnerable youth, made possible by an unprecedented \$120 million donation from TELUS. With the endowment enabled by TELUS' donation, the Foundation will have the means to help vulnerable youth thrive in our challenging world. The Foundation will provide better access to health and educational opportunities, enabled by technology for years to come.

The donation to the Foundation, made possible by the sale of TELUS Garden in Vancouver, provides sustainable funding for many of our social purpose initiatives for years to come.

The Foundation represents the next evolution of our philosophy to give where we live. It provides financial grants to small, grassroots charities across Canada that need help in directly supporting youth in our communities. It builds on the achievements of our 13 TELUS Community Boards across Canada and ensures our commitment to giving will be sustained for decades.

[For more information on the TELUS Friendly Future Foundation, visit the Foundation's website.](#)

## Connecting for good

### Empowering underserved Canadians through our Connecting for Good programs

The foundation of our social purpose is our commitment to enabling better outcomes for Canadians. Through our Connecting for Good™ programs – Health for Good™, Mobility for Good™ and Internet for Good™ – we are leveraging our technology to ensure disadvantaged and underserved citizens are connected to the people, information and opportunities that matter most. Our life-changing programs provide TELUS-subsidized access to the technologies that underpin the success of so many Canadians at risk of being left behind in our increasingly digital society. For more information, visit [telus.com/community](https://telus.com/community).

### Bringing healthcare to homeless citizens

Doing good business includes helping those who are homeless. Today, there are thousands of Canadians experiencing homelessness on any given night, often living with complex health and addiction issues. These marginalized populations cannot easily access primary medical care yet are in urgent need given the increasing number of emergency room visits each year.

Health for Good brings necessary medical care, including electronic health records, to vulnerable people on the streets through mobile health clinics.

In 2018, we expanded our Health for Good program to Vancouver, Victoria and Calgary. This helped reconnect marginalized citizens to our healthcare system by deploying specially equipped mobile health clinics into communities where frontline care is urgently needed. These clinics on wheels – equipped with TELUS Health electronic medical records technology and powered by TELUS technology to assist the onboard care team – bring necessary medical care to homeless citizens and similarly underserved communities.

Since inception in Montreal in 2014, the program has supported more than 10,000 patient interventions, with ongoing efforts being made to integrate these patients into the broader healthcare and social support systems. Plans are underway to introduce mobile clinics to additional communities across Canada in 2019.

See how this program brings [health care interventions to people living on the streets](#).



## Helping at-risk youth stay connected

Every year about 2,300 youth grow out of Canada's child welfare system. Without the proper resources available many young people leaving the system find the transition to independence difficult to navigate and face increased risks of poverty, homelessness, substance abuse, relationship breakdowns, anxiety, depression and suicide.

Launched in 2017, Mobility for Good supports vulnerable youth transitioning out of foster care to gain their independence by helping them to stay connected to their support networks – social services, education and employment opportunities. Youth are provided with a fully subsidized cell phone and data plan.

After launching our Mobility for Good program in B.C. we expanded the program to Ontario and Alberta in 2018. We also launched a pilot program in Quebec, in partnership with the Children's Aid Foundation of Canada and the Fondation du Centre Jeunesse.

Today, approximately 1,500 youth participate in Mobility for Good. With the recent expansion, Mobility for Good can assist more than 10,000 youth who qualify for the program. This number is expected to grow in 2019, as we continue to expand the program into Manitoba, New Brunswick and further across B.C. and Quebec.

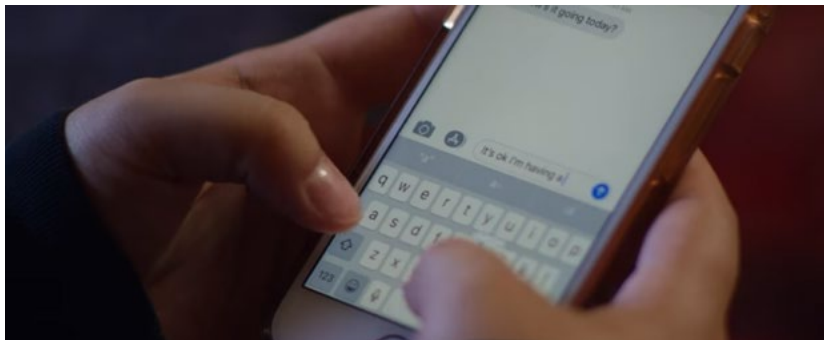
See how this program helps [youth transitioning out of foster care gain their independence while staying connected](#).

## Supporting low-income families

Forty per cent of families living in poverty lack access to in-home Internet. Yet every day, students are assigned homework that requires this connectivity.

Since introducing Internet for Good in 2016, we have offered low-cost high-speed Internet, training and tools to 30,000 low-income families in B.C. and Alberta. At the end of 2018, approximately 5,000 households are participating in these programs with TELUS. In late 2018, we extended the reach of our Internet for Good program to more low-income families by participating in the federal government's national [Connecting Families](#) initiative – driven by the creation of our program – and will now offer 50,000 low-income families access to low-cost, high-speed Internet and a computer, as well as training and tools to participate safely in our digital world.

See how this program [helps families participate safely in our digital world](#).



## Creating a whole that is greater than the sum of its parts

At TELUS, we believe diversity creates a whole that is greater than the sum of its parts and we demonstrate our commitment through our annual support of Pride events across the country and internationally. Every year, TELUS supports Pride through local sponsorships in key communities. Our team members, friends and family come together to walk and celebrate the power of inclusion and the importance of diversity for our customers, community and team.

In 2018, over 1,600 TELUS team members, friends and family proudly participated in 20 Pride festival celebrations from Victoria to Halifax, and in Manila, Philippines. Each location invited fellow supporters to share stories on what Pride means to them to help Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ+) youth feel supported. For the first time, we also leveraged our retail channels across Canada to advocate and raise funds for local charities supporting LGBTQ+ youth through the sale of phone rings.

Since 2000, TELUS, our team members and retirees have contributed more than \$4.6 million and thousands of volunteer hours of service to LGBTQ+ organizations across Canada.



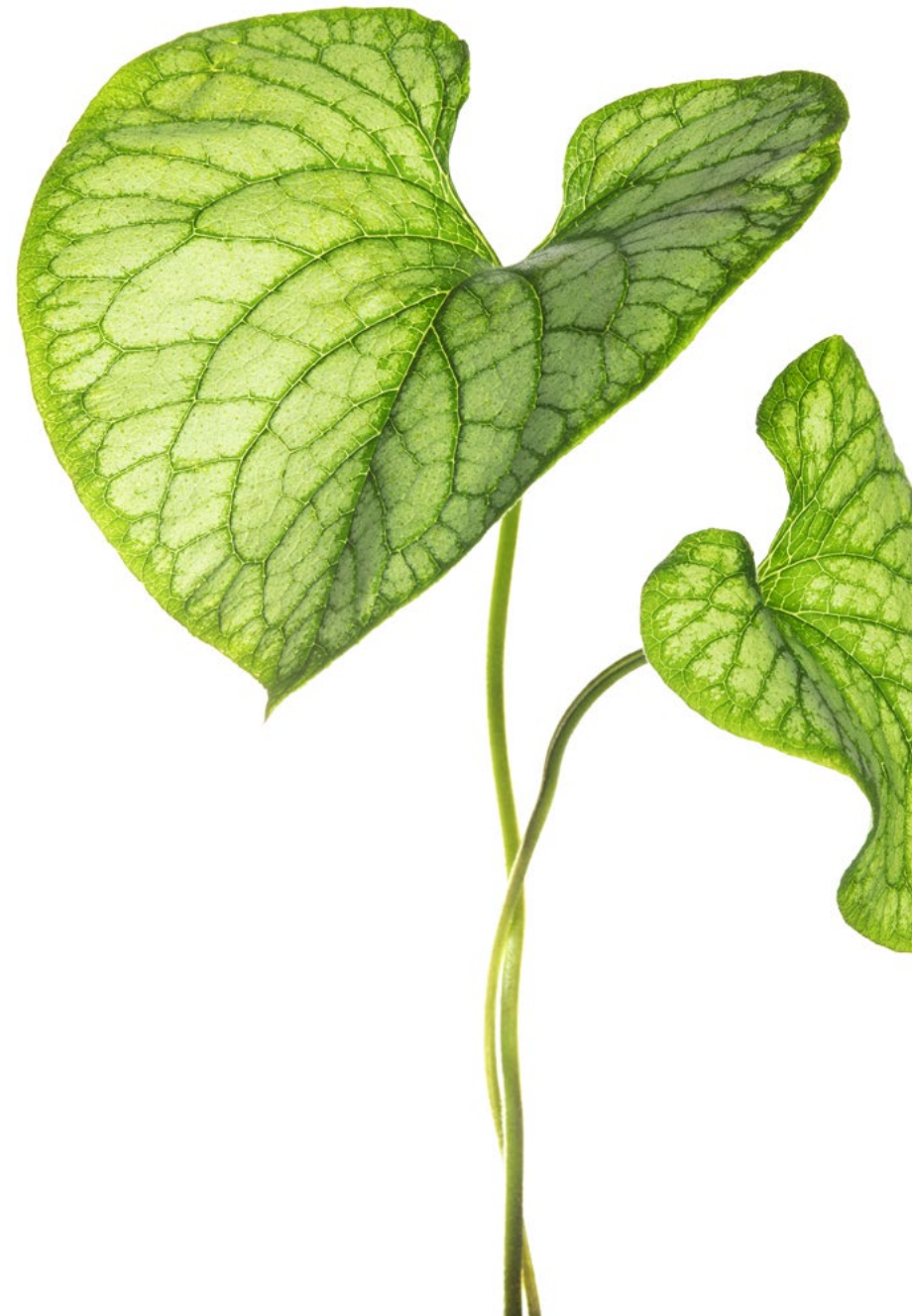
A close-up photograph of several purple leaves, likely from a hydrangea, covered in numerous clear water droplets. The background is a soft, out-of-focus purple. The text is overlaid on the center of the image.

# OUR SUSTAINABILITY **CULTURE**

LEADING THE WORLD IN CREATING A FRIENDLIER FUTURE

## TELUS listens

Our engaged, diverse and inclusive team drives our sustainability performance, supported by strong governance and culture, committed leadership and our organizational purpose. A strong driver of employee engagement is the ability to understand how one's personal purpose aligns with their organization's purpose. In 2018, according to our internal Pulsecheck survey, 95 per cent of our team members indicated that our sustainability performance made them proud to work for TELUS.



# Contributing to the Canadian economy

## Creating shared value

TELUS is focused on the long-term growth of our wireless and wireline businesses for our investors, customers, employees, suppliers and the communities where we live, work and serve. Our products and services enhance the lives of Canadians, support the success of our customers and contribute to the development of sustainable communities and Canada's digital economy. In 2018, we contributed to the economy by:

- Paying 26,000 Canadian employees compensation of nearly \$2.9 billion
- Paying and remitting more than \$2.5 billion in taxes to all levels of government
- Paying more than \$1.9 billion in dividends and interest to our investors and supporting Canadians' pensions and savings
- Contributing over \$150 million and one million volunteer hours to charitable and community organizations
- Spending \$2.9 billion in capital investment and over \$50 million in spectrum renewal fees, supporting the globe's most advanced communications technology
- Launching the TELUS Friendly Future Foundation, made possible with an unprecedented \$120 million donation from TELUS
- Driving innovation through information communication technology, services and know-how for customers, enhancing the connectivity of Canadian businesses, consumers and governments.

## Connecting with our investors and other stakeholders

Our Board believes ongoing communication is critical in creating and maintaining an open and constructive dialogue with our investors. To facilitate a high level of engagement, the Board follows two separate policies:

- The say-on-pay policy sets out the Board's objectives and policies with respect to say on pay and compensation disclosure pertaining to executive compensation
- The [shareholder engagement policy](#) outlines how the Board may communicate with investors, how investors may communicate with the Board and which topics are appropriate for the Board to address. It also provides an overview of how management interacts with investors.

We communicate with our investors and other stakeholders through various channels, including our annual and quarterly reports, management proxy circular, annual information form, news releases, our website, this Sustainability Report, and presentations at industry and investor conferences. For more information on some of our long-standing shareholder engagement practices, please see our [2019 Information Circular](#).

At our 2018 Annual General Meeting in Vancouver, B.C., we reviewed our 2017 operating results and addressed shareholder inquiries. The results of our corporate resolutions were positive. All Board members were elected with an average of 99 per cent of votes and shareholders affirmed their support of our approach to executive compensation.

TELUS engages with current and potential investors by responding to investor and analyst inquiries, participating in investor conferences, and meeting with analysts and investors. In 2018, we held four quarterly conference calls relating to our results, which were simultaneously available via webcast to interested stakeholders. Executive management also participated in numerous investor conferences and tours throughout 2018 in Canada, the U.S., Europe and Asia. The quarterly conference calls and many of the events and presentations can be found on our website [telus.com/investors](https://www.telus.com/investors).

Our dedication to open and transparent communication helps us better understand our investors' needs and demonstrates our commitment to stakeholder engagement excellence. As of February 2019, 19 equity analysts covered TELUS and regularly issued investment reports to their customers on TELUS. We use video-conferencing services to facilitate additional investor meetings and reduce travel expenses and time between TELUS locations across Canada, thus reducing our carbon footprint. We also facilitated meetings and provided additional disclosures related to corporate strategy and operational, financial and sustainability performance to socially responsible investors with various TELUS leaders.

In 2018, our efforts to provide transparent disclosure and reporting continued to be externally recognized. In 2018, we were recognized for annual reporting excellence in the 2018 Annual Report on Annual Reports by ReportWatch for the TELUS 2017 Annual Report and ranked as one of the top 20 reports in the world. We continue to welcome shareholder feedback through our [ir@telus.com](mailto:ir@telus.com) inbox.

## Financial and operating highlights

In 2018, TELUS once again reported strong financial and operating performance in a competitive environment. Our performance continues to be driven by our exceptional culture, customer service excellence and significant ongoing transformational investments in our advanced broadband network infrastructure. These investments:

- Strengthened our competitive position and supported our intense focus on customer experience, helping us attract new customers and retain existing customers
- Once again supported the return of significant capital to investors through our multi-year dividend growth program
- Enhanced our ability to better respond to the needs of other stakeholders through community investment, including 18 innovative regional TELUS Community Boards and the TELUS Friendly Future Foundation in support of various charities.

Please see our [2018 Annual Report](#) for more information about our 2018 performance and 2019 targets.

## Supporting Canadians

### Vendor payments

TELUS helps strengthen Canada's economy through our purchase of goods and services. This supports Canadians and the companies they work for and invest in. Information on our vendor payments are outlined below:

\$ millions, except as noted <sup>1</sup>	2018	2017
Vendors with locations in Canada	9,287	8,574
As a percentage of total vendor payments	93%	91%
Non-Canadian vendors	676	829
As a percentage of total vendor payments	7%	9%
<b>Total vendor payments</b>	<b>9,963</b>	<b>9,403</b>
<b>As a percentage of consolidated revenues</b>	<b>69%</b>	<b>70%</b>

<sup>1</sup> For the purposes of GRI 204-1, Canada is the definition of both 'local' and 'significant location of operations.'

### Investing in our network infrastructure

We create critical connections through our transformational network investments. These have enhanced the connectivity of Canadians by extending the speed, reach and capabilities of our advanced wireless and wireline broadband networks.

By investing in broadband infrastructure expansion and upgrades, as well as in network and systems resiliency and reliability, we reinforced our leadership position by:

- Providing faster available symmetrical Internet speeds and greater capacity
- Connecting more homes and businesses directly to TELUS PureFibre
- Extending the reach of Optik TV and Pik TV
- Enhancing our healthcare solutions
- Preparing for an efficient and timely evolution to 5G.

We continued to expand our 4G LTE wireless broadband network with LTE Advanced (LTE-A), which covered 93 per cent of the Canadian population at the end of 2018. Meanwhile our LTE network covers more than 99 per cent of the population.

We are also nationally and globally recognized for network speed, availability, and customer experience. We have received best-in-class network rankings, each received consecutively for two years or more, from:

- OpenSignal
- J.D. Power
- PCMag
- Tutela
- Ookla Speedtest.

These rankings are an important differentiator for us, confirming that our long-term strategy, based on smart investments in broadband technology and infrastructure, is delivering significant benefits for our customers and investors alike.



3.1 million +  
households and  
businesses

reached by our wireline broadband coverage in communities in B.C., Alberta and Eastern Quebec.

In 2018, we continued to do good in business by making generational investments in urban and rural communities to deliver wireline broadband to as many Canadians as possible. We expanded our fibre footprint by connecting more homes and businesses directly to fibre-optic cable and delivering faster broadband Internet speeds.

These transformational investments are part of our broader strategy to bring our fibre network of the future to communities across B.C., Alberta, and Eastern Quebec. This provides a distinct advantage to these communities and their residents by potentially stimulating employment and economic growth. It also allows healthcare providers, educators and technology companies to reimagine how they deliver services and develop entirely new solutions. In addition, our wireline broadband investments are laying the foundation for future 5G wireless networks.

In 2018, TELUS capital expenditures were approximately \$2.9 billion or 20 per cent of operating revenues. This reflects our continued focus on investing in:

- Wireless and wireline broadband network infrastructure expansion and upgrades
- Network and systems resiliency and reliability, to provide faster available Internet speeds and greater capacity
- Connecting more homes and businesses to high-speed Internet services
- Extending the reach of Optik TV and Pik TV
- Enhancing our healthcare solutions.

### Capital expenditures by region

\$ millions	2018	2017	2016	2015	2014
British Columbia	1,069	1,168	1,133	866	752
Alberta	911	893	906	862	862
Saskatchewan	2	3	2	3	2
Manitoba	29	47	29	10	24
Ontario	490	483	456	458	406
Quebec	333	449	383	330	283
Atlantic Canada	7	2	4	2	3



\$ millions	2018	2017	2016	2015	2014
Outside Canada	71	50	55	46	27
<b>Total capital expenditures<sup>1</sup></b>	<b>2,914</b>	<b>3,094</b>	<b>2,968</b>	<b>2,577</b>	<b>2,359</b>

<sup>1</sup> Totals may differ due to rounding.

TELUS invests internationally to provide customers greater breadth of business services.

Since 2000, TELUS has invested approximately \$38 billion in technology and communications infrastructure across the country to significantly enhance the connectivity of Canadians.

In 2019, we will continue connecting more homes and businesses directly to our fibre-optic network, further expanding our PureFibre footprint, while continuing to advance our small-cell technology strategy to improve coverage and prepare for a more efficient and timely evolution to 5G. Additionally, we plan to continue investing in our support systems to drive ongoing operational effectiveness and efficiency in serving our growing customer base.

## Paying taxes

In 2018, TELUS paid and remitted on behalf of our employees more than \$2.5 billion to federal, provincial, local and international governments, which support services for Canadians and citizens wherever TELUS operates. Since 2000, we have paid to all levels of government:

- Taxes of approximately \$24 billion
- An additional \$4.7 billion in annual spectrum fees and spectrum purchases to Canadian regulators
- \$9.6 billion in employee payroll remittances.

TELUS follows a [Tax Strategy](#) that has been approved by the TELUS Board of Directors. The Tax Strategy consistent with our overarching [Code of Ethics and Conduct](#) and [Anti-Bribery and Corruption Policy](#).

Our Tax Strategy outlines how we manage our tax affairs for income, indirect and property taxes (collectively referred to as “Tax(es)”), in all jurisdictions where TELUS operates. Management reports to the Audit Committee on material tax positions taken and other changes in each quarterly tax update.

Our Tax Strategy:

- To deliver the best solutions for TELUS and our customers, managing TELUS’ Tax risk in a manner that is conservative, ethical, transparent and collaborative while complying with all applicable Tax laws and regulations;
- We pay our fair share of Taxes by paying the amount of Tax legally due in accordance with the laws and jurisprudence at the time;
- We will not take a Tax position that is:
  - Not at the very least “more likely than not” to prevail in the courts, or
  - Designed to artificially reduce Tax, such as through abusive Tax shelters or other evasive practices;
- We seek advice from third party advisors/counsel to supplement our in-house team of professionals, including to provide expert opinions or to assist in dispute resolution and litigation when necessary.

In accordance with the Tax Strategy, we adopt best practices in complying with the “arm’s length standard” in applicable transfer pricing laws/jurisprudence, as supplemented by the Organisation for Economic Co-operation and Development guidelines.

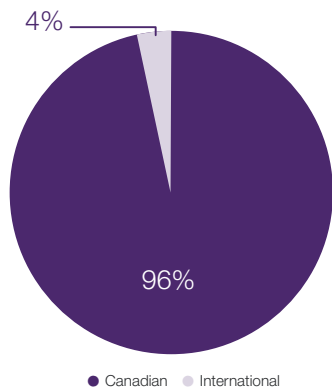
The next two pages outline TELUS’ payments to all levels of government over the past five years.

(\$ millions)	2018	2017	2016	2015	2014
<b>Corporate Income Tax Paid</b>					
Canada					
Federal	96.6	103.3	319.6	146.6	254.7
British Columbia	36.7	46.7	105.8	57.7	83.9
Alberta	18.2	0.9	62.0	20.5	44.9
Saskatchewan	0.3	0.4	1.1	0.3	0.8
Manitoba	0.4	0.1	0.7	0.3	0.8
Ontario	19.6	13.4	52.8	17.9	36.7
Quebec	7.6	2.7	42.2	6.9	29.5
Atlantic Provinces	1.5	1.3	5.2	1.5	3.4
International	17.2	22.4	11.2	4.3	9.5
<b>Total corporate income tax payments</b>	<b>198.1</b>	<b>191.2</b>	<b>600.6</b>	<b>256.0</b>	<b>464.2</b>
<b>Other tax payments</b>					
Employer portion of payroll taxes	128.7	135.4	136.8	139.6	138.2
Property and business taxes	111.8	111.1	108.6	107.2	105.7
Non-creditable/non-refundable sales taxes					
Federal	0.3	0.3	0.3	0.3	0.3
British Columbia	29.3	31.0	32.1	27.1	30.2
Saskatchewan	0.1	0.1	0.1	0.1	0.1
Manitoba	2.8	3.7	1.1	0.6	1.4
Ontario	0.1	0.5	0.8	1.3	1.5
Quebec	0.2	0.4	0.7	0.8	0.8
Atlantic provinces	0.0	0.0	0.0	0.0	0.0
International	54.5	27.7	25.2	16.6	11.2
Provincial premium and capital taxes	(3.0)	0.0	0.0	0.0	(0.3)
Quebec tax credits	(6.2)	(3.8)	(4.0)	(20.8)	(8.6)
<b>Total other tax payments</b>	<b>318.6</b>	<b>306.4</b>	<b>301.7</b>	<b>272.8</b>	<b>280.5</b>
<b>Payroll taxes remitted</b>	<b>617.3</b>	<b>666.3</b>	<b>671.8</b>	<b>687.1</b>	<b>612.3</b>
<b>9-1-1 taxes and other payments remitted</b>	<b>38.1</b>	<b>28.7</b>	<b>26.3</b>	<b>25.9</b>	<b>16.0</b>

(\$ in millions)	2018	2017	2016	2015	2014
<b>Sales taxes remitted<sup>1</sup></b>					
Canadian GST and HST	908.7	933.9	865.5	838.8	803.0
British Columbia	199.3	187.4	176.4	166.3	156.3
Saskatchewan	7.7	6.6	5.6	5.5	4.5
Manitoba	11.8	6.6	4.9	5.0	5.3
Ontario	0.0	0.0	0.0	0.0	0.0
Quebec	200.1	219.8	214.0	215.9	209.6
Atlantic Provinces	0.0	0.0	0.0	0.0	0.0
International VAT	29.8	2.7	3.2	4.1	2.4
<b>Net sales taxes collected/remitted<sup>1</sup></b>	<b>1,357.4</b>	<b>1,357.0</b>	<b>1,269.6</b>	<b>1,235.6</b>	<b>1,181.1</b>
<b>Sales taxes remitted<sup>1</sup></b>					
Total Canadian taxes remitted	2,428.0	2,496.8	2,830.4	2,452.4	2,531.0
Total International taxes remitted	101.5	52.8	39.6	25.0	23.1
<b>Total Global taxes remitted</b>	<b>2,529.5</b>	<b>2,549.6</b>	<b>2,870.0</b>	<b>2,477.4</b>	<b>2,554.1</b>

<sup>1</sup> The Sales taxes remitted consist of GST, HST, QST, PST and VAT collected from our customers. In 2018, TELUS paid \$702.1 million for GST, HST, QST and VAT to suppliers on the acquisition of goods and services that was ultimately refunded by the applicable government authorities levying such taxes.

### Taxes remitted/paid by location



## Dividend growth

In 2018, TELUS declared \$1.3 billion in dividends to our shareholders. We raised our quarterly dividend twice, most recently in November, representing an annual increase of 7.9 per cent. This was our sixteenth dividend increase since May 2011, when we announced our first multi-year dividend growth program targeting two dividend increases per year of circa 10 per cent annually. In May 2016, we extended this program to the end of 2019, targeting two dividend increases per year of circa seven to 10 per cent annually. TELUS has returned over \$16 billion to shareholders since 2004, representing more than \$27 per share.

Dividend decisions are subject to our Board's assessment and the determination of our financial position and outlook on a quarterly basis. See Caution regarding forward-looking statements – Ability to sustain our dividend growth program through 2019, [Section 7.5](#), and [Section 10.7](#) of our [2018 annual MD&A](#).

## Economic Value Distributed – consolidated

\$ millions	2018	2017
Goods and services purchased	6,368	5,904
Employee benefits expense	2,896	2,594
Capital expenditures, excluding spectrum licenses	2,914	3,094
Interest paid	608	539
Income taxes paid, net	197	191
Dividends declared to the holders of common shares	1,253	1,167
Cash payments for spectrum licenses	1	-
<b>Total</b>	<b>14,237</b>	<b>13,489</b>

## Research and development

We deliver on our brand promise by offering customers the best technology and an amazing experience. To do this, we collaborate with many partners on research and development (R&D) opportunities that will enhance our product and service offering. In 2018, TELUS invested \$307 million in R&D, \$67 million more than in 2017.

\$ millions	2018	2017	2016
Estimated investment in R&D	307	240	184

The increase in 2018 R&D spending is indicative of TELUS' strategic investments designed to advance next-generation technologies and unleash the potential of 5G for Canadians.

More and more communities have access to TELUS PureFibre's unrivalled speed and reliability. As of December 31, 2018, approximately 1.89 million households and businesses across B.C., Alberta and Eastern Quebec were covered by TELUS PureFibre®, representing 61 per cent our broadband footprint.

As the backbone for 5G, TELUS PureFibre represents our investment in the future of TELUS' products and services for generations to come. This includes everything from world-class broadband speeds and data speeds up to 200 times faster than 4G LTE, to low latency, which is critical for things like smart and secure homes, connected cars, robotics, Internet of Things (IoT) devices and mobile health.

In the past year, TELUS has advanced its presence and capabilities in areas such as:

- Home and business security
- Emergency response tools and alerts for seniors and all Canadians
- Mobile and virtual health delivery
- Optik TV® and Pik TV®
- Private and secure personal health records.

This is evidenced by the launch of the following products and services in 2018:

- **SmartHome Security and TELUS Secure Business**, which allow customers to keep an eye on their homes and businesses from anywhere using an app 24/7 with real-time monitoring and the capability to manage locks and thermostats wirelessly. This helps our customers save on insurance and energy costs.
- **LivingWell Companion™ Home**, an easy to operate wearable wrist device that helps those living independently be safe at home by offering automatic fall detection and instant access to 24/7 assistance provided by a two-way voice connection with a trained operator.
- **LivingWell Companion Go** creates the freedom to be active and protected, anywhere, anyplace, anytime. It is a lightweight 'carry with you' GPS location tracking device that provides two-way voice connection and automatic fall detection.
- **Alert Ready** is a life-saving Smart Phone capability. TELUS made the communication infrastructure available and worked with device manufacturers, so Canadians can receive threat-to-life emergency alerts, including Amber alerts or extreme weather events such as tornadoes, tsunamis and wildfires, to their devices over LTE networks.
- **Babylon by TELUS Health** is a mobile app that allows a patient to check symptoms, see a doctor virtually, get prescriptions, receive referrals for diagnostic tests and specialists and easily access clinical records through a mobile device.
- **TELUS Healthy Living Network®** is an On Demand service available on TELUS Optik and Pik TV. It is a library of curated Health & Wellness On Demand videos that can challenge, inspire, and motivate Canadians to live healthier and happier lives.
- **The 4K Wireless Digital box** is the next generation of TELUS Optik TV hardware, extending the viewing experience to other TVs in the home.

TELUS is building a competitive advantage by bringing together cutting-edge research, investment and talent to advance business-led innovation that addresses industrial challenges, boost productivity, performance and competitiveness.

We partner with post-secondary institutions, industry partners and start-up companies in the technology sector to commercialize solutions that address some of the biggest technology challenges facing Canada and the world.

Leveraging the capability of world-leading broadband telecommunications networks, these consortiums produce innovations and learnings in areas such as:

- Connectivity
- Internet of Things
- Machine to machine learning
- Cyber security
- AI/Data management and data analytics
- Quantum computing
- Augmented reality
- e-Commerce payment solutions
- Healthcare treatments via precision health analytics to realize breakthroughs across diverse sectors, from healthcare to natural resources.

These innovations hold the promise of tremendous local and global impacts and offer the potential to position Canada as a global innovation leader.

Additionally, [TELUS Ventures](#) partners with disruptive, market-transforming North-American-based companies in early-to-late stage development with a focus in the areas of Healthcare IT, IoT, and Digital Security and Identity.

Since 2001, we've invested and helped more than 50 such companies tackle some of today's biggest challenges by enhancing their visibility, expanding their business relationships, and driving new business opportunities.

# Indigenous relations

TELUS has a deep respect for Indigenous Peoples, their rights and cultures.

We are fully committed to building authentic relationships with Indigenous governments and organizations to create opportunity and support the processes of decolonization and reconciliation.

We are passionate about the work we are doing with Indigenous communities and embrace the experience and opportunity to learn from their culture, governance and connection to the land. Our partnerships with Indigenous governments and organizations are supporting transformative change within First Nations and Indigenous communities through new infrastructure, innovation, technologies and services.

TELUS collaborates with Indigenous partners and clients throughout the development, design and implementation of projects and initiatives impacting Indigenous Peoples and lands. In this way, we seek to carry out activities in a mindful, adaptive and culturally appropriate manner to ensure outcomes that support environmental sustainability and long-term social and economic development.

We actively seek out opportunities and partners to that allow us to do good business that aligns with the goals and objectives of Indigenous governments. This involves bridging divides in connectivity and improving access to healthcare, education and economic development as well as supporting self-governance, treaty and reconciliation processes.

In 2018, these initiatives included:

- Projects in urban, rural and remote Indigenous communities, such as providing broadband for new First Nation Internet Service Providers
- Fibre connections to Indigenous schools, administrative offices and healthcare centres
- New and enhanced community cellular coverage
- Collaborative infrastructure upgrade projects delivering fibre to homes and businesses throughout the community.

TELUS also supports our Indigenous team member resource group, EAGLES, which was created to engage, inspire and support Indigenous team members and allies. We draw on the knowledge and experience of this group to educate and inform our engagement with Indigenous Peoples.

TELUS will continue to learn from its positive experiences working alongside Indigenous Peoples and organizations. Together, we are building best practices in community engagement and the provisioning of services that are constructive in supporting the goals of Indigenous Peoples in Canada.

# 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 sustainability report with its principles. We became a signatory of the United Nations Global Compact (UNGC) in 2010 and continued our support throughout 2018.

As a Visionary Supporter of the Global Compact Network Canada (GCNC), TELUS continues to demonstrate our commitment to the Principles of the UNGC. The GCNC offers Canadian business and non-business sectors a unique opportunity to learn and exchange best practices in corporate responsibility within the network and amongst global peers. In doing so, we build the capacity of the Canadian corporate sector, empowering companies to embrace the UNGC's principles within their national and global operations.

Specifically in 2018, TELUS presented during several webinars hosted by the GCNC and at the [SDG Business Forum](#) on topics such as sustainability reporting and supporting [Sustainable Development Goals](#).

[For our most recent Communication on Progress, please visit our website.](#)



# Business continuity management

At TELUS, we believe a robust and agile business continuity program is a cornerstone for delivering on our customer first commitment, providing reliable products and services, and supporting our communities.

## Planning and readiness

TELUS recognizes the potential of threats that could disrupt our ability to meet our obligations to customers, our team members, the community and shareholders. We demonstrate our commitment to these stakeholders through a sustainable business continuity management program focused on managing the evolving risks and related business impacts that could cause disruptions to our operations.

Our business continuity capability is enabled by the following key program elements:

- A governance structure with executive sponsorship, oversight at the Board of Directors level, and engagement at all levels of the organization
- A risk-based program and planning framework based on industry-leading practices
- Ongoing monitoring and management of threats and projected impacts, and the application of mitigation and preparedness measures to respond to them
- A comprehensive emergency management framework with a consistent approach for all types and levels of threat

- A crisis management team comprising senior leaders, and direct linkages with key internal and external stakeholders
- A culture of resiliency that drives business continuity leadership, ownership and continuous improvement, including training and awareness, annual exercises, and embedding resilience into organizational processes.

In collaboration with internal and external stakeholders, the TELUS business continuity program continues to challenge the status quo in pursuit of making TELUS a more resilient and reliable service provider. The following are some of the key highlights in 2018:

- Conducted semi-annual seasonal weather preparedness workshops to review corporate preparedness and discuss seasonal risks such as flooding and wildfires
- Proactively prepared for the 2018 Canada Post labour disruption to limit operational impacts, manage expectations, and ensure customers continued to receive TELUS products
- Performed a major update on how critical TELUS sites and assets are identified and ranked across the TELUS portfolio. This ensures that the most critical sites receive the appropriate level of risk control
- Launched a portal that supports customer-facing teams in responding to customer enquiries regarding the reliability of TELUS' network, products, services, and our ability to maintain and recover them in an emergency
- Supported outreach and awareness initiatives by conducting workshops and delivering presentations to external partners, customers, and professional associations
- Facilitated an enterprise-wide scenario-based emergency exercise involving 120 team members from 18 teams across TELUS.



Driven by our commitment to continuous improvement, in 2019, we plan to reinforce our business continuity program by:

- Developing new business continuity planning templates that enhance our ability to understand and manage operational risk, as well as strengthen our ability to respond to and recover from business disruptions
- Facilitating an enterprise-wide business continuity exercise leveraging plans, procedures, and playbooks
- Facilitating a crisis management exercise to prepare the Emergency Management Operating Committee (EMOC) for their roles and responsibilities during an emergency
- Refining our incident management processes based on lessons identified from major events in 2018, such as wildfires, floods and severe weather events
- Strengthening the resilience of our supply chain by ensuring that our most critical vendors and suppliers can meet contractual obligations to TELUS in the event they experience a business disruption.

## Responding to incidents

TELUS has a proven track record of effectively managing the impacts of disruptive incidents. We have responded to wildfires, floods, and severe weather events that have threatened our operations and the communities where we live, work and serve. During these events, we have consistently demonstrated our ability to maintain telecommunications services in challenging circumstances. In addition, where appropriate, we have supported communities, customers and team members through these challenges by:

- Providing free voice, text and data services
- Waiving monthly payments and late payment charges
- Suspending collection activities for customers with overdue bill payments
- Replacing damaged equipment at no cost and providing loaner mobile phones

- Developing special contact centre queues to address specific needs of affected customers.

TELUS' commitment to a robust and agile business continuity program has consistently been recognized by premier international business continuity organizations, including being a finalist for the 2019 Disaster Recovery Institute's Service Provider of the Year for our response to the 2017 wildfires in British Columbia.

## Collaborating with external agencies to support communities in their time of need

At TELUS, we understand the critical role of telecommunications to public safety.

In collaboration with all levels of government, TELUS supports emergency preparedness initiatives by participating in risk assessments, exercises and other planning initiatives. During an emergency, TELUS supports emergency operations by providing critical services and equipment, and aligning TELUS' response and recovery efforts with government and community priorities.

In 2018, TELUS developed and distributed the 'Supporting Your Operations in an Emergency' brochure to proactively inform government emergency agencies on how we can support their emergency operations. We have also provided the following community support in emergencies:

- Emergency mobile phones for first responders and officials
- Telecom services at community reception and welcome centres
- Comfort items for evacuated residents
- Support for community re-entry after major evacuations.

TELUS is a founding member of the Canadian Telecommunications Resiliency Working Group (CTRWG), which is a national group of telecommunications carriers and federal government representatives dedicated to building resilience. During an emergency, we work closely with the CTRWG to share information and resources.



# OUR PEOPLE

WORKING RELENTLESSLY TO MAKE A DIFFERENCE

## Overview

Our team members are the foundation of our business and drive our success as a globally leading telecommunications company. Our culture is anchored in our TELUS leadership values which were created by our team nearly two decades ago. Our team lives these values each and every day to create remarkable outcomes for our communities, protect the planet for our children and promote a highly engaged and high-performing team.

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

## 2018 highlights

- Achieved 85 per cent engagement (a one per cent increase over 2017), placing our organization within the top ten per cent of all employers globally
- Recognized as one of Canada's Best Diversity Employers for the tenth consecutive year
- Named one of Association for Talent Development's (ATD) BEST organizations for the 13th year and named Best of the BEST organization for the fourth year. This award recognizes organizations that demonstrate enterprise-wide success as a result of employee talent development.



# Employee experience

## Monitoring engagement

Our team members are the heart of our business and we are proud of the globally-admired culture we have built together. Each year, we invite our team members to share their ideas, comments and feedback on how we can improve their day-to-day experience through our annual engagement survey. Teams then work collaboratively to identify top priorities and implement action plans that will lead to improvements in the practices, programs and policies that shape our organization.

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

%	2018	2017	2016	2015	2014
Overall engagement – TELUS Domestic	A 85	84	76	87	85
Overall engagement – TELUS International <sup>1, 2</sup>	A 81	83	81	80	76

1 Operations in Europe (Bulgaria and Romania) are included in 2014, 2015, 2016, 2017 and 2018 TELUS International results, which also include Philippines, Central America and U.S. operations.

2 2018 TELUS International includes Voxpro and Xavient.

In 2018, we broadened our TELUS Domestic engagement survey to focus on how we support the health and well-being of our team. Our success is driven by focusing on continuous improvements in these and other critical areas influencing engagement and the team member experience. Each of these will continue to be crucial areas of focus for us in 2019.

Through listening to our team members and leveraging the practice of Fair Process, we are investing our collective energy in collaboratively creating action plans that address the feedback we receive and helps us identify areas in which we can implement solutions that will enhance our customers' and team members' experience.

See Section 10.6 of our 2018 annual MD&A for a further discussion on risk and mitigation with respect to team member engagement, recruitment and retention.

## Turnover

Historical strength of the Canadian labour market continues to drive fierce competition for talent. To address this challenge, we continue to rely on an innovative sourcing strategy to proactively attract and engage prospective candidates and retain existing team members.

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

%	2018	2017	2016	2015	2014
Voluntary <sup>2</sup>	A 10.2	9.2	11.4	9.3	10.1
Involuntary	A 4.1	3.0	4.7	6.3	3.8
Total	A 14.4	12.2	16.1	15.6	13.9

1 We are only reporting on domestic employees that are tracked in the primary Human Resources Management system.

2 Voluntary rates include employees that left the Company due to retirement.

### Annual domestic turnover by gender and generation<sup>1</sup>

%	2018	2017	2016	2015	2014
Female	A 14.5	13.1	18.1	17.8	15.4
Male	A 14.3	11.7	14.9	14.2	12.9
Millennials (1980 - 2000)	A 18.3	17.3	20.3	20.9	22.0
Generation X (1965 - 1979)	A 7.8	6.2	8.2	9.3	6.5
Baby Boomer (1946 - 1964)	A 20.4	13.7	23.8	17.4	13.5
Total	14.4	12.2	16.1	15.6	13.9

1 TELUS tracks the Silent Generation, but it only represents a small population of the total turnover (2 employees).

## Talent development

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

### Performance development

At TELUS, we understand that our success is a result of the extraordinary contributions of each of our team members. We believe that an effective performance development experience that provides team members the direction, coaching and feedback they need to achieve their personal and professional goals is critical to achieving our business goals. All team members receive regular performance and career development reviews which are documented in our performance management tool.

In 2017 and 2018, we gathered industry best practices and worked with over 3,000 team members representing every business unit and all levels including our frontline, to experiment with new performance development approaches to find out what would work best for our team. In 2019, we will launch a performance development approach that will be more team member centric, enabling our team members to learn, grow and achieve their best every day.

### Learning and development opportunities

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

We see each member of our team as a leader and support them in making and implementing decisions in a fair and collaborative manner. A hallmark of our

unique culture has always been our commitment to learning, development and continuous improvement. In 2018, we:

- Were recognized as one of the [Association for Talent Development's](#) (ATD) BEST organizations for the 13th year. For the past four years, TELUS has been named the Best of the BEST organization. This award recognizes organizations that demonstrate enterprise-wide success as a result of employee talent development.
- Held our Director Leadership Forums improving our organizational agility, and enhancing the strategic and integrative capabilities of TELUS' senior leaders.
- Supported the second cohort of the TELUS MBA, who continued their studies. The program includes common and fundamental MBA learning objectives and combines online and face-to-face learning, which offers team members the chance to learn while continuing in their roles at TELUS.
- Continued our Leadership Now program, which focuses on team members who have demonstrated a level of consistently high performance and high potential.
- Held a Closer to the Customer (C2C) event involving 481 participants across the country. Team members spend a day in the life of a customer-facing role to gain greater insight into the customer experience.

## Average training hours<sup>1,2,3</sup> – TELUS Domestic

Category	TELUS Domestic	Average training hours
Overall		11.4 <b>A</b>
Gender	Males	12.2 <b>A</b>
	Females	9.9 <b>A</b>
Role	Bargaining Unit	14.4 <b>A</b>
	Management Professional	8.5 <b>A</b>
	Retail	14.3 <b>A</b>
Level	Single Contributor	10.9 <b>A</b>
	Middle Manager	17.8 <b>A</b>
	Senior Manager	5.6 <b>A</b>

- 1 Only includes training that was captured and recorded internally, as of January 30, 2019. This number does not include business unit specific training, external training or educational pursuits paid for by the company and other ad hoc training sessions that employees may engage in.
- 2 Consistent with the approach taken for 2017, averages are based on the total headcount of domestic employees on December 31, 2018. Training that was provided for team members in 2018, who were no longer with the company on December 31, 2018 has not been included.
- 3 As tracked through our learning portal – TeamHub only. TELUS is shifting from instructor-led or classroom learning to informal learning (i.e. self-learning). The latter hours are not formally tracked and difficult to estimate and therefore there are additional learning hours not tracked in the current disclosure.

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

Performance impact of learning	2018	2017	2016	2015
Employees that felt satisfied with the learning opportunity (%)	92%	95%	94%	95%
Employees that feel the learning opportunities helped their performance on the job (%)	83%	91%	86%	89%
Employees that would recommend this learning opportunity to other employees (%)	90%	94%	92%	93%

- 1 Results are based on responses to common survey questions included in all corporate broad scale leadership development offerings (excluding TELUS International).

Team members continue to benefit from one national leadership learning strategy. The curriculum is closely linked to our long-term development plans, succession management and business-specific technical learning objectives. In addition to supporting general skills and leadership development across our company, we created and delivered customized, job-specific training.

## Career development

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

Whether it is through our formal training courses, online resources, leadership forums, our TELUS MBA program or on-the-job learning, we understand that continuous career development is important for our team members. In 2019, we will continue to evaluate all of our learning opportunities to ensure we are offering the variety of learning required to support personal and professional growth.

## Work Styles

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

- Increases engagement, productivity and business results
- Differentiates us in attracting and retaining top talent
- Reduces our environmental impact
- Provides significant cost savings for our company and team members.

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

## Board of Directors diversity representation

We believe that fostering diversity provides a major competitive advantage and enables our [Board](#) to benefit from a broader range of perspectives and relevant experience that better reflects our customers and the communities we serve.

In support of our Board diversity policy, we set objectives to have diversity represented by not less than 30 per cent of our Board's independent members and a minimum representation of 30 per cent of each gender by the end of 2018. Prior to our 2019 AGM we attained these objectives with 50 per cent (six nominees) of our independent directors representing diversity and 42 per cent (five nominees) being female. Please see page 20 of our [2019 Information Circular](#) for charts that provide information relating to the gender, age, geographic representation and tenure of our Board.

In 2018, we also signed the [Catalyst Accord 2022](#). The Accord calls on Canadian boards and CEOs to accelerate the advancement of women in business by increasing the average percentage of women on boards and in executive positions in corporate Canada to 30 per cent or greater by 2022. This involves sharing key metrics with Catalyst for annual benchmarking of our collective progress.

## Total Rewards

All our team members enjoy a comprehensive rewards package that includes salary and a performance bonus, flexible benefits, as well as retirement and share purchase programs. In addition to the traditional components of this package, team members work in inspiring work spaces and receive discounts on TELUS products and services.

### Compensation

Our cash compensation for team members not covered by a collective agreement consists of a non-variable base salary and a variable component that

is designed to focus on results. This approach supports our TELUS leadership values and recognizes high performers and key talent who are critical to the success of our organization.

Our compensation is market-based. We conduct ongoing reviews and compensation analysis of job roles relative to the market and take appropriate action to pay competitively. Our philosophy is that consistent high-performers are compensated at or above the 75th percentile of the competitive market wage. Terms and conditions, including wages for all team members covered by a collective agreement, are negotiated between TELUS and the respective unions.

### Compensation highlights:

- 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 27 per cent above the median.
- The base wages received by TELUS International Philippines team members are more than 60 per cent higher than the Philippines National Capital Region Minimum Wage.
- In Central America, a role as a call centre agent often pays 30 per cent more than what an administrative or entry level position at a bank would receive.
- In the U.S., TELUS International team members earn at least twice the minimum wage rate in base salary and access to incentives and benefits.
- The base wages received by TELUS International Europe Bulgaria team members are more than three times higher than the Bulgarian National Minimum Wage. In Romania, the average wages are two times larger than the Romanian National Minimum Wage.
- In Ireland, the average base salary for a Voxpro, powered by our TELUS International team members, is 37 per cent higher than the minimum wage.
- At [Xavient Digital](#), powered by our TELUS International team members in India, team members earn base wages that are more than eight times the national / regional minimum wage.

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

In 2019, we will continue to invest in our people, and in their careers, education and well-being. We believe they, in turn, will reward us with loyalty and engagement, which will ultimately translate into happy customers and delivery of our growth strategy.

## 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 familial situations and affords them peace of mind that their needs are being met with a cost-effective solution. Team members choose from several options including life, long-term disability, and critical illness insurance, as well as access to comprehensive health plans. In 2018, 92 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 to a Health Spending Account that they may use toward health and dental costs. Part-time team members are eligible for the Health Spending Account, Retirement Savings and the Employee Share Purchase Plan.

## Retirement and savings plans

Elevating a culture of wellness, including the future financial well-being of our team members is a priority for us. We encourage them to save for retirement through a variety of methods, including:

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

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

We offer team members the ability to purchase TELUS shares through regular payroll deductions. This flexible savings plan allows team members to purchase between one and 20 per cent of their salary, where up to six per cent is matched by TELUS, to a rate of 40 per cent (35 per cent for Directors or above).

In 2018, 25,540 team members were enrolled in one of our retirement savings plans and more than 21,000 team members participated in the employee share plans, representing just over 16 million shares and ranking as our third largest common shareholder.

## Total pay and benefits

\$ millions	2018	2017	2016	2015	2014
Total pay and benefits <sup>1</sup>	3,254	3,036	\$2,985	\$3,007	\$2,851

<sup>1</sup> Excludes restructuring and other costs.

We will continue to provide education regarding retirement savings and encourage team members in the defined contribution plans to maximize their savings for retirement.

In 2019, the total cost of pay and benefits are forecasted to increase as a result of:

- Increased legislated benefit costs (e.g., Employer Health Tax in B.C., Employment Insurance, and Canada Pension Plan)
- Increased levels of participation in the TELUS defined contribution pension plans.

See Section 9.3 of the [2018 annual MD&A](#) for a discussion on 2019 assumptions regarding team member benefits.

For more information regarding our compensation philosophy and executive pay, please refer to our [2019 Information Circular](#).

TELUS offers transition assistance to team members who are retiring or transitioning from employment with TELUS.



## Recognition

Recognition is a fundamental component of TELUS' engagement and retention strategy and aligns with our TELUS values. Team member and peer-to-peer recognition, when delivered effectively, is a powerful tool that supports a high-performance culture, reinforces corporate values, celebrates organizational goals and engages team members.

Metrics pertaining to recognition increased in 2018. In 2019, we will continue to evolve our recognition programs to improve our year-over-year results.

## Looking ahead into 2019

TELUS has a track record of leading the way with our recognition policies, processes and programs and we believe that improving our team members' experience is a key differentiator for our company. In 2019, we will work to:

- Improve the digital experience for recognition programs and awards
- Increase the frequency and improve the quality of recognition
- Use recognition as a vehicle to drive our customers first culture and corporate values
- Share nomination stories of recognition recipients in quarterly articles on our intranet to inspire team members.



# Health, safety and well-being

## Health

The health and well-being of our team members can be affected by many factors, including social, economic and physical environments, as well as individual characteristics and behaviours. At TELUS, we have programs that consider these factors, so we can support the best outcomes with respect to team member health and well-being.

A more reactive measure of our health is absenteeism. In 2018, our absenteeism rate, which includes paid and unpaid time off work due to illness or injury, increased slightly to 6.26 days per full-time equivalent position. Our absenteeism rate remains significantly below the Statistics Canada average, as shown in the table below. We attribute low absenteeism to our drive toward better health outcomes, including our Early Intervention Model, which was implemented in 2016. After two years of Early Intervention implementation we have seen an overall decrease in short-term disability claims per 100 FTE.

Table 1: Absenteeism rates

%	2018	2017	2016
TELUS absenteeism per full-time employee <sup>1</sup>	A 6.26	6.19	6.24
Average Canadian rate <sup>2</sup> for full-time employees	8.6	8.4	8.3
Average Canadian rate <sup>2</sup> for organizations with >500 employees	12.0	11.8	11.7
Average Canadian rate <sup>2</sup> for unionized organizations	14.8	14.3	14.0

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

2 Source: Statistics Canada.

Table 2: Sick absence breakdown

Type	% of total days lost	Workdays per full-time employee	Year-over-year change
Total Sick Absence	100.0%	6.26	+1.1%
Short-term Disability	57.7%	3.61	+8.8%
Incidental Absence	40.0%	2.50	-9.0%
Work-related Disability	2.3%	0.14	+19.5%

In 2019, Wellness & Health Services (i.e. the Well-being team) will continue to collaborate to develop and enhance targeted prevention and attendance programs aimed to help team members and leaders address absenteeism.

## Safety

Doing good business requires a relentless pursuit of the prevention of workplace accidents and injuries.

### Safety Management System

Our Safety Management System (SMS), which aligns with governing legislation, promotes a positive safety culture and is continuously monitored for its effectiveness. Within our SMS, we have established comprehensive and systematic policies and programs to enhance the safety of our workforce.

## Training

In 2018, our team members in the field completed approximately 52,000 hours of formal training, building their safety knowledge and skills.

Safety training programs serve a dual purpose in that they provide team members with the skills and knowledge to perform their work safely, and they reinforce the safety culture at TELUS. For this reason, there is ongoing safety training in all areas of the organization, with particular focus on the identification and management of workplace hazards. Performance targets are also set for our hazard control programs. These results are reported every quarter to the Human Resources and Compensation Committee of TELUS' Board of Directors.

## 2018 Safety record

TELUS has realized a steady reduction in lost time accidents (LTA) since 2010, and this result continues to compare favourably with the 2017 U.S. Telecommunications Industry average of 1.3 LTA per 200,000 hours worked. In 2018, we reduced trending workplace accidents and incidents by:

- Concentrating on winter preparedness which included, provisioning of equipment (ice cleats) to mitigate slip, trip and fall risks for our technicians who work in the field
- Developing and updating ergonomic procedures and training
- Issuing a number of awareness communications to technicians that emphasized proper ergonomic working techniques.

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

Ratio	2018	2017	2016
TELUS actual	A 0.63	0.69	0.62
TELUS target	0.65	0.62	0.70

<sup>1</sup> Data from TELUS' records as of January 10, 2018.

In 2019, our goal is to continue to reduce accidents and injuries and reduce our ratio of lost time accidents to 0.62. TELUS has had no work-related deaths since 1997.



## Well-being

We continued to advance our Well-being Strategy in 2018, guided by our three strategic objectives:

1. To systematically support organizational health and well-being at TELUS
2. To help team members connect with one another and well-being resources
3. To positively impact team member and family member health and well-being.

### 2018 Well-being highlights:

- Broadened our support to include five dimensions of well-being (physical, psychological, social, financial and environmental)
- Implemented a multi-pronged approach to support team member mental health by offering specialized resources, anti-stigma campaigns and mental health training
- Assessed our organizational alignment against Canada's Mental Health Standard to enable ongoing improvements
- Improved absence and disability management processes, attaining a year-over-year short-term disability claims (per 100 FTE) reduction of 4.9 per cent and a 50 per cent reduction in disability-related escalations
- Enhanced team member access to physical well-being resources through fitness equipment upgrades and additional onsite fitness experts and wellness practitioner services
- Continued an enhanced national team member well-being challenge to inspire physical activity, charitable giving and social connections and achieved a 116 per cent increase in participation over our 2017 challenge.

## Key future wellness goals

Our 2020 vision is to have team members equipped with resources and knowledge to customize an experience that optimizes their well-being, supports the health of those around them and contributes to an elevated culture of well-being that permeates how we work together at TELUS.

As we grow our Well-being Strategy, we continue to refine our key areas of focus annually to ensure we are meeting and exceeding our objectives. Our focus in 2019, will involve:

- Advancing absence and disability management support
- Expanding our focused commitment to support the mental health of our team
- Increasing team member awareness of financial well-being.

# Labour and human rights

## Labour

Unionized team members at TELUS are covered by four collective agreements with the following unions:

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

The TWU collective agreement expires on December 31, 2021. The contract with the TWU covers 8,060 team members across Canada predominantly located in B.C., Alberta, Ontario and Quebec. Our contract with the TWU is the only national collective agreement in the telecommunications industry.

Additionally, TELUS is signatory to two major collective agreements in the province of Quebec. The collective agreement with the SQET covers 742 trades, clerical and operator services team members and the collective agreement with SAMT covers 626 management and professional team members. The agreement with the SAMT expires on March 31, 2022. The agreement with the SQET expires on December 31, 2022.

Our subsidiary, TELUS Employer Solutions Inc. has 55 team members covered by a collective agreement with the BCGEU, which expires on April 30, 2019. As of the date of publication of this report, collective bargaining continues and therefore the existing collective agreement remains in effect.

We maintain respectful and professional relationships with the labour unions that represent our team members across Canada, therefore, the right to exercise freedom of association and collective bargaining is not at risk for TELUS.

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

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

## Union recognition through consultation

TELUS strongly believes in building professional and respectful relationships with the labour unions representing our team members. Communication with the unions is recognized as an important element in nurturing these relationships. To this end, we have negotiated provisions in our collective agreements with the TWU and the SQET that establish formal structured consultation committees and processes.

In addition to regular day-to-day information sharing with unions, in 2018, there were several joint consultation sessions at the senior leadership and executive level to discuss matters of mutual interest. In the most recent collective agreement with the TWU, we have expanded our commitment to consultation through three formalized joint union–management consultation processes concerning workplace accommodation, workplace issues of mutual concern and the grievance and arbitration process.

Additionally, TELUS provides advance notice to our unions and affected team members regarding operational changes such as contracting out, technological change, and mergers, acquisitions and divestitures.

## Union representation (GRI data point G4-11)

Group	Employees covered by a Collective Agreement	Total No. of Employees	% covered by a Collective Agreement
Domestic	9,483	25,983	A 36%
International	0	31,982	0%
Total <sup>1</sup>	<b>9,483</b>	<b>57,965</b>	<b>16%</b>

<sup>1</sup> Active employees as at December 31, 2018

## Bargaining Unit employees by union affiliation

Union	Employees
TWU	8,060
SQET	742
SAMT	626
BCGEU	55
Total <sup>1</sup>	<b>9,483</b>

<sup>1</sup> Active employees as at December 31, 2018

## Human rights

TELUS has a long-standing commitment to respecting and protecting human rights as outlined in our [Code of Ethics and Conduct](#), our Respectful Workplace policy and employment equity and diversity practices. The Code ties together all policies regulating business behaviour and provides guidelines for the standards of ethical conduct expected of all team members, including officers and members of the TELUS [Board of Directors](#). The Code of Ethics and Conduct and the Respectful Workplace Policy are posted on our intranet and at telus.com and formalize our commitment to safeguard internationally proclaimed human rights.

Each year, TELUS requires our team members and contractors to complete an online integrity training course that outlines key aspects of our Ethics, Respectful Workplace, Security and Privacy policies. 100 **A** per cent of employees completed the 2018 Integrity course by early 2019, where required. TELUS also has specific online training based on our Respectful Workplace

policy that is required for all newly hired team members, and team members newly promoted into management professional and people leader roles. Newly engaged contractors are also required to complete this online training.

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

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

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

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

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

Please see our [UNGC Communication on Progress](#) to learn more about human rights pertaining to conflict minerals.

An essential element of our culture and values at TELUS is our continued focus on respectful behavior, preventing discrimination and harassment in the workplace, and our commitment to creating and maintaining a positive and professional working environment.

The TELUS Respectful Workplace Office performs an annual review of the Respectful Workplace policy to foster continued compliance with associated Human Rights legislation in each of the jurisdictions in which TELUS operates. Human Rights and Respectful Workplace Complaints are investigated by impartial Human Resources professionals.

Our Respectful Workplace training ensures team members participate in building our culture together by providing an in-depth and interactive review of the Respectful Workplace Policy, what constitutes acceptable behaviour in the workplace, changes to Human Rights legislation, and what Human Rights and Respectful Workplace protections and processes are available should an issue arise. The respectful Workplace office also offers customized refresher training courses when requested.

To support leading diversity and inclusiveness practices, Gender Transition Guidelines are available on TELUS' intranet. Upon request, the Respectful Workplace Office provides team members with additional information, resources and education on gender transition.

Analysis of complaints filed with the Canadian Human Rights Commission (CHRC) and Respectful Workplace Office is conducted to determine if there are internal practices causing concern for our team members. CHRC complaints, reported below, can be referred back to the internal TELUS resolution process. Resolution may be reached through the CHRC or the complaint may be dismissed, withdrawn or referred to the Canadian Human Rights tribunal.

## CHRC complaints

Total	2018	2017	2016
Carry over from previous year	A 12	11	6
New	A 12	11	9
Closed	A 6	10	4
In progress at end of year	A 18	12	11

## Closed CHRC complaints

Total	2018	2017	2016
Referred to TELUS internal or other resolution process	2	0	0
Resolution reached	0	3	2
Dismissed	4	6	2
Withdrawn	0	1	0

## Diversity and inclusiveness

### Team member data

The TELUS team is a collaborative network of skilled team members who are committed to driving remarkable human and social outcomes in the communities where our team members live, work and serve.

TELUS is committed to drawing from a candidate pool that reflects the diversity of our customers and the communities we serve. At TELUS International, in all 10 of our countries of operation our recruitment policy for senior roles is to promote from within the local team or hire candidates from the local market where we operate. Integrating new team members in a way that helps them relate and thrive within our unique culture is important to us.

## Canada

Employees	Category	Female	Male	Total
Canadian	Permanent	9,383	15,842	A 25,225
	Temporary	404	354	A 758
				<b>25,983</b>

Employees	Category	Female	Male	Total
Canadian	Full-time	8,243	14,578	22,821
	Part-time	1,544	1,618	3,162
				<b>25,983</b>

Employees	Province	Female	Male	Total
West	British Columbia	2,901	4,853	A 7,754
	Alberta	1,875	3,558	A 5,433
West Total		<b>4,776</b>	<b>8,411</b>	<b>13,187</b>
Prairie	Saskatchewan	37	69	A 106
	Manitoba	54	61	A 115
Prairie Total		<b>91</b>	<b>130</b>	<b>221</b>
Territories	Yukon	1	0	A 1
	Northwest Territories	0	3	A 3
Territories Total		<b>1</b>	<b>3</b>	<b>4</b>
East	Ontario	2,900	4,031	A 6,931
	Quebec	1,880	3,425	A 5,305
East Total		<b>4,780</b>	<b>7,456</b>	<b>12,236</b>
Atlantic	Newfoundland & Labrador	60	85	A 145
	New Brunswick	25	43	A 68
	Nova Scotia	54	68	A 122
Atlantic Total		<b>139</b>	<b>196</b>	<b>335</b>
<b>Canadian Total</b>		<b>9,787</b>	<b>16,196</b>	<b>25,983</b>

Employees	Generation	Female	Male	Total
Canadian	Silent	2	0	A 2
	Boomer	1,437	2,060	A 3,497
	Generation X	3,703	6,551	A 10,254
	Millennial	4,645	7,582	A 12,227
	Generation Z	0	3	A 3
				<b>25,983</b>

## International<sup>1</sup>

Employees	Category	Female	Male	Total
International	Permanent	13,883	17,319	A 31,202
	Temporary	240	540	A 780
				<b>31,982</b>

Employees	Category	Female	Male	Total
International	Full-time	13,224	16,947	30,171
	Part-time	899	912	1,811
				<b>31,982</b>

Employees	Region	Female	Male	Total
Asia Pacific	Australia	0	4	4
	India	300	1,458	1,758
	Philippines	7,118	7,196	14,314
Asia Pacific Total		<b>7,418</b>	<b>8,658</b>	<b>16,076</b>
Europe	Bulgaria	1,360	1,507	2,867
	Romania	644	405	1,049
	Ireland	854	1,065	1,919
	United Kingdom	1	3	4
Europe Total		<b>2,859</b>	<b>2,980</b>	<b>5,839</b>
Central America & the Caribbean	Guatemala	1,778	2,937	4,715
	El Salvador	1,051	1,922	2,973
Central America & the Caribbean Total		<b>2,829</b>	<b>4,859</b>	<b>7,688</b>
North America <sup>2</sup>	United States	1,017	1,362	2,379
North America Total		<b>1,017</b>	<b>1,362</b>	<b>2,379</b>
<b>International Total</b>		<b>14,123</b>	<b>17,859</b>	<b>A 31,982</b>
				<b>TELUS Total A 57,965</b>

Employees	Generation	Female	Male	Total
International	Silent	1	2	A 3
	Boomer	199	241	A 440
	Generation X	1,482	2,079	A 3,561
	Millennial	12,441	15,533	A 27,974
	Generation Z	0	4	A 4
				<b>31,982</b>

<sup>1</sup> For International operations, no significant portion of activities are performed by non-employees, nor is there significant variations in employee data shared within this table. Data is compiled using Human Resource tracking systems.

<sup>2</sup> Excludes Canada.



TELUS' commitment to diversity and inclusiveness is a defining feature of our culture. Our team members have made it clear that this commitment is an important aspect of what makes them proud to be part of the TELUS family. Our vision is to be a global leader in diversity and inclusion with a pipeline of top talent reflecting the diversity of our customers and communities at every level of the organization. These different perspectives, experiences and ways of thinking enable us to elevate our team members, spark innovation and inspire our customers.

We are committed to increasing the presence of underrepresented groups within key areas of our organization. We are raising awareness of gender diversity within the business and technology fields, and providing a platform to support the next generation of diverse leaders and champions.

Results from our annual team member survey in 2018 indicate that 95 per cent of TELUS team members agree or strongly agree that, "We have a work environment that embraces diversity and accepts individual differences (e.g., gender, race, ethnicity, sexual orientation, religion and age)."

Our diverse and inclusive culture helps our company make significant advancements in the areas of customer experience and in attracting and retaining the best talent. In 2018, we continued to advance our leadership in this area in many ways, highlighted by:

- Diversifying our job candidate pool through establishing partnerships with various industry organizations including SenseAbility, Canadian National Institute for the Blind, Magnet, and Indigenous Link.
- Developing job aids to help leaders better understand how they can support persons with disabilities, and generating ideas to improve our job postings, careers website and training.
- Focusing on strengthening the quality and quantity of women and diverse candidates in technical and leadership positions, including launching two new Diversity and Inclusiveness scholarships that focus on females and minorities in technology.

- Engaging over 7,000 TELUS team members through our Team Member Resource Groups (TRGs) to play an important role in advancing inclusion within our organization and throughout the communities where we live, work and serve around the world.
- Maintaining sponsorships with the We Matter campaign, a multimedia program targeting youth and young adults at-risk for suicide, and Indigenous Careers (an organization that helps market our employment opportunities to urban Indigenous and on-reserve individuals across the country).
- Volunteering, with the Spectrum Team Member Resource Group, over 43,500 hours in our local communities, and opening a new Chapter in Las Vegas, Nevada, where we participated in Pride for the first time.

In 2018, TELUS was honoured by Canadian Centre for Diversity and Inclusion as Western Canada's Employee Resource Group of the Year in recognition of our [#ShareLove](#) campaign and participation in 22 Pride events globally.

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

Designated Group	Canadian workforce availability <sup>2</sup>	TELUS Actual 2017 <sup>3</sup>	TELUS Actual 2016 <sup>3</sup>	TELUS Actual 2015 <sup>3</sup>	TELUS Actual 2014 <sup>3</sup>
Women	39.2%	A 34.9%	35.1%	35.8%	36.4%
Visible Minorities	24.4%	A 30.6%	29.5%	16.7%	15.9%
Persons with Disabilities	4.6%	A 5.8%	6.0%	2.3%	2.4%
Indigenous	2.1%	A 3.7%	4.0%	1.4%	1.4%

1 Based on data collected for reporting under the Federal Employment Equity Act.  
 2 Canadian workforce availability refers to the percentage of the designated group in the Canadian workforce who may have the skills necessary to fill positions at TELUS. Based on 2011 Census data, the National Household Survey and the 2012 Canadian Survey on Disability, this is the most current information available.  
 3 TELUS Actual data reflects representation rates of Federally Regulated team members based on inputs from self-identification team member survey.

## Workforce profile for domestic employees

Canadian by age	Silent (1925-1945)	Boomer (1946-1964)	Generation X (1965-1979)	Millennial (1980-2000)	Generation Z (2001-)	Total
Overall	0%	13%	39%	48%	0%	100%
Senior Managers	0%	21%	67%	12%	0%	100%
Middle & Other Managers <sup>1</sup>	0%	11%	48%	40%	0%	100%

1 Comprised of Middle Managers & Supervisors.

Canadian by type	Female	Male	Total
Bargaining Unit	35%	65%	36%
Management/Professional	39%	61%	53%
TELUS Retail	39%	61%	11%
Overall	<b>38%</b>	<b>62%</b>	<b>100%</b>

## Workforce profile of TELUS International

International	Female	Male	Total
Directors & Above	30%	70%	1%
Management/Staff	45%	55%	18%
Agents	44%	56%	81%
Overall	<b>44%</b>	<b>56%</b>	<b>100%</b>



A close-up, monochromatic purple image of a chrysanthemum flower. The petals are layered and detailed, creating a textured appearance. The text "OUR VALUE CHAIN" is overlaid in the center in a white, bold, sans-serif font. The background is a dark, almost black, gradient that makes the purple of the flower stand out.

**OUR VALUE  
CHAIN**

# Supply chain sustainability

Our Supply Chain team plays a vital role in carrying out TELUS' strategic initiatives. This involves collaborating across business units and working with suppliers and service providers to ensure the right products and services are deployed across our network in a safe and cost-effective manner. Doing good business requires that we select partners that are in alignment with our values of putting our customers and communities first.

In 2018, we have deepened our third-party relationships, leveraging our distributor capabilities to reduce operating complexity. We brought our warehousing and refurbishment operators under one roof to reduce freight and turnaround times. We have also broadened the portfolio of goods that we are sending for refurbishment, reducing environmental impacts and lowering operational costs.

Another area of focus for our Supply Chain team has been to look for opportunities to simplify internal processes and scale pilot programs into other lines of business. In 2018, TELUS began co-branding wireless device packages with TELUS and Koodo logos giving us flexibility to respond to consumer demand and reducing the materials required to assemble 80,000 units of product. The success and lessons learned were studied and plans were put in place to extend this initiative to our handset accessories, which will launch in 2019.

## Recognition

At TELUS, we have an ethos of experimentation, where ideas are cultivated to spark transformational change. We stand for good business, doing good.

In 2018, we were awarded the "Best Process Improvement Project Under 90 Days" by The Process Excellence Network, a global community bringing together business leaders and executives who strive to improve businesses outcomes through process and operational excellence. This highly contested

award drew submissions from major corporations around the world, with TELUS being the eventual winner.

To design this award-winning process improvement, a team consisting of TELUS supply chain professionals, process improvement experts and third-party warehouse operators, underwent a strategic diagnostic overview to identify opportunities, streamline and improve processes. A systematic approach applying industry best practices, as well as change management principles, enhanced the collaboration amongst stakeholders leading to rapid implementation.

The key recommendations, executed in only 74 days, led to revenue appreciation and financial benefits exceeding \$2 million. The automated tools and the interaction model developed as part of the project have improved service levels to our customers and reduced waste by eliminating product labelling.

## 2018 highlights include:

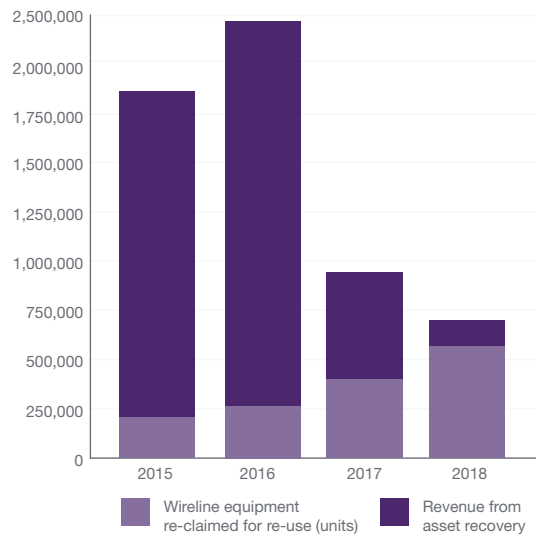
In 2018, we operationalized waste diversion programs that were piloted in 2017, and tested a new recycling program that will be fully implemented in 2019.

We continued to build on our objective to extend the useful life of equipment and divert products from waste. In 2018, through collaboration with our technical team and logistics partners, we deployed a program that recovered, tested and re-used 234,200 power supplies, yielding savings of \$1.6 million. In 2019, we plan to extend this program to additional devices.

In mid-2018, the Supply Operations team piloted the onsite recycling of residential equipment returns from our field technicians at two warehouses in B.C. By recycling end-of-life devices earlier in the process we reduced handling and freight costs by \$13,000. Our goal in 2019, is to expand this program to all major centres with a target to save \$250,000 annually.

## Supplier Code of Conduct

We award business to suppliers who demonstrate a strong commitment to sustainable development. This involves adhering to ethical, privacy, labour, health and safety, and environmental principles that align with ours and ensure the well-being of our customers, suppliers' employees, contractors and communities. Our Supplier Code of Conduct (SCOC) is fundamentally aligned with our commitment to being a leading corporate citizen. All TELUS' procurement contractual templates, including our standard purchase order Terms and Conditions, include an obligation to comply with the SCOC. The SCOC goes beyond legal compliance, drawing upon internationally recognized standards to advance social and environmental responsibility, human rights and business ethics.



In 2018, we relaunched our SCOC to ensure it reflects best in class practices and TELUS' leadership in this field. A cross functional team of subject matter experts from our Environment, People and Culture, Security, Data and Trust, Sustainability, Legal, and Supply Chain teams, were involved in a comprehensive review of the previous SCOC, including a significant effort in benchmarking, to ensure the updated version is best in class and fit for purpose.

The updated version of the SCOC has more detail around key obligations such as responsible sourcing of materials, including reviews for conflict minerals. More robust language around privacy and information security and a new section on Accessibility and Supplier Diversity has been included to align with TELUS' overall sustainability commitments. The SCOC is recognized by our stakeholders as significantly stronger than the previous version and reflective of future state needs.

In 2019, TELUS will continue its focus on the SCOC internally and externally, challenging ourselves – together with our suppliers – to set an example of the highest standards as we continue to evolve and exceed our customer needs and expectations. In line with having all of TELUS' procurement contractual templates (including standard purchase order Terms and Conditions) including an obligation to comply with the SCOC, we have a target of having 100% of our contracts with suppliers include the SCOC. In 2018, this target was met.

The new version of the SCOC is available at [telus.com/suppliercodeofconduct](https://telus.com/suppliercodeofconduct).

## Supplier diversity

Since 2014, TELUS' spending with accredited diverse suppliers has increased by more than 30 per cent. This is a result of focused efforts to mentor diverse suppliers and incorporate them into sourcing and selection processes. We use diverse suppliers for a range of goods and services including training, construction, branding, promotional merchandise, facilities cleaning and IT.

As supplier diversity develops across Canada, TELUS is a leader in supporting policy development and growth through board representation, partnerships and development programs. Members of the TELUS Procurement organization actively contribute on the boards and committees of:

- Canadian Aboriginal and Minority Supplier Council (CAMSC)
- Women Business Enterprises (WBE) Canada
- The Procurement Advisory Council for Canadian Gay and Lesbian Chamber of Commerce (CGLCC).

Throughout 2018, many team members participated in a variety of supplier diversity events across Canada, as presenters, board members and attendees. In 2018, TELUS was a Silver sponsor for the CAMSC Business Achievements Awards gala held in Toronto, Ontario. This momentum will be carried through 2019, as we continue to increase our participation and enhance our relationships with internal team member resource groups, including having hosted a [Women Business Enterprises](#) full day event at TELUS Garden for small women-owned businesses in February 2019.

## Monitoring our critical suppliers' Corporate Social Responsibility

TELUS monitors the corporate social responsibility of its critical suppliers by partnering with globally recognized organizations that offer insights to evaluate a variety of factors within our existing supplier base. In 2018, we worked with EcoVadis using their global sustainability rating system that combines expertise and technology to deliver easy-to-understand supplier Corporate Social Responsibility (CSR) Scorecards. These scorecards address critical issues, including environment, labour practices and ethics on a global scale. TELUS' critical suppliers (93 suppliers representing 38 per cent of our overall supplier spend) are assessed through a questionnaire, sector-based benchmarks and third-party reporting to manage risks, reduce costs and drive innovation in the supply chain.

The scorecard also contains detailed qualitative information, allowing TELUS to easily understand issues and provide clear feedback to suppliers on critical improvement areas.

In 2018, we followed up with 19 critical suppliers who were assessed in 2017. Four of these suppliers were identified as medium risk. We launched a follow-up campaign and initiated corrective action plans to address theme-specific issues. None of the four suppliers identified had deficiencies related to fair business practices. Assessments indicated no instances of child labour or forced or compulsory labour, as prohibited by our SCOC.

Looking ahead to 2019, TELUS will focus on two priority areas:

- Furthering our efforts to manage risk by introducing a new platform for supplier risk management, as well as strengthening our framework for supplier due diligence.
- Increasing the effectiveness of how we manage equipment from customers who cancel TELUS services.

## Supply chain risks

Government or regulatory actions with respect to certain countries or suppliers may impact us and other Canadian telecommunications carriers. The Government of Canada is currently conducting a cybersecurity review of international suppliers of next-generation network equipment and technologies, focused on Huawei Technologies, to evaluate potential risks to the development of 5G networks in Canada. A decision on 5G technology in Canada is expected in the coming months.

Over the last decade, our partnership with Huawei has allowed us to utilize the most advanced technology in a cost-effective manner in our advanced 3G and 4G networks without any security incidents. In building our 3G and 4G national networks, we have collaborated closely with the Government of Canada for many years to ensure robust protections across all equipment used. We are continuing to work with the government as it conducts this cybersecurity review and we have yet to select a vendor for our 5G network.

Given the range of potential outcomes of the cybersecurity review, the impact on Canadian wireless service providers cannot currently be predicted. A decision prohibiting the deployment of Huawei technology without compensation or other accommodations being made by the Government of Canada could have a material, non-recurring, incremental increase in the cost of TELUS' 5G network deployment and, potentially, the timing of such deployment. In the case of a ban, there is a risk that the Canadian telecom market would undergo a structural change, as a reduction to an only two global supplier environment could permanently affect the cost structure of 5G equipment for all operators.

We attempt to mitigate regulatory risks through our advocacy at all levels of government, including our participation in CRTC and federal government proceedings, studies, reviews and other consultations; representations before provincial and municipal governments pertaining to telecommunications issues; legal proceedings impacting our operations at all levels of the courts; and other relevant inquiries (such as those relating to the exclusive federal jurisdiction over telecommunications), as described in Section 9.4 and Section 10.3 of our 2018 annual MD&A. In 2018, no business partner contracts were terminated, nor employees dismissed or disciplined with respect to instances of corruption. Additionally, no legal cases regarding corruption were brought against TELUS in 2018.

## Conflict minerals

In 2012, the Securities and Exchange Commission (SEC) finalized reporting requirements to disclose the use of designated minerals and metals mined in the Democratic Republic of Congo and adjacent countries. Cassiterite (a source of tin), wolframite (a source of tungsten), columbite-tantalite (or coltan, a source of tantalum) and gold are often referred to collectively as conflict minerals. Such minerals may be used in electronic and communications equipment that we use or sell.

As a signatory of the UNGC, we are committed to preventing human rights abuses that could result from our operations. These SEC reporting requirements for conflict minerals, mandated by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, came into effect for our 2013 annual reporting cycle. Through the establishment of an internal Conflict Minerals

Working Group, we have performed our due diligence and have met the reporting requirements each year, including in 2018.

## Privacy and trust

### Fostering the responsible use of technology in our digital world

At TELUS, we recognize how critical customer trust is to participation in the digital economy. Our customers trust us to responsibly manage some of their most sensitive personal information. We earn and maintain customers' trust by vigilantly protecting their privacy and demonstrating respect for our customers by employing rigorous privacy practices.

TELUS' Data and Trust Office ensures that our data handling practices are responsible and respectful of customer privacy. We are constantly evolving our privacy and data governance models to make certain that the protections we put in place for our customers are ahead of any technological advancements that may carry privacy implications.

In 2018, we completed governance work on Responsible AI, including development of ethical guidelines. We also established a new role in the Data and Trust Office dedicated to ensuring that our cutting-edge work in AI is consistent with our commitment to put customers, and their privacy, first.

### Privacy governance

At TELUS, we believe in responsibly using data for good. Today's technology provides access to vast amounts of data that could be used to make better decisions in our society. For example, mobility patterns can be used to identify where organizations should be investing in infrastructure, such as how to best evacuate in an emergency. Health data can yield invaluable information on how to optimize healthcare and create better health outcomes for Canadians.

There is great promise in using data for decision making, yet we recognize that data must be used responsibly and ethically.

It is more important than ever to protect customer privacy and rebuild trust in the digital ecosystem as a result of high-profile data security breaches that have occurred in the retail and banking industries. While we look for new ways to deliver on the promise of data analytics, TELUS remains steadfast in our promise to protect customer privacy. To do this, we have implemented new ethical reviews of data-related initiatives and we believe in the value of strong de-identification of data sets. Visit our website for more information about some of the [data analytics at TELUS](#).

## Privacy by design

TELUS has embraced Privacy by Design (PbD) as an essential component of our privacy management program. PbD is a set of seven principles that the former Information and Privacy Commissioner of Ontario developed. These principles have become a globally recognized framework for the protection of privacy. PbD seeks to proactively embed privacy into the design specifications of information technologies, organizational practices and networked system architectures.

TELUS is one of only five companies in Canada – and the only telecommunications company – that has secured a Privacy by Design certification. In 2019, we will pursue further certification of our products and services where it will help our customers in feeling safe and respected online. We have developed a Privacy by Design curriculum for our product and service developers and recently added new technical components to that training, with a handbook of considerations when developing advanced technology such as AI, IoT and mobile apps.

## Building trust by respecting privacy

At TELUS, we respect our customers' privacy and take great care to safeguard personal information. We believe that an important part of protecting privacy is

to be clear about how we handle customers' personal information, and to make information about our approach easily accessible and understandable.

To help our customers understand TELUS' privacy practices, we have created information sources that explain those practices. In 2018, we created our online [Privacy Centre](#) that includes extensive information about our data handling practices, our privacy commitments and how we have operationalized those commitments. Here is a summary of our online resources:

- The **TELUS Privacy Commitment** provides clarity about our privacy practices with specific examples of how we handle personal information. Through this commitment, we assure our customers that unless we have their express consent, we will not share personal information with marketers of third-party products or services.
- The **TELUS Privacy Code** explains privacy legislation and describes the broad privacy principles that we adhere to in handling customer and team member information.
- The **Frequently Asked Questions** document answers the most common customer questions we receive regarding TELUS' privacy practices.
- We provide information to help our customers understand how we protect their privacy when performing data analytics.
- The **TELUS Privacy Management Program** identifies ways we have operationalized our privacy commitments. To date, none of our telecommunications competitors have published their framework and few, if any, private sector companies have done so.
- We provide a Cookies Notice that describes the limited purposes for which we use cookies.
- For the TELUS Health Business Customers, the Privacy Policy is available on the [telushealth.com/privacy](https://telushealth.com/privacy) section. Customers can call us at 1-800-567-0000 or email us at [privacy@telus.com](mailto:privacy@telus.com) for further information.

We regularly review the information at our Privacy Centre to make certain they are relevant and consistent with changing technologies and laws, and continue to meet our customers' evolving needs.



In 2018, we also updated the content on our [Protecting Your Privacy](#) page. This includes best practices that customers can use to help protect themselves and their devices from phishing, identify theft and fraud. It also includes information on surfing the Internet safely and the importance of creating strong passwords.

## Privacy complaints

We received two privacy complaints filed with the Office of the Privacy Commissioner of Canada (OPC) in 2018. We have resolved both of these complaints, one in 2018, and the other in early 2019. We received one complaint to the Canadian Radio-television and Telecommunications Commission (CRTC) in 2018 in addition to those filed with the OPC.

## Anti-bribery and corruption

In 2018, TELUS updated its [Anti-bribery and Corruption \(AB&C\)](#) policies to reflect legislative changes and international developments. The current policy, which was approved by the TELUS Board of Directors in December 2018, applies to TELUS and its wholly-owned or controlled subsidiaries as well as entities of which TELUS has a controlling interest. In addition to updating the policy, TELUS has expanded its corporate awareness, employee training and due diligence compliance activities to reflect best practices for large Canadian companies. These activities form part of our enterprise-wide risk management approach, applicable to all operations and employees. We will continue to make these improvements and update our team members during 2019.

## Transparency

Accurate information about the nature and volume of personal information requests by law enforcement to private companies helps inform the ongoing global discussion about the collection and handling of personal information by government organizations and law enforcement. At TELUS, we believe this is an important discussion tied directly to our commitment as a social capitalism company.

It is in that spirit that we completed our sixth annual [Transparency Report](#), which provides insight into our approach for responding to personal information requests as well as the volume and types of requests we receive. We are proud of our record of openly sharing with our customers the details about how we respectfully handle and secure their data.

As part of our ongoing commitment to putting customers first, we have a long-standing policy of protecting privacy in all of our business operations and of being transparent in our data-handling practices. As a national telecommunications company, we routinely receive requests for information about our telecommunications customers from law enforcement agencies and other government organizations.

## The data

This year's transparency reporting mirrors our previous formats, allowing us to provide trends year-over-year. We report this data alongside data since 2014 for comparison purposes.

The vast majority of the requests we received in 2018, and over the past few years, were for information to help find or communicate with someone in an emergency. Calls from a local police detachment or 9-1-1 Public Safety Answering Point (PSAP) operator, asking for help locating someone who is lost or suicidal are typical examples of this type of request. We responded to 57,529 calls from 9-1-1 PSAP operators and 3,406 calls from Law Enforcement Agencies requesting information specific to an emergency event.

Apart from emergency circumstances, we must respond and only do respond and provide the personal information requested, where we are required by a lawful authority to do so. Consistent with our Customers First philosophy, TELUS will challenge information requests that go beyond what is lawful, in the interest of protecting customer data and privacy. For example, we will challenge any request or court order that we believe goes beyond what a judge

is authorized to order under applicable legislation, such as the Criminal Code. We will only release confidential customer information when we are satisfied it is appropriate to do so. When necessary, we will take an issue to court and we have done so in the past.

In 2018, we challenged or declined to provide information in response to a total of 530 court orders (approximately 11 per cent of the court orders we received), because we thought the order was invalid or over-reaching. The increase from approximately five per cent in 2017, to 10 per cent in 2018 is mainly attributed to the legal impacts resulting from a corporate reorganization. The continued due care that law enforcement exercises in preparing their requests for records has contributed to minimizing the challenges to court orders that we have submitted. This highlights a positive trend in the protection of customer privacy.

TELUS intends to continue advocating for our customers' privacy while responding to legal court orders as required. It is a fine balance, and we are pleased to present this transparency disclosure as part of the evolving dialogue on this important matter.

Type of request	2018	2017	2016	2015	2014
Court Orders	4,871	4,785	4,678	3,993	3,550
Subpoenas	572	465	517	523	453
MLAT Orders	4	3	1	1	2
<b>Total Court Orders/ Subpoenas<sup>1</sup></b>	<b>5447</b>	<b>5,253</b>	<b>5,196</b>	<b>4,517</b>	<b>4,005</b>
Customer Name and Address Check <sup>2</sup>	—	—	—	—	30,946
Emergency Calls	60,935	57,704	58,721	51,413	61,596
Internet Child Exploitation Emergency Assistance Requests <sup>3</sup>	—	—	—	—	144
Legislative Demands	1,152	975	1,266	1,237	1,247
<b>TOTAL</b>	<b>67,534</b>	<b>63,932</b>	<b>65,183</b>	<b>57,167</b>	<b>97,938</b>

- 1 TELUS measures the number of requests in this category based on numbers of court orders or subpoenas received, rather than the number of impacted subscribers. Many court orders and subpoenas request information with respect to more than one TELUS subscriber.
- 2 Since 2015, this process has been handled by Court Order. This was due to the 2014 R. v. Spencer decision of the Supreme Court of Canada, which clarified that law enforcement agencies require a warrant to obtain the name and address information of our customers unless an individual's life, health or security is at risk. The decision resulted in the complete elimination in 2015, of voluntary disclosures made in response to non-emergency requests without a warrant.
- 3 TELUS has calculated these numbers based on how requests are recorded in our systems. We note that this may or may not be consistent with how other telecommunication services providers calculate the number of requests they receive in these categories

## MLAT orders

**Description:** these requests take the form of an order issued by a Canadian court pursuant to the *Mutual Legal Assistance in Criminal Matters Act* and any applicable mutual legal assistance treaty (MLAT). Typically, these are requests for aid from a law enforcement agency in another country related to a criminal investigation and require an order from a Canadian court. We do not respond to requests that come directly from foreign agencies but will provide information if ordered to do so by a Canadian court.

**Applicable law:** *The Mutual Legal Assistance in Criminal Matters Act*, mutual legal assistance treaties with other countries.

## Customer name and address checks

**Description:** these are requests for TELUS to provide basic customer information, such as customer name and address on a voluntary basis. These requests were usually made to identify an individual associated with a telephone number, most often so police can ensure they are serving a warrant on or arresting the correct individual.

In the 2014 decision of *R. v. Spencer*, the Supreme Court of Canada made it clear that a court order is required for TELUS to provide customer name and address information except in an emergency or where the information is published in a directory. Consequently, TELUS has not complied with any non-emergency requests for voluntary disclosure since this decision.

**Applicable law:** *Personal Information Protection and Electronic Documents Act (PIPEDA)*, CRTC rules with respect to customer confidentiality; see also applicable TELUS Service Terms and customer Privacy Commitment.

## Emergency calls

**Description:** these are urgent requests for help locating or assisting where an individual's life or property is at imminent risk. For example, TELUS will provide police or other emergency responders with location information for TELUS wireless device belonging to someone who is lost or in danger.

More than half of such requests (57,529 in 2018) came from 9-1-1 call centres seeking help locating a caller in distress. The remaining 3,406 requests came from local police or emergency responders.

In these cases we provide only the information needed to respond to the emergency.

**Applicable law:** PIPEDA and CRTC rules with respect to customer confidentiality.

## Internet child exploitation emergency assistance requests

**Description:** in response to police requests, in the past TELUS would disclose the name and address of a customer using an IP address to help the police investigate a real-time case of online child sexual exploitation. Previously, it was understood that such disclosure without a court order was permitted under Canadian law and TELUS' service terms. However, the Supreme Court of Canada in the Spencer case (referred to above) ruled that such disclosure requires a court order, except in an emergency. Accordingly, TELUS amended practices in this regard.

Since that court decision, TELUS collaborated with law enforcement agencies to establish a new process to expedite the sharing of this critical information through court orders where children are in danger, while abiding by the spirit and language of the Spencer decision.

TELUS has always required a court order to provide customer information associated with an IP address in other cases.

**Applicable law:** PIPEDA, Criminal Code

## Legislative demands

**Description:** this is a request for information by a government body, where TELUS is required by applicable legislation, to provide the information. For example, pursuant to the *Income Tax Act*, the Canada Revenue Agency may require TELUS to disclose certain customer information.

**Applicable law:** any federal or provincial legislation that authorizes a government body to compel information from TELUS.

## Frequently asked questions

### What is the process for responding to information requests?

TELUS has a process for carefully assessing information requests received from law enforcement agencies and other government organizations:

- A request is received and logged by TELUS' Security team.
- A specially trained and authorized TELUS Security team member reviews the request to ensure it has been correctly prepared and is legally valid. In the case of emergency calls, this involves obtaining confirmation that the situation involves an imminent risk to an individual's life or property.
- If the TELUS Security team member has concerns, they are brought to the attention of a manager, TELUS' legal department and TELUS' Data and Trust Office, or the agency or organization, as appropriate, for resolution.
- Once the TELUS Security team member is satisfied that the request is valid, they will take appropriate steps to properly respond to the information request. For example, this could include searching relevant databases for the requested information.

### How long does TELUS keep my information?

TELUS keeps customer information only as long as necessary to fulfil our business purposes and to comply with law. For example, we retain copies of customer bills for approximately seven years to satisfy legal requirements such as taxation law.

### What legislation applies to the protection of customer privacy?

TELUS' telecommunications businesses are governed by the federal *Personal Information Protection and Electronic Documents Act (PIPEDA)* and by rules prescribed by the CRTC with respect to customer confidentiality.

This transparency reporting covers business in Canada, including wireless, wireline and Internet.



# Regulatory compliance

As the world around us becomes more connected, TELUS understands the important role regulation plays for our operating environment and to our customers. We take pride in creating a friendlier future and continue to be an advocate for positive regulatory changes. Demonstrating our compliance with legislation, regulatory rules and requirements, all while delivering vital and reliable products and services is good business. TELUS' compliance has helped differentiate us from our competitors.

The [Canadian Radio-television and Telecommunications Commission \(CRTC\)](#) regulates the provision of telecommunications and broadcasting services in Canada. Although the majority of TELUS services are no longer subject to rate regulation, we maintain tariffs for certain telecommunications services. In 2018, the CRTC and courts released key decisions that impact the ways we deliver services to Canadians and contribute to the digital economy.

## 2018 highlights include:

- Learned from the Court of Queen's Bench of Alberta's ruling in *Bell Canada Inc. v. The City of Calgary*, following the Superior Court of Québec's 2017 ruling in *Vidéotron c Ville de Gatineau*. This reaffirmed the federal government's exclusive jurisdiction over telecommunications, including the construction, maintenance and operation of network infrastructure, and confirmed that such jurisdiction cannot be circumvented by municipal legislation.
- Maintained our top spot with the lowest number of complaints among national carriers for the seventh year in a row according to the Commission for Complaints for Telecom-television Services (CCTS) [annual report](#) released November 2018.
- Led meaningful engagements with Indigenous governments that enabled 95 TELUS projects and initiatives on Indigenous lands, including bringing our fibre and wireless networks into 27 new Indigenous communities and schools.

- Met with stakeholders to make significant progress in addressing accessibility issues and improving accessibility for customers. Demonstrated our extensive efforts to bridge digital divides and empower underserved Canadians by delivering accessibility, affordability and online protection for vulnerable groups.

Advocating to build our networks under a single federal framework, collaborating with Indigenous governments and communities, meeting safe levels of radio frequency emissions and making other required disclosures is good business. Our commitment to regulatory compliance and engagement underpins our commitment to social, economic and environmental sustainability. For further details on regulatory impacts to our business, please see [Sections 9 and 10 of our 2018 annual MD&A](#).

## Compliance with legislation, regulation and industry codes

### Preventing spam and nuisance calls

In effect since 2014, [Canada's anti-spam legislation \(CASL\)](#) is intended to protect Canadians from spam (e.g., marketing emails and text messages) and other electronic threats while allowing companies to compete in an increasingly digital world. TELUS has a CASL compliance program that includes consent and form requirements that apply to commercial electronic messages sent to customers by or on behalf of TELUS. A comprehensive CASL compliance manual is available to all team members, in addition to online training programs for key business and operational units. In this way, TELUS demonstrates our commitment to full compliance with CASL while enabling customers to receive information about TELUS' products and services through electronic means in accordance with their preferences.

In 2018, TELUS released Call Control, an effective customer-controlled nuisance call filtering service that is in line with the CRTC's expectations for nuisance call filtering. In 2019, the Call Control feature will be enhanced and the coverage increased. Due to the effectiveness of Call Control, TELUS was not subject to further regulatory requirement such as those provided in [\*Compliance and Enforcement and Telecom Regulatory Policy CRTC 2018-484\*](#).

## Net neutrality

The CRTC has, over the years, established a net neutrality framework with respect to Internet traffic. This framework is set out in sections 27(2) and 36 of the Telecommunications Act and in key CRTC decisions governing Internet traffic management practices and differential pricing practices. TELUS is committed to full compliance with the CRTC's net neutrality framework. In November 2018, TELUS reported to the CRTC on its current Internet traffic management practices and differential pricing practices, demonstrating how TELUS complies with the net neutrality framework.

## Consumer codes

The CRTC's [Wireless Code](#) is a mandatory code of conduct for all retail mobile wireless voice and data services providers offering services to consumer and small business customers. The Code sets baseline requirements for customer rights and service provider responsibilities. The CRTC updated the Wireless Code in 2017, and in 2018, the CRTC provided notice that it found TELUS to be in compliance with the various Wireless Code requirements.

The CRTC has also commenced a proceeding to determine whether to enact a mandatory code of conduct for retail fixed access Internet services. TELUS is participating in this proceeding and indeed already undertakes many of the proposed requirements set out by the CRTC as part of our Customers First commitment. Should the CRTC enact such a Code, TELUS will work to ensure it complies fully.

## Accessibility

Doing good business means products and services are accessible to all of our customers.

TELUS is committed to treating all people in a way that allows them to maintain their dignity and independence. We believe in integration and equal opportunity. We are committed to meeting the needs of people with disabilities in a timely manner, and will do so by:

- Preventing and removing barriers to accessibility
- Meeting and exceeding legislated accessibility requirements.

TELUS conducts third party audits of wireless devices on a regular basis against a list of individual accessibility features and against 11 accessibility personas. On our website, we list the mobile devices that have passed through our accessibility audits and support accessibility features. It includes the brands and models offered by TELUS and the features that provide increased access for persons with varying levels of abilities. We also ensure that any new TELUS apps and webpages follow [accessibility guidelines and standards](#).

In 2018, TELUS worked as part of the Canadian Wireless Telecommunications Association to create sign language videos in American Sign Language and la langue des signes Québécoise that explains the Wireless Code of Conduct and key wireless contract terminology. These are available on all of our wireless brands' websites.

In 2018, TELUS participated in the CRTC's review of message relay services, a voice telecommunications service for deaf and hard-of-hearing persons. The CRTC issued its decision on this proceeding in December 2018, and TELUS is committed to fulfilling its obligations from this decision to enhance its message relay services for its customers.

TELUS continues to improve accessibility to telecommunications services for persons with disabilities and remains committed to building a culture of inclusiveness. Our [accessibility policy](#) is available online, and a full description of our various products and services can be found on our website.

## Wireless public alerting

In the CRTC's decision in *Implementation of the National Public Alerting System by wireless service providers to protect Canadians*, Telecom Regulatory Policy CRTC 2017-91, wireless service providers in Canada were ordered to enable emergency public alerts on their LTE wireless networks by April 6, 2018. The wireless public alerting capability was an added feature to the national public alert system that was already available across television, radio and other sources.

TELUS is a proud supporter of the wireless public alerting system because of the added benefit of having wireless customers receive immediate notice of an emergency that is occurring or about to occur in their local area. In addition to the enabling public alerting on our wireless networks, TELUS played an active role as part of the coordination and public awareness activities that spanned local, provincial and federal government agencies, weather-warning application providers and other wireless service providers. Further details of Canada's emergency public alerting system and a demonstration of how the alert appears and sounds on a wireless device are available at the [Alertready.ca](http://Alertready.ca) website.

## Broadcasting and copyright

In 2018, the CRTC renewed TELUS' regional licences to operate broadcasting distribution undertakings in British Columbia and Alberta, extending licence terms to August 31, 2023. The CRTC also renewed TELUS' licence to operate a national video-on-demand service to August 31, 2023. TELUS' regional broadcasting distribution licence to serve Quebec was also granted an additional administrative renewal, which extend current licence terms to March 31, 2019, and a full renewal of this licence is expected in 2019.

In June 2018, the federal government announced a joint review of the *Telecommunications Act* and the *Broadcasting Act* to be conducted by a panel of seven experts that will have until January 31, 2020 to provide its final recommendations. TELUS continues to participate in the consultation process and the panel expects to issue an interim report in the spring of 2019 on what it has heard during this consultation process.

The *Copyright Act's* mandated five-year review was due in 2017, and the process for review via parliamentary committee was announced in December 2017. Both the Standing Committee on Industry, Science and Technology and the Standing Committee on Canadian Heritage are engaged in reviewing aspects of the *Copyright Act* and its policy framework. The expected completion timeline for this review is early 2019.

"Notice and Notice" provisions in the *Copyright Act* require ISPs to forward notices received from copyright-holders about alleged acts of copyright infringement to relevant customers. TELUS voluntarily forwarded notices of alleged infringement beginning in 2005, and has complied with Notice and Notice requirements since they came into force. In 2018, TELUS advocated for changes to support automation of notice processing. The intent was to:

- Deter misuse of the regime by allowing ISPs to charge a fee for notice forwarding
- Reduce non-compliance risks by requiring that statutory damages awards be proportional to actual harm to rights holders and supported by evidence of bad faith.

The [Television Service Provider Code](#) requires all television service providers (TVSPs) to ensure their agreements and offers are clear and set out, among other things:

- The duration of promotional offers
- The price of the service once any discounts end
- Obligations placed on consumers if they accept the offer.

The TVSP Code came into effect on September 1, 2017 and is administered by the CCTS. Consumers who have complaints about their television service can make their concerns known to the CCTS.

## Political contributions

As a means of supporting the democratic process, TELUS may occasionally provide political contributions. These contributions are made in accordance with all applicable laws, as well as our TELUS [Code of Ethics and Conduct](#) and our Political Contributions policy. TELUS made no political contributions in 2018.

In addition to annual TELUS disclosure in this report, details regarding contributions are publicly available in applicable jurisdictions' election agency and campaign disclosure websites.

# Putting Customers First

Creating an unforgettable customer experience is a collective effort that centres around the power of the human connection. We know we are not perfect, which is why we are always listening to our customers to learn how we can continue to put them first and elevate their TELUS experience. Taking the time to understand the diverse lifestyles of Canadians will help us innovate like never before and unlock new opportunities to revolutionize the way our products and services improve lives.

## Leadership in customer satisfaction

Every year, the CCTS issues a report providing statistics on complaints against telecoms and comparisons among carriers.

For the seventh year in a row, TELUS has maintained its top spot with the lowest number of complaints among national carriers, according to the [CCTS annual report](#) released in November 2018. TELUS also earned an industry-leading customer loyalty rate, with a churn rate below one per cent for more than five consecutive years. For more than nine years in a row, Koodo continues to have fewer complaints than other Canadian flanker brands.

Brand	Number of CCTS Complaints Accepted	Percentage of Total Industry Complaints (%)
TELUS	944 <span style="color: green;">A</span>	6.6%
Koodo Mobile	360 <span style="color: green;">A</span>	2.5%
Public Mobile	142 <span style="color: green;">A</span>	1.0%

TELUS also participated in the CRTC's 2018 proceeding to examine claims of aggressive or misleading sales practices concerning telecommunications services, the prevalence and impact on consumers, and potential solutions. TELUS highlighted the customer service successes associated with our Customers First journey and proposed a code of conduct consolidating existing regulations.

## What Canadians are saying

During the 2017-18 CCTS reporting timeline, Canadians filed more than 14,000 complaints about their service provider, up 57 per cent from last year. In 2018, the telecom industry was under the public microscope more than ever as a result of stories from CBC GoPublic about sales practices. The top issues industry-wide (and for TELUS) were focused on:

- **Billing and contract disputes**
  - Concerns about billing and service providers failing to disclose important information was the top issue raised by Canadian consumers across all services, up 125 per cent from last year.
- **Service delivery**
  - Wireless service issues continue to receive the most complaints at 42 per cent
  - With the popularity of online streaming and Internet gaming, almost one-third of all complaints were related to Internet services, up more than 50 per cent from last year
  - New to the CCTS results this year – TV service, which accounted for 11 per cent of all complaints.

## Our results explained

In 2018, TELUS received 944 accepted complaints, which makes up 6.6 per cent of total industry complaints – the lowest among the national carriers. Although the number of complaints increased this year, we saw a drop in the percentage of our total industry complaints compared to 2017. As part of the CCTS complaints process, service providers have an opportunity to resolve customer issues before the CCTS intervenes. In addition to having the fewest complaints of any national carrier, TELUS has the highest rate of complaint resolution before involvement from the CCTS. TELUS also received the lowest number of loss of service Internet issues, thanks to the speed and reliability of PureFibre.



The top issues raised for TELUS were related to:

- Inconsistencies between what a customer is expecting from their service subscription and what they actually receive
- Lack of clarity around price discounts being subject to change or conditional on retaining certain other services, resulting in the customer having to pay more than expected.

## Looking ahead: our future friendly focus to take Customers First to the next level

Our focus on driving a simple and reliable customer experience will strengthen our connection with Canadians and propel the next wave of our Customers First journey in 2019, and beyond.

### Simplicity

Moving forward, we will continue to evolve the customer experience to make it easier for customers to do business with TELUS. As technology continues to shape our world, we are:

- Evolving our digital experiences with augmented intelligence and self-serve capabilities through applications such as TELUS Virtual Assistant and the MyTELUS® app to support customers when and how they need it
- Increasing our focus on service levels and factors that contribute to long wait times, so we can help customers faster when they contact us via phone or LiveChat
- Transforming our communications platform and strategy to evolve how we interact with our customers
- Removing common frustrations for customers by simplifying their journey and putting control back in their hands through initiatives like our [Bring-It-Back™](#) program and [Data Manager](#).

### Innovation

Another way in which TELUS can evolve the customer experience is to leverage our technology and seek out new innovative ways to support consumer and business customers alike.

For example, TELUS has created a field service and customer support service offering focused directly on the agriculture industry. As one of the partners in the [Olds College Smart Farm](#), TELUS is providing low power, wide area broadband connectivity on the farm. This low cost service provides extended coverage over the entire farm area, using low power technology.

This service enables farmers to leverage the power of Internet of Things (IoT) devices in their everyday tasks of running a farm. Smart Farm personnel are able to take advantage of the technologies and real-time analytics available from other partners directly on their connected devices, from anywhere on the farm.

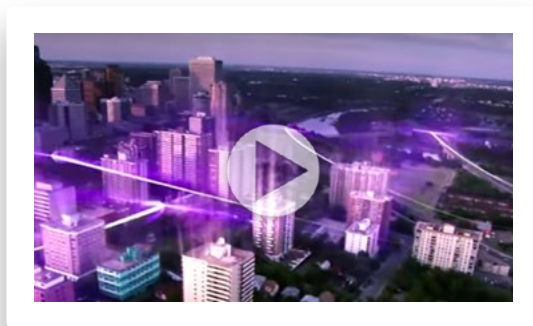
Through working with Olds College on this Smart Farm initiative, TELUS will be able to test out some of its new technologies in a live environment and receive valuable feedback on them. This allows TELUS to provide better service to its other agricultural sector clients.

## Reliability

We are continually identifying ways to make our mobile network and home solutions services even more reliable. Reliability is core to our culture, which is vital to providing products and services that exceed our customer's expectations. Our network teams integrated sustainability in to their operations by reducing outage minutes by 8 per cent, reducing our vehicle fleet by 5 per cent and avoiding 1,878 tonnes CO<sub>2</sub>e by upgrading HVAC chillers from gas powered to electric powered.

Our diligence on reliability for our current networks and our pending evolution to 5G networks, powered by our fibre network, means our focus on evolving our PureFibre services is more important than ever as we continue to provide Canadians with the fastest, most reliable Internet experience in their homes or in businesses and has resulted in being recognized for having the fastest mobile network two years in a row. On our journey to 5G, we are investing in critical technology components and trialing next-generation wireless technologies in our 5G Living Lab.

To learn more, watch this customer spotlight: [enabling sustainable living](#).




# Global Reporting Initiative

This report has been prepared using the Global Reporting Initiative (GRI-G4) Guidelines. The index below lists where you can find information related to each GRI criterion – either in this report, the [TELUS 2018 Annual Report](#), the [Annual Information Form](#), or [Information Circular](#). Combined, these reports form TELUS' reporting package of economic, social and environmental performance.

The 2018 Sustainability Report period of reporting consists of the 2018 calendar year and information reported within is confined to that period unless otherwise stated. TELUS has been publishing annual sustainability reports since 2000. Questions or feedback concerning content within the 2018 Sustainability Report should be directed to [sustainability@telus.com](mailto:sustainability@telus.com).

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

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

TELUS supports the UN Global Compact and its ten principles covering human rights, labour, environment and anti-corruption. The Communication on Progress section of our Sustainability Report covers TELUS' progress in 2018 in these areas. We also reference the UNGC Principles in our GRI table on the following page.



## GRI 2018 Standard

General Disclosure	Standard Indicator or disclosure	Report Location	Comment
Organizational Profile	<b>GRI 102-1</b> Name of organization	AIF <sup>1</sup> page 6	TELUS
	<b>GRI 102-2</b> Activities	AR <sup>2</sup> page 4, 52-53 SR <sup>3</sup> page 3 AIF page 10	
	<b>GRI 102-3</b> Headquarters location	AIF page 6	
	<b>GRI 102-4</b> Location of operations	AR page 109 SR page 88	
	<b>GRI 102-5</b> Ownership and legal form	AIF page 6	
	<b>GRI 102-6</b> Markets served	SR page 5 AR page 4, 52-53	
	<b>GRI 102-7</b> Scale of organization	SR page 88 AR page 52-53, 4-5	
	<b>GRI 102-8</b> Employee information	SR page 88-90	
	<b>GRI 102-9</b> Supply Chain	SR 92-95 AR 102-103	
	<b>GRI 102-10</b> Significant changes to organization or supply chain	AR page 42-43	MD&A section 1.3 '2018 Highlights'
Organizational Profile – Commitments to External Activities	<b>GRI 102-11</b> Precautionary principle or approach	SR page 6,35,39 AIF 10	AIF section 5.1 (e)
	<b>GRI 102-12</b> External initiatives	SR page 5,71	
	<b>GRI 102-13</b> Memberships	SR throughout AR page 28, 50	SR page 45-46,56-57,68-69,71,73,93-94 ITU : <a href="https://www.itu.int/en/Pages/default.aspx">https://www.itu.int/en/Pages/default.aspx</a> TELUS Ventures: <a href="https://ventures.telus.com/portfolio.php">https://ventures.telus.com/portfolio.php</a>
Strategy and Analysis	<b>GRI 102-14</b> Statement from Senior Decision Maker	SR page 10-20	
Ethics and Integrity	<b>GRI 102-16</b> Organizational Values, principles, standards, norms of behaviour	SR page 30, 93, 109 AR 49-51	
Governance	<b>GRI 102-18</b> Governance Structure and Composition	IC <sup>4</sup> page 33-35, 37, 55 AR 28-29, 95,96 SR page 25-26	
Stakeholder Engagement	<b>GRI 102-40</b> List of stakeholders	SR page 23	

General Disclosure	Standard Indicator or disclosure	Report Location	Comment
Organizational Profile	<b>GRI 102-41</b> Collective bargaining agreements	SR page 85-86	
Stakeholder Engagement	<b>GRI 102-42</b> Identifying and selecting stakeholders	SR page 23-24	
	<b>GRI 102-43</b> Approach to stakeholder engagement	SR page 23-24	
	<b>GRI 102-44</b> Key topics and concerns raised	SR page 23-24, 28-29, 32	
Identified Material Aspects and Boundaries	<b>GRI 102-45</b> Entities included in consolidated financial statements	AR page 118-124, 149-150, 152, 155	
	<b>GRI 102-46</b> Defining report content and topic boundaries	SR page 5	
	<b>GRI 102-47</b> List of material topics	SR page 23-24, 28-29, 32	
	<b>GRI 102-48</b> Restatements of information	SR page 45	Water
	<b>GRI 102-49</b> Changes in reporting	SR page 23-24	
Report Profile	<b>GRI 102-50</b> Report content	SR page 5	
	<b>GRI 102-51</b> Date of most recent report	SR page 5	
	<b>GRI 102-52</b> Reporting cycle	SR page 5	
	<b>GRI 102-53</b> Contact for report questions	SR page 5	
	<b>GRI 102-54</b> Reporting in accordance with GRI standards	SR page 5	
	<b>GRI 102-56</b> External assurance	SR page 7-9	

- 1 [TELUS 2018 Annual Information Form](#)
- 2 [TELUS 2018 Annual Report](#)
- 3 [TELUS 2018 Sustainability Report](#)
- 4 [TELUS 2019 Information Circular](#)

## Management Approach

Management Approach	Standard Indicator or disclosure	Report Location	Comment
Management Approach	<b>GRI 103-1</b> Explanation of material topic and its boundaries	SR throughout	Approaches for GRI Standards Specific Topics as indicated below in this table are disclosed in each relevant section in the report and explains why they are significant
	<b>GRI 103-2</b> Management approach and its components	SR throughout	Each relevant section in the report discloses applicable strategies, policies, procedures and KPIs
	<b>GRI 103-3</b> Evaluation of management approach	SR throughout	At the end of each section we discuss plans for 2019 as part of continuous evaluation process

## Material Topics

Material Topics	Standard Indicator or disclosure	Report Location	Comment
<b>Economic</b>			
Economic Performance	<b>GRI 201-1</b> Direct economic value generated and distributed	AR page 4-5,20-21,32,34,36 SR 62-69	SR chart page 53
	<b>GRI 201-2</b> Financial implications and other risks and opportunities due to climate change	SR page 25,29,39-43 AIF page 10	SR page 25 and AIF page 10 (section 5.1 (e)) refer to <a href="#">ICFD</a>
	<b>GRI 201-3</b> Defined benefit plan obligations and other retirement plans	SR page 79 AR page 113, 160-165	
	<b>GRI 201-4</b> Financial assistance received from government	AR page 152	
Indirect economic impacts	<b>GRI 203-1</b> Infrastructure investment and services supported	SR page 63-64 AR page 46-47,49-50,55-56,60,101-104	
	<b>GRI 203-2</b> Significant indirect economic impacts	SR page 53-59	
Procurement practices	<b>GRI 204-1</b> Proportion of spending on local suppliers	SR page 63	

Material Topics	Standard Indicator or disclosure	Report Location	Comment
Anti-corruption	<b>GRI 205-1</b> Operations assessed for risks related to corruption	SR page 27,93,97	UNGC COP page 11-12
	<b>GRI 205-2</b> Communication and training about anti-corruption policies and procedures	SR page 86	UNGC COP page 11-12
	<b>GRI 205-3</b> Confirmed incidents of corruption and actions taken	SR page 30,94-95	
Anti-competitive behaviour	<b>GRI 206-1</b> Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	AR page 109-111,182-184 AIF page 19	
<b>Environment</b>			
Materials	<b>GRI 301-1</b> Materials used by weight or volume	SR page 46	<b>Partially reported:</b> TELUS is not a manufacturer so in general, this is not applicable. However, we do report on our office paper purchases, including weight and volume and renewable materials used as a percentage. We do not disclose data on the content of the packaging used in the products we sell.
Energy	<b>GRI 302-1</b> Energy consumption within the organization	SR page 41-42	<b>Partially reported:</b> TELUS reports aggregate totals.
	<b>GRI 302-2</b> Energy consumption outside the organization	SR page 42	<b>Partially reported:</b> TELUS reports aggregate totals.
	<b>GRI 302-3</b> Energy intensity	SR page 41	
	<b>GRI 302-4</b> Reduction in energy consumption	Page 40-41	
Water and effluents	<b>GRI 303-1</b> Water withdrawal by source	SR page 45	

Material Topics	Standard Indicator or disclosure	Report Location	Comment
Emissions	<b>GRI 305-1</b> Direct (Scope 1) GHG emissions	SR page 40-42	
	<b>GRI 305-2</b> Indirect (Scope 2) GHG emissions	SR page 40-42	
	<b>GRI 305-3</b> Other Indirect (Scope 3) GHG emissions	SR page 43	
	<b>GRI 305-4</b> GHG emissions intensity	SR page 41	
	<b>GRI 305-5</b> Reduction in GHG emissions	SR page 40-41	
Effluents and waste	<b>GRI 306-2</b> Waste by type and disposal method	SR page 43-45	
	<b>GRI 306-3</b> Significant spills	SR page 46-48	
Environmental compliance	<b>GRI 307-1</b> Non-compliance with environmental laws and regulations	SR page 47-48	
Supplier environmental assessment	<b>GRI 308-1</b> New suppliers screened using environmental criteria	SR page 93-95	
	<b>GRI 308-2</b> Negative environmental impacts in supply chain and actions taken	SR page 93-95	<b>Partially reported:</b> Numbers of suppliers assessed disclosed but percentage unavailable due to data access issues for suppliers otherwise engaged.
<b>Society</b>			
Employment	<b>GRI 401-1</b> New employee hires and employee turnover	SR page 76, 88	<b>Partially reported:</b> TELUS reports turnover by age group and gender using a methodology described in table footnotes. TELUS reports turnover for domestic employees but not international employees. TELUS does not report the number of newly hired employees.
	<b>GRI 401-2</b> Benefits provided	SR page 77-80	
Labour/ Management relations	<b>GRI 402-1</b> Minimum notice periods regarding operational changes	SR page 85	

Material Topics	Standard Indicator or disclosure	Report Location	Comment
Occupational health and safety	<b>GRI 403-2</b> Rates of injury	SR page 82-83	<b>Partially reported:</b> TELUS discloses lost day and absentee rates but not by region, gender or type of injury/occupational disease.
Training and education	<b>GRI 404-1</b> Average hours of training per year per employee	SR page 78	
	<b>GRI 404-2</b> Programs for upgrading employee skills and transition assistance programs	SR page 77-78, 80	
	<b>GRI 404-3</b> Percentage of employees receiving regular performance and career development reviews	SR page 77-78	
Diversity and equal opportunity	<b>GRI 405-1</b> Diversity of governance bodies and employees	SR page 79, 88-90 AR page 28-29 IC page 20, 43	<b>Partially reported:</b> Employee data is broken out by age, gender and location.
Non-discrimination	<b>GRI 406-1</b> Incidents of discrimination and corrective actions taken	SR page 87	
Freedom of association and collective bargaining	<b>GRI 407-1</b> Operations and suppliers in which freedom of association and collective bargaining may be at risk	SR page 85, 93-94	
Child labour	<b>GRI 408-1</b> Operations and suppliers at significant risk for incidents of child labour	SR page 71, 94	See UNGC Communication on Progress.
Forced and compulsory labour	<b>GRI 409-1</b> Operations and suppliers at significant risk for incidents of forced and compulsory labour	SR page 71, 94	See UNGC Communication on Progress.
Security practices	<b>GRI 410-1</b> Security personnel trained in human rights policies and procedures	SR page 30,86-87	
Rights of Indigenous Peoples	<b>GRI 411-1</b> Incidents of violations involving rights of Indigenous Peoples	SR page 70, 86-87	TELUS does not have human rights violations against Indigenous Peoples.

Material Topics	Standard Indicator or disclosure	Report Location	Comment
Human Rights assessment	<b>GRI 412-1</b> Operations that have been subject to human rights reviews or impact assessments	SR page 86-87	All team members across all operations.
	<b>GRI 412-2</b> Employee training on human rights policies or procedures	SR page 86-87	All team members receive annual ethics training which includes a review of our Respectful Workplace Policy and Human Rights. The specific number of hours required to complete this training is not tracked.
	<b>GRI 412-3</b> Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	SR page 93	
Supplier social assessment	<b>GRI 414-1</b> New suppliers that were screened using social criteria	SR page 93	All new suppliers engaged through major procurement contractual templates have TELUS' Supplier Code of Conduct included. Percentage unavailable due to data access issues for suppliers otherwise engaged.
	<b>GRI 414-2</b> Negative social impacts in the supply chain and actions taken	SR page 94	<b>Partially reported:</b> Numbers of suppliers assessed disclosed but percentage unavailable due to data access issues for suppliers otherwise engaged.
Public policy	<b>GRI 415-1</b> Political contributions	SR page 103	
Customer health and safety	<b>GRI 416-1</b> Assessment of the health and safety impacts of products and service categories	SR page 48-49 AR page 112	<b>Not available.</b> TELUS does not have mechanism in place nor have we assessed or reported on lifecycle stages or health and safety of the products we sell. However, our products and services are approved by all legal/governing bodies relevant to the product or service that we provide.

Material Topics	Standard Indicator or disclosure	Report Location	Comment
Marketing and labeling	<b>GRI 417-1</b> Requirement for product and services information and labeling	SR page 43-45,48-49	Percentage data not available.
	<b>GRI 417-3</b> Incidents of non-compliance concerning marketing communications	AR page 109-111,182-184 AIF page 19	From time to time there may be some certified or uncertified class action lawsuits with respect to non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship.
Customer privacy	<b>GRI 418-1</b> Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR page 97	
Socioeconomic compliance	<b>GRI 419-1</b> Non-compliance with laws and/or regulations in the social and economic arena	AR page 109-111,182-184 AIF page 19	



# 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.

## **4K Wireless Digital**

The next generation of TELUS Optik TV hardware, extending the viewing experience to other TVs in the home

## **5G (fifth generation)**

The fifth generation cellular network technology that provides broadband access. The industry association [3GPP](#) defines any system using “5G NR” (5G New Radio) software as “5G”, a definition that came into general use by late 2018.

## **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.

## **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 for 80 per cent or more of the work week.

## **broadband**

Telecommunications services that allow high-speed transmission of voice, data and video simultaneously at rates of 1.5 Mbps and above.

## **Closer to the Customer**

a program that provides leaders with the opportunity to hear and learn from frontline employees. Spending a day in the shoes of customer-facing employees helps leaders make impactful changes to better serve customers and support our team.

## **conflict minerals**

Refer to minerals mined in conditions of armed conflict and human rights abuses, notably in the eastern provinces of the Democratic Republic of the Congo.

## **CO<sub>2</sub>e**

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 (CO<sub>2</sub>) as the reference.

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

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

## **crisis management team**

A team consisting key leaders (i.e., media representative, legal counsel, facilities manager, business continuity coordinator), and the appropriate business owners of critical functions who are responsible for recovery operations during a crisis.

## **Customers First**

A TELUS corporate priority focused on creating a best-in-class customer experience as measured by the voice of our customers.



**emission factors**

The most common approach for calculating greenhouse gas emissions is through the use of emissions factors that are representative values relating the quantity of an emission with an activity associated with the release of that emission. Sources used include the Canadian National Inventory report

**e-waste**

Electronic waste, e-waste, or e-scrap describes discarded electrical or electronic devices.

**Fair Process**

Aims to engage team members at all levels in collaborative decision making, leveraging their knowledge and encouraging a business ownership culture.

**formal and social learning**

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

**Internet of Things (IoT)**

A network of uniquely identifiable end points (or things) that interact without human intervention, most commonly over a wireless network. These systems collect, analyze and act on information in real time and can be deployed to enable the creation of smart connected businesses, homes, cars and cities.

**IoT Marketplace**

An online space offering turn-key IoT solutions from cutting-edge innovators and industry-leading technology companies.

**IP (Internet protocol)**

A packet-based protocol for delivering data across networks.

**ISO 14001:2015**

Is a family of standards related to environmental management that exists to help organizations (a) minimize how their operations (processes etc.) negatively affect the environment (i.e. cause adverse changes to air, water, or land); (b) comply with applicable laws, regulations, and other environmentally oriented requirements, and (c) continually improve in the above areas.

**LEED**

Leadership in Energy and Environmental Design (LEED) is a rating system that is recognized as the international mark of excellence for green building in 150 countries.

**LTE (long-term evolution)**

A 4G mobile telecommunications technology, capable of advanced wireless broadband speeds that has emerged as the leading global wireless industry standard. TELUS' 4G LTE coverage is currently capable of delivering manufacturer-rated peak download speeds of up to 75 Mbps (typical speeds of 12 to 25 Mbps expected).

**lost time accident (LTA)**

Under the Canada Labour Code, an LTA is any time lost as a result of an accident. Lost time begins on the day subsequent to the accident.

**material issues**

For a definition on materiality in the context of the GRI reporting framework, please see the [GRI website](#).

**performance development**

The people practice which provides employees the direction, coaching and feedback they need to achieve both personal and professional goals. It is also one of the top five drivers of the Pulsecheck employee engagement score and a key contributor to our business success.

**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.

**Privacy by Design (PbD)**

A framework based on proactively embedding privacy into the design and operation of IT systems, networked infrastructure, and business practices.

**Pulsecheck**

TELUS annual on-line employee engagement survey.

**R&D**

Research and development.

**REC**

Renewable Energy Certificates (REC) are tradable (non-tangible) energy commodities that represent the property rights to the environmental, social and other non-power qualities of green (renewable) electricity generation, measured in units of one (1) Megawatt-hour.

**remediation**

Removal of contamination at a site to levels that do not exceed regulatory standards.

**Senior Manager**

Team members at the Director level and above

**shared value**

This involves creating economic value in a way that also creates value for society by addressing its needs and challenges. Businesses can achieve shared value creation by reconnecting company success with social progress. Shared value is not social responsibility, philanthropy, or even sustainability, but rather a new way to achieve economic success.

**spectrum**

The range of electromagnetic radio frequencies used in the transmission of sound, data and video. The capacity of a wireless network is in part a function of the amount of spectrum licensed and utilized by the carrier.

**TELUS Community Ambassadors**

A large pool of current, former and retired employees who are passionate about volunteering in the communities where they live, work and serve.

**TELUS International**

Our international operations in the Philippines, United States, United Kingdom, Guatemala, El Salvador, Romania and Bulgaria.

**TELUS leadership values**

The TELUS team works together to deliver future friendly services and our values guide the way we work. They are: we embrace change and initiate opportunity; we have a passion for growth; we believe in spirited teamwork; we have the courage to innovate.

**TELUS PureFibre®**

A direct, 100% fibre optic connection. Fibre optic never degrades, which means an always fast, always consistent connection, without lag or buffering delays. Traditional copper wire or copper wire hybrid networks are subject to capacity constraints and environmental stresses that do not affect TELUS fibre optic technology, which is based on light signals.

**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.

**Work Styles®**

In 2006, TELUS introduced Work Styles®, a flexible work program empowering team members with the tools, resources and support to work when and where they're most productive.

the future is friendly®