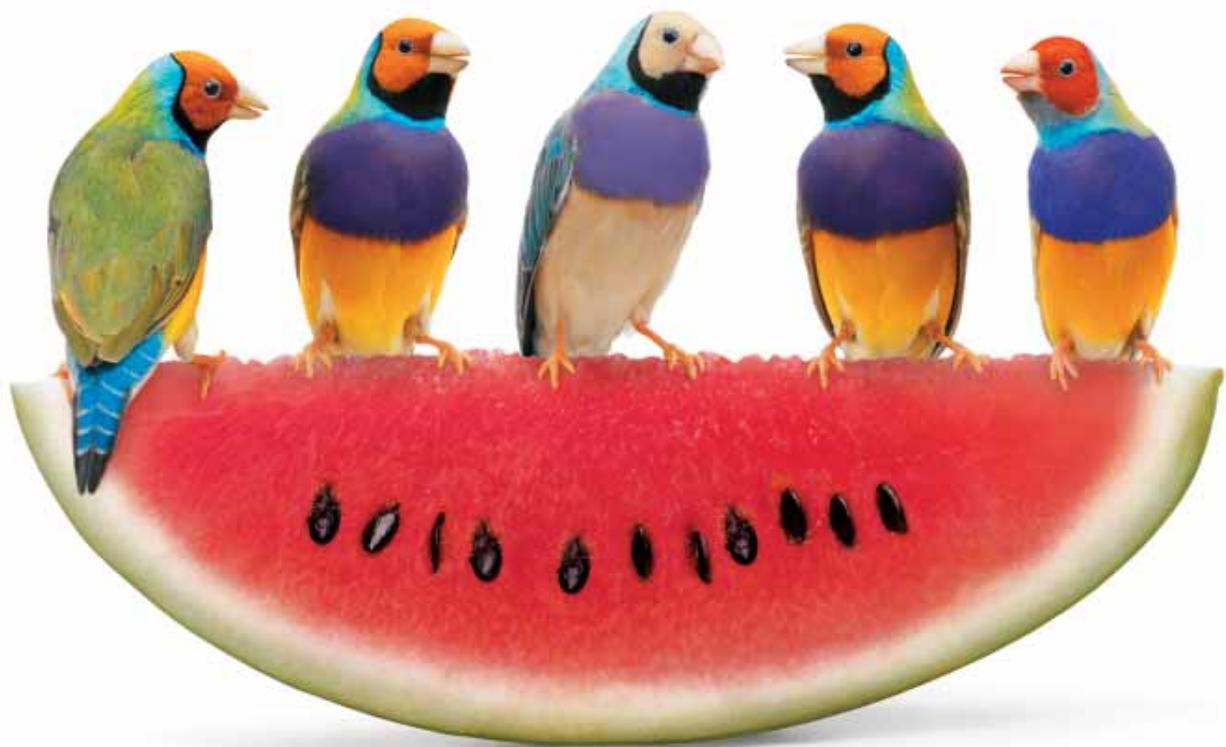


staying ahead

2005 corporate social responsibility report



staying ahead

Profile

TELUS Corporation is the largest telecommunications company in Western Canada and the second largest in the country. We provide a wide range of wireline and wireless telecommunications products and services, including data, Internet protocol (IP), voice, video and entertainment services.

The company is staying ahead through a consistent strategy focused on national wireless, data and IP growth.

In 2005, we generated \$8.1 billion in revenues, and were a top-quartile global leader among major telecom companies in growth of revenue, operating earnings, earnings per share and cash flow.

We are staying ahead for consumers and business.

- Our two state-of-the-art national digital wireless networks cover 30.6 million people across Canada and provide wireless services to 4.5 million subscribers
- Our new wireless high-speed data network, launched in 2005 in major centres across Canada, enables wireless data transfers at least six times faster than previous TELUS services
- Our strong incumbent market position in Western Canada and Eastern Quebec, including 4.7 million network access lines and 1.0 million Internet subscribers, provides a wireline platform for innovative TELUS Future Friendly® Home services such as TELUS TV®
- Our national wireline IP-based network offers advanced IP-based applications to business customers across Canada.

Strategic intent

To unleash the power of the Internet to deliver the best solutions to Canadians at home, in the workplace and on the move.

Social responsibility

We are committed to becoming Canada's premier corporate citizen by making a difference in the communities where we live, work and serve.

Questions and comments about our corporate social responsibility report can be sent to sustainability@telus.com.

forward-looking statements summary

This report contains statements about expected future events and financial and operating results of TELUS that are forward-looking. By their very nature, forward-looking statements require the company to make assumptions and are subject to risks and uncertainties. There is significant risk that the forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause actual future results and events to differ materially from that expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions (including assumptions for 2006 targets), qualifications and risk factors referred to in the Management's discussion and analysis starting on page 15 of the TELUS 2005 annual report – financial review.

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

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Selected quantitative information in TELUS' 2005 corporate social responsibility report has been independently audited by PricewaterhouseCoopers LLP (see page 53). Audited information is marked with the symbol **A**.

TELUS Community Boards

At TELUS, we have a fundamental belief that in order to do well in business, we must “do good” in the communities in which we live, work and serve. While we have fully embraced the challenge of becoming Canada’s premier corporate citizen as a national goal, we also realize that it must be owned and executed locally, in partnership with the community.

In 2005, we continued our journey to become Canada’s premier corporate citizen by taking a bold step to actively involve the community in our community investment efforts. To meet this new strategic focus, TELUS developed a community board strategy, with a goal to work collaboratively with the community to identify and address key issues.

This new strategy saw the incorporation of seven TELUS Community Boards across Canada with a mandate to guide our community investment efforts. Led by a diverse cross-section of key community leaders, the TELUS Community Boards allocated approximately \$3.5 million to local charities in 2005, supporting 197 initiatives.

These ground-breaking boards are helping communities in Vancouver, Edmonton, Calgary, Toronto, Ottawa, Montreal and Rimouski to meet their local needs. The TELUS Community Boards have funded a diverse portfolio of educational programs that are a direct reflection of the needs in their specific communities. From the funding of sports programs for youth to the funding of leading-edge technology programs for children, the TELUS Community Boards have helped make the future friendlier for Canadians.

We are looking to the TELUS Community Boards to provide insight, local knowledge and inspiration to help us:

- Determine if we are successfully creating the benefits we mutually envision
- Point out opportunities we may have overlooked
- Identify where best to deploy our executives who are willing to lend their time to serve the region’s community and business organizations.

TELUS Community Board Chairs

Vancouver	Nini Baird
Edmonton	Dr. Bob Westbury
Calgary	Harold and Marilyn Milavsky
Toronto	Rita Burak
Ottawa	Janet Yale
Montreal	Bernard Lamarre
Rimouski	Hugues St-Pierre



TELUS Community Board chairs

The TELUS Community Boards, established in 2005, provide valuable insight and local knowledge to ensure TELUS' annual charitable investments deliver the greater possible benefit to the people who need it most.



Nina Baird C.M.
Vancouver

Board member, British Columbia Film and Leon and Thea Koerner Foundation



Dr. Bob Westbury
Edmonton

Executive chairman, Alberta Centre for Child, Family and Community Research



Harold Milavsky
Calgary

Chairman, Quantico Capital Corp., Citadel Diversified Management, Enmax Energy and PrimeWest Energy



Marilyn Milavsky
Calgary

Board member, Calgary Opera, and member of the International Women's Federation



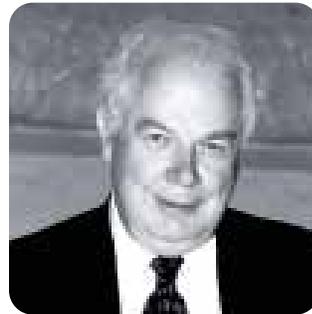
Rita Burak
Toronto

Chair, Hydro One Inc., and president, The Network Executive Team



Janet Yale
Ottawa

Executive vice president, Corporate Affairs, TELUS



Bernard Lamarre
Montreal

Chair, Bellechasse Health Group Inc.



Hugues St-Pierre
Rimouski

Former president and CEO, TELUS Québec

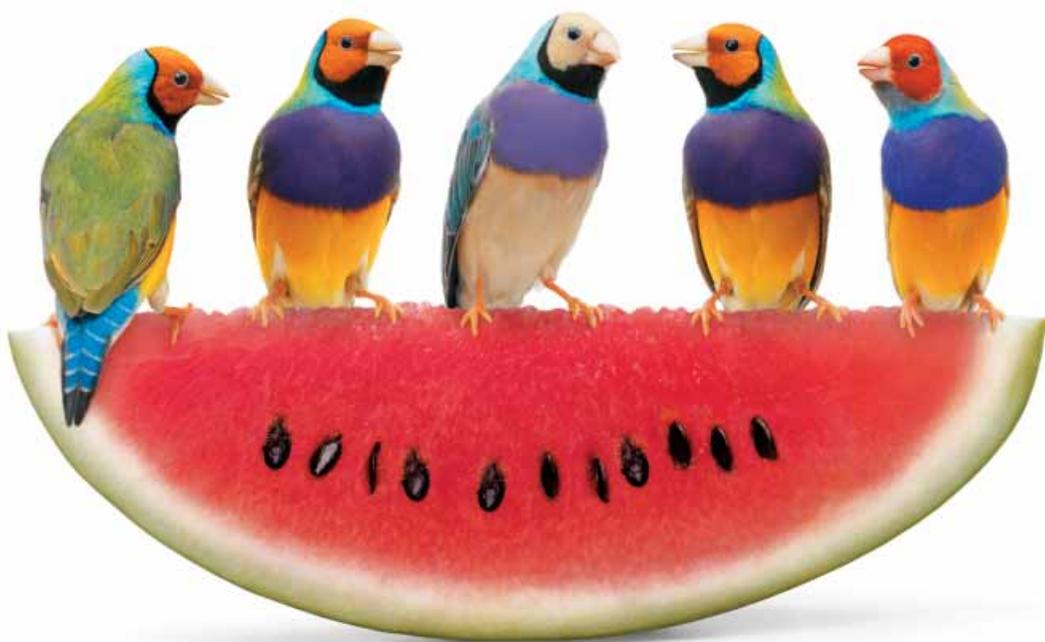


our commitment



Darren Entwistle
Member of the TELUS Team

At TELUS, we recognize that leading the way in corporate social responsibility is as important as our financial performance. We have made a commitment to our customers, shareholders and all stakeholders to stay ahead of our competitors in all aspects of our business – economically, environmentally and socially.



our commitment

Corporate social responsibility remains an integral part of what we do – it defines our business practices and culture as we strive to achieve long-term sustainable growth.

TELUS remains committed to a triple bottom line approach to business, balancing economic growth with an unwavering devotion to our environmental and social goals. This is a promise TELUS and our team members make to our stakeholders, and it is ingrained in the leadership throughout our organization.

TELUS, our team members and our retirees are committed to our goal of being Canada's premier corporate citizen and to making a positive difference in the communities we serve across Canada. The establishment in 2005 of TELUS Community Boards in seven Canadian cities to better assist us in making meaningful investments in social welfare is a prime example.

As we strive to stay ahead and to advance our leadership position in the global telecommunications industry, we vow to continue managing our business responsibly and with integrity while focusing on sustainable development.

A look at our progress

For TELUS, 2005 was an extraordinary year of challenges and triumphs, and ultimately a year when everything came together. Following a four-month labour disruption, we reached a key milestone with the ratification of a new five-year collective agreement by our bargaining unit team members.

Another significant milestone was the merging of our wireline and wireless organizations – TELUS Communications and TELUS Mobility – into a single operating structure. This development promises tremendous rewards for our company, team members and shareholders as we move forward as one team, under one brand, defined by a common strategy.

In last year's corporate social responsibility report, we set sustainability targets in five areas: economic growth, environmental conservation, community welfare, workplace well-being and governance, integrity and transparency. Notwithstanding the challenges experienced in the year, we made significant progress as outlined below.

Economic growth

Target: Realize TELUS' 2005 consolidated financial targets as detailed in the 2004 annual report.

TELUS achieved and mostly exceeded its 2005 financial targets despite the impact of the labour disruption. We generated \$8.1 billion in revenue and \$700 million of net income. TELUS was a top-quartile global leader among major telecom companies in growth of revenue, operating earnings (EBITDA: earnings before interest, taxes, depreciation and amortization), earnings per share and cash flow (measured as EBITDA less capital expenditures). Specifically, we generated growth of seven per cent in revenue and operating earnings, 24 per cent in earnings per share and 12 per cent for cash flow.

Maintaining a balance between shareholder and debt holder interests remained a priority for TELUS in 2005. In this regard, we continued to fulfill our commitment toward debt reduction, including retiring \$1.6 billion in debt in December 2005, six months ahead of the maturation schedule. This resulted in a net debt to EBITDA ratio of 1.7 times and served to strengthen our balance sheet and credit position. Notably, TELUS received upgrades from all four major credit rating agencies during 2005.

TELUS continued its program of returning capital to shareholders, firstly through two share repurchase programs. We repurchased 20.8 million shares for \$892 million in 2005, and announced a second repurchase program for up to 24 million shares, or seven per cent of outstanding shares, by December 2006. Secondly, TELUS announced a substantial 37.5 per cent increase to the quarterly dividend, effective January 1, 2006, making the total quarterly dividend 27.5 cents per share. It should be noted that TELUS shareholders benefited from a second year of impressive share price appreciation; the common shares appreciated 32 per cent in 2005 (40 per cent in 2004).

Environmental conservation

Target: Complete an external audit of TELUS' environmental management system (EMS), demonstrating a high degree of conformance with the ISO 14000 EMS standard.

TELUS engaged PricewaterhouseCoopers, a leading international auditing firm, to complete this audit in the fall of 2005. Unfortunately the labour disruption interrupted plans for the audit as most environmental staff members were redeployed to other areas of the business to maintain customer service levels. The need for an EMS review remains a priority; the last audit was completed in 1998 and our corporate goal is to complete an EMS audit every five years. As such, the audit has been rescheduled for 2006.

2006 sustainability targets

Economic growth	Realize TELUS' 2006 consolidated financial targets (revenue, operating earnings, earnings per share, capital expenditures and free cash flow) as detailed on page 8 of the 2005 annual report – business review.
Environmental conservation	Complete an external audit of TELUS' environmental management system (EMS), demonstrating a high degree of conformance with the ISO 14000 EMS standard.
Community welfare	Through the TELUS Community Boards, donate \$3.5 million to community initiatives in line with our pillars of health and wellness, sport and education, and arts and culture. Launch Governance Essentials, a program for not-for-profit directors in Vancouver, Calgary, Edmonton, Toronto, Ottawa and Montreal, as a critical component of our leadership strategy in corporate philanthropy.
Workplace well-being	Through targeted initiatives such as spirited teamwork – stronger together, increase the engagement of the TELUS team as measured by the Pulsecheck survey.
Governance, integrity and transparency	Test 100 per cent of key controls in 2006 and be prepared to certify under the rigorous U.S. Sarbanes-Oxley Act certification (section 404) required in 2006.

For three consecutive years, Corporate Knights, an organization specializing in corporate social responsibility, has recognized TELUS as an environmental leader. Specifically, in 2005 we ranked seventh in the top 50 of Canada's Best Corporate Citizens. In 2003 and 2004 we were named Canada's Best Environmental Corporate Citizen.

Community welfare

Target: Increase both the funds raised and participation rate of team members by 10 per cent in the 2005 Employee Charitable Giving Campaign.

TELUS encourages a corporate culture of giving through the annual Employee Charitable Giving Campaign, where we match team member pledges to charitable organizations dollar for dollar. The 2005 campaign was not implemented due to the extended labour disruption. Recognizing the importance of the campaign to both team members and Canadian charitable organizations, TELUS donated 100 per cent of the funding – \$2 million – in lieu of the 2005 campaign.

Since 1995, we have remained committed to being an Imagine Caring Company, annually donating more than one per cent of our pre-tax profits to charitable organizations.

Workplace well-being

Target: Resolve outstanding collective bargaining.

TELUS is particularly pleased to have realized this target in November 2005. The ratification of a negotiated and progressive

agreement between TELUS and the Telecommunications Workers Union marked the beginning of a new constructive era for TELUS and all team members.

The agreement provides 14,000 unionized team members with best-in-class compensation, growth opportunities and employment protection, whilst allowing TELUS the productivity and flexibility needed in today's competitive telecommunications industry.

Governance, integrity and transparency

Target: Enhance TELUS' corporate governance leadership by being substantially ready in 2005 for the next level of U.S. Sarbanes-Oxley Act certification required in 2006.

I am pleased to report that we also met this target. Seventy-five per cent of key controls were tested in 2005 as a dry run in preparation for full certification. We will test 100 per cent of key controls in 2006 and be prepared to certify under the rigorous U.S. Sarbanes-Oxley Act certification (section 404) required in 2006 on financial reporting internal controls.

In addition, we received external recognition for various aspects of our corporate governance practices from the Canadian Institute of Chartered Accountants, *IR Magazine* and *Canadian Business* magazine. These complemented our 2005 ranking from Corporate Knights, which also acknowledged our corporate governance leadership.

our commitment

Meeting the challenges – 2006 targets

As we embark upon the exciting path ahead as a successful company focused on staying ahead of our competitors, there are challenges that require our unrelenting attention.

1 The entrance of non-traditional competitors such as cable-television companies into the telecom arena through voice over Internet protocol (VoIP) is an excellent example of the increasingly competitive and changing telecommunications industry. Whilst it is a significant challenge, it is also a tremendous opportunity. We have begun a team member trial of our own innovative VoIP service. In addition, we are gearing up for the expansion of our digital television service, TELUS TV, in Alberta and into the B.C. market later this year. In preparation, we are building a \$15 million satellite centre in B.C. to transmit television signals.

2 Responding to appeals for financial support in our communities continues to be a priority. Our focus is clear – funding from TELUS needs to benefit the community in the most effective manner possible. In 2005, TELUS made significant progress with the establishment of the TELUS Community Boards, which directly involve key community stakeholders in the decision-making process in allocating \$3.5 million annually of TELUS funds to the charitable sector. In 2006, we intend to expand the national network to include a number of smaller communities in British Columbia and Alberta.

3 Conserving the environment in relation to the implementation of TELUS' business initiatives is another ongoing challenge and responsibility. Our commitment to environmental stewardship leads us to strive for continuous improvement in the way we manage environmental impacts. In 2006, we will improve our reporting of energy consumption and use this as a means to identify new conservation initiatives. We will continue to seek feedback on our environmental performance from all stakeholders, and engage team members in ongoing and new environmental programs.

Staying ahead

The future is very promising for TELUS and its stakeholders. We have an excellent financial foundation, a talented and united team and a growing portfolio of innovative wireline and wireless solutions. This positive outlook brings renewed strength to our commitment to corporate social responsibility.

Recognizing that our success is measured by our accomplishments, we have set six corporate social responsibility targets for 2006. You have the commitment of the entire TELUS team to meet these objectives in a financially, socially and environmentally responsible manner as we strive to stay ahead of the competition for the benefit of all our stakeholders.

Sincerely,



Darren Entwistle
President and Chief Executive Officer
March 15, 2006



staying ahead through our business and management practices

At TELUS, we strive to ensure our individual and collective practices stay ahead of expectations. Our business and management practices must always be above reproach. Our goal is to demonstrate the highest levels of ethics and integrity in our interactions with all stakeholders. This is a priority across the organization and an ongoing commitment of all team members.



business and management practices

Strategy, corporate governance and business ethics

TELUS' strategy focuses on becoming a strong national player in data, IP and wireless. Our strategic intent is to unleash the power of the Internet to deliver the best solutions to Canadians at home, in the workplace and on the move.

Guiding our efforts are six strategic imperatives that serve as a foundation for our decisions and actions:

- **Building national capabilities** across data, IP, voice and wireless
- **Focusing relentlessly on the growth markets of data, IP and wireless**
- **Providing integrated solutions** that differentiate TELUS from our competitors
- **Partnering, acquiring and divesting** to accelerate the implementation of our strategy and focus our resources on core business
- **Going to market as one team**, under a common brand, executing a single strategy
- **Investing in internal capabilities** to build a high-performance culture and efficient operation.

Each year we also set corporate priorities to address timely opportunities and challenges. TELUS team members use these priorities to determine how their own contributions will help them deliver on the corporate strategy and our strategic imperatives. For more information on our progress to date on our strategic imperatives and key priorities for 2006, view our 2005 annual report online at telus.com/annualreport.

Corporate governance

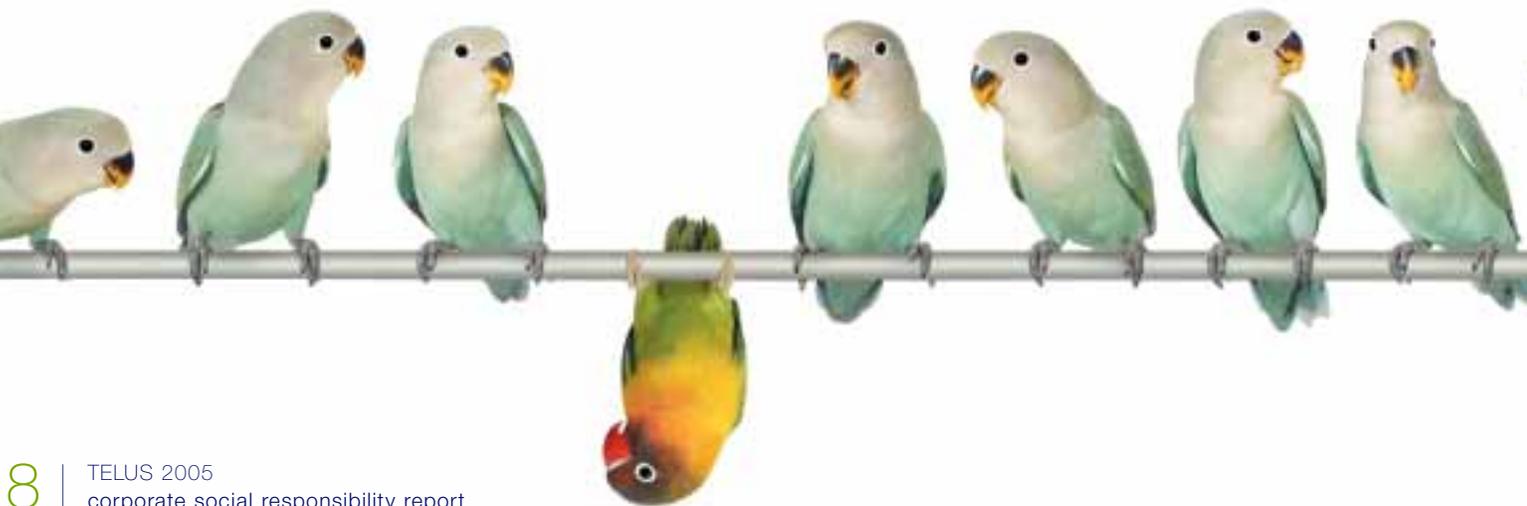
Companies today must demonstrate high standards of ethics both in operations and in managing the business. Our Board

of Directors approves the TELUS ethics policy, and is responsible for monitoring its compliance. Additionally, the Board oversees strategic planning, communicating with investors and regulators, monitoring risks and internal controls, and monitoring compliance with all significant policies and procedures. The Board is also responsible for appointing the chief executive officer (CEO) and approving the appointment of all members of the executive leadership team. Profiles of TELUS' Board of Directors and senior executive team members are available at telus.com/bios.

We continue to proactively undertake best practices in corporate governance including guaranteeing a confidential "whistleblower" system to those who wish to draw attention to potential abuses. A full statement of our corporate governance practices can be viewed at telus.com/governance.

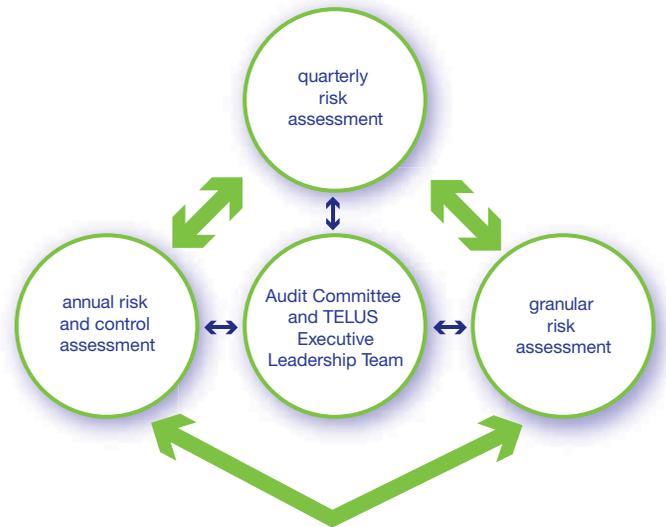
In 2005, TELUS was recognized for excellence in corporate governance and disclosure. Included in this recognition were the following awards:

- In December 2005, the Canadian Institute of Chartered Accountants (CICA) presented TELUS with the Award of Excellence for Best Corporate Governance Disclosure across all industry sectors. The TELUS 2004 annual report was also the recipient of the Award of Excellence for Corporate Reporting in the communications and media sector. This is the 11th consecutive year TELUS has been recognized for excellence in corporate reporting.
- In August 2005, *Canadian Business* magazine's Top 25 Boards in Canada survey ranked TELUS as tied for the third best board in Canada, scoring 97 out of 100 possible points.
- The 2004 annual report was also ranked second globally out of 1,100 international companies in the 2005 Annual Report on Annual Reports by Corporate Essentials.



how TELUS defines business risk

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



TELUS' risk and control assessment process

TELUS utilizes a three-level enterprise risk and control assessment process that includes the expertise and insight of team members from all areas of the business.

Level one is the annual risk and control assessment, which includes one-on-one interviews with key senior managers, an extensive risk and control assessment survey based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) enterprise risk management and internal control frameworks, a review of issues from recent internal and external audits, the prioritization of key risks, and the engagement of executive owners charged with risk mitigation. Results of the annual risk and control assessment drive the development of TELUS' internal audit program and are presented to senior management and the Audit Committee of the Board of Directors and used as input for the company's strategic planning.

In level two, TELUS conducts a quarterly risk assessment review with key internal stakeholders to capture dynamically changing business risks, monitor the mitigation of key risks and provide ongoing assurance to the Audit Committee.

In level three, TELUS conducts granular risk assessments for specific audit engagements and various risk management initiatives (e.g. environmental management system, safety audits, business continuity planning assessments, physical property risk evaluations, network and IT vulnerability assessments, proactive fraud and ethics risk assessments, etc.). The results of the annual, quarterly and more detailed engagement

level risk assessments are evaluated, prioritized and updated throughout the year.

Our risk assessment results are summarized in the publicly disclosed Risks and uncertainties section of the annual report at telus.com/annualreport. As well, information on financial liabilities is listed in the Consolidated financial statements and notes section of our 2005 annual report at telus.com/annualreport.

Business ethics and integrity, policies and codes of conduct

The TELUS ethics policy ties together all policies regulating business behaviour and provides guidelines for the standards of ethical conduct by all team members, including directors and officers. The policies have been communicated to team members and can be viewed online (except for the security policies and signing authority policy) at telus.com/governance.

Privacy code – The privacy code governs how we collect, use and disclose customer and team member personal information. Our privacy code was updated on January 1, 2001. For more information, click on "privacy" at the bottom of any telus.com web page.

Corporate disclosure and confidentiality of information policy – The Board of Directors approved this policy in 2003 as part of our ongoing commitment to full and fair financial disclosure. The policy helps team members understand the guidelines, processes and legal requirements regarding the disclosure of material corporate information.

business and management practices

Canada Awards for Excellence Gold



In October 2005, TELUS received a Gold Trophy for quality at the Canada Awards for Excellence, presented by the National Quality Institute (NQI). The Gold Trophy is awarded to organizations demonstrating excellence in leadership, planning, customer and people focus, process management, supplier and partner focus, overall business and financial performance. TELUS was one of only four Canadian companies to receive the Gold Trophy in 2005.

Security policies – Our corporate security policies were updated in 2004 and made available to team members through our internal Corporate Security website. Managers must ensure their team members are aware of and comply with those policies applicable to their work. In 2005, TELUS introduced an e-learning training course to heighten team members' awareness of our security policies.

Insider trading policy – In 2004, we developed a comprehensive insider trading policy that guides the actions of team members in buying and selling TELUS shares and in the disclosure of material information about TELUS. This policy is communicated to team members through our e.Ethics course.

Signing authority policy – This policy is an essential component of our management control framework, as delegated by our Board of Directors. Integral to the policy are signing authority matrices, which detail authority levels for various types of transactions.

A TELUS EthicsLine – Through the TELUS EthicsLine (1-866-515-6333 or ethicsline@telus.com), team members and external stakeholders can raise anonymous and confidential questions or complaints related to accounting, internal controls or ethical issues. In 2005, the Ethics Office fielded 325 calls. Of these, it was determined that 155 (48 per cent) did not relate to the ethics policy, and were subsequently referred to more appropriate areas such as Customer or Client Care and Human Resources. Of the remaining 170 calls, 96 were inquiries from team members seeking advice on ethical situations and 74 were complaints from external and internal stakeholders. Each complaint was researched, resolved appropriately and reported

to the Audit Committee of the Board of Directors. For 2005, the Ethics Office concluded there had been 26 (compared to 23 in 2004) breaches of the ethics policy. None of these involved fraud by team members who had a significant role in internal controls over financial reporting.

Web-based ethics course – To promote company-wide awareness of the ethics policy, we ask all team members to complete a web-based ethics course annually. This course, launched in 2002, is updated and enhanced each year. Due to the four-month labour disruption at TELUS in 2005, we did not introduce the 2005 course. The course will again be mandatory for all team members in 2006. One hundred per cent¹ of team members completed the 2004 course, compared with 95 per cent in 2003 and 93 per cent in 2002.

Triple bottom line decisions

TELUS management incorporates economic, environmental and social concerns into its decisions on an ongoing basis. Although we have yet to adopt a formal process for incorporating social and environmental concerns into our evaluation of strategic goals and initiatives, these factors play an important role in our day-to-day actions. For instance, one of our popular ads in late 2005 featured Hazina, a hippopotamus from the Greater Vancouver Zoo in Langley, B.C. We hired a trainer to work with Hazina and help her during the process and we completed the photo shoot in her own environment. The more than \$10,000 TELUS paid to the zoo for the privilege of using Hazina in the ad campaign went directly to improving her living conditions.

¹ The percentage for 2004 does not include TELUS wireless operations. Results from our wireless operations will be included in 2006 results.

Public policy and economic development

As the largest telecommunications company in Western Canada, and the second largest in Canada, we work with all levels of government, industry partners and other stakeholders to enhance effective public policy on telecommunications and, increasingly, on broadcasting issues. We are committed to fully briefing government stakeholders on issues of mutual interest and putting our views forward on matters affecting our industry.

We work to create economic development opportunities and strive for regulation that enables fair competition. In addition, we interact regularly with government through a range of industry and business associations including the Information Technology Association of Canada, Canadian Wireless Telecommunications Association (CWTA), the Canadian Association of Internet Providers (CAIP), Conference Board of Canada, Public Policy Forum, Canadian Chamber of Commerce, local Chambers of Commerce and Boards of Trade, B.C. Business Council and Alberta Economic Development Authority.

As wireless technology rapidly advances, TELUS advises government and various regulatory agencies on a broad range of legislative and policy issues from infrastructure and spectrum development to health and safety matters. Through ongoing dialogue with stakeholders including Industry Canada, the Radio Advisory Board of Canada and the CWTA, we contribute to the development of a marketplace policy framework that is fair and competitive for wireless customers and carriers alike.

Public policy

We collaborate with diverse national and international stakeholders who are committed to ongoing technical, legislative, self-regulating and educational actions to address industry-wide issues. These issues include illegal and damaging content on the Internet, child abuse, copyright infringement and spam.

Child safety – We continued in 2005 as an active member of the multi-stakeholder Canadian Coalition Against Internet Child Exploitation, which announced its many-faceted national strategy in May 2005.

We also maintained our membership in the national steering committee of the National Child Exploitation Coordination Centre, and continued as a guardian sponsor (the highest level of corporate support) of Cybertip!ca, Canada's national online child exploitation tip-line. For more information, visit www.cybertip.ca. Additionally in 2005, we continued to participate in the Ontario Attorney General's Online Child Exploitation Working Group, to help facilitate a safe online environment for children.

Media and information literacy for youth – TELUS participated as a gold-level sponsor and board member of the Media Awareness Network (MNet), Canada's leading media and web literacy organization. See media-awareness.ca for more information.

Copyright – Together with other major Canadian Internet service providers (ISPs), we met frequently with rights stakeholders and departmental officials managing the federal government's digital copyright reform process. We also spoke at various venues in support of the ISP liability provisions within the new proposed copyright legislation tabled in the House of Commons in June 2005. This proposed legislation did not proceed because of the call for a federal election in December 2005.



business and management practices

Spam – In 2005, spam (unsolicited commercial e-mail) continued to be a major concern for both personal and business Internet users. TELUS participated in various working groups with the Government of Canada's Task Force on Spam. On May 17, 2005, the task force presented its final report entitled *Stopping Spam: Creating a Stronger, Safer Internet*, to the Minister of Industry.

To limit and control spam, TELUS continued to provide free spam control to our Internet subscribers. For more information about the Anti-Spam Task Force, visit e-com.ic.gc.ca/epic/internet/inecic-ceac.nsf/en/home.

Wireless number portability – In collaboration with federal government agencies and Canada's wireless carriers via the CWTA, TELUS announced a comprehensive implementation plan for wireless number portability (WNP) across the country in 2005. Pending resolution of technical and regulatory issues, the industry is moving to implement WNP nationally by September 2007, which will allow customers of all major wireless carriers to keep the same phone numbers when changing service providers.

Consistent with the Government of Canada's definition of WNP, customers will also be able to keep the same phone number when transferring their landline phone service to wireless service and vice versa.

The plan ensures virtually all Canadians will have access to number portability at the same time, and compares favourably with earlier WNP implementations worldwide.

Investing in Quebec – Supporting our commitment to economic development in Quebec, in 2003 TELUS announced a \$500 million investment over four years in Quebec, related to government job creation programs for up to 800 jobs in Montreal and Rimouski. To date, 700 jobs have been created, and we expect to exceed our objective.

Privacy – TELUS provides thought leadership as we work with business and government stakeholders on issues dealing with customer and team member personal information. As a result of our practical experience with Canada's federal privacy legislation, we provided input to the B.C. and Alberta provincial governments as they developed their provincial privacy legislation. We are also providing input to Industry Canada for the 2006 federal review of the *Personal Information Protection and Electronic Documents Act (PIPEDA)*.

TELUS is a founding member of the Canadian Council of Chief Privacy Officers, a group of Canadian business leaders who formulate and exchange ideas for best practices in managing customer and employee privacy in Canada. As well, TELUS initiated the B.C. Privacy Networking Forum, a group of privacy professionals in B.C. who work to further the goals of the provincial privacy legislation. This group also discusses and adopts best practices in the management of customer and employee personal information.

Responsible driving – At TELUS, safety is a top priority. In September 2005, as part of our ongoing commitment to safe driving, TELUS worked with the CWTA to introduce Focus on Driving, an initiative to educate consumers and employees in the telecommunications industry about the importance of avoiding distractions while driving.

The program was developed to remind drivers that any number of distractions, from eating at the wheel or chatting with passengers to using wireless devices, can divert their attention from the road, endangering their safety and the safety of others.

We encourage all drivers to review the Responsible Driving Guidelines on the Focus on Driving website at focusondriving.ca. In addition, through various internal communication channels, TELUS team members remain informed about driving guidelines and are encouraged to spread the word about the Focus on Driving program in their interactions with customers, families and communities.

Health and safety – As wireless technology rapidly advances, TELUS remains dedicated to examining health and safety issues related to wireless technologies. Working with fellow carriers through the CWTA, the industry maintains ongoing contact with government agencies including the Canadian Radio-television and Telecommunications Commission (CRTC), Health Canada and Industry Canada, and with key U.S. and international groups such as the World Health Organization.

Mission critical communications – TELUS demonstrates a commitment to public safety by equipping emergency response organizations with mission critical communications tools that have proven essential in numerous rescue and recovery situations. Working in close partnership with public and emergency response organizations across the country, TELUS has developed a specialized suite of dependable mission critical wireless solutions that can be quickly mobilized and dispatched wherever emergency personnel are situated.

one of Canada's best corporate privacy policies



In May 2005, TELUS was ranked second in corporate privacy policies by Nymity Inc., a leading Canadian privacy educator and consultant. TELUS is pleased to be recognized for its industry-leading work in the area of managing and protecting our customers' and team members' personal

information. According to Nymity, the best privacy policies mitigate organizational liabilities, demonstrate corporate accountability, build consumer trust and comply with privacy laws.

In 2005, TELUS' emergency response team deployed a unique dual Cell on Wheels technology during mudslides in North Vancouver, B.C., quickly providing the RCMP with enhanced network phone coverage as well as reliable two-way radio communication throughout the region. Also in 2005, TELUS provided vital communication tools to the Vancouver Urban Search and Rescue team, which assisted in the rescue of hurricane victims in New Orleans and Baton Rouge.

Production orders – In January 2006, TELUS was charged with failing to comply with a July 25, 2005, production order to provide archived cell phone records to the Edmonton RCMP. This incident resulted from a miscommunication between TELUS and the RCMP. A trial is scheduled for late April.

TELUS is working to align and streamline the processes between wireline and wireless operations to improve response times to law enforcement agencies and reduce the risk of this happening again. TELUS has a track record of assisting Canadian law enforcement agencies in their investigations. In 2005 alone, we fulfilled 2,800 general warrants and production orders, and appeared as professional witnesses in more than 155 trials.

Economic development

TELUS is committed, through collaboration and resource sharing with stakeholders, to support local and regional economic initiatives that help build strong communities now and for the future.

TELUS Ventures® Fund – The TELUS Ventures Fund supports growth businesses by investing in emerging technologies that are consistent with our strategy of optimizing the convergence of data, IP, voice and wireless. The fund has invested approximately \$67 million in 20 companies since 2001. For more information, visit about.telus.com/ventures/.

TELUS New Ventures BC – TELUS is a major sponsor of New Ventures BC, one of North America's largest technology business plan competitions. These efforts help build a strong, healthy economy in Western Canada, and enable innovators to turn their ideas into profitable companies. For more information, visit telusnewventuresbc.com.

TELUS Innovation Fund for Film, TV and New Media – In November 2004, the TELUS Foundation donated \$3 million to the Canadian Film Centre. This contribution is being invested in Canadian talent and projects. For more information, visit cdnfilmcentre.com/training/program.html.

Ramp Up in B.C. – In 2004, TELUS initiated the Ramp Up project to spark creativity and support community efforts to revitalize B.C.'s regional economies. TELUS retained international consultant Frank Knott of Vital Economy Inc. to initiate regional discussions, conduct research, analyze opportunities, and produce a summary report. In early 2005, TELUS released the final Ramp Up report to communities, providing an economic blueprint of the growth opportunities that exist across B.C. The report also equips communities with leading-edge research they can use to realize their region's unique goals and opportunities.

business and management practices

TELUS is investing more than \$110 million to provide high-speed Internet access to 119 B.C. communities and expand broadband services

“By providing broadband Internet access across the province, we are opening up a whole new realm of social and economic opportunities to British Columbians.”

Gordon Campbell, Premier of British Columbia



Aboriginal relations

In working with stakeholders to meet their unique needs, we build trust and develop relationships that positively shape the quality of life in the communities we serve. This is particularly evident in our long-standing relationship with Aboriginal Peoples, as we seek mutually beneficial ways of working together.

Progressive Aboriginal Relations (PAR) program – TELUS is committed to helping Aboriginal Peoples benefit fully from opportunities for local partnerships, joint ventures and the two-way transfer of knowledge and expertise. TELUS joined the Progressive Aboriginal Relations (PAR) program in 2003, which provides a framework for assessing and enhancing our relationships with Aboriginal Peoples. PAR concentrates on employment, business development, individual capacity development, education and community relations. For more information, visit aboriginalbiz.com/par.html.

B.C. Utilities Advisory Council for Treaty Negotiations – TELUS works with Aboriginal Peoples and the B.C. government to identify solutions for land claims issues. As a founding member of this group, TELUS actively participates in the consultation and development of treaty language.

Co-existence and protocol agreements – We develop relationships with aboriginal administrations through creating co-existence and protocol agreements that recognize aboriginal rights and title to traditional territories. In 2005, TELUS and

the Upper Nicola Band entered into an agreement that established a protocol for consultation and mutual respect for their respective rights and interests.

Technological growth for economic development

Bridging the digital divide in B.C. – In April 2005, TELUS and the province of B.C. jointly announced a “Connecting Communities Agreement” to benefit citizens in all corners of the province. Through the agreement, TELUS will provide broadband access points to 119 additional communities across the province. B.C. will become the first province to bridge the digital divide with the vast majority of the infrastructure costs borne by the private sector. As part of this partnership, TELUS is investing more than \$110 million in B.C. to connect communities to high-speed Internet and expand broadband services.

Expansion of wireless networks – TELUS provides digital wireless coverage to 94 per cent of Canada’s population. In 2005, TELUS invested approximately \$405 million in capital expenditures to expand and enhance our national wireless network, and we plan to invest \$450 million in 2006.

Telehealth – TELUS is one of Canada’s leading authorities on and providers of telehealth technology. Telehealth addresses care provider and specialist shortages in a patient’s residential area by bringing remote resources to the community through communications and information technologies. Video-enabled,

virtual consultations between health-care professionals and patients are one way of improving access to health care in rural settings. All of the necessary information and various images, including still x-rays and test data, as well as live echo-cardiograms, can be reviewed and discussed in real time by consultation participants, regardless of their physical location. Our telehealth solutions have enabled the leading three Telehealth networks in Ontario – NORTH Network, VideoCare and CareConnect – to bring quality health care closer to home for the convenience of people across Ontario. TELUS helps these networks connect urban and remote sites in all the regions of Ontario, facilitating more than 2,000 clinical consultations per month.

Value-add solutions for health care – Working in partnership with B.C.'s health authorities, TELUS has built a Health Private Network Gateway (PNG) that securely interconnects all six B.C. health authorities. As a result, the B.C. health authorities have one of the fastest and most advanced networks used collaboratively in health care in the world today. The power of the PNG lies in its ability to get medical information seamlessly where it is needed, when it is needed. The PNG provides the technology foundation in B.C. to facilitate information sharing amongst health-care providers so they can deliver better care more efficiently.

Connecting health professionals – In 2005, for the second year in a row, TELUS partnered with the Health Care Leaders' Association of B.C. and the Western Healthcare Improvement Network to provide health professionals around B.C. with virtual access to an important North American health-care conference – the Institute for Healthcare Improvement's National Forum. By connecting 25 sites across B.C. through

TELUS video and audio conferencing technology, TELUS significantly increased attendance and reduced the participation costs for health professionals in B.C.'s health authorities. The partnership enabled participation at an estimated cost of \$50 per delegate, versus approximately \$5,000 per delegate.

Connecting University of Victoria (UVic) medical students – Through a new \$1 million video conferencing system, medical students at UVic remotely attend lectures at the University of British Columbia (UBC) and the University of Northern British Columbia (UNBC). The video conferencing system connects 14 rooms and labs in the Medical Sciences building at UVic with rooms at UBC and UNBC. This is part of the B.C. government's \$134 million B.C. Life Sciences Project.

Education – We believe it is important to support schools in accessing new technology and are currently working with various schools on innovative programs.

TELUS partnered with IBM in the Kelowna school district's new "Technology Un-plugged" program to create a secure, wireless infrastructure for students on campus. This program transformed the learning environment for more than 400 students in phase one of the program.

TELUS worked with the Burnaby school district to design and build its new Centre for Dialogue, which will connect students in Burnaby to the United Nations and other global forums. We also continued supporting two programs – the WORDS program, a literacy contest for young writers, and the video conferencing program. In 2005 TELUS provided the connectivity for a new program linking the National Arts Centre in Ottawa to the Burnaby School District to create a televised, nation-wide concert.



staying ahead with stakeholder relations



At TELUS, we believe that we will achieve best results when we work co-operatively with our stakeholders to share ideas, perspectives and solutions. We continually ask for input from stakeholders, listen and then act. By working together to develop solutions, we not only benefit from the knowledge and expertise of others, we also build a solid basis for long-term relationships that help our communities socially, economically and environmentally.

Our stakeholders include customers, governments, shareholders, team members, suppliers, industry advocacy groups and community partners. More information about our work with various stakeholder groups can be found in the public policy, economic, community, workplace and environment sections of this report.

Listening to customers – Achieving customer service excellence unites our team. In listening and responding to the needs of customers, we are seeking to better deliver what our customers need and expect. Our efforts in this area continue as a corporate priority in 2006.

Customer value measurement surveys – One of the ways TELUS measures customer service is through customer value measurement (CVM) surveys. CVM helps us quantify, in our customers' terms, how we are doing, and helps us focus on the service priorities identified by our customers. This customer feedback will continue to be a key input into our strategies and priority setting in 2006 and beyond.

National data collection e-tool (e.C3) – In 2005, e.C3 continued to be the key feedback and complaint tracking tool for many TELUS business units and departments, including Consumer Solutions, Regulatory, TELUS Mobility Top Level Care and Small Business Solutions. This tool tracks the status of complaints and identifies top priority service fulfillment issues. The input from this process is essential in helping TELUS drive product, process and team performance changes to ensure a superior customer service experience.

Monitoring our progress for continuous improvement – We invite customers wishing to comment on our service to contact TELUS directly, or write to the Canadian Radio-television and Telecommunications Commission (CRTC), an independent agency of the Government of Canada responsible for the regulation of telecommunications companies. In 2005, the number of customer complaints to the CRTC increased only marginally

from 2004, with 6,968 complaints in 2005 versus 6,887 in 2004. Keeping this number consistent is a noteworthy accomplishment given the challenges of managing through the labour disruption.

Access improvements – TELUS measures its service levels through two CRTC indicators – access to our business office and access to our repair office. These indicators measure our ability to answer 80 per cent of our calls within 20 seconds. Despite our best efforts and the commitment of TELUS team members to serve our customers, the labour disruption did have a temporary impact on service levels. The access to repair office target was achieved eight out of 12 months, and the access to business office target was achieved 11 out of 12 months.

Public consultations – As TELUS continues to further expand its networks and enhance wireless communications across the country, we dedicate significant time and attention to consulting members of communities where wireless installations or cell tower sites are planned. Last year, numerous public meetings were held across Canada where base station antennas are currently in development. In addition to receiving public input, TELUS remains in continuous contact with Industry Canada and various regulatory agencies on issues of wireless transmission safety. All TELUS wireless installations are certified to conform to Safety Code 6, a national industry standard developed by Health Canada governing the safe operation of wireless equipment.

Direct customer feedback – Several thousand wireless customers were surveyed in 2005 and asked to evaluate their service experience and identify areas for improvement. TELUS continued its “mystery shopping” program in 2005 with spontaneous visits to TELUS corporate stores and independent channel partners to experience retail shopping the same way customers do. The mystery shopping program generates key information that becomes an important element of new programs to enhance the customer experience.

stakeholder relations

Building strong communication with our team members –

Effective communications and two-way dialogue within the TELUS team are essential to our growth strategy. We strive for communication that is comprehensive, clear and interactive. Our corporate communication channels, which include a regular letter from our chief executive officer, e-mail bulletins, a web portal and a bi-weekly video news program, have feedback mechanisms that enable and encourage team members to submit comments, suggestions and questions.

Additionally, our senior leadership team conducts regular communication sessions with team members. These forums are a blend of formal presentation and candid discussion of issues. They provide invaluable insight for improving customer service and making TELUS a workplace of choice.

The four-month labour disruption was a challenging time for all members of the TELUS team, and we made an extra effort during this time to ensure timely and comprehensive communications. Recognizing that team members on the picket

line would not have access to our internal communication channels, we developed an external website and team member telephone hotline to help them keep informed about company developments.

Investor relations – Each year the TELUS Investor Relations team organizes a number of events to communicate with investors. In 2005, TELUS held five interactive conference calls and an annual shareholder meeting. Members of TELUS' executive leadership team also participated in 14 external conference presentations and met with 228 investors in Canada, the United States and Europe.

TELUS Investor Relations conducts an annual perception study, through a third party, to obtain feedback on our investor relations and communication activities. The survey audience is our institutional shareholders, debt holders and telecommunications analysts. Survey respondents have the option of remaining anonymous. Survey results are analyzed with a focus on improving processes.

continuous improvement

TELUS solicits feedback from a number of different stakeholders. We use this feedback to drive continuous improvement in our corporate governance and, specifically, the tracking and reporting of our risks. TELUS has worked

since 2001 with Stratos Inc., a Canadian-based sustainability consultancy, to review

our corporate social responsibility report and benchmark

it against other Canadian

reports. This relationship has helped TELUS to improve both

the type and quality of reported

data. For information about Stratos,

visit stratos-sts.com.



staying ahead in economic performance

TELUS plays a strong role in Canada's economic growth through innovative telecommunications products and services that enrich the lives of Canadians, build sustainable communities and increase shareholder value. In this section, we demonstrate our commitment to economic growth now and for the future.



economic performance

Revenue, earnings and cash flow

Industry overview

In 2005, the telecommunications market displayed general trends similar to recent years. The wireless sector continued to drive growth and equity values, while the wireline sector remained soft with some recovery in data revenues. Canadian telecommunications operators continued to follow strategies focused on core operations, including efficiency measures and the integration of recent consolidations, to support cash flow.

The Canadian telecom industry generated revenues of approximately \$35.5 billion in 2005, with Bell Canada and its affiliated regional telecommunications companies representing about 48 per cent of the total. As the second largest full-service telecommunications provider in Canada, TELUS generated \$8.1 billion in 2005, or about 23 per cent of the total.

Overall revenue growth in the Canadian telecom market in 2005 was approximately three per cent, similar to that experienced in 2004, and roughly in line with overall GDP (gross domestic product) growth. Wireless continued to be the growth engine for the sector with wireless revenues growing approximately 16 per cent over 2004. Offsetting wireless growth was continued general industry weakness in wireline voice with declining long distance and legacy data revenues, partially offset by growth in enhanced data services. With a consistent focus on wireless, data and IP, over the past five years, TELUS outpaced the industry average with seven per cent consolidated revenue growth. Similar growth rates for TELUS and the industry are expected in 2006.

With continued challenges in margins and growth rates in legacy voice and data services, incumbent local exchange carriers (ILECs) are facing pressure to continue to focus on enhanced operating efficiencies. Indeed, most of the major ILECs have signaled an intent to invest in restructuring wireline operations to improve efficiencies in 2006. At TELUS, this has been an ongoing priority for four years.

TELUS' strategic focus on delivering national business service in data and IP, its consistent execution against its business priorities and targets, and its large exposure to the fast-growing Canadian wireless market position the company well to leverage continued above-average consolidated growth in 2006 and beyond.

Certain financial performance information presented here is extracted from our audited financial statements for the year 2005. A complete review of TELUS' financial and business information is available in our online annual report at telus.com/annualreport.

TELUS financial highlights

Operating revenues grew seven per cent in 2005 to \$8.1 billion, led by strong wireless growth. Operating earnings, or EBITDA (earnings before interest, taxes, depreciation and amortization), increased seven per cent, led by a 26 per cent wireless EBITDA growth.

Net income increased by \$135 million in 2005 on strong wireless growth partially offset by temporary expenses associated with the labour disruption in Western Canada. Cash flow, defined as EBITDA less capital expenditures, increased \$205 million to \$2.0 billion in 2005 despite the impact of the labour disruption.

Financial highlights

(\$ in millions except per share amount)	2005	2004	% change
Operating revenues	8,143	7,581	7.4
EBITDA ¹	3,295	3,091	6.6
Operating income	1,672	1,448	15.5
Net income	700	566	23.7
Earnings per share, basic	1.96	1.58	24.1
Capital expenditures	1,319	1,319	0.0
Cash flow ²	1,976	1,772	11.6
Dividends declared per share	0.875	0.65	34.6
Dividend payout ratio ³	56%	51%	-

1 EBITDA is earnings before interest, taxes, depreciation and amortization.

2 Cash flow defined as EBITDA less capital expenditures.

3 Last quarterly dividend declared per share, annualized, divided by basic earnings per share in the reported period.

Revenue composition – TELUS' total operating revenues in 2005 consisted of 38 per cent from voice (local and long distance) revenues, 40 per cent from wireless revenues and 19 per cent from data revenues. Combined data and wireless revenues were

59 per cent of total operating revenues in 2005, a three basis point increase from 2004. This is consistent with our continued focus on the growth markets of data and wireless and caused healthy revenue growth.

Revenue composition				
(\$ in millions)	2005	%	2004	%
Voice – local and long distance	3,063	38	3,067	40
Data	1,533	19	1,416	19
Wireless	3,296	40	2,812	37
Other	251	3	286	4
Total operating revenues	8,143	100	7,581	100

Segmented information – The company reports on two segments, wireline and wireless. The following table provides a segmented breakdown of various financial data.

Segmented data						
	2005			2004		
(\$ in millions)	Wireline	Wireless	Consolidated ²	Wireline	Wireless	Consolidated ²
Operating revenue	4,938	3,319	8,257	4,866	2,833	7,699
Operating expense	3,085	1,876	4,961	2,918	1,691	4,609
EBITDA ¹	1,852	1,443	3,295	1,948	1,142	3,091
Capital expenditures	914	405	1,319	964	355	1,319

1 EBITDA is earnings before interest, taxes, depreciation and amortization.

2 Intersegment revenues and associated operating expenses between wireline and wireless are eliminated upon consolidation.

Capital expenditures – TELUS' capital expenditures of \$1.3 billion in 2005 were the same as the previous year. Sixty-four per cent of the 2005 capital expenditure was spent

in B.C. and Alberta with 34 per cent spent in Ontario and Quebec. This compares to 63 and 36 per cent, respectively, of capital expenditures spent in the same provinces in 2004.

Capital expenditures by province				
(\$ in millions)	2005	%	2004	%
British Columbia	265	20.1	337	25.6
Alberta	579	43.9	496	37.6
Saskatchewan	1	0.1	2	0.1
Manitoba	7	0.5	4	0.3
Ontario	325	24.6	348	26.4
Quebec	126	9.5	124	9.4
Atlantic Canada	1	0.1	1	0.1
Outside Canada	15	1.2	7	0.5
Total capital expenditures	1,319	100	1,319	100.0

economic performance

Unleashing the power of the Internet – TELUS is the second largest Internet service provider (ISP) in Western Canada with one million Internet customers. In 2005, we increased our high-speed Internet subscriber base by 11 per cent, to end the year with 763,000 high-speed Internet subscribers across Canada. We are striving to have a majority of households in British Columbia, Alberta and Eastern Quebec connected to TELUS high-speed Internet service. The company has invested approximately \$900 million in this high-tech infrastructure.

Wireless serving 4.5 million Canadians – Our wireless subscriber base grew by 584,000 subscribers in 2005 and

we now serve more than 4.5 million subscribers from coast to coast. Our total network coverage of 30.6 million people brings digital wireless service to 94 per cent of the Canadian population.

Vendor payments – TELUS' total vendor payments in 2005 were approximately \$4.9 billion (including GST and PST). Eighty-eight per cent of these vendor payments were made to Canadian companies or multi-national companies with locations in Canada, with the remaining 12 per cent made to non-Canadian vendors. This compares to 82 per cent and 18 per cent, respectively, in 2004.

Vendor payments by location				
(\$ in millions)	2005	%	2004	%
Vendors with locations in Canada	4,366	88	2,713	82
Non-Canadian vendors	571	12	595	18
Total vendor payments	4,937	100	3,308	100

Comparative performance – The following chart summarizes TELUS' financial performance by comparing our revenue, EBITDA and cash flow growth to global telecom companies for the past

three years. The chart provides evidence that TELUS consistently performs at world-class levels.

2005 global telecom performance – world rankings			
(% growth)	2005	2004	2003
Revenue	top quartile	No. 1	top quartile
EBITDA	top quartile	No. 1	top quartile
Cash flow ¹	No. 2	No. 1	No. 1
EPS	No. 3	top quartile	n.m. ²

1 EBITDA less capital expenditures.

2 Not meaningful.

Note: A comparison of TELUS to 15 top major global incumbent telecom companies including: Aliant, AT&T, BCE, BellSouth, British Telecom, Deutsche Telecom, France Telecom, KPN, MTS, Nippon, PCCW, Sprint Nextel, TeliaSonera, Telstra and Verizon. Results provided by TD Securities and Bloomberg.

top honours for disclosure and 2004 annual report

At its annual Canadian awards in January 2006, *IR Magazine* recognized TELUS as the best in two categories – corporate disclosure policy and annual report for 2004. The *IR Magazine* awards recognize and celebrate Canadian corporations for excellence in investor relations communications.



Stock price performance – As shown in the share price performance chart below, TELUS' common and non-voting shares have outperformed the Canadian Standard & Poor's/ Toronto Stock Exchange (S&P/TSX) Composite Index, the

Morgan Stanley World Telecom Index and the Standard & Poor's Wireless Index over the past three years, based on a \$100 investment made on December 31, 2002.



TELUS taxes – TELUS pays taxes to three levels of government and these taxes support services for all Canadians. During

the last three years, TELUS paid taxes to the federal, provincial and municipal governments as follows:

TELUS taxes¹			
(\$ in millions)	2005	2004	2003
Federal government	65.2	64.3	65.6
Provincial and municipal governments:			
British Columbia	64.4	68.1	67.5
Alberta	39.5	39.3	35.7
Saskatchewan	0.1	0.3	0.1
Manitoba	0.8	0.5	0.5
Ontario	31.0	31.1	26.4
Quebec	26.3	24.2	21.1
Prince Edward Island	–	–	0.1
Provincial sub-total	162.1	163.5	151.4
Total	227.3	227.8	217.0

1 Table includes payroll taxes, property and business taxes, provincial corporation capital taxes, and sales taxes on goods and services used by TELUS.

economic performance

In 2005, TELUS recorded a net recovery of \$69.5 million (\$194.6 million in 2004) in federal and provincial corporation income taxes. The total amount was due to the application of losses net of federal capital tax payments, compared to \$177.8 million in 2004. TELUS did not earn federal investment

tax credits on projects qualifying as scientific research and experimental development in 2005 (\$16.8 million in 2004). In addition, TELUS collected from customers and remitted to governments the following amounts of sales taxes:

Sales taxes collected			
(\$ in millions)	2005	2004	2003
Goods and services tax and harmonized sales tax	553.2	526.5	505.4
Provincial sales taxes:			
British Columbia	118.6	120.9	120.8
Saskatchewan	1.4	1.2	1.0
Manitoba	2.2	1.6	1.3
Ontario	70.9	62.5	50.0
Quebec	60.2	56.8	52.3
Prince Edward Island	0.4	0.2	0.1
Provincial sub-total	253.7	243.2	225.5
Total sales taxes collected	806.9	769.7	730.9

For detailed information on TELUS' financial results, visit telus.com/annualreport.

Investment in research – TELUS' wireline operations are supported by research and development activities to test and trial emerging new technologies. TELUS also funds collaborative research and development activities with selected communications research organizations such as TRILabs (Telecommunications Research Laboratories). TRILabs is the largest not-for-profit applied telecommunications research consortium in Canada with annual revenues of more than \$15 million. As an industrial partner, TELUS contributes more than \$600,000 per year of sponsorship and in-kind funding to TRILabs.

TELUS' wireless operation has a research and development program that invests in wireless communication technologies such as third generation, or 3G, wireless communications.

As part of its PCS (personal communications services) licence conditions, TELUS' wireless operation must spend at least two per cent of certain PCS and cellular revenues on research and development. In 2005, this represented \$28.9 million.

Benefiting Canadians – TELUS' contributions to the Canadian economy are significant and include innovative high-tech job creation with competitive industry salaries and benefits for more than 26,000 Canadian team members, as well as payment of federal and provincial income taxes from these jobs. In 2005, the TELUS team shared \$1.9 billion in total salaries and benefits.

TELUS also has a positive impact on our industry with research and development activities and, as an increasingly profitable Imagine Caring Company, we are better able to make a difference in the areas we serve with our commitment to community investment.

Wireless investment in research and development			
(\$ in millions)	2005	2004	% change
	28.9	24.1	19.9

staying ahead for the community

At TELUS, we are committed to making a positive difference to the social, economic and environmental well-being of the communities where we live, work and serve. That's what corporate social responsibility means to us.



communities

We are dedicated to setting a standard of excellence in good corporate citizenship. With a focus on young Canadians, we look for opportunities to use our technology and expertise in ways that positively influence our communities. To ensure our support has the greatest impact possible, our community investment efforts are focused in three areas – arts and culture, education and sport, and health and wellness. Below are just a few examples of 2005 initiatives.

Community Boards

Becoming Canada's premier corporate citizen is a national goal, but it must be owned and executed locally, in partnership with community leaders and citizens. To this end, in 2005, we established seven TELUS Community Boards across Canada. Located in Vancouver, Edmonton, Calgary, Toronto, Ottawa, Montreal, and Rimouski, the boards meet quarterly to discuss local giving opportunities and strategically allocate approximately \$3.5 million each year to local charities. In so doing, the boards help TELUS determine where and how we can invest our resources so that we optimize the benefits that accrue to the community.

Life long learning

In 2005, TELUS formed partnerships with five science centres across Canada to help promote technological innovation and learning in science and technology. Over the next 20 years, we are investing more than \$43 million in the TELUS World of Science in Vancouver, Calgary and Edmonton, and the Ontario and Montreal Science Centres. These partnerships will help foster educational opportunities for young Canadians through the innovative use of technology and ensure these facilities remain leading edge for future generations.

Arts and culture

We believe the arts inspire creativity, and nurture the spirit, intellect and diverse expression of Canadians from coast to coast. Through our funding of arts programs and cultural projects, we help young Canadians get their creative juices flowing, thus setting in place a foundation of skills that will help foster their success in today's highly competitive knowledge-based economy.

National Arts Centre – TELUS is the founding partner of the National Youth and Education Trust, which is the primary resource for youth and education funding at the National Arts Centre located in Ottawa. With our support, new programs can be developed that nurture the creative talent and expressiveness of young people in the National Capital Region and across Canada. From the development of emerging new artists to the building of next generation arts audiences, the trust helps ensure that the arts are top of mind for young Canadians.

Lorraine Kimsa Theatre for Young People – TELUS is a Seasonal Education Partner of the Lorraine Kimsa Theatre for Young People, the largest non-profit theatre company for young audiences in Canada. Since 1966, its mission has been to empower, educate and entertain young people through year round presentations of new Canadian plays, innovative works and classics from children's literature.

Science Alberta Foundation – In Alberta, TELUS helped young Canadians celebrate a centennial birthday in 2005. As a company that has operated in Alberta for more than 100 years, TELUS joined in the Alberta Centennial celebrations by supporting centennial educational programs through leading organizations such as the Science Alberta Foundation. As well, we brought together young Canadians for the official September 1st celebration on the grounds of the legislature in Edmonton.

“The Community Board strategy that TELUS has pioneered across Canada makes a real difference by including the community in decisions on the provision of financial assistance to local agencies. TELUS recognizes that it is community leaders and local service providers who best understand the issues, see the needs most clearly and deliver front-line service to those who need help the most.”

Rita Burak, Chair, TELUS Toronto Community Board

“The generous support from TELUS toward school programming and the TELUS World of Science Calgary has given teachers and students at Langevin School the opportunity to engage in a number of innovative learning projects. The students have benefited through this connection to real world scientists and scientific work, which could not be provided without TELUS’ financial help.”

Sandy Last, principal, Langevin Community School



Education and sport

Our vision is to fund innovative educational and sports programs that will enable Canadian youth to excel and succeed in today's competitive environment. As part of our ongoing commitment to education and amateur sports programs in Canada, TELUS continued to grow its partnerships with leading national and regional sport and education organizations.

Canadian Disabled Alpine Ski Team – TELUS is inspired by Alpine Canada Alpin's ski teams, which include the Canadian Disabled Alpine Ski Team (CDAST). Through our three-year commitment to CDAST, TELUS helps young Canadians reach a world-class level of competing. In 2005, our support helped bring the TELUS International Paralympic Committee (IPC) World Cup to Kimberley, British Columbia, where one of Canada's young athletes, Chris Williamson, and his guide, Bobby Taylor, won the World Cup title in Super G skiing. This win, along with the team's accomplishment of nine World Cup top three finishes and 28 top 10 World Cup finishes, shows how our support can make dreams come true.

Kidsport – TELUS believes that all kids should have the opportunity to play organized sport. Our partnership with Kidsport assists in removing the financial obstacles that prevent children from participating in sport. Kidsport was the charity of choice for the 2005 TELUS Skins Game, where a total of \$133,435 was raised. These funds were distributed to more than 120 communities and regional chapters across Canada to provide a season of sport to more than 1,300 children. TELUS is committed to support young Canadians in their pursuit of sport and excellence.



communities



“The support from corporate leaders like TELUS for Bloorview’s EADL (Electronic Aids to Daily Living) program has had an incredible impact on our son Kevin’s life.

They’ve allowed him to speak and to write and to have dreams like any other kid. We are so grateful for their generosity.”

John & Helen Hall

Health and wellness

TELUS is committed to continuing its support of innovative projects in health and wellness. Through our participation in this area, we are helping Canadians access new technologies and enhanced programs that improve lives and build stronger communities.

Mazankowski Heart Institute – Building on our partnership with leading health institutions across Canada, we partnered with the Mazankowski Heart Institute in Edmonton in 2005. Opening in 2007, this centre of excellence will become one of North America’s leading heart institutes, and will play a prominent role in the prevention and treatment of heart disease for community members across Canada, including paediatric patients through a collaboration with the Stollery Children’s Hospital. This partnership allows TELUS to help fund and solve challenging issues and continue to promote excellence in health care.

Bloorview Kids Rehab – The Bloorview Kids Rehab, located in Toronto, is Canada’s largest children’s rehabilitation hospital.

It focuses on care, research and education to give children with disabilities the tools to get where they want to go.

In 2002, Bloorview Kids Rehab partnered with the University of Toronto to become Canada’s first teaching hospital in children’s rehabilitation. TELUS supported this leading children’s rehabilitation hospital in Toronto by funding its Electronic Aids to Daily Living program, which provides the customized tools and cutting-edge technology needed to enable young Canadians to lead richer, independent lives.

Share the Warmth Foundation – In Montreal, TELUS partnered with the Share the Warmth Foundation, an organization that helps Canadians reach their dreams by overcoming obstacles such as hunger and poverty. For the past four years, TELUS has hosted the Build the Future of our Children Gala which raises funds in support of the Share the Warmth Foundation to deliver more food, better educational programming and a variety of recreational programs to impoverished youth in the community.

“Poverty and hunger are no longer the plight of a minority of the population, but rather a growing social reality for which we are all responsible. Thanks to your generosity impoverished youth can continue to dream... and believe in a better life. Thank you for giving them hope.”

Judy Stevens, executive director, Share the Warmth Foundation





In 2005, TELUS became a Founding Member of LBG Canada, a group of Canadian companies committed to working toward a higher standard in the management, valuation and performance measurement of community investment and truly understanding the impact of corporate community involvement.

TELUS Tour for the Cure – In British Columbia, TELUS partnered with Canadian Breast Cancer Foundation to bring the TELUS Tour for the Cure to the community. This provincial program traveled to 26 communities and was viewed by more than 200,000 people. Through interactive education and prevention awareness programs, information was presented to the community with the hopes of increasing mammography rates and saving lives.

Making a difference through giving

In support of our vision to become Canada's premier corporate citizen, we are committed to building a corporate culture of giving, and engaging the hearts and minds of our team members and retirees to improve the quality of life in our communities.

Since 1995, TELUS has been an Imagine Caring Company, a designation by the Canadian Centre for Philanthropy that means we donate more than one per cent of our pre-tax profits to charitable organizations each year. Over the past five years, TELUS has contributed more than \$52 million of financial and in-kind support to charitable organizations across Canada. In 2005, TELUS contributed almost \$11 million of financial and in-kind assistance to charitable organizations across Canada.

Each fall, TELUS runs the Employee Charitable Giving Campaign, where TELUS matches team members' charitable donations dollar for dollar. In 2005, this program was not offered due to the labour disruption. Recognizing the importance of the program to both our team members and Canadian charitable organizations, TELUS donated 100 per cent of the funding, \$2 million, in lieu of the 2005 campaign.

As well, through the TELUS Volunteer Involvement Fund, TELUS donated \$160,200 to Canadian charitable organizations in recognition of the 801 team members who each volunteered a minimum of 60 hours of their personal time in 2005.

TELUS Kits for Kids – In 2005, for the fifth consecutive year, team members showed their support for kids in need through the TELUS Kits for Kids program. The goal of this program is to help children who cannot afford the necessary school supplies for the new school year. The TELUS team raises funds and collects supplies to fill new backpacks. In 2005, 7,500 Kits for Kids were distributed across Canada. Since 2000, we have allocated 25,000 backpacks across the country, ensuring we do our part in helping young Canadians be prepared for learning.

TELUS financial and in-kind assistance					
(\$ in millions)	2005	2004	2003	2002	2001
Amount	A \$10.9	A \$10.0	\$10.5	\$10.2	\$11.0
TELUS Employee Charitable Giving Program¹					
Team member pledges	\$0.0²	\$1.0	\$2.7	\$2.3	\$2.4
TELUS matching funds	\$2.0	\$1.0	\$2.7	\$2.3	\$2.4
Total contributions pledged	\$2.0	\$2.0	\$5.4	\$4.6	\$4.8

1 Campaign year is defined as the year in which money is pledged during the fall campaign of that year for the TELUS Employee Charitable Giving Program. Total contributions pledged are then distributed to charities the following year.

2 There were no team member pledges in 2005 because the campaign was cancelled due to the labour disruption. TELUS contributed the full amount, based on total contributions from the previous year.

staying ahead in the workplace

Part of being a good corporate citizen is being a good employer. TELUS is committed to fostering a respectful and healthy workplace where team members can achieve their full potential. We are on a journey to create a workplace of choice – one that incorporates best practices in leadership, learning and development, diversity, employment equity, ethics, compensation and recognition, and corporate governance.



For TELUS, a workplace of choice means having the right values, processes, systems and technologies in place to consistently deliver business and workplace excellence. It means being committed to open, honest and transparent dialogue about our business with all our stakeholders – team members, customers, investors and the communities where we live, work and serve.

Supporting team members

TELUS is dedicated to embracing diversity and attracting and retaining the best in our industry by providing a work experience that is challenging, rewarding and respectful. We believe that critical to our collective and individual success is enabling team members to perform to a high standard by providing the right tools, the right processes and the right support. Our team members play a vital role in our success. We strive to ensure team members are treated fairly, and with dignity and respect for their skills, career goals and viewpoints.

TELUS seeks to provide workplace programs that meet the professional and personal needs of team members. Our goal is a workplace that offers new opportunities for growth and innovation, and where high performance is rewarded. We are strongly committed to high ethical standards and working together in an inclusive way.

Listening to our team

Through our Pulsecheck survey, team members can share their opinions and feedback about TELUS. Survey results are shared with team members and provide an essential tool for shaping improvements in our quality of work-life and the workplace. Although we do not have 2005 Pulsecheck results due to the extended labour disruption, we plan to resume the survey in 2006. The feedback gathered will be important as we build a future of spirited teamwork.

Labour

In November 2005 TELUS reached a collective bargaining agreement with the Telecommunications Workers Union (TWU), which represents the majority of TELUS' unionized team members across Canada. The settlement brings a positive conclusion to a complex round of collective bargaining. The ratification of the agreement on November 18, 2005, ended a four-month labour disruption that began on July 21. The new collective agreement is effective from November 20, 2005, to November 19, 2010, and covers approximately 14,000 TELUS team members.

The new collective agreement brings numerous benefits to both TELUS and its team members, such as:

- Making TELUS' unionized team members amongst the most highly paid workers in the Canadian telecommunications industry
- Balancing employment security for team members with the flexibility necessary for TELUS to be competitive in today's changing telecom industry
- Providing for wages for Alberta team members to be harmonized with similar positions in B.C. over the duration of this agreement
- Provisions for team members affected by the outsourcing of non-core functions and the consolidation of some customer service and administrative functions, including high-quality voluntary severance packages consistent with past TELUS practice, or the opportunity to be redeployed within TELUS' core operations
- Marking the beginning of a renewed and constructive union-management relationship, including the creation of a Common Interest Forum and an agreement between the parties to work together to withdraw various legal proceedings
- Settlement of a long-standing pay equity complaint for team members in British Columbia, including the establishment of a \$10 million pay equity fund by TELUS. The Canadian Human Rights Commission accepted the settlement in March 2006.

Spirited teamwork – stronger together

The labour disruption was a challenging time for everyone on the TELUS team, as well as for our customers, families and friends. We are now focused on our future and on building a community of spirited teamwork throughout TELUS. Members of the TELUS team are entering an era full of promise and opportunity – one that will be demanding at times, but that will also offer exciting growth experiences both individually and collectively.

To help achieve this goal, TELUS has created “spirited teamwork – stronger together,” a collection of activities and resources designed to help us move forward as one team. Spirited teamwork – stronger together has four main components: spirited teamwork sessions; support programs and resources; business unit activities; and individual responsibilities.

workplace

Workforce demographics

TELUS employs almost 30,000 people. The TELUS team works primarily in Canada, except for 3,385 team members at our subsidiary TELUS International.

Breakdown of workforce¹ – table 1

Group	AB	BC	ON	QC	Other ²	Total
TELUS wireline	7,481	8,170	1,270	588	11	17,520
TELUS International	0	0	0	0	3,385	3,385
TELUS wireless	980	774	3,740	1,267	170	6,931
TELUS Québec ³	0	0	0	1,983	0	1,983
Total	8,461	8,944	5,010	3,838	3,566	29,819

1 As of December 31, 2005.

2 For TELUS International, team members are mostly located in the Philippines. For TELUS wireline, other includes Manitoba (6), New Brunswick (2), and Nova Scotia (3). For TELUS wireless, other includes Manitoba (52), New Brunswick (24), Newfoundland (24), Nova Scotia (53), and Saskatchewan (17).

3 Includes TELUS Solutions d'Affairs.

Breakdown of workforce¹ – table 2

	AB	BC	ON	QC	Other ²	Total
Temporary	1,518	352	207	179	3,314	5,570
Regular	6,943	8,592	4,803	3,659	252	24,249
Total	8,461	8,944	5,010	3,838	3,566	29,819

1 For year ending December 31, 2005.

2 For temporary, other includes: international (3,281), Manitoba (5), New Brunswick (7), Nova Scotia (14), Saskatchewan (1), Newfoundland (6). For regular, other includes: international (104), Manitoba (53), New Brunswick (19), Nova Scotia (42), Saskatchewan (16), Newfoundland (18).

Retention

At TELUS, we strive to be an employer of choice. This means achieving and maintaining a reputation as a preferred employer with the ability to attract, retain and motivate the TELUS team. We strive to accomplish this by creating a high-performance culture where team members can perform at their fullest potential.

Some initiatives that support retention are respectful workplace initiatives, mid and long-term incentives, market-priced base and variable compensation, and a wide array of career opportunities. With the ratification of the new collective agreement, British Columbia bargaining unit team members now also enjoy variable compensation based on achieving corporate targets.

	2005	2004	2003
Average voluntary turnover ¹	2.69%	2.24%	2.02%

1 Year-end data based on regular team members.

Union representation

TELUS team members are represented by three unions – the Telecommunications Workers Union, the Syndicat Québécois des employés de TELUS and the Syndicat des agents de maîtrise de TELUS. The number of unionized team members increased in 2005 primarily due to inclusion of the former Clearnet employees into the Telecommunications Workers Union.

A Union representation¹

Group	Bargaining unit	Management	Total	Unionized
TELUS wireline	10,262	7,258	17,520	59%
TELUS International	0	3,385	3,385	0%
TELUS wireless	2,811	4,120	6,931	41%
TELUS Québec	1,516	467	1,983	76%
Total	14,589	15,230	29,819	49%

1 As of December 31, 2005.

Grievances and arbitrations – cases filed¹

	A 2005	A 2004 ²	2003	2002
TELUS wireline	125	241	228	268
TELUS wireless	37	79	113	115
TELUS Québec	51	35	57	106
Total	213	355	398	489

1 Grievance/arbitration processes were suspended from April 25, 2005, to November 18, 2005, because of labour negotiations and the labour disruption.

2 Data has been restated from the 2004 corporate social responsibility report to include two cases brought forward late in 2004.

Health and safety in the workplace

We believe health and safety is a team effort and an integral part of our daily business. Every member of the TELUS team plays an important role in establishing and maintaining a safe and healthy workplace. Our health and safety policy, which is available to team members through our internal web portal, outlines our health and safety goals and the operational principles that govern our workplace. We provide quarterly updates to the Audit Committee of the Board of Directors on TELUS' health and safety policies, programs and results.

TELUS team members have the opportunity to express their concerns and feedback about safety through the health and safety committee program. TELUS has 64 health and safety committees or approximately one committee per 500 team members (for high-risk areas, the ratio is about 15 to 20 team members per committee; for low-risk environments, the ratio is higher).

All health and safety committees are comprised jointly of non-management and management members. The non-management members are selected by the union where the union represents team members and by a majority vote where the union does not represent team members. The prime duty of a health and safety committee is to expeditiously deal with workplace health and safety issues brought to its attention. There is also a policy health and safety committee that deals with global policy and unresolved issues from workplace health and safety committees. All health and safety committee members are trained in their roles and responsibilities through an internally developed and delivered training course.

Each of TELUS' legal entities has a customized approach to health and safety that includes policies, training, safety committees, website information and safety consultants. We voluntarily conduct audits of our safety practices on a regular basis to identify areas for improvement.

Safety training and communications

TELUS' health and safety program applies to all TELUS team members, although priority attention is directed to higher risk occupations within the company. In high-risk areas, safety training begins with a mandatory safety review as soon as new team members join the company.

TELUS clearly emphasizes to front-line managers and team members their responsibility for safety as they are the closest to workplace hazards. Front-line team members in TELUS' highest risk organization, TELUS Network Operations (TNO), are assigned "profiles," which outline the minimum requirements for inspections and reviews necessary for safety due diligence. The Operations Administrative Tracking System (OATS) tracks compliance with the mandated norms. OATS compliance is reviewed by senior managers regularly.

Complementing OATS is the TELUS Safety Service Delivery Model. This model has six components: training; communications; consulting; auditing; safety standards development; and hazardous occurrences investigations, inspections and audit results. Under TELUS' model, the first four items feed into the hazardous occurrences investigations and audit results, and are used to verify our safety strategy.

Safety indicators

TELUS recently introduced an online, interactive hazardous occurrence investigation reporting system. The system, which is accessible to all team members, allows for the near real-time review and tracking of the severity and frequency of safety incidents in TELUS' workplaces. Through this tracking tool, trends in hazardous occurrences are recognized earlier and prevention strategies implemented sooner, creating a safer and healthier workplace for all TELUS team members.



workplace

In 2005, TELUS' consolidated accident frequency was 0.86 lost-time accidents per 200,000 person-hours worked. TELUS wireline (excluding TELUS Québec and wireless operations), which represents the highest safety risk exposure across TELUS due to the size of the organization, the nature of the work activities, and the number of facilities, experienced an accident frequency in 2005 of 1.03 lost-time accidents per 200,000 person-hours worked.

To improve TELUS' safety performance, key performance indicators for safety, such as training inspections and safety meetings, have been developed for each level of the organization. Progress on key performance indicators can be tracked by managers through the OATS database.

Lost-time accidents per 200,000 person-hours worked

	2005	2004	2003	2002
TELUS consolidated	0.86 A	1.1 A	1.2	1.0
Telecommunications sector in Ontario (2002) ¹	2.1	2.1	n/a	n/a
Telecommunications sector in the United States (2002) ²	1.6	1.6	n/a	n/a

- 1 Telecommunications sector results for Canada overall are not available due to provincial jurisdiction of governing bodies.
- 2 Occupational Safety & Health Administration, USA.

TELUS Network Operations was responsible for approximately 66 per cent of the lost-time accidents in 2005. TNO is the largest business unit in TELUS, with approximately 8,600 team members, and is responsible for designing, planning, building, operating and maintaining the TELUS network, as well as delivering a comprehensive and robust suite of voice, data and IP services on a national scale across all customer segments.

TELUS Network Operations set a 2005 performance target of 2.1 lost-time accidents per 200,000 person-hours worked, and performed better than the target with a rate of 1.76. The rate is a trailing metric that measures past safety efforts. TNO also has set performance targets for training and inspections (vehicle, building and worksite) to proactively identify and control workplace hazards. Because of the extended labour disruption, only one follow-up safety audit of a high-risk operation was conducted in 2005.

Absenteeism

In 2005, our absenteeism rate was 10.5 overall days lost per team member. By comparison, employees in the service-producing sector in Canada were absent an average of 9.2 days in 2005. TELUS' long-term absenteeism goal is 8.3 days per team member per year, in alignment with benchmarking results for telecommunications companies in Canada.

Overall days lost per full-time equivalent team member^{1,2}

2006 target	2005 target	A 2005	A 2004	2003	2002
10.0	10.4	10.5	10.5	10.3	11.2

- 1 Does not include TELUS wireless.
- 2 Does not include absences from July 21, 2005, to November 18, 2005, of unionized team members due to the labour disruption.

Workers' Compensation

In 2005, there were 572 Workers' Compensation Board (WCB) claims resulting in 48,843 claimed hours. While the number of claims decreased from 2004, the hours claimed increased.

WCB claims

	2005	2004
Claims	572	576
Hours	48,843	46,584

Corporate health and wellness

In 2005, the TELUS Health and Wellness team continued its focus on increasing team member health awareness by hosting three wellness expositions nationally. These expositions provided an opportunity for team members to explore a variety of health and wellness options, and to make educated decisions about their own personal wellness.

In partnership with Pfizer, TELUS facilitated four Hearts@Work sessions. These sessions offered cholesterol and blood pressure testing, as well as body mass index and waist weight ratios measurements. Medical professionals were available at these sessions to discuss individual results, and appropriate health wellness plans.

In 2005, funding was secured for the first on-site wellness centre at TELUS. This facility, scheduled for completion in 2006, will reflect the importance TELUS places on the health and well-being of its team members and provide an opportunity for team members to access a variety of wellness services at work, including massage therapy, physiotherapy and chiropractic services.

Employee assistance program (EAP) – EAP continues to support the overall TELUS wellness strategy. In addition to providing counselling services for TELUS team members and their families, the TELUS EAP has facilitated a variety of training courses, such as stress and time management and conflict resolution. EAP is playing an important role in supporting the post labour disruption engagement strategy.

Usage of employee assistance program ¹				
	A 2005	A 2004	2003	2002
Percentage of team members accessing the employee assistance program	9.8	9.6	9.9	10.6
Percentage of survey respondents rating the employee assistance program as excellent	76	80	80	79

1 Figures provided by TELUS' main Employee Assistance Program service provider.

Internal occupational health advisors – Occupational health advisors assist as team members recover following an illness or injury by providing resources and return-to-work programs. As well, ergonomic consultants ensure job tasks and work environments are designed to match human needs. In 2005, the TELUS ergonomic team trained more than 100 team members nationally. These trained team members will be able to provide proactive, on-site support for ergonomic concerns.

On-site fitness facilities – Keeping focused on the holistic benefits of exercise, TELUS offers team members 15 on-site fitness facilities in major centres, including Victoria, Vancouver, Burnaby, Edmonton, Calgary and Montreal. About 25 per cent of team members who work in these locations take advantage of the fitness facilities.

On-site group activities related to active living and spiritual and social wellness are offered at TELUS wireless offices across Canada over lunch hours or after work. TELUS wireless team members are also offered fitness club discounts.

Commitment to a respectful workplace

TELUS has always strived for a workplace where team members demonstrate respect for one another, customers and the community. It is fundamental to our values and has been imbedded in our policies and practices for many years. In 2004, TELUS renewed this focus with the launch of the Respectful Workplace Office.

During 2005, TELUS, in collaboration with our unions, developed and implemented a national Respectful Workplace policy. Under the direction of the Respectful Workplace Office, two major policy-supporting initiatives were also launched to foster a harassment-free workplace.

The first initiative was mandatory training for all team members, which commenced in the first quarter of 2005. During this training, TELUS team members facilitated a two-hour discussion of the TELUS Respectful Workplace policy and the rights and responsibilities that support an inclusive workplace. Training was delivered to 14 per cent of the TELUS team prior to the labour disruption in July, and will continue throughout 2006 to ensure that every member has the opportunity to participate in a session.

The second initiative was a milestone for TELUS. For the first time, representatives from TELUS and delegates from all three unions representing TELUS team members – the Telecommunications Workers Union, the Syndicat Québécois des employés de TELUS and the Syndicat des agents de maîtrise de TELUS – attended an intensive human rights workshop. This customized workshop was delivered by recognized industry experts, concurrently in French and English, and provided a thorough grounding on investigating and resolving workplace issues.

These initiatives, combined with the services of the Respectful Workplace Office, significantly enhance TELUS' ability to appropriately resolve internal disputes in a fair and objective manner. The office continues to oversee employment equity, diversity and workplace accommodation practices within TELUS.

workplace

Workplace indicators

We measure the level of inclusiveness and respect within our workplace through several methods. Complaints filed by our team members with the Canadian Human Rights Commission (CHRC) identify practices that are causing concern with team members and provide an objective process for identifying or confirming the appropriateness of practices as business and societal priorities evolve.

Team member complaints filed with the Canadian Human Rights Commission				
	A 2005	A 2004	2003	2002
New	18	12	10	11
Closed	12	16	10	8
Open	14	8	12	12

The 2005 statistics clearly reflect a noticeable increase in both the new and open complaints from the previous years. New complaints received in 2005 increased by six from 2004, while the open complaints (current and previous years' complaints still in progress) have nearly doubled from last year.

As in 2004, most complaints are related to the prohibited ground of disability. All 12 new complaints received in 2005

are alleging discrimination based on disability. Eighty-six per cent (12 of the 14) of the open complaints are also based on disability.

There was a decrease in the number of closed files in 2005 compared to last year. Of the 12 complaints closed this year by the CHRC, eight are not proceeding, two have been dismissed, and two were closed as a result of settlement agreements. Ten of the 12 complaints closed in 2005 were based on disability.

A second important indicator of inclusiveness is the representation levels of the four designated groups within the workforce as defined by the Employment Equity Act.

The current workforce composition at TELUS continues to show movement toward the availability within the Canadian workforce. Representation of visible minorities increased year over year and representation of Aboriginal People is above the level of availability within the Canadian workforce. The representation levels of three groups – visible minorities, Aboriginal People and persons with disabilities – are above that of other Canadian telecommunications companies.

Workforce profile ¹						
(%)	2004 Canadian workforce availability ²	2003 Canadian workforce actual representation for telecommunications carriers ³	A 2004 TELUS actual ⁴	A 2003 TELUS actual ⁴	2002 TELUS actual ⁴	2001 TELUS actual ⁴
Women ⁵	43.2	44.9	43.7	44.0	45.5	47.6
Members of visible minorities	17.6	12.0	14.3	13.5	11.5	9.0
Aboriginal Peoples	1.4	1.3	1.8	2.1	1.9	1.5
Persons with disabilities	4.0	1.9	3.0	2.8	2.9	2.7

1 Based on data collected for reporting under the Federal Employment Equity Act. Figures for 2005 for TELUS are not available until June 2006.

2 Canadian workforce availability refers to the percentage of the designated group (i.e. members of visible minorities, Aboriginal Peoples, persons with disabilities, women) in the Canadian workforce who have the skills necessary to fill positions at TELUS based on 2001 Census data.

3 Canadian workforce actual representation for telecommunications carriers refers to the percentage of the designated group (i.e. members of visible minorities, Aboriginal Peoples, persons with disabilities, women) who are employed at telecommunications carriers in Canada.

4 TELUS actual refers to the percentage of the designated group (i.e. members of visible minorities, Aboriginal Peoples, persons with disabilities, women) who are employed at TELUS.

5 While the percentage of women in the TELUS workforce has decreased steadily since 2001 to be roughly in line with Canadian workforce availability, female representation at the Executive Leadership Team level has increased significantly over the same period (see page 37).

Employment equity and diversity practices

We believe that everyone should have access to employment opportunities based on their skills and abilities. In our efforts to ensure our workplace is inclusive and supportive of employment equity and diversity, we consistently look for improvements by analyzing the workplace indicators and listening to team member feedback. In 2005, we focused efforts on removing barriers for advancement for women at all levels of the company. While there is still room for improvement, some significant accomplishments were achieved.

All three of our female executive vice-presidents, Janet Yale, Judy Shuttleworth and Karen Radford, were named to the 2005 list of Canada's Most Powerful Women compiled by the Women's Executive Network as part of its annual Top 100 Awards. Reaching out to others in the organization, these women are sponsors of Connections – the TELUS Women's Network. Through the Connections program, women at all levels of the organization have the opportunity to pursue excellence in their careers by building a supportive network and participating in mentoring relationships.

Gender statistics – senior leadership ^{1,2}				
(%)	A 2005	A 2004	2003	2002
Executive leadership team				
Male	70.0	81.2	87.5	93.0
Female	30.0	18.8	12.5	7.0
Vice-presidents				
Male	85.7	83.0	84.0	84.8
Female	14.3	17.0	16.0	15.2

1 Based on headcount as of December 31 for each year.

2 TELUS plans to collect external industry gender statistics for comparison purposes in our 2006 corporate social responsibility report.

In November 2005, TELUS was a major sponsor of the First Annual Women's Leadership Forum held in Calgary, Alberta. Approximately 750 women from a number of different industries attended the forum, which provided a rich learning environment for exploring personal values and strengths, sharing work and life balance practices, and enhancing their leadership capabilities.

Gender statistics – TELUS Board of Directors ¹			
(%)	A 2005	2004	2003
Male	91.7	90.9	91.7
Female	8.3	9.1	8.3

1 Based on composition as of December 31 for each year.

Looking beyond our workplace, we strive to do business with organizations and countries known for respecting human rights and child labour laws. As a Canadian-based organization, we fully support the Canadian Human Rights Act in these matters and issue assurances about our own employment equity practices on an as-needed basis.

Team member compensation

Compensation at TELUS is designed to support our high-performance culture. For management and professional team members, TELUS compensation is both market driven and performance based. We aim to pay competitively, and high performers are able to be paid above the 75th percentile. Our pay-for-performance orientation is founded upon the establishment of stretch goals set at the individual, business unit and corporate levels. Results are measured against those goals and used to determine variable pay based on performance. For most team members governed by a collective agreement, incentive pay is also available in addition to their base salary.

In all provinces, TELUS' lowest wage paid is approximately twice the provincial statutory minimum wage. In addition, team members are able to be owners in our business through the stock option/restricted share unit plan and/or the TELUS Employee Share Plan.

Total compensation and benefits ¹					
(\$ in millions)	2005	2004 ²	2003	2002	2001
Total compensation and benefits	\$1,921	\$1,938	\$1,883	\$1,996	\$1,954

1 From TELUS' 2005 annual report.

2 Data has been restated from the 2004 corporate social responsibility report due to a change in reporting process.

workplace

Recognizing, rewarding and sharing success

Our team members share in the success of our company through excellent compensation and benefits programs that offer choice and flexibility. Our market-based compensation for management and professional team members is aligned with high-tech companies similar to TELUS and recognizes individual contributions and competitive skills sets. To ensure our compensation remains competitive, we review compensation levels annually and on an as-needed basis.

TELUS Employee Share Plan – TELUS offers team members the opportunity to participate in an Employee Share Plan, through which they can purchase TELUS shares through regular payroll deductions. Team member contributions, up to six per cent of their salary, are matched by the company. In 2004, for every \$10 a team member invested in TELUS shares, the company contributed \$4. In 2005, the company contribution was increased to \$4.50 for team members below director level. With ownership of 6.7 million shares, or 1.91 per cent of the total outstanding shares, TELUS team members are our 10th largest shareholder group.

Percentage of eligible team members participating in TELUS Employee Share Plan

	2005	2004	2003	2002
Percentage participation	77.7%	70.9%	66.9%	66.1%

Benefits program – Our benefits program is an important part of the total rewards package at TELUS. The program is designed to encourage and support health, wellness and balance. It provides protection for health, life and disability to offer peace of mind and sufficient choice to provide flexibility and promote satisfaction.

Management and professional team members participate in a flexible benefits plan, called PLAN-IT, which allows them to tailor personal benefits plans to suit individual needs. Additional information on benefits for management and professional team members can be found online at telus.com/careers.

In December 2005, TELUS introduced a new benefits plan for unionized team members. For the first time, the plan offers choice for unionized team members to allow them to select the benefit coverage that best suits their needs.

Corporate recognition programs and tools

At TELUS, we believe that recognition is not a program but a culture – a culture dedicated to providing meaningful formal and informal recognition. It is this commitment that generates excitement about the accomplishments of our people, supports our TELUS values and aligns with our strategic intent.

Team Machine® – Through our Team Machine web-based program, team members at any level of the organization can nominate and recognize the outstanding performance, superior teamwork and extraordinary results of their colleagues who exemplify TELUS values in action.

Team members receive points for Team Machine awards that can be shared with others or exchanged for a wide range of merchandise from an online catalogue. For more informal, everyday recognition, Team Machine also offers a wide variety of corporately branded e.cards for team members to send to their colleagues who have gone the extra mile.

Career Excellence – TELUS values the commitment and contribution made by its team members throughout their careers. We believe that acknowledging the personal diversity, motivation and behavioural competencies exhibited in the daily work lives of our TELUS team members makes TELUS unique. In appreciation of our team members' personal dedication, we celebrate significant career milestones with our Career Excellence program.

TELUS team members receive career excellence recognition in five-year increments, commencing with the attainment of their first five years of service. Team members select a gift based on the level of tenure they have achieved and receive a framed and corporately branded commemorative plaque signed by the CEO to mark their milestone.

Corporate recognition spend¹

2004	\$2.5 million
2005	\$1.5 million ¹
2006 budget	\$2.3 million

¹ 2005 labour disruption affected the 2005 total spend and Team Machine nominations.

Developing the TELUS team

Investment in learning

At TELUS, customized career development plans (CCDPs) play a key role in fostering a culture where team members learn, share knowledge and develop their abilities to their fullest potential. Team members, in conjunction with their managers, create development plans that include a variety of learning activities and use different delivery technologies to enhance

their skill development and facilitate success in current and future career roles. Learning activities include on-the-job training and development, mentoring, job shadowing, online and instructor-led courses, and external training. An important aspect of the CCDP process is two-way feedback and mutual objective setting between managers and team members. In 2005, the actual amount spent on learning – \$33.2 million – was less than the targeted amount of \$41.8 million as many learning activities were postponed due to the labour disruption.

Learning investment ¹	2006 target	2005 target	A 2005	A 2004	2003	2002
Amount spent (millions)	\$46.0	\$41.8	\$33.2	\$35.4	\$32.8	\$28.3
Percentage of salaries and wages	3.0	2.40	1.97	2.14	1.98	1.66
Approximate amount spent per team member	\$1,475	\$1,565	\$1,258	\$1,370	\$1,325	\$1,097

1 Does not include TELUS International.

Formal training and development consumption

During 2005, the TELUS team completed learning and development courses sourced or developed specifically for our unique needs, both internally and through our learning partnerships. Team members, supported by their managers, continued to demonstrate a commitment to excellence through individual and career development. Our use of technology-delivered training options leverages our expertise in technology and complements our corporate strategies. This type of training continues to evolve and be increasingly embraced by the TELUS team.

Our learning curricula and content includes mandatory courses related to safety, ethics, respectful workplace and the environment. Additionally, we offer technical skills, sales, customer service and leadership education.

Formal courses completed ¹	2005
	Sessions
Instructor led	5,536
e.learning	221,331

1 Does not include informal on-job training, mentoring, special project and other initiatives, and does not include TELUS International training.

program of the year award

In May, TELUS received international recognition for leadership and development with the receipt of the Program of the Year award from SkillSoft, a leading provider of comprehensive e-learning content and technology products for business and IT professionals.

The award acknowledged two programs – the corporate leadership program and training for new team members. To be considered for the award, companies must demonstrate successful, measured results in terms of return on investment, increased usage, timeline for implementation, complexity and marketing strategy for programs.



workplace

Leadership excellence

TELUS recognizes that leaders play a vital role in creating a workplace of choice. Our managers are supported with several innovative programs that drive best-in-class leadership practices, reinforce our high-performance culture and help drive our success.

All leadership development is based on three fundamental pillars of leadership: leading self, leading others and leading business results. This helps to ensure all development is aligned and complementary.

leadership NOW – In 2005 TELUS launched leadership NOW, a corporate-wide leadership development program targeted to high-performing, high-potential team members at every level of the organization, from front-line team members to senior managers. The program's core objectives are development, retention, performance coaching and career coaching.

Features of the program include:

- 360° and other leadership assessments
- Program-specific leadership mentoring network
- Networking and community opportunities
- Formal leadership development.

leadership NOW participation

	Alberta	BC	Ontario	Quebec	Total
Vice-presidents	8	12	13	1	34
Directors	21	29	13	4	67
Managers	82	89	27	12	210
Front-line team members	73	33	0	0	106
Total	184	163	53	17	417

The leadership NOW program is expanding in 2006. Previously focused only on developing high-potential, high-performing members of the TELUS team, the 2006 program offers initiatives intended to develop the leadership skills of all leaders.

leadership NOW will focus on three key areas:

- Development of our senior leadership team
- Development of our high-potential, high-performing leaders
- Development for all leaders at TELUS.

This program ensures the maintenance and development of a strong leadership pipeline, which is essential to our continued success at TELUS. The expansion of the leadership NOW program further enhances the leadership skills of all leaders and emerging leaders at TELUS as we continue to build a high-performance organization that is enabled through spirited teamwork.

staying ahead in our environmental practices



At TELUS, our commitment to environmental sustainability is reflected in our efforts to reduce our environmental footprint and in our innovative communication solutions, which help others diminish their impacts. We do this by focusing on the movement of ideas and information, rather than goods, services and people.

environment

As a telecommunications company dealing primarily with the provision of services, TELUS is able to avoid some of the impacts associated with industries such as manufacturing. However, given the number of central offices and radio and cellular towers we maintain, we have a relatively large environmental footprint.

This section of our corporate social responsibility report addresses our environmental impacts and our efforts to reduce that impact. More information about TELUS' overall risks and risk management is available in our online 2005 annual report at telus.com/annualreport.

Impact of labour disruption

As referenced in other sections of this report, TELUS experienced a four-month labour disruption in 2005. During this time, members of the management team were redeployed to other areas of the

organization to ensure continuity and quality of service. As a result, certain environmental programs were delayed or scaled back in 2005. Specifically affected was the length of our field season, during which the environmental team is able to work outside, limiting the number of site assessments and remediation work completed. As well, other members of the organization with whom the environment team works closely were affected by the labour disruption, which had an impact on some of the metrics tracked in this section. Where impacts were felt, they have been noted.

Despite the labour disruption, the environment team was able to maintain a scaled-down presence in B.C., Alberta and Quebec in order to ensure timely response to environmental emergencies. The team also continued work on high-risk remediation projects. A summary of our results relative to our 2005 targets is shown below:

Targeted performance measures	2005 results	2005 target	Result
Environmental site assessments	337 assessments	550 assessments	✗
Spills and releases	100% reporting	100% reporting	✓
Fuel system upgrades	29% of systems upgraded	40% of systems upgraded	✗
Halon removal	81% of 1993 levels	90% of 1993 levels	✗
Utility pole risk reduction	Approximately 10% reduction	10% reduction in risk	✓
Eco-efficiency	0.128 kWh/\$	0.129 kWh/\$	✓
Greenhouse gas intensity	0.040 kg/\$	0.056 kg/\$	✓
Paper consumption	not available	10% reduction	✗

✗ Failed to meet target.

✓ Target substantially met or exceeded.

Environmental management

TELUS' commitment to environmental leadership is demonstrated in the way we integrate environmental considerations into business decisions, including the build-out of our network, power management, property transactions and purchasing. It is also evident in innovative communication solutions, such as teleconferencing, distance learning and telecommuting, all of which help reduce the impact to our environment. Our goal is to meet – or exceed whenever possible – regulatory standards, and to realize continuous improvement in the processes we have in place to protect the environment.

We work to achieve our goals through our environmental management system (EMS), which is based on the ISO 14000 model. We are constantly reviewing our environmental risk exposure, developing policies and targets to minimize our impact, and monitoring our progress toward these targets. We had

planned an audit of our EMS by an external consultant in the third quarter of 2005. Due to the labour disruption, the audit has been rescheduled for 2006. Environmental risk management (e.g. site assessments, site remediation, fuel systems and Halon) continues to form part of the enterprise-wide risk assessment; however, an initial review of our EMS in late 2005 indicated that further improvements to the assessment of our environmental aspects are necessary and will be explored in 2006.

TELUS International – In 2005, TELUS acquired controlling interest in Ambergris, a call centre operation located in the Philippines. In 2006, we expect to evaluate the environment, health and safety aspects of this operation.

Application of EMS (policies, objectives, targets) – Environmental policies have formed the backbone of our EMS since the early 1990s. Our current corporate environment policy

was adopted in 1997 and modified in 2003. All policies are supported by specific procedures and targets for key aspects of our business including spills and releases, Halon, fuel storage, remediation of sites and waste management. An annual review of our metrics relative to the prescribed targets gives us a pulse check for our EMS and facilitates continuous improvement. Our environmental policy is available at about.telus.com/publicpolicy/environmental.html.

To ensure good governance, we present environmental reports to the Audit Committee of the Board of Directors each quarter. In addition, selected environmental indicators in our 2005 corporate social responsibility report have been audited by PricewaterhouseCoopers, and a portion of the Management's discussion and analysis (MD&A) section of our annual report is devoted to environmental risk.

Stakeholder engagement

At TELUS, we have numerous environmental stakeholders, including team members, customers, investors, regulators, suppliers and non-government organizations. We are committed to engaging these stakeholders to determine how they are affected by our business. We use input from stakeholders to make better business and environmental decisions. As an example, after consulting with Corporate Knights, we were made aware of the social implications in Africa of the mining of tantalum, which is used in semiconductors. This has led us to investigate our use of tantalum to ensure our equipment is sourced from sustainable tantalum suppliers, which our two major cell phone suppliers have confirmed is the case.

While we believe we have good engagement with our environmental stakeholders, much of the input is received through informal channels and interactions. We will explore a more formal stakeholder engagement strategy in 2006.

Environmental concerns not addressed by this report can be relayed to TELUS through sustainability@telus.com, and general information regarding TELUS' environmental policy can be found at about.telus.com/publicpolicy/environmental.html.

Workforce engagement – We encourage dialogue with our team members through interactive training sessions and information sharing. Our internal environmental website contains comprehensive information about TELUS' environmental policies and practices, and features a feedback mechanism for team members to identify environmental issues or concerns.

Another critical resource that is part of our EMS is an online environmental information system (EIS) accessible through the

website. The EIS gives all team members 24-hour access to our catalogue of site environmental risks, as well as material safety data sheets (MSDS) for chemicals used at TELUS sites. Our 24-hour emergency reporting process ensures advice is always available and that information is communicated as needed to government regulators and the environment team. We communicate our environmental sustainability performance to external stakeholders through our corporate social responsibility report and annual report, both of which are available in printed and online versions.

Environmental training – Environmental training is a priority at TELUS. This is increasingly important as TELUS uses more contractors in its non-core operations. We continually look for best practices in corporate environmental training, which extends to numerous areas including spill response, chemical management, water awareness and the Workplace Hazardous Materials Information System (WHMIS). In 2005, approximately 7,380 environment-related courses were completed, a 23 per cent decrease over 2004. The decline was due to the labour disruption, and improvement is expected in 2006.

Environmental training			
	2005	2004	2003
Environmental courses	7,380	9,600	6,125
Total team members (year end)	29,819 ²	25,800	24,719
Environmental training/total team members ¹	25%	37%	25%

1 Total number of environmental courses divided by total team members.

2 Includes the more than 3,000 team members of TELUS International who are not currently included in the training plan.

Outreach – TELUS' environmental stakeholder engagement also involves outreach into the communities in which we work. The TELUS team participates in various environmental and sustainability groups, including the Canadian Chamber of Commerce, the Business Council of British Columbia, United States Telecom Association, Conference Board of Canada Governance group, the Greater Vancouver Regional District Sustainable Cities Initiative, Remediation Technologies Group, Women's Leadership Forum and ARCSACC (Assessment and Remediation of Contaminated Sites in Arctic and Cold Climates). Team members are also involved in committees that deal with contamination in utility rights of way. This includes leading a committee on utility rights of way in the Vancouver area and ongoing contributions to Alberta Environment and the cities of Edmonton and Calgary in their work on the protection of utility corridors from hydrocarbon damage.

environment

In 2005, we continued to support the Conference Board of Canada and its publication of "The National Corporate Social Responsibility Report – Managing Risks and Leveraging Opportunities." We are also members and sponsors of the Recycling Council of Alberta, Canadian Business for Social Responsibility (CBSR) and the Environmental Managers Association of BC. We fund and/or participate in stakeholder surveys, including Stratos Inc., which result in sustainability rankings and benchmarking criteria for corporate social responsibility reporting. We use the results of these surveys to drive improvement in our reporting process.

Environmental awards

In 2005, we were named for the fifth year in a row to the Global Dow Jones Sustainability Index (DJSI), and to the inaugural North American Sustainability Index, both of which provide rankings of companies that are recognized leaders in economic, social and environmental performance. TELUS continues to be the only North American telecommunications company, and one of only 12 Canadian companies, on the global index. TELUS remained on both the Jantzi Social Index and the London Stock Exchange FTSE4Good Index Series, which identify companies that are working toward environmental sustainability, developing positive relationships with stakeholders, and upholding and supporting universal human rights. Visit www.jantzisocialindex.com and www.ftse.com for more information.

In October 2005, TELUS was recognized for our participation in eTree. This innovative program was launched in 2004 by Computershare and the Tree Canada Foundation, a national conservation organization that supports companies in increasing stakeholder acceptance of electronic communications. Through eTree, when a TELUS shareholder registers for electronic report or statement delivery, a tree is planted in his/her name in one of Canada's urban forests. Nearly 10,000 trees have been planted in the name of TELUS shareholders as part of the eTree program.

Environmental problems

Despite our best efforts and care, we do, from time to time, uncover examples of deficient environmental practices. In 2005, TELUS team members emptied the contents of a manhole directly into the storm sewer, leading to a small fine from the city of Port Moody. We also received two warnings, one in Rimouski for failing to properly train team members working with dangerous goods and another one in Calgary for the late

submission of a report on air emissions from a generator plant. These incidents have reinforced the need to expand our environmental, health and safety training in 2006, and demonstrate the importance of constant management of environmental risk. Our financial environmental non-compliance over the past three years is summarized below.

Financial environmental non-compliance

	2005	2004	2003
Environmental fines	\$100	\$11,500 ¹	\$50,001

¹ Does not include a requirement to complete rehabilitation activities at a grassland damaged by construction activities, the total cost of which is estimated at \$50,000.

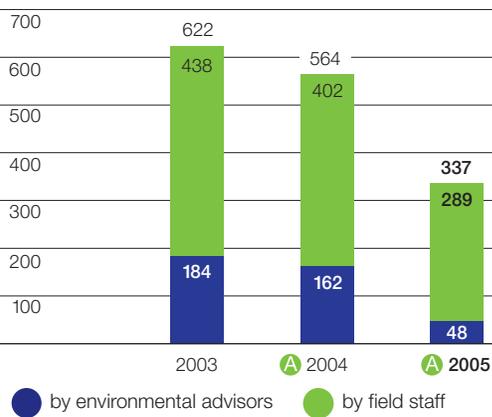
Managing environmental risk

Environmental site assessments – Our normal business operation generates environmental risk from such things as back-up power generating systems, fire suppression systems and contaminated property remediation. We direct our efforts based on the probability of risk (the type and age of infrastructure) and the potential severity of impact.

To assess and monitor risk, we conduct regular site assessments. Of the more than 3,500 sites owned or leased by TELUS, 337 assessments were completed in 2005 by TELUS field team members or environmental advisors. Twenty-one per cent of our 62 high-risk sites were assessed. These assessments

environmental site assessments

(number of assessments)



2005 target: Assess a total of 550 sites, and 100% of key high-risk sites.

2005 results: Completed 337 site assessments, 13 of 62 (21%) high-risk sites.

2006 objective: Complete 550 site assessments, including 100% of all key high-risk sites.

“Environmentally responsible initiatives such as the eTree program highlight TELUS’ commitment to making the future friendly. TELUS is proud to be a part of such an innovative program that our shareholders have overwhelmingly embraced.”



Darren Entwistle, TELUS president and CEO

were comprised of 11 categories of environmental risk, including generators, batteries, pole storage and chemicals, based on federal and provincial legislation, accepted industry practice and our own management practices. The number is significantly below our target because of the labour disruption, changes to the environment team, and a complete overhaul of the internal database used to track site risks.

Spills, releases and effluent – We train our team members to report all spills and releases to our 24-hour network operations centre (NOC). Working with the NOC, our environment team ensures spills are reported to regulators as required, within the appropriate timeframe, and investigates the root causes of all spills. In 2005, spills we experienced were either not reportable, or were reported to government agencies within the appropriate timeframe. Overall, the number of spills decreased in 2005, however, the volume of spills increased, due mainly to a relatively large (1,500 litres) release of diesel from a remote mountain top site. The failure of the fuel system in question was partially

mitigated by containment measures in place, such as electronic monitoring and fuel shut off.

We initiated a spill response process for Quebec operations in 2004, which was formalized in 2005. This has contributed to the year-over-year increase in the total reportable spills since all spills in Quebec are reportable. We will look to ensure a similar system is in place for our wireless operations in 2006.

Because of the nature of our business, we have no effluent other than domestic wastewater, which is common to all companies.

Chemical management – TELUS uses numerous chemical products and/or hazardous materials in day-to-day operations. These include cleaning products, compressed gases and lubricants, asbestos insulation, lead in batteries and beryllium in old radio equipment. We manage the risk to workers posed by these chemicals through Workplace Hazardous Material Information System (WHMIS) and transportation of dangerous goods (TDG) training, as well as education on material safety data sheet (MSDS) retrieval. We also publish policies related to proper handling of many hazardous compounds on our internal website.

Our chemical management process was reviewed in 2004, and an overhaul initiated in 2005. Changes include use of a web-based service from an external provider for MSDS management, which will provide access to more than 1.5 million MSDS. This will be rolled out in conjunction with the development of a list of chemicals approved for use at TELUS sites and a modification of the chemical inventory process to a statistical sampling basis. The new process will be fully implemented in 2006.

TELUS has a chemical disposal process at most facilities. Yellow bins specifically designed for chemical disposal are used and the final disposal is done by personnel certified in hazardous waste handling to ensure the materials are processed appropriately. All hazardous wastes generated by TELUS are recycled, re-used or disposed of at licensed facilities.

Spills and release reporting ¹			
Spill type / year	A 2005	A 2004	2003 ⁴
Reportable	16	13	7
Not reportable	24	35	36
Total spills	40	48	43
Approximate volume (L) ²	1,800	1,000	2,700
Approximate weight (kg) ³	1,700	500	400
¹ Spill amounts reflect best estimate based on investigation results (rounded to nearest 100). Does not include wireless operations. ² Volume in litres includes liquid petroleum hydrocarbons, battery acid, glycol and other. ³ Weight by kilograms includes refrigerants (chlorofluorocarbons) and fire suppression agents (Halon and FM-200). ⁴ Does not include TELUS Québec.			
2005 target: 100% compliance to legislative reporting requirements. 2005 results: 100% compliance achieved. 2006 objective: 100% of sites in regulatory compliance for spill reporting.			

environment

Environmentally sensitive lands and biodiversity – TELUS has a number of facilities across Canada including data centres, central offices, radio and wireless towers, manholes, copper and fibre-optic cables. In addition we have numerous lines, placed either aerially, below ground or under water. Through our policies and training, we aim to reduce the environmental impact on water, soil, vegetation and habitat associated with service installation or maintenance.

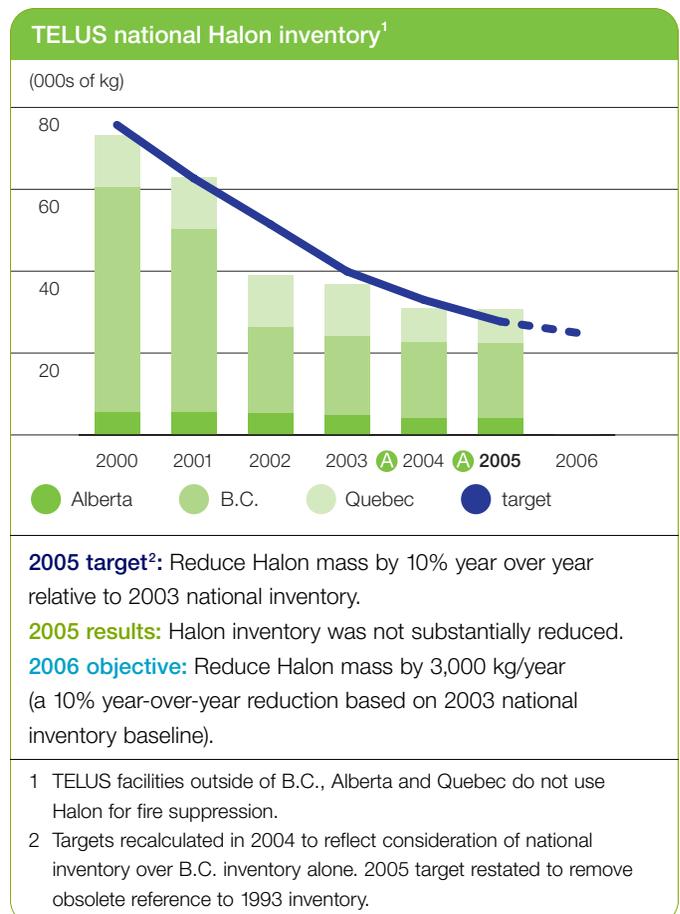
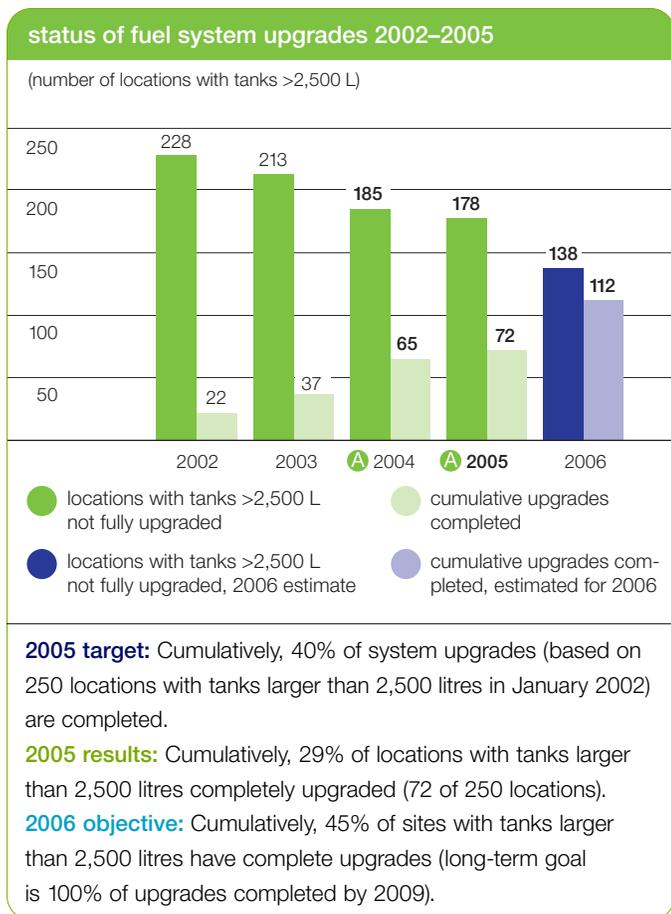
Our environment team led one class-screening assessment and supported two environmental impact assessments (EIAs) in 2005. We also completed one construction site assessment, as well as a portion of the reclamation of an area of grassland damaged in 2004. The number of impact assessments was reduced (from 27 total impact assessments in 2004) due to a shortened field season resulting from the labour disruption.

Work was substantially completed on the North Island fibre ring EIA, a multi-year initiative which was reported on in our 2004 report. The assessment in 2003 noted a First Nations site that required extensive archaeological migration work in order to install the cable. The subsequent detailed archaeological assessment work completed in 2005 confirmed that this is one of

the oldest known sites on the B.C. coast (dating back about 7,600 years) and represents a significant contribution to the history of indigenous peoples in the province.

Fuel systems – We use diesel, propane and/or kerosene fuel for generators to provide the sole source of power at remote locations and as back-up for commercial power at critical business locations. We had 250 locations with tanks more than 2,500 litres in size at the start of our upgrade program in 2002. At the end of 2005, 72 of these locations had been fully upgraded, leaving 178 locations to be upgraded by the end of 2009. We reduce risk to the environment with measures such as reducing quantities of stored fuel, installing secondary containment, corrosion protection, continuous monitoring alarms, emergency shut-off devices and reduced back-up power requirements. The labour disruption in 2005 affected the number of sites that could be upgraded. A total of \$1.5 million was spent on fuel system upgrades and removals in 2005.

Ozone depleting substances – Halon, a chlorofluorocarbon (CFC) and an ozone depleting substance (ODS), has been a key component of our fire protection strategy since the mid-1970s. In 1993, we introduced a plan in B.C. to remove Halon from our

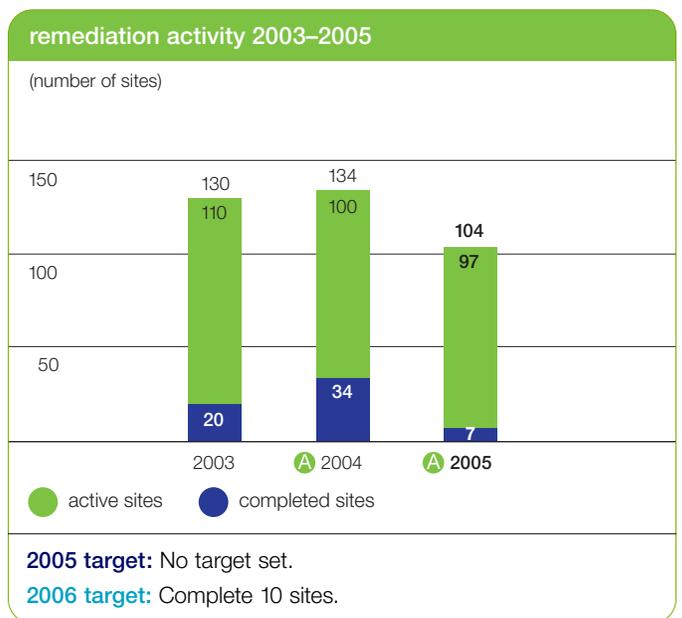


sites, in alignment with the Montreal Protocol, which includes a provision to monitor and reduce the use of Halon around the world. We did not effect a significant reduction in our Halon inventory in 2005, removing less than 200 kilograms. A further 545 kilograms were disconnected and await removal in 2006. The Halon-reduction program was interrupted by the labour disruption and by delays in a seismic and fire system upgrade at a key Vancouver location, though we expect to meet our target in 2006. As noted in our spills and releases section, we also track the loss of R-22, another ozone depleting CFC used as a refrigerant in many of our cooling systems. ODS contribution to global warming is included in the air emissions section of this report.

Utility poles – Treated wood poles have the potential to cause local soil contamination in the immediate vicinity of the poles or at locations where the poles are stored. Wood utility poles may be treated with pentachlorophenol, creosote or chromated copper arsenate (CCA) to prolong service life. We own or have joint-use agreements for about 1.5 million poles in Alberta, B.C. and Quebec, and we had 53 pole storage locations across Canada at the start of 2005, most of which are in B.C. In B.C., our goal is to reduce the risk posed by pole storage. In 2005, we eliminated four pole storage locations through remediation and removed one other from service (remediation is pending). This represents a risk reduction of nine per cent, close to our goal of a 10 per cent reduction. We will strive to achieve a further 10 per cent reduction in 2006. By year end, all pole yards in Quebec had been remediated and removed from service, and all poles sourced jointly from Hydro Québec.

Historically, wood poles were released to the public for use. We discontinued this practice in 2002. Through an external company in B.C., we recycle utility poles, which are manufactured into lumber, fence panels and Adirondack wooden chairs. The employees of this external company are trained to handle and process hazardous wood products so products no longer pose an environmental threat.

Remediation of contaminated sites – Despite policies and training, spills or releases occur from time to time, contaminating the soil and groundwater at our sites. Our properties can also be contaminated by third parties. Based on a risk matrix, TELUS allocates funds to clean up these sites as appropriate. Remediation techniques vary with the extent of the contaminated area, and the degree and type of contamination. Large or complex remediation, or remediation of properties being offered for sale, is performed by independent third-party consultants.



Our own environmental advisors monitor all sites and address those with low levels of contamination.

For the most part, contamination at our sites consists of petroleum hydrocarbons, metals, pole preservatives or other chemicals. In 2005 we had 104 sites where known contamination was identified or suspected. Seven of these were completed in 2005. Completed sites include sites where the contaminants have been physically removed from the site soil, air and groundwater, as well as sites that have been risk-assessed to confirm that there are no unacceptable levels of contaminants present (as determined by comparison to either generic or site-specific risk-based criteria). Active sites include those that are being monitored, assessed or remediated. The extended labour disruption limited the amount of site assessment and remediation activity the company completed in 2005.

Energy and resource management

Energy use

Despite the ratification of the Kyoto protocol, and the likelihood of carbon emission reduction in the years ahead, TELUS remains unaffected by the changing regulatory landscape as it pertains to greenhouse gases. However, we support the Kyoto accord, and continue to track our energy consumption and greenhouse emissions, reducing both where feasible.

In 2004, we reported results from all significant facets of our business for the first time. With the merger of our wireless and wireline operations in late 2005, we look forward to improved data tracking and therefore a more complete reporting process.

environment

TELUS energy consumption¹

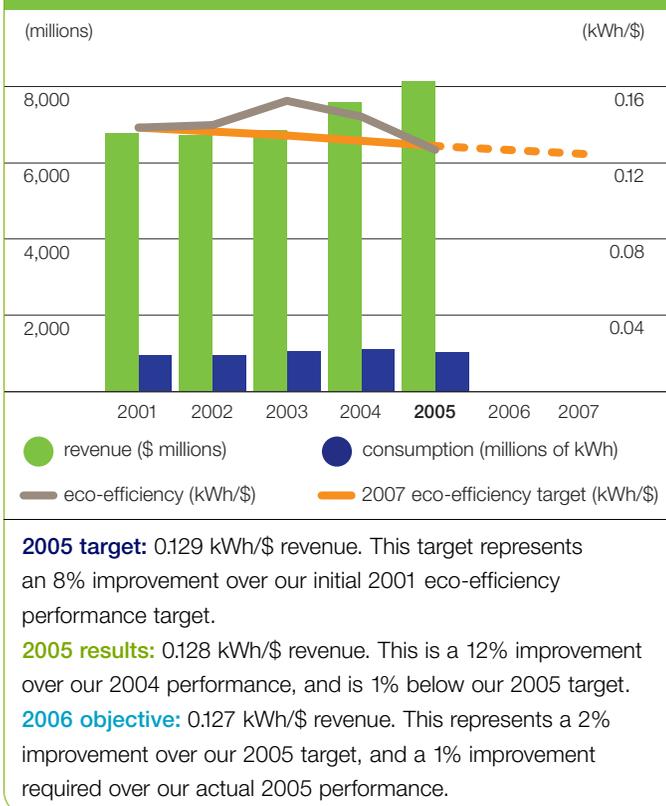
	2005	2004	% change	2003
Direct sources ²	370,946,000	393,009,000	- 5	432,949,238
Indirect energy ³	661,624,000	700,567,000	- 5	611,284,845
Total	1,032,570,000	1,093,576,000	- 5	1,044,234,083

1 All results in kW hours. Conversion factors from Environment Canada (Canada's Greenhouse Gas Inventory 1990–2000).

2 Includes all types of direct energy (fuels – natural gas (58%), gasoline (32%), diesel (9%), propane (1%), heating oil (0.1%).

3 Includes electricity (99.8%) and steam (0.2%).

eco-efficiency, energy consumption and revenue

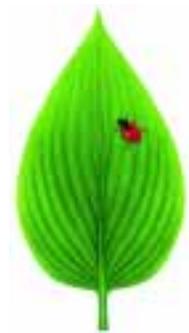


For the present, a small portion of the data continues to rely on assumptions relating to annual cost numbers. However, we now capture more direct measurements of energy use than we have at any time previously.

Most of the services we sell require the use of energy, such as electricity required to send signals to customers' homes and businesses and gas used to heat our offices. Over the past 10 years, we have taken advantage of many of the energy conservation opportunities available at a reasonable cost. Since future reductions could become more expensive, we have adopted the practice of basing our energy reduction target on the efficient use of energy. We do this by measuring consumption against economic results, an approach known as eco-efficiency, which allows for continued business growth. We report consumption, but also compare usage to revenue. Our target is to reduce energy consumption per unit of revenue generated by 10 per cent by 2007 (below 2001 levels). For the first time in 2005, our eco-efficiency has reached the target set, due in part to strong revenue growth, but also to reductions in energy consumption, attributable to a decreasing energy footprint in our offices and reduced operational capacity during the labour disruption.

hybrid technology

In 2005, we added 10 hybrid vehicles to our fleet as part of a pilot program. While it is too early to tell what impact the hybrids will have on overall fleet performance, we are monitoring the pilot program closely to determine the extent to which use of hybrid vehicles helps TELUS improve fuel efficiency.



Fleet statistics

	2005 ¹	2004	2003
Distance travelled (kilometres)	81,580,000 ²	73,407,000	80,346,083
Number of vehicles	5,100	4,478	4,680
Fuel consumption (litres)	14,900,000 ²	14,099,350	15,632,844
Distance travelled per litre (kilometres/litres)	5.5	5.21	5.14

1 TELUS Québec fleet (approximately 10% of the total) included in metrics for the first time.

2 Annual estimate based on first seven months of the year.

Our total energy consumption in 2005 of 1,032 gigawatt hours translates to 83 kWh per square foot of space (based on our 2004 estimate of 12,400,000 square feet) or 0.2 per cent of Canada's total electricity use based on 2002 results (see eia.doe.gov/emeu/cabs/canada.html). We will continue to work hard to reduce our energy use to ensure we meet our long-term goal, and we remain committed to looking for new ways to achieve greater energy conservation.

Energy conservation – Initiatives launched in 2005 include: the installation by our wireless operations of a new generation of switching equipment that powers down when not in use; reduced battery back-up requirements in the wireline operations; and increased use of ambient air to cool our facilities, where practicable. These additional conservation practices helped reduce power consumption and appear to have offset any increase attributable to the launch of TV service in Alberta and B.C.

Fleet – In 2005, we added 75 vehicles to our western fleet and included TELUS Québec fleet vehicles in our inventory for the first time. As of June, we had 5,100 vehicles in the TELUS fleet. The distance travelled by the fleet in 2005, inferred on the basis of seven months of operational data, increased by two per cent, while the total fuel consumed decreased by one per cent. Considering the Quebec portion of the fleet for the first time, the increases in distance travelled and fuel consumed are 10 per cent and five per cent respectively. The improved fuel efficiency in the western fleet is likely an effect

of more fuel efficient vehicles purchased by our fleet team, including hybrid electric vehicles. The labour disruption interrupted the fleet tracking program and fleet usage declined during the disruption, requiring that we estimate the results for the last five months of the year. Actual fuel usage and distance travelled are expected to be much lower than reported, as a significant portion of the fleet was out of service during the labour disruption. However, in order to facilitate year-over-year comparisons, we are reporting on estimated full year results for a business-as-usual scenario.

Air emissions – Since TELUS is not a manufacturing company, our direct air emissions are the result of fleet operations, fuel use for power and heat, and losses from fire suppression and refrigeration systems. We also track indirect emissions resulting from energy consumption (e.g., electricity and steam). Our target for CO₂ emissions is intensity based (similar to our eco-efficiency target for energy). Specifically, we want to reduce emissions per dollar of revenue by two per cent per year through 2007, using 2003 as a base year. Our CO₂ intensity (measured in kg/\$) decreased significantly in 2005, due mainly to the decrease in emission factors used for converting electric energy generation to carbon dioxide equivalent (for indirect emissions, which are dependent on the factors provided by power companies and which are subject to change year over year). Our CO₂ emissions were 0.05 per cent of Canada's total CO₂ equivalent for 1999 and translate to 0.04 kg/\$ revenue. (See www.ec.gc.ca/pdb/ghg/guidance/protocols/Electric2003/p6_e.cfm.)

TELUS greenhouse gas emissions¹

	A 2005	A 2004	% change	2003
Direct emissions ^{2,4}	84,130	85,330	- 1	89,166
Indirect emissions ^{3,4}	241,090	338,610	- 40	290,952
Total	325,220	423,940	- 30	380,118

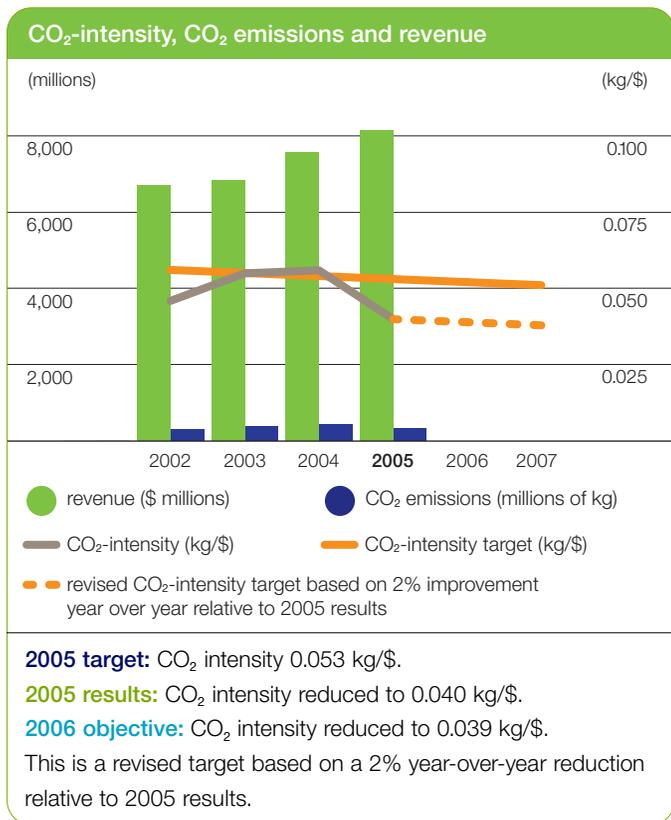
1 All sources, expressed as metric tonnes of carbon dioxide equivalent.

2 Emissions from fuel (natural gas (-46%), gasoline (-35%), diesel (-10%), propane (-1%)) and ODSs (Halon, R-22 (-8%)), including methane and nitrous oxide.

3 Emissions from electricity (99.9%) and steam.

4 Emission factors from Canada's Climate Change Voluntary Challenge Registration Guide (2003).

environment



We agreed to participate in the Government of Canada's one tonne challenge in 2005. Our rollout was interrupted by the labour disruption and further implementation is planned for 2006.

We expect to see an improvement in emissions in 2006 as a result of a contract with Epcor in Alberta to replace 10 per cent of energy from coal or gas with green energy, as well as through the use of hybrid vehicles and carbon avoidance through programs such as teleworking.

Alternative energy – Where possible, and economically feasible, we remain committed to expanding the use of alternative energy. At year-end 2005, we had 35 solar-powered installations in service, thereby forgoing the need for the equivalent in diesel generator use and the accompanying risks. In 2005, we re-evaluated a business case for replacing generators with wind/solar arrays, and determined that such changes may become cost effective in the near future. In fact, TELUS has plans to install a pilot wind turbine system at a Vancouver Island radio site in 2006. TELUS has conducted several wind pilot studies in the past. They were unsuccessful; however, the technology has improved sufficiently to warrant a new pilot program.

2005 conferencing and telework – In 2001, we began reporting carbon and nitrogen oxide avoidance, based on the use of our conferencing services as a replacement for travel.

In 2002, video and teleconference calls were combined and we continue to report on this environmental opportunity to reduce greenhouse gases. In 2005, use of conferencing services both internal and external to TELUS increased by 33 per cent overall. The acquisition in 2004 of ADCOM, the largest video conferencing company in Canada, contributed to the strong growth in use of these services. The calculation we use to determine the pollutants avoided has been in use since 1999 and we intend to review the methodology in 2006.

Pollutants avoided using video and teleconferencing¹

	2005	2004	2003
Conference calls	557,400	420,000	299,000
Carbon dioxide (t) ²	236,800	178,000	128,000
Nitrous oxides (t) ²	26	20	14

¹ The calculation assumes six participants who travelled an average of 300 kilometres by car to attend the meeting. Formulas from Environment Canada, U.S. Environmental Protection Agency, Pollution Probe and Tree Canada.

² t – metric tonnes.

TELUS entered into a partnership with Calgary-based Teletrips in late 2004 to use Teletrips' web tracking tool to assess the environmental benefits of our internal telecommuting pilot. TELUS team members have had the ability to work remotely for many years. However, until this arrangement, we did not have the ability to measure the number of individuals, the amount of time spent, and the positive social and environmental benefits of reducing vehicle traffic on Canada's roads. We began marketing these same services to our customers in 2005, to help other employers reduce their impacts and also generate carbon emission credits. We expect to begin reporting our own emission credits from this program in 2006.

Water usage – Although we do not engage in any significant manufacturing processes, we are a large company with many employees, and we have a large domestic water use footprint. In 2003, we recognized the importance of tracking our water use, as part of our effort to protect and conserve water. In 2004, we expanded tracking of our water usage to our Quebec and national wireless operations. Although a lack of flow meters continues to present a challenge, we are now capturing an increasing volume of water usage. In 2005, we can account for approximately 60 per cent of our water usage. As we strive to improve tracking capability, we will also continue our conservation efforts, such as installation of automatic faucets and low flush toilets in our larger facilities.

TELUS water consumption			
	2005	2004	2003
Total measured use ¹	1,040,000 m ³	1,000,000 m ³	395,780 m ³
Total estimated use ²	1.7 million m ³	1.8 million m ³	2.2 million m ³
Water/team member ^{2,3}	65 m ³ /yr	70 m ³ /yr	90 m ³ /yr
Canadian norms (domestic) ^{3,4}	125 m ³ /yr	125 m ³ /yr	125 m ³ /yr
<p>1 Represents metrics from approximately 60% of TELUS owned and leased facilities in 2005 (55% in 2004 and 20% in 2003).</p> <p>2 Projected based on number of facilities with water consumption as percentage of total.</p> <p>3 Based on total estimated use at TELUS, divided by total team members, not including TELUS International.</p> <p>4 Environment Canada website www.ec.gc.ca/water.</p>			
2005 target: No target presented.			
2005 results: 60% of total estimated water use monitored.			
2006 objective: Capture 80% of total water use. Monitor approximately 100% by 2008.			

Waste reduction – We continue to be challenged in our efforts to track the amount of waste TELUS creates because of the large number of facilities, the different types of operations, the remote locations of sites, and the varying methods for tracking or paying for waste collection. As a result, we remain unable to report on total waste for the company in a meaningful way. By assessing waste generated at some of our larger facilities, and increasing the tracking of total waste generated, we plan to improve the scope of waste reporting going forward.

The labour disruption affected many aspects of our waste tracking process, limiting the amount of reliable information we are able to report for both total waste and hazardous waste. For 2005, we are able to state that we processed approximately 60,000 litres of oil and more than 1,800 kilograms of batteries in our Quebec operations.

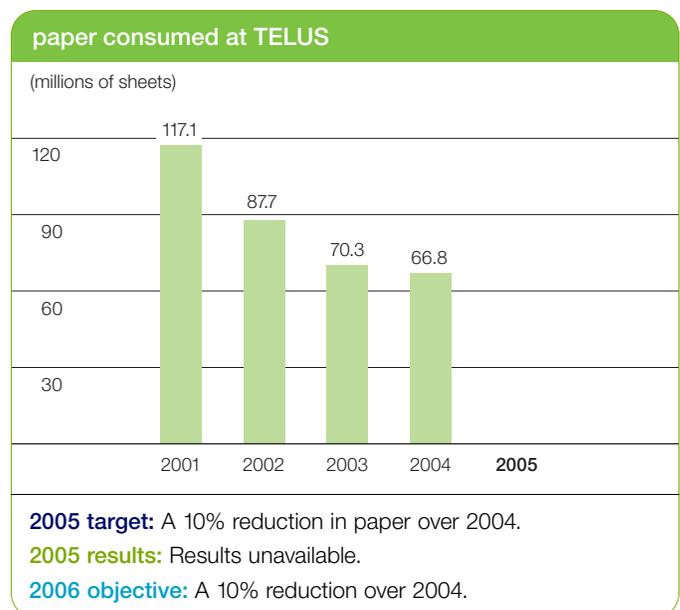
Recycling

Due to the labour disruption, we were unable to reliably track and report on recycling completed in 2005. The numbers for the year are expected to be similar to previous years (i.e., more than 5,000 metric tons of material in total). Our expectation is that we will be able to report fully on waste recycled in our 2006 report.

We are also preparing for regulatory changes to the stewardship of electronic waste (e-waste). Currently, definitions of e-waste do not include cellular phones and many other related products offered by TELUS. It is expected that these materials will be considered in legislation on e-waste forthcoming in several provinces, including Ontario, B.C. and Alberta.

Reducing paper at TELUS

Since 2001, TELUS has had a successful program in place to reduce the amount of paper used. Through the purchase of duplex printers for double-sided printing, the Paperless Office initiative and e.bill, which encourages customers to switch to online bills, we have been able to reduce our paper consumption each year. Results for paper consumption were unavailable in 2005 due to the labour disruption. TELUS plans to place a renewed focus on recycling in 2006.



environment

TELUS return and recycle program

In July 2005, TELUS launched a national phone recycling program designed to support a greener future for Canadians by reducing waste in landfills. The program invited consumers to bring any mobile phone or accessory they no longer use to a TELUS corporate store or participating dealer for recycling. From July to December 2005, more than 14,000 phones were recycled through this TELUS program. The program also supported a national internal campaign that recycled cell phones collected by team members in many TELUS office locations. All proceeds from the phone recovery program will be donated to charity.

Our phone recycling program builds on a similar battery recycling initiative launched by TELUS in August 2002. In 2005, TELUS stores and participating dealers collected 21,000 phone batteries for recycling, a 24 per cent increase over the 17,000 batteries recycled in 2004.

TELUS continues to work with the Canadian Wireless Technology Association on determining a greener future in dealing with electronic waste, through ways to re-use, refurbish or recycle cellular phones and components. This includes developing metrics in conjunction with government to ensure a percentage of new phones sold in the year are kept out of landfills.



Product responsibility

TELUS has had an environmentally responsible procurement policy in place since March 2003. The policy states that TELUS supports the purchase of recycled or environmentally preferred products whenever they perform satisfactorily and can be purchased for a reasonably competitive price. TELUS currently utilizes life cycle analysis on a case-by-case basis. For example, while renewing our contracts for the purchase of both printer cartridges and network switching components, an evaluation of each was done. The evaluations included components such as source of supplier (local versus international), percentage of components ultimately ending up in the landfill, nature of components toxicity, energy (used in construction or required to use the item) and finally cost. We intend to investigate a life cycle analysis tool for use in the application of our corporate sustainability policy in 2006.

Our standard supplier agreements contain clauses pertaining to environmental performance and include specific language intended to ensure compliance with applicable federal, provincial and local regulations. Engaging our suppliers in our vision of sustainability is of equal importance to achieving sustainability in our internal processes. To this end, we ask our suppliers to complete assessment forms whenever we enter into a new contract. Suppliers are queried regarding their own environmental management system, environmental record and procurement practices.

To learn more about our environmental policy, practices or targets, visit about.telus.com.

auditors' report

To: The Board of Directors and Management of TELUS Corporation

We audited selected quantitative performance information presented in TELUS' Corporate Social Responsibility Report (the Report) for the years ended December 31, 2005 and December 31, 2004. The audited information is marked with the symbol **A**. Preparation of the Report is the responsibility of TELUS management. Our responsibility is to express an opinion as to whether the selected information is fairly stated.

Scope and criteria

We examined TELUS' quantitative performance information relating to community investments; charitable donations; environment; health and safety; workplace diversity; employee relations; and other areas as marked with the symbol **A**. We did not examine the narrative sections of the Report except insofar as they incorporated the selected quantitative performance information. Our audit criteria were based on the 2002 version of the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, relevant regulations, TELUS management definitions, and accepted industry standards.

The economic performance information presented on pages 20 to 24 was extracted from TELUS' audited financial statements for the year ending December 31, 2005. This information was excluded from the scope of our audit.

Methodology

We conducted our audit in accordance with the International Standard on Assurance Engagements (ISAE) 3000, developed by the International Federation of Accountants. This Standard requires that we plan and perform an audit in order to obtain reasonable, but not absolute, assurance that the information we examined was free from material error. We believe our work provides a reasonable basis for our opinion.

Our audit procedures included examining, on a test basis, evidence supporting the selected information in the Report, examination of internally and externally generated documents and records, and such other procedures as we considered necessary in the circumstances.

Opinion

In our opinion, the selected information set out in this Report marked with the symbol **A** is fairly stated in all material respects in accordance with the relevant criteria for the years ended December 31, 2005 and December 31, 2004.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Vancouver, British Columbia, Canada
March 9, 2006

comments from the auditors

Description of our assurance process

TELUS management asked us to audit certain quantitative performance assertions presented in the company's 2005 corporate social responsibility report and to issue a report on our conclusions. Our work was carried out at TELUS' offices in Vancouver and Calgary. The audit team comprised professionals with background and experience in corporate sustainability management and assurance.

During our audit we obtained, examined, and evaluated evidence using a variety of procedures, including:

- Interviews with TELUS management and staff and relevant third parties;
- Obtaining an understanding of the relevant data management systems and processes and assessing their reliability;
- Examination of internally and externally generated documents and records, including correspondence with external parties;
- Testing and re-calculation of performance data on a sample basis where appropriate; and
- Assessing the information for consistency with our knowledge of TELUS' overall operations.



Global Reporting Initiative (GRI) Guidelines

This report has been prepared using Stratos Inc.'s methodology from its benchmarking report *Building Confidence, Corporate Sustainability Reporting in Canada*, as well as the Global Reporting Initiative (GRI) Guidelines. Stratos' criteria are of particular relevance to the Canadian context. The index below lists where in the report the reader can find information related to each GRI criterion, or directs the reader to TELUS' annual report – business review and financial review. Taken together, these reports form TELUS' reporting package of financial, social and environmental performance.

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Global Reporting Initiative (GRI) Guidelines

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Footnotes

- 1 Stratos is a sustainability consultancy. Visit stratos-sts.com.
- 2 Redundant with telus.com/annualreport.
- 3 NA = not available.
- 4 NR = not relevant.
- 5 Not discussed, internal policy – tracked internally.
- 6 Appears throughout report.

a friendly future by respecting our past



Standing, from left to right
Bob Alexander, Neil Stewart, Don Calder,
Roy Osing, Ken Crump, Lynn Patterson,
Jim McInnis, Bob Stevens, Harold Ens,
Bill McCourt, Gayle Stewart and Iain Harris
Sitting, from left to right
Gordon McFarlane, Leo Dooling,
Jack Carlile, Darren Entwistle, Terry Heenan
and Brian Canfield (TELUS chairman
of the board)

TELUS stays ahead by respecting where we came from. We count amongst our most significant stakeholders the team members who helped make TELUS what it is today and what it will be in the future.

Our retired board directors, executives and team members gave us a legacy of growth, innovation and social responsibility. Today they continue to contribute through insightful consultation, by being passionate ambassadors for the company, and volunteering in our communities.

Representing this important stakeholder group are former executives of BC TEL, one of TELUS' predecessor companies.

I remain thankful for their huge contribution to building the TELUS we know today; the legacy they bestow upon us we will nurture and grow for future generations.

Sincerely,

Darren Entwistle

telus.com



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

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This report is also available online at telus.com/socialresponsibility.
By accessing this information from our website, you will receive the information in a more environmentally friendly manner.

Questions and comments about our corporate social responsibility report can be sent to sustainability@telus.com.

 (where facilities exist)

Printed in Canada.

EthicsLine hotline

As part of our ethics policy, this hotline allows TELUS team members and others to anonymously and confidentially raise accounting, internal controls and ethical inquiries or complaints.

phone 1-866-515-6333

e-mail ethicsline@telus.com

Le Bilan social de TELUS est également disponible en français à l'adresse telus.com.

