

# Stronger together



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## Forward-looking statements

### Caution regarding forward-looking statements summary

This sustainability report contains forward-looking statements including statements relating to our business outlook and expected performance, our 2018 targets, our capital investment plans, our multi-year dividend growth program, and statements regarding our sustainability plans and objectives including those describing our planned strategic sustainability initiatives, plans for our community board programs and charitable giving, supplier relationships, cost forecasts, real estate plans, employee relations, and other statements that are not historical facts. Forward-looking statements are typically identified by the words assumption, goal, guidance, objective, outlook, strategy, target and other similar expressions, or future or conditional verbs such as aim, anticipate, believe, could, expect, intend, may, plan, predict, seek, should, strive and will. By their nature, forward-looking statements require us to make assumptions and predictions, and are subject to inherent risks. There is significant risk that the forward-looking statements will not prove to be accurate and there can be no assurance that TELUS will achieve our targets or performance goals (including our sustainability objectives) or maintain our multi-year dividend growth program.

Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors (such as competition, technological substitution, regulatory developments, government decisions, economic performance in Canada, our cost reduction initiatives, our earnings and free cash flow, and our capital expenditures) could cause actual future performance and events to differ materially from those expressed in the forward-looking statements. Accordingly, such statements are made subject to the disclaimer and are qualified by the assumptions (including assumptions on which our 2018 annual targets and guidance are based and regarding semi-annual dividend increases through 2019), qualifications and risk factors as set out in the Management's discussion and analysis in our 2017 Annual Report, especially Sections 9 and 10, and in other TELUS public disclosure documents and filings with securities commissions in Canada (on SEDAR at [sedar.com](http://sedar.com)) and in the United States (on EDGAR at [sec.gov](http://sec.gov)).

Except as required by law, TELUS disclaims any intention or obligation to update or revise forward-looking statements, and reserves the right to change, at any time at its sole discretion, its current practice of updating annual targets and guidance.

## Report scope

Every year we share our sustainability strategy and progress to help us build trust with our stakeholders.

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

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

- Construct and build our report
- Manage data and create content that matters
- Share our report, so that it is relevant, timely, accessible and understandable for stakeholders.

Our report is available on our website at [telus.com/sustainability](https://telus.com/sustainability). Based on stakeholder feedback, and our goal of continuous improvement, in addition to our report, we have added complementary information, stories and data on our website that will be updated regularly.

Throughout our report, we highlight TELUS' focus on how we are making the future more friendly. We include data and information from the operations of some of the subsidiaries of [TELUS International](#) (Cda.) Inc. (TELUS International) and have once again increased the scope of our climate change disclosure. We believe that best sustainability reporting practices include alignment to widely accepted reporting and disclosure standards as well as securing third-party

independent assurance of select key sustainability performance indicators. Therefore, we declare our report in accordance with GRI-G4 guidelines at the core level and have engaged Deloitte LLP to confirm our declaration. We use the following symbol **A** to highlight information reviewed by Deloitte LLP, an Independent Registered Public Accounting Firm.

Information contained in this 2017 report covers January 1 to December 31, 2017, unless otherwise stated. The material includes TELUS' operations across Canada and internationally, as well as the operations of TELUS International in other countries, unless otherwise stated. Also contained in this report are targets, aligned with key focus areas and the [Sustainable Development Goals](#). Our long-term targets are forward-looking information that should be read together with the cautionary note regarding [Forward-looking statements](#). All financial information is reported in Canadian dollars unless otherwise specified. Certain products and services named in this report are trademarks. The symbols <sup>™</sup> and <sup>®</sup> indicate those owned by TELUS Corporation or its subsidiaries. EcoLogo and PrescribeIT are trademarks owned by third parties.

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

TELUS is Canada's fastest-growing national telecommunications company and provides a wide range of communications products and services, including wireless, data, Internet protocol (IP), voice, television, entertainment, video and home automation, including security. TELUS, headquartered in Vancouver, British Columbia, is also Canada's leading healthcare IT provider, and TELUS International delivers business process solutions around the globe.

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

## Limited assurance report

To: The Board of Directors and Management of TELUS

### Our scope of our work

We have undertaken a limited assurance engagement of the accompanying selected corporate-wide and business unit performance indicators (Appendix A) included in TELUS' 2017 Sustainability Report (the Report) for the year ended December 31, 2017.

### TELUS responsibility for the Sustainability Report

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

### Our independence and quality control

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

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

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

Our responsibility is to express a limited assurance conclusion on the selected performance indicators in TELUS' 2017 Sustainability Report based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 developed by the International Federation of Accountants. As such, we planned and performed our work in order to provide limited assurance

with respect to the selected performance indicators that we reviewed. Our criteria were based on the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines. Our procedures included:

- interviewing relevant TELUS management and staff responsible for data collection and reporting;
- obtaining an understanding of the management systems, processes and the relevant controls used to generate, aggregate and report the data at TELUS regional operations and head office;
- reviewing relevant documents and records on a sample basis;
- testing and re-calculating information related to the selected performance indicators on a sample basis;
- assessing the information for consistency with our knowledge of TELUS operations, including comparing TELUS' assertions to publicly available third-party information; and
- assessing the selected quantitative indicators noted in Appendix A and TELUS' self-declaration that it has met the Core level of conformance with the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines (GRI G4) requirements. The GRI G4 definitions can be found at [www.globalreporting.org](http://www.globalreporting.org).

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

### Limited assurance conclusion

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



Deloitte LLP  
Chartered Professional Accountants  
Vancouver, British Columbia, Canada

April 27, 2018

## Appendix A

### Selected corporate-wide and business unit performance indicators

**Selected performance indicators** The following selected performance indicators were included in our limited assurance engagement of TELUS' Corporate Social Responsibility Report for the year ended December 31, 2017.

GRI ref	Performance indicator	Coverage	2016 value
EC1	Community investment	Company-wide	\$45.33 million
EN1	Paper consumption	Canada	14,457,212 sheets
EN3	Total energy use – Direct sources	Company-wide	317,788 kwh (000s)
EN3	Total energy use – Indirect sources	Company-wide	904,865 kwh (000s)
EN15	Total direct greenhouse gas emissions	Company-wide	68,931 tonnes CO2e
EN16	Total indirect greenhouse gas emissions	Company-wide	290,618 tonnes CO2e
EN17	Total direct and indirect greenhouse gas emissions by weight – air travel	Company-wide	8,544 tonnes CO2e
EN24	Number of reportable spills and releases	Canada	25
EN24	Number of non-reportable spills and releases	Canada	197
EN24	Estimate total volume of spills and releases	Canada	Liquids: 6,814 litres Gases: 1,360 kg
EN27	Number of completed environmental site assessments and inspections	Canada	6
HR3	Number of human rights cases opened and closed	Canada	Carried over from previous year: 11 New cases opened: 11 Cases closed: 10 Cases still in progress: 12
G4-10	Total workforce – By region	Company-wide	British Columbia: 7,833 Alberta: 5,643 Saskatchewan: 115 Manitoba: 128 Ontario: 6,797 Quebec: 5,182 Newfoundland & Labrador: 64 New Brunswick: 72 Nova Scotia: 108 International: 27,691
			<b>Total: 53,633</b>

GRI ref	Performance indicator	Coverage	2016 value	
G4-10	Total workforce – By employment type	Company-wide	Regular (Canada): 25,336 Temporary (Canada): 606 Regular (International): 27,305 Temporary (International): 386 <b>Total: 53,633</b>	Silent Generation: (C) 2 (Intl) 4 Baby Boomers: (C) 4,015 (Intl) 401 Generation X: (C) 10,290 (Intl) 3,326 Millennials: (C) 11,635 (Intl) 23,960 <b>Total: 53,633</b>
LA1	Employee turnover rate	Canada	Overall voluntary: 9.2% Involuntary: 3.0% Total: 12.2% Female: 13.1% Male: 11.7%	Silent Generation: 40.0% Baby Boomers: 13.7% Generation X: 6.2% Millennials: 17.3%
G4-11	Unionization – Percent of workforce unionized	Company-wide	TELUS domestic: 40% TELUS International: 0%	
LA6	Lost time accident rate	Canada	0.68	
LA6	Absenteeism rate	Canada	6.2	
LA9	Average annual training hours	Canada	Overall: 21.98 Males: 22.1 Females: 21.8 BU: 38.7 MP: 9.9	Retail: 13.8 Single Contributor: 23.0 Middle Manager: 17.8 Senior Manager: 6.3
LA12	Workforce demographics – Gender and minorities as a percent of TELUS workforce	Canada	Women overall: 35.1% Visible minorities overall: 29.5% Persons with disability overall: 6.0% Aboriginal overall: 4.0%	
PR5	Number of complaints lodged with the CCTS	Canada	TELUS: 631 Koodo: 263 Public Mobile: 104	
SO4	Percent of employees completing ethics training	Company-wide	100%	
SO5	Number of inquiries and complaints made to TELUS Ethics Office relating to the company's ethics policy	Company-wide	575	
SO5	Number of concerns determined to be breaches of ethics policy	Company-wide	127	

# Our purpose

Together, we are improving the lives of Canadians and the world in which we live.

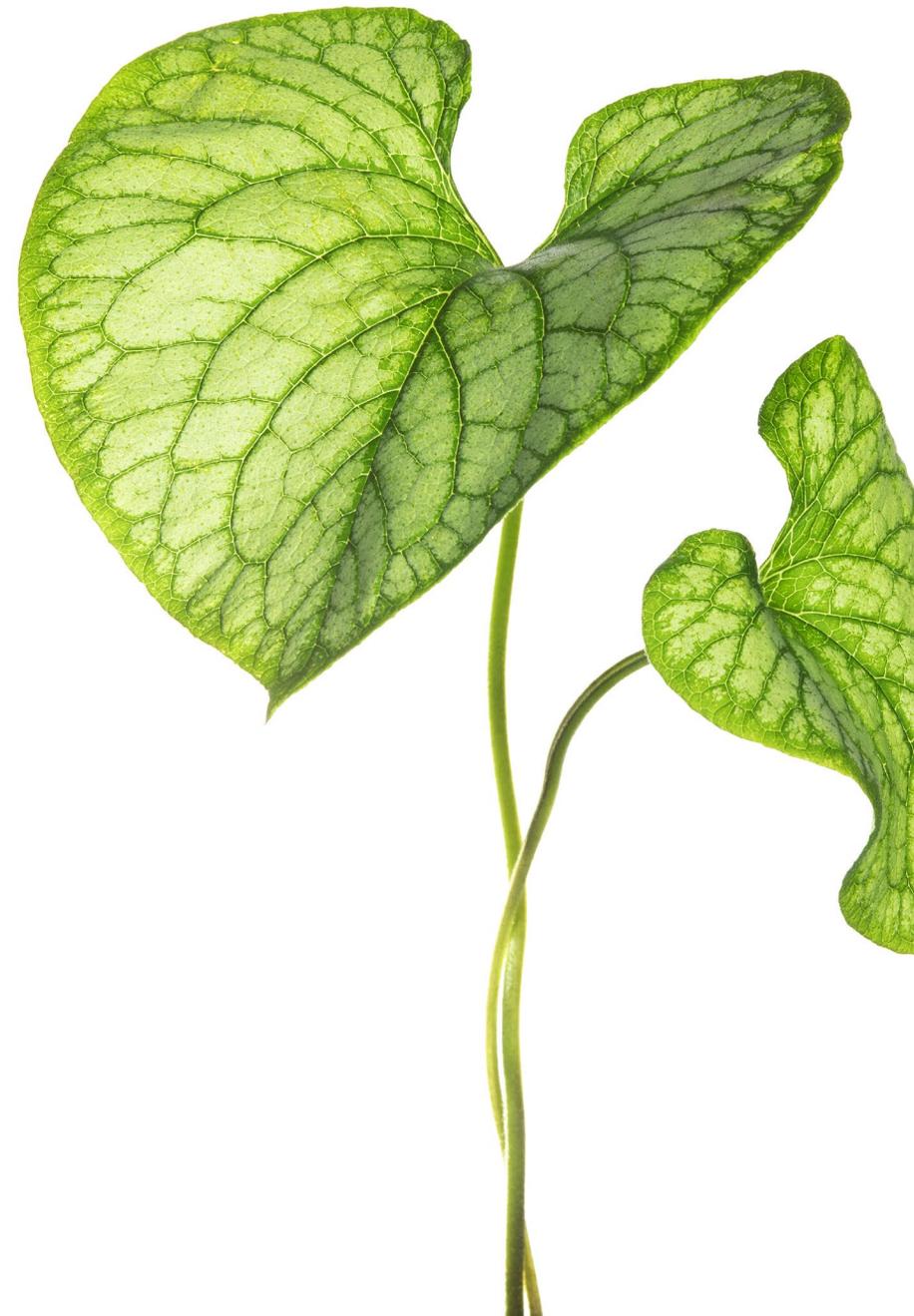
We are leading the way by:

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

We are helping those who need our support the most. We are unleashing the power of the Internet to deliver the best solutions to Canadians at home, in the workplace and on the move. This is leading to remarkable human, social and business outcomes.

In this section:

- Approach
- Demonstrating leadership
- Taking action
- Contributing to the Canadian economy



# Approach

We are harnessing the power of our technology, the reach of our brand and the hearts of our employees to drive business value and address pressing social challenges in Canada.

We believe in the harmonious relationship between nature, our company and the health and prosperity of our communities. This informs our balanced approach to sustainable development, focusing on:

**Health:**

Empowering better health knowledge, management and outcomes.

**Education:**

Providing opportunities for our future leaders.

**Environment:**

Addressing climate change and improving resource productivity.

**Community:**

Fostering more inclusive and equitable communities.

This approach lets us connect customers with the people and information that matter most, while demonstrating our commitment to respecting individual privacy and maintaining transparency around how we handle data.

Our engaged, diverse and inclusive team drives our sustainability performance, supported by strong governance and culture, committed leadership and long-term goals. Ongoing engagement with stakeholders ensures we stay accountable for the sustainability of our operations throughout our entire value chain, particularly when it comes to how well we use our resources.

# Targets and Sustainable Development Goals

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

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

We also aligned these social outcomes to relevant [Sustainable Development Goals](#). We believe our strategy will drive our performance in realizing these specific global goals.

## Looking forward to 2020

Digital Economy

140

Communities connected through PureFibre build



Health

85K

Primary and extended healthcare providers using TELUS technology to connect to each other and their patients



Environment

25%

Reduction in GHG emissions



Education

200K

Students engaged through the we give where we live school tour



Privacy & Trust

7.5M

Canadians reached through TELUS Wise



Community

\$600M

Donated to local charities since 2000



We continue to make good progress towards these targets and remain on track to meet them by 2020. We have made the following progress towards our goal:

- Connecting 85 communities with PureFibre™, with 24 additional communities in progress
- Reducing our greenhouse gas (GHG) emissions by 19 per cent since 2010
- Achieving 3.6 million touchpoints with Canadians through TELUS Wise® since 2012
- Contributing \$525 million to local charities since 2000.

We have updated our Health target to create more impact. Our goal is now to have 85,000 primary and extended healthcare providers use TELUS technology to connect to each other and their patients by 2020.

TELUS has joined many other Canadian companies to advance progress towards the 17 United Nations (U.N.) [Sustainable Development Goals \(SDGs\)](#) in partnership with the [Global Compact Network Canada](#). The SDGs include transformative global targets for participating countries, including Canada, that intend to shape policy development, organizational strategy and stakeholder engagement through 2030.

We believe TELUS is in a position to make a meaningful contribution towards six of the SDGs (aligned to our current 2020 targets). Please see the table on the next page to learn how TELUS is contributing to the Sustainable Development Goals.

In addition to focusing on these six SDGs and targets, in 2018, TELUS began participating in a [Gender Equality Project](#) (supporting SDG 5 – Gender Equality), which is facilitated by the Global Compact Network Canada (GCNC) in conjunction with the Government of Canada's Minister of Status of Women. The GCNC's expected outcome of this three-year project is a Gender Equality Blueprint as a common framework that will lead Canadian companies on the path to gender equality in the workplace and beyond.

SDG	TELUS Contribution	SDG target to be impacted
	<p>TELUS Health solutions give health authorities, providers, physicians, patients and consumers the power to turn information into better health outcomes.</p>	<p>Strengthen the capacity within Canada for early warning, risk reduction and management of national health risks.</p>
	<p>In 2017, TELUS invested nearly \$3.1B in capital to wireless and wireline <u>broadband</u> network infrastructure expansion and upgrades, to provide faster available Internet speeds and greater capacity, connect more homes and schools and enhance our healthcare solutions.</p> <p>TELUS Wise has provided smartphone and Internet education to 3.6 million Canadians</p>	<p>Increased number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.</p>
	<p>TELUS Internet For Good program</p> <p>Expansion of our <u>4G LTE</u> wireless broadband network with LTE-Advanced (LTE-A), which now covers 88 per cent of the Canadian population. Meanwhile our LTE network covers 99 per cent of the population.</p> <p>Our high-speed broadband coverage reaches more than 3 million households and businesses in B.C., Alberta and Eastern Quebec, nearly 50 per cent with TELUS PureFibre.</p>	<p>Increased access to information and communications technology and strive to provide universal and affordable access to the Internet.</p>
	<p>TELUS has contributed more than \$525M to local charities since 2000</p> <p>TELUS collaborates with governments in preparing for emergencies and disasters, provide services and equipment to community emergency operations, with TELUS employees active in government emergency operations centres during emergencies and disasters.</p>	<p>Reduce the number of people affected by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations.</p>
	<p>TELUS has climate change goals of absolute reductions from 2010 to 2020:</p> <p>Reducing our <u>absolute energy</u> consumption by 10 per cent</p> <p>Reducing our absolute GHG emissions by 25 per cent.</p> <p>TELUS supports UNGC principles on the environment.</p>	<p>Integrate climate change measures to support national policies, strategies and planning.</p>
	<p>Since its inception in 2012, we have achieved 3.6 million touchpoints with Canadians through TELUS Wise in partnership with local schools, police agencies, the WE charity and others.</p>	<p>Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.</p>

# Demonstrating leadership

## CEO letter

Leading the way in sustainability, together



The TELUS team is passionate about improving the lives of our fellow citizens to build a stronger and more compassionate world. Indeed, our diverse team is an inspiring reflection of our society, enabling us to better understand and support the needs of our customers and our communities. In this regard, we strive for global leadership with respect to environmental sustainability, consistently seeking new and innovative ways to reduce our carbon footprint in an effort to preserve our natural resources. Importantly, we include a sustainability index in our corporate scorecard as a means to ensure that each and every TELUS team member can meaningfully contribute to our sustainability targets, and demonstrating that we are stronger together.

### Preserving our planet for our children

The TELUS team is passionate about honouring our TELUS brand, which exemplifies nature, by preserving and caring for the planet our children will inherit. We believe we have a shared obligation to minimize our impact on the

environment by focusing on the responsible use of materials and resources, which includes sustainable workplaces where we can welcome our team members, customers and community partners. Moreover, we embrace universally accepted principles in human rights, labour, environment and anti-corruption practices, guided by the United Nations Global Compact. Importantly, this commitment generates an additional dimension of accountability that exemplifies our dedication to being a globally leading corporate citizen.

In 2017, our sustainability practices once again earned us national and global recognition. Notably, TELUS was listed on the Dow Jones Sustainability North America Index for the 17th year, a feat unequalled by any North American telecom or cable company. We were also included on its World Index for the second year in a row – one of only nine telecommunications companies globally included in the World Index last year.

### Leveraging generational investments for a friendlier future for all

In our ever-changing digital society, we understand that the success of our organization and our customers is contingent on our continued investment in state-of-the-art technologies. We are leveraging our technology innovation to bridge digital and socio-economic divides, keeping Canadians connected to the people and information that matter most, while answering the productivity, sustainability and health challenges that are among the most significant facing our world today. In this regard, our disciplined investments in our [broadband networks](#) accelerated in 2017, resulting in exceptional innovation to help Canadians succeed in our digital society and economy.

In wireless, we expanded our LTE service, now reaching 99 per cent of Canada's population and dramatically improving the quality and reliability of the service our customers enjoy. At our 5G Living Lab, our team focused on deploying the latest 5G mobile technology, which will support the advent of smart homes, businesses and cities, as well as applications, devices and services that enhance business productivity, improve educational outcomes, support environmental sustainability and promote wellness across the country.

Leveraging our broadband momentum, innovation abounded across our wireline network and product lines, with TELUS PureFibre network coverage available to 48 per cent of our Optik® footprint at year-end. Notably, the majority of our broadband network build program will be increasingly behind us as we surpass the halfway build threshold in the first half of 2018. Reflecting the infinite potential of our TELUS PureFibre network, we continue to provide our customers with world-leading broadband networks that keep them secure and connected through solutions, such as home security, home health and home automation.

Putting customers first also involves keeping our clients and their families safe in an increasingly digital world. We have achieved 3.6 million touchpoints with TELUS Wise® since it was launched five years ago. Through this program, we are empowering youth with the tools and knowledge to stay safe online and rise above cyberbullying.

## Elevating our culture and brand through our values

Our globally admired, client-centric culture remains a key indicator of the cohesion and capabilities of the TELUS team. In this regard, in 2017 we once again achieved a team engagement level that placed us in the top 10 per cent of all employers surveyed worldwide.

This incredible culture is the foundation for our team's belief that a friendly future is created by having the courage to innovate, by inspiring a passion for growth, by embracing change and seizing opportunities and by demonstrating spirited collaboration across our diverse and inclusive team, each and every day.

I want to extend my sincere appreciation to the more than 53,000 TELUS team members globally for ensuring our customers remain at the heart of everything we do. Indeed, it is thanks to our team's passion for putting our customers first and their compassionate support of our communities that we are winning the hearts and minds of our clients and positioning our company and our team for success in 2018 and well beyond.

## Demonstrating our inspiring social purpose by giving where we live

In 2017, our TELUS team once again came together to fulfil our heartfelt community promise to give where we live, with our hearts, our hands and our philanthropy. Through our passion for innovation, we offered our support to those who need our help the most, making the future a little more friendly for our fellow citizens, championing social change to build a more compassionate world and helping youth rise above and realize their full potential. Indeed, this culture of caring informs our Future Friendly Story™, which is articulated through initiatives like Stories, presented by TELUS – a series of videos that showcase the many ways TELUS is leveraging our technology and partnerships to improve the lives of our fellow citizens.

This year, in celebration of Canada 150+, the TELUS team and our extended TELUS family raised the bar, by volunteering more than one million hours in our local communities. This achievement was strengthened through the incredible work of our TELUS Community Boards. Our 18 community boards in Canada and globally – including two new boards in Manitoba and Barrie, Ontario – are helping young people pursue their passions and realize their dreams.

Clearly, one of the hallmarks of our award-winning culture remains our team's extraordinary commitment to enabling improved social, educational and economic outcomes for our fellow citizens. This dedication has resulted in more than half a billion dollars and the equivalent of more than one million days of volunteering and caring invested in improving the health and strength of our communities since 2000.

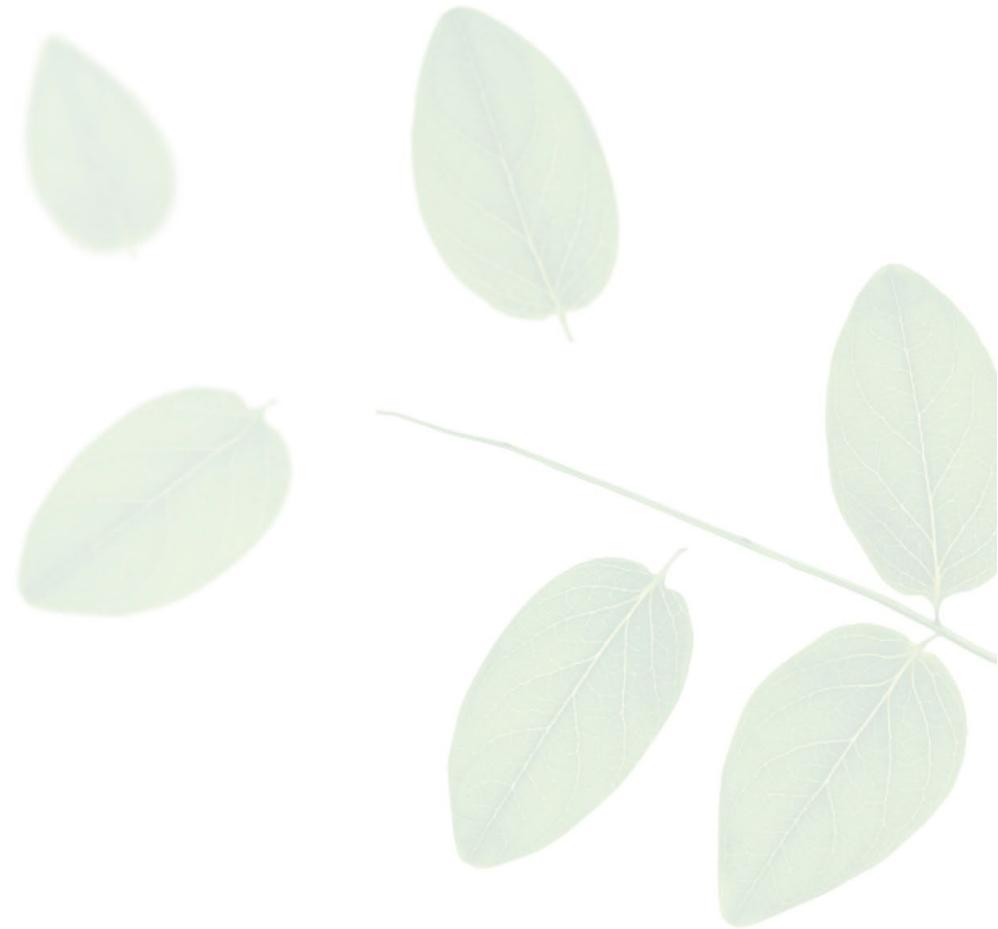
## Building on our legacy of creating stronger and more sustainable communities, together

The entire TELUS team remains dedicated to putting customers first through our commitment to customer service excellence and our investments in creating the fastest, most pervasive and reliable broadband networks. By leveraging our technology innovation, in combination with the passion and skill of our team, we are working to preserve the planet our children will inherit, enable improved health outcomes through better health information, advance educational opportunities for our future leaders and protect the privacy and security of our fellow citizens in our digital world. Indeed, together, we will continue to create remarkable human and social outcomes in the communities where we live, work and serve.

It is my hope that our 2017 Sustainability Report illustrates the myriad ways our team is creating a friendly future for citizens in Canada and around the globe. I extend my gratitude for your support and welcome your thoughts and ideas in respect of how we can continue to deliver on our goal of being a global leader in sustainability.

A handwritten signature in black ink that reads "Darren".

Darren Entwistle  
Member of the TELUS team since 2000



## Chief Sustainability Officer letter

### We are stronger together



Technology is a beautiful thing. It helps us stay connected, no matter the distance. It provides vivid opportunities for kids to learn about the world around them. It makes buildings and cities smarter. It supports doctors caring for their patients. In different words, it enables remarkable social outcomes – and that is the purpose that drives the TELUS team.

Every day, we work passionately to unleash the power of the Internet to deliver the best solutions to Canadians at home, in the

workplace and on the move. We do it with balance and care, in a way that benefits our customers, shareholders, team members, communities and the planet. Around the world, citizens of all ages are saying they want to work at, invest in, or do business with companies that share their values. It's personal. Voices are also rallying to invite businesses, small and big, to take a leading role when it comes to making a difference and driving social change. We feel it is our responsibility to contribute and create a better world for generations to come. In our view, adopting strong sustainable practices is not only the right to do, we see it as a catalyst for strong financial performance.

2017 was a good year for the TELUS team. We accomplished a great deal. We launched our Future Friendly Story, highlighting the many ways our solutions and initiatives improve the lives of Canadians. We further embedded sustainable practices across our business. Through more than a dozen significant energy efficiency initiatives, we decreased our total greenhouse gas emissions by 1.6 per cent. We made progress on our smart building strategy and implemented new ways to leverage technology to manage and use energy more efficiently.

We advanced our efforts to seek renewable energy solutions and continued to grow our portfolio of technologically-advanced and sustainable workplaces and facilities for our team members and customers across the country. For the second consecutive year, we were named to the DJSI World Index. We are extremely proud to join a group of inspiring companies that are recognized globally and share our commitment to sustainability.

Daily, we are faced with significant challenges. Climate change is impacting our communities in unprecedented ways; with more data consumption comes a greater demand for energy to power our data centres and networks; technology is disrupting established business models; and there's an increased demand for privacy and security. By coming together as one strong organization, we can tackle those challenges, and turn them into opportunities. The talent, passion and determination of our team is unparalleled – but we cannot do it alone. That is why we actively collaborate with many stakeholders including our network of suppliers, community partners and NGOs to create a stronger, more positive impact together.

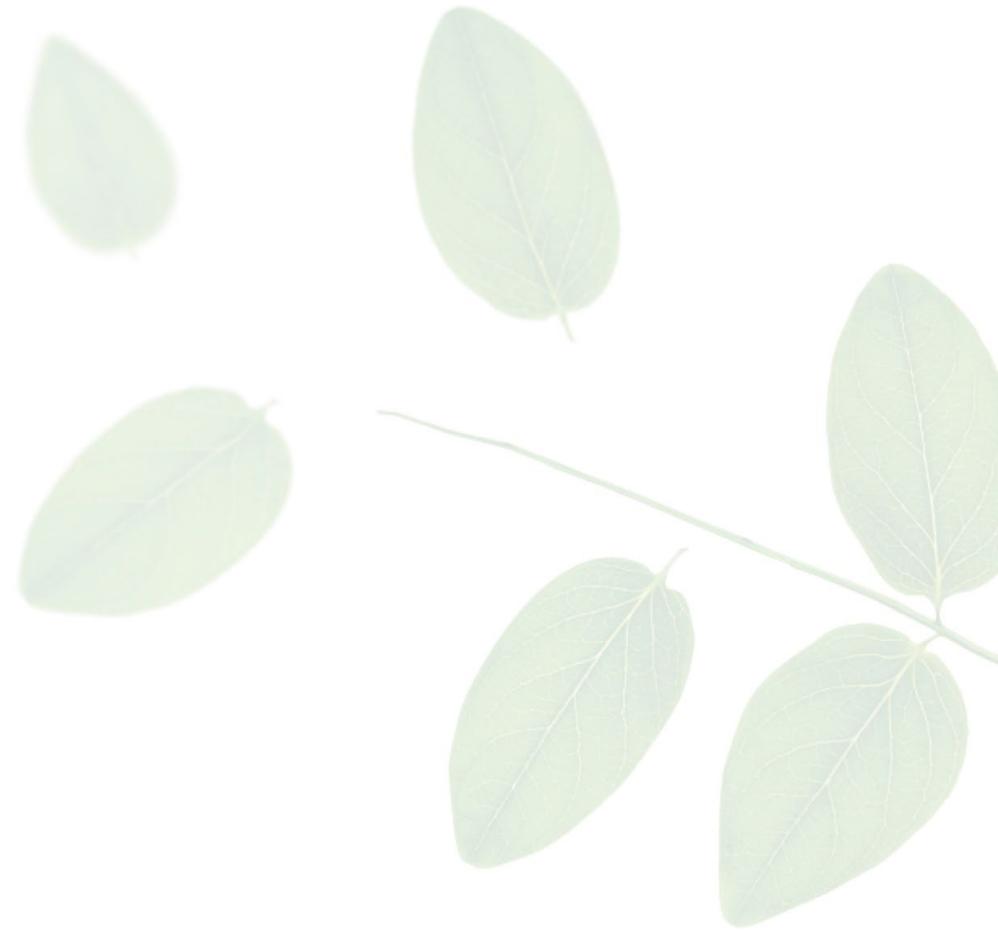
Lending a helping hand to support our communities from coast to coast remains a cornerstone of our culture. We recognize that there are important digital and socio-economic divides that we need to help bridge. For example, our Internet and Mobility for Good programs were created in collaboration with government partners to provide affordable Internet access to families in need and mobility services to youth aging out of foster care. For some citizens, technology can be a bit intimidating. Through TELUS Wise, we provide free educational resources and workshops to help Canadians of all ages feel safer online. We also launched a new component to our program to help teens and adults rise above and put an end to cyberbullying.

Today, more than ever, I believe the future is friendly. Technology is evolving rapidly and we are starting to grasp the possibilities of the Internet of Things and artificial intelligence. As we continue to expand our broadband networks and prepare to launch transformational 5G technologies, there is a whole new world, defined by an enhanced connected life, ahead of us. The TELUS team remains resolute in our commitment to sustainability; that means to be thought leaders, to spur innovation and leverage technology to improve the lives of Canadians while continuing to care for our communities and planet.

A handwritten signature in black ink that reads "Andrea".

*Andrea*

Andrea Goertz  
Chief Communications and Sustainability Officer



# Taking action

## Together, we are building stronger communities.

2017 has been a year of bringing together TELUS team members, retirees, customers, and community partners to champion social and digital equality in our all-connected world.

Together, this means bridging divides, enabling remarkable health outcomes, caring for the planet our children will inherit, keeping people safe in our digital world, and advancing educational opportunities for our future leaders.

In 2017, we strategically invested in social projects and partnerships that deliver positive impacts in health, education and the environment. We know that positive change happens when we harness our unique assets to build the cornerstones of our social impact model. To this end, we leverage the power of our technology to deliver our Connecting for Good product/service offers, the reach of our brand to champion social change, and the hearts of our team to deliver on our we give where we live® philosophy.

### Impact and measurement

In 2017:

- TELUS, our team members and retirees contributed over \$45 million to more than 4,000 charities and community organizations
- Collectively, we volunteered over 1 million hours through our employee and retiree giving programs

- We engaged over 32,000 employees, retirees, family and friends globally through our annual [TELUS Days of Giving](#)®.
- Our #ShareLove campaign was the gold medal winner of the Event Marketer 2017 Experience Design & Technology Awards Best Integrated Digital-Live campaign, as well as the MarComm Awards Best Integrated Digital and Experiential Campaign
- Canadians viewed our Canadian Football League #AllConnected campaign videos more than 2.7 million times, showcasing how technology brings people to the sports they love.

Since 2000, TELUS, our team members and retirees have contributed over \$525 million to charitable and community organizations and volunteered more than 8.7 million hours of service to local communities.

Since inception in 2005, our Community Boards have contributed \$67 million and supported 6,283 projects:

- In 2017, our 13 TELUS Community Boards across Canada contributed \$5.9 million to local charities and supported more than 529 projects
- Our five [TELUS International](#) Community Boards contributed approximately \$650,000 (US\$500,000) in support of 79 projects.

Since 2013, we've achieved over 3.6 million touchpoints with Canadians through TELUS Wise programming and resources. Understanding the broad impact of our community investment program is critical to our program's success. We work with the [London Benchmarking Group](#) and use their methodology to measure our impact. Our community investments can be categorized as follows:

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

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

## Imagine Canada

We have been designated an [Imagine Canada](#) Caring Company since 1995. As a company with this designation, TELUS gives more than one per cent of our pre-tax profits to charitable organizations each year. In 2017, we surpassed this goal and contributed two per cent of our pre-tax profits. For 2018, we plan to maintain our status as a Caring Company.

## A look ahead

In 2018, we will continue our evolution to better define and communicate our organizational purpose of focused impactful investments in health, education, the environment and our communities. We will connect with our employees in a meaningful way through our social purpose, and elevate overall engagement of the TELUS team. As part of our strategy for 2018, we will focus on the following key initiatives:

- Expanding our Connecting for Good programs
- Integrating our cyberbullying intervention programs with TELUS Wise
- Introducing new community programs with key partners, targeted at youth
- Launching programming and engagements focused on diversity and inclusion
- Enhancing programs to better support year-round giving and team member engagement.

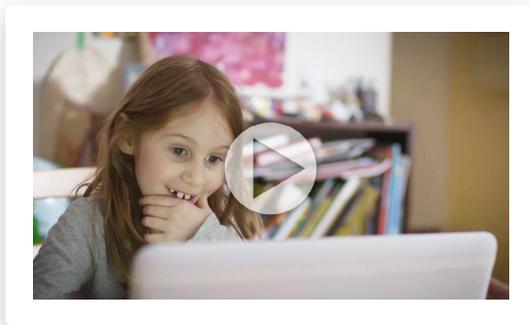
Stakeholders increasingly expect companies to address social challenges. At TELUS, we are deeply committed to listening to our stakeholders to inform how we evolve our community strategy and business investments. In 2018, we will continue our ongoing stakeholder engagement activities and prioritizing the issues that matter most to our stakeholders and to TELUS.

## Connecting for Good: Bridging the digital and socio-economic divides

We are dedicated to bridging the socio-economic divides by leveraging our core technology capabilities to address the most pressing social challenges. Our goal is to connect the most vulnerable members of our society with the resources and care they need, creating better outcomes for all Canadians.

## Internet for Good

One in five children in Canada live below the poverty line. We believe that all youth should have access to the Internet. The [TELUS Internet for Good](#) program connects low-income families to high-speed, low-cost home Internet access. We offer high-speed internet for \$9.95 per month, low-cost refurbished laptops, and free digital literacy resources such as TELUS Wise, our free educational program designed to empower Canadians to safely participate in our digital society. This program removes the three most common barriers to in-home connectivity - price, device, and education.



## Mobility for Good

Less than half of youth in foster care graduate from high school and these youth are seven times more likely to become homeless. The TELUS Mobility for Good program keeps young people transitioning from foster care connected to the support they need.

In 2017, TELUS worked with the B.C. Government's Ministry of Children and Family Development to support young adults transitioning from foster care. Those who are in the Agreement with Young Adults Program are provided with a smartphone and fully subsidized TELUS Mobility rate plan for two years. To ensure these young adults are getting the most out of their technology, we offer

digital literacy training programs and TELUS Wise resources to reinforce how to keep a clean digital footprint and protect their personal information and privacy.

In partnership with the Children's Aid Foundation of Canada we will continue to expand this program from B.C., to Ontario, and beyond.

## Health for Good

More than 30,000 Canadians are homeless and often without basic medical care. The TELUS Health for Good program brings primary health services to Canadians in need with free mobile health clinics.

In 2017, TELUS partnered with Doctors of the World (Médecins du Monde) and the VGH & UBC Hospital Foundation to bring an innovative primary care outreach model to serve marginalized populations to B.C. This model uses mobile health clinics, staffed by doctors and nurses, and is one of the most promising health care strategies that addresses the challenges our system faces in reaching vulnerable Canadians in need.

Increasing homelessness, chronic mental illness and substance abuse, and an underserved indigenous population are just a few of the systemic health and social inequalities that fuel the problem. Those who are most marginalized often have the greatest health problems and the least access to care.

In collaboration with these established community partners, who are already making a difference in health care outreach, we are operationalizing a local approach for each region, using TELUS Health technologies to create meaningful outcomes.

## Championing social change: sponsorship marketing

At TELUS we are leveraging our sponsorships to advocate for social change. Helping people and communities navigate an #Allconnected world is at the core of what we do and our sponsorships reflect how we can improve the connections that matter most.

### #AllConnected

Technology is keeping Canadians more connected than ever before, and some of the most profound connections happen through our shared love of sport. Leveraging the power of our technology, we are making sport more inclusive for all by bridging social, economic, or health divides and by keeping people safe in digital spaces.

**2017 Canadian Football League team sponsorships — bridging divides through the power of technology.** In 2017, using innovative, 360-degree technology, TELUS brought super-fans who otherwise could not attend games closer to their favourite CFL teams across the country. We captured these inspiring experiences on video, and shared them across our social networks generating our highest performing social content of the year, reaching 4.4 million people throughout the campaign and garnering more than 11,000 #AllConnected hashtag uses.

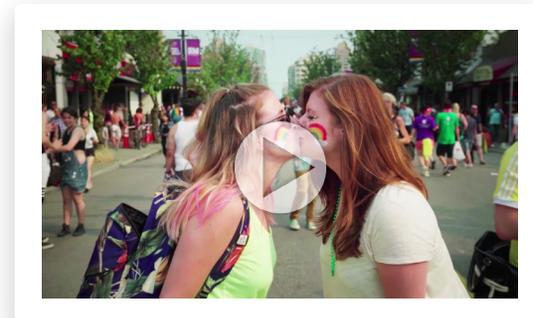
**2018 World Junior Hockey Championship — raising awareness about the dark side of an all connected world.** More than 40 per cent of Canadian youth surveyed [report](#) that they have been cyberbullied in the last month. In 2017, TELUS leveraged our sponsorship of Hockey Canada, including the World Juniors Championships, to increase awareness about this growing social concern, calling upon Canadians to demonstrate good sportsmanship off the ice as well as on. This campaign was supported through a robust broadcast and social media plan generating 1.4 million views of the social TELUS #AllConnected cyberbullying ad spot featuring Jordan Eberle.

### #ShareLove

At TELUS, we believe diversity creates a whole that is greater than the sum of its parts—and there is no better way we show this embraced commitment than through our annual support of Pride events across the country and internationally. Every year, TELUS supports Pride through local sponsorships in key communities and our team members, friends and family come together to walk and celebrate the power of inclusion and the importance of diversity for our customers, community and team.

In 2017, over 1,500 TELUS team members, friends and family proudly participated in 17 Pride festival celebrations from Victoria to Halifax, and in Manila, Philippines. Each location invited fellow supporters to spread messages of love and acceptance through our #ShareLove Cam. This message of shared experience resonated in communities across Canada and in the Philippines, resulting in over 1.7 million views of our #ShareLove video content.

Since 2000, TELUS, our team members and retirees have contributed more than \$4.1 million and thousands of volunteer hours of service to Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ) organizations across Canada. 1,500+ TELUS employees and partners participated in 17 Pride Festival celebrations in 2017, an increase of 50 per cent from 2016.



## #RiseAbove

Our commitment to youth and technology is demonstrated through our annual WE Day campaign and our #RiseAbove campaign. In 2017, through the power of technology, we once again took a stand against a significant social issue facing today's youth and their families—cyberbullying.

Through the #RiseAbove platform and during WE Day events, we encouraged youth to recognize their limitless potential to help themselves and others rise above online negativity.

## Community Engagement

We are committed to giving back to the communities in which we live to make the future friendlier for all Canadians. By helping others to improve their communities, tell their stories and connect with Canadians through TELUS programs and technology, we are driving amazing impacts and encouraging personal connections that matter. This giving of our hearts and hands is at the foundation of our community engagement approach.

### Employee and retiree giving programs

Our employee and retiree giving programs are a cornerstone of our giving culture. Through the collective efforts of our employees and retirees, our philanthropy has a positive impact on the charities we support. Not only does assisting with tasks that are essential to the success of community-building organizations provides volunteers with a sense of purpose, peace and overall well-being, it also translates to tangible savings for non-profit groups, freeing up already scarce time and resources and dollars to focus on the important work of helping those who need it most.

We believe a culture of giving is at the heart of a healthy, vibrant community.

## #MillionHours

In celebration of Canada 150+, and in honour of the inspiring acts of giving our team members and customers do every day, we launched our Million Hours of Giving initiative. We challenged Canadians to join TELUS and volunteer in their communities to create positive outcomes all across Canada. This led to an incredible 1.1 million volunteer hours being contributed by TELUS team members, retirees, friends, family and our communities.

#MillionHours of Giving – making life a little brighter for the Women and Children's Shelter of Barrie

Find out more about this [heartwarming day of giving](#).



## Team TELUS Cares

Through Team TELUS Cares (TTC) programs, our team members and retirees come together to make a difference in their communities, supporting causes they care about through a collection of community engagement programs. Through these programs we motivate, mobilize and reward team members and retirees to make positive change in the communities where we live and work.

## TELUS Days of Giving 2017

TELUS Days of Giving is just one of many opportunities for our team to volunteer throughout the year. We held our 12th annual TELUS Days of Giving from May 13 to June 11, 2017, bringing together more than 21,000 volunteers at over 1,700 activities across Canada. Internationally, we held 12 TELUS Days of Giving in eight countries, and created a lasting impact on the lives of people living in these communities. Combined, we had 32,750 participants giving their time to help communities. It is thanks to the unparalleled efforts of our TELUS team members, retirees, friends, family, customers and partners who enthusiastically stepped up to help that we are able to benefit those who need our support the most.



## TELUS Match

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

Every year, thousands of charities across Canada receive funds from us on behalf of the employees and retirees who participate in TELUS Match. In 2017, we proudly donated \$4.45 million to more than 2,075 registered Canadian charities. Since 2000, this annual workplace campaign has contributed over \$89 million to support the important work of charitable organizations across the country.

## Volunteer Rewards

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

In 2017, our TELUS family contributed more than one million volunteer hours in communities across Canada and around the globe. In recognition, we donated \$515,000 to Canadian charities on their behalf. Since 2000, we have volunteered more than 8.7 million hours.

## TELUS Community Ambassadors

TELUS Community Ambassadors is our network of volunteers—current and retired team members—who contribute their time and resources to do good in their communities and support our we give where we live philosophy.

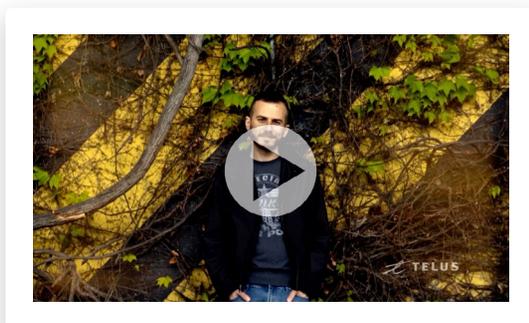
Passionate about giving back, over 4,750 Ambassadors support 23 clubs across B.C., Alberta, Ontario, Quebec and Atlantic Canada. In 2017, in addition to each individual club's activities focused on the needs of their own communities and members, our Ambassadors:

- Donated 60,000 care items
- Fundraised over \$115,000
- Filled 13,000 Kits for Kids with school supplies
- Prepared 6,500 Comfort Kits with basic toiletries and comfort items for homeless and displaced families.

## Developing local filmmakers: StoryHive

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

Since 2013, STORYHIVE has funded films, supported filmmakers with mentorship and brought hundreds of films to life. Our goal is to celebrate local filmmakers—supporting their ideas and furthering their career development with funding, distribution and career acceleration.



In 2017, we:

- Invested \$11 million in over 200 local projects, including 24 training or workshop events
- Supported one feature-length film, 10 animated projects, 30 music videos, two web series projects, 30 digital short films, and over 45 longer-form projects, including documentaries, scripted programs and ambient films
- Promoted gender parity in the creative industries by devoting a STORYHIVE digital shorts edition to projects with female directors
- Hosted workshop events for our STORYHIVE participants, and provided invaluable training on how to make artistic visions a reality
- Provided mentoring and fellowship opportunities for emerging content creators in partnership with organizations such as the Banff World Media Festival, the National Screen Institute, Women in Film and Video, and the Vancouver International Film Festival.

In 2018, we will continue to support engaging local programs, develop meaningful community partnerships, and extend our STORYHIVE programs into even more creative spaces and diverse communities. This will include using new technologies such as 4K, 360 degree cameras and virtual reality, and providing relevant training and educational opportunities for local content creators.

All films that receive production support from TELUS are available for free to our customers on demand on Optik TV®, and to the public on [our website](#) or on our [YouTube channel](#).

## Engaging with customers through social marketing

We engage Canadians through national marketing campaigns that are aligned to our community investment pillars. Our philosophy is also supported by regional and local [cause marketing](#) programs, and through our social media platforms that share the many compelling stories of how we care for our communities. In 2017, we completed 80 regional and national cause-marketing campaigns that supported 90 charities, resulting in \$1.8 million in donations.

## We give where we live: grassroots philanthropy

At the root of our give where we live philosophy is our philanthropy, connecting those in the communities where we live and work to the services and support they need the most. Please see [Stakeholder engagement](#) for more on our TELUS Community Boards.

## Supporting communities: Humanitarian Relief

We believe that the measure of a great organization is not only how it supports communities when everything is running perfectly, but also how it comes together in times of a natural disaster. Since 2000, TELUS, our team members and retirees have contributed over \$5.6 million towards humanitarian relief throughout Canada and around the world.

During a disaster, we believe it is critically important to help our customers stay connected with loved ones; to keep businesses running; and to keep emergency personnel connected allowing them to secure the services they need to keep communities safe and people out of harm's way.

We are committed to providing both our financial and human resources to help with recovery efforts. In 2017, we dealt with two major disasters: wildfires in British Columbia and flooding in Quebec and Ontario. Our teams came together in both regions to provide much needed connections and support to those displaced and those working in these disaster zones.

## B.C. Wildfires

TELUS Community Ambassador volunteers were mobilized in all regions impacted by fires, including at the evacuation centres to provide on-the-ground volunteer and fundraising support. Our team also volunteered at Red Cross call centres, responding to inquiries from evacuees and loved ones.

## Giving with our hearts and hands

- 1,200 emergency comfort kits, packed by TELUS Ambassadors, provided in the B.C. Wildfires area
- \$140,000 donated to Canadian Red Cross
  - Of that \$26,900 was donated by team member and retirees
  - Text2donate enabled a further donation of \$53,120 from our customers
  - TELUS matched \$60,000 of the donations from team members, retirees and customers
- We waived postpaid/prepaid overage charges for more than 145,000 customers in areas directly affected by the wildfires.
- 1,000 TELUS critters distributed to comfort children in evacuation centres.

Donations given by TELUS employees, retirees and customers helped the rebuilding efforts and local families affected by the B.C. wildfires.

## Supporting emergency services

- 90 mobile devices provided with text and data service to emergency personnel
- 100 emergency phone chargers provided for evacuation centres
- 17 laptops provided in the evacuation centers to help with information and support services for those displaced from their homes.

## Quebec and Eastern Ontario Floods

- 260 emergency comfort kits packed by our [TELUS Community Ambassadors](#) to help those displaced by the floods
- Activated a Text2donate campaign to the Canadian Red Cross for our customers of which TELUS matched \$20,000
- Five TELUS Days of Giving activities were held in areas where team members assisted those in need with flood cleanup (165 volunteer hours)
- 15 boxes of non-perishable food, first necessity items and clothes were collected and distributed from local food depots.

Donations given by TELUS employees, retirees and customers helped the rebuilding efforts and local families affected by the Quebec and Eastern Ontario floods.

Our commitment to our communities runs deep and this culture of caring continues to be our foundation to address some of the largest and most pervasive social issues facing Canada today.

## Caring for our planet

We believe it is our responsibility to minimize the impact we have on the environment. We are caring for the planet by focusing on the responsible use of materials and resources, protecting our natural environment and through our commitment to conservation and sustainable practices.

### Together, we are doing our part to address climate change

We are leading our industry and leading the way to address climate change. The increasing severity of unpredictable and unusual weather events impact our ability to provide reliable service to our customers<sup>1</sup>. Today, it is no longer necessary to have to choose between doing what is best for the environment and economic success. Our efforts to reduce energy use and fuel consumption bring GHG reductions and help us control the operational costs of powering our networks and administrative spaces.

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

Our [Environmental Policy](#) keeps us focused on building an environmentally-friendly future by working together across our organization to:

- Monitor, measure and reduce our overall GHG emissions
- Reduce our energy intensity as we grow our business
- Minimize spills and halocarbon releases
- Enhance our Environmental Management System

- Develop [LEED](#) certified office spaces

To demonstrate our commitment to reducing our impact on climate change, TELUS has the following goals:

- Reduce our absolute domestic energy consumption by 10 per cent from 2010 levels
- Reduce our absolute domestic GHG emissions by 25 per cent from 2010 levels.

We support the [UNGC Principles](#) on the environment, and in regards to energy and emissions we are aligned with the [UN Sustainable Development Goal 13](#).



7.1% reduction  
in Energy consumption since 2010

19% reduction  
in GHG emissions since 2010

### Our GHG reporting approach

We are committed to transparent and relevant disclosure with respect to our performance in addressing climate change. TELUS follows the Greenhouse Gas Protocol methodology when reporting energy usage and GHG emissions. We

use emission factors collected from the Canadian National Inventory Report to calculate our results.

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

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

TELUS' energy footprint, as defined for our climate change goals, consists of direct energy and indirect energy for domestic owned and leased real estate properties, cell tower sites, vehicle fleet and remote generator fuel that are within our operational control.

### Key GHG and energy highlights

- 1.6 per cent reduction in year-over-year (YoY) absolute domestic GHG emissions
- 5.4 per cent decrease in YoY absolute domestic energy consumption
- 5.4 per cent reduction in YoY domestic GHG intensity per customer connection and a 4.5 per cent reduction in YoY domestic GHG intensity per customer connection and a 5.4 per cent reduction per \$million revenue
- 8.2 per cent reduction in YoY domestic energy intensity per customer connection and an 9.0 per cent reduction per \$million revenue

We reduced GHG emissions associated with our owned and leased building portfolio, in part due to space consolidation. These reductions were partially offset by an increase in heating degree days in Western Canada through the winter months. Our absolute energy usage is driven by overall core business and customer connection growth; however, the impact of this growth on energy

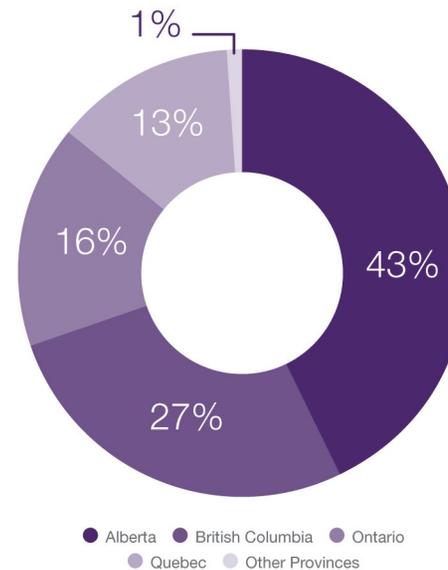
demand is reduced by internal energy efficiency program initiatives that help control costs and energy demand.

Although we have had success in reducing our energy use and GHG emissions, further reductions will be a challenge due to the nature of our core business which remains energy intensive. However, our improved intensity metrics demonstrate that we are adding customer connections more efficiently from an energy and GHG emissions perspective every year and the cumulative impact of past energy efficiency projects are being realized.

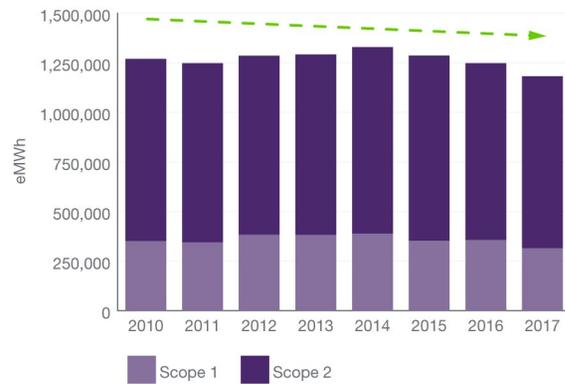
### Energy consumption results

In 2017, we reduced our absolute energy consumption in comparison to 2016 while realizing growth in customer connections which resulted in improved domestic energy intensity. We were able to achieve these results despite the increasing need for heating due to more extreme weather in Western Canada. At TELUS we remain intensely focused on energy reduction and energy efficiency initiatives, both of which will continue in 2018, and beyond.

Domestic energy consumption by province



## TELUS Domestic Energy Consumption



### Domestic energy consumption (eMWh)

eMWh	2017	2016	2015	2014	2013	2010
Scope 1	313,788	355,956	352,624	388,084	381,632	350,569
Scope 2	865,847	891,951	934,422	941,333	910,479	919,284
<b>Domestic energy consumption Total</b>	<b>1,179,635</b>	<b>1,247,907</b>	<b>1,287,046</b>	<b>1,329,416</b>	<b>1,292,110</b>	<b>1,269,853</b>

### Domestic energy intensity

eMWh	2017	2016	2015	2014	2013	2010
eMWh per Revenue (\$M)	88.688	97.500	102.947	110.766	113.303	129.683
eMWh per Customer Connection	0.090	0.098	0.103	0.109	0.111	0.120

### Specific impacts in 2017

- An increased need for natural gas-based heating due to temperature impacts in Western Canada, which showed an increase of 18.9 per cent heating degree days in major centres compared to 2016 (<http://climate.weather.gc.ca/>)

- A 1.3 per cent decrease in fuel consumption in our fleet, due to 0.8 per cent less km driven.
- Avoidance of 100.3 GWh in energy through more than 80 initiatives driven by our energy efficiency program
- The elimination of eight floors of real estate and the sublease of 69,000 square feet, which generated annual cost savings and reduced our energy footprint due to the continued success of our Work Styles® Program.

## A look ahead to 2018

Our energy efficiency program will continue to drive cost and energy savings as we explore new opportunities. We will continue to work together across multiple business units to reinforce our leadership position by:

- Turning down redundant networks and equipment
- Converting lighting to more efficient LED solutions with appropriate lighting controls
- Investing in smart digital building technologies
- Expanding programs to reduce unnecessary idling time in our fleet operations.

## International energy consumption

eMWh	2017	2016	2015	2014	2013	2010
Scope 1	4,000	2,235	824	913	400	-
Scope 2	39,018	30,521	28,574	27,226	26,087	16,093
<b>Total</b>	<b>43,018</b>	<b>32,756</b>	<b>29,398</b>	<b>28,139</b>	<b>26,487</b>	<b>16,093</b>

For 2017, we are now including data for three TELUS International locations in Bulgaria, Romania and the State of Nevada. This additional data available for reporting is the primary driver for the increase in energy use year-over-year.

## Company-wide results

eMWh	2017	2016	2015	2014	2013	2010
<b>Domestic energy consumption (eMWh)</b>						
Scope 1	313,788	355,956	352,624	388,084	381,632	350,569
Scope 2	865,847	891,951	934,422	941,333	910,479	919,284
<b>Domestic energy consumption total</b>	<b>1,179,635</b>	<b>1,247,907</b>	<b>1,287,046</b>	<b>1,329,416</b>	<b>1,292,110</b>	<b>1,269,853</b>
<b>International energy consumption (eMWh)</b>						
Scope 1	4,000	2,235	824	913	400	-
Scope 2	39,018	30,521	28,574	27,226	26,087	16,093
<b>International energy consumption total</b>	<b>43,018</b>	<b>32,756</b>	<b>29,398</b>	<b>28,139</b>	<b>26,487</b>	<b>16,093</b>
<b>Domestic &amp; International energy consumption (eMWh)</b>						
Scope 1	317,788 <sup>A</sup>	358,191	353,448	388,996	382,032	350,569
Scope 2	904,865 <sup>A</sup>	922,473	962,996	968,559	936,566	935,378
<b>Company-wide consumption total</b>	<b>1,222,653</b>	<b>1,280,663</b>	<b>1,316,444</b>	<b>1,357,555</b>	<b>1,318,597</b>	<b>1,285,946</b>

## GHG emissions results

In 2017, we were able to achieve a 1.6 per cent reduction in net GHG emissions through:

- Reductions in our occupancy of leased office space
- Energy efficiency initiatives in Alberta
- Technology evolution in our mobility network in Western Canada
- HVAC equipment and lighting upgrades in some of our owned buildings.

TELUS invests in renewable energy through the purchase of EcoLogo certified Renewable Energy Credits generated from Alberta renewable resources. This further reduced our net GHG emissions compared to 2016. For this report, emissions factors used to calculate CO<sub>2</sub>e are found in the [Canadian National Inventory Reports](#) have not been updated as at the publishing date of this report. Our 2016 GHG results are restated in this report, indicating a minor

difference (decrease) of 1,046 tonnes of emissions, due to a correction in calculation discovered in preparing this report.

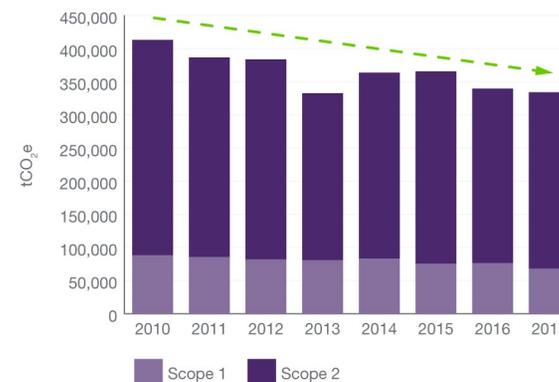
## Domestic GHG emissions (tCO<sub>2</sub>e)

tCO <sub>2</sub> e	2017	2016	2015	2014	2013	2010
Scope 1	68,068	76,489	75,508	83,273	80,852	88,165
Scope 2	266,437	263,571	290,373	280,766	252,028	325,257
<b>Total GHG Emissions</b>	<b>334,505</b>	<b>340,060</b>	<b>365,881</b>	<b>364,039</b>	<b>332,880</b>	<b>413,422</b>
Renewable Energy Credits	23,700	18,330				
<b>Net GHG Emissions</b>	<b>310,805</b>	<b>321,730</b>				

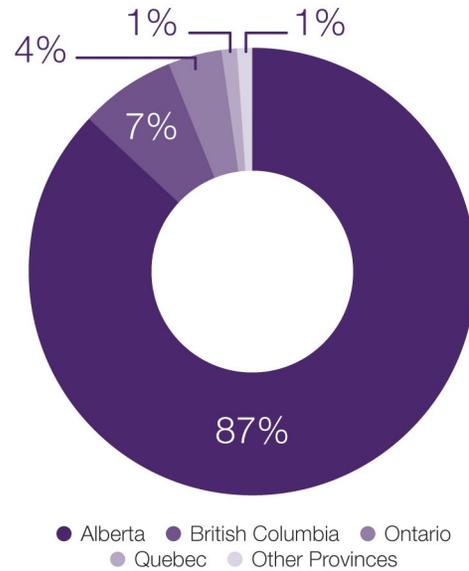
## Domestic GHG intensity

tCO <sub>2</sub> e	2017	2016	2015	2014	2013	2010
GHG (tCO <sub>2</sub> e) per Revenue (\$M)	25.143	26.569	29.266	30.331	29.190	42.220
GHG (tCO <sub>2</sub> e) per Customer Connection	0.0256	0.0268	0.0293	0.0298	0.0285	0.0391

## TELUS greenhouse gas emissions



### Domestic GHG emissions by province



### Specific impacts in 2017

- LED lighting upgrade programs in Alberta which will realize 1,668 tonnes CO<sub>2</sub>e of GHG emissions reduction annually
- An HVAC chiller modernization project in Alberta which is expected to reduce our GHG emissions by 1,800 tonnes CO<sub>2</sub>e annually
- Energy Management Program network optimization initiatives which are expected to reduce GHG emissions by 800 tonnes CO<sub>2</sub>e annually in our Eastern operations
- Purchase of 30,000 eMWh of EcoLogo Certified Renewable Energy Credits generated from Alberta sources.

### Continued efforts in 2018

To further reduce our overall GHG emissions, TELUS continues to assess investments in renewable energy and low-carbon options for our fleet vehicles. In late 2017, TELUS entered into a power purchase agreement to procure all of the renewable energy produced by a 15MW solar farm in Alberta. We anticipate that this agreement will fulfill approximately seven per cent of our energy requirements in the province in 2018 and beyond. We will continue to drive down costs and emissions through efficiency programs, lighting upgrades, energy optimization efforts and by exploring new and innovative technologies linked to a friendlier future. We are also assessing [Science Based Targets](#) methodologies as we consider our objectives beyond 2020.

### International GHG emissions

International energy GHG emissions (tCO <sub>2</sub> e)	2017	2016	2015	2014	2013	2010
Scope 1	863	247	212	230	102	-
Scope 2	24,181	20,418	19,160	18,431	17,571	10,169
<b>International energy consumption total</b>	<b>25,044</b>	<b>20,665</b>	<b>19,372</b>	<b>18,661</b>	<b>17,673</b>	<b>10,169</b>

## Company-wide results

Company-wide results	2017	2016	2015	2014	2013	2010
<b>Domestic GHG emissions (tCO<sub>2</sub>e)<sup>1,2</sup></b>						
Scope 1 <sup>3</sup>	68,068	76,489	75,508	83,273	80,852	88,165
Scope 2 <sup>4</sup>	266,437	263,571	290,373	280,766	252,028	325,257
<b>Domestic GHG emissions</b>	<b>334,505</b>	<b>340,060</b>	<b>365,881</b>	<b>364,039</b>	<b>332,880</b>	<b>413,422</b>
<b>International energy GHG emissions (tCO<sub>2</sub>e)</b>						
Scope 1 <sup>5</sup>	863	247	212	230	102	-
Scope 2 <sup>5</sup>	24,181	20,418	19,160	18,431	17,571	10,169
<b>International GHG Emissions</b>	<b>25,044</b>	<b>20,665</b>	<b>19,372</b>	<b>18,661</b>	<b>17,673</b>	<b>10,169</b>
<b>Domestic &amp; International GHG emissions (tCO<sub>2</sub>e)</b>						
Scope 1	68,931 <b>A</b>	76,736	75,720	83,503	80,954	88,165
Scope 2	290,618 <b>A</b>	283,989	309,533	299,197	269,599	335,426
<b>Company-wide GHG emissions</b>	<b>359,549</b>	<b>360,725</b>	<b>385,233</b>	<b>382,670</b>	<b>350,553</b>	<b>423,591</b>
Renewable Energy Credits	23,700	18,330				
<b>Net company-wide GHG emissions</b>	<b>335,849</b>	<b>342,395</b>				

- 1 Emission factors from Canadian National Inventory Report for Domestic Emissions.
- 2 Intergovernmental Panel on Climate Change Fourth Assessment Global Warming Potential used as per recommendation from Environment Canada.
- 3 Scope 1 emissions include biodiesel, diesel, gasoline, halocarbons, light oil, natural gas and propane.
- 4 Scope 2 emissions include electricity, heating/cooling loop and steam.
- 5 Nevada Emission factors from U.S. Energy Information Administration, Bulgaria and Romania Emission factors from United Nations Climate Change National Inventory Reports, Central America and Philippines Emission factors from IGES Grid Emission Factors.

## Scope 3 emissions

Stronger together is the perfect way to define our efforts to influence our value chain in a way that reduces our impact on our planet and our climate. TELUS measures emissions from our own operations and also outside of our organizational boundaries.

TELUS reports emissions linked to employees' business travel and commuting. Through analysis, we seek out process improvements so that we can expand our Scope 3 emissions reporting to include other elements of our value chain going forward.

## Air travel

In 2017, GHG emissions attributable to employee air travel increased by 10 per cent to 7,724 tonnes from 7,020 tonnes in 2016. This was primarily a result of an increase in the number of trips due to business growth and expansion in certain regions. When including emissions<sup>1</sup> from our corporate jet and float planes, which increased four per cent over 2016, total air travel related emissions were 8,544 **A** tonnes CO<sub>2</sub>e.

- 1 Air travel emissions calculations use National Inventory Report (NIR) and Small Emitters (SET) factors.

## Employee Commuting

In 2017, we continued to improve the way we collect data used to report the impacts of employee commuting. Previously, we had sent a survey to a limited number of employees to get a better sense of their commuting preferences. In 2017, we were able to use building access data to our largest buildings and send a targeted employee commuting survey to this specific sample of domestic employees. 5,029 people responded, a 19 per cent sample of the domestic employee population. The data shows that our Work Styles program enables reductions to our environmental footprint through less commuting-related GHG emissions when employees work from home.

We grew stronger together by:

- Delivering \$163 million in cash flow savings net of program investments from 2010-2015
- Commuting 183 million kilometres less
- Reinvesting almost 3.6 million hours of time as a result of less commuting
- Avoiding 22,585 tonnes of CO<sub>2</sub>e.

### 2017 TELUS employee reduced emissions and savings

Total Domestic Employees <sup>1</sup>	Total km saved	Total hours of commuting saved	CO <sub>2</sub> e avoided (tonnes) <sup>2</sup>
25,942	180,017,958	3,542,677	22,231

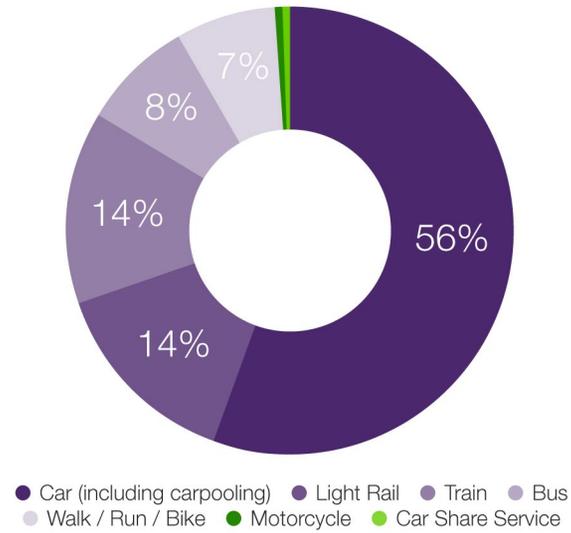
<sup>1</sup> Based on survey sample of 5,136 employees with a margin of error of one per cent.

<sup>2</sup> CO<sub>2</sub>e avoided: Defra 2017 emission factors and based on average mid-size car fuel efficiency.

### Employee commuting summary

Transportation	Employee Distribution	Annual CO <sub>2</sub> e emissions (tonnes)
Bike	531	-
Bus	2,105	1,744
Car (including carpooling)	14,583	15,291
Car Share Service	88	35
Light Rail	3,704	1,276
Motorcycle	119	46
Train	3,487	400
Walk / Run	1,326	-
Total	25,942	18,791

### Employee commuting distribution



## Responsible resource use

### Waste and Recycling

At TELUS, we envision a world without waste. To progress towards zero waste, we set the goal of diverting 90 per cent of our discarded materials from landfill by 2020. We are implementing a Waste Reduction Strategy that includes 56 separate projects, addressing everything from coffee machines to industrial air filters. Our strategy focusses on our largest sources of waste and aims to reduce or recycle them systematically over the next few years.

In 2017, we re-used and recycled 78.2 per cent of our total waste, a decrease of 5.1 per cent over 2016. This decrease was primarily due to two factors. First, we identified a problem with a recycling service provider responsible for recycling out-of-service wooden telephone poles. Our new recycler, the only other provider in Western Canada, was only able to recycle 34 per cent of the poles we replaced in 2017. Had 100% of poles been recycled, our 2017 diversion rate would have been 84.1 per cent, a 1.8 per cent improvement over 2016. We hope to work with Canadian recyclers to find another solution to this problem in order to achieve our target of recycling 100% of out-of-service wooden poles.

Second, we've been working with our national waste and recycling hauler to improve data accuracy. A larger portion of our buildings are now being serviced by garbage trucks with scales. This resulted in a 30 per cent increase in our reported landfilled waste from TELUS-owned buildings.

#### Waste and recycling by source (metric tonnes)

Source	Reverse Logistics	Owned Properties	Leased Properties	Totals
Re-used or Recycled	13,742.27	1,981.19	968.53	16,691.99
Landfill	1,337.23	2,523.89	779.62	4,640.73
Total	15,079.50	4,505.08	1,748.15	21,332.72
Diversion %	91.1%	44.0%	55.4%	78.2%

### Recycled and Re-used Waste

%	2017	2016	2015
Percentage of Total Waste Re-Used or Recycled	78.2%	83.3%	81.2%

Some of the projects we worked on in 2017 to cut down on material waste include:

#### Network and Logistics Teams

- Identified a problem with a contractor hired to recycle our telephone poles and looking at alternative recycling options
- Collaborated with a key supplier of network construction equipment to reduce the amount of cardboard and plastic packaging for our Multi-Port devices, an amount equivalent to taking 61 truckload trailers off the road annually
- Partnered with a supplier to reduce cardboard use by 90 per cent by replacing cardboard collection bins with reusable collection cages for wires, adapters and scrap remotes destined for recycling
- Transformed device packaging for our prepaid and certified pre-owned devices into a generic version to serve both the Koodo and TELUS brand, saving 55,000-60,000 customized device packaging boxes from recycling every year

#### Real Estate and Administrative Teams

- Added composting to eighteen of our largest buildings in Calgary
- Reduced internal paper consumption by an additional 13 per cent over 2017
- Created new informational signs promoting recycling of problematic items, such as coffee cups

All of our key business units and stakeholders are involved in reducing the amount of material sent to landfills and improving recycling and re-use.

Our biggest successes in 2017 include:

- Engaging our Waste Reduction Working Group to guide re-use and recycling programs
- Continuing to rely on our Green Teams and National Sustainability Council to build engagement and behavior change towards reducing waste across TELUS
- Conducting an additional 20 waste audits across Canada to gain a more complete picture of what we're sending to landfill
- Recycling and re-using over 91 per cent of our waste from network operations

## Electronic waste

We recycled, refurbished and repurposed approximately 2,282.57 tonnes of e-waste in 2017.

### Recycled Electronic Waste

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

## Hazardous waste

Our operations generate small quantities of hazardous waste. We continue to look for reduction opportunities and, where possible, we use non-hazardous alternatives. In 2017, TELUS recycled:

- 1,561 litres of liquid and 3,023 kg of solid hazardous waste from our facilities including motor oil, antifreeze and fuel from fleet operations
- 628 metric tonnes of batteries from network equipment and fleet operations.

In 2018, we will continue to implement our 5-Year Waste Reduction Strategy. We plan to expand our composting systems in major urban centres, including nine TELUS facilities in BC and five in Quebec. We will continue to reduce paper consumption and the amount of packaging on products we sell to our customers.

## Using less paper and packaging

In 2017, TELUS revisited its overall paper consumption strategy. Realizing that copy paper is not the only paper product that we use, we conducted a baseline analysis to obtain insight into total current consumption. Specifically, we worked on gaining a more complete understanding of our current state for our largest paper consumers. Establishing an accurate picture requires collaboration with numerous internal teams as well as external partners and we are still in the process of gathering reliable data for some areas.

We also elaborated an overall paper and packaging reduction strategy. Our new program focuses both on reducing the quantity consumed as well as the environmental impact generated by the choice of paper products.

In 2017, we extended the scope of our data collection and target by including TELUS Health for our copy paper consumption. In total, our continued focus on decreasing our copy paper consumption led to a 13 per cent reduction thus meeting our 10 per cent reduction target and saving 169 trees.

Year	2017	2016	2015
Sheets of copy paper consumed	14,457,212 <sup>A</sup>	16,686,500	20,020,500

In 2016, we set an ambitious target to have all our purchased copy paper to be 100 per cent tree-free by 2017. We continued to roll out the purchase of tree-free copy paper in additional areas of the business but we did not meet this goal. However, we achieved a rate of 87.5 per cent of total copy paper purchases that contained 30, 50 or 100 per cent of post-consumer recycled content or that were completely tree-free.

Growth in [e.Bill](#) adoption continued for 2017 with 67 per cent of Wireless and 51 per cent of Wireline Customers opting to receive paperless bills. Ongoing investment in the digital billing experience aims to reduce customer effort and improve self-serve options across Mobility and Home Services.

In 2017, TELUS continued to incorporate digital printing into the billing process, eliminating paper waste from job setup and inventory obsolescence.

In 2018, we will enhance our data collection further to obtain a holistic view of our overall consumption and execute on identified priorities to help us achieve our 10 per cent year-over-year reduction goal for both paper and packaging. We also plan to collaborate with our external partners to establish clear guidelines for preferred paper options for TELUS paper and packaging products. In addition, we are exploring options to offset our remaining paper consumption.

## Water

Water consumption for 2017, at domestic-owned and leased properties was 647 million litres compared to 662 million litres in 2016 — a 2.3 per cent decrease in water usage domestically. This decrease is a result of water efficiency projects completed in previous years and executed projects in 2017 intended to improve water use efficiency. Our [TELUS International](#) water consumption was 40.5 million litres in 2017. This differs significantly from our reported 276 million litres in 2016. We conducted a thorough data review and learned that for our sites in the Philippines, water usage was previously reported as cubic meters when it was in fact units of drinking water consumed. This significantly overstated our water usage in previous years and has now been correctly converted into litres. For our sites in Central America, our water usage was previously reported for the entire site when only a portion of each of the site was occupied. In 2017, we are only reporting our proportional usage in these buildings. Additionally, we have increased the scope of our disclosure in 2017 to include water consumption for our sites in Bulgaria and Romania as we now have reliable data to report.

In 2017, we completed and sustained water efficiency projects at more than 40 of our largest buildings. These projects included:

- cooling tower chemical optimization to reduce water flushing and leaks
- installation of low-flow aerators in hand-washing stations
- installation of more efficient low-flush toilets
- an education and awareness plan for team members on water conservation

In 2018 we are working together with our real estate, landscaping and building development teams to explore xeriscaping opportunities to reduce water use associated with landscape maintenance on our owned and leased properties. We are also continuing our water use optimization projects which include aerator installations for hand-washing stations, low-flush toilet replacements and water based heating and cooling equipment optimization.

TELUS' water sources are municipal water supplies or other water utilities. Water is not withdrawn from other sources and the percentage of water reused or recycled is unknown.

## Environmental Management

TELUS believes that an effective environmental management system provides the foundation for our environmental sustainability initiatives. In 2017, TELUS completed the required external audits to maintain our [ISO 14001](#) certification. The globally recognized ISO 14001 standard has recently been updated (ISO14001:2015) and in 2017 we made progress on adapting our current system to the new version. Maintaining this ISO standard also requires continual improvements to our environmental management processes, and TELUS is committed to identifying even more ways to better our performance.

### Environmental Management System Auditing and site assessments

To affirm our compliance with regulatory requirements, TELUS standards, and to maintain our ISO 14001 certification, we conduct regular site assessments and audits of our operations. In 2017, SGS Canada, our ISO 14001 registrar, completed a maintenance audit of our operations in Canada. This was followed by an environmental management system (EMS) internal audit of Ontario and

Quebec operations in the fall. Going forward, TELUS will continue to have annual ISO 14001 maintenance audits, as well as our yearly internal regulatory compliance and EMS audits. The internal audit will be focused on operations in the province of B.C. in 2018.

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

## Training

Environmental training, provided to our employees and contractors for more than 30 years, is a key component of our EMS. Our training programs are designed to give employees the necessary information to address potential environmental risks associated with their work. Training covers topics such as spills and releases, response and reporting, and the transportation and disposal of waste. In 2017, employees completed 3,722 training courses with environmental themes. This is an increase over the 3,119 courses completed in 2016, and is a result of our course refresher frequency, which ranges from one to three years.

## Compliance

### Environmental compliance

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

Quarterly reports are presented to the Corporate Governance Committee of [TELUS' Board of Directors](#) on issues resulting in written warnings or investigations by regulatory authorities.

## Spills and Releases

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

- Total number of spills decreased from 261 in 2016, to 222 in 2017
- Reportable spills decreased from 30 in 2016, to 25 in 2017.

The majority—89 per cent—of our recorded spill incidents are halocarbon releases from air conditioning equipment used to cool our facilities and network equipment. The number of these releases decreased significantly from 242 in 2016, to 197 in 2017. The total volume of refrigerant gas released also decreased, from 1,679 kg in 2016 to 1,360 kg in 2017. TELUS continues to seek out opportunities to use more efficient cooling technologies and upgrade our current systems.

The volume of liquids spilled increased from 244 litres in 2016, to 6,814 litres primarily due to a 6,434 litre accidental release of chiller solution (a low-toxicity, non-hazardous salt solution) to the sanitary sewer system from a facility in Calgary, AB.

### Reporting

In 2017, we continued to categorize our spill and release incidents based on volume. Quantity ranges for each type of material have been developed for each category (A, B and C) based on regulatory standards and associated hazards. Using this classification approach, TELUS defined Category A spills and releases as both reportable and serious, and set a target of zero for this category. In 2017, we had a single Category A spill, the 6,434 litre accidental release of chiller solution described above.

Spills <sup>1</sup>	2017	2016	2015
Reportable	25 <b>A</b>	30	50
Not reportable <sup>2</sup>	197 <b>A</b>	231	214
Total spills and releases	222	261	264
Approximate volume (L) <sup>3</sup>	6,814 <b>A</b>	244	3,610
Approximate weight (kg) <sup>4</sup>	1,360 <b>A</b>	1,679	1,932
Category A – reportable, serious <sup>5</sup>	1	–	1
Category B – reportable, significant <sup>5</sup>	37	45	66
Category C – not reportable, insignificant <sup>5</sup>	184	216	197

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

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

### Addressing contamination

By using a risk matrix based on the [Canadian Council of Ministers of the Environment](#) approach, TELUS prioritizes the management of our approximately 100 contaminated sites. Our contaminated sites have resulted from historical fuel spills at remote sites that used diesel generators to power equipment. Assessment and [remediation](#) techniques can vary with the extent of the contaminated area, and by the degree and type of contamination. We focus on remediation as a means to improve our environmental footprint.

We completed remediation work at 6 **A** sites in 2017, exceeding our target to complete remediation work at 5 sites. A ‘completed site’ is one where known contamination has been remediated according to the appropriate regulatory guidelines for soil and/or groundwater.

Our target for 2018 is to complete remediation on an additional 5 sites, based on our resource requirement planning processes.

### Radio Frequency Emissions

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

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

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

TELUS also offers information and advice with respect to radio frequency emissions on its website.

Innovation, Science and Economic Development Canada (ISED) is responsible for establishing safe limits for signal levels of radio devices. We are confident the wireless devices we sell, as well as our cell towers and other associated devices, comply in all material respects with all applicable Canadian and U.S. government safety standards. We continue to monitor new published studies, government regulations and public concerns about the health impacts of RF exposure.

Looking forward, we know that we can continue as an organization and industry to make a meaningful contribution to the discussion around RF emissions.

### Impacts of wireless network expansion

Cell towers are the backbone of our wireless network, allowing for the connectivity of TELUS devices that 8.9 million customers rely on. Due to limitations on the range of some towers and the increasing demand for bandwidth resulting from increased smartphone adoption, we need to continuously improve our network and evaluate new tower locations. In every instance, we seek to partner with other network operators to minimize the number of new tower locations. We do this so we can reduce the environmental and aesthetic impacts these towers may have on our customers and communities.

Exclusive jurisdiction over the placement of cell towers is set out under ISED's requirements in circular [GPC-2-0-03](#) for telecommunication carriers. If a new tower is required, we follow the [Default Public Consultation Process](#) when reviewing locations unless the land use authority has their own recommended protocol. As part of the consultation process, we are required to directly consult with all residents within a distance equal to three times the height of the proposed tower. We are also required to consult with the public through a notification process and if there are concerns about a tower location we work to address these concerns and reach a mutually agreeable solution.

TELUS continues its antenna and systems research collaborations with the University of Toronto and University of Alberta. This thought leadership work included reducing human exposure and potential associated health effects as a goal in concert with achieving reductions in energy use and improvements in spectral efficiency. These collaborations support a network build strategy that favours low power microcells over large, high power towers, which is an approach that also reduces:

- Handset transmit power and associated user exposure
- Infrastructure visibility
- Community concerns over tower siting.

See our [disclosure](#) regarding mobile device and cell site emissions, which includes a link to the Specific Absorption Rate for cell phones on the ISED website. See also section 10.10 of the MD&A in our [2017 Annual Report](#) regarding concerns relating to radio frequency emissions.

## Creating better health experiences

### Turning information into better health experiences

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

TELUS Health is creating opportunities by:

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

### Fast facts about TELUS Health



Established in 2008

following the acquisition of EMERGIS

1,600+ team members

dedicated to Health

\$1.5+ billion

invested in health over the last decade

Together, we have infinite potential.

We believe that the current state of Canadian healthcare is not sustainable. Healthcare experts agree there is a dire need for increased patient satisfaction, experience, and safety, as well as improved clinical access and decreased costs. We have identified five key issues where health information and our communications technology can make a positive difference:

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

## Chronic disease management—the technologies that are leading to better healthcare

The cost of chronic illness, disability and death in Canada is estimated at \$80 billion a year.

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

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

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

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

## Medication errors and non-compliance

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

- About 40 per cent of hand-written prescriptions have errors
- Up to 50 per cent of patients do not take medication properly
- 20 per cent of prescriptions are not filled at all.

In fact, the most common reason for a visit to the hospital's emergency room is bad medication management. An equally important issue is that drug costs are continuing to escalate rapidly—putting pressure on patients, employers and governments.

We have the tools and technology to help:

- **Drug Information System (DIS):** connecting pharmacists, physicians and other authorized healthcare providers to view and contribute to patient medication profiles.
- **TELUS Health Integration Platform:** securely connecting pharmacists, physicians and other healthcare professionals to a patient's EMR, empowering teams with the accurate, complete, up-to-date information they need to provide comprehensive care.
- **Rx Vigilance:** a powerful decision support tool for on-demand access to relevant and up-to-date clinical and pharmaceutical information

## Long wait times and poor access

More than one billion diagnostic events, 30 million doctors' office visits and 3.5 million surgical procedures are performed annually in Canada. Most of these appointments are booked manually, resulting in delays, errors and an enormous clerical burden. In fact, about 33 per cent of Canadians say they are unhappy with wait times and access to care and Canada continues to earn very low scores in international rankings.

As a solution, TELUS offers access to [iScheduler](#), a tool that uses one platform to simplify access to information. This allows for more efficient coordination of time, people and resources.

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

Some studies suggest that Canada lags behind other countries when it comes to providing tools and technology to help patients manage their own care. The system is falling short and Canadians are waiting for this technology:

- Sixty-six per cent want remote and home monitoring technologies that can help them make more informed decisions
- More than 60 per cent have confirmed their desires for Electronic Health Records.

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

## Performance improvement

In Canada, the majority of healthcare experiences happen at the community level, in isolated patient encounters with health professionals who operate separately from one another. This has led to a financially inefficient system. On average, national spending on healthcare has been increasing eight per cent each year over the last decade. Because of this, Canada's healthcare system also fails to provide equal access to high quality care.

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

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

Visit [TELUS Health](#) to [learn more about our plans and events for 2018](#).

## Educating future leaders

At TELUS, we believe educating future leaders will make the future more friendly for everyone. Our technology transforms the way we deliver education by connecting students with people and places they would otherwise never access.

### TELUS Wise

As our digital world continues to expand, with Internet, smartphone and [app](#) usage increasing at a rapid pace, so do the potential threats and risks, such as:

- Online identity theft
- Financial fraud
- Malware
- Distracted driving
- Cyberbullying.

As a leading provider of Internet services and smartphones, we believe it is our social responsibility to help Canadians stay safe as they navigate our increasingly connected world.

Offered free-of-charge, TELUS Wise was launched in 2013. It is a national education program that empowers Canadians of all ages to stay safe in our digital world. Since the program's inception we have achieved 3.6 million touchpoints with Canadians across the country. We are creating opportunities by:

- Delivering workshops
- Distributing TELUS Wise content
- Encouraging website visits
- Leveraging special events and campaigns across the country.

### Workshops

We offer a [wealth of resources and information](#) online, in addition to the following in-person workshops:

- [TELUS Wise for parents and adults](#) explores what it means to live and parent in our digital society. We explore common threats, how to combat against them, and how to protect yourself and your data when using social media, [Internet of Things](#) solutions or shopping online.
- [TELUS Wise seniors](#) engages Canadian seniors in a discussion about getting the most out of participating in our growing digital society safely. We review similar information as outlined above, with a greater focus on topics that are of interest to seniors, such as common scams, identity theft, online dating and gaming.
- [TELUS Wise footprint](#) is a program for elementary school aged children, designed to help young people learn how to be good digital citizens and keep their digital footprint clean.
- [TELUS Wise impact](#) engages middle school and junior high students in a conversation around cyberbullying, helping them explore and understand different options for safe and appropriate ways of intervening when they witness cruel behaviour online.
- [TELUS Wise in control](#) engages middle school, junior high and high school students in an important discussion about protecting and positively growing their online reputation, protecting themselves from cyberbullying, identity theft, distracted driving and more.

Since 2013, we have had almost 140,000 workshop participants. In 2017, 84 per cent of workshop participants indicated that they are likely to change their behaviours based on what they learned and over 90 per cent of workshop attendees said they are likely to recommend the workshops to others.

Canadians who require hands-on support with mobile devices are invited to visit a [TELUS Learning Centre](#)® at TELUS retail locations across the country. Here they can learn how to back up their information, maximize battery life on their devices, turn off geo-tagging and more.

## Rising Above Cyberbullying

A [recent study showed](#) that more than 40 per cent of Canadian youth surveyed have been cyberbullied and 60 per cent of Canadian youth have witnessed others being cyberbullied. Cyberbullying can have significant impacts on well-being, which is why TELUS puts its focus in this area.

Since 2007, we have been working with [WE](#) to empower youth to make positive change in our world and become community leaders. TELUS has been the co-title sponsor of WE Day events since 2012. Over the last two years we turned our attention at WE Day to the subject of cyberbullying, helping raise awareness and educating youth to rise above it, using the platform [#RiseAbove](#). In 2017 alone, we reached over 250,000 youth with this important message.

To further our efforts, we also worked with WE to develop a series of lesson plans for teachers to bring digital literacy into the classroom and help stop cyberbullying. Our supporting site, [telus.com/riseabove](http://telus.com/riseabove) gives youth, parents and educators the tools and resources to combat online negativity. We are also empowering youth who witness cyberbullying to effectively intervene and make a positive impact through the co-creation of [IMPACT](#) and a related in-person workshop with [MediaSmarts](#).

In 2017, we created more opportunities to help empower youth to rise above cyberbullying by introducing:

- A [Smart Social campaign with the Canadian Association of Chiefs of Police \(CACCP\)](#): this campaign is designed to educate youth on the importance of being smart on social media and rising above cyberbullying.
- The [End Cyberbullying Video Contest](#): this contest engaged 13-16 year olds with an invitation to produce and submit a short video (60 seconds or less) that explores the subject of cyberbullying and provides positive messages and recommendations for rising above cyberbullying, in exchange for the chance to win cash prizes for themselves and their schools.

- A [series of new videos](#) developed with partners, including Amber Mac, Entertainment One and Next Step talent:
  - [Amber Mac: 3 Cyberbullying Safety Tips For Adults](#)
  - [Amber Mac: 4 tips to protect kids online](#)
  - [TELUS and Wonder #ChooseKindOnline PSA](#)
  - [9 Digital Safety Tips Videos with The Next Step](#).

## TELUS Wise Ambassador Community and Youth Involvement

This one-of-a-kind program would not be possible without the support of our Ambassador community. Ambassadors are trained to deliver the TELUS Wise workshops and volunteer their time presenting to students, adults and seniors in their local communities. We have over 400 Ambassadors participating in the program, consisting of TELUS employees, retirees, and members of the community at large, including 50 Police School Resource Officers and 50 Youth Ambassadors from across the country who joined the program in 2017.

Youth in grades 9-12 are encouraged to get involved in the program, giving them the opportunity to earn volunteer hours and refine their presentation and public speaking skills, all while making a difference in their communities. Youth Ambassadors deliver our Footprint and Seniors programs. Almost 90 per cent of Ambassadors involved in the program report being proud to be a TELUS Wise Ambassador.

## TELUS Wise Partners

Our valued TELUS Wise Partners are instrumental to the success of our TELUS Wise program:

- Canadian Association of Chiefs of Police (endorsed the program in 2014)
- MediaSmarts
- PREVNet
- WE
- Amanda Todd Legacy
- Canadian Centre for Child Protection
- GetCyberSafe
- Insurance Corporation of British Columbia (ICBC).

Our partnerships help us to deliver important educational materials, including workshops and other online resources such as:

- [Helping our kids use their smartphone safely guide](#)
- [Helping our kids navigate cyberbullying](#)
- [Helping our kids navigate their wired world](#)
- [Privacy matters guide](#)
- [Distracted driving guide](#)
- [Helping Canadian adults navigate their wired world](#)
- [TELUS Wise Seniors guide](#)
- [TELUS Wise tip sheets](#) produced in English, French, Chinese, Punjabi and Spanish
- [TELUS Wise footprint comic/activity books](#)
- WE / TELUS Wise [Digital Citizenship lesson plans](#) (filter resources by “We Rise Above” topic).

# Contributing to the Canadian economy

## Creating shared value

Our discussion in this section is qualified in its entirety by the caution regarding **Forward-looking statements** in this report.

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

In 2017, we contributed to the economy by:

- Providing employment to over 25,000 Canadian employees, and compensation of over \$2.7 billion
- Paying more than \$1.9 billion in taxes to multiple levels of government
- Paying more than \$1.6 billion in dividends and interest to our investors, which supports the pensions and savings of Canadians
- Contributing over \$45 million and one million volunteer hours to charitable and community organizations
- Spending \$3.1 billion in capital investment programs, and over \$50 million in spectrum renewal fees
- Driving innovation through information communication technology, services and know-how for customers, enhancing the connectivity of Canadian businesses, consumers and governments
- Investing in the most advanced communications technology available globally to deliver a superior experience to our customers.
- See section nine of the MD&A in our 2017 Annual Report for a discussion on trends, outlook and assumptions.

## Connecting with our investors and other stakeholders

Our Board believes that regular communication is an important part of creating an open and constructive dialogue with our Shareholders. To facilitate such engagement, in 2015, the Board amended its say-on-pay and shareholder engagement policy, restating it as two separate policies: the say-on-pay policy sets out the Board's objectives and policies with respect to say on pay and compensation disclosure pertaining to executive compensation, while the shareholder engagement policy outlines how the Board may communicate with Shareholders, how Shareholders may communicate with the Board and which topics are appropriate for the Board to address. It also provides an overview of how management interacts with Shareholders. A copy of our shareholder engagement policy is available at [telus.com/governance](https://www.telus.com/governance).

We communicate with our Shareholders and other stakeholders through various channels, including our annual and quarterly reports, management proxy circular, annual information form, news releases, our website, this sustainability report and presentations at industry and investor conferences. For more information on some of our long-standing Shareholder engagement practices, please see page 40 of our Information Circular.

We held our 2017 Annual Meeting in Toronto, Ontario. At that meeting, we reviewed our operating results for 2016 and addressed shareholder inquiries. The results of our corporate resolutions were positive. All board members were elected with an average of 99.15 per cent of votes and shareholders affirmed their support of our approach to executive compensation.

TELUS engages with current and potential investors by responding to day-to-day investor and analyst inquiries, participating in investor conferences, and meeting with analysts and investors. In 2017, we held four conference calls relating to our quarterly results, which were simultaneously available via webcast to all interested stakeholders. Executive management also participated in numerous investor conferences and tours throughout the year in Canada, the United States and Europe. The quarterly conference calls and many of the events and presentations can be found on [telus.com/investors](https://www.telus.com/investors).

Our dedication to open and transparent communication has helped us better understand the needs of investors and is further evidence of our commitment to excellence in stakeholder engagement. As of February 2018, twenty equity analysts covered TELUS and regularly issued investment reports to their customers on TELUS. To facilitate additional investor meetings and reduce travel expenses and time, we use a high-definition video-conference service, between TELUS locations across Canada. By using this technology, we reduced our carbon footprint, as well as that of investors wishing to meet with our senior management.

We also provided additional disclosures to socially responsible investors by facilitating meetings with various TELUS leaders. Discussions focused on inquiries regarding corporate strategy and operational, financial and sustainability performance.

In 2017, our efforts to provide transparent disclosure and reporting continue to be externally recognized. In 2017, we received the Award of Excellence in Corporate Governance Disclosure and a Gold Award in Corporate Reporting from the Chartered Professional Accountants of Canada. In addition, our 2016 annual report placed first in the world in the telecommunications sector in the 2017 Annual Report on Annual Reports by ReportWatch, an international ranking by industry sector.

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

## Financial and operating highlights

In 2017, TELUS once again reported strong financial and operating performance in a competitive environment. Our performance continues to be driven by our exceptional culture, customer service excellence and significant ongoing transformational investments in our wireless and wireline broadband networks. These investments:

- Strengthened our competitive position and supported our intense focus on customer experience, helping us attract new customers and retain existing customers

- Once again supported the return of significant capital to investors through our multi-year dividend growth program
- Enhanced our ability to better respond to the needs of other stakeholders through community investment, including 18 innovative regional TELUS Community Boards and support of various charities.

For more information about our 2017 performance, see our [2017 Annual Report](#) and our [2017 performance highlights and 2018 targets](#).

## Consolidated Performance

In 2017, our team's efforts to elevate the client experience, along with the continued execution of our national data and wireless growth strategy, resulted in the delivery of consolidated operating revenue of \$13.3 billion, up 3.9 per cent from 2016. Adjusted EBITDA<sup>1</sup>, increased by 4.8 per cent to \$4.9 billion. Excluding the effect of an increase in the B.C. corporate tax rate of \$0.05 per share, we generated basic earnings per share (EPS) of \$2.51, representing growth of 2.9 per cent.<sup>2</sup>

We generated free cash flow of \$966 million in 2017, an increase of \$825 million, resulting from higher EBITDA—excluding restructuring and other costs<sup>1</sup>, and lower income taxes paid.

Continued expansion of our customer base continues to drive our performance, with subscriber growth in both our wireless and wireline segments. We ended the year with 13.1 million<sup>3</sup> total customer connections, up three per cent from 2016, reflecting our ongoing success in adding new wireless, Internet and TV customers.

## Targets

We continue to be guided by our long-term financial objectives, policies and guidelines put in place to maximize value to all stakeholders. With these policies in mind, our 2018 consolidated financial targets reflect continued execution of our successful national growth strategy based on significant ongoing investments in our wireless and wireline broadband networks. In each of the past eight years, we have met three of four consolidated financial targets, which have supported the return of capital to shareholders through our shareholder-friendly initiatives, including our multi-year dividend growth program. For more information and our 2018 targets and assumptions on which they are based, see our fourth quarter 2017 quarterly report issued on February 8, 2018.

## Wireless

In 2017, TELUS expanded our postpaid subscriber base by adding 379,000 high-value postpaid customers, for a total of eight million subscribers. In addition we acquired approximately 74,000 of MTS<sup>1</sup> postpaid wireless customers, certain network assets and rights to 15 retail locations in Manitoba. This postpaid growth, combined with a Canadian industry-leading average monthly postpaid churn rate of 0.90 per cent, reflects our continued intense focus on providing best-in-class customer experience. Our wireless network revenue grew by 6.5 per cent in 2017, reflecting an increased customer base and a three per cent increase in monthly blended average revenue per subscriber unit (ARPU). Wireless Adjusted EBITDA<sup>1</sup> increased 5.2 per cent.

### 2017 wireless results highlights:

- Network revenue of \$7 billion, an increase of 6.5 per cent over 2016
- Wireless Adjusted EBITDA of \$3.2 billion, an increase of 5.2 per cent over 2016

- Industry leading lifetime revenue per customer over \$6,000, an increase of \$600 over 2016
- Industry leading postpaid churn of 0.90 per cent, five basis points better compared to 2016.

## Wireline

In 2017, we further expanded and enhanced our wireline broadband network, including connecting more homes and businesses to fibre-optic cable and delivering faster broadband Internet speeds. We have now passed nearly 50 per cent of our targeted coverage footprint or 1.44 million homes and business in B.C., Alberta and Eastern Quebec. We were the first major carrier to offer symmetrical upload and download speeds of up to 250 Mbps, on TELUS PureFibre. This supported combined high-speed Internet and TV customer growth of 4.7 per cent. Our wireline data services and equipment revenue increased by five per cent. Wireline Adjusted EBITDA<sup>1</sup>, increased four per cent.

### 2017 wireline results highlights:

- Data services and revenues of \$4.3 billion, an increase of five per cent over 2016
- Wireline Adjusted EBITDA<sup>1</sup> of \$1.7 billion, an increase of four per cent over 2016
- TV customer base 1,098,000<sup>3</sup>, an increase of 35,000 over 2016
- High-Speed Internet customer base of 1,743,000<sup>3</sup>, an increase of 81,000 over 2016.

1 These are non-GAAP measures and do not have standardized meanings under IFRS-IASB. Therefore, they are unlikely to be comparable to similar measures presented by other companies. For definitions, see Section 11 of the MD&A in our 2017 annual report.

2 Basic EPS growth was based on 2016 basic EPS of \$2.44, which was adjusted to exclude the immediately vesting transformative compensation expense of \$0.38.

3 Customer connections have been revised in 2017, to account for acquisitions and adjustments. For details, see Section 1.3 of the MD&A in our 2017 annual report.

## Economic Value Distributed – consolidated

\$ millions	2017	2016	2015
Goods and services purchased	5,935	5,631	5,532
Employee benefits expense, excluding employee defined benefit plans expenses and amounts capitalized	2,513	2,846	2,590
Employer contributions to defined benefit plans	67	71	94
Capital expenditures, excluding spectrum licences	3,094	2,968	2,577
Interest paid	539	510	458
Income taxes paid, net	191	600	256
Dividends declared for the holders of Common Shares	1,167	1,091	1,011
Cash payments for spectrum licences	-	145	2,048
<b>Total</b>	<b>13,506</b>	<b>13,862</b>	<b>14,566</b>

## Dividend Growth

In 2017, TELUS returned \$1.1 billion in dividends paid to holders of Common Shares. During the year, we raised our quarterly dividend twice, most recently in November, representing an annual increase of 7.1 per cent. This was our fourteenth dividend increase since May 2011, when we announced our first multi-year dividend growth program targeting two dividend increases per year of circa 10 per cent annually. In May 2016, we extended this program to the end of 2019, targeting two dividend increases per year of circa 7 to 10 per cent annually. Notwithstanding this target, dividend decisions will continue to be subject to our Board's assessment and the determination of our financial position and outlook on a quarterly basis. See *Caution regarding forward-looking statements – Ability to sustain our dividend growth program through 2019*, Section 7.5, and Section 10.7 of our MD&A in our [2017 Annual Report](#). TELUS has returned over \$15 billion to shareholders since 2004, representing \$25 per share

## Supporting Canadians

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

In 2017, we spent approximately \$9.4 billion on vendors, including goods and services tax and provincial sales tax. This spending represented 71 per cent of consolidated revenues. Approximately \$8.6 billion or 91 per cent of total vendor payments went to Canadian companies or multi-national companies with locations and employees in Canada.

Our spending and operations outside of Canada support the broader global communities where TELUS team members live, work and serve.

### Vendor payments by location

\$ millions	2017	2016
Vendors with locations in Canada	8,574	7,715
Vendors without locations in Canada	829	707
<b>Total vendor payments</b>	<b>9,404</b>	<b>8,422</b>

## Paying taxes

Since 2000, we have paid taxes of approximately \$23 billion to federal, provincial, local and international governments. These taxes support services for Canadians and citizens wherever TELUS operates.

- When annual spectrum fees and spectrum purchases paid to Canadian regulators are added, our payment rises by \$5 billion to \$27 billion
- This amount increases by another \$9 billion when employee payroll remittances are factored in.

In 2017, TELUS remitted approximately \$2.5 billion to all levels of government. This included:

- Net payment of \$169 million in federal and provincial corporate income taxes in Canada and \$22 million in international corporate income taxes
- Payment of \$306 million in employer portion of payroll taxes, property and business, public utility and non-creditable/non-refundable sales taxes on goods and services acquired by TELUS in the operation of its business
- Sales taxes remitted of \$1.36 billion for goods and services taxes (GST), harmonized sales taxes (HST), Quebec sales taxes (QST), provincial sales taxes (PST), and international value-added taxes (VAT) collected from our customers. In addition, TELUS paid \$768 million for GST, HST, QST and VAT to suppliers on the acquisition of goods and services that was ultimately refunded by the applicable government authorities levying such taxes
- Payroll taxes withheld from employees and remitted to the federal and Quebec governments of \$666 million
- 9-1-1 taxes in excess of \$20 million charged to customers and remitted to the governments in participating Canadian provinces for provision of emergency 9-1-1 services.

TELUS follows a Comprehensive Tax Conduct and Risk Management Policy (“the Tax Policy”) that has been approved by the TELUS Board of Directors. The Tax Policy, which is consistent with our overarching Code of Ethics and Conduct, outlines the principles of employees’ responsibilities and professional conduct. Our Tax Policy outlines our requirement to comply with tax laws while considering our rights as a taxpayer and also provides a framework for assessing tax risks, taking into account potential financial impacts to the company as well as impacts to our customers, reputation, brand and employees. Management reports to the Audit Committee on material tax positions taken and other changes in each quarterly tax update.

Our tax philosophy:

- We pay tax that is legally due and observe the provisions of the relevant law and related jurisprudence
- Where our interpretation of the tax laws differs from that of the tax authorities, we commit to resolving these issues in the most cost-effective and timely manner, while seeking to maintain a long-term, open and constructive relationship with the tax authorities
- We will not take any position that clearly falls outside of the relevant governing legislation and prevailing jurisprudence.
- We will not partake in plans to artificially reduce tax such as abusive tax shelter schemes, shams or other evasive practice
- We seek advice from third party advisors/counsel where the tax consequences are material.

In accordance with the Tax Policy, all material exchanges of goods, property and services between TELUS’ companies are conducted for fair market value consideration in accordance with OECD principles or local tax legislation, as applicable. Transfer pricing between the companies in the TELUS group is based on comparable terms and the commercial nature of the transactions. For details on TELUS’ 2018 tax assumptions, please see section nine of our MD&A in our 2017 Annual Report.

(\$ in millions)	2017	2016	2015	2014	2013
<b>Corporate Income Tax Paid</b>					
Canada					
Federal	103.3	319.6	146.6	254.7	247.6
British Columbia	46.7	105.8	57.7	83.9	85.2
Alberta	0.9	62.0	20.5	44.9	35.4
Saskatchewan	0.4	1.1	0.3	0.8	0.5
Manitoba	0.1	0.7	0.3	0.8	0.7
Ontario	13.4	52.8	17.9	36.7	31.9
Quebec	2.7	42.2	6.9	29.5	24.3
Atlantic Provinces	1.3	5.2	1.5	3.4	2.5
International	22.4	11.2	4.3	9.5	9.5
<b>Total corporate income tax payments</b>	<b>191.2</b>	<b>600.6</b>	<b>256.0</b>	<b>464.2</b>	<b>437.6</b>
<b>Other tax payments</b>					
Canada					
Employer portion of payroll taxes	135.4	136.8	139.6	138.2	123.9
Property and business taxes	111.1	108.6	107.2	105.7	103.2
<b>Non-creditable/non-refundable sales taxes</b>					
Federal	0.3	0.3	0.3	0.3	0.3
British Columbia	31.0	32.1	27.1	30.2	20.0
Saskatchewan	0.1	0.1	0.1	0.1	0.1
Manitoba	3.7	1.1	0.6	1.4	0.3
Ontario	0.5	0.8	1.3	1.5	0.0
Quebec	0.4	0.7	0.8	0.8	0.8
Atlantic provinces	0.0	0.0	–	–	–
International	27.7	25.2	16.6	11.2	5.3
Provincial premium and capital taxes	0.0	0.0	–	-0.3	0.7
Quebec tax credits	-3.8	-4.0	-20.8	-8.6	-4.7
<b>Total other tax payments</b>	<b>306.4</b>	<b>301.7</b>	<b>272.8</b>	<b>280.5</b>	<b>249.9</b>
<b>Payroll taxes remitted</b>	<b>666.3</b>	<b>671.8</b>	<b>687.1</b>	<b>612.3</b>	<b>608.2</b>
<b>9-1-1 taxes and other payments remitted</b>	<b>28.7</b>	<b>26.3</b>	<b>25.9</b>	<b>16.0</b>	<b>7.8</b>

(\$ in millions)	2017	2016	2015	2014	2013
<b>Sales taxes remitted<sup>1</sup></b>					
Canada					
Canadian GST and HST	933.9	865.5	838.8	803	810.1
British Columbia	187.4	176.4	166.3	156.3	115.1
Saskatchewan	6.6	5.6	5.5	4.5	4
Manitoba	6.6	4.9	5	5.3	4.9
Ontario	0	0	0	0	0
Quebec	219.8	214	215.9	209.6	196.8
Atlantic provinces	0.0	0	0	0	0.4
International VAT	2.7	3.2	4.1	2.4	3.9
Net sales taxes collected/remitted	<b>1357.0</b>	<b>1269.6</b>	<b>1235.6</b>	<b>1181.1</b>	<b>1135.2</b>
Total Canadian taxes remitted	<b>2496.8</b>	<b>2830.4</b>	<b>2452.4</b>	<b>2531</b>	<b>2420</b>
Total International taxes remitted	<b>52.8</b>	<b>39.6</b>	<b>25</b>	<b>23.1</b>	<b>18.7</b>

<sup>1</sup> The Sales taxes remitted consist of GST, HST, QST, PST and VAT collected from our customers. TELUS paid \$724.4 million for GST, HST, QST and VAT to suppliers on the acquisition of goods and services that was ultimately refunded by the applicable government authorities levying such taxes.

## Investing in our networks

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

In 2017, we reached the peak of our cyclically high capital investment period with a record of \$3.1 billion invested, and we are nearing the halfway point of our fibre-optic build. We continued investing in broadband infrastructure expansion and upgrades, as well as in network and systems resiliency and reliability. We reinforced our leadership position by:

- Providing faster available symmetrical Internet speeds and greater capacity
- Connecting more homes and businesses to high-speed Internet services and fibre
- Extending the reach of Optik TV
- Enhancing our healthcare solutions
- Leveraging the more efficient and timely evolution to 5G.

We continued to expand our 4G LTE wireless broadband network with LTE-Advanced (LTE-A), which now covers 88 per cent of the Canadian population. Meanwhile our LTE network covers 99 per cent of the population.

Our ability to put customers first was further reflected in the reliability, coverage and speed of our national networks. Last year, we received recognition for our network excellence, highlighting the value of our investments and the positive outcomes we are generating for our customers. We were ranked as having the fastest wireless network, nationally, by PCMag and the crowd-sourced Ookla Speedtest. In addition, in the J.D. Power 2017 Canadian Wireless Network Quality Study, we were ranked Highest Wireless Network Quality Performance in Ontario for three years in a row; and in British Columbia, Alberta, Saskatchewan and Manitoba for two years in a row. Furthermore, we were awarded Fastest Overall Download Speed and Best Availability among three national providers by OpenSignal in both its 2017 and 2018 studies. These best-in-class

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



# 3 million + households and businesses

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

We also continued our long-term strategy of making generational investments in urban and rural communities in order to deliver wireline broadband to as many Canadians as possible. We expanded our fibre footprint by connecting more homes and businesses directly to fibre-optic cable, and delivering faster broadband Internet speeds.

At the end of 2017, our wireline broadband coverage reached more than 3 million households and businesses in communities in B.C., Alberta and Eastern Quebec. Nearly 50 per cent or 1.44 million of these premises are covered by fibre-optic cable which provides them with immediate access to our gigabit-capable fibre-optic network.

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

In 2017, TELUS capital expenditures were approximately \$3.1 billion or 23 per cent of total operating revenues. This reflects our continued focus on investing in wireless and wireline broadband network infrastructure expansion and upgrades, as well as in network and systems resiliency and reliability, to provide faster available Internet speeds and greater capacity, connect more homes and businesses to high-speed Internet services, extend the reach of Optik TV and enhance our healthcare solutions.

### Capital expenditures by region

\$ millions	2017	2016	2015	2014	2013
British Columbia	1,168	1,133	866	752	737
Alberta	893	906	862	862	760
Saskatchewan	3	2	3	2	2
Manitoba	47	29	10	24	16
Ontario	483	456	458	406	267
Quebec	449	383	330	283	302
Atlantic Canada	2	4	2	3	2
Outside Canada	50	55	46	27	25
<b>Total capital expenditures</b>	<b>3,094</b>	<b>2,968</b>	<b>2,577</b>	<b>2,359</b>	<b>2,110</b>

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

Since 2000, TELUS has invested more than \$35 billion in technology and communications infrastructure across the country to significantly enhance the connectivity of Canadians.

In 2018, TELUS plans to continue making significant investments in our wireless and wireline broadband infrastructure, with targeted capital investments of approximately \$2.85 billion to support customer growth, technology evolution and reliability.

# Good Governance

From strategic planning to operations, we integrate sustainability into everything we do.

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

In this section:

- Approach
- Sustainability governance
- Ethics and integrity



# Approach

TELUS' strategic intent is the foundation of our governance program and is supported by [six strategic imperatives](#). These imperatives guide our efforts and serve as a framework for our actions. Our values elevate our brand promise. A friendly future is created by:

- Having the courage to innovate
- Inspiring a passion for growth
- Embracing change and seizing opportunity
- Demonstrating spirited collaboration across a diverse and inclusive team.

Each year, we set corporate priorities to advance our growth strategy and put our customers first. We also implement initiatives that help us achieve good governance. For details, please see our [Information Circular](#).

In 2013, we introduced our innovative Integrity Index which includes internal and external measures of compliance to codes of conduct, senior manager behaviour and training effectiveness. We have maintained a consistent result over the past five years, realizing a slight improvement from a 2016 result of 92.88 to 93.26 in 2017. These practices provide the foundation of sustainability leadership at TELUS, which is supported by the following considerations:

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

## Risk management

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

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

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

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

More information on our risk assessment and mitigation process is available in section 10 (Risks and risk management) of the MD&A within our [2017 Annual Report](#).

# Sustainability governance

The TELUS Board of Directors has overall responsibility for our sustainability performance. Our Chief Sustainability Officer is responsible for the approval of the overall strategic direction of our sustainability programs. She reports directly to the Corporate Governance Committee of our Board of Directors. Our annual Sustainability Report is just one way we communicate our progress towards reaching our sustainability goals.



## Sustainability Leadership Team

Our Sustainability Leadership Team (SLT) is made up of senior leaders from all of our business units. They are accountable for integrating sustainability considerations throughout our company in collaboration with our Sustainability Team. The SLT also helps to nurture a culture of sustainability, reviews progress against our objectives and assesses new or ongoing initiatives.

The sustainability team provides progress reviews each quarter to the Corporate Governance Committee of the TELUS Board of Directors. It also delivers updates to the Board on other sustainability matters as required.

## Sustainability Council and Green Teams

Local TELUS employees have formed volunteer Green Teams across the country. Our Green Team volunteers are the driving force behind Earth Day, Environment Week, Bike to Work Week and other sustainability efforts. They play a huge role in promoting environmental sustainability in the workplace and inspiring colleagues to embrace a healthy and sustainable lifestyle. To better support our Green Team members and advance our sustainability culture internally, TELUS formed a National Sustainability Council (NSC) in 2015.

Our NSC is made up of a diverse group of more than 20 employees who dedicate five to 10 per cent of paid working time to help integrate sustainability considerations across TELUS.

The council members' personal objectives are tied to performance. Sustainability considerations include:

- Education and awareness
- Resource stewardship
- Communications
- Energy and utilities
- Green Team growth and support

The NSC is committed to:

- Cultivating a culture of sustainability by being leaders and innovators
- Connecting and empowering team members, customers and partners
- Collaborating to align business objectives with sustainability goals
- Celebrating and recognizing successes while continuously learning and improving.

# Ethics and integrity

At TELUS, our [Code of Ethics & Conduct](#) underpins our commitment to ethical behaviour. The code, which is updated annually, reflects our collective belief in inclusion, transparency and a shared responsibility to holding ourselves and each other to an ethical standard that is above reproach.

As a team, we have agreed that how we work is just as important as what we do. We expect our extended TELUS family, including our contractors, suppliers, vendors, community partners and [Board of Directors](#), to share our commitment to personal and professional integrity. The code is updated and shared annually. It can be found on TELUS' internal and external websites.

Each year, TELUS requires all employees and contractors to complete an online Integrity training course that outlines key aspects of the Ethics, Respectful Workplace, Security and Privacy policies. The 2017 course was completed by 100 per cent <sup>A</sup> of employees by April 17, 2018.

## TELUS Ethicsline

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

In 2017, 575 <sup>A</sup> contacts were made to the Ethics Office, with callers seeking advice on ethical situations or making complaints. This represents a 17 per cent increase over the 492 contacts made in 2016 which is attributed primarily to an increase in headcount and training and awareness initiatives. Each complaint was investigated, resolved appropriately and reported to the Audit Committee and Human Resources and Compensation Committee of our [Board of Directors](#).

### Contacts to the Ethics Office

Type	2017	2016	2015
Requests for advice	181	136	136
Ethical complaints	394	356	274
<b>Total calls</b>	<b>575</b>	<b>492</b>	<b>410</b>

In 2017, there were 127 <sup>A</sup> breaches of TELUS' Code of Ethics and Conduct involving 190 employees, compared with 146 breaches involving 178 employees in 2016. The most frequent violations were related to breaches of company policies, with none involving breaches or fraud by employees with a significant role in internal controls over financial reporting.

### Overview of 2017 EthicsLine contacts and cases

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

Corrective action was taken in each case of a breach, with some of the breaches resulting in discipline or the dismissal of more than one employee.

### Discipline for breaches of ethics

Corrective action	2017	2016	2015
Employment terminated	136	116	71
Employment suspended	22	25	21
Letter in employment file	26	24	11
Team member resigned	6	13	11
<b>Total employees disciplined</b>	<b>190</b>	<b>178</b>	<b>114</b>

TELUS also requires disclosures to the Ethics Office of any gifts or benefits extended to team members, such as event hosting, greater than \$250.

## Political Contributions

As a means of supporting the democratic process, TELUS may occasionally provide political contributions. These contributions are made in accordance with all applicable laws, as well as our TELUS Code of Ethics and Conduct.

TELUS' political contributions totalled \$48,250 in 2017.

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

# Stakeholder engagement

We constantly look for ways to engage with and listen to our community and stakeholders, and build their feedback into how we work.

In this section:

- Approach
- Enhancing supply chain sustainability
- Driving sustainability in procurement and supply chain
- Community Boards
- Research and development



# Approach

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

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

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



In 2017, we continued to host stakeholder engagement activities that are core to our approach. We once again conducted an internal sustainability survey that focused on how employees feel about:

- Our sustainability strategy and performance
- The effectiveness of our reporting
- Our efforts to become a more energy efficient organization
- Our sustainability team's performance supporting individuals and teams as they integrate sustainability considerations into their own operations.

We learned more than 95 per cent (93 in 2016) of employees had a good understanding and awareness of our sustainability strategy and 74 per cent (72 per cent in 2016) had read our Sustainability Report. These results reflect a two percentage point improvement over our 2016 results. In 2018, we will continue to focus on engaging our internal stakeholders to increase the levels of readership and understanding of our sustainability strategy.

We sent a similar survey to a broad sample of external stakeholders—with a greater focus on prioritized groups such as customers, shareholders and suppliers. We identified two key themes:

- Support our annual Sustainability Report with a dynamic, informative website
- Seek ways to further align business objectives and targets to the Sustainable Development Goals (SDGs).

We used this feedback to refine our 2017 report, and we have taken the first steps to create a complementary sustainability website. TELUS has also expanded efforts to support the SDGs, as described within this report.

Our 2017 engagement with our sustainability expert panel, consisting of representatives from various stakeholder groups, provided valuable insight which led us to identify additional opportunities for improvement by:

- Conducting a benchmarking study of global peers to understand how they identify and communicate sustainability-related risks
- Engaging a third party to help us monitor changes in global and national regulations to better understand emerging sustainability and reporting risk
- Expanding collaborative efforts to refine and evolve the way we share our organizational purpose of using technology as a means to address social and environmental challenges.

In 2018, we will continue to:

- Enhance ongoing stakeholder engagement activities and implement ideas and feedback
- Participate in industry-related dialogues, workshops and internal discussions
- Complete regular research, benchmarking and media-scanning activities.

## Identifying material issues

In support of our ongoing sustainability strategy governance, we regularly assess the material issues that matter to our stakeholders and TELUS. Our annual assessment process takes a structured approach that includes:

- Leveraging recent formal materiality assessments
- Listening to feedback from both formal and informal stakeholder engagements
- Ongoing benchmarking, research and media scans
- Assessing direct input received via our communication platforms, including this Report
- Regular internal reviews and discussions.

This approach helps us to monitor stakeholder concerns, validate the current state of our reporting and identify emerging issues.

In 2017, we received positive feedback on how we shared our material issues in our previous Sustainability Report. Additionally, we validated the material issues, noting no significant changes from 2016, and once again grouped these issues into three categories related to stakeholder expectations and aligned these with our business focus:

**1. Foundational:** issues that must be focused on, as well as material issues for which our stakeholders hold us accountable. These issues include:

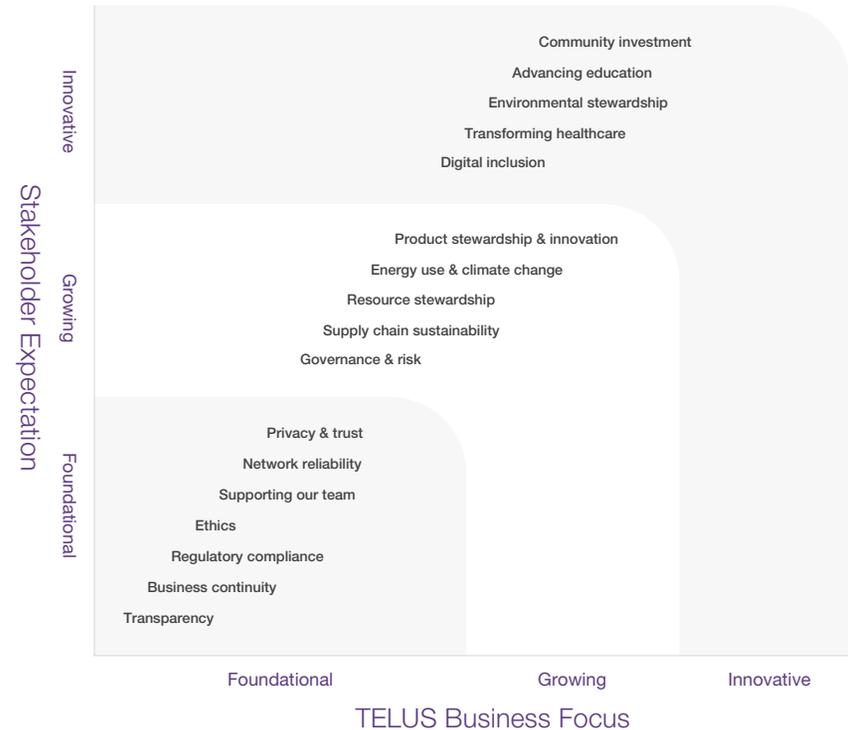
- **Transparency:** building trust and stakeholder confidence
- **Business continuity:** being resilient when emergencies happen
- **Legal and Regulatory compliance:** planning for and being flexible to changing requirements
- **Ethics:** holding ourselves accountable to the highest standards
- **Supporting our team:** investing in our greatest asset
- **Network reliability:** minimizing outages and responding quickly
- **Privacy and trust:** ensuring people feel respected and safe in our digital world.

**2. Growing:** issues that are taking on greater strategic importance or matters where stakeholder expectations are rising, as well as emerging issues from a local, industry or global perspective. These issues include:

- **Governance and risk:** building effective practices, standards, frameworks and disclosure
- **Supply chain sustainability:** understanding risk and impact, and taking responsibility for outcomes
- **Resource stewardship:** managing and reducing our use of finite natural resources
- **Energy use and climate change:** reducing emissions from our buildings, network and fleet
- **Product stewardship and innovation:** providing solutions that help customers meet their sustainability goals.

**3. Innovative:** issues that are at the heart of our organizational purpose; we have structured our report based on these critical elements of our business strategy:

- **Digital inclusion:** together, we are bridging digital divides
- **Transforming healthcare:** enabling better health experiences for Canadians
- **Environmental stewardship:** caring for the planet our children will inherit
- **Advancing education:** providing opportunities for our future leaders
- **Building stronger communities:** living up to our community promise to give where we live.



## Indigenous Peoples relations

TELUS has a proud history of respecting Indigenous and Treaty Rights, and the unique governance of individual Indigenous nations and communities.

We are passionate about the work we do with Indigenous communities and embrace our role in reconciliation with Indigenous Peoples of Canada. Our partnerships with Indigenous governments and organizations are enabling transformative change in Indigenous communities through new infrastructure, connectivity, innovation and technologies.

TELUS collaborates with Indigenous partners throughout the development, design and implementation of projects impacting Indigenous Peoples and their lands. In this way, we seek to carry out our activities through mindful, meaningful engagement and in a culturally appropriate and sensitive manner to ensure activities support long-term social and economic development.

We actively seek out opportunities and partners to carry out initiatives that support Indigenous Peoples, be it bridging divides in connectivity, healthcare, education, business or self-governance. In 2017, these initiatives included extensive work to enhance telecommunications on Indigenous lands including, rural and remote broadband, and community fibre-to-the-premises (FTTP) builds, radio and cellular network upgrades, custom and innovative new service offerings.

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

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

which help us achieve meaningful and positive outcomes for our Indigenous partners and customers.

## United Nations Global Compact

The United Nations has developed a global agreement, or compact, to help businesses align their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, the environment and anti-corruption. TELUS supports the compact and we align our sustainability report with its principles. We became a signatory of the United Nations Global Compact (UNGC) in 2010 and continued our support throughout 2017.

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

Specifically in 2017, TELUS presented during several webinars hosted by the GCNC, on topics such as sustainability reporting and supporting Sustainable Development Goals.

Our most recent Communication on Progress is available online.

# Enhancing supply chain sustainability

## Procurement and Supply Operations

Selecting the right partners is critical to meeting our economic, social and environmental goals. Together, we are stronger and better positioned to create lasting positive impacts in the communities where we live, work and serve.

The Supply Operations Team plays a vital role in the execution of TELUS' priority projects—working across business units, liaising with suppliers and service providers to make certain the right products and services are deployed across our network in a cost-effective and competitive manner. We also oversee the internal movement of equipment and devices, with the goal of getting the latest services and devices to our customers faster.

## End-to-end collaboration

TELUS is committed to thoughtfully selecting partners in alignment with our environmental and social values, which supports our customers, team members and communities. Our commitment includes:

- Sourcing products and services responsibly
- Building and maintaining strong supplier relationships
- Ensuring our partners respect our commitments to privacy and data protection
- Providing customers with sustainable solutions and support
- Managing end-of-life and reuse of equipment and facilities
- Taking proactive steps to provide equal access to a supply base that reflects the diversity of our communities.

# Building mutually beneficial relationships

TELUS develops mutually beneficial relationships—including special incentives for suppliers—to shape positive and sustainable outcomes. We are reinforcing our leadership in this area by:

- Offering longer-term contract commitments to allow suppliers to plan and manage their production and supply effectively.
- Forging relationships with like-minded suppliers who have environmental, social, business continuity and governance factors built into their strategies, making certain our supply base is not only efficient but robust and capable of meeting customer demands in crisis situations.
- Developing relationships with suppliers who are incented to assist with reduction of legacy network assets through design, engineering and hardware reclamation services.
- Creating contract structures that provide incentives to suppliers for sharing in positive business outcomes, such as improved customer reliability.

## Driving sustainability in procurement and supply chain

### Improving TELUS' Supplier Code of Conduct

We support suppliers who demonstrate a strong commitment to sustainable development. This involves adhering to ethical, privacy, labour, health and safety, and environmental principles that align with ours, and ensure the well-being of our suppliers' employees, contractors and communities. Our [Supplier Code of Conduct \(SCOC\)](#) is fundamentally aligned with TELUS' commitment to be a leading corporate citizen. TELUS' major procurement contractual templates include an obligation to comply with the SCOC, and the SCOC goes beyond legal compliance, drawing upon internationally recognized standards to advance social and environmental responsibility and business ethics.

It is paramount that our SCOC leads the industry in ethical and sustainability standards. In 2017, our team worked on updates to the Code to ensure it reflected best in class practices. To reinforce our leadership in this area, the revised SCOC, to be published in 2018, will include more:

- Specific detail around obligations, including those related to responsible sourcing of minerals
- Robust language around items such as risk, privacy and information security, accessibility for our customers and team members, and supplier diversity.

During 2018, TELUS will continue its focus on the SCOC internally and externally, challenging ourselves—together with our suppliers—to set an example of the highest standards.

## Expanding TELUS' Supplier Diversity Program

The TELUS Supplier Diversity Program delivers an improved and innovative customer experience by taking proactive steps to provide equal access to a supply base that reflects the diversity of where we live, work and serve. The Program fully aligns to our commitment and passion within TELUS to give where we live and our Diversity and Inclusiveness strategy.

The program seeks to provide diverse suppliers (e.g. minority, Indigenous, women, and/or members of the LGBTQ community-run businesses) access to supply management opportunities that are reflective of our diverse communities, and encourage economic development.

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

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

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

Throughout 2017, more than twenty TELUS team members participated in a variety of supplier diversity events across Canada, as presenters and attendees. This momentum will be carried through 2018 as we continue to increase our participation and enhance our relationships with internal team member resource groups.

## Monitoring our critical suppliers' Corporate Social Responsibility

EcoVadis has created a global sustainability rating system that combines expertise and technology to deliver easy-to-understand supplier Corporate Social Responsibility Scorecards (CSR) covering environment, labor practices and ethics, worldwide. TELUS' critical suppliers are assessed through a questionnaire and reporting provided by EcoVadis, in order to manage risks, reduce costs and drive innovation in the supply chain.

The EcoVadis Supplier Scorecard contains overall ratings and theme-specific ratings (environmental, labour, fair business practice, supply chain), along with a sector-based benchmark. The Scorecard also contains detailed qualitative information, allowing TELUS to easily understand issues, and provide clear feedback to suppliers on critical improvement areas.

In 2017, TELUS assessed 19 critical suppliers, four of which had an overall score identifying them as medium risk and TELUS, with the help of EcoVadis, is collaborating with these suppliers on corrective action plans to address theme-specific issues. None of these four suppliers had issues with respect to fair business practices.

## Enhancing our sustainability programs and initiatives

In 2017, we introduced and expanded key sustainability programs, and accomplished the following:

- Recovered 95,000 devices that otherwise would have been sent for e-waste processing through our Wireless Device Certified Pre-Owned Program.
- Introduced a system to increase the rate of return of equipment from customers who cancel their TELUS TV and Internet services to 95 per cent.
- Continued to refurbish and re-use equipment and increased the number of components re-used—diverting them from recycling and landfill.

- Launched a program to refurbish and resell Certified Pre-Owned wireless accessories such as Smartwatches and Fitbits. The program recovered 1,300 accessories that otherwise would have been sent for e-waste processing.
- Completed verification of compliance with applicable laws and regulations from specific vendors where there is a risk of foreign workers operating within Canada for, or on behalf of, TELUS.

### 2017 Success Story: Repair avoidance – a central focus to improve Customer Service

TELUS technicians conducted over 14,000 network repairs with the resulting defective parts typically being sent for repair. Our Supply Operations team initiated a program called Repair Avoidance, which incorporates advanced analytics to predict future demand. The program also determines whether the device should even be repaired. In many instances, we determined having the unit repaired was unnecessary.

As a result, in 2017, we saved \$1.1 million and over a three-year span, more than 11,000 repair transactions have been avoided, resulting in \$3.5 million in cumulative repair and freight cost savings.

We know how important it is for our customers to have their wireless devices fully functional. In 2017, we took steps to save our customers the inconvenience of ever having to part with their devices. We now offer mobile applications available via the App Store and Play Store that self-diagnose performance issues. We have also introduced diagnostic capabilities at our TELUS retail stores that allow representatives to assist our wireless customers before they send these devices for repair.

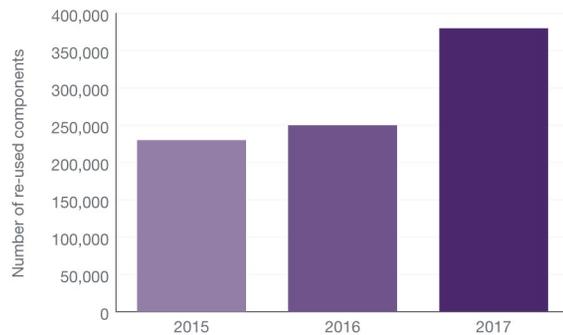
These store-level diagnostic tools have significantly increased the number of device issues that can be resolved in store, avoiding the time and effort to process a repair and reducing the inconvenience to our customers. In 2017, 24 per cent fewer wireless devices were sent for repair and, over a three-year span, we have eliminated the need to ship over 75,000 devices, half of which would have been shipped by air.

## Process improvements in our value chain

In 2017, TELUS enhanced initiatives and processes targeted at reducing packaging, transportation and materials handling. Highlights that demonstrate our leadership, include:

- **Wireline device and accessories:** re-used more than half a million pieces of wireline equipment and reclaimed for re-use over 380,000 parts from returns (e.g. smartcards, power adaptors, remote controls, micro filters, modem stands and cables).

### Wireline equipment reclaimed for re-use

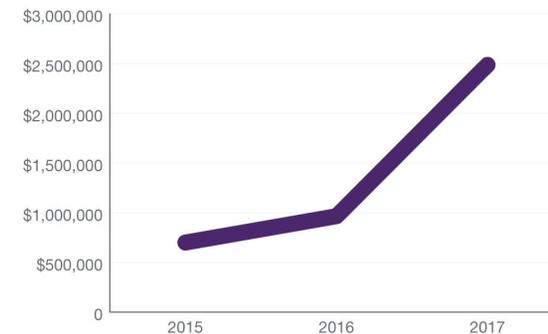


- **Multi-pack initiative:** Lean principles were applied to further reduce packaging materials (e.g. cardboard and polystyrene) during the refurbishment process. This was extended to primary equipment suppliers for new purchases leading to:
  - Savings of \$809,300
  - 340,629 fewer cardboard boxes purchased
  - Improved box re-design that reduced material content by 25 per cent
  - Improved productivity as a result of new anti-static packaging

- Re-use of 39,000 boxes from installers, improving the quality of returned product and reducing the amount of plastic replacement parts used in the refurbishment process.

- **Double stack trailer packaging improvements:** allowed us to optimize pallet orientation and stacking in trailers, saving \$141,600 in direct freight costs and reducing CO<sub>2</sub> emissions.
- **Wireline Set Top Box (STB) software load:** created a more efficient and fully automated software process that led to \$120,000 in savings, increased product quality, reduced rework, handling and transport as well as reducing lead time and inventory constraints.
- **Wireline equipment kitting:** streamlined the process for kitting refurbished Satellite TV equipment (adding accessories and collateral) moving it earlier in the refurbishment process. This reduced handling and the need to reopen packaged product, which led to reduced process lead time and errors as well as cost savings of \$30,000.
- **Network equipment decommissioning and asset recovery:** decommissioned old network equipment and actively recovered assets through a centralized process. Equipment was assessed for re-use within TELUS, marketed and sold for re-use or recycled. This led to \$2.5 million in revenue and the recycling of 2,784 tonnes of network equipment.

### Revenue from asset recovery



## Looking ahead to 2018

TELUS will continue to build on the momentum generated in 2017, and deliver further strategic sustainability initiatives guided by two overarching principles:

- Simplification
- Leveraging third-party relationships.

TELUS has simplified various aspects of our operations and we will apply the lessons learned across our business as we drive towards simplification in 2018. For example, in 2017, we began a simplification initiative by classifying wireless handset devices under a common product ID across TELUS and Koodo brands. By making this change, TELUS has been able to respond more quickly to the needs of our customers, cut down on inventory and eliminate unnecessary material handling. The benefits of this program will continue to be realized in 2018.

One of TELUS' challenges going forward will be to find a way to reduce the number of TV and Internet devices returned from the field as defective, that upon further testing, are found to be fully functional. A new process will lead to improved customer experiences and reductions in costs associated with the return, testing and re-packaging of the equipment.

# Community Boards

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

In February 2017, the TELUS Manitoba Community Board began allocating \$500,000 to local grassroots charities. In September 2017, the TELUS Barrie Community Board was launched with \$50,000 supporting 10 local charities and it will begin allocating \$100,000 to local grassroots charities in 2018.

The 13 TELUS Community Boards across Canada contributed \$5.9 million to local charities supporting 529 projects in 2017. Additionally, our five international Community Boards—in Bulgaria, Romania, Guatemala, El Salvador and the Philippines—contributed U.S. \$500,000 to 79 charitable projects in their communities.

In support of good governance, our objective is to have more than 50 per cent of Community Board membership consist of non-TELUS representatives who bring the expertise of the community into decision-making. At the end of 2017:

- 60 per cent of Community Board members were non-TELUS, a figure we have consistently maintained over the past six years
- The gender makeup of Boards was 51 per cent male and 49 per cent female, representing a 10 per cent increase in female membership since 2011 (including a four per cent increase over 2016).

## Supporting our communities: giving highlights

### Health | Thompson Okanagan: University of British Columbia

The BARK Program at UBC was a partnership with the Okanagan Boys and Girls Club that supports the leadership development of youth. Through the use of therapy dogs, the program helps to reduce stress and supports the well-being of students. The program fosters confidence, interpersonal skills and communication, leadership and citizenship. The BARK Program received \$5,000 from the TELUS Thompson Okanagan Community Board.

### Environment | Edmonton: Sustainable Food Edmonton

The Little Green Thumbs program, an indoor gardening program at elementary schools in Edmonton, received \$10,000 from the TELUS Edmonton Community Board. This program engages youth in learning and caring about the plants and environment that sustain us. Schools receive everything they need (training, equipment, soil, seeds, lighting, program materials, volunteers, presenters) and students are able to plan their garden, plant the seeds, transplant them into the garden, care for them as they grow, harvest their plants and eat/cook with their harvest. Teachers use this garden to enhance the curriculum in multiple grade levels for multiple subjects (health and wellness, math, science, social studies etc.).

### Education | Montréal: Giant Steps Foundation/Fondation À Pas de Géants

The TELUS Montreal Community Board provided Giant Steps Foundation with \$17,900 for the Active Learning Classroom for Children with Autism Program. The funding allowed to Giant Steps to purchase specialized equipment to help youth with various degrees of autism learn more easily.

## Community | Toronto: Woodbine Community Food Garden

In 2017, the TELUS Greater Toronto Area Community Board provided \$20,000 to the Community Food Garden at Woodbine Racetrack and provided volunteers to help get the garden ready for the growing season as a part of our annual TELUS Days of Giving. The Community Food Garden at Woodbine Racetrack is managed by Evergreen, an environmental charity known for transforming landscapes into thriving community spaces, which ensures that the Community Food Garden can reach its full potential. The garden supports community groups in the Rexdale neighbourhood who have an urgent need for access to healthy food: Albion Neighbourhood Services Boys & Girls Club, Ernestine's Women's Shelter, Horizons for Youth, Racetrack Chaplaincy of Canada, Trust 15 and Youth Without Shelter. It also engaged over 150 volunteers who contributed over 475 hours, engaged 100 youth and directly impacted over 700 community members and at-risk youth, provided volunteer opportunities for six corporate groups and revitalized and provided maintenance training for a vegetable garden at a local youth shelter.

# Research and development

We deliver on our brand promise by offering customers the best technology and an amazing experience. In order to do so, we collaborate with many partners in research and development (R&D) opportunities. In 2017, TELUS invested \$240 million in R&D that will improve lives in the communities where we live, work and serve.

Estimated investment in research and development	2017	2016	2015
Consolidated - millions of dollars	240	184	206

The \$56 million increase in 2017 R&D spending in comparison to 2016 demonstrates our continued strategic investment in the evolution of our service offerings. Our Technology teams are creating an ecosystem of the fastest, most reliable technologies built on the foundations of our strategic investments in centralized radio access networks, small cell underlays, new antenna technologies, virtualized networks, and our TELUS PureFibre investment.

In 2017, we achieved ground-breaking wireless speeds of nearly 30 Gbps in trials of our 5G mobile technology at the TELUS and Huawei “5G Living Lab” in Vancouver. This is 200 times faster than today’s LTE standard. Our trials are laying the foundation for 5G, which will enable the likes of driverless cars; smart homes businesses and cities; new innovations in healthcare; and yet-to-be-imagined applications, devices and services powered by astonishingly fast and reliable wireless connections.

Also in 2017, we delivered a high speed Internet access solution bringing broadband network speeds to thousands of homes in rural areas. Our fibre reached 54,069 new premises in Quebec.

We reinforced our leadership position by introducing these new products in 2017:

- **Network as a Service (NaaS):** builds and manages a secure and reliable network with ease. NaaS integrates with any network and is easily tailored to a businesses’ needs. TELUS NaaS capabilities can be configured at any time via a self-serve platform, without any hardware updates. Deployment cycles are reduced by 80 per cent minimizing the need to rely on external IT specialists with a flexible self-serve platform.
- **Optik TV app:** combines Smart Remote and Optik TV on wireless devices, enabling access of up to 145 live channels on the go.
- **Home Phone 2 Go:** a free app that lets you take your home phone number with you, wherever you go, and use services on your Android smartphone over Wi-Fi or data. Customers can make and receive home phone calls from their mobile device, use their long distance home phone rate plan and utilize their smartphone contact list in the app and see who’s calling with caller ID.
- **Pik TV™:** allows customers to enjoy up to 23 live TV local and regional channels from major Canadian networks, a choice of five specialty channels and the option to add premium channel packs like HBO, TMN and Crave TV through a self-install media box.

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

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

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

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

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

# Putting customers first

We pride ourselves in putting the customer at the heart of everything we do – listening and learning from their feedback to deliver the best experience possible. Together, we are keeping our customers happy.

In this section:

- Approach
- Network and systems reliability
- Regulatory compliance
- Accessibility
- Business continuity



# Approach

Delivering on TELUS' future friendly® brand promise by putting customers first remains our number one corporate priority. We deliver future friendly services and solutions to Canadians at home, in the workplace and on the move.

## Privacy and trust

Millions of Canadians use the Internet and mobile devices, including smartphones and tablets, to keep in touch, study, work, shop and stay healthy. The rising integration of technology into both our personal and professional lives is changing the way we communicate and share information about ourselves. This shift is creating new challenges related to information security, effective oversight and accountability. It is vitally important to us that our customers know they can trust us to be:

- Respectful of their privacy
- Transparent about how we handle, use and secure their personal information
- A reliable source for information about staying safe online.

## Privacy governance

We respect our customers' privacy and take great care to safeguard personal information. As part of our ongoing commitment to putting customers first, we have a long-standing policy of protecting privacy in all of our business operations. We believe that an important part of protecting privacy is to be clear about how we handle customers' personal information and to make information about our approach easy to find and understand. We regularly review our privacy documents to make certain they are relevant and consistent with changing technologies and laws, and continue to meet our customers' evolving needs.

To help our customers understand TELUS' privacy practices, we have created information sources that explain them. These sources provide varying levels

of detail, allowing the customer to choose the information most suitable in helping them make informed decisions. Importantly, we want customers to understand the purpose of collecting data as well as the use and disclosure of their personal information. Accordingly, we updated our materials in 2017 and provide the following information on our privacy website:

- The [TELUS Privacy Commitment](#) was updated to provide more clarity for our customers by adding new examples of how we handle personal information. The Commitment provides a summary and detailed view of our customer privacy practices. Through this, we assure our customers that unless we have their express consent, we will not disclose personal information to marketers of third-party products. Our Commitment also provides specific examples of the information we collect and how we use it.
- The [TELUS Privacy Code](#) is a lengthier document that describes the broad privacy principles that we adhere to in the handling of personal information of both our customers and employees.
- The [Frequently Asked Question \(FAQ\)](#) document answers the most common customer questions we receive regarding TELUS' privacy practices. New questions reflect the most common questions from our customers. Customers with questions can also call us at [1-800-567-0000](tel:1-800-567-0000) or email us at [privacy@telus.com](mailto:privacy@telus.com).
- Information to help our customers understand how we protect their privacy when performing data analytics.
- A [video about how it is possible to deliver on the promise of big data](#) while protecting privacy, as well as an infographic about de-identification and aggregation.

In 2017, we further advanced our efforts to help our stakeholders better understand our commitment to protecting personal information and being transparent about how we collect, use and secure information. We reinforced our transparency by:

- Enhancing our privacy training for employees by adding a standalone annual mandatory training course.

- Updating our Privacy Commitment and Code, adding more detail and streamlining the information to make it easier for customers to find what they need on our website.
- Introducing a comprehensive [Privacy Management Program Framework](#) that incorporates a variety of robust controls and practices to protect the privacy of our customers and team members. It also includes specific obligations for all team members to follow, depending on their role.
- Publishing our [Privacy Management Program Framework](#) on our website, reflecting our commitment to be transparent about the ways we protect our customers' privacy and help them increase their understanding of our privacy practices.

For more information, visit [telus.com/privacy](https://telus.com/privacy). All documents are available online at [www.telus.com/privacy](https://www.telus.com/privacy). On the same page, we also include a Cookies Notice that describes the limited purposes for which we use cookies at TELUS.

For TELUS Health Business Customers, we updated the Privacy Policy and made it available on the [telushealth.com/privacy](https://telushealth.com/privacy) section. We also added a new [consumer-facing policy for customers of our consumer health products](#).

In addition to our own rigorous privacy policies, TELUS Health is subject to stringent contractual terms about how we handle and secure personal information, including strict limitations on its use. Other than to properly structure and manage our systems, we do not conduct analytics on the personal information we hold from TELUS Health customers unless we have received consent to do so. Our contracts and business model are clear that we collect and hold EMR data on behalf of our customers – the healthcare practitioners or healthcare entities – not on our own behalf.

TELUS' track record for responsibly handling customers' digital data spans more than a decade, giving us the experience necessary to safely and securely manage sensitive healthcare information. TELUS will continue to participate in discussions about digital health data with all relevant stakeholders to ensure that these solutions continue to bring positive health outcomes for all Canadians.

TELUS also has a Privacy Commitment specifically for our employees.

We believe that providing this type of information to our customers is a critical component of our commitment to transparency and putting our customers first.

Additional TELUS policies that complement and support TELUS' Privacy Commitment, Privacy Code and Privacy Management Program Framework include our:

- Code of Ethics and Conduct
- Corporate Security policies (confidential)
- Supplier Code of Conduct
- Code of Conduct for Business Sales Activities (confidential)
- Privacy Impact Assessment Process (confidential)
- Records Retention Policy and Schedule (confidential).

## Data governance

TELUS has a Chief Data & Trust Officer who oversees the Data & Trust Office. One of the core functions of this team is to maintain an accountable privacy management program specifically designed to protect both customer and employee privacy, and for setting policies and procedures to earn and maintain trust in our data handling practices. The Data & Trust Office team works closely with TELUS Security to properly safeguard our customer and employee information. For privacy and security matters that involve countries outside of Canada, we work with privacy lawyers with local expertise.

In 2017 we documented our [Privacy Management Program Framework](#) and published it on [telus.com/privacy](https://telus.com/privacy). It sets out the framework of controls we have in place to protect privacy. Highlights of our internal controls include:

- An annual internal Enterprise Risk and Control Assessment survey that includes questions specific to privacy that may identify emerging risks for TELUS.
- The requirement of Privacy Impact Assessments for all projects that involve the collection, use or disclosure of personal information. These assessments are reviewed and approved by certified privacy professionals in the TELUS Data and Trust Office as well as by members of the TELUS Security team who are certified information

security systems professionals and/or global information assurance professionals.

- Privacy Breach Response and Notification protocols that are embedded into our processes and training modules, which are reviewed regularly.
- Robust training and awareness activities, using a variety of different methods to assist our TELUS team members in respecting and protecting our customers' and each other's privacy.

An integral part of meeting our privacy commitments is our focus on raising team member awareness and understanding of privacy in a meaningful and measurable way and to maintain a privacy respectful culture at TELUS. In 2017, we introduced three new mandatory privacy training programs:

- TELUS Privacy Training for employees (including contractors) of TELUS
- TELUS Health Privacy Training for employees (including contractors) of TELUS Health and Payment Solutions
- TELUS Privacy Training for employees (including contractors) of [TELUS International](#).

We achieved a 92 per cent completion rate for new TELUS Privacy Training programs.

In 2017, we introduced a new compliance monitoring tool—an assessment conducted enterprise-wide to identify where we should be applying additional resources to elevate compliance to our privacy policies and commitments across TELUS.

We also embraced [Privacy by Design \(PbD\)](#) as part of our Privacy Management Program Framework. PbD is a set of seven principles that the former Information and Privacy Commissioner of Ontario developed. These principles have become a globally recognized framework for the protection of privacy. PbD seeks to proactively embed privacy into the design specifications of information technologies, organizational practices and networked system architectures.

In 2017, we earned PbD certification for our TELUS Wellness App, adding to certifications for two of our services, the [Internet of Things \(IoT\) Marketplace](#) and TELUS Insights' Custom Studies that we earned in 2016. We will pursue further certification of our services where it will assist our customers in feeling safe and respected online.

## Privacy complaints

We received only one privacy complaint filed with the Office of the Privacy Commissioner of Canada (OPCC) in 2017. We responded and continue to work with the OPCC to clarify and resolve that matter. We received no other formal complaints from any other privacy regulators in Canada or elsewhere.

## Transparency

Accurate information about the nature and volume of personal information requests by law enforcement to private companies helps inform the ongoing global discussion about the collection and handling of personal information by government organizations and law enforcement. At TELUS, we believe this is an important discussion tied directly to critically important social outcomes. It is in that spirit that we provide our fifth annual Transparency Report, which provides insight into our approach for responding to such requests as well as the volume and types of requests we receive. We are proud of our record of openly sharing with our customers the details about how we respectfully handle and secure their data.

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

### The data

This year's transparency reporting mirrors our previous formats, allowing us to provide trends year over year. We report this data alongside 2016, 2015 and 2014 data for comparison purposes.

Innovation, Science and Economic Development Canada (formerly Industry Canada) published voluntary Transparency Reporting Guidelines in 2015. TELUS' transparency reporting practices were already consistent in approach, although there are some differences. In comparison with the Guidelines, we have historically provided more detailed breakdowns of the law enforcement requests we receive and in other areas, we have provided less detail.

The most notable variation in the data remains the change that occurred between 2014 and 2015, when name and address requests went from more than 30,000 to zero. This was due to the 2014 *R. v. Spencer* decision of the Supreme Court of Canada, which clarified law enforcement agencies require a warrant to obtain the name and address information of our customers unless an individual's life, health or security is at risk, or the information is readily available in a published telephone directory. The decision resulted in the complete elimination in 2015, of voluntary disclosures made in response to non-emergency requests without a warrant.

The vast majority of the requests we received in 2017, and over the past few years, were for information to help find or communicate with someone in an emergency. Calls from a local police detachment or 9-1-1 operator centre asking for help locating someone who is lost or suicidal are typical examples of this type of request. We provided information in response to 57,704 requests for information in an emergency last year.

Apart from emergency circumstances, we must respond, and only do respond and provide the personal information requested, where we are required by lawful authority to do so. Consistent with our [Customers First](#) philosophy, TELUS will challenge information requests that go beyond what is lawful, in the interest of protecting our customer data and privacy. For example, we will challenge any request or court order that we believe goes beyond what a judge is authorized to order under applicable legislation, such as the Criminal Code, and we will only release confidential customer information when we are satisfied it is appropriate to do so. When necessary we will take an issue to court and we have done so in the past.

In 2017, we challenged or declined to provide information in response to a total of 249 court orders (approximately five per cent) of the court orders we received because we thought the order was invalid or over-reaching. This compares with an estimated eight per cent in 2016 and 15 per cent in 2015—a decline that we cannot attribute to any one factor. However, we do believe this variance can largely be attributed to the continuing increase in due care that law enforcement exercises in preparing their requests for records through a court order. This demonstrates a positive outcome in the protection of customer privacy.

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

Approximate numbers of requests from government organizations<sup>1</sup>

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

- 1 1 TELUS has calculated these numbers based on how requests are recorded in our systems. We note that this may or may not be consistent with how other telecommunication services providers calculate the number of requests they receive in these categories.
- 2 2 TELUS measures the number of requests in this category based on numbers of court orders or subpoenas received, rather than the number of impacted subscribers. Many court orders and subpoenas request information with respect to more than one TELUS subscriber.
- 3 3 Since 2015, this process has been handled by Court Order.

## MLAT Orders

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

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

## Customer Name and Address Checks

**Description:** these are requests for TELUS to provide basic customer information, such as customer name and address on a voluntary basis. These requests were usually made to identify an individual associated with a telephone number, most often so police can ensure they are serving a warrant on or arresting the correct individual. In the 2014 decision of *R. v. Spencer*, the Supreme Court of Canada made it clear that a court order is required for TELUS to provide customer name and address information except in an emergency or where the information is published in a directory. Consequently, TELUS has not complied with any non-emergency requests for voluntary disclosure since this decision.

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

## Emergency Calls

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

More than half of such requests (51,862 in 2016) came from 9-1-1 call centres seeking help locating a caller in distress. The remaining 5,842 requests came from local police or emergency responders.

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

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

## Internet Child Exploitation Emergency Assistance Requests

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

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

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

**Applicable law:** PIPEDA, Criminal Code

## Legislative Demands

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

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

## Frequently asked questions

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

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

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

### How long does TELUS keep my information?

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

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

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

This transparency reporting covers TELUS' telecommunications businesses in Canada, including wireless, wireline and Internet.

## Product and service responsibility

At TELUS, we consider the full lifecycle of the products and services we offer. This includes social and environmental impacts all the way to recycling or refurbishment at the end of life. By partnering with other companies who share those priorities, we can propose strong and innovative solutions.

### Device recycling

Together with our customers, we have collected well over 1.15 million phones since the inception of our TELUS trade-in program proposing a strong and environmentally sound option. Again last year, we provided an easy way for 135,948 customers to save money while moving on to the most up-to-date solutions. Collected devices were either refurbished or recycled through our device recycling partner.

Together with our employees and Green Team members, we also regularly host device recycling drives in various locations for TELUS team members and their communities.

In 2018, we will continue our efforts to encourage recovery of mobile devices and enhance our trade-in program to provide customers convenient options to recycle their devices.

### Tool asset management

Strides made in 2017 tool management included the creation of a permanent tool recovery and kitting centre in our Raymur facility and the collection of the first tool inventory of tools valued at \$500 and greater. Tool recovery focused on implementing a new tool recovery policy for technicians departing TELUS, so that tools recovered flowed directly into kits for new hires. In 2017, this allowed

TELUS to avoid \$860,000 in cost for new tools with 88 per cent of tools recovered going straight into our new hire kits for 2018. Value added services provided by the new centre include: light refurbishing of tools recovered and urgent tool replacement in the field.

2018 will see the addition of inventory sustainment to the Raymur centre team, the expansion of recovery to include all work groups, as well as exploring fully centralized purchasing and refinement of tool standards.

### Furniture recycling in our operations

In our efforts to bring closed loop systems to TELUS, we continue to partner with Green Standards Ltd., Steelcase and csr eco solutions on our office decommissions across the country.

In 2017, we achieved a landfill diversion rate of 93 per cent for those projects accounting for 103 tonnes. Through this program, we are also building stronger communities via donations of 7.3 tonnes of office furniture to local charities. Our plan is to further collaborate in 2018 for future decommission of office spaces.

### Packaging reductions

TELUS and Koodo have saved between 55,000-60,000 customized device packaging boxes per year from the recycling and waste stream by altering the packaging of prepaid and certified pre-owned devices. Initially, devices were packaged in customized, branded boxes; however, the team now uses a generic box with a customized sticker or box lid displaying the device information that enables TELUS flexibility in selecting device branding while significantly reducing packaging.

## Looking ahead to 2018

In 2018, we will continue to seek opportunities to reduce waste across our supply chain. One key initiative will be to expand the refurbishment of our network technology to include items such as optical network terminals, small cells and optical fibre.

In addition, we will:

- Investigate and expand strategies that reduce required replacement of cosmetics parts while refurbishing equipment to like-new condition (e.g. polishing of lenses and use of overlays to remove or cover minor surface scratches).
- Evaluate components required to be kitted with equipment to optimize utilization and reduce waste (e.g. TV remotes, cables)
- Provide reminder letters instead of cardboard return kits to our customers who are not likely to return equipment
- Send recovery kits to our TV and Internet customers from local warehouses instead of a centralized warehouse to reduce our carbon footprint
- Implement improvements in Network Managed Spares program:
  - To reduce carbon footprint by keeping spares locally where most needed by technicians.
  - Reduce the number of locations where spares are stored to have fewer and more consolidated shipments
  - Greater optimization of spares planning to network installs reducing the quantity of buffer stock held

## Innovative products and services

We are combining our world-class broadband networks, technology and innovation to deliver stronger health solutions. Our solutions allow health authorities, providers, physicians, patients and consumers to leverage information and together, provide better health outcomes. The following are examples of our product and service innovations.

### MedDialog

#### Together we are creating connectivity that will lead to stronger health outcomes

Canada's physicians, nurses and pharmacists are among the best in the world, yet limited communication tools are hampering their ability to work together. Healthcare providers need strong foundations and comprehensive connectivity tools to achieve a higher standard of care that is safer, more accessible and better attuned to the needs of their patients in both rural and urban settings.

In July 2017, TELUS Health launched MedDialog, a national clinical solution that allows doctors to communicate electronically with other physicians regarding the care of their patients directly from their EMR systems. The solution allows for a seamless flow of communication by eliminating the need for a physician to switch from updating a patient's chart to making a phone call to sending an email through a separate system, or printing hard copy letters to be sent using a fax machine. This not only saves the physician valuable time that could be spent with patients, but also has the potential to eliminate fatal medical errors.

The first phase of the rollout took place in the Ottawa, Ontario region, to digitally connect more than 560 physicians using TELUS Health's PS Suite and Med Access EMRs. It has since been expanded to physicians in Alberta. The solution will be added to other TELUS Health EMRs across the country through the end of 2018. This will lead to a national messaging solution and will evolve to connect over 20,000 physicians using TELUS Health EMRs, which

will be integrated with other software vendors to enable communication with physicians using other EMR platforms.

## PrescribeIT

Together, we will bring Canada to the forefront of electronic prescription services

In Canada, close to 40 per cent of prescriptions may contain errors and 30 per cent of prescriptions are never filled. In May 2017, TELUS Health was selected by Canada Health Infoway to develop and operate PrescribeIT, Canada's e-prescribing service.

Physicians—following a consultation—are able to send the prescriptions electronically to the patient's pharmacy of choice and in turn, the patient receives a notification from his pharmacy when the prescription is ready for pickup. The solution saves time and money, prevents medication errors and allows for a better patient experience.

The first electronic prescription was sent in Huntsville, Ontario on August 30, 2017. As of October 2017, PrescribeIT was working with 20 community pharmacy companies, with local, regional and national reach, representing more than 3,300 pharmacies in six provinces (i.e. Alberta, Manitoba, Ontario, Nova Scotia, New Brunswick, and Newfoundland and Labrador). In addition to the support from community pharmacists, more than 900 physicians—on behalf of their 718,000 patients—have expressed interest in the service.

## TELUS Health Exchange

Together, we are creating the infrastructure for health innovation

We believe better health experiences can be achieved by improving how information is shared and used throughout a patient's journey. We are bringing a lot to the marketplace—solutions for healthcare providers, insurers and

consumers—but to bring leading edge innovation and start-up capabilities to our customers and foster a health IT ecosystem in Canada, we understand that we cannot innovate alone.

TELUS' primary vehicle for building partnerships with health innovators is the TELUS Health Exchange platform. The [TELUS Health Exchange](#) is a national, standards-based, open electronic healthcare communication platform that connects both TELUS and third-party systems, often start-ups, to deliver a series of solutions to health providers, public and private insurers and patients. We certify partners and offer their solutions to our customers. Together, we are creating opportunities that allow patients to:

- Get greater access to their health information through patient portals
- Have faster and better experiences with their healthcare providers by leveraging on-line scheduling or virtual care
- Better share their health information with their providers by making it easier to upload data collected from medical devices, wearables and consumer apps.

## Internet of Things

We have continued to extend our [Internet of Things](#) (IoT) product portfolio to include different solution partners such as [mCloud Corp](#). Such partnerships provide energy management and wind turbine solutions to provide data and insights into customers' assets while also having a positive impact on the environment. The IoT team has also expanded their Transportation portfolio with automatic vehicle location (AVL) tracking solutions for micro-fleet and specific solutions targeted towards the long haul market and municipalities. These aim to provide the benefits of curated solutions for customers in addition to helping them meet their goals of increased sustainability.

# Network and systems reliability

Reliability matters to our customers. High quality and reliable products, services, and customer interactions have a great impact on our customer's likelihood to recommend TELUS. Our customers and employees expect and deserve an excellent digital experience with dependable 'always up' products and services. We are driving reliability improvements in parallel with our sustainability strategy and through our generational investments in our [TELUS PureFibre network](#).

## Customers First

Our number one strategic priority of putting customers first includes focusing on investments that enhance reliability and security, so we can deliver consistent results and excellent operational levels for our products and services. In 2017, we:

- Reduced customer impacts of systems updates by five times over 2016
- Reduced outage minutes by 35 per cent
- Improved service experience for our customers by enhanced troubleshooting diagnostic capabilities.

These results were, in part, a result of improving our systems testing and development practices, including a strong focus on learning from past mistakes to ensure they do not impact our customers today and tomorrow. Specifically, we:

- Implemented incident management processes during pre-production test cycles to expedite defect resolution
- Increased test automation penetration to 82 per cent of regression scope resulting in increased speed and quality
- Emphasized sharing the tuition value captured from post-incident review learnings.

## Reliability

Reliability is core to our culture, which is vital to providing products and services that exceed our customer's expectations. In 2017, we continued to enhance our network and system monitoring capabilities to allow team members to provide better customer support by identifying potential issues before they impact customers. Additionally, our network teams further integrated sustainability in to their operations by:

- Executing several initiatives to reduce the amount of electricity used to power our IT infrastructure, saving 11.7 GWh
- Reducing the number of vehicles used by 19 through a new vehicle efficiency program
- Implementing HVAC infrastructure projects resulting in a reduction in greenhouse gas emissions by 0.52 tonnes
- Decommissioning older network equipment in one of our data centres in Ontario resulting in a 50 per cent reduction in space used and a 55 per cent reduction in electricity use.

In 2018, we intend to continue to put our customers first by providing reliable digital experiences.

# Regulatory compliance

An ever-evolving regulatory environment and fast-paced technology advancement means we are continuously adapting our business practices and service offerings to meet the needs of the market. Advocating for regulatory changes, demonstrating our compliance with legislation, regulatory rules and requirements, while delivering vital and reliable products and services, has helped differentiate TELUS from our competitors.

The [Canadian Radio-television and Telecommunications Commission \(CRTC\)](#) regulates the provision of telecommunications and broadcasting services in Canada. Although the majority of TELUS services are no longer subject to rate regulation, we maintain tariffs for certain telecommunications services. In 2017, the CRTC and courts released key decisions that impact the ways we deliver services to Canadians and contribute to the digital economy.

Highlights in 2017 include:

- The Minister of Canadian Heritage released a new policy framework for a Creative Canada which will guide how Canadian content will be supported in a new digital and global environment. This new policy framework will serve as a backdrop to the legislative reviews that have been launched in respect of the *Broadcasting Act* and the *Copyright Act*.
- The CRTC established a new policy framework in relation to differential pricing practices such as “zero-rating” where an Internet service provider (ISP) exempts data traffic used in relation to a particular application from a monthly data plan, which is often sold to consumers at a fixed monthly price. Pursuant to the new framework, differential pricing of content-specific applications is prohibited and this ensures that those service providers that also own content services cannot give an undue advantage to their affiliated services.

- The Superior Court of Québec's ruling in *Vidéotron c Ville de Gatineau*, following the Supreme Court of Canada's 2016 ruling in *Rogers Communications Inc. v Chateauguay*, reaffirmed the federal government's exclusive jurisdiction over telecommunications, including the deployment and siting of network infrastructure, and confirmed that such jurisdiction cannot be circumvented by municipal legislation.

Advocating to build our networks under a single federal framework, collaborating with Indigenous governments and communities, meeting safe levels of radio frequency emissions and making other required disclosures matter to us. Our commitment to regulatory compliance and engagement underpins our commitment to social, economic and environmental sustainability. For further details on regulatory impacts to our business, please see sections 9 and 10 of our MD&A in our [2017 Annual Report](#).

## Compliance with legislation, regulation and industry codes

### Anti-spam legislation

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

## Competition Law

We consciously and purposely apply high standards of courtesy, professionalism, fairness and honesty when dealing with partners, suppliers, customers and competitors. We will report unethical practices by any other party to our leader or the TELUS EthicsLine.

We are fair in what we say about others' products and services and we are committed to lawful competition based upon the merits of our products and services and do not support any agreements or actions that restrict or impede fair competition in contravention of applicable law.

Competition (anti-trust) law is complex, and global in reach, and its application depends on the facts of a particular case. Team members with sales, marketing and pricing responsibilities, as well as senior leadership, function in areas that tend to involve risks for violating competition laws, particularly matters that include:

- establishing terms and conditions as well as pricing and promotional strategies for TELUS products and services
- developing advertising materials for TELUS products and services
- negotiating, communicating or interacting with competitors
- handling or using data about competitors
- participating in trade associations that include competitors as participants, or
- selecting or negotiating with vendors

For information on our anti-bribery and corruption compliance program, please see our [United Nations Global Compact communication on progress](#).

## Wireless Code

The CRTC's [Wireless Code](#) is a mandatory code of conduct for all retail mobile wireless voice and data services providers offering services to consumer and small business customers. The Code sets baseline requirements for customer rights and service provider responsibilities. Please see section 9.4 of our MD&A in our [2017 Annual Report](#) for more detail on the CRTC decision on Review of the Wireless Code.

## Safety Code 6

As a licensee of wireless [spectrum](#), TELUS must adhere to [Safety Code 6](#), a set of requirements issued by ISED, which limit the amount of radio frequency emissions from wireless infrastructure, including antennas. TELUS is in compliance with the prescribed limits.

## Next-Generation 9-1-1

The CRTC released a [decision](#) related to the implementation of Next-Generation 9-1-1 (NG9-1-1). This decision involves a comprehensive technology update to the 9-1-1 communications system. The transition to NG9-1-1 affects TELUS as both a provider of retail communications services and as the company that routes calls to the 9-1-1 call centres in Alberta and British Columbia. Work is underway within TELUS to implement the requirements set out by the CRTC.

## Television Service Provider (TVSP) Code

A new mandatory [code of conduct](#) applicable to all TV service providers (TVSP) came into effect on September 1, 2017. Among other things, this new TVSP Code requires providers to ensure their agreements and offers are clear. This affects:

- Duration of promotional offers
- Regular price of the service once any discounts end
- Any obligations placed on a consumer if they accept the offer, such as a minimum commitment period.

The Code also sets minimum notice periods to advise of changes to programming options and minimum service requirements in relation to service calls, service outages and disconnections. The Commission for Complaints for Telecom-television Services (CCTS) has been mandated by the CRTC to administer this Code. Consumers who have complaints about their television service can make their concerns known to the CCTS.

## Leadership in customer satisfaction

In 2017, for the sixth consecutive year, TELUS continued to lead its peer group in customer satisfaction. The CCTS, which administers the [Wireless Code](#), the [Deposit and Disconnection Code](#) and the [Television Service Provider Code](#), released its Annual Report in November 2017. The [Report](#) showed that TELUS received the fewest complaints accepted by the CCTS among the national telecommunications service providers. Koodo also continued to lead its peer group of national carrier-owned brands offering both pre- and post-paid solutions with the fewest complaints accepted by the CCTS.

Brand	Number of CCTS Complaints Accepted	Percentage of Total Industry Complaints (%)
TELUS	631 <span style="color: green;">A</span>	6.9
Koodo Mobile	263 <span style="color: green;">A</span>	2.9
Public Mobile	104 <span style="color: green;">A</span>	1.1

## Internet Traffic Management Practices

TELUS manages Internet traffic on small portions of our wireline network in accordance with CRTC policy. Managing traffic is most important in communities where network demand is greater than the available capacity to provide the majority of our customers with the best possible online experience. When we need to manage this traffic, we only do so after providing notice to customers. This allows us to adhere to the policy and provide the majority (i.e. upwards of 80 per cent) of customers using less bandwidth with a better experience and more consistent Internet speeds.

TELUS also employs a technical Internet Traffic Management Practice (ITMP) called Wireless Video Experience Optimization on our nationwide [4G](#) wireless network. This allows us to keep our customers happy by:

- Optimizing streaming video files for delivery over wireless networks
- Reducing network congestion
- Helping customers reduce their data usage
- Allowing videos to load faster, reducing the chance of stalls.

The technology does not look at what videos our customers are streaming, rather, it focuses only on certain technical characteristics of the files that carry them.

Disclosures about [TELUS' ITMPs](#), as well as the [communities where they are applied](#) and can be found on our [wireline](#) and [wireless](#) websites

## Copyright: Notice and Notice Compliance

“Notice and Notice” provisions in the *Copyright Act* require ISPs to forward notices received from copyright-holders about alleged acts of copyright infringement to relevant customers.

TELUS voluntarily forwarded notices of alleged infringement beginning in 2005, and has complied with Notice and Notice requirements since they came into force.

## Consumer empowerment and Internet data usage

As part of the follow-up from the CRTC decision [Modern Telecommunications Services—The path forward for Canada's digital economy](#), the CRTC set out several measures designed to improve consumer awareness and choice regarding Internet data usage. Requirements included:

- Clear contracts and related documents
- Account management tools for data usage monitoring
- Information on data usage associated with common online activities
- Information on alternative plans that meet the customer's needs for data usage.

TELUS has met these requirements and filed a compliance report in 2017 with the CRTC.

# Accessibility

At TELUS, we are committed to ensuring that our products and services are accessible to all of our customers.

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

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

In its December 2016 decision *Modern Telecommunications Services—The path forward for Canada's digital economy*, the [CRTC](#) established regulatory measures to ensure that wireless service providers are meeting the needs of Canadians with disabilities. In support, TELUS has taken steps to invest in the ongoing accessibility of its telecommunications services, including:

- Introduction of special wireless plans for persons with disabilities
- Ongoing study for accessibility of wireless devices
- Improvements to customer service capabilities in stores and online for accessibility customers
- Plans to create accessibility centres of excellence within customer-facing channels.

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

In 2017, TELUS introduced a \$20 discount for customers who are deaf, deaf-blind or hard of hearing on certain TELUS mobile rate plans. These plans also include unlimited access to Canada's [SRV Canada VRS Video Relay Service](#).

## Deferral Account

In 2017, the CRTC issued a [decision](#) approving TELUS' proposed accessibility projects to be funded from the remainder of its [deferral account](#). Deferral account funding was approved for the following initiatives:

- A lower-price, easy-to-use wireless phone for blind persons for at least five years
- Additional accessibility audits of TELUS wireless handsets for an estimated two years
- Creation and documentation of Accessibility Guidelines and Standards for TELUS customer-facing applications
- A pilot program in British Columbia in conjunction with the [Neil Squire Society](#) to provide information and services for persons with disabilities to increase accessibility of communication devices. TELUS will work with the Neil Squire Society to implement this program.

TELUS continues to improve accessibility to telecommunications services for persons with disabilities and remains committed to building a culture of inclusiveness.

# Business continuity

Together, we have infinite potential to put customers and communities first.

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

## Planning, readiness and testing

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

The effectiveness of our business continuity capability is enabled by the following key program elements:

- A governance structure with executive sponsorship, oversight at the Board level, and engagement at all levels of the organization to build business continuity capability
- A risk-based program of prevention and mitigation, preparedness, response and recovery
- A planning framework founded on industry-leading practices
- Ongoing monitoring and management of threats and projected impacts, and the application of mitigation and preparedness measures to respond to them
- A comprehensive emergency management framework with a consistent approach for all levels of threat
- A [crisis management team](#) comprising senior leaders, and linkages with key internal and external stakeholders

- A culture that drives business continuity leadership, ownership and continuous improvement, including training and awareness, exercises and testing, and embedding resilience into organizational processes.

## Collaborating with communities and industry

TELUS collaborates with all levels of government in preparing for emergencies and disasters, partnering in risk assessments, exercises and other planning initiatives. During an emergency or disaster, we work closely with governments and local communities, align our telecommunications recovery plans with community priorities and provide services and equipment to community emergency operations.

TELUS has played a significant role in the development of business continuity organizations, standards, and practices. We provided input into the [Disaster Recovery Institute \(DRI\) Canada](#) and the [Canadian Standards Association \(CSA\) z1600 Emergency and Continuity Management standard](#). TELUS is also a founding member of a national group of telecommunications carriers dedicated to building resilience within Canadian telecommunications networks.

## Responding to incidents

TELUS has a track record of effectively managing the impacts of disruptive incidents. Extreme weather has been prominent in the last decade, and we have responded to wildfires, floods and severe weather that have threatened our operations and the communities where we live, work and serve. The [2013 flooding in southern Alberta](#), the [2016 wildfires in Fort McMurray, Alberta](#), and the [2017 wildfires in British Columbia](#) devastated communities and challenged the emergency response capabilities of all organizations. We consistently demonstrated our ability to maintain telecommunications services and to support communities and customers through these challenges.

## Recognition

TELUS' commitment to robust business continuity planning has been recognized by the premier international business continuity organizations:

- [2017 Business Continuity Institute Americas Award for Most Effective Recovery Award for our response to the 2016 Fort McMurray wildfires](#)
- [2017 Disaster Recovery Institute International Award of Excellence for Response and Recovery of the Year for our response to the 2016 Fort McMurray wildfires](#)
- [2014 Business Continuity Institute North America Award for the Most Effective Recovery of the Year for our response to the 2013 southern Alberta flooding.](#)

“During the 2017 wildfires in British Columbia, more than 200 utility poles, 50 kilometres of fibre, and 37 kilometres of copper cable were used by our field technicians to rebuild and reconnect communities.”

## Current and future focus

The effects of climate change and the resulting increase in the frequency of extreme weather incidents continue to be a concern to TELUS. For every incident in which we are involved, we leverage lessons learned and industry-leading practices to mitigate threats and to improve our response capabilities. In 2017, we advanced our capabilities to improve our severe weather response by:

- Operationalizing 24 x 365 weather monitoring and reporting
- Enhancing severe weather response plans to better align preparedness and response activities with specific weather threats.

TELUS is committed to continuous improvement. A comprehensive redesign of our business continuity program was initiated in 2017, and will conclude in 2018. We are reinforcing our leadership by:

- Developing new business continuity planning templates to provide greater clarity and simplicity to response and recovery efforts
- Creating dashboards to enable greater visibility of TELUS preparedness for our organizational leadership
- Re-engineering our incident management processes based on our experiences from the 2017 wildfires in B.C.
- Improving our ability to identify and monitor threats to the organization
- Preparing a brochure for community emergency agencies that details how TELUS can support them in an emergency.

# Our people and culture

Our commitment to supporting our employees and our values is stronger than ever.



In this section:

- Approach
- Employee Experience
- Health, Safety and Wellness
- Labour and Human Rights

# Approach

Our team members are the foundation of our business, and drive our success as a globally leading telecommunications company. Our culture is anchored in our [TELUS leadership values](#)—values created by our team nearly two decades ago. We live these values each and every day, using them as a filter to create remarkable outcomes for our communities, protect the planet for our children and promote a highly engaged and high-performing team.

Our focus on our team members involves actively listening. By listening, we create an inclusive and supportive culture, which, in turn, drives our business results.

We recognize that our competitors may attempt to replicate our product and service offerings. Our remarkable corporate culture, with its resulting business outcomes, has taken years to build and cannot be duplicated. In 2017, we grew stronger together by:

- Increasing team member engagement, placing our organization within the top ten per cent of all employers on the planet
- Earning recognition as one of Canada's Best Diversity Employers for the ninth consecutive year
- Being named one of [Association for Talent Development's \(ATD\) BEST](#) organizations for the 12th year and third year for being named Best of the BEST organization. This award recognizes organizations that demonstrate enterprise-wide success as a result of employee talent development.

# Employee Experience

## Monitoring Engagement

Our team members are the very heart of our business and we are proud of the globally-admired culture we have built together at TELUS. In 2017, we increased team member engagement, which places TELUS within the top ten per cent of all employers in the world.

Each year, through our annual engagement survey, we invite all of our team members to share their ideas, comments and feedback on how we can improve their day-to-day experience. Our leaders use this feedback to gain insights into what is working well and should be continued, as well as where there are areas of opportunity to improve. Teams then work collaboratively to identify top priorities and implement action plans that will lead to improvements in the practices, programs and policies that shape our organization.

Our 2017 results demonstrate our team's confidence in many important elements of our culture, such as our improvement in career and development opportunities and our gains in team members feeling appreciated for their contributions. We experienced improvement in all survey questions supporting brand advocacy, our belief in the importance of diversity and inclusiveness, our sense of passionate social purpose and our enduring and collective commitment to putting our customers first.

Our success is driven by focusing on continuous improvements in these and other critical areas influencing engagement and team member experience. Each of these will continue to be crucial areas of focus for us in 2018.

Through listening to our team members and leveraging the practice of [Fair Process](#), we will collaboratively create action plans and implement solutions, investing our collective energy in driving improvements that will enhance our customers' and team members' experience. In particular, we will focus on driving improvement in our work processes, one of our greatest areas of opportunity.

See section 10.5 of our MD&A in our [2017 Annual Report](#) for a further discussion on risk and mitigation with respect to team member engagement, recruitment and retention.

## Turnover

Competition for talent in specialized or emerging skill areas is both fierce and challenging. To address this, we continue to use an innovative sourcing strategy to proactively attract and engage prospective candidates and existing team members.

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

%	2017	2016	2015	2014	2013
Voluntary <sup>2</sup>	9.2 <b>A</b>	11.4	9.3	10.1	10.7
Involuntary	3.0 <b>A</b>	4.7	6.3	3.8	4.3
<b>Total</b>	<b>12.2 <b>A</b></b>	<b>16.1</b>	<b>15.6</b>	<b>13.9</b>	<b>15.0</b>

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

2 Voluntary rates include employees that left TELUS due to retirement.

### Annual domestic turnover by gender and generation

%	2017	2016	2015	2014	2013
Female	13.1 <b>A</b>	18.1	17.8	15.4	16.6
Male	11.7 <b>A</b>	14.9	14.2	12.9	14.0
Millennials (1980 - 2000)	17.3 <b>A</b>	20.3	20.9	22.0	24.1
Generation X (1965 - 1979)	6.2 <b>A</b>	8.2	9.3	6.5	8.3
Baby Boomer (1946 - 1964)	13.7 <b>A</b>	23.8	17.4	13.5	13.4
Silent Generation (1925 - 1945)	40.0 <b>A</b>	111.1	84.2	25.0	48.9
<b>Total</b>	<b>12.2</b>	<b>16.1</b>	<b>15.6</b>	<b>13.9</b>	<b>15.0</b>

Our team members are our strongest brand ambassadors and we will continue to encourage them to proactively advocate on behalf of TELUS with their families, friends and in their communities as an employer of choice for all.

## Performance development

At TELUS, we understand that our success is a result of the extraordinary contributions of each of our team members. We believe that an effective [performance development](#) experience that provides team members the direction, coaching and feedback they need to achieve their personal and professional goals is critical to achieving our business goals.

In 2017, we continued to evolve our best-in-class performance development approach. Team members participate in frequent performance conversations that allow them to get feedback on their progress, and the development support required for them to be successful.

## Learning and development opportunities

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

We see each member of our team as a leader and support them in making and implementing decisions in a fair and collaborative manner. A hallmark of our unique culture has always been our commitment to learning, development and continuous improvement. In 2017, we continued to lead the way by:

- Being recognized as one of the [Association for Talent Development's \(ATD\) BEST](#) organizations for the 12th year. For the past three years, TELUS has been named the Best of the BEST organization. This award recognizes organizations that demonstrate enterprise-wide success as a result of employee talent development.
- Hosting Manager Leadership Forums, which serve as a mechanism to continue the progression of our culture by advancing the specific leadership attributes that are integral to the continued success of our organization. Over 1,432 Managers attended across Canada.

- Initiating a cultural evolution with our Senior Leadership forums, where we partnered with Harvard Executive Business School, one of the world's preeminent educational institutions. These forums focused on developing our leadership team, improving our organizational agility and enhancing the strategic and integrative capabilities of TELUS' senior leaders. In total, 141 senior leaders attended the four-day session and will continue the learning in 2018.
- Graduating the inaugural cohort of the TELUS MBA in October 2017. The second cohort of 20 team members simultaneously commenced their studies. The TELUS MBA is a fully customized Masters of Business Administration program, developed in partnership with the University of Victoria and designed specifically for our company and our team.
- Continuing our Leadership Now program, which focuses on team members who have demonstrated a level of consistently high performance and high potential. The program focuses on the building blocks of self-leadership, strategic leadership competencies and the business acumen necessary to navigate our complex industry. We continually evolve this program to ensure the content is relevant and connected to our business and cultural priorities, and addresses forward-thinking business acumen.
- Holding three Closer to the Customer (C2C) events involving 450 participants across the country. Team members spend a day in the life of a customer-facing role to gain greater insight into the customer experience.
- Hiring or promoting individuals into senior manager roles locally (within city or country) the majority of the time

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

Category	TELUS Domestic	Average training hours
Overall		21.98 <span style="color: green;">A</span>
Gender	Males	22.1 <span style="color: green;">A</span>
	Females	21.8 <span style="color: green;">A</span>
Role	Bargaining Unit	38.7 <span style="color: green;">A</span>
	Management Professional	9.9 <span style="color: green;">A</span>
	Retail	13.8 <span style="color: green;">A</span>
Level	Single Contributor	23.0 <span style="color: green;">A</span>
	Middle Manager	17.8 <span style="color: green;">A</span>
	Senior Manager	6.3 <span style="color: green;">A</span>

- 1 Only includes training that was captured and recorded internally, as of January 18, 2018. This number does not include business unit specific training, external training or educational pursuits paid for by the company and other ad hoc training sessions that employees may engage in.
- 2 Consistent with the approach taken for 2016, 2017 averages are based on the total headcount of domestic employees on December 31, 2017. Training that was provided for team members in 2017, who were no longer with the company on December 31, 2017, has not been included.

Our team members benefit from high quality learning opportunities that are designed to meet them at their developmental stage and align their personal and career development goals with our organizational goals. We support team members by offering formal, informal and social learning approaches, allowing them to learn what they need to know, when they need to know it and in a manner that works best for them.

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

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

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

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

## Career development

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

Whether it is through our formal training courses, online resources, leadership forums, our TELUS MBA program, or on-the-job learning, we understand that continuous career development is important for our team members. In 2018, we will continue to evaluate all of our learning opportunities to make certain we are offering the variety of learning required to support personal and professional growth.

## Work Styles

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

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

Our Pulsecheck survey includes questions focused on Work Styles that enables team members to provide their feedback on the program.

In the 2017 survey:

- 94 per cent of team members felt Work Styles was a success for them
- 97 per cent identified they felt Work Styles was positive for our company
- 93 per cent felt that Work Styles was a significant factor in their decision to remain at TELUS.

Our community of leaders (i.e. culture champions / engagement primes) work with leaders to embed Work Styles even further into our culture. These primes represent the different areas of our business and use team member and leader feedback to identify what is working well and where there are opportunities to improve this program. They then engage team members and leaders through Fair Process, to identify actions to enhance the program.

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

## Board of Directors Diversity Representation

We believe the diversity of our team is a significant competitive advantage and we value the contribution and worth of each team member. We embrace diversity and inclusiveness because it is the right thing to do and it is critical to our success. Simply put, we recognize and leverage the value of diversity for our Shareholders, customers, team members and the communities we serve. In 2013, the Board adopted a diversity policy to improve the representation of diversity on the TELUS Board. The policy provides that the Corporate Governance Committee, which is responsible for recommending director nominees to the Board, will consider director candidates on merit, based on a balance of skills, background, experience and knowledge. In identifying the highest quality directors, the Corporate Governance Committee will take into account diversity considerations such as gender, age and ethnicity, with a view to ensuring that the Board benefits from a broader range of perspectives and relevant experience. The Corporate Governance Committee assesses the effectiveness of this policy annually and recommends amendments to the Board for approval, as appropriate. A copy of our Board diversity policy can be found at [telus.com/governance](http://telus.com/governance).

According to the policy, the Corporate Governance Committee must also set measurable objectives for achieving diversity and recommend them to the Board for adoption on an annual basis. In 2013, the Board adopted a target of having diverse members represent between 30 and 40 per cent of its independent directors, with a minimum representation of 25 per cent women, by May 2017. The Board also agreed to have TELUS sign the [Catalyst Accord](#) and thereby pledge to increase the overall representation of women on the Board to a minimum of 25 per cent by 2017. In February 2015, the Board adopted an additional target of having women represent 30 per cent of its independent directors by the end of 2019. This was in line with Darren Entwistle

being a founding member of the [30% Club Canada](#), which is also working toward having women represent 30 per cent of board members by the end of 2019. As noted on page 26 in our [Annual Report](#), in 2016, the Board reframed its diversity objectives and expressed them in terms of a minimum percentage of both men and women, reflecting the principle that a board that consists entirely of women is no more diverse than a board that consists entirely of men. The Board also accelerated the target date for having a minimum of each gender representing 30 per cent of the independent directors from 2019 to 2018. Our diversity objective now states that diverse members will represent not less than 30 per cent of the Board's independent directors by May 2017, with a minimum of each gender representing not less than 30 per cent of such directors by 2018.

Diverse members (five nominees out of 12) represent 42 per cent of the independent directors nominated for election, and female members (three nominees out of 12) represent 25 per cent of the independent directors nominated for election at our annual general meeting in 2018. We intend to meet our goal of having 30 per cent of each gender represented by the end of 2018. We are actively seeking to add another female director to our Board.

## Total rewards

We offer an integrated total rewards package that provides competitive, performance-based rewards aligned to our business strategy. Our team members enjoy a comprehensive rewards package that includes salary and a performance bonus, flexible benefits, as well as retirement and share purchase programs. In addition to the traditional components of this package, team members work in inspiring work spaces, and receive discounts on TELUS products and services.

## Compensation

Our cash compensation for team members not covered by a collective agreement consists of a non-variable base salary and a variable component that is designed to focus on results. This approach supports our [TELUS leadership values](#) and recognizes high performers and key talent who are critical to the success of our organization.

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

Compensation highlights:

- TELUS' average entry-level wage in Canada is above the median of minimum wages for all entry level roles, including management professionals, bargaining unit and retail. The overall average is 35 per cent above the median.

- The base wages received by TELUS International Philippines team members are more than 43 per cent higher than the Philippines national capital region minimum wage.
- In Central America, a role as a call centre agent often pays 30 per cent more than what an administrative or entry level position at a bank would receive.
- In the United States, TELUS International team members earn at least twice the minimum wage rate in base salary and access to incentives and benefits.
- The base wages received by TELUS International Europe Bulgaria team members are more than three times higher than the Bulgarian national minimum wage. In Romania, the average wages are two times larger than the Romanian national minimum wage.

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

## Benefits

We provide competitive, comprehensive and flexible benefit packages for most permanent team members. This allows team members to customize a plan to suit their diverse personal and familial situations, and affords them peace of mind that their needs are being met with a cost-effective solution. Our flexible benefits allow team members to choose from several options including life, long-term disability and critical illness insurance, as well as access to comprehensive health plans. In 2017, 92 per cent of team members participated in our extended health and dental plans.

While benefits are not provided to temporary team members, most do receive a company contribution to a Health Spending Account that they may use towards

health and dental costs. Part-time team members are eligible for the Health Spending Account, Retirement Savings and the Employee Share Purchase Plan.

## Retirement and savings plans

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

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

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

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

In 2017, more than 25,500 team members were enrolled in one of our retirement savings plans and more than 22,000 team members participated in the employee share purchase plans, representing a holding of just over 16 million shares and ranking as our fourth largest common shareholder.

## Total pay and benefits

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

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

We will continue to provide education regarding retirement savings and encourage team members in the defined contribution plans to maximize their savings for retirement. To assist us with this, in 2017, we launched short videos and an infographic to enhance and track this learning experience. The videos are available to new eligible team members in their online learning profiles and are also viewable on our Intranet. The topics covered are:

- **Retirement Plan Overview:** provides an overview of the defined contribution pension plans and the benefits of joining.
- **Pension Plan Investments:** provides information about plan member responsibilities when it comes to making investment decisions, the types of investment options offered and tools and resources available to assist in making decisions.
- **TELUS Employee Share Plan Infographic:** provides information about the plan, the benefits of joining, how to enroll, where to find more information and contact details.

In 2018, the total cost of pay and benefits are forecasted to increase as a result of:

- Increased cost of the defined benefit pension plans due to a lower discount rate
- Increased legislated benefit costs (e.g. Employment Insurance and Canada Pension Plan)
- Increased levels of participation in the TELUS defined contribution pension plans and the employee share purchase plans.

See section 9.3 of the MD&A in the [2017 Annual Report](#) for our assumptions regarding employee defined benefit pension plans on which these forecasts are based.

## Executive pay

The Human Resources and Compensation Committee (the Compensation Committee) is responsible for reviewing and approving the compensation arrangements of the Executive Leadership Team (ELT) and for reviewing and making recommendations to the Board for approval of the compensation arrangements of the Chief Executive Officer (CEO).

TELUS pays for performance. We establish a clear and direct linkage between compensation and the achievement of business objectives—in the short-, medium- and long-term—by providing an appropriate mix of fixed versus at-risk compensation, and immediate versus future income linked to our share price performance.

The Compensation Committee's primary focus is to maintain an executive compensation program that supports the achievement of three objectives:

- To advance our business strategy
- To enhance our growth and profitability
- To attract and retain the key talent necessary to achieve our business objectives.

The Compensation Committee utilizes both a market-based and performance-based approach to compensation. An executive's compensation is based on his or her personal performance, together with corporate performance and position relative to competitive market compensation data.

For more information regarding our compensation philosophy, please refer to our [2018 Information Circular](#).

## Recognition

Recognition is a fundamental component of TELUS' engagement strategy and aligns with our TELUS values. Team member recognition, when delivered effectively, is a powerful tool that:

- Supports a high-performance culture
- Reinforces corporate values
- Celebrates organizational goals
- Engages team members
- Drives team member retention.

### Bravo—delivering tools to make recognition easier

In support of our culture of recognition, TELUS encourages team members to recognize colleagues who live the TELUS values, go above and beyond, and positively affect our customers, business and team. Through our Bravo platform, team members can now nominate their peers for recognition awards, directly from their computer or mobile device.

In 2017, team members were recognized through several innovative corporate recognition programs that reward those who demonstrated our values and made a significant contribution to the organization. Additionally, the People and Culture team worked with leaders to further develop recognition strategies, which are supported by toolkits and online materials that can be customized to meet the needs of their business unit and team.

## Looking ahead into 2018

TELUS has a track record of leading the way with our recognition policies, processes and programs and we believe that improving our team members' experience is a key differentiator for our company. Our 2018 roadmap for Bravo is to keep this tool scalable, innovative and capable of supporting the execution of our recognition strategy. We will also work to:

- Update our digital recognition resources
- Enhance an existing recognition program to create a prestigious, inclusive, inspiring award and increase timeliness of recognition
- Use recognition as a vehicle to drive our customers first culture and corporate values
- Share nomination stories of recognition recipients in quarterly articles on our Intranet to inspire team members
- Improve the frequency and quality of recognition at TELUS
- Communicate various no-cost, low-cost, informal and formal recognition mediums and share best practices.

# Health, Safety and Wellness

## Health

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

Another measure of our health in the organization is absenteeism. In 2017, our absenteeism rate (which includes paid and unpaid time off work due to illness or injury) slightly decreased to 6.20 days per full-time equivalent position. Our absenteeism rate is below the Statistics Canada average, as shown in the table below. We attribute low absenteeism to our drive towards better health outcomes, including the new Early Intervention Model that was implemented in 2016. We now have a full year of data for two groups using the model and we are seeing preliminary improvements in short-term disability statistics, specifically (table 2).

### Absenteeism rates

%	2017	2016	2015
TELUS absenteeism per full-time employee <sup>1</sup>	6.20 <b>A</b>	6.24	5.98
Average Canadian rate <sup>2</sup> for full-time employees	8	7.8	7.4
Average Canadian rate <sup>2</sup> for organizations with >500 employees	9.8	9.9	8.8
Average Canadian rate <sup>2</sup> for unionized organizations	12.3	11.9	11.3

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

2 Source: Statistics Canada.

## Sick Absence Breakdown – 12-month period ending December 31, 2017

Type	% of total days lost	Workdays per full-time employee	Year-over-year change
Total Sick Absence	100.0%	6.19	-0.8%
Short-term Disability	53.8%	3.65	-3.4%
Incidental Absence	44.3%	2.53	+2.6%
Work-related Disability	1.9%	0.10	+0.9%

In 2018, Wellness and Health Services will continue to collaborate to develop and enhance targeted prevention and attendance programs aimed at helping team members and leaders address absenteeism.

## Safety

At TELUS, health and safety is core to our relentless pursuit of the prevention of workplace accidents and injuries. We support this philosophy by building a culture of health and safety into our day-to-day responsibilities. Our Safety Management System (SMS), which aligns with governing legislation, promotes a positive safety culture and is continuously monitored for its effectiveness. Within our SMS, we have established comprehensive and systematic policies and programs to continually enhance the safety of our workforce. In 2017, our team members collectively completed approximately 74,000 hours of formal training building their safety knowledge and skills.

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

TELUS has realized a steady reduction in lost time accidents (LTA) since 2010, and this result continues to compare favourably with the 2016 U.S. Telecommunications Industry average of 1.1 LTA per 200,000 hours worked. In 2017, we initiated efforts to reduce trending workplace accidents and incidents by:

- Provisioning equipment (ice cleats) to mitigate slips, trips and fall risks for our technicians who work in the field
- Providing technicians with a mobile application to identify hazards at the worksite before work begins
- Evaluating technicians' driving performance regularly to ensure good driving habits are exercised and enforced.

Our goal in 2018 is to continue to reduce accidents and injuries and our ratio of lost time accidents to 0.65. TELUS has had no work-related deaths since 1997.

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

Ratio	2017	2016	2015
TELUS actual	0.68 <span style="color: green;">▲</span>	0.62	0.70
TELUS target	0.62	0.70	0.70

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

## Wellness

In 2017, TELUS developed and launched a new three-year wellness strategy. The strategic plan centres on the following objectives:

1. To systematically support organizational health and wellness at TELUS
2. To make health connections at TELUS between people and resources
3. To positively impact team member and family member health.

## Wellness 2017 Highlights

**Mental Health Campaign:** the team planned and launched two mental health campaigns in 2017. In support of World Mental Health Day and our TELUS Wise partnership with the Amanda Todd Legacy Society to combat bullying, TELUS Garden was one of many world landmarks and public buildings lit up in purple – Amanda's favourite colour. Our Intranet story, "Your Mind Matters: Think Purple for World Mental Health Day" received close to 2,500 views and set in motion our campaign. The story shared mental health resources internally with team members, and had external impacts through social media and the TELUS blog.

**Well-Being Challenge:** this three-week initiative allowed team members to improve their well-being by getting active while also helping others along the way. During this challenge, team members were invited to track their physical activity and healthy habits. For each hour that team members volunteered with a charity of their choice, they were also eligible to earn donation rewards from Team TELUS Cares (\$1 for every hour donated).

**Flu Immunization Clinics:** team members were invited to get the flu shot onsite at TELUS at no cost. We hosted 21 clinics in 13 TELUS buildings across B.C., Alberta, Ontario and Quebec.

**Blood Donor Clinics:** we continued our partnership with the Canadian Blood Services and Héma-Québec in the spirit of we give where we live®. In 2017, TELUS team members made 1,592 life-saving donations helping us reach 80 per cent of our goal of 2,000 donations.

**Financial Well-Being:** in support of Canada's Financial Literacy Month, we posted a story on our Intranet to share financial well-being resources available for all team members.

**Fitness Centre Enhancements:** following feedback from our member survey, our plan to revitalize the TELUS fitness facilities continued to unfold with an investment in new equipment and upgrades.

## Key Future Wellness Goals

Our '2020 vision' is to have team members equipped with resources and knowledge to customize their own wellness experience. The intent is for team members to improve their overall well-being, support the health of those around them and contribute to an elevated culture of wellness that permeates how we work together at TELUS.

**Powering the strategy:** built into the wellness strategy is a sustainable wellness system: discover, design, implement, measure. The process ensures that we are pulling together organizational insights, using them to create meaningful plans and assessing our outcomes. This approach aligns with best practices, including that of Excellence Canada and the National Standard of Canada for Psychological Health and Safety in the Workplace.

**Supporting the whole person:** wellness approaches can lose impact and value over time when they do not reflect the needs and preferences of individual team members. By broadening our support to include five dimensions of wellness (physical, psychological, social, financial and environmental) and focusing support across varying levels of readiness to improve well-being, we will engage more team and family members, keep momentum high for those already involved and ultimately improve the health and well-being of all.

# Labour and Human Rights

## Labour

### Bargaining Unit

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

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

The TWU collective agreement expires on December 31, 2021. The contract with the TWU covers 9,019 team members across Canada predominantly located in B.C., Alberta, Ontario and Quebec. Our contract with the TWU is the only nationwide collective agreement in the wireless and wireline telecommunications industry.

Additionally, we have two major collective agreements in the province of Quebec. The larger of the two is between TELUS and the SQET which covers 752 trades, clerical and operator services team members and the other is between TELUS and the SAMT covering 635 management and professional team members. The agreement with the SAMT expires on March 31, 2021. The contract with the SQET expires on December 31, 2022.

Our subsidiary, TELUS Sourcing Solutions Inc., has 61 team members covered by a collective agreement with the BCGEU, which expires on April 30, 2019.

We maintain respectful and professional relationships with the bargaining agents that represent our team members across Canada and we uphold our team members' right to freedom of association at the workplace.

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

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

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

### Union recognition through consultation

TELUS strongly believes in building professional and respectful relationships with the bargaining agents representing our team members. Communication with the unions is recognized as an important element in nurturing these relationships. We have negotiated provisions in our collective agreements with the TWU and the SQET that establish formal structured consultation committees and processes. In addition to the regular day-to-day information sharing with unions, in 2017, there were several joint consultation sessions at the senior leadership and executive level to discuss matters of mutual interest.

In the collective agreement with the TWU, we have expanded our commitment to consultation through three new formalized joint union-management consultation processes concerning workplace accommodation, workplace issues of mutual concern and the grievance and arbitration process.

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

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

Group	Employees covered by a Collective Agreement	Total No. of Employees	% covered by a Collective Agreement
Domestic	10,467	25,933	40% <b>A</b>
International	0	27,700	0%
<b>TOTAL<sup>1</sup></b>	<b>10,467</b>	<b>53,633</b>	<b>20%</b>

<sup>1</sup> Active employees as at December 31, 2017

### Bargaining Unit employees by Union Affiliation

Union	Employees
TWU	9,019
SQET	752
SAMT	635
BCGEU	61
<b>TOTAL<sup>1</sup></b>	<b>10,467</b>

<sup>1</sup> Active employees as at December 31, 2017

## Human Rights

TELUS has a long-standing commitment to respecting and protecting human rights as outlined in our [Code of Ethics and Conduct](#), our Respectful Workplace policy and employment equity and diversity practices.

The Code of Ethics and Conduct ties together all policies regulating business behaviour, and provides guidelines for the standards of ethical conduct expected of all team members, including officers and members of the [TELUS Board of Directors](#).

The Code of Ethics and Conduct, which includes the [Respectful Workplace Policy](#), is updated and published annually on our TELUS intranet and is available to the public on [telus.com](#). The Code of Ethics and Conduct and the Respectful Workplace Policy formalize our commitment to safeguard internationally proclaimed human rights. Further details about TELUS' Respectful Workplace expectations and our Human Rights commitment are outlined for team members in our Respectful Workplace policy.

Each year, TELUS requires our team members and contractors to complete an online Integrity training course that outlines key aspects of our Ethics, Respectful Workplace, Security and Privacy policies. TELUS also has specific online training based on our Respectful Workplace policy that is required for all newly hired team members and those newly promoted into management professional and people leader roles.

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

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

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

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

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

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

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

The TELUS Respectful Workplace Office performs an annual review of the Respectful Workplace policy to foster continued compliance with associated Human Rights legislation in each of the jurisdictions where we operate, both domestically and internationally. Human Rights and Respectful Workplace complaints are investigated by impartial Human Resources professionals.

Our Respectful Workplace training ensures team members participate in building our culture together:

- All new TELUS team members are expected to complete the Respectful Workplace course as part of their initial orientation.
- All TELUS team members who have recently moved to a management professional or a people leader role are expected to complete the Respectful Workplace course.
- Annually, all team members are required to complete the Integrity course, which includes Respectful Workplace content.
- The Respectful Workplace office continues to offer refresher training courses when requested by Business Units.

The Respectful Workplace Office, in collaboration with Diversity and Inclusiveness, created Gender Transition Guidelines which are available on TELUS' Intranet. Upon request, the Respectful Workplace Office provides team members with additional information, resources and education on gender transition.

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

### CHRC Complaints

Total	2017	2016	2015
Carry over from previous year	11 <span style="color: green;">A</span>	6	12
New	11 <span style="color: green;">A</span>	9	3
Closed	10 <span style="color: green;">A</span>	4	9
In progress at end of year	12 <span style="color: green;">A</span>	11	6

### Closed CHRC Complaints

Total	2017	2016	2015
Referred to TELUS internal or other resolution process	0	0	0
Resolution reached	3	2	2
Dismissed	6	2	7
Withdrawn	1		

# Diversity & Inclusiveness

## Team Member Breakdown

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

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

### Canada

Employees	Category	Female	Male	Total
Canadian	Permanent	9,181	16,155	25,336 <sup>A</sup>
	Temporary	188	418	606 <sup>A</sup>
				<b>25,942</b>

Employees	Category	Female	Male	Total
Canadian	Full-time	8,033	14,735	22,768
	Part-time	1,336	1,838	3,174
				<b>25,942</b>

Employees	Province	Female	Male	Total
West	British Columbia	2,867	4,966	7,833 <sup>A</sup>
	Alberta	1,916	3,727	5,643 <sup>A</sup>
<b>West Total</b>		<b>4,783</b>	<b>8,693</b>	<b>13,476</b>
Prairie	Saskatchewan	38	77	115 <sup>A</sup>
	Manitoba	47	81	128 <sup>A</sup>
<b>Prairie Total</b>		<b>85</b>	<b>158</b>	<b>243</b>
East	Ontario	2,773	4,024	6,797 <sup>A</sup>
	Quebec	1,645	3,537	5,182 <sup>A</sup>
<b>East Total</b>		<b>4,418</b>	<b>7,561</b>	<b>11,979</b>
Atlantic	Newfoundland & Labrador	20	44	64 <sup>A</sup>
	New Brunswick	20	52	72 <sup>A</sup>
	Nova Scotia	43	65	108 <sup>A</sup>
<b>Atlantic Total</b>		<b>83</b>	<b>161</b>	<b>244</b>
<b>Canadian Total</b>		<b>9,369</b>	<b>16,573</b>	<b>25,942</b>

Employees	Generation	Female	Male	Total
Canadian	Silent	1	1	2 <sup>A</sup>
	Boomer	1,569	2,446	4,015 <sup>A</sup>
	Generation X	3,612	6,678	10,290 <sup>A</sup>
	Millennial	4,187	7,448	11,635 <sup>A</sup>
				<b>25,942</b>

## International

Employees	Category	Female	Male	Total
International	Permanent	12,713	14,592	27,305 <sup>A</sup>
	Temporary	146	240	386 <sup>A</sup>
				<b>27,691</b>

Employees	Category	Female	Male	Total
International	Full-time	12,106	14,201	26,307
	Part-time	753	631	1,384
				<b>27,691</b>

Employees	Region	Female	Male	Total
Asia Pacific	Australia	0	4	4
	Philippines	6,650	6,585	13,235
<b>Asia Pacific Total</b>		<b>6,650</b>	<b>6,589</b>	<b>13,239</b>
Europe	Bulgaria	1,283	1,411	2,694
	Romania	629	431	1,060
	Ireland	866	1,038	1,904
	United Kingdom	1	10	11
<b>Europe Total</b>		<b>2,779</b>	<b>2,890</b>	<b>5,669</b>
Central America & the Caribbean	Guatemala	1,788	2,986	4,774
	El Salvador	927	1,648	2,575
<b>Central America &amp; the Caribbean Total</b>		<b>2,715</b>	<b>4,634</b>	<b>7,349</b>
North America <sup>1</sup>	United States	715	719	1,434
North America Total		<b>715</b>	<b>719</b>	<b>1,434</b>
<b>International Total</b>		<b>12,859</b>	<b>14,832</b>	<b>27,691 <sup>A</sup></b>
		<b>TELUS Total</b>		<b>53,633 <sup>A</sup></b>

<sup>1</sup> Excludes Canada

Employees	Generation	Female	Male	Total
International	Silent	1	3	4 <sup>A</sup>
	Boomer	185	216	401 <sup>A</sup>
	Generation X	1,478	1,848	3,326 <sup>A</sup>
	Millennial	11,286	12,674	23,960 <sup>A</sup>
				<b>27,691</b>

At TELUS, we understand that diversity and inclusiveness is critical to our success. We are committed to creating an environment where the individuality and uniqueness of our people, customers and communities is recognized and represented. We appreciate that this diversity of thought and experience is key to our ability to grow and thrive, and enables us to be an authentic reflection of our customers and the communities where we live, work and serve.

This philosophy is engrained in all areas of our business from our people practices to suppliers to our products and services and to our work in the community. We recognize that when we honour individuality, we open the door to innovation, which in turn enhances our competitive position.

Results from our annual team member survey in 2017, indicate that 95 per cent of TELUS team members agree or strongly agree that “We have a work environment that embraces diversity and accepts individual differences (e.g. gender, race, ethnicity, sexual orientation, religion and age).”

Our diverse and inclusive culture helps our company make significant advancements in the areas of customer experience and in attracting and retaining the best talent. In 2017, we continued to advance our leadership in this area:

- [TELUS International](#) was named one of [Moguls Top 100 Innovators in Diversity and Inclusion](#) highlighting a groundbreaking inclusion program for the hearing impaired in Guatemala.
- TELUS is focused on the diversity of our leadership and potential future leaders. Currently, 38 per cent (five members) of our independent directors represent this diversity, exceeding our goal of 30 per cent. As well, 23 per cent (three members) of our independent directors are women, and we are working towards meeting our goal of having 30 per cent of each gender represented in 2018.
- TELUS' gender diversity initiative aimed at increasing the representation of women in technical roles leveraged story-telling to profile female technicians at TELUS. [We shared their stories on the TELUS blog](#) and through a [partnership with Women in Communication and Technology](#) to create a new generation of role models.

- During the 2017 Canadian Football League season, TELUS' #AllConnected initiative used 360-degree video technology to bring fans closer to the action who, due to illness or disability, could not otherwise experience the game.
- Our Optik Local TV programming features groundbreaking projects that highlight the best of diversity in Canada.
- Our six Team Member Resource Groups (TRGs) engage over 6,000 team members and, together, play an important role in advancing inclusion inside and outside TELUS.
- In 2017, over 145 new immigrants participated in the MOSAIC Mentorship Program in Vancouver, Calgary, Edmonton, Toronto and Montreal. The program also launched three new partnerships with Emploi-Québec, the Board of Trade of Metropolitan Montreal and the Ottawa Community Immigrant Services Organization. To date, 500 new Canadians have been mentored and supported by our TELUS team nationally.
- Our Connections resource group championed TELUS' sponsorship of Bringing Women Together at their annual event Advancing Diversity and Inclusion within the Workplace.
- We held National Aboriginal Day celebrations across the country led by Eagles, our resource group that supports our Aboriginal team members.
- Through consultation with transgender-identified team members, we updated resources and guidelines to support team members transitioning at work.
- Our 2017 Pride ShareLove campaign reached over 10 million Canadians with our message of pride and inclusion. Over 1,500 TELUS team members participated in 17 Pride parades and festivals across the country and donations from the use of the #ShareLove went to Rainbow Railroad, a Canadian charitable organization that helps lesbian, gay, bisexual and transgender individuals escape violence and persecution in their home countries.

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

Designated Group	Canadian workforce availability <sup>2</sup>	TELUS Actual 2016 <sup>3</sup>	TELUS Actual 2015 <sup>3</sup>	TELUS Actual 2014 <sup>3</sup>
Women	39.8%	35.1% <b>A</b>	35.8%	36.4%
Visible Minorities	24.6%	29.5% <b>A</b>	16.7%	15.9%
Persons with Disabilities	4.6%	6.0% <b>A</b>	2.3%	2.4%
Indigenous	2.1%	4.0% <b>A</b>	1.4%	1.4%

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

### Workforce profile for domestic employees

Canadian by age	Silent (1925-1945)	Boomer (1946-1964)	Generation X (1965-1979)	Millennial (1980-2000)	Total
Overall	0%	15%	40%	45%	100%
Senior Managers	0%	24%	68%	9%	100%
Middle & Other Managers <sup>1</sup>	0%	13%	49%	38%	100%

- 1 Comprised of Middle Managers & Supervisors.

Canadian by type	Female	Male	Total
Bargaining Unit	35%	65%	40%
Management/Professional	36%	64%	49%
TELUS Retail	39%	61%	11%
<b>Overall</b>	<b>36%</b>	<b>64%</b>	<b>100%</b>

### Workforce profile of TELUS International

International	Female	Male	Total
Directors & Above	39%	61%	0%
Management/Staff	46%	54%	18%
Agents	47%	53%	81%
<b>Overall</b>	<b>46%</b>	<b>54%</b>	<b>100%</b>

## Global Reporting Initiative

This report has been prepared using the Global Reporting Initiative (GRI-G4) Guidelines. The index below lists where you can find information related to each GRI criterion – either in this report, the [TELUS 2017 Annual Report](#), or [Information Circular](#). Combined, these reports form TELUS' reporting package of economic, social and environmental performance.

The 2017 Sustainability Report period of reporting consists of the 2017 calendar year and information reported within is confined to that period unless otherwise stated. TELUS has been publishing annual sustainability reports since 2000. Questions or feedback concerning content within the 2017 Sustainability Report should be directed to [sustainability@telus.com](mailto:sustainability@telus.com).

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

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

TELUS supports the UN Global Compact and its ten principles covering human rights, labour, environment and anti-corruption. The Communication on Progress section of our Sustainability Report covers TELUS' progress in 2017 in these areas. We also reference the UNGC Principles in our GRI table on the following page.

## Material issues GRI

Material Issue	For TELUS this means:	GRI Category	GRI Aspect
<b>Environmental Stewardship</b>			
Energy & Climate Change	Reducing our GHG emissions and energy costs, reducing energy-related risks, exploring alternative energy solutions and supporting UNGC principles on the environment	Environmental	Energy Emissions
Environmental Management	Meeting legal requirements, minimizing spills, releases and waste, enhancing our Environmental Management System and environmental education efforts	Environmental	Effluents and Waste Compliance
<b>Employee and community investment</b>			
Culture, Human Rights & Labour	Fostering a diverse culture that will lead us to deliver on our Future Friendly promise and supporting UNGC principles on Human Rights & Labour	Labour Practices and Decent work	Employment Diversity and Equal Opportunity Supplier Assessment for Labour Practices Labor Practices Grievance Mechanisms
		Human Rights	Non-discrimination Freedom of Association and Collective Bargaining Child Labour Forced or Compulsory Labor Human Rights Grievance Mechanisms
Employee Experience	Engaging and investing in employees to live our values to improve the lives of people, our communities, customers and team	Labour Practices and Decent work	Training and Education
Employee Health, Safety & Wellness	Optimizing employee health, safety and wellness to benefit employees, reduce costs, improve productivity and drive business success	Labour Practices and Decent work	Occupational Health and Safety

Material Issue	For TELUS this means:	GRI Category	GRI Aspect
Community Investment	Creating shared value and improving the lives of youths and their communities through health, technology and environmental investments	Economic	Economic Performance
<b>Business operations and ethics</b>			
Economic Performance & Impact	Cultivating sustainable economic growth for the benefit of our investors, customers, employees, suppliers and the communities where we live, work and serve	Economic	Economic Performance Indirect Economic Impacts Procurement Practices
Ethics	Conducting our business in an ethical and transparent manner, creating a respectful workplace culture and supporting UNGC principles on Anti-Bribery and Corruption	Society	Anti-corruption Public Policy
Governance & Disclosure	Providing the foundation for sustainability leadership, increasing transparency and stakeholder confidence and reducing risks	Product Responsibility	Marketing Communications Customer Privacy
Regulatory Compliance	Ensuring TELUS can respond to change and continue to provide the high-quality, robust and innovative networks that citizens and businesses depend on every day	Product Responsibility	Compliance Marketing Communications
		Society	Anti-corruption Anti-competitive Behaviour
Business Continuity	Being resilient in emergencies and other disruptive events by focusing on the reliability of our network, systems, products and services and employees	Society	Product and Service Labeling
		Economic	Indirect Economic Impacts

Material Issue	For TELUS this means:	GRI Category	GRI Aspect
<b>Customer experience</b>			
Network & Systems Reliability	Living up to our customers' expectations that our network and systems are reliable and we are responsive and accountable when incidents occur	Economic	Indirect Economic Impacts
Data Security & Privacy	Respecting the privacy of our customers and employees and the security of data through effective oversight and accountability	Product Responsibility	Customer Privacy
Customers First	Delivering exceptional customer experiences on our journey to become a world leader when it comes to the likelihood that our customers recommend our products, services and people to others	Product Responsibility	Product and Service Labeling
Accessibility	Making the products and services we provide easier to access and use for all customers, particularly those who have a disability or live in remote communities	Product Responsibility	Product and Service Labeling
Online Safety	Educating parents, children and educators on Internet and smartphone safety by offering innovative training and consultative advice	Society	Supplier Assessment for Impact on Society

Material Issue	For TELUS this means:	GRI Category	GRI Aspect
<b>Product stewardship and innovation</b>			
Sustainable Supply Chain	Pursuing strategic alliances that provide innovative products and services for our customers and understanding risks and economic, social and environmental opportunities	Society	Supplier Assessment for Impact on Society
		Labour Practices and Decent work	Supplier Assessment for Labor Practices
		Environmental	Supplier Environmental Assessment
Product Stewardship	Managing the environmental and social impacts and risks from product design through the customers use of our products, including recycling and disposal	Environmental	Products and Services
Innovative Products & Services	Introducing products and services that assist our customers, communities and society in meeting their economic, social and environmental goals	Product Responsibility	Product and Service Labeling
		Society	Supplier Assessment for Impact on Society
		Environmental	Supplier Environmental Assessment

## Standard disclosure

GRI	Report location	Comment
<b>Strategy and analysis</b>		
G4-1	Pages 13-15 CEO letter	Statement of support
G4-2	Pages 9-12 Our purpose, approach, targets Pages 58-61 Stakeholder engagement and materiality	See table of contents for page numbers for approaches to key issues.
<b>Organizational profile</b>		
G4-3		TELUS
G4-4	<a href="#">Company overview</a> Page 2 <a href="#">TELUS Information Circular</a>	
G4-5	Page 5 Report Scope	
G4-6	Page 5 Report Scope <a href="#">TELUS International</a>	
G4-7	<a href="#">Annual Information Form</a>	Page 6
G4-8	<a href="#">Markets served</a>	Annual report pages 2-3
G4-9	<a href="#">Financial and operating highlights</a> (including capitalization and products and services data) Pages 105-107 Employee data	Financial overview page 6-7 annual report
G4-10	Pages 105-107 Employee data	
G4-11	Pages 102-103	
G4-12	Pages 63-67	
G4-13	<a href="#">Annual Report</a>	Pages 4-5
G4-14	Page 4 Forward Looking Statements Page 26 Caring for our Planet Page 55 Governance and Risk Management	
G4-15	<a href="#">UNGC Communication on Progress</a> Page 62 UNGC	
G4-16	Page 64 Supply Chain partnerships Page 85 <a href="#">Annual Report</a> Canadian Digital Supercluster Pages 70-71 Research and Development	TELUS is also a member of the <a href="#">CNO/ITU</a> , the <a href="#">GCNC</a> and The Conference Board of Canada's <a href="#">Corporate Responsibility and Sustainability Institute</a> .

GRI	Report location	Comment
<b>Identified material aspects and boundaries</b>		
G4-17	Page 6 <a href="#">TELUS Annual Information Form</a> Page 5 Report Scope	
G4-18	Pages 59-61	
G4-19	Pages 59-61	
G4-20	Pages 59-61	
G4-21	Pages 59-61	
G4-22	Pages 28-29 examples of increase in scope and minor restatement of GHG data	
G4-23	Pages 59-61	
<b>Stakeholder engagement</b>		
G4-24	Page 59	
G4-25	Pages 59-61	
G4-26	Pages 59-61	
G4-27	Pages 59-61	
<b>Report profile</b>		
G4-28	Page 108	
G4-29	Page 108	The 2016 report was published April 2017.
G4-30	Page 108	Annual
G4-31	Page 108	
G4-32	Page 5 Page 108 Pages 6-8 assurance report	GRI tables begin on page 109. Any limitations on the scope or boundaries are disclosed within each respective indicator.
G4-33	Pages 6-8 assurance report Page 5 report scope Page 108	

GRI	Report location	Comment
<b>Governance</b>		
G4-34	<a href="#">The Board of Directors</a> Pages 54-56 governance	
G4-35	<a href="#">The Board of Directors</a> Pages 54-56 governance	
G4-36	Pages 54-56 governance Pages 16-17 Chief Sustainability Officer letter	
G4-37	Pages 54-56 governance Pages 59-61 stakeholder engagement Page 45 connecting with investors and other stakeholders <a href="#">Board Policy Manual</a>	
G4-38	<a href="#">The Board of Directors</a> <a href="#">Information Circular</a>	Board Biographies Pages 12-20 Committee Reports 42-43
G4-39	<a href="#">The Board of Directors</a> <a href="#">Information Circular</a>	Board Biographies Pages 12-20
G4-40	<a href="#">Information Circular</a>	Pages 25-41
G4-41	<a href="#">Information Circular</a>	Pages 25-41
G4-42	<a href="#">Board Policy Manual</a>	
G4-43	<a href="#">Information Circular</a>	Pages 25-41 (Board education, pages 36-38)
G4-44	<a href="#">Information Circular</a>	Pages 25-41 (evaluation, pages 26 & 32-36)
G4-45	<a href="#">Information Circular</a> Page 55 Risk Management	Pages 103-104, 42-43
G4-46	<a href="#">Information Circular</a>	Pages 103-104, 42-43
G4-47	<a href="#">Information Circular</a>	Pages 103-104, 42-43
G4-48	<a href="#">Corporate Governance Committee Mandate</a>	Page 3 – sec 4.4 (f)
G4-49	Page 57 Ethics and Integrity	<a href="#">Board contact</a>
G4-50	Page 57 Ethics and Integrity	
G4-51	<a href="#">Information Circular</a>	Pages 11, 54-94
G4-52	<a href="#">Information Circular</a>	Pages 11, 54-94
G4-53	<a href="#">Information Circular</a>	Pages 11, 54-94
G4-54	<a href="#">Information Circular</a>	Pages 11, 54-94
G4-55	<a href="#">Information Circular</a>	Pages 11, 54-94

GRI	Report location	Comment
<b>Ethics and integrity</b>		
G4-56	Page 57 Ethics and Integrity	
G4-57	Page 57 Ethics and Integrity	
G4-58	Page 57 Ethics and Integrity	<a href="#">EthicsLine</a>

## Specific standard disclosures – economic & environmental

GRI	Report location	Comment
<b>Aspect: economic performance</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Pages 45-53 economic performance	
G4-EC1	Pages 45-53 economic value distributed Pages 18-19 community investments <a href="#">Annual Report</a> pages 6 & 7	
G4-EC2	Page 26 addressing climate change <a href="#">Annual Report</a> pages 101 & 106	Supports UNGC Principle 7.
G4-EC3	<a href="#">Annual Report</a> pages 107, 149-154 Page 96 retirement and savings plans	
G4-EC4	<a href="#">Annual Report</a> page 141	
<b>Aspect: market presence</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Pages 90-93 people and culture	
G4-EC5	Page 95 compensation	
G4-EC6	Page 124 glossary Page 92 development opportunities	Senior manager definition
<b>Aspect: indirect economic impacts</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Pages 90-93 people and culture	
G4-EC7	Pages 52-53	
G4-EC8	Pages 48 economic value distributed/supporting Canadians Pages 19-20 'for good' programs Pages 10-11 SDG's and our impact	
<b>Aspect: procurement practices</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Page 63 procurement practices	
G4-EC9	Supporting Canadians page 48	TELUS does not currently have the information available to break out International data by country.

GRI	Report location	Comment
<b>Aspect: materials</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Pages 33,66,79 packaging	
G4-EN1	Pages 34-35 paper	Partially reported: TELUS is not a manufacturer so in general, this is not applicable. However, we do report on our office paper purchases, including weight and volume and renewable materials used as a percentage. We do not disclose data on the content of the packaging used in the products we sell.
G4-EN2	Page 34 paper recycled content	This metric is not material to our business operations as we are not a manufacturer. However, TELUS' paper purchasing policy requires use of a minimum of 30% PCR.
<b>Aspect: energy</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Pages 26-29 energy	
G4-EN3	Pages 26-29 energy	Partially reported: TELUS reports aggregate totals, tracks but does not disclose by breakdown other than scope 1, 2 and 3.
G4-EN4	Pages 31-32 scope 3 Pages 26-27 reporting approach	
G4-EN5	Pages 27-28 energy intensity	
G4-EN6	Pages 27-28 highlights and specific impacts Pages 26-27 reporting approach	
G4-EN7	Pages 31-32 scope 3 Pages 26-27 reporting approach	Not applicable.
<b>Aspect: water</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Page 35 water	
G4-EN8	Page 35 water	
G4-EN9	Page 35 water	
G4-EN10	Page 35 water	

GRI	Report location	Comment
<b>Aspect: biodiversity</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/ materiality	Not applicable.
G4-EN11	<u>Environmental partnerships</u>	Not applicable as we do not undertake construction in biologically sensitive areas or do we have significant impact on biodiversity but we are dedicated to protecting animals and our environment.
G4-EN12	<u>Environmental partnerships</u>	Not applicable as we do not undertake construction in biologically sensitive areas or do we have significant impact on biodiversity but we are dedicated to protecting animals and our environment.
G4-EN13	<u>Environmental partnerships</u>	Not applicable as we do not undertake construction in biologically sensitive areas or do we have significant impact on biodiversity but we are dedicated to protecting animals and our environment.
G4-EN14	<u>Environmental partnerships</u>	Not applicable as we do not undertake construction in biologically sensitive areas or do we have significant impact on biodiversity but we are dedicated to protecting animals and our environment.
<b>Aspect: emissions</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/ materiality Pages 29-32 GHG emissions	
G4-EN15	Pages 29-32 scope 1 Pages 26-27 reporting approach	Partially reported: TELUS discloses aggregated GHG emission data for scope 1, 2 and 3 emissions. As disclosed, TELUS uses standard protocols, has internally documented sources for emission factors, GWP rates etc. Further details are published in TELUS' GHG report.
G4-EN16	Pages 29-32 scope 2 Pages 26-27 reporting approach	Partially reported: TELUS discloses aggregated GHG emission data for scope 1, 2 and 3 emissions. As disclosed, TELUS uses standard protocols, has internally documented sources for emission factors, GWP rates etc. Further details are published in TELUS' GHG report.

GRI	Report location	Comment
G4-EN17	Pages 29-32 scope 3 Pages 26-27 reporting approach	Partially reported: TELUS discloses aggregated GHG emission data for scope 1, 2 and 3 emissions. As disclosed, TELUS uses standard protocols, has internally documented sources for emission factors, GWP rates etc. Further details are published in TELUS' GHG report.
G4-EN18	Pages 27,29 GHG intensity	
G4-EN19	Pages 29-30 highlights and specific impacts	
G4-EN20	Pages 29-32 GHG emissions	
G4-EN21		Not applicable as it is not material to our operations.
<b>Aspect: effluents and waste</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/ materiality Pages 33-38 responsible resource use	
G4-EN22	Page 35 water	Partially reported: TELUS locations do not have material water discharge or runoff.
G4-EN23	Pages 33-34 waste and recycling	
G4-EN24	Pages 36-37 spills and releases	
G4-EN25	Pages 33-34 waste and recycling	
G4-EN26		Not applicable as TELUS locations do not have material water discharge or runoff.
<b>Aspect: products and services</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/ materiality Pages 79-80 product and service responsibility	
G4-EN27	Pages 35-37 environmental management and compliance	
G4-EN28	Pages 34-35 using less paper and packaging	
<b>Aspect: compliance</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/ materiality Pages 35-37 environmental management and compliance	
G4-EN29	Pages 35-37 environmental management and compliance	

GRI	Report location	Comment
<b>Aspect: transport</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/ materiality Pages 31-32 scope 3 (employee commuting)	We employ a fleet of vehicles used to transport employees to install and maintain our networks and products. Fuel used to power these vehicles is captured in our scope 1 GHG emissions.
G4-EN30	Pages 29-31 GHG emissions	
<b>Aspect: overall</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/ materiality Pages 31-32 scope 3 (employee commuting)	
G4-EN31	<u>Annual Report</u> pages 106-107 Pages 33-34 waste and recycling Pages 35-37 environmental management and compliance	Partially reported as details on expenditures are not disclosed.

GRI	Report location	Comment
<b>Aspect: supplier environmental assessment</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/ materiality Pages 63-65 supply chain sustainability	
G4-EN32	Pages 64-65 supplier code and third- party assessment	Partially reported: All new suppliers engaged through major procurement contractual templates have our Supplier Code of Conduct included. Percentage unavailable due to data access issues for suppliers otherwise engaged.
G4-EN33	Page 65 third-party monitoring and assessment	
<b>Aspect: environmental grievance mechanisms</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/ materiality Pages 35-37 environmental management and compliance	
G4-EN34	Pages 36-37 environmental reporting	

## Specific standard disclosures – social – labor practices and decent work

GRI	Report location	Comment
<b>Aspect: employment</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Page 90 people and culture - approach	
G4-LA1	Page 91 turnover	Partially reported: TELUS reports turnover by age group and gender using a methodology described in table footnotes. TELUS reports turnover for domestic employees but not international employees. TELUS does not report the number of newly hired employees.
G4-LA2	Pages 95-96 total rewards <a href="#">TELUS International Culture</a>	Partially reported; TELUS does not differentiate benefits by employment type nor by location for domestic employees.
G4-LA3		Not available. TELUS is building processes to capture this data in future disclosure.
<b>Aspect: labour / management relations</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Pages 102-104 labour and human rights	
G4-LA4	Page 102-103 collective agreement adjustment processes	
<b>Aspect: occupational health and safety</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Pages 99-101 health, safety and wellness	
G4-LA5	Page 99	Partially reported: training hours are disclosed. Details with respect to the number and demographics of our health and safety committees is not disclosed.
G4-LA6	Pages 99-100 absenteeism and LTA	Partially reported: TELUS discloses lost day and absentee rates but not by region, gender or type of injury/occupational disease.

GRI	Report location	Comment
G4-LA7	<a href="#">Annual Report</a> pages 106	Radio frequency emissions concerns
G4-LA8	Pages 102-104 labour and human rights	
<b>Aspect: training and education</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Page 90 people and culture - approach	
G4-LA9	Pages 91-92 training	TELUS does not disclose average training hours for international employees. We will determine if this information is available for 2017 reporting.
G4-LA10	Pages 91-93 learning and career development	
G4-LA11	Page 91	Partially reported: TELUS team members undergo frequent performance related discussions but data is not shared by gender or employee category.
<b>Aspect: diversity and equal opportunity</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Pages 105-107 diversity and inclusiveness	
G4-LA12	<a href="#">Information circular</a> Pages 105-107 diversity and inclusiveness	Pages 12-20 Partially reported: Employee data is broken out by age, gender and location.
<b>Aspect: equal remuneration for women and men</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Pages 105-107 diversity and inclusiveness	Page 11 gender equality project.
G4-LA13	Pages 95-96 total rewards	Partially reported. We disclose remuneration details but do not disclose ratios by employee category.

GRI	Report location	Comment
<b>Aspect: supplier assessment for labor practices</b>		
G4-DM	Pages 9-12 our approach Pages 59-61 stakeholder engagement/ materiality Pages 63-65 supply chain sustainability	
G4-LA14	Pages 64-65 supplier code and third-party assessment	Partially reported: All new suppliers engaged through major procurement contractual templates have our Supplier Code of Conduct included. Percentage unavailable due to data access issues for suppliers otherwise engaged.
G4-LA15	Page 65 third-party monitoring and assessment	

GRI	Report location	Comment
<b>Aspect: labor practices grievance mechanisms</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/ materiality Page 57 ethics and integrity Pages 103-104 Human Rights	
G4-LA16	Page 57 ethics reporting Page 104 human rights reporting	

## Specific standard disclosures – social – human rights

GRI	Report location	Comment
<b>Aspect: investment</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Page 57 code of conduct	Supports UNGC Principle 1.
G4-HR1	Page 57 code of conduct	
G4-HR2	Page 57 code of conduct Page 108	All team members receive annual ethics training which includes a review of our Respectful Workplace Policy and Human Rights. The specific number of hours required to complete this training is not tracked.
<b>Aspect: non-discrimination</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Pages 103-104 respectful workplace	Supports UNGC Principle 2.
G4-HR3	Pages 103-104 respectful workplace	
<b>Aspect: freedom of association and collective bargaining</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Pages 102-104 labour and human rights	
G4-HR4	Page 102 freedom of association Page 65	TELUS is working with a third-party monitoring and assessment organization in our supply chain to better understand the risk.
<b>Aspect: child labor</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Pages 102-104 labour and human rights	
G4-HR5	UNGC COP Principle 5 Page 65	TELUS is working with a third-party monitoring and assessment organization in our supply chain to better understand the risk.
<b>Aspect: forced or compulsory labor</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Pages 102-104 labour and human rights	
G4-HR6	UNGC COP Principle 4 Page 65	TELUS is working with a third-party monitoring and assessment organization in our supply chain to better understand the risk.

GRI	Report location	Comment
<b>Aspect: security practices</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Page 57 code of conduct	
G4-HR7	Page 57 code of conduct	Contractors take our ethics course.
<b>Aspect: indigenous rights</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Page 62 indigenous peoples relations	
G4-HR8	Page 104 human rights reporting Page 62 indigenous peoples relations	TELUS does not have human rights violations against indigenous peoples.
<b>Aspect: assessment</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Pages 102-104 labour and human rights	
G4-HR9	Page 57 code of conduct	All team members across all operations.
<b>Aspect: supplier human rights assessment</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Pages 63-65 supply chain sustainability	
G4-HR10	Pages 64-65 supplier code and third-party assessment	Partially reported: All new suppliers engaged through major procurement contractual templates have our Supplier Code of Conduct included. Percentage unavailable due to data access issues for suppliers otherwise engaged.
G4-HR11	Page 65 third-party monitoring and assessment	
<b>Aspect: human rights grievance mechanisms</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Page 57 ethics and integrity Pages 103-104 Human Rights	
G4-HR12	Page 57 ethics reporting Page 104 human rights reporting	

## Specific standard disclosures – social – society

GRI	Report location	Comment
<b>Aspect: local communities</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Pages 68-69 community boards	
G4-SO1	Pages 68-69 community boards Pages 18-19 social impact measurement Pages 26-38 environmental impact measurement Page 87 business continuity planning Page 38 impacts of wireless network expansion	
G4-SO2	Page 38 impacts of wireless network expansion	
<b>Aspect: anti-corruption</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Page 84 anti-corruption <a href="#">Information Circular</a> pages 39-40	Supports UNGC Principle 10.
G4-SO3	Page 57 code of conduct	
G4-SO4	Page 57 code of conduct <a href="#">Information Circular</a> pages 39-40	
G4-SO5	Page 57 ethics reporting <a href="#">Annual Report</a> pages 104-105 (legal matters)	
<b>Aspect: public policy</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Page 57 political contributions <a href="#">Annual Report</a> page 100 (foreign operations risk)	
G4-SO6	Page 57 political contributions	

GRI	Report location	Comment
<b>Aspect: anti-competitive behavior</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Page 84 competition law	
G4-SO7	<a href="#">Annual Report</a> pages 104-105 (legal matters)	
<b>Aspect: compliance</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Pages 83-86 regulatory compliance	
G4-SO8	<a href="#">Annual Report</a> pages 104-105 (legal matters)	Monetary value of fines or details with respect to non-monetary sanctions are not disclosed as deemed confidential. All CRTC enforcement actions (for any organization) can be found here.
<b>Aspect: supplier assessment for impacts on society</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Pages 63-65 supply chain sustainability	
G4-SO9	Pages 64-65 supplier code and third-party assessment	Partially reported: All new suppliers engaged through major procurement contractual templates have our Supplier Code of Conduct included. Percentage unavailable due to data access issues for suppliers otherwise engaged.
G4-SO10	Page 65 third-party monitoring and assessment	
<b>Aspect: grievance mechanisms for impacts on society</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Page 57 ethics and integrity Pages 103-104 Human Rights	
G4-SO11	Page 57 ethics reporting Page 104 human rights reporting	

## Specific standard disclosures – social – product responsibility

GRI	Report location	Comment
<b>Aspect: customer health and safety</b>		
G4-DMA		Not available. TELUS does not have mechanism in place nor have we assessed or reported on lifecycle stages or health and safety of the products we sell. However, our products and services are approved by all legal/governing bodies relevant to the product or service that we provide.
G4-PR1		Not available. TELUS does not have mechanism in place nor have we assessed or reported on lifecycle stages or health and safety of the products we sell. However, our products and services are approved by all legal/governing bodies relevant to the product or service that we provide.
G4-PR2		Not applicable.
<b>Aspect: product and service labeling</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Page 86 accessibility Pages 37-38 radio frequency emissions	
G4-PR3	UNGC COP Principle 2 (Conflict Minerals) Page 86 accessibility Pages 37-38 radio frequency emissions Pages 33-34 waste and recycling	Partially reported.
G4-PR4	Not applicable	No labelling or product and service information incidents.
G4-PR5	Page 85 customer satisfaction	

GRI	Report location	Comment
<b>Aspect: marketing communications</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Pages 80-81 innovative products and services	
G4-PR6	Not applicable	Please see page 3 in our <a href="#">UNGC COP</a> for details on how we address these concerns.  We sell no banned products. Stakeholders may have concerns with some of the mobile devices we sell with respect to potentially containing conflict minerals, but TELUS does not contract to manufacture any such devices.
G4-PR7	<a href="#">Annual Report</a> pages 104-105 (legal matters)	From time to time there may be some certified or uncertified class action lawsuits with respect to non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship.
<b>Aspect: customer privacy</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality Pages 73-75 privacy and trust	
G4-PR8	Pages 73-75 privacy and trust	We received only one privacy complaint filed with the Office of the Privacy Commissioner of Canada (OPCC) in 2017. We responded and continue to work with the OPCC to clarify and resolve that matter. We received no other formal complaints from any other privacy regulators in Canada or elsewhere.
<b>Aspect: compliance</b>		
G4-DMA	Pages 9-12 our approach Pages 59-61 stakeholder engagement/materiality <a href="#">Annual Report</a> pages 104-105 (legal matters)	
G4-PR9	<a href="#">Annual Report</a> pages 104-105 (legal matters)	We do not have significant fines for non-compliance concerning the provisioning and use of products and services.

# Glossary

## **4G (fourth generation)**

As defined by the International Telecommunications Union, 4G is the next generation of wireless technologies, including HSPA+ and LTE, which offers a substantial improvement in speed over HSPA.

## **absenteeism rate**

The figure reported includes absences related to illness or injury (excluding long-term disability) calculated as average number of productive days lost due to absenteeism per one FTE headcount.

## **absolute energy**

Refers to a reduction in overall energy consumption not relative to anything else.

## **app**

A program or application that delivers functionality to users on their mobile device, television or computer to address a specific need or purpose.

## **at home**

Works from home for 80 per cent or more of the work week.

## **broadband**

Telecommunications services that allow high-speed transmission of voice, data and video simultaneously at rates of 1.5 Mbps and above.

## **cause marketing**

A type of campaign involving the cooperative efforts of a company and a non-profit organization resulting in cross promotional activities that drive charitable donations to the non-profit organization.



**closed loop system**

A “closed-loop” system is a system that can be closed through recovery, re-use or recycling, avoiding any waste.

**Closer to the Customer**

a program that provides leaders with the opportunity to hear and learn from frontline employees. Spending a day in the shoes of customer-facing employees helps leaders make impactful changes to better serve customers and support our team.

**conflict minerals**

Refer to minerals mined in conditions of armed conflict and human rights abuses, notably in the eastern provinces of the Democratic Republic of the Congo.

**CO<sub>2</sub>e**

Equivalent carbon dioxide is a measure for describing how much global warming a given type and amount of greenhouse gas may cause, using the functionally equivalent amount or concentration of carbon dioxide (CO<sub>2</sub>) as the reference.

**CRTC (Canadian Radio-television and Telecommunications Commission)**

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

**crisis management team**

A team consisting key leaders (i.e., media representative, legal counsel, facilities manager, business continuity coordinator), and the appropriate business owners of critical functions who are responsible for recovery operations during a crisis.

**Customers First**

A TELUS corporate priority focused on creating a best-in-class customer experience as measured by the voice of our customers.

**deferral account**

The Canadian Radio-television and Telecommunications Commission (CRTC) created the “Deferral Account” initiative in 2002 as part of a policy to encourage competition in residential phone services. The Commission required the incumbent telephone companies to assign to such accounts amounts equal to revenue reductions that would otherwise would have taken place due to the operation of the “price cap” regime under which telephone service rates were regulated at the time. The CRTC subsequently consulted with the public and industry for several years regarding what to do with the funds that had accumulated in these accounts, ultimately accepting TELUS’ proposal that the majority of the funds be used to extend broadband Internet access to remote communities, with five per cent to be used to enhance services for people living with disabilities. The Commission ordered that the remainder of the funds be rebated to urban customers in 2010.

**emission factors**

The most common approach for calculating greenhouse gas emissions is through the use of emissions factors that are representative values relating the quantity of an emission with an activity associated with the release of that emission. Sources used include the Canadian National Inventory report

**e-waste**

Electronic waste, e-waste, or e-scrap describes discarded electrical or electronic devices.

**Fair Process**

Aims to engage team members at all levels in collaborative decision making, leveraging their knowledge and encouraging a business ownership culture.

**formal, informal and social learning**

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

**Internet of Things (IoT)**

A network of uniquely identifiable end points (or things) that interact without human intervention, most commonly over a wireless network. These systems collect, analyze and act on information in real time and can be deployed to enable the creation of smart connected businesses, homes, cars and cities.

**IoT Marketplace**

an online space offering turn-key IoT solutions from cutting-edge innovators and industry-leading technology companies.

**IP (Internet protocol)**

A packet-based protocol for delivering data across networks.

**ISO 14001:2004**

Is a family of standards related to environmental management that exists to help organizations (a) minimize how their operations (processes etc.) negatively affect the environment (i.e. cause adverse changes to air, water, or land); (b) comply with applicable laws, regulations, and other environmentally oriented requirements, and (c) continually improve in the above areas.

**Lean principles**

To maximize customer value while minimizing waste. Simply, lean means creating more value for customers with fewer resources. A lean organization understands customer value and focuses its key processes to continuously increase it.

**LEED**

Leadership in Energy and Environmental Design (LEED) is a rating system that is recognized as the international mark of excellence for green building in 150 countries.

**LTE (long-term evolution)**

A 4G mobile telecommunications technology, capable of advanced wireless broadband speeds that has emerged as the leading global wireless industry standard. TELUS' 4G LTE coverage is currently capable of delivering manufacturer-rated peak download speeds of up to 75 Mbps (typical speeds of 12 to 25 Mbps expected).

**lost time accident (LTA)**

Under the Canada Labour Code, an LTA is any time lost as a result of an accident. Lost time begins on the day subsequent to the accident.

**material issues**

For a definition on materiality in the context of the GRI reporting framework, please see the [GRI website](#).

**Mbps (megabits per second)**

A measurement of data transmission speed, defined as the amount of data transferred in a second between two telecommunications points or within a network. Mbps is millions of bits per second and Gbps (gigabits per second) is billions.

**MTS**

Manitoba Telecom Services Inc. – On April 3, 2017 TELUS announced an agreement with Bell and MTS, in which ¼ of current MTS customers and 15 dealer locations would be acquired by TELUS. This was a requirement of the Competition Bureau to ensure that Manitoba benefits from added competitiveness in the marketplace. For more information, see the [TELUS Manitoba welcome webpage](#) and [media release](#).

**performance development**

The people practice which provides employees the direction, coaching and feedback they need to achieve both personal and professional goals. It is also one of the top five drivers of the Pulsecheck employee engagement score and a key contributor to our business success.

**postpaid**

Conventional method of payment for service where a subscriber is billed and pays for a significant portion of services and usage in arrears, after consuming the services.

**Pulsecheck**

TELUS annual on-line employee engagement survey.

**remediation**

Removal of contamination at a site to levels that do not exceed regulatory standards.

**roaming**

A service offered by wireless network operators that allows subscribers to use their mobile phone while in the service area of another operator.

**Senior Manager**

Team members at the Director level and above

**shared value**

This involves creating economic value in a way that also creates value for society by addressing its needs and challenges. Businesses can achieve shared value creation by reconnecting company success with social progress. Shared value is not social responsibility, philanthropy, or even sustainability, but rather a new way to achieve economic success.

**spectrum**

The range of electromagnetic radio frequencies used in the transmission of sound, data and video. The capacity of a wireless network is in part a function of the amount of spectrum licenced and utilized by the carrier.

**TELUS Community Ambassadors**

A large pool of current, former and retired employees who are passionate about volunteering in the communities where they live, work and serve.

**TELUS International**

Our international operations in the Philippines, United States, United Kingdom, Guatemala, El Salvador, Romania and Bulgaria.

**TELUS leadership values**

The TELUS team works together to deliver future friendly services and our values guide the way we work. They are: we embrace change and initiate opportunity; we have a passion for growth; we believe in spirited teamwork; we have the courage to innovate.

**Wi-Fi (wireless fidelity)**

The commercial name for networking technology that allows any user with a Wi-Fi-enabled device to connect to a wireless access point or hotspot in high-traffic public locations.

the future is friendly®