



**TELUS Corporation**  
Annual Information Form for the year ended  
December 31, 2022

February 9, 2023



## 1. CAUTION REGARDING FORWARD-LOOKING STATEMENTS

The terms *TELUS*, *the Company*, *we*, *us* and *our* refer to TELUS Corporation and, where the context of the narrative permits or requires, its subsidiaries.

This document contains forward-looking statements about expected events and our financial and operating performance. Forward-looking statements include any statements that do not refer to historical facts. They include, but are not limited to, statements relating to our objectives and our strategies to achieve those objectives, our plans and expectations regarding the impact of the COVID-19 pandemic and responses to it, our expectations regarding trends in the telecommunications industry including demand for mobile data and ongoing internet subscriber base growth, and our financing plans including our multi-year dividend growth program. 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*. These statements are made pursuant to the “safe harbour” provisions of applicable securities laws in Canada and the United States *Private Securities Litigation Reform Act of 1995*.

By their nature, forward-looking statements are subject to inherent risks and uncertainties and are based on assumptions, including assumptions about future economic conditions and courses of action. These assumptions may ultimately prove to have been inaccurate and, as a result, our actual results or events may differ materially from expectations expressed in or implied by the forward-looking statements. Our general outlook and assumptions for 2022 are presented in *Section 9 General trends, outlook and assumptions, and regulatory developments and proceedings* in the 2022 annual Management’s discussion and analysis (MD&A).

Risks and uncertainties that could cause actual performance or events to differ materially from the forward-looking statements made herein and in other TELUS filings include, but are not limited to, the following:

- The COVID-19 pandemic including its impacts on our customers, suppliers and vendors, our team members and our communities, as well as changes resulting from the pandemic to our business and operations.
- Regulatory matters including: changes to our regulatory regime (the timing of announcement or implementation of which are uncertain) or the outcomes of proceedings, cases or inquiries relating to its application, including but not limited to those set out in *Section 9.4 Communications industry regulatory developments and proceedings* in this MD&A, such as the potential for government to allow consolidation of competitors in our industry or conversely for government to intervene with the intent of further increasing competition, for example, through mandated wholesale access; the potential for additional government intervention on pricing; federal and provincial consumer protection legislation; a new policy direction to the CRTC; the introduction in Parliament of new federal privacy legislation that could materially expand or alter the scope of consumer privacy rights, include significant administrative monetary penalties and a privacy right of action, and implement a new regulatory regime for the use of artificial intelligence (AI) in the private sector, with significant enforcement powers; amendments to existing federal legislation; potential threats to unitary federal regulatory authority over communications in Canada; potential threats to the CRTC’s ability to enforce competitive safeguards such as the Standstill Rule and the *Wholesale Code*, which aims to ensure the fair treatment by vertically integrated firms of rival competitors operating as both broadcasting distributors and programming services; regulatory action by the Competition Bureau or other regulatory agencies; spectrum allocation and compliance with licences, including our compliance with licence conditions, changes to spectrum licence fees, spectrum policy determinations such as restrictions on the purchase, sale, subordination, use and transfer of spectrum licences, the cost and availability of spectrum and timing of spectrum allocation, and ongoing and future consultations and decisions on spectrum licensing and policy frameworks, auctions and allocation; draft legislation permitting the government to restrict the use in telecommunications networks of equipment made by specified companies, potentially including Huawei and ZTE; draft legislation imposing new cybersecurity reporting requirements; the request by the Minister of Innovation, Science and Industry to telecommunications service providers, including TELUS, to improve network resiliency; restrictions on non-Canadian ownership and control of the common shares of TELUS Corporation (Common Shares) and the ongoing monitoring of, and compliance with, such restrictions; unanticipated changes to the current copyright regime, which could impact obligations for internet service providers or broadcasting undertakings; and our ability to comply with complex and changing regulation of the healthcare and medical devices industry in the jurisdictions in which we operate, including as an operator of health clinics. The jurisdictions in which we operate, as well as the contracts that we enter into (particularly contracts entered into by TELUS International (Cda) Inc. (TELUS International or TI)), require us to comply with, or facilitate our clients’ compliance with, numerous, complex and sometimes conflicting legal regimes, both domestically and internationally. See *TELUS International’s financial performance which impacts our financial performance* below.
- Competitive environment including: our ability to continue to retain customers through an enhanced customer service experience that is differentiated from our competitors, including through the deployment and operation of evolving network infrastructure; intense competition, including the ability of industry competitors to successfully combine a mix of new service offerings, in some cases under one bundled and/or discounted monthly rate, along with their existing services; the success of new products, services and supporting systems, such as home automation, security and Internet of Things (IoT) services for internet-connected devices; continued intense competition across all services among telecommunications companies, cable companies, other communications companies and over-the-top (OTT) services, which, among other things, places pressures on current and future average revenue per subscriber per month (ARPU), cost of acquisition, cost of retention and churn rates for all services, as do market conditions, government actions, customer usage patterns, increased data bucket sizes or flat-rate pricing trends for voice and data, inclusive rate plans for voice and data, and availability of Wi-Fi networks for data; consolidation, mergers and acquisitions of industry competitors; subscriber additions, losses and retention volumes; our ability

to obtain and offer content on a timely basis across multiple devices on mobile and TV platforms at a reasonable cost as content costs per unit continue to grow; vertical integration in the broadcasting industry resulting in competitors owning broadcast content services, and timely and effective enforcement of related regulatory safeguards; TI's ability to compete with professional services companies that offer consulting services, information technology companies with digital capabilities, and traditional contact centre and business process outsourcing companies that are expanding their capabilities to offer higher-margin and higher-growth digital services; in our TELUS Health business, our ability to compete with other providers of employee and family assistance programs, benefits administration, electronic medical records and pharmacy management products, claims adjudicators, systems integrators and health service providers, including competitors with a vertically integrated mix of health services delivery, IT solutions and related services, global providers that could achieve expanded Canadian footprints, and providers of virtual healthcare services, preventative health services and personal emergency response services; and in our TELUS Agriculture & Consumer Goods business, our ability to compete with focused software and IoT competitors.

- Technology including: reduced utilization and increased commoditization of traditional fixed voice services (local and long distance) resulting from impacts of OTT applications and mobile substitution; a declining overall market for TV services, resulting in part from content piracy and signal theft, a rise in OTT direct-to-consumer video offerings and virtual multichannel video programming distribution platforms; the increasing number of households with only mobile and/or internet-based telephone services; potential decline in ARPU as a result of, among other factors, substitution by messaging and OTT applications; substitution by increasingly available Wi-Fi services; and disruptive technologies, such as OTT IP services, including software-defined networks in the business market that may displace or cause us to reprice our existing data services, and self-installed technology solutions.

*Challenges to our ability to deploy technology including:* high subscriber demand for data that challenges wireless networks and spectrum capacity levels and may be accompanied by increases in delivery cost; our reliance on information technology and our ability to continually streamline our legacy systems; the roll-out, anticipated benefits and efficiencies, and ongoing evolution of wireless broadband technologies and systems, including video distribution platforms and telecommunications network technologies, broadband initiatives (such as fibre-to-the-premises (FTTP), wireless small-cell deployment and 5G wireless); availability of resources and our ability to build out adequate broadband capacity; our reliance on wireless network access agreements, which have facilitated our deployment of mobile technologies; our choice of suppliers and those suppliers' ability to maintain and service their product lines, which could affect the success of upgrades to, and evolution of, technology that we offer; supplier limitations and concentration and market power for products such as network equipment, TELUS TV<sup>®</sup> and mobile handsets; our expected long-term need to acquire additional spectrum capacity through future spectrum auctions and from third parties to address increasing demand for data, and our ability to utilize spectrum we acquire; deployment and operation of new fixed broadband network technologies at a reasonable cost and the availability and success of new products and services to be rolled out using such network technologies; network reliability and change management; and our deployment of self-learning tools and automation, which may change the way we interact with customers.

*Capital expenditure levels and potential outlays for spectrum licences in auctions or purchases from third parties affect and are affected by:* our broadband initiatives, including connecting more homes and businesses directly to fibre; our ongoing deployment of newer mobile technologies, including wireless small cells that can improve coverage and capacity; investments in network technology required to comply with laws and regulations relating to the security of cyber systems, including bans on the products and services of certain vendors; investments in network resiliency and reliability, including measures to address changes in usage resulting from restrictions imposed in response to the COVID-19 pandemic; the allocation of resources to acquisitions and future spectrum auctions held by Innovation, Science and Economic Development Canada (ISED), including the announcement of a second consultation on the auctioning of the 3800 MHz spectrum, which the Minister of Innovation, Science and Industry stated is expected to take place in 2023, and the millimetre wave spectrum auction, which is expected to commence in 2024. Our capital expenditure levels could be impacted if we do not achieve our targeted operational and financial results or if there are changes to our regulatory environment.

- Operational performance and business combination risks including: our reliance on legacy systems and our ability to implement and support new products and services and business operations in a timely manner; our ability to manage the requirements of large enterprise deals; our ability to implement effective change management for system replacements and upgrades, process redesigns and business integrations (such as our ability in a timely manner to successfully complete and integrate acquisitions into our operations and culture, complete divestitures or establish partnerships and realize expected strategic benefits, including those following compliance with any regulatory orders); our ability to identify and manage new risks inherent in new service offerings that we may provide, including as a result of acquisitions, which could result in damage to our brand, our business in the relevant area or as a whole, and additional exposure to litigation or regulatory proceedings; our ability to effectively manage the growth of our infrastructure and integrate new team members; and our reliance on third-party cloud-based computing services to deliver our IT services.

- **Security and data protection** including risks that malfunctions or unlawful acts could result in unauthorized access or change to, or loss or distribution of, data that may compromise the privacy of individuals and could result in financial loss and harm to our reputation and brand.  
*Security threats* including intentional damage, unauthorized access or attempted access to our physical assets or our IT systems and network, or those of our customers or vendors, which could prevent us from providing reliable service or result in unauthorized access to our information or that of our customers.  
*Business continuity events* including: our ability to maintain customer service and operate our network in the event of human error or human-caused threats, such as cyberattacks and equipment failures that could cause various degrees of network outages; technical disruptions and infrastructure breakdowns; supply chain disruptions, delays and rising costs, including as a result of government restrictions or trade actions; natural disaster threats; extreme weather events; epidemics; pandemics (including the COVID-19 pandemic); political instability in certain international locations, including war and other geopolitical developments; information security and privacy breaches, including loss or theft of data; and the completeness and effectiveness of business continuity and disaster recovery plans and responses.
- **Our team** including: recruitment, retention and appropriate training in a highly competitive industry (including retention of team members leading recent acquisitions in emerging areas of our business), the level of our employee engagement and impact on engagement or other aspects of our business or any unresolved collective agreements including the future outcome of collective bargaining for an agreement with the Telecommunications Workers Union, United Steelworkers Local 1944, which expired at the end of 2021, our ability to maintain our unique culture as we grow, the risk that certain independent contractors in our business could be classified as employees, and the physical and mental health of our team, which are critical to engagement and productivity.
- **Environment, health and safety** including: loss of employee work time as a result of illness or injury; public concerns related to radio frequency emissions; environmental issues including climate-related risks (such as extreme weather events and other natural hazards), waste and waste recycling, risks relating to fuel systems on our properties, changing government and public expectations regarding environmental matters and our responses; and challenges associated with epidemics or pandemics, including the COVID-19 pandemic and our response to it, which may add to or accentuate these factors.  
*Energy use* including: our ability to identify, procure and implement solutions to reduce energy consumption and adopt cleaner sources of energy; our ability to identify and make suitable investments in renewable energy, including in the form of virtual power purchase agreements; our ability to continue to realize significant absolute reductions in energy use and the resulting greenhouse gas (GHG) emissions in our operations (in part as a result of programs and initiatives focused on our buildings and network); and other risks associated with achieving our goals to achieve carbon neutrality and reduce our GHG emissions by 2030.
- **Real estate matters** including risks associated with our real estate investments, such as financing risks and uncertain future demand, occupancy and rental rates, especially during the COVID-19 pandemic.
- **Financing, debt and dividend requirements** including: our ability to carry out financing activities, refinance our maturing debt, lower our net debt to EBITDA ratio to our objective range given the cash demands of spectrum auctions, and/or our ability to maintain investment-grade credit ratings. Our business plans and growth could be negatively affected if existing financing is not sufficient to cover our funding requirements.  
*Lower than planned free cash flow could constrain our ability to invest in operations, reduce leverage or return capital to shareholders, and could affect our ability to sustain our dividend growth program through 2025 and any further dividend growth programs.* This program may be affected by factors such as the competitive environment, fluctuations in the Canadian economy or the global economy, our earnings and free cash flow, our levels of capital expenditures and spectrum licence purchases, acquisitions, the management of our capital structure, regulatory decisions and developments, and business continuity events. Quarterly dividend decisions are subject to assessment and determination by our Board of Directors based on our financial position and outlook. Common Shares may be purchased under our normal course issuer bid (NCIB) when and if we consider it opportunistic, based on our financial position and outlook, and the market price of our Common Shares. There can be no assurance that our dividend growth program or our NCIB will be maintained, unchanged and/or completed.
- **Tax Matters** including: interpretation of complex domestic and foreign tax laws by the relevant tax authorities that may differ from our interpretations; the timing and character of income and deductions, such as depreciation and operating expenses; tax credits or other attributes; changes in tax laws, including tax rates; tax expenses that are materially different than anticipated, including the taxability of income and deductibility of tax attributes or retroactive application of new legislation; elimination of income tax deferrals through the use of different tax year-ends for operating partnerships and corporate partners; and changes to the interpretation of tax laws, including those resulting from changes to applicable accounting standards or the adoption of more aggressive auditing practices by tax authorities, tax reassessments or adverse court decisions impacting the tax payable by us.

- The economy including: : the state of the economy in Canada, which may be influenced by economic and other developments outside of Canada, including potential outcomes of future policies and actions of foreign governments and the COVID-19 pandemic, as well as public and private sector responses to the pandemic; expectations regarding future interest rates; inflation; unemployment levels; effects of volatility in oil prices; effects of low business spending (such as reducing investments and cost structure); pension investment returns and factors affecting pension benefit obligations, funding and solvency discount rates; fluctuations in exchange rates of the currencies of various countries in which we operate; sovereign credit ratings and effects on the cost of borrowing; the impact of tariffs on trade between Canada and the United States; and global implications of the dynamics of trade relationships among major world economies.  
*Ability to successfully implement cost reduction initiatives and realize planned savings, net of restructuring and other costs, without losing customer service focus or negatively affecting business operations.* Examples of these initiatives are: our operating efficiency and effectiveness program to drive improvements in financial results; business integrations; business product simplification; business process automation and outsourcing; offshoring and reorganizations; procurement initiatives; and real estate rationalization.
- Litigation and legal matters including: our ability to successfully respond to investigations and regulatory proceedings; our ability to defend against existing and potential claims and lawsuits (including intellectual property infringement claims and class actions based on consumer claims, data, privacy or security breaches and secondary market liability), or to negotiate and exercise indemnity rights or other protections in respect of such claims and lawsuits; and the complexity of legal compliance in domestic and foreign jurisdictions, including compliance with competition, anti-bribery and foreign corrupt practices laws.
- Foreign operations and our ability to successfully manage operations in foreign jurisdictions, including managing risks such as currency fluctuations and exposure to various economic, international trade, political and other risks of doing business globally. See also Section 10.3 - *Regulatory matters* of our 2022 annual MD&A and *TELUS International's financial performance which impacts our financial performance*.
- TELUS International's financial performance which impacts our financial performance. Factors that may affect TI's financial performance are described in TI's public filings available on SEDAR and EDGAR and may include: intense competition from companies offering similar services; attracting and retaining qualified team members to support its operations; TI's ability to grow and maintain profitability if changes in technology or client expectations outpace service offerings and internal tools and processes; TI maintaining its culture as it grows; effects of economic and geopolitical conditions on its clients' businesses and demand for its services; the significant portion of TI's revenue that is dependent on a limited number of large clients; continued consolidation in many of the verticals in which TI offers services resulting in potential client loss; adverse impacts of the COVID-19 pandemic on TI's business and financial results; the adverse impact on TI's business if certain independent contractors were classified as employees, and the costs associated with defending, settling or resolving any future lawsuits (including demands for arbitration) relating to the independent contractor classification; TI's ability to successfully identify, complete, integrate and realize the benefits of acquisitions and manage associated risks; cyberattacks or unauthorized disclosure resulting in access to sensitive or confidential information and data of its clients or their end customers, which could have a negative impact on its reputation and client confidence; TI's business not developing in ways it currently anticipates due to negative public reaction to offshore outsourcing, proposed legislation or otherwise; ability to meet client expectations regarding its content moderation services being adversely impacted due to factors beyond its control and its content moderation team members suffering adverse emotional or cognitive effects in the course of performing their work; and TI's short history operating as a separate, publicly traded company. TELUS International's primary functional and reporting currency is the U.S. dollar and the contribution to our consolidated results of positive results in our digitally-led customer experiences – TELUS International (DLCX) segment may be offset by any strengthening of the Canadian dollar (our reporting currency) compared to the U.S. dollar, the European euro, the Philippine peso and the currencies of other countries in which TI operates. The trading price of the subordinate voting shares of TI (TI Subordinate Voting Shares) may be volatile and is likely to fluctuate due to a number of factors beyond its control, including actual or anticipated changes in profitability; general economic, social or political developments; changes in industry conditions; changes in governance regulation; inflation; low trading volume; the general state of the securities markets; and other material events. TI may choose to publicize targets or provide other guidance regarding its business and it may not achieve such targets. Failure to do so could also result in a decline in the trading price of the TI Subordinate Voting Shares. A decline in the trading price of the TI Subordinate Voting Shares due to these or other factors could result in a decrease in the fair value of TI multiple voting shares held by TELUS. These risks are described in additional detail in *Section 9 General trends, outlook and assumptions, and regulatory developments and proceedings* and *Section 10 Risks and risk management* in the 2022 annual MD&A. Those descriptions are incorporated by reference in this cautionary statement but are not intended to be a complete list of the risks that could affect the Company.

Many of these factors are beyond our control or outside of our current expectations or knowledge. Additional risks and uncertainties that are not currently known to us or that we currently deem to be immaterial may also have a material adverse effect on our financial position, financial performance, cash flows, business or reputation. Except as otherwise indicated in this document, the forward-looking statements made herein do not reflect the potential impact of any non-recurring or special items or any mergers, acquisitions, dispositions or other business combinations or transactions that may be announced or that may occur after the date of this document.

Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements in this document describe our expectations, and are based on our assumptions, as at the date of this document and are subject to change after this date. Except as required by law, we disclaim any intention or obligation to update or revise any forward-looking statements.

This cautionary statement qualifies all of the forward-looking statements in this Annual Information Form.

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<sup>1</sup> As filed on SEDAR on February 9, 2023

Each Section of the Management's Discussion and Analysis for the fiscal year ended December 31, 2022 (2022 annual MD&A), referred to in this Annual Information Form (AIF) is incorporated by reference and filed on SEDAR at [sedar.com](http://sedar.com). For greater certainty, notwithstanding references to TELUS' information circular, consolidated financial statements, sustainability and ESG report and the [telus.com](http://telus.com) website, these documents and website are not incorporated into this AIF. In this AIF, except where otherwise indicated, all references to dollars or \$ are to Canadian dollars.



### 3. CORPORATE STRUCTURE

#### 3.1 Name, address and incorporation

TELUS was incorporated under the *Company Act* (British Columbia) (the B.C. Company Act) on October 26, 1998, under the name BCT.TELUS Communications Inc. (BCT). On January 31, 1999, pursuant to a court-approved plan of arrangement under the *Canada Business Corporations Act* among BCT, BC TELECOM Inc. (BC TELECOM) and the former Alberta-based TELUS Corporation (TC), BCT acquired all of the shares of BC TELECOM and TC in exchange for common shares, and non-voting shares of BCT and BC TELECOM were dissolved. On May 3, 2000, BCT changed its name to TELUS Corporation and in February 2005, the Company transitioned under the *Business Corporations Act* (British Columbia), successor to the B.C. Company Act. On February 4, 2013, in accordance with the terms of a court approved plan of arrangement under the *Business Corporations Act* (British Columbia), TELUS exchanged all of its issued and outstanding Non-Voting Shares into Common Shares on a one-for-one basis. On April 16, 2013, TELUS subdivided its Common Shares on a two-for-one basis. On March 17, 2020, TELUS subdivided its issued and outstanding Common Shares on a two-for-one basis.

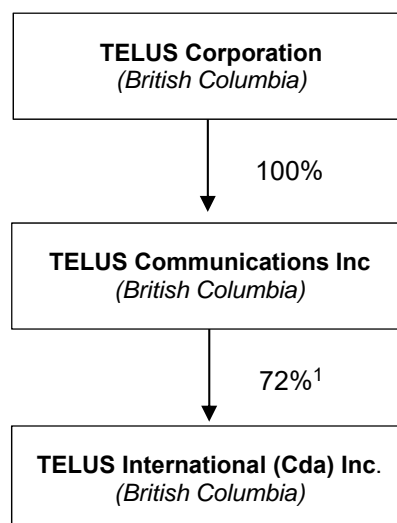
TELUS maintains its registered office at Floor 7, 510 West Georgia Street, Vancouver, British Columbia (B.C.) and its executive office at Floor 23, 510 West Georgia Street, Vancouver, B.C.

#### 3.2 Intercorporate relationships and TELUS subsidiaries

TELUS' mobile and fixed telecommunications businesses are primarily operated through TELUS Communications Inc (TCI). TELUS International (Cda) Inc. (TELUS International or TI) is a digital customer experience innovator that designs, builds and delivers next-generation solutions, including artificial intelligence and content moderation, for global and disruptive brands, supporting their clients' digital transformation journeys and enabling clients to swiftly embrace next-generation digital technologies to deliver better business outcomes.

In February 2021, TELUS International made an initial public offering (IPO) of subordinate voting shares (TI Subordinate Voting Shares); both TELUS Corporation and a TELUS International non-controlling shareholder individually also offered TI Subordinate Voting Shares in conjunction with the IPO.

In the year ended December 31, 2022, TCI and TI were the only subsidiaries that owned assets constituting more than 10% of the consolidated assets of TELUS and that generated sales and operating revenues that exceeded 10% of the consolidated sales and operating revenues of TELUS. In addition, all of the assets, sales and operating revenues of TELUS' other subsidiaries (other than TCI and TI), together did not exceed 20% of TELUS' total consolidated assets or 20% of TELUS' total consolidated sales and operating revenues as at December 31, 2022.



<sup>1</sup> As of December 31, 2022, TELUS Communications Inc. retained, directly and indirectly, approximately 72% of the combined voting interest attached to all issued and outstanding shares in TI.

## 4. GENERAL DEVELOPMENT OF THE BUSINESS

### 4.1 Three-year history

During the three-year period ended on December 31, 2022, we continued to advance our national growth strategy, guided by our six strategic imperatives.

**For a review of the events and conditions that influenced our general development during 2022, and how our business has continued to evolve, please see Section 1.2 - The environment in which we operate, Section 2.2 - Strategic imperatives, as well as progress on our corporate priorities in Section 3 - Corporate priorities and Section 5 – Discussion of operations of our 2022 annual MD&A which sections are hereby incorporated by reference. This AIF also incorporates by reference Section 11 - Definitions and reconciliations of our 2022 annual MD&A.**

**The following discussion relates to 2020 and 2021 events and conditions.**

#### **Strategic imperative: Building national capabilities across data, IP, voice and wireless**

We were recognized with various accolades from independent global analytics company Opensignal throughout 2020.

- In the *Mobile Network Experience Canada* report released in February 2020, we were recognized as being number one for Video Experience, Download Speed Experience, Upload Speed Experience, Latency Experience and 4G Availability, and we tied for number one for Voice App Experience. Additionally, according to the *Mobile Experience during the COVID-19 pandemic: 4G Download Speed* report issued on April 8, 2020, Canada's speeds held up extremely well under the demands of the COVID-19 pandemic.
- In the report entitled *The State of Mobile Network Experience 2020: One Year into the 5G Era*, released in May 2020, Canada tied with South Korea for the fastest Download Speed Experience in the world and Canada continued to have the fastest Download Speed Experience among the G7 countries.
- According to the report entitled *State of Rural Canada's Mobile Network Experience*, dated May 2020, we were recognized as having the fastest network in rural Canada. If Canada's rural networks were categorized as a stand-alone country, rural Canada would rank second only to Japan among the G7 countries, which is notable given Canada's vast geography and population dispersion.
- In the *Mobile Network Experience: Canada Report (August 2020)*, we won the top spot in four awards (Download Speed Experience, Upload Speed Experience, Video Experience and Voice App Experience), and tied for first in two awards (Games Experience and 4G Coverage Experience). Our speed in the Download Speed Experience category was 72.7 Mbps, which is 5.2 Mbps faster than the second place finisher. This Opensignal recognition for fastest download speed experience marked our seventh consecutive win in this category since January 2017.
- The Global Mobile Network Experience Awards 2020 (September 2020) report recognized us as having the world's fastest network. We were the global winner for Download Speed Experience as our 4G LTE download speeds achieved a score of 75.8 Mbps and won the highest average overall download speeds in the world. The second fastest country in the world was South Korea's average of 59 Mbps on their 5G networks, which were launched nationally in 2019.

In February 2020, we were named the Best Gaming Internet Service Provider (ISP) for Canada 2020 according to the U.S.-based PCMag Gaming Quality Index. Additionally, in the PCMag report entitled *The Fastest ISPs of 2020: Canada* released in June 2020, we were ranked as the fastest ISP in Canada among major ISPs.

In 2020, we won two Speedtest Awards from U.S.-based Ookla for Canada's Fastest Mobile Network and Canada's Best Mobile Coverage.

In Canada-based Tutela's report entitled *Canada: State of Mobile Networks April 2020*, TELUS was awarded three of the national awards for Core Consistent Quality, Download Throughput and Latency, and tied for Excellent Consistent Quality, based on data from September 1, 2019 to February 29, 2020. Additionally, in Tutela's report *Canada: Mobile Experience Report June 2020*, based on data from March 1 to May 31, 2020, our wireless network was rated as best in consistent quality, lowest latency and fastest download speeds.

In February 2020, we announced that we had succeeded in bringing wireless connectivity to every community in B.C. with a population of 1,000 people or more. This significant milestone aligns with the federal government's rural connectivity goals.



In June 2020, we launched TELUS PureFibre 1.5 Gigabit Internet with up to 1,500 Mbps download and 940 Mbps upload speeds for homes and businesses in B.C. and Alberta.

Building on our November 2019 announcement that we had provided several communities in Quebec's Lower North Shore region with access to high-speed internet and wireless phone services for the first time, we continued this deployment in June 2020 to the communities of Kegaska and La Romaine.

In September 2020, along with the Government of Canada, we announced a \$15 million investment for the deployment of a submarine fibre-optic cable between Sept-Îles and the Gaspésie region, which will improve the reliability and security of telecommunications services in Quebec's North Shore region, ensuring we keep Canadians connected and reach as many rural Canadians as we can.

In September 2020, we announced that we were expanding our high-speed internet and wireless services to reach an additional 25,000 homes and businesses in 45 remote, low-density communities in the Quebec City region and in Eastern Quebec by early 2021, bridging the digital divide in remote communities.

Our 2020 Indigenous Connectivity Report, released in November 2020, highlighted the transformative benefits of connectivity that have resulted from partnerships between us and Indigenous communities throughout B.C. In partnership with Indigenous governments, we have brought high-speed internet to approximately 18,500 premises across 56 Indigenous communities (87 Indigenous Lands) across our footprint.

We were recognized with various accolades from Opensignal throughout 2021.

- In the *Mobile Network Experience Canada* report released in February 2021, we were recognized as being number one for Video Experience, Voice App Experience, Download Speed Experience and Upload Speed Experience, and we tied for number one in 4G Availability, 4G Coverage Experience and Games Experience. This achievement marked the ninth consecutive time an aspect of our mobile network, including download speed experience, has earned top spot from Opensignal.
- In the *Canada 5G User Experience Report* released in April 2021, we tied for first in 5G Download Speed, 5G Video Experience, 5G Upload Speed, 5G Availability, 5G Voice App Experience and 5G Reach.
- In *The State of Group Video Calling Experience – North and Latin America* report released in June 2021, we were the joint winner for Group Video Calling Experience in Canada. As well, Canada ranked third out of 19 countries and territories in North and Latin America.
- In the *Mobile Network Experience: Canada Report* (August 2021), we earned the top spot in six of seven categories, won top spot in four awards (Video Experience, Voice App Experience, Download Speed Experience and Upload Speed Experience), and tied for first in two awards (Games Experience and 4G Coverage Experience). Our speed in the Download Speed Experience category was 73.9 Mbps, which was 5.8% faster than the second place finisher and 28.6% faster than the third place finisher.
- In the *Canada 5G Experience Report* released in August 2021, we tied for first in 5G Video Experience, 5G Download Speed and 5G Upload Speed.

In 2021, we won two Speedtest Awards from U.S.-based Ookla for Canada's Fastest Mobile Network and Canada's Best Mobile Coverage.

In Canada-based Tutela's report entitled *Canada: State of Mobile Experience March 2021*, we were awarded two of the national awards for Excellent Consistent Quality and Core Consistent Quality, and tied for Download Throughput and Coverage, based on data from September 1, 2020 to February 28, 2021. Tutela also named us the best mobile experience provider in Canada.

In U.S.-based PCMag's report *The Fastest ISPs of 2021: Canada*, released in June 2021, we were ranked as the fastest ISP in Canada among major ISPs for the second consecutive year. The report also noted that we expanded the gap between our speeds and those of our peers by a wider margin.

In February 2021, we announced the completed deployment of TELUS 4G LTE technology in 14 isolated communities in Quebec's Lower North Shore region, nearly one year ahead of the targeted completion date. For the first time ever, the region's 2,000 households have access to high-speed internet and mobile phone service, and can browse the internet at speeds similar to those living in urban areas.

In March 2021, we announced a five-year partnership with the University of Alberta (U of A) to establish a 5G Living Lab at the U of A campus to advance research and development of innovative technologies. The \$15 million investment will enhance U of A's innovation and commercialization capacity in areas of strength, starting with precision agriculture and autonomous vehicle systems.

In June 2021, in partnership with the Kanata North Business Association and Canada's Centre of Excellence in Next Generation Networks, we announced the launch of the 5G Innovation Zone in Ottawa's Hub350. This innovation hub is designed to leverage emerging technology advancements, including edge computing, network slicing and IoT commercialization, to tackle real-world challenges. These technologies are foundational to unleash the potential of 5G and the TELUS innovation zone is expected to help realize both economic and societal value from these capabilities.

In December 2021, we expanded our strategic relationship with IBM by deploying a Canada-wide 5G edge computing platform to enable enterprises across multiple industries to accelerate innovative solutions that deliver new value to their clients and operations.

Our investments to deploy our PureFibre technology have brought fibre-optic connectivity further into our infrastructure and directly to homes and businesses. At the end of 2021, over 2.7 million homes and businesses in communities across B.C., Alberta and Quebec had access to ultra-fast, symmetrical internet speeds of 150 Mbps up to 1 Gbps, and approximately 1.3 million premises in B.C. and Alberta had access to symmetrical internet speeds of up to 2.5 Gbps with TELUS PureFibre. Recognizing the need for highly reliable connectivity with low latency throughput to support emerging services such as virtualized networks and IoT applications, we have also begun rolling out new equipment for enhanced speeds and services.

### **Strategic imperative: Providing integrated solutions that differentiate TELUS from our competitors**

Throughout 2021, we continued to invest in our leading-edge broadband technology, which has enabled the success of our internet, Optik TV and Pik TV offerings and business services, as well as our mobility solutions, and helped allow us to deploy our 5G technology in 2020.

- Our 4G LTE infrastructure covered 99% of Canada's population at December 31, 2021 and December 31, 2020.
- Over 2.7 million households and businesses in B.C., Alberta and Eastern Quebec were connected with fibre-optic cable, which provided these premises with immediate access to our fibre-optic infrastructure. This was up from approximately 2.5 million households and businesses at December 31, 2020.
- Our 5G network, launched in the second quarter of 2020, connected over 26.2 million Canadians, representing 70% of the population at December 31, 2021.

In January 2020, we acquired a 28% basic equity interest in Miovision Technologies Incorporated (Miovision), with a view to advancing our Internet of Things (IoT) and smart cities strategy. Miovision is a developer of intelligent mobility systems and traffic management solutions for municipalities worldwide.

In September 2020, we officially unveiled GoCo, simplifying access to robust and flexible business communications technologies for Canadian businesses. Combining the collective strengths and expertise of bluArc, BroadConnect Canada, Infra-Solutions, Netrium, Radiant and Ubity (all previously acquired by TELUS), GoCo provides businesses with simple and scalable solutions for unified communications, managed connectivity and network security.

In February 2021, we launched TELUS Global Connect, enabling our customers to customize and manage IoT device connectivity on cellular networks around the globe. The launch of TELUS Global Connect is part of a growing relationship between TELUS and Eseye, a pioneer of IoT connectivity management solutions, providing businesses with seamless cellular IoT connectivity to 700 mobile networks across 190 countries.

In June 2021, we launched PureFibre X, with upload and download speeds of 2.5 Gbps. PureFibre X plans include the latest Wi-Fi 6, enabling better quality connectivity and connections throughout the home. By leveraging Wi-Fi 6 technology with our new PureFibre X, we can provide households with nearly limitless connectivity, enabling simultaneous 4K streaming, video conferencing, web surfing, gaming, smart home automation and smart home security.

In July 2021, we announced the launch of the TELUS Managed Cloud Security service, which supports an integrated cybersecurity strategy with unified controls and complete visibility across the customers' infrastructure. Built in collaboration with cybersecurity leader Palo Alto Networks, TELUS Managed Cloud Security offers a comprehensive way to secure data wherever customers do business.

In September 2021, we announced a multi-year agreement with General Motors Canada (GM) that will connect GM's next-generation vehicles to our 5G network. We are collaborating with GM to enable high-performance wireless network capabilities that will meet the unique needs of an all-electric and autonomous vehicle future. The first GM vehicles with built-in connectivity to our 4G-LTE and 5G network are expected to be introduced with the 2025 model year.

### **Strategic imperative: Partnering, acquiring and divesting to accelerate the implementation of our strategy and focus our resources on core business**

On January 31, 2020, TELUS International (Cda) Inc. completed the acquisition of 100% of TINE for approximately \$1.3 billion (€915 million), less debt assumed. TINE is a provider of higher-value-added business services with a focus on customer relationship management and content moderation through 28 languages. TINE offers its services across 11 European countries at the time of the acquisition and partners with industry-leading global brands primarily from fast-growing technology, media and telecommunications, retail, and travel and hospitality sectors.

On July 1, 2020, we acquired 100% of Mobile Klinik, a storefront wireless device repair and sales business complementary to our existing wireless lines of business. The investment was made with a view to growing our wireless business.

On November 12, 2020, we announced TELUS Agriculture (now TELUS Agriculture & Consumer Goods), which is dedicated to providing innovative solutions to support the agriculture and related industry with connected

technology. At launch, one of our acquired companies was AFS Technologies Inc. (AFS). The acquisition of AFS was completed in the third quarter of 2020. AFS provides trade promotion and supply chain software solutions to consumer packaged goods companies, food distributors and food manufacturers. Other companies acquired over the course of 2019 to 2020 prior to announcement include:

- AGIntegrated – Seamless API integration for agri-businesses (Pennsylvania, U.S.)
- Agrian – Unified management platform for precision, agronomy, sustainability, analytics, and compliance (California, U.S.)
- Decisive Farming – Precision agronomy and farm management expertise (Alberta)
- Farm At Hand – Simplified farm management software (B.C.)
- Feedlot Health Management Solutions – Critical insights and data-based knowledge (Alberta)
- Muddy Boots – Farm-to-food traceability and supply chain management (Ross-on-Wye, United Kingdom)
- TKXS – Custom data and program management (North Carolina, U.S.)

On November 24, 2020, we announced the launch of our TELUS Pollinator Fund for Good, a social impact investment fund created to power ideas in new responsible and sustainable start-up businesses. The fund will invest in early-stage (Seed and Series A) for-profit, purpose-driven companies with exceptional and diverse leadership. These companies' goals must align with our goals and should already have a product or service in market, and demonstrated an ability to grow their customer base and generate revenue.

On December 16, 2020, we acquired 100% of EQ Care, a national virtual healthcare provider offering convenient and confidential bilingual access to doctors and specialists via secure text and video chat from anywhere at any time. This acquisition strengthens our virtual care offerings in Canada.

On December 31, 2020, TI acquired Lionbridge AI, the data annotation business of Lionbridge Technologies, Inc. for approximately \$1.2 billion (US\$939 million). Lionbridge AI is a global provider of crowd-based training data and annotation platform solutions used in the development of AI algorithms to power machine learning. Lionbridge AI annotates data in text, images, videos and audio in more than 300 languages and dialects for some of the world's largest technology companies in social media, search, retail and mobile.

In the first quarter of 2021, we acquired a digitally enabled central dispensing pharmacy to make the pharmacy experience more personal, convenient and accessible, as well as easier for users to manage.

In July 2021, TELUS Agriculture & Consumer Goods, together with Rabobank, a global food and agriculture bank, acquired Conservis, a company that integrates disparate farm technologies into one streamlined interface to manage the business of farming. Improving on-farm profitability and enabling the efficient sharing of farm data with trusted partners are foundational ingredients to ensure the sustainability and security of our food system. With Rabobank and with the technology available in the Conservis platform, we will be able to make the financial management of farms a more efficient process and unlock new opportunities for our customers across the food value chain.

In July 2021, TI acquired Bangalore-based Playment, a leader in data annotation and computer vision tools and services specializing in 2D and 3D image, video and light detection and ranging (LiDAR). The acquisition followed TI's purchase of Lionbridge AI in December 2020 and further expanded the company's global leadership in scaled data annotation capabilities, enabling greater opportunities to enhance AI systems and provide more complex solutions to technology, large enterprise and existing hyperscaler clients. TI operates this division as TELUS International AI Data Solutions, with a global AI community of over one million annotators and linguists and one of the largest data annotation platforms of its kind globally.

In September 2021, we acquired the assets of Herdtrax Inc., a leading integrated online cattle record management software that allows users to capture data at birth and with every subsequent event through the animal's life. Herdtrax will continue to work to bridge information gaps through an animal's life, providing the ability to track and share attributes to help with management decisions made across the beef industry. Herdtrax was already integrated with Feedlot Health Management Services by TELUS Agriculture, allowing farmers to share information with buyers, helping optimize production efficiency and overall animal health by supporting data-based decision-making for feedlot and calf grower clients.

On September 22, 2021, we acquired 100% ownership of Blacksmith Applications Holdings Inc., a provider of management, optimization and analytics to food, beverage and consumer goods providers. The acquisition was complementary to, and was made with a view to growing, our existing smart data solutions business.

On December 6, 2021, we announced the disposition of our financial solutions business for \$500 million. Net proceeds from the transaction were used to support strategic growth investments, including connecting more homes and businesses to our TELUS PureFibre network and advancing our 5G network build and investments to support enhancing new areas of growth, including our offerings to small and medium-sized businesses, as well as in TELUS Health and TELUS Agriculture & Consumer Goods. Proceeds were also used to support debt retirement.

### **Strategic imperative: Focusing relentlessly on the growth markets of data, IP and wireless**

TELUS technology solutions (TTech) service revenues increased by \$685 million or 5.9% in 2021. Our main drivers of growth include: (i) increased internet and data service revenues, as well as smart food-chain technology and other fixed data services revenues, driven by higher revenue per customer resulting from internet speed upgrades, subscriber base growth, business acquisitions and expanded services; (ii) growth in our mobile and connected devices subscriber bases; and (iii) growth in health services revenues, as further described below.

TTech fixed data services revenues increased by \$482 million or 12.2% in 2021. The increase was driven by: (i) increased internet and data service revenues, reflecting higher revenue per customer resulting from internet speed upgrades, larger allotted data internet rate plans and rate changes, in addition to a 6.2% increase in our internet subscriber base over the 12 months of 2021; (ii) increased revenues from smart food-chain technology, driven by business acquisitions; (iii) higher TV revenues, reflecting subscriber growth of 4.1% over the 12 months of 2021; and (iv) increased revenues from home and business security driven by expanded services and customer growth of 13.7% over the 12 months of 2021. This growth was partly offset by the ongoing decline in legacy data service revenues.

TTech mobile network revenue increased by \$178 million or 3.0% in 2021, generated from increases in our mobile subscriber base, including growth of Internet of Things (IoT) connections, in addition to growth in monthly recurring charges reflecting a greater mix of high-value customer additions and selection of higher-tier plans. These impacts were partly offset by lower chargeable data usage revenue as customer continue to adopt larger data allotments in their rate plans, the impact of the competitive environment putting pressure on base rate plan prices, and lower roaming revenues as declines in the first quarter of 2021 exceeded modest roaming recoveries in the latter portion of 2021.

TTech health service revenues increased by \$73 million or 16.3% in 2021, driven by: (i) business acquisitions; (ii) increased in-clinic services in our reopened TELUS Health Care Centres, whereas clinics were impacted by mandated lockdowns last year; (iii) higher revenues from the continued adoption of our virtual care solutions; and (iv) growth in health benefits management services with plan members resuming the use of elective health services.

Our digital and customer experience (DLCX) solutions operating revenues increased by \$573 million or 33.0% in 2021, attributable in part to growth generated from our acquisitions, particularly within our tech and games clients. The remainder of the growth was organic, coming from growth in services provided to existing clients, as well as new clients added since the prior year.

TELUS Consolidated service revenues increased by \$1,258 million or 9.5% in 2021, which exemplified our commitment to a highly differentiated and potent asset mix geared towards high-growth, technology-oriented verticals. In addition, as announced on March 25, 2021, our advanced capital investments in our fibre build and 5G coverage, as well as other capital investments which enable us to support continuing subscriber growth, deliver on our digitization strategy and drive product enhancements, will bolster top-line revenue growth and enhance our strong competitive positioning.

### **Strategic imperative: Going to market as one team under a common brand, executing a single strategy**

Our team works together to implement our top corporate priority: putting customers first, as we strive to consistently deliver exceptional client experiences and become the most recommended company in the markets we serve. The Commission for Complaints for Telecom-television Services (CCTS) annual reports have indicated the successful results of this strategy.

In November 2020, the CCTS issued its annual report for the 12-month period ended July 31, 2020, which determined that TELUS was again the subject of the fewest customer complaints among national carriers and Koodo was again the subject of the fewest complaints among the national flanker brands. TELUS, Koodo and Public Mobile each saw year-over-year reductions in the total customer complaints accepted by the CCTS with improvements of (27.6)%, (9.0)% and (41.4)%, respectively. Total industry complaints decreased year-over-year by 18.8%.

In December 2021, the CCTS issued its annual report for the 12-month period ended July 31, 2021, and TELUS again received the fewest customer complaints among national carriers, while Koodo again received the fewest complaints among national flanker brands. Although total industry complaints accepted by the CCTS increased by 8.6% year-over-year, complaints involving TELUS increased at a lesser rate of 4.7%.

Throughout 2020, we continued to leverage our Connecting for Good programs to support marginalized Canadians through the global pandemic and also expanded program eligibility to support those who need it most.

- We expedited access to our Internet for Good program to kindergarten to grade 12 students in need through partnerships with school boards and principals and expanded the program to include low-income people with disabilities. Over 400,000 vulnerable Canadians were eligible to receive low cost, high-speed internet in B.C., Alberta and Quebec. During 2020, we supported nearly 33,000 Canadians, bringing the number of Canadians benefiting from our Internet for Good program since its launch to close to 72,000 at December 31, 2020.
- In partnership with the Children's Aid Foundation of Canada, we expanded our Mobility for Good program nationally to all youth aging out of foster care. In December 2020, we expanded the program to include low-income seniors across Canada who are receiving the guaranteed income supplement (GIS), providing access to the technology they need to stay connected to loved ones and address feelings of isolation, enjoy their favourite online

games and books, and obtain important healthcare resources and information. Including both youth and seniors, we added close to 2,500 Canadians to the program in 2020, providing them with a free smartphone and a free or subsidized wireless plan. Since its inception, more than 6,300 marginalized Canadians have benefited from our Mobility for Good program.

- Through our Mobility for Good COVID-19 Emergency Response program, we distributed 14,200 devices and rate plans to more than 340 organizations. This enabled at-risk individuals to keep in contact with health practitioners and social workers, while helping hospitalized patients and vulnerable seniors stay connected with family. The free rate plans were supported until June 30, 2021.
- We expanded our Health for Good program and launched seven new mobile health clinics in 2020. In 2020, our 11 mobile clinics offered health services to homeless and other marginalized Canadians from coast to coast and supported more than 28,000 patient visits, including assisting in the pandemic response by supporting 12,700 COVID-19 assessments and tests. Since inception in 2014, our Health for Good program has supported over 50,000 patient visits up to December 31, 2020.

We continued to evolve our TELUS Wise program during 2020 to build digital literacy and safety in our connected world.

- More than 90,000 Canadians participated in our online TELUS Wise workshops. These workshops are free of charge and help foster the safe and responsible use of technology in our digital world. Approximately 85% of participants felt more empowered to stay safe online as a result of attending a workshop.
- In line with our commitment to keep Canadians safe online, we launched two new online TELUS Wise workshops, *Empowering you to stay safe in our digital world for adults* and *Supporting youth in our digital world* for parents. Available at <https://telus.com/Wiseworkshops>, the first workshop offers important tips about protecting one's online safety and privacy, while the second workshop shares tips and guidance on navigating screen time, gaming, sexting, cyberbullying and helping youth stay safe in our digital world.

In March 2020, the arm's-length TELUS Friendly Future Foundation, together with the TELUS Community Boards, announced a commitment to help build public healthcare capacity throughout the COVID-19 pandemic and beyond, including funding for new technology and equipment, such as ventilators, as well as increased support for food banks, elderly Canadians and mental health programs.

In 2020, we donated \$500,000 to a research team from the Vancouver General Hospital and University of British Columbia Hospital Foundation to assist in the search for therapeutic antiviral treatments for COVID-19.

In the first quarter of 2020, we launched our #StayStrongStayConnected video in English and French on our social media handles, intended to help share positive messages and keep citizens connected during the COVID-19 pandemic.

In March 2020, we introduced our TELUS Talks podcast. We produced 49 podcast episodes throughout 2020, including episodes with guests Dr. Bonnie Henry, Dr. Michael Osterholm, Dr. Gabor Maté and Carol Todd. We garnered more than 118,000 listens, helping to support Canadians with information and insights to manage through a most unprecedented year.

For the first time, our annual TELUS Days of Giving became a year-long virtual event in 2020, with TELUS team members, retirees and fellow Canadians volunteering – safely and virtually – to support our local communities. As of December 31, 2020, our TELUS family had participated in 1.2 million safe acts of giving, including more than 1.25 million volunteer hours of service, sewing 150,000 masks and donating 210,000 TELUS-branded masks.

Commencing in the second quarter of 2020, TELUS-branded, non-medical masks were made available in adult and youth sizes to help keep Canadians safe, with all proceeds going to the TELUS Friendly Future Foundation to support COVID-19 pandemic relief efforts. As of December 31, 2020, we had sold 79,000 masks, raising more than \$535,000 to support the work of our Foundation.

In 2011, we initiated our first set of long-term energy and greenhouse gas emission reduction goals and surpassed them in early 2019, ahead of our 2020 target. As such, in our 2019 sustainability report issued during the second quarter of 2020, we released our new transformational climate action targets, including having our operations become net carbon neutral by 2030.

In May 2020, we launched our #StandWithOwners program in support of Canadian small businesses through the pandemic, committing in direct revenue, marketing and expert advice to support, promote and celebrate small business owners.

As part of our annual 2020 Kits for Kids program, in 2020 we donated 13,000 backpacks filled with essential school supplies and reusable youth-sized face masks to support a successful return to learning.

On World Mental Health Day in October, 2020, we premiered our latest TELUS Originals documentary, *Dark Cloud*, which spotlights the stories and life-altering impacts of cyberbullying in Canada. As of the 2020 year-end, we achieved 709,000 documentary views across Optik TV and YouTube. With Canadians spending more time than ever online during the COVID-19 pandemic, from socializing to schooling, this film is relevant for parents, youth and all Canadians, as it shares insights into what causes cyberbullying and how we can stop it.

Throughout 2021, we continued to leverage our Connecting for Good programs to support marginalized Canadians through the global pandemic and also expanded program eligibility to support those who need it most.



- We welcomed close to 12,000 new households to our Internet for Good program in 2021, resulting in 106,000 low income family members, persons with disabilities and youth leaving foster care all benefiting from low-cost internet since the launch of the program in 2016.
- Our Mobility for Good program offers free or subsidized mobile phone rate plans and devices to all youth aging out of foster care and to low-income seniors across Canada receiving the guaranteed income supplement. We added 7,000 youth, seniors and other marginalized Canadians in 2021. Since we launched the program in 2017, more than 28,000 individuals have benefited.
  - In the fourth quarter of 2021, we launched Mobility for Good for Indigenous Women at Risk, a new program that provides free smartphones and data plans to Indigenous women who are at risk of or surviving violence, in partnership with Indigenous organizations in Alberta and B.C.
- We expanded our Tech for Good program nationally, in partnership with March of Dimes Canada, and continued to provide people with disabilities access to personalized one-on-one assessments, customized recommendations, training and support on mobile devices. Up to December 31, 2021, we have supported more than 4,600 Canadians with disabilities who require professional assistance to independently use or control their mobile device through the program and the TELUS Wireless Accessibility Discount.
- Our mobile health clinics, served 14 communities across Canada, supported 35,000 patient visits in 2021, resulting in close to 95,000 cumulative primary care visits since the inception of our Health for Good program in 2019. Most mobile clinics had also directly supported the COVID-19 crisis response, providing COVID-19 assessments since the start of the pandemic, and vaccines in 2021. Up to December 31, 2021, our mobile health clinics have administered more than 9,000 vaccinations.
- We continued to expand our Health for Good program presence with the launch of new clinics throughout the year:
  - In January 2021, we launched a new mobile clinic in Toronto with the Parkdale Queen West Community Health Centre. This clinic provides primary healthcare services for marginalized populations in Toronto's midwest neighbourhoods.
  - In January 2021, we also announced a new partnership and mobile clinic with Kilala Lelum Health Centre. This specially equipped mobile van provides primary healthcare and Indigenous Elder-led cultural care to residents of Vancouver's Downtown Eastside.
  - In May 2021, we enhanced our presence in Victoria, B.C. with the signing of a new partnership agreement with Cool Aid Society, a well-established and highly regarded charity organization that provides primary and mental healthcare, affordable housing and other supports for the homeless in Victoria, Saanich and Langford.
  - In October 2021, we expanded further with the launch of a new mobile clinic in the Niagara Region of Ontario. In collaboration with our partner, REACH Niagara, we are bringing primary care to marginalized and underserved people in the area, including migrant agricultural workers, new immigrants and refugees, while supporting the training of the next generation of healthcare workers.

We continued to help Canadians stay safe in our digital world through our TELUS Wise program in 2021. Over 105,000 Canadians participated in virtual TELUS Wise workshops and events in 2021, bringing our cumulative participation to over 450,000 Canadians since the program launched in 2013.

- Approximately 47,000 youth attendees at our TELUS Be Brave #EndBullying online event. This event was held in support of Pink Shirt Day on February 24, 2021, a day in which citizens were encouraged to wear pink to take a stand against bullying, in partnership with the Calgary Hitmen.
- In the third quarter of 2021, we hosted a Facebook Live streaming event on digital citizenship, with close to 20,000 Canadians participating in the event.
- The launch of TELUS Wise online basics helped those who were new to using technology learn basic, everyday digital literacy skills.

The TELUS Friendly Future Foundation and TELUS Community Boards directed support in 2021 to charitable initiatives helping at-risk youth and other marginalized populations. The Foundation marked its third year in 2021, committing more than \$8.7 million in cash donations to 500 charitable organizations. The Foundation has contributed over \$25 million in cash donations to our communities since its inception to the end of 2021, supported by the work of our TELUS Community Boards. Since 2005 to 2021, the TELUS Community Boards had invested \$91 million in cash donations to 7,800 initiatives, providing resources and support for underserved citizens, especially young people, around the world.

Throughout 2021, the TELUS Pollinator Fund for Good invested nearly \$20 million in debt and equity securities of 10 socially responsible and innovative startups, of which 40% were women-led and 50% were led by Indigenous or racialized founders. The Fund was recognized as a Clean50 Top Project for its contributions to clean capitalism in Canada. Canada's



Clean50 offers recognition to Canada's leaders in sustainability for their contributions over the prior two years. The Fund was also confirmed as a global finalist for the social impact award in Reuters Events Responsible Business Awards.

In February 2021, we introduced our newest TELUS Resource Group, Reach, to advance diverse representation in decision making and to shine light on systemic issues that disproportionately and uniquely affect the Black community. Together with Reach, we will continue to amplify the voices of marginalized communities by providing resources, offering education, driving action, increasing communication and celebrating the heritage of Black team members, as we reach every team member, ensuring dialogue, partnership and growth.

In April 2021, we became the first national telecommunications company in Canada to set science-based greenhouse gas (GHG) emissions reduction targets approved by the Science Based Targets initiative (SBTi). The SBTi is a partnership between CDP, the United Nations Global Compact, the World Resources Institute and the World Wide Fund for Nature to mobilize companies to set science-based targets and boost their competitive advantage in the transition to a low-carbon economy.

Throughout May 2021, we evolved our 16-year legacy global volunteer movement, TELUS Days of Giving, to TELUS #FriendlyFuture Days. More than 55,000 TELUS employees, retirees, family and friends participated, helping to volunteer 1.3 million hours of giving by our TELUS team during the year.

In May 2021, we invested in the Black Innovation Fund, an early-stage venture fund focused on supporting Black-founded technology and technology-enabled businesses based in Canada. Building on our support of the Ryerson DMZ Black Innovation Program, the Black Innovation Fund will help raise the profile of minority entrepreneurs.

On June 14, 2021, we released our sustainability-linked bond framework, the first of its kind in Canada, that aligns our financing strategy with our ambitious goal of achieving operational net carbon neutrality across all of our global operations by 2030. The framework was developed in accordance with the International Capital Market Association's Sustainability-Linked Bond Principles 2020 (SLBP). Sustainalytics, a leading independent environmental, social and governance (ESG) research, ratings and analytics firm, reviewed the framework and is of the opinion that it aligns with the SLBP. Our 2.85% Sustainability-Linked Notes, Series CAF, which closed on June 28, 2021, were the first series of bonds in Canada offered under the framework.

In June 2021, we renewed our commitment to champion Canadian small businesses through our #StandWithOwners initiative, recognizing that small business owners have needed to pivot and innovate throughout the COVID-19 pandemic. In this second year, we doubled our commitment by investing \$1 million to support small businesses with funding, localized advertising and mentorship as they move forward.

In July 2021, we invested in Radicle, a Calgary-based company that has developed a carbon credit platform for buyers and sellers of carbon credits.

In the fall of 2021, we donated 14,000 backpacks that were filled with essential school supplies to local schools across Canada to support students in need. Since 2006 to 2021, our annual Kits for Kids program donated 180,000 backpacks, creating a friendlier future as kids head back to school.

In September 2021, we launched our Reconciliation Commitment, which was developed in partnership with and in support of Indigenous Peoples across the country. Central to our Reconciliation Commitment is the desire to support the diverse needs of Indigenous Peoples in ways they want to be supported by TELUS. In this regard, we are proud to stand in solidarity with residential school survivors and their families through our \$8 million commitment toward reconciliation in 2021. This included a \$1 million gift to digitize, promote and distribute the Witness Blanket, as well as investments from the TELUS Pollinator Fund for Good, TELUS Community Boards and TELUS Friendly Future Foundation.

In November 2021, we released our 2021 Indigenous Reconciliation and Connectivity Report, an evolution from the annual connectivity report that shares inspiring stories of the transformative benefits that connectivity brings to newly connected Indigenous communities. The 2021 report also included our first-ever Indigenous reconciliation action plan, making us the first technology company in Canada to publicly commit to an Indigenous reconciliation action plan.

In November 2021, we committed \$1 million (including \$500,000 of in-kind support in health, network and community services) to support British Columbia following the unprecedented weather events and flooding that sent the province into a state of emergency.

Our renewable energy virtual power purchase agreement (VPPA) with the Brooks I Solar facility in Alberta saw production of over 20.5 GWh in 2021.

### **Strategic imperative: Investing in internal capabilities to build a high-performance culture and efficient operation**

Each year, we conduct a Pulsecheck engagement survey to gather confidential team member feedback about TELUS as a place to work in order to measure our progress in creating a high-performance culture. Following each survey, leaders share results with team members and use fair process to build and refine action plans focused on high-priority areas where improvement is required based on Pulsecheck results. In 2020, we achieved an engagement score of 87% (a 3 percentage point increase over 2019) – our highest engagement score achieved to date (tied with 2015) amidst a year like no other given the numerous COVID-19 pandemic impacts. This 2020 result continued to place TELUS within the top 10% of employers worldwide according to our survey provider, Kincentric. In 2021, we achieved an engagement score of 84%,

which is an encouraging accomplishment against the backdrop of the highly competitive and dynamic environment in which we work and reinforces the strength of the culture our team members have built together. In 2021, TELUS was the most engaged organization globally compared to organizations of our size and composition according to our survey provider, Kincentric.

## 5. DESCRIPTION OF BUSINESS

### 5.1 Who we are

TELUS is a dynamic, world-leading communications technology company, providing a wide range of products and services spanning wireless, data, IP, voice, television, entertainment, video, and security over our award-winning networks. Our social purpose is to leverage our global-leading technology and compassion to drive social change and enable remarkable human outcomes. Our long-standing commitment to putting customers first fuels every aspect of our business, making us a distinct leader in customer service excellence and loyalty.

TELUS Health is a global healthcare leader, which provides employee and family preventative healthcare and wellness solutions. Our TELUS team, along with our 100,000 health professionals, are leveraging the combination of TELUS' strong digital and data analytics capabilities with our unsurpassed client service to dramatically improve remedial, preventative and mental health outcomes for 68 million lives covered, and growing, around the world. As the largest provider of digital solutions and digital insights of its kind, TELUS Agriculture & Consumer Goods enables efficient and sustainable production from seed to store, helping improve the safety and quality of food and other goods in a way that is traceable to end consumers.

TELUS International is a leading digital customer experience innovator that designs, builds and delivers next-generation solutions, including artificial intelligence and content moderation, for global and disruptive brands across high-growth industry verticals, including tech and games, communications and media and eCommerce and fintech.

In 2022, we generated \$18.4 billion in operating revenue and other income and had approximately 18.0 million subscriber connections. This included approximately 9.7 million mobile phone subscribers, 2.5 million connected device subscribers, 2.4 million internet subscribers, 1.3 million TV subscribers, 1.1 million residential voice subscribers, and 1.0 million security subscribers.

#### (a) Organization

Please see *Section 5 - Discussion of Operations* of our 2022 annual MD&A which is hereby incorporated by reference and describes our reporting segments: TTech; and Digitally-led customer experiences – TELUS International (DLCX).

#### (b) Our strategy

Please see *Section 2 - Core business and strategy* of our 2022 annual MD&A which is hereby incorporated by reference.

#### (c) Business overview

Please see *Section 4 - Capabilities* of our 2022 annual MD&A which is hereby incorporated by reference and which describes our principal markets, products and services and our distribution channels.

Our assets and resources, including employees, brand and distribution methods, tangible properties (such as our telecommunications networks and network facilities), intangible properties (such as brand and wireless spectrum licences) and an overview of foreign operations are discussed in *Section 4.2 - Operational resources* in the 2022 annual MD&A.

For revenue and other financial information on the two most recently completed financial years with respect to our mobile and fixed businesses, see *Section 5.4 TELUS technology solutions segment* and for DLCX please see *Section 5.5 Digitally-led customer experiences – TELUS International segment* in the 2022 annual MD&A.

An overview of the Canadian economic environment and the telecommunications industry can be found in *Section 1.2 The environment in which we operate* and *Section 9 General trends, outlook and assumptions, and regulatory developments and proceedings* in the 2022 annual MD&A. Seasonal trends that have impacted us are described in *Section 5.2 Summary of consolidated quarterly results, trends and fourth quarter recap* and in *Section 5.4 TELUS technology solutions segment* in the 2022 annual MD&A.

#### (d) Competitive environment

Please see *Sections 4.1 - Principal markets addressed and competition* and *10.4 - Competitive environment* of our 2022 annual MD&A which is hereby incorporated by reference.

#### (e) Corporate social responsibility and environment

We are committed to following sustainable and responsible business practices and to making decisions that balance economic growth with enabling positive social and environmental outcomes. More information about our approach to

sustainability and our social purpose can be found in our annual Sustainability and ESG Report at <https://www.telus.com/en/social-impact>.

#### **(f) Employee relations**

Please see *Section 4.2 - Operational resources* of our 2022 annual MD&A which is hereby incorporated by reference.

### **5.2 Task Force on Climate-related Financial Disclosures: report on climate-related risks and opportunities**

We understand there can be direct or indirect financial impacts on our operations from climate-related risks and opportunities and we aim to provide transparency on how these risks and opportunities affect our strategy and operations. We support the Task Force on Climate-related Financial Disclosures (TCFD) and disclose below relevant climate-related information in accordance with the TCFD recommendations published in June 2017. This disclosure is structured into four sections as per TCFD guidance: Governance; Strategy; Risk management; and Metrics and Targets. The disclosure provides a comprehensive view into how we understand and manage the risks and opportunities associated with climate change at TELUS.

#### **(a) Governance**

We have a long-standing foundation of sustainability governance which supports our commitment to environmental stewardship and responsible corporate citizenship.

##### *Board oversight of climate-related risks and opportunities*

Our Board of Directors (Board) is responsible for the stewardship of the Company, which includes oversight of enterprise risk management. At our quarterly board meetings, our Board reviews reports and engages in discussions on corporate strategies, progress and targets, in addition to emerging risks and opportunities for innovation such as how technology can assist in responding to climate-related extreme weather events.

The Corporate Governance Committee (CGC) of our Board reviews and monitors, on behalf of the Board, the Company's approach, planning and reporting on sustainability and environmental, social and governance (ESG) matters; and reviews and recommends to the Board for approval the Company's annual sustainability and ESG report and other related disclosures. Our Sustainability and Environment and Enterprise Risk Management teams provide quarterly reports to the CGC. These reports contain pertinent information regarding our environmental and climate-related risks and related compliance activities. The CGC also oversees climate-related opportunities as they arise or are otherwise identified and discussed during quarterly CGC meetings.

Our Board succession planning process involves an ongoing assessment of Board member skills which helps the CGC and the Board identify any gaps in the skills and competencies considered most relevant for the Company. As part of this process, Board members are asked to identify their experience or education as it relates to sustainability, environment and climate risk management.

##### *Management oversight of climate-related risks and opportunities*

Our Chief Executive Officer and Executive Team are responsible for the execution of the strategic direction of our sustainability programs, which includes assessing and managing climate-related risk and mitigation as well as identifying climate-related opportunities.

Our Sustainability and Environment Team reports to our Senior Vice President & Treasurer, who is responsible for the development and governance of our sustainability strategy.

The Sustainability and Environment Team seeks to assess climate-related risks and opportunities by integrating sustainability considerations and implementing projects across the business, delivering in-house training and awareness on sustainability, and managing our EMS, which is ISO 14001:2015 certified in Canada. This process includes benchmarking through formal and informal materiality assessments, data and scenario analysis, considering internal and external stakeholder input and reviewing the regulatory environment in which we operate.

As we work to mitigate the climate impacts of our own operations, we also integrate climate considerations throughout our product development and innovation processes across our business including in emerging areas such as TELUS Health and TELUS Agriculture & Consumer Goods. As we enhance our current products and develop new ones, we work to consider relevant climate risks and opportunities to align with our low-carbon future.

Additionally, we link our sustainability performance to compensation through our corporate scorecard, which affects the company-wide performance bonus structure. The social capitalism index within the scorecard contains metrics which measure our performance in reducing greenhouse gas (GHG) emissions as well as social impact metrics. In addition, our Sustainability and Environment team's performance bonus structure is linked more broadly to our 2025 and 2030 environmental goals.

## **(b) Strategy**

*Climate-related risks identified over the short, medium, and long-term.*

Each year, we identify, and are exposed to, both climate-related physical risks as well as risks associated with transitioning to a low-carbon future. Climate-related physical risks are those resulting from the increasing severity and frequency of extreme weather events, rising global temperatures, and other chronic climate changes, in our operations, our supply chain, and in our communities. We identify transition risks as those related to climate change, including the impact of changes in policy or implementation of lower-emission technology.

Some of the physical and transitional climate risks we have identified that may impact us in the short-term (one to five years), include, but are not limited to: carbon regulation including carbon pricing impacting our operations and value chain; increased energy demand and its environmental and financial impacts; and growing customer and other stakeholder demand for low-carbon solutions.

Some of the physical and transitional climate risks we have identified that may impact us in the medium to long-term (more than five years), include, but are not limited to: direct and indirect supply chain disruptions, including price increases; reliability and resiliency of critical infrastructure; and financial impacts resulting from not achieving climate-related goals such as those included in our Sustainability-Linked Bonds.

*Climate-related opportunities identified over the short, medium, and long term.*

With world-class networks, a customers first approach and shareholder-friendly initiatives, we aim to improve the lives of Canadians and our communities while providing robust shareholder returns. Our corporate strategy enables us to respond nimbly to opportunities, including those consistent with adapting to rising climate risks and transitioning to a low-carbon economy. Furthermore, our Sustainability and Environment team regularly seeks opportunities to invest in climate technologies, implement trials and seek out new, financially sound opportunities to reduce our GHG impact.

Our business investments connect our country's dispersed population digitally, and as a result, attract customers who are looking to reduce their carbon footprint. In addition, we continue to focus on investments in network optimization, infrastructure upgrades, real estate space reduction and lighting retrofits to drive future savings and absolute energy reductions.

The following are examples of climate-related opportunities that we are currently pursuing:

- We have a corporate-wide goal to effectively procure 100% of our electricity requirements from renewable or low-emitting sources by 2025 and, in an effort to reach that goal, we have signed four VPPAs with wind and solar energy developers in Alberta for over 167 MW of renewable energy capacity.
- We have built a broadband network that enables our customers to live and work in locations of their choosing while minimizing their travel-related environmental footprint and optimizing productivity.
- For over a decade, TELUS Health has been working with health authorities, community partners and stakeholders to build a more sustainable healthcare system leveraging the power of technology. TELUS Health offers healthcare products that allow customers to connect virtually with healthcare practitioners, which improves efficiency of services offered, limits physical travel-related climate impacts, and increases accessibility to prevention and wellness services for those who seek it.
- TELUS Agriculture & Consumer Goods provides innovative solutions to empower a sustainable agriculture industry through technology, securely linking together the food value chain and leveraging data to increase efficiencies, production and yields.
- TELUS continues to develop new LEED certified buildings that incorporate world-leading technology, energy efficient and sustainable solutions and contemporary workstyles. We recently opened the doors to TELUS Sky, our latest LEED platinum building in downtown Calgary.
- We continue to expand our Work Styles program that allows over 90% of our domestic team members to work from home, reducing the emissions associated with commuting.

In addition to enhancing the opportunities stated above, we will continue to develop low-carbon and climate friendly solutions for our customers and communities, enabled by our networks, in the medium to long term (over five years). For example, through our TELUS Ventures and Pollinator for Good funds, we are investing in responsible startups driving social and environmental change to make the world a better place.

## *Scenario Analysis*

We conduct scenario analyses to better understand the resilience of our corporate strategy in different climate scenarios. Performing and disclosing the outcome of the various scenarios help us determine how our operations can prepare and help mitigate changes in climate, as new climate regulations, technologies and other impacts emerge

and evolve. At the same time, these analyses also help us identify new opportunities for our business and help us inform our stakeholders about how our organization is positioning itself in light of these risks and opportunities.

In 2022, we undertook a comprehensive qualitative scenario analysis assessment of our direct operations (excludes our upstream and downstream activities) with an independent third party to better align with TCFD recommendations. We broke down the assessment between transitional climate risks and opportunities assessment and physical climate risks assessment.

### 1) *Transitional climate risks and opportunities assessment*

The following steps were taken to short-list, prioritize and assess the transition risks and opportunities to which we may be susceptible in different warming scenarios in the future:

- 1) Longlist identification – First, we collated a comprehensive list of risks and opportunities based on our business operations, peer analysis, internal knowledge capacity and emerging trends. This resulted in a long-list of 21 transition risks and opportunities which were assessed to delineate potential impacts (financial, reputational and market) on our business.
- 2) Prioritization – Those 21 transition risks and opportunities were assessed against three parameters:
  - (i) Likelihood – the probability of each risk or opportunity occurring
    - Occurring now or is almost certain to occur
      - Risk is inherent to the industry due to external influences
      - Precise understanding of where and when event would occur
    - Likely to occur in the next 18 months
      - High level understanding of where and when event would occur
    - Unlikely to occur within the next 18 months
      - High level understanding of where and when event would occur
  - (ii) Consequences – the magnitude of the impact if the event were to happen
    - High financial impact
      - Risk: potential regulatory fines or prolonged provincial media coverage affecting brand/reputation
      - Opportunity: high positive impact on brand/reputation
    - Medium financial impact
      - Risk: potential external reporting requirements, breach of contract or regional media coverage affecting brand/reputation
      - Opportunity: medium positive impact on brand/reputation
    - Low financial impact
      - Risk: potential internal reporting requirements, breach of company policy or local media coverage affecting brand/reputation
      - Opportunity: low positive impact on brand/reputation
  - (iii) Velocity – the speed of the impact.

This resulted in an overall risk rating for each of the 21 transition risks and opportunities that was broadly classified into low, medium and high to indicate materiality. These estimates are adjusted for inflation throughout.

- 3) Initial quantitative assessment – Next, we evaluated the quantitative impact of one of the identified risks noted above, which was carbon pricing, since data was readily available for this risk. This was assessed in the two climate scenarios and time horizons and fed into the qualitative assessment. The climate scenarios chosen for this step were the Bank of Canada scenarios which outline the risk outcomes that would impact the Canadian economy and financial system and were most applicable to us given that our operations are mostly in Canada. The Bank of Canada derived their country-level scenarios from the Network for Greening the



Financial System (NGFS) models, and ensured they are well-aligned with NGFS scenarios. The Bank of Canada's 2019 Policies and Net Zero 2050 (1.5° Celsius) were considered to provide the widest range of possible climate outcomes. We then updated the 2019 Policies scenario to include carbon pricing data from the Pan Canadian Approach to Carbon Pollution Pricing, giving us the business as usual (BAU) policies scenario.

These are the parameters that were used to conduct the quantitative assessment.

Select credible transition pathways	Climate model	Transition pathways	Description	Rationale
	Bank of Canada	2019 Policies	A scenario consistent with 2019 climate policies which are already in place or announced.	Establish the baseline to quantify transition risks from the changing carbon price in dollar amount.
		Net-zero 2050 (1.5° Celsius)	An ambitious immediate policy action scenario to limit average global warming to 1.5° Celsius that includes current net-zero commitments by some countries.	Enable the exploration of an ambitious transition scenario piloted by the Bank of Canada and Office of the Superintendent of Financial Institutions to assess climate transition risk.

The financial impact of carbon pricing risk was estimated by multiplying the projected carbon price with projected amount of emissions for the two scenarios. Carbon price in the Net Zero scenario is projected to be much higher than the current policies scenario. By meeting our emission reduction targets, we may be able to reduce our carbon price risk significantly in both the short and long term. The results of this analysis allowed us to determine the likelihood and consequence ratings in the qualitative assessment.

- 4) Qualitative assessment: The short-listed risks and opportunities (from step 2 above) were assessed against the two climate scenarios to evaluate their overall impact on our operations in the medium-term (2030) and long-term (2050). The Bank of Canada climate scenarios BAU policies; Net Zero 1.5° Celsius were used for the qualitative assessment.
- The two climate scenarios were chosen to provide appropriate diversity to future outcomes.
  - Key parameters such as policy changes, technology developments and availability, energy mix, commodity market dynamics, etc. were discerned to help define development pathways and trends over the assessed timeframe.
  - The trends were studied against the shortlist to evaluate how they are likely to evolve in the future and the implications for us.

Please note that these scenarios are a tool to envision a future of two divergent climate scenarios, so that we can outline plausible risks and opportunities, and plan for resilience. They are not future predictions.

2030 Risks					
Sub-Category	Description	Scenario	Likelihood	Consequence	Risk Rating
Policy and legal	Increased and/or uncertain carbon prices, including the indirect impact of carbon costs	BAU policies	This scenario includes the Pan Canadian Approach to Carbon Pollution Pricing, therefore the likelihood is high.	The price used in the Pan-Canadian Approach to Carbon Pollution Pricing for 2030 is \$170 per tonne. If our emissions stay constant, a medium financial impact could be expected. However, the	Medium



				financial impact of the carbon price would be indirect through increased costs of goods and services as we are not directly regulated by the pricing mechanism.	
		Net Zero	This scenario shows that the likelihood of a carbon price being implemented is high.	The estimated carbon price from the net zero scenario is higher than in the BAU policies scenario, however our analysis showed that this could still result in a medium financial impact. As noted earlier, the financial impact of the carbon price would be indirect as we are not directly regulated by the pricing mechanism.	Medium
Markets	Price and supply shocks in the energy and commodities markets	BAU policies	There is a high likelihood of oil, gas and electricity increasing in price due to the continued demand for conventional fuels and commodities influenced by limited-supply-growing-demand dynamics and limited incentives to more sustainable alternatives.	A medium financial impact could be expected as fuel prices are expected to increase, however, this price rise is mitigated by the VPPAs secured and efficiency measures implemented by us.	Medium
		Net Zero	There is a high likelihood of the energy and commodities market being affected by economic headwinds from addressing carbon emissions (carbon tax). Market prices may also evolve on the back of policies and growing investments in low carbon technology.	A medium financial impact could be expected (greater than in the BAU policies scenario), which could be a result of fuel supply volatility or high carbon tax outlay, increasing fuel prices. However, this price rise is mitigated by our VPPAs and efficiency measures.	Medium
Reputation	Diminished reputation with investors as a result of lower ESG ratings	BAU policies	Likelihood is medium as rating frameworks exist in the market which intend to highlight and acknowledge best ESG management practices and are unlikely to significantly increase in the short-term.	Although we already have good reporting practices, the increase in expectations could result in a low level of additional costs and impact to reputation.	Low
		Net Zero			Low
<b>2030 Opportunities</b>					
Markets	Investment in renewable energy	BAU policies	Significant market drivers, such as policies and regulations emerge to support renewable adoption. Meanwhile electricity prices are expected to increase moderately, therefore the likelihood of having positive impacts from entering our VPPAs at a low initial price is considered medium.	By entering into the market at an early stage, we have been able to enter into VPPAs at a low price. As electricity prices are projected to continue increasing moderately over the short-term, we may be able to maintain positive cash flow from the VPPA price change, potentially resulting in a medium financial impact. However, further modelling would be required to fully understand the extent of this opportunity.	Medium

		Net Zero	Policies are expected to support renewable energy uptake. There is a high likelihood that the cost of renewable power could increase mildly in the short term as supply starts to catch up with demand and electricity prices are expected to increase more than the BAU scenario as more demand is expected.	By entering into the market at an early stage, we have been able to enter into VPPAs at a low price. As electricity prices are projected to continue increasing moderately over the short term, we may be able to maintain positive cash flow from the VPPA price delta, potentially resulting in a medium financial impact. In this scenario, demand for VPPAs is likely to be higher, and therefore the price delta would be lower. However, further modelling would be required to fully understand the extent of this opportunity.	Medium
Markets	Shifting consumer preferences for our services as a result of our good reputation in climate performance	BAU policies	Consumer ESG awareness is expected to increase, as governments and markets continue to push for climate action. However, in the short term it is likely that consumer preferences would be more focused on receiving low cost, high value services and products, therefore the likelihood of this opportunity occurring is medium.	We have the opportunity to meet customers' demand, which could positively impact market share, bottom-line, and market perception. However, this may result in a low increase in consumer base, revenues and market share in the short term.	Low
		Net Zero			Low

2050 Risks					
Sub-Category	Description	Scenario	Likelihood	Consequence	Risk Rating
Policy and legal	Increased and/or uncertain carbon prices, including the indirect impact of carbon costs	BAU policies	The BAU policies scenario includes the Pan Canadian Approach to Carbon Pollution Pricing. Although it has not been specified whether there will be a carbon price after 2030, we assume that there will be and the impact will be high.	The price used (\$170 per tonne) is the one included in the Pan-Canadian Approach to Carbon Pollution Pricing for 2030 and in our analysis we have kept this value consistent until 2050. If our emissions stay constant, a medium financial impact could be expected. However, the financial impact of the carbon price would be indirect through increased costs of goods and services as we are not directly regulated by the pricing mechanism.	Medium
		Net Zero	The likelihood of there being a carbon price in Canada under the net zero scenario is still high in 2050 as a price is still included in the model.	Between 2030 and 2050, carbon prices are estimated to double, which would have a high magnitude financial impact. As noted earlier, the financial impact of the carbon price would be indirect as we are not directly	High

				regulated by the pricing mechanism.	
Markets	Price and supply shocks in the energy and commodities markets	BAU policies	There is a high likelihood of the energy and commodities market (particularly oil and gas) increasing in price. However, the cost of electricity is likely to decrease from 2030 and going forward, according to the model in both scenarios.	An overall lower financial impact could be expected as a result of the projected decrease in electricity costs in this scenario, given our consumption. This decrease is slightly offset by the projected increase in the cost of oil and gas in 2050.	Low
		Net Zero	There is a medium likelihood of the energy and commodities market being affected by decreased demand for fuels, resulting in lower fuel prices for us, as well as decreased cost for electricity.	A low financial impact could be expected driven by the projected decrease in electricity costs, given our consumption.	Low
Reputation	Diminished reputation with investors as a result of lower ESG ratings	BAU policies	Likelihood is medium given rating frameworks exist in the market which intend to highlight and acknowledge best ESG management practices and are unlikely to significantly increase in the long-term.	Although we already have good reporting practices, the increase in expectations from investors and stakeholders could result in additional costs and a medium impact to reputation.	Medium
		Net Zero	Investors are highly likely to put more weight on these ratings in the future to evaluate their portfolio risk and opportunities. Additionally, other stakeholders can utilize them to analyze engagement opportunities.	Although we already have good reporting practices, the expectations of investors and stakeholders could increase in this scenario, resulting in a medium financial and reputational impact.	Medium
<b>2050 Opportunities</b>					
Markets	Investment in renewable energy	BAU policies	The rising costs of renewable power are expected to slow down due to more market and policy support for renewable energy uptake. Therefore, the likelihood of having a positive return from entering VPPAs early is considered high.	As electricity prices are expected to decrease in the long term, the delta between newly signed VPPAs and market electricity prices may decline over time, therefore the positive financial impact is expected to decrease accordingly, but likely having low impact.	Low
		Net Zero	Rapid electrification of industries coupled with the federal net zero commitments results in renewable energy or low carbon power as the market norm by 2050. This means electricity prices will come down lower than the BAU scenario towards 2050 with medium likelihood.	As electricity prices are projected to come down in the long term in this scenario, we may experience lower positive cash flow as the change in the retail price of energy and price within the VPPA may reduce. New VPPA contracts signed near 2050 may lead to higher positive cash flow due to stabilized/decreased technology costs with cumulative impact likely low.	Low
Markets	Shifting consumer preferences for our services as a result	BAU policies	With medium likelihood, consumer awareness and business scrutiny is likely to evolve in the long-term.	We have the opportunity to meet customers' demand, which could positively impact market share,	Medium

	of our good reputation in climate performance		However, this scrutiny would primarily be addressed by delivering consistent business performance and quality in addition to maintaining a focus on climate performance.	bottom-line, and market perception, likely resulting in medium impact.	
		Net Zero	It is highly likely that stakeholder expectations and awareness will be centered around achieving 2050 net zero commitments and therefore consumer preferences are likely to align significantly towards sustainability, better management and accountability, and transparent business practices.	A positive impact on our reputation and brand would occur as a result of good company sustainability and climate performance. An increase in consumer base and revenues is also possible, which could result in a moderate increase in revenues.	Medium

## 2) Physical climate risk assessment

The scenario analysis also involved a physical climate risk assessment which was focused on our assets. The scope of this assessment involved the determination of what to include as our key assets. The starting point was an assessment of over 21,000 assets, along with information on whether that asset was leased or owned, its location (address and coordinates), property usage code and square footage. Then the list was reduced by asset category and certain assets were assessed for criticality by considering a number of different factors, e.g. whether it's a 5G wireless core site. Next, we assessed asset value, such as the value of the building/asset, the value of the contents and the potential business interruption value. As a result of this scoping, 149 assets were included in the physical climate risk assessment, which included all of our critical sites.

Our approach to the quantitative assessment can be broken down into our considering the likelihood of the risk occurring, the consequence of the impact, and using the results from these two assessments to qualitatively assess the relative impact magnitude:

**Likelihood:** The likelihood of a risk occurring was assessed using the S&P TruCost Physical Risk data. This data provides a physical risk point-in-time exposure score to climate hazards relative to global conditions, independent of the characteristics of the asset present at a given location. This data was developed in order to provide companies with a data set to help understand physical risk exposure at the portfolio level, and to prioritize the assets within the portfolio.

- Inputs:
  - Asset location data
  - Climate scenario data which provides an exposure score

**Consequence:** relates back to the importance of the asset and the level of impact that would be felt if the asset was put out of commission.

- Inputs:
  - Asset value and cost of business interruption
  - Hazard type

**Resulting risk rating:** comprised of the likelihood of the risks occurring and the resulting consequences of the event

- Output: A qualitative risk score for each asset for each hazard (very low, low, medium, high or very high)

S&P TruCost Physical Risk Data has four built-in scenarios, aligning with different levels of warming. These scenarios are built using the combined Shared Socio-economic Pathways (SSPs) and Representative Concentration Pathways (RCPs) pathways that the Intergovernmental Panel on Climate Change (IPCC) used in the latest Sixth Assessment

Report (AR6). For this assessment we used SSP1 - 2.6 and SSP5 - 8.5 to provide us with a low and high climate change scenario.

- Low Climate Change Scenario (SSP1 - 2.6): Aggressive mitigation scenario in which total greenhouse gas emission reduce to net zero by 2050, resulting in global average temperatures rising by 1.3 to 2.4 ° Celsius by 2100, consistent with the goals of the Paris Agreement.
- High Climate Change Scenario (SSP5 - 8.5): Low mitigation scenario in which total greenhouse gas emissions triple by 2075 and global average temperatures rise by 3.3 to 5.7 ° Celsius by 2100.

The following table shows the results of our physical climate risk assessment and indicates that flooding and extreme heat are high priority hazards for us. In addition, wildfires are also a higher risk category as it rated with a higher “low” score than the other hazards that rated low.

Hazard	Likelihood				Consequence Rating	Overall Risk Rating			
	Low Climate Change Scenario		High Climate Change Scenario			Low Climate Change Scenario		High Climate Change Scenario	
	2030	2050	2030	2050		2030	2050	2030	2050
Extreme Cold	Medium	Medium	Medium	Medium	Very Low	Very Low	Very Low	Very Low	Very Low
Flood	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
Extreme Heat	Medium	Medium	Medium	High	Medium	Medium	Medium	Medium	Medium
Sea Level Rise	Very Low	Very Low	Very Low	Very Low	Medium	Very Low	Very Low	Very Low	Very Low
Water Stress	Low	Low	Low	Low	Very Low	Very Low	Very Low	Very Low	Very Low
Wildfire	Very Low	Low	Very Low	Low	Medium	Very Low	Low	Very Low	Low
Tropical Cyclone	Very Low	Very Low	Very Low	Very Low	Medium	Very Low	Very Low	Very Low	Very Low

**(c) Risk management**

*Process for identifying climate-related risk*

Effective risk management supports our foundation for sustainability leadership. We define business risk as the degree of exposure associated with the achievement of key strategic objectives in relation to the effectiveness and efficiency of operations; reliability and integrity of financial reporting; compliance with laws and regulations, policies, procedures and contracts; and, safeguarding of assets within an ethical organizational culture.

We assess and manage climate risks as part of a broader enterprise risk management program. Climate-related physical risks as well as risks associated with transitioning to a low-carbon environment are integrated within our Enterprise Risk Management (ERM) framework, which solicits and incorporates the expertise and insight of team

members from all areas and levels of the organization, including our Board. Our enterprise risks arise primarily from our business environment and risk identification, and assessment drives our strategies and business objectives. Climate risks, as well as all other risks in our ERM Risk Register, are reviewed each quarter and are assessed for their perceived impacts in the short, medium and long-term.

We also maintain an enterprise-wide, award-winning business continuity management program that is aligned with our corporate priorities, including prioritizing the safety of our team members, minimizing the impacts of threats to our facilities, business operations and supply chain, maintaining service to our customers and keeping our communities connected. Ongoing risk-based optimization of our disaster recovery capabilities for our IT and telecommunication network assets is a key focus for preventing outages and limiting their impact on our operations and customers.

#### *Process for managing climate-related risk*

We mitigate all risk types, including climate, through contract terms, contingency planning and other risk response strategies, as appropriate. We strive to avoid taking on undue risk whenever possible and work to align risks with business strategies, objectives, values and risk tolerances. Residual exposure for certain risks are mitigated through insurance coverage, where we judge this to be efficient and commercially viable. Our specific strategy for managing climate-related risks includes three key components:

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

Severe weather risk is a primary aspect of our climate-related risk management framework and is categorized as either having team member impacts, facility impacts or service delivery impacts. These risks are categorized and reported to the Audit Committee of the Board on a quarterly basis where such risks may impact regions in which we operate.

Mitigation initiatives to address severe weather threats have been an increasing focus and we have operationalized enhanced processes with respect to severe weather monitoring, notification of key stakeholders, and incident management, in addition to updating climate incident playbooks that leverage learnings from prior events. These measures occur in both short-term and long-term planning.

#### *Short-term climate risk mitigation*

On a weekly basis, our Corporate Business Continuity Office (CBCO) publishes a severe weather outlook for all operating jurisdictions to highlight severe weather events which could pose a threat to our operations, complemented by daily severe weather threat monitoring and notifications for key internal stakeholders.

The CBCO also hosts biannual seasonal preparedness workshops to create awareness and enhance our preparedness for anticipated seasonal threats. The workshops focus on upcoming seasonal trends, potential threats, and reviewing lessons learned from past incidents.

We maintain a property risk governance program that systematically identifies, evaluates, manages and monitors property related risks at critical network facilities. This program also assists in the identification of natural catastrophic hazards.

#### *Long-term climate risk mitigation*

We conduct flood and seismic studies every five to seven years to identify the most vulnerable sites and assist in possible future mitigation strategies. We also support various municipalities on climate change adaptation initiatives by representing the telecommunications industry in advising how the changing risk landscape, as a result of climate change, could affect the delivery of our services to citizens, businesses and communities.

Our ISO 14001:2015 certified EMS, used to identify and control the environmental impacts associated with our operations, is audited annually to assess compliance with standard applicable regulatory requirements.

### **(d) Metrics and Targets**

#### *Metrics used to identify climate-related risks and opportunities*

We assess climate-related risks and opportunities by tracking and disclosing our GHG emissions and energy consumption. Our most significant sources of GHG emissions and energy consumption consist of direct energy and indirect energy for owned and leased real estate properties in Canada, cell tower sites, vehicle fleet, and remote



generator fuel that are within our operational control. Annual disclosure of our Scope 1, Scope 2 and Scope 3 GHG emissions, as well as data and performance details, can be found in our annual Sustainability and ESG Report.

#### Climate-related targets

We established the following targets in 2020:

- Effectively procure 100% of our electricity requirements from renewable or low-emitting sources by 2025
- Achieve operational net carbon neutrality by 2030
- Reduce our energy intensity by 50% from 2019 levels by 2030
- Commit to set Science-based Targets in 2021.

In 2021, the Science-based Target initiative (SBTi) approved our Science-based Targets, which include the following:

- Reduce absolute Scope 1 and 2 GHG emissions by 46% from 2019 levels by 2030
- Reduce absolute Scope 3 GHG emissions from business travel and employee commuting by 46% from 2019 levels by 2030
- Reduce Scope 3 GHG emissions from purchased goods, capital goods and the use of sold products by 75% per million dollars of revenue from 2019 levels by 2030.

We report our performance against these targets in our annual Sustainability and ESG Report. Furthermore, the [TELUS Environmental Policy](#) keeps us focused on building an environmentally friendly future by collaborating across the Company to:

- Monitor, measure and reduce our overall GHG emissions
- Improve our energy intensity as we grow our business
- Minimize spills and halocarbon releases
- Enhance our Environmental Management System
- Align with green building certifications, such as LEED, within our real estate development projects.

### 5.3 Risk factors

Please see *Section 10 - Risks and risk management* of our 2022 annual MD&A which is hereby incorporated by reference.

### 5.4 Regulation

Please see *Sections 9.4 - Communications industry regulatory developments and proceedings and 10.3 - Regulatory matters* of our 2022 annual MD&A which is hereby incorporated by reference.

## 6. DIVIDENDS AND DISTRIBUTIONS

The dividends per Common Share declared with respect to each quarter by TELUS, during the three-year period ended December 31, 2022, are shown below:

Quarter ended <sup>1</sup>	2022	2021	2020
March 31	\$0.3274	\$0.3112	\$0.29125
June 30	\$0.3386	\$0.3162	\$0.29125
September 30	\$0.3386	\$0.3162	\$0.29125
December 31	\$0.3511	\$0.3274	\$0.31120
<b>Total</b>	<b>\$1.3557</b>	<b>\$1.2710</b>	<b>\$1.18495</b>

<sup>1</sup> Paid on or about the first business day of the next month.

Our shareholders received a total of \$1.3557 per share in declared dividends in 2022, an increase of 6.7% from 2021. Our Board reviews the dividend rate quarterly. Our quarterly dividend rate will depend on an ongoing assessment of free cash flow generation and financial indicators including leverage, dividend yield and payout ratio. On February 8, 2023, a first quarter dividend of \$0.3511 per share was declared, payable on April 3, 2023, to shareholders of record at the close of business on March 10, 2023. The first quarter dividend for 2023 reflects a cumulative increase of \$0.0237 per share from the \$0.3274 per share dividend paid in April 2022, consistent with our multi-year dividend growth program.

We first announced our dividend growth program in May 2011. In May 2022, we announced our intention to target ongoing semi-annual dividend increases, with the annual increase in the range of 7 to 10% from 2023 through to the end of 2025, thereby extending the policy first announced in May 2011. 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. Effective January 1, 2020, our long-term dividend payout ratio target guideline is calculated as 60% to 75% of prospective free cash flow. See *Section 7.5 - Liquidity and capital resource measures* of our 2022 annual MD&A which is hereby incorporated by reference. Based on dividends announced as of February 9, 2023, and 1.43 billion TELUS Corporation Common Shares outstanding at December 31, 2022, dividend declarations would total approximately \$2.0 billion in 2023, before taking into account any Common Shares purchased and cancelled under any normal course issuer bid that we may implement. There can be no assurance that we will maintain a dividend growth program through 2025.

## 7. DESCRIPTION OF CAPITAL STRUCTURE

### 7.1 General description of capital structure

The authorized capital of TELUS consists of 6,000,000,000 shares, divided into: (1) 4,000,000,000 Common Shares without par value; (2) 1,000,000,000 First Preferred shares without par value, issuable in series and; (3) 1,000,000,000 Second Preferred shares without par value, issuable in series. The Common Shares are listed for trading on the Toronto Stock Exchange (TSX) and the New York Stock Exchange (NYSE).

#### Common Shares

Subject to the prior rights of the holders of First Preferred shares and Second Preferred shares, the Common Shares are entitled to participate with respect to the payment of dividends as declared by the Board and the distribution of assets of TELUS on the liquidation, dissolution or winding up of TELUS.

The holders of the Common Shares are entitled to receive notice of, attend, be heard and vote at any general meeting of the shareholders of TELUS on the basis of one vote per Common Share held. Holders of Common Shares are entitled to vote by a separate resolution for each director rather than a slate.

The Common Shares are subject to constraints on transfer to ensure our ongoing compliance with the Canadian ownership and control requirements of the Telecommunications Act and the Direction to the CRTC (*Ineligibility of Non-Canadians*) under the Broadcasting Act as noted in *Constraints – Canadian ownership and control requirements*.

Please see *Sections 9.4 - Communications industry regulatory developments and proceedings* and *10.3 - Regulatory matters* of our 2022 annual MD&A which is hereby incorporated by reference.

#### First Preferred shares

The First Preferred shares may be issued from time to time in one or more series, each series comprising the number of shares, and having attached thereto the designation, rights, privileges, restrictions and conditions which the Board determines by resolution and subject to filing an amendment to the Notice of Articles and Articles of TELUS. No series of First Preferred shares may have attached thereto the right to vote at any general meeting of TELUS or the right to be convertible into or exchangeable for Common Shares. Except as required by law, the holders of the First Preferred shares as a class are not entitled to receive notice of, attend or vote at any meeting of the shareholders of TELUS. The First Preferred shares rank prior to the Second Preferred shares and Common Shares with respect to priority in payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding up of TELUS.

As of February 9, 2023, there are no First Preferred shares outstanding.

#### Second Preferred shares

The Second Preferred shares may be issued from time to time in one or more series, each series comprising the number of shares, and having attached thereto the designation, rights, privileges, restrictions and conditions, which the Board determines by resolution and subject to filing an amendment to the Notice of Articles and Articles of TELUS. No series of Second Preferred shares may have attached thereto the right to vote at any general meeting of TELUS or the right to be convertible into or exchangeable for Common Shares. Except as required by law, the holders of the Second Preferred shares as a class are not entitled to receive notice of, attend or vote at any meeting of the shareholders of TELUS. The Second Preferred shares rank, subject to the prior rights of the holders of the First Preferred shares, prior to the Common Shares with respect to priority in payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding up of TELUS.

As of February 9, 2023, there are no Second Preferred shares outstanding.

#### Shareholder rights plan

TELUS has had a shareholder rights plan (Rights Plan) in place since March 2000. Our current Rights Plan was adopted by the Board on March 13, 2019 (Effective Date) and ratified and confirmed by the shareholders at our annual meeting on May 9, 2019, and reconfirmed by the shareholders at our annual meeting on May 6, 2022.

Under the current Rights Plan, TELUS issued one right (Right) in respect of each Common Share outstanding as at the Effective Date. The Rights Plan has a term of just over nine years, subject to shareholder confirmation every three years (in 2022 and 2025). Each Right, other than those held by an Acquiring Person (as defined in the Rights Plan) and certain of its

related parties, entitles the holder in certain circumstances following the acquisition by an Acquiring Person of 20% or more of the Common Shares of TELUS (otherwise than through the “Permitted Bid” requirements of the Rights Plan) to purchase from TELUS \$320 worth of Common Shares for \$160 (i.e. at a 50% discount) respectively. For further details, please refer to the Rights Plan, a copy of which is available on SEDAR at [sedar.com](http://sedar.com) on EDGAR at [www.sec.gov](http://www.sec.gov) as an exhibit to TELUS’ registration statement on Form 8-A filed with the U.S. Securities and Exchange Commission on May 10, 2019 (Commission File No. 001-15144) or available from TELUS’ Corporate Governance office, 7<sup>th</sup> Floor, 510 West Georgia Street, Vancouver, British Columbia, V6B 0M3.

### Normal course issuer bid and shelf prospectus

Please see *Section 4.3 - Liquidity and capital resources* of our 2022 annual MD&A which is hereby incorporated by reference.

## 7.2 Constraints

### Canadian ownership and control requirements

Certain subsidiaries of TELUS Corporation are Canadian carriers, holders of radio authorizations and holders of broadcasting licences, and are required by the *Telecommunications Act (Canada)* (Telecommunications Act) and the *Direction to the CRTC (Ineligibility of Non-Canadians)* issued pursuant to the *Broadcasting Act (Canada)* (Broadcasting Act) to be Canadian-owned and controlled. Under the Telecommunications Act, a Canadian carrier, such as TCI is considered to be Canadian-owned and controlled if:

- (i) not less than 80% of the members of its board of directors are individual Canadians;
- (ii) Canadians beneficially own not less than 80% of its voting interests; and
- (iii) it is not otherwise controlled in fact by persons who are not Canadians.

Substantially the same rules apply in relation to broadcasting undertakings but an additional requirement set out in the *Direction to the CRTC (Ineligibility of Non-Canadians)* is that the chief executive officer of a company that is a licensed broadcasting undertaking must be a Canadian citizen or a permanent resident of Canada. When levels of non-Canadian ownership exceed 20 per cent, an independent programming committee must be appointed to make all programming decisions relating to the licensed broadcasting undertaking.

TELUS Corporation has filed with the CRTC the requisite documentation affirming TCI’s status as a Canadian carrier. We further intend that TCI will remain controlled by TELUS Corporation and that it will remain “Canadian” for the purposes of Canadian ownership requirements.

The *Canadian Telecommunications Common Carrier Ownership and Control Regulations* (Ownership and Control Regulations), made pursuant to the Telecommunications Act, further provide that in order for a company that holds shares in a carrier (carrier holding corporation) to be considered Canadian, not less than 66-2/3% of the issued and outstanding voting shares of that company must be beneficially owned by Canadians and that such company must not otherwise be controlled in fact by non-Canadians. To the best of our knowledge, Canadians beneficially own and control in the aggregate not less than 66-2/3% of the issued and outstanding Common Shares of TELUS Corporation and TELUS Corporation is not otherwise controlled in fact by non-Canadians. For the purposes of these regulations, “Canadian” means among other things:

- (i) a Canadian citizen who is ordinarily resident in Canada;
- (ii) a permanent resident of Canada who is ordinarily resident in Canada and has been so for not more than one year after the date he or she was eligible to apply for Canadian citizenship;
- (iii) a corporation with not less than 66-2/3% of the issued and outstanding voting shares of which are beneficially owned and controlled by Canadians and which is not otherwise controlled in fact by non-Canadians; or
- (iv) a pension fund society the majority of whose members of its board of directors are individual Canadians, and that is established under applicable federal legislation or any provincial legislation relating to the establishment of pension fund societies.

The *Direction to the CRTC (Ineligibility of Non-Canadians)* provides a similar definition of “Canadian” but also includes a “qualified corporation” which can be a subsidiary corporation whose parent corporation or its directors do not exercise control or influence over any programming decisions of the subsidiary corporation where

- (a) Canadians beneficially own and control less than 80% of the issued and outstanding voting shares of the parent corporation and less than 80% of the votes,
- (b) the chief executive officer is a non-Canadian, or
- (c) less than 80% of the directors of the parent corporation are Canadian.

On August 10, 2017, in response to levels of foreign ownership of shares exceeding 20% and in order to meet the requirements of a “qualified corporation” in accordance with the *Direction to the CRTC (Ineligibility of Non-Canadians)*, the

Board appointed an independent programming committee to make all programming decisions relating to its licensed broadcasting undertakings.

The Ownership and Control Regulations provide Canadian carriers and carrier holding corporations, such as TELUS Corporation, with the time and ability to rectify ineligibility resulting from insufficient Canadian ownership of voting interests. Under the Ownership and Control Regulations, such corporations may refuse the subscription, issuance, transfer or purchase of voting interests, if necessary, to ensure that they and their subsidiaries remain eligible under such legislation. For such purposes, in particular but without limitation, a company may, in accordance with the provisions contained in the Ownership and Control Regulations:

- (i) refuse to accept any subscription for voting shares;
- (ii) refuse to allow any transfer of voting shares to be recorded in its share register;
- (iii) suspend the rights of a holder of voting shares to vote at a meeting of its shareholders; and
- (iv) sell, repurchase or redeem excess voting shares.

To ensure that TELUS Corporation remains Canadian and that any subsidiary of TELUS Corporation, including TCI, is and continues to be eligible to operate as a Canadian carrier under the Telecommunications Act, to be issued radio authorizations under the *Radiocommunication Act (Canada)* (Radiocommunication Act), or to be issued broadcasting licences under the Broadcasting Act, provisions substantially similar to the foregoing have been incorporated into the Articles of TELUS Corporation permitting its directors to make determinations to effect any of the foregoing actions.

In addition, TELUS has systems in place to monitor the level of Canadian ownership of its Common Shares. For registered shareholders and shares trading on the TSX, a reservation and declaration system requires non-Canadian purchasers of Common Shares to obtain a reservation number from our transfer agent and registrar, Computershare Trust Company and to declare whether or not the purchaser is a Canadian or non-Canadian. For Common Shares trading on the NYSE, non-Canadian ownership is monitored by utilizing the Depository Trust & Clearing Corporation's SEG-100 Account program. All TELUS Common Shares held by non-Canadians must be transferred to this account (no reservation application is required).

The *Telecommunications Act* was amended in June 2012 to remove foreign ownership restrictions for telecommunications common carriers that hold less than a 10% share of the total Canadian telecommunications services revenues. This change was made to enable non-Canadian owned entities to start up or acquire Canadian carriers that hold less than a 10% share of total Canadian telecommunications services revenues. However, given that TELUS and its affiliates exceed this 10% threshold, we remain subject to the pre-existing Canadian ownership and control restrictions outlined above. Canadian ownership requirements for licensees under the Broadcasting Act remain unchanged.

### 7.3 Ratings

The following information relating to our credit ratings is provided as it relates to our financing costs, liquidity and operations. Additional information relating to credit ratings is contained in *Section 7.5 - Liquidity and capital resource measures* to *Section 7.8 - Credit ratings* in the 2022 annual MD&A.

Credit ratings are important to our borrowing costs and ability to obtain short-term and long-term financing and the cost of such financing. Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities and are indicators of the likelihood of payment and of the capacity of a company to meet its financial commitment on the rated obligation in accordance with the terms of the rated obligation. A reduction in the current rating on our debt by rating agencies, particularly a downgrade below investment grade ratings or a negative change in ratings outlook which could result in a rating below investment grade could adversely affect our cost of financing and our access to sources of liquidity and capital. We believe our investment grade credit ratings, coupled with our efforts to maintain constructive relationships with banks, investors and credit rating agencies, continue to provide TELUS with reasonable access to capital markets. In addition, credit ratings may be important to customers or counterparties when we compete in certain markets and when we seek to engage in certain transactions including transactions involving over-the-counter derivatives. As at December 31, 2022, TCI is a party to an agreement expiring in December 2024, with an arm's-length securitization trust associated with a major Schedule I bank, under which TCI is able to sell an interest in certain trade receivables up to a maximum of \$600 million. TCI is required to maintain at least a BB credit rating by DBRS Ltd. (DBRS) or the securitization trust may require the sale program to be wound down.

The rating agencies regularly evaluate TELUS and TCI, and their ratings of our long-term and short-term debt are based on a number of factors, including our financial strength as well as factors not entirely within our control, including conditions affecting the telecommunications industry generally, and the wider state of the economy. The Company's credit ratings are outlined in the chart below. Credit ratings are not recommendations to purchase, hold or sell securities and do not address the market price or suitability of a specific security for a particular investor. In addition, real or anticipated changes in the rating assigned to a security will generally affect the market value of that security. There can be no assurance that a rating will remain in effect for any given period of time or that a rating will not be revised or withdrawn entirely by a rating agency in the future.

Credit rating summary	DBRS Ltd.	Standard & Poor's Rating Services	Moody's Investor Services	Fitch Ratings
<b>TELUS Corporation</b>				
Notes	BBB	BBB	Baa1	BBB
Commercial paper	R-2 (mid)	A-2	P-2	—
<b>TELUS Communications Inc.</b>				
Debentures	BBB	BBB	—	BBB

Institution	Rating
<b>DBRS</b>	<p>The DBRS long-term rating scale provides an opinion on the risk of default. That is, the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligation has been issued. Ratings are based on quantitative and qualitative considerations relevant to the issuer, and the relative ranking of claims. All rating categories, other than “AAA” and “D”, also contain subcategories “(high)” and “(low)”. The absence of either a “(high)” or “(low)” designation indicates the rating is in the middle of the category.</p> <p>A “BBB” rating denotes adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. May be vulnerable to future events.</p> <p>A DBRS rating trend provides guidance with respect to an opinion regarding the outlook for a rating. The rating trend indicates the direction a rating may move if present circumstances continue unless addressed. A positive or negative trend represents an indication that there is a greater likelihood that the rating could change in the future than is the case if a stable trend was assigned. Assignment of a positive or negative trend are resolved typically within a twelve-month period.</p>
<b>S&amp;P</b>	<p>A S&amp;P issue credit rating is a forward-looking opinion about the creditworthiness of an obligor with respect to a specific financial obligation, a specific class of financial obligations, or a specific financial program (including ratings on medium-term note programs and commercial paper programs). It takes into consideration the creditworthiness of guarantors, insurers, or other forms of credit enhancement on the obligation and takes into account the currency in which the obligation is denominated. The opinion reflects S&amp;P's view of the obligor's capacity and willingness to meet its financial commitments as they come due, and may assess terms, such as collateral security and subordination, which could affect ultimate payment in the event of default.</p> <p>An obligation rated “BBB” exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.</p> <p>The ratings from “AA” to “CCC” may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.</p> <p>A S&amp;P rating outlook indicates an opinion regarding the potential direction of a long-term credit rating over the intermediate term (ranging six months to two years). A positive outlook indicates a rating may be raised, and a negative outlook indicates a rating may be lowered. A stable outlook is assigned when the ratings are not likely to be changed, and a developing outlook is assigned when rating may be raised or lowered.</p>
<b>Moody's</b>	<p>Moody's long-term ratings are assigned to issuers or obligations with an original maturity of one year or more and reflect both on the likelihood of a default on contractually promised payments and the expected financial loss suffered in the event of default.</p> <p>Obligations rated “Baa” are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.</p> <p>Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from “Aa” through “Caa”. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.</p> <p>A Moody's rating outlook is an opinion regarding the likely rating direction over the medium term. A stable outlook indicates a low likelihood of a rating change over the medium term. A negative, positive or developing outlook indicates a higher likelihood of a rating change over the medium term.</p>



Institution	Rating
<b>Fitch</b>	<p>Rated entities in a number of sectors, including financial and non-financial corporations, sovereigns and insurance companies are generally assigned issuer default ratings (IDRs). IDRs opine on an entity's relative vulnerability to default on financial obligations. The "threshold" default risk addressed by the IDR is generally that of the financial obligations whose non-payment would best reflect the uncured failure of that entity. As such, IDRs also address relative vulnerability to bankruptcy, administrative receivership or similar concepts, although the agency recognizes that issuers may also make pre-emptive and therefore voluntary use of such mechanisms. In aggregate, IDRs provide an ordinal ranking of issuers based on the agency's view of their relative vulnerability to default, rather than a prediction of a specific percentage likelihood of default.</p> <p>"BBB" ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.</p> <p>The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the "AAA" Long-Term IDR category, or to Long-Term IDR categories below "B". Ratings may also have a directional Watch or Outlook assigned, which can signify the trajectory of the credit profile.</p> <p>A Fitch rating outlook is an opinion on the direction a rating is likely to move over a one- to two-year period. A positive rating outlook indicates an upward trend on the rating scale, and a negative rating outlook signals a negative trend on the rating scale. Ratings with stable outlooks can be raised or lowered without a prior revision to the outlook. Evolving outlooks may be described when there is conflicting elements of both positive and negative trends.</p>

As of February 9, 2023, DBRS, S&P and Fitch rate TELUS as BBB (or equivalent) with a stable outlook, while Moody's rates TELUS as Baa1 with a negative outlook. As is common practice, during the last two years, each of the mentioned credit rating agencies charged TELUS for their rating services which include annual surveillance fees covering our outstanding long-term and short-term debt securities, in addition to one-time rating fees for certain agencies when debt is initially issued. We reasonably expect that such payments will continue to be made for rating services in the future.

## 8. MARKET FOR SECURITIES

### 8.1 Trading Price and Volume

Our Common Shares are listed on the TSX under the symbol "T" and on the NYSE under the symbol "TU". Monthly share prices and volumes for 2022 are listed below:

Month	TSX – Common Shares		
	High (\$)	Low (\$)	Volume
January	30.06	28.80	54,708,316
February	32.57	29.69	68,094,941
March	33.81	31.91	81,455,044
April	34.65	32.10	51,056,785
May	32.48	30.51	53,481,311
June	32.03	27.59	73,791,515
July	29.69	28.29	51,002,853
August	30.77	28.57	47,184,496
September	30.03	27.26	56,658,915
October	28.81	26.30	36,527,982
November	29.43	27.76	59,293,195
December	29.08	25.94	54,333,700

Month	NYSE – Common Shares		
	High (\$U.S.)	Low (\$U.S.)	Volume
January	24.00	22.74	23,417,260
February	25.55	23.38	38,917,092
March	26.48	25.08	40,836,711
April	27.50	24.96	36,250,396
May	25.29	23.52	43,502,557
June	25.50	21.34	35,726,457
July	23.18	21.66	22,149,793
August	23.68	22.08	23,448,249
September	22.94	19.84	29,705,073
October	21.29	18.85	30,140,457
November	22.08	20.11	29,030,320
December	21.53	19.12	34,823,900



## 8.2 Prior Sales

In 2022, we undertook debt offerings consisting of a US\$900 million Sustainability-Linked Bond and a CAD\$2 billion, three-tranche bond offering. These offerings increased our weighted average cost of long-term debt from 3.72% to 4.03% and brought our average term to maturity from 12.5 years to 12.1 years.

Please refer to TELUS Corporation's 2022 year-end audited consolidated financial statements – *Note 26(b)* TELUS Corporation senior notes for details on our past debt offerings.

In addition, in the ordinary course of business, the Company has the capability to issue commercial paper with maturities of less than 12 months. As at December 31, 2022, the Company had \$1.5 billion of commercial paper outstanding, all of which was denominated in U.S. dollars (US\$1.1 billion).

## 9. DIRECTORS AND OFFICERS

### 9.1 Name, occupation and security holding

#### Directors

The names, municipalities of residence and principal occupations of the directors of TELUS as at February 9, 2023, as well as the date each such person became a director of TELUS and committee membership are as set out below. Currently, there are 15 directors on the Board. Each was elected at TELUS' annual general meeting (AGM) on May 6, 2022. Each director's term of office will expire immediately before the election of directors at the upcoming AGM on May 4, 2023. Nominees for re-election will be included in the Information Circular for the 2023 AGM.

Directors of TELUS Name and municipality of residence)	Director since	Principal occupation
R.H. (Dick) Auchinleck Victoria, B.C.	2003	Chair, TELUS Corporation
Raymond T. Chan <sup>2, 4</sup> - Chair Vancouver, B.C.	2013	Corporate Director
Hazel Claxton <sup>1, 2</sup> Toronto, Ontario	2021	Corporate Director
Lisa de Wilde <sup>3</sup> - Chair, <sup>4</sup> Toronto, Ontario	2015	Bell Media Professor of Media Management, Schulich School of Business, York University
Victor Dodig Toronto, Ontario	2022	President and Chief Executive Officer, CIBC group of companies
Darren Entwistle Vancouver, B.C.	2000	President and Chief Executive Officer, TELUS Corporation
Thomas E. Flynn <sup>1, 4</sup> Toronto, Ontario	2020	Corporate Director
Mary Jo Haddad <sup>2</sup> - Chair, <sup>3</sup> Niagara-on-the-Lake, Ontario	2014	Founder and President, MJH & Associates (strategic leadership and healthcare advisory services)
Kathy Kinloch <sup>2, 3</sup> Vancouver, B.C.	2017	Corporate Director
Christine Magee <sup>2, 4</sup> Toronto, Ontario	2018	Co-Founder and Chair, Sleep Country Canada
John Manley <sup>2, 3</sup> Ottawa, Ontario	2012	Senior Business Advisor, Bennett Jones LLP
David Mowat <sup>1</sup> - Chair Vancouver, B.C.	2016	Corporate Director
Marc Parent <sup>2, 4</sup> Montreal, Quebec	2017	President and Chief Executive Officer, CAE Inc.
Denise Pickett <sup>1, 3</sup> Toronto, Ontario	2018	President, Global Services Group, American Express

W. Sean Willy<sup>1,3</sup>  
Saskatoon, Saskatchewan

2021

President and Chief Executive Officer of Des Nedhe Development, the economic development entity for English River First Nation

- 1 Member of Audit Committee
- 2 Member of People, Culture and Compensation Committee
- 3 Member of Corporate Governance Committee
- 4 Member of Pension Committee

All of the directors of TELUS have held the principal occupations set forth above or executive positions with the same companies or firms referred to, or with affiliates or predecessors thereof, for the past five years except as follows: David Mowat was President and CEO of ATB Financial from June 2007 to June 2018; Ray Chan was Chair of Baytex Energy Corp. from 2014 to 2018 and Lead Independent Director from 2018 to 2019; John Manley was President and Chief Executive Officer of the Business Council of Canada from 2010 to 2018; Lisa de Wilde was CEO of the Ontario Educational Communications Authority (TVO) from 2005 to 2019; Thomas Flynn was CFO of BMO Financial Group from March 2011 to December 2020. Hazel Claxton was Executive Vice-President and Chief Human Resources Officer of Morneau Shepell Inc. (renamed LifeWorks Inc.) from 2013 to 2018.

### Executive officers

The name, municipality of residence and principal occupations of each of the executive officers of TELUS, as of February 9, 2023, are as follows:

#### Executive Officers of TELUS

(Name and municipality of residence)

#### Position held with TELUS

Darren Entwistle Vancouver, B.C.	President and Chief Executive Officer
Doug French Whitby, Ontario	Executive Vice President and Chief Financial Officer
Navin Arora Calgary, Alberta	Executive Vice President and President, Business Solutions
Tony Geheran Vancouver, B.C.	Executive Vice President and Chief Operations Officer
Gopi Chande West Vancouver, B.C.	Senior Vice President and Treasurer
Zainul Mawji Edmonton, Alberta	Executive Vice President and President, Consumer Solutions
Sandy McIntosh Toronto, Ontario	Executive Vice President, People and Culture and Chief Human Resources Officer
Jim Senko Toronto, Ontario	Executive Vice President and Chief Product Officer, Consumer Solutions
Andrea Wood Toronto, Ontario	Chief Legal and Governance Officer

All of the executive officers of TELUS have held their present positions or other positions with the Company during the past five years or more.

### TELUS shares held by directors and executive officers

As at February 7, 2023, the directors and executive officers of TELUS, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 1,359,479 Common Shares, which represented approximately 0.09% of the outstanding Common Shares.

## 9.2 Cease trade orders, bankruptcies, penalties or sanctions

For the 10 years ended February 9, 2023, other than as disclosed below we are not aware that any current director or executive officer of TELUS had been a director or executive officer of any issuer which, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. On December 1, 2022, the Court of King's Bench for Saskatchewan issued an Order approving a Proposal filed with the Office of the Superintendent of Bankruptcy on October 21, 2022 and as accepted by requisite majorities of the creditors of Tron Construction & Mining Inc. (TCMI) and Tron Construction & Mining Limited Partnership (TCMLP), a 100% First Nation owned business. W. Sean Willy is the President and CEO of Des Nedhe Development Corporation, which, among other portfolio investments, owns TCMLP. In connection with such ownership, Mr. Willy is the Chair of TCMI.

For the 10 years ended February 9, 2023, we are not aware that any current director or executive officer of TELUS had been a director, chief executive officer or chief financial officer of any issuer which was the subject of a cease trade order, an order similar to a cease trade order or an order that denied such issuer access to any exemption under securities legislation, and that was in effect for a period of more than 30 consecutive days, (in each such case, an "Order") while that person was acting in that capacity, or was subject to such an Order issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and resulted from an event that occurred while that person was acting in that capacity.

## 10. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal proceedings are described in *Section 10.17 - Litigation and legal matters* in the 2022 annual MD&A and in the Company's December 31, 2022, consolidated financial statements *Note 29(a) Claims and lawsuits*.

From time to time, in the ordinary course of business, the Company and its subsidiaries are assessed fees or fines by securities regulatory authorities in relation to administrative matters, including late filing or reporting fees, which may be considered penalties or sanctions pursuant to Canadian securities regulations but which are not, individually or in the aggregate, material to the Company. In addition, the Company and its subsidiaries are subject to numerous regulatory authorities around the world, and fees, administrative penalties, settlement agreements and sanctions may be categorized differently by each regulator. However, during the most recently completed financial year, the Company is not aware of any material (i) penalties or sanctions imposed against us by a court relating to securities legislation or by a securities regulatory authority; (ii) penalties or sanctions imposed by a court or regulatory body against us that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements entered into by us before a court relating to securities legislation or with a securities regulatory authority.

## 11. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the best of our knowledge, there were no directors or executive officers, or any associate or affiliate of a director or executive officer with a material interest in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect us.

## 12. TRANSFER AGENT AND REGISTRAR

Our transfer agent and registrar is Computershare Trust Company of Canada. Computershare maintains the Company's registers at 800, 324 - 8th Avenue SW, Calgary, Alberta T2P 2Z3.

## 13. MATERIAL CONTRACTS

TCl is a party to a three-year agreement (expiry December 31, 2024) with an arm's-length securitization trust associated with a major Schedule I bank, under which TCl is able to sell an interest in certain of its trade receivables up to a maximum of \$600 million. TCl is required to maintain at least a BB credit rating by DBRS Ltd. or the securitization trust may require the sale program to be wound down. The necessary credit rating was exceeded throughout its term.

TELUS holds a five-year unsecured credit facility (2018 Credit Facility) with a syndicate of financial institutions. On April 1, 2021, a second amendment agreement was entered into which extended the maturity date from May 2023 to April 2026 and increased the facility from \$2.25 billion to \$2.75 billion. The 2018 Credit Facility may be used for general corporate purposes including the backstop of commercial paper.

On July 12, 2022, TELUS entered into an unsecured non-revolving \$1.9 billion bank credit facility, maturing July 9, 2024, with a syndicate of financial institutions, which is to be used for general corporate purposes. Subsequently, the size of the facility, upon our request, was reduced to \$1.6 billion.

TELUS has also entered into material contracts in connection with the following financings in 2022:

- On February 28, 2022, TELUS issued US\$900 million aggregate principal amount of 3.400% Sustainability-Linked Notes due May 13, 2032.
- On September 13, 2022, TELUS issued \$1.1 billion aggregate principal amount of 5.25% Sustainability-Linked Notes, Series CAG, due November 15, 2032; \$550 million aggregate principal amount of 5.65% Notes, Series CAH, due September 13, 2052; and \$350 million aggregate principal amount of 5.00% Notes, Series CAI, due September 13, 2029.

The applicable trust indenture and supplemental indenture documents in relation to these notes have been filed on SEDAR at [www.sedar.com](http://www.sedar.com) and on EDGAR at [www.sec.gov](http://www.sec.gov). The terms of the indenture are fully described in our final short form base shelf prospectus dated August 8, 2022 filed on SEDAR. The terms of the various notes issued in 2022 and the applicable supplemental indentures are as set forth in the shelf prospectus supplements dated February 23, 2022 and September 8, 2022, filed on SEDAR. The base shelf prospectus dated August 8, 2022 has been filed as part of a registration statement on Form F-10 filed with the U.S. Securities and Exchange Commission (Commission File No. 333-266633).

#### 14. INTERESTS OF EXPERT

Deloitte LLP, Chartered Professional Accountants, is the auditor of the Company and is independent of the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia and within the meaning of the Securities Act of 1933, as amended and the applicable rules and regulations thereunder adopted by the Securities and Exchange Commission and the Public Company Accounting Oversight Board (United States).

#### 15. AUDIT COMMITTEE

The Audit Committee of the Company supports the Board in fulfilling its oversight responsibilities regarding the integrity of our accounting and financial reporting, internal controls and disclosure controls, legal and regulatory compliance, ethics policy and timeliness of filings with regulatory authorities, the independence and performance of our external and internal auditors, the management of our risk, credit worthiness, treasury plans and financial policy and whistleblower and complaint procedures. A copy of the Audit Committee's Terms of Reference is attached as Appendix A to this AIF.

The current members of the Audit Committee are David Mowat (Chair), Hazel Claxton, Tom Flynn, Denise Pickett and W. Sean Willy. Each member of the Audit Committee is independent and financially literate within the meaning of Multilateral Instrument 52-110 "Audit Committees" and the Board has determined that David Mowat is the audit committee financial expert and has the required accounting or related financial management expertise. The following lists the relevant education and experience of the members of TELUS' Audit Committee that is relevant to their role on the committee.

**David Mowat** is the Chair of the Audit Committee. He is the former President and CEO of ATB Financial, a position he held from June 2007 to June 2018. Prior to that, he was the CEO of Vancouver City Savings Credit Union from 2000 until 2007. In 2015, he was named chair of the Alberta Royalty Review panel. He is currently a director of the Laurentian Bank Group. David holds a Bachelor of Commerce from the University of British Columbia and the ICD.D designation from the Institute of Corporate Directors. In 2015, he received an Honorary Bachelor of Business Administration from the Southern Alberta Institute of Technology and in 2017 he received an honorary doctorate of laws from the University of Alberta.

**Hazel Claxton** is the former Executive Vice-President and Chief Human Resources Officer of Morneau Shepell Inc. (renamed LifeWorks Inc.); a position she held from 2013 to 2018. Prior to that, Hazel spent 29 years at PwC Canada where she held several leadership roles including Canadian Leadership Group member, Human Capital leader, and Partner within the Corporate Advisory and Restructuring Group, an area she practiced in for 20 years. Hazel currently sits on the boards of Allied Properties REIT, University Pension Plan Ontario, and Unity Health Toronto. Previously, she was on the boards of Queen's University, St. Michael's Hospital, and the Shaw Festival Theatre. Hazel holds a Bachelor of Commerce (Honours) from Queen's University and the ICD.D designation from the Institute of Corporate Directors. She is a Chartered Professional Accountant.

**Tom Flynn** is the former Vice-Chair of BMO Financial Group. Prior to 2021 he was an executive officer and served as Bank of Montreal's Chief Financial Officer from 2011 to 2020 and Chief Risk Officer from 2008 to 2011. Previously, Tom held other leadership positions, including Executive Vice-President Finance and Treasurer, and Head of the Financial Services Corporate and Investment Banking Group in BMO Capital Markets. Tom is Chair of the Board of Sunnybrook Health Sciences Centre and was previously Chair of the Board of Holland Bloorview Kids Rehabilitation Hospital and Symcor Inc. He obtained his MBA and his Bachelor of Arts (Honours) in Business Administration from the Ivey School of Business at Western University, is a Chartered Professional Accountant and a Fellow of CPA Ontario, and holds the ICD.D designation from the Institute of Corporate Directors.

**Denise Pickett** is the President, Global Services Group of American Express, a position she has held since September 2019. From 1992 to the present, Denise has held a series of progressively senior roles throughout American Express. She was Country Manager for American Express Canada and President and CEO of Amex Bank of Canada. Denise subsequently relocated to the United States where most recently she served as the President of American Express OPEN, the small business division, followed by the President of U.S. Consumer Services and most recently as American Express' Chief Risk Officer. Denise holds an MBA in marketing from the Schulich School of Business at York University and a Bachelor of Science (Honours) from the University of Toronto.

**W. Sean Willy** is President and Chief Executive Officer of Des Nedhe Development, the economic development entity for English River First Nation, which includes a broad portfolio of businesses and investments that range from construction and mining to retail and communications, a role he has held since August 2017, and prior thereto he was a Vice-President of Des Nedhe Development since June 2016. From 2010 to 2016, Sean was the Director of Corporate Responsibility for Cameco Corporation, a publicly traded uranium producer. Sean is an experienced business executive, with a 25-year history of creating, developing and leading inclusive practices in the resource sector and building opportunities with Indigenous communities. In his career, Sean has developed and implemented progressive and innovative Indigenous inclusion and value-added corporate social responsibility strategies for two leading resource companies, Rio Tinto and Cameco Corporation. Sean has always worked to ensure Indigenous Peoples are seen as full partners in long-term relationships, and this has led to Sean building partnerships in Australia, the United States and throughout Canada. Sean is currently a member of the Canadian Government's Indigenous Innovation Housing Committee. In the past, he has served as Chair of the Mining Association of Canada's Indigenous Affairs Committee, Co-Chair of the Canadian Council for Aboriginal Business, Chair of the successful Northern Career Quest and a board member of Indigenous Works. Sean holds a Bachelor of Commerce from the Edwards School of Business of the University of Saskatchewan.

### Audit, audit-related and non-audit services

All requests for non-prohibited audit, audit-related and non-audit services provided by our external auditor and its affiliates to us are required to be pre-approved by our Audit Committee. To enable this, we have implemented a process by which all requests for services involving the external auditor are routed for review by the VP Risk Management and Chief Internal Auditor to validate that the requested service is a non-prohibited service and to verify that there is a compelling business reason for the request. If the request passes this review, it is then forwarded to the Chief Financial Officer for further review. Pending the Chief Financial Officer's affirmation, the request is then presented to the Audit Committee for its review, evaluation and pre-approval or denial at its next scheduled quarterly meeting. If the timing of the request is urgent, it is provided to the Audit Committee Chair for his or her review, evaluation and pre-approval or denial on behalf of the Audit Committee (with the full committee's review at the next scheduled quarterly meeting). Throughout the year, the Audit Committee monitors the actual versus approved expenditure for each of the approved requests.

The following table is a summary of billings by Deloitte LLP (Deloitte), as external auditor of TELUS, during each of the years ended December 31, 2022 and 2021.

Type of work	Year ended December 31, 2022		Year ended December 31, 2021	
	\$ millions	%	\$ millions	%
Audit fees <sup>1</sup>	3.125	27.4	2.810	25.8
Audit-related fees <sup>2</sup>	7.230	63.3	6.869	63.2
Tax fees <sup>3</sup>	870	7.6	0.834	7.7
All other fees <sup>4</sup>	192	1.7	0.359	3.3
<b>Total</b>	<b>11.417</b>	<b>100.0</b>	<b>10.871</b>	<b>100.0</b>

<sup>1</sup> Includes fees for services rendered by Deloitte in relation to the audit and review of our financial statements.

<sup>2</sup> Includes fees for audits in relation to our statutory and regulatory filings, audits and reviews of subsidiaries including TELUS International, pension-related audits, customer required reviews and translation services rendered by Deloitte in relation to the audit or review of our financial statements that were not part of audit fees.

<sup>3</sup> Relates to tax compliance, tax advice and tax planning.

<sup>4</sup> Includes fees for services rendered by Deloitte that were not in relation to the audit or review of our financial statements, such as Board Effectiveness Assessment (2021), M&A Due Diligence (2021), Advisory services for private investment fund establishment (2021), proxy circular assurance work (2022), Data Analytics Maturity Assessment and Benchmarking (2022) and other Specified Procedures (2021/2022).

## 16. ADDITIONAL INFORMATION

Additional information relating to TELUS may be found on SEDAR at [sedar.com](http://sedar.com) and EDGAR at [sec.gov](http://sec.gov). Additional information regarding directors' and officers' remuneration, and securities authorized for issuance under equity compensation plans, will be contained in TELUS' information circular for the annual meeting to be held on May 4, 2023. Additional financial information is provided in the Company's consolidated financial statements and MD&A for the year ended December 31, 2022. All of the above information can also be found at [telus.com](http://telus.com). Additional

information about our TELUS International (Cda) Inc. subsidiary, including discussion of its business and results, can be found in its public filings available on SEDAR at [sedar.com](http://sedar.com) and EDGAR at [sec.gov](http://sec.gov).





## APPENDIX A: TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

The Board has established an Audit Committee (the “Committee”) to assist the Board in fulfilling its oversight responsibilities regarding the integrity of the Company’s accounting and financial reporting, the Company’s internal controls and disclosure controls, the Company’s legal and regulatory compliance, the Company’s Code of Ethics and Conduct and timeliness of filings with regulatory authorities, the independence and performance of the Company’s external and internal auditors, the identification and management of the Company’s risks, the Company’s credit worthiness, treasury plans and financial policy and the Company’s whistleblower and complaint procedures.

### 1. MEMBERSHIP

- 1.1 The Committee will have a minimum of three members, including the chair of the Committee. The Board, upon the recommendation of the Corporate Governance Committee, will appoint and remove the members of the Committee by a majority vote. The members will sit on the Committee at the pleasure of the Board.
- 1.2 The Board, upon the recommendation of the Corporate Governance Committee, will appoint the chair of the Committee from the Committee’s members by a majority vote. The chair of the Committee will hold such position at the pleasure of the Board.
- 1.3 All members of the Committee will be Independent Directors.
- 1.4 All members of the Committee will be financially literate, as defined in accordance with applicable securities laws and standards of the stock exchanges on which the Company’s securities are listed.
- 1.5 At least one member of the Committee will be an audit committee financial expert, as defined in accordance with applicable securities laws, and at least one member of the Committee will have accounting or related financial management expertise, as defined in accordance with applicable securities laws.

### 2. MEETINGS

- 2.1 The Committee will meet at least once each quarter and otherwise as necessary. Any member of the Committee may call meetings of the Committee.
- 2.2 All directors of the Company, including management directors, may attend meetings of the Committee provided, however, that no director is entitled to vote at such meetings and is not counted as part of the quorum for the Committee if they are not a member of the Committee.
- 2.3 Notwithstanding section 2.2 above, the Committee will, as a regular feature of each regularly scheduled meeting, hold an in-camera session with the external auditors and separately with the internal auditors, and an in-camera session without management or management directors present. The Committee may, however, hold other in-camera sessions with such members of management present as the Committee deems appropriate.
- 2.4 The Chief Legal and Governance Officer or their nominee will act as secretary to the Committee.
- 2.5 The Committee will report to the Board on its meetings and each member of the Board will have access to the minutes of the Committee’s meetings and meeting materials, regardless of whether the director is a member of the Committee.
- 2.6 The external auditors of the Company will receive notice of every meeting of the Committee and may request a meeting of the Committee be called by notifying the chair of the Committee of such request.

### 3. QUORUM

The quorum necessary for the transaction of business at Committee meetings will be a majority of the members of the Committee. A quorum once established is maintained even if members of the Committee leave the meeting prior to conclusion.

### 4. DUTIES

The Board hereby delegates to the Committee the following duties to be performed by the Committee on behalf of and for the Board:

#### 4.1 Financial Reporting

Prior to public disclosure, the Committee will review and recommend to the Board, and where applicable, to the boards of the Company’s subsidiaries which are reporting issuers, for approval:

- (a) the annual audited consolidated financial statements and interim unaudited consolidated financial statements of the Company and those of its subsidiaries that are reporting issuers, as defined in accordance with applicable securities laws;
- (b) the interim and annual management’s discussion and analysis of financial condition and results of operations (“MD&A”) of the Company and those of its subsidiaries that are reporting issuers, as defined in accordance with applicable securities laws;
- (c) earnings press releases and earnings guidance, if any; and
- (d) all other material financial public disclosure documents of the Company and those of its subsidiaries that are reporting issuers, including prospectuses, press releases with financial results, annual information form and any metrics regarding climate related risks, sustainability, and environmental disclosure in financial reporting, including

but not limited to, disclosure made under the Task Force on Climate-related Financial Disclosures framework established by the Financial Stability Board.

#### 4.2 External Auditors

The external auditors will report directly to the Committee and the Committee will:

- (a) appoint the external auditors, subject to the approval of the shareholders, and determine the compensation of the external auditors;
- (b) conduct an annual review of the external auditors;
- (c) oversee the work of the external auditors and review and approve the annual audit plan of the external auditors, including the scope of the audit to be performed and the degree of coordination between the plans of the external and internal auditors;
- (d) discuss with the internal auditors, the external auditors and management, the adequacy and effectiveness of the disclosure controls and internal controls over financial reporting of the Company and elicit recommendations for the improvement of such controls or particular areas where new or more detailed controls or procedures are desirable. Particular emphasis will be given to the adequacy of internal controls to prevent, identify or detect fraud, or any payments, transactions or procedures that might be deemed illegal or otherwise improper;
- (e) meet regularly with the external auditors without management present and ask the external auditors to report any significant disagreements with management regarding financial reporting, the resolution of such disagreements and any restrictions imposed by management on the scope and extent of the audit examinations conducted by the external auditors;
- (f) pre-approve all audit, audit-related and non-audit services to be provided to the Company or any of its subsidiaries, by the external auditors (and its affiliates), in accordance with applicable securities laws. The Committee may also delegate the pre-approval of audit, audit-related and non-audit services to any one member of the Committee, provided, however, a report is made to the Committee on any pre-approval of such services at the Committee's first scheduled meeting following the pre-approval;
- (g) annually review the qualifications, expertise and resources and the overall performance of the external audit team and, if necessary, recommend to the Board the termination of the external auditors or the rotation of the audit partner in charge;
- (h) at least annually, obtain and review a report by the external auditors describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality control review, or peer review of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with such issues; and all relationships between the external auditors and the Company;
- (i) annually, or more frequently as appropriate, assess and confirm the independence, objectivity and professional skepticism of the external auditors and require the external auditors to deliver an annual report to the Committee regarding its independence, such report to include disclosure regarding all engagements (and fees related thereto) by the Company and relationships which may impact the objectivity and independence of the external auditors;
- (j) require the external auditors to deliver an annual engagement letter to the Committee;
- (k) review post-audit or management letters, containing recommendations of the external auditors and management's response;
- (l) review reports of the external auditors; and
- (m) pre-approve the hiring of employees and former employees of current and former auditors in accordance with applicable securities laws and the Company's policies.

#### 4.3 Internal Auditors

The internal auditors will report functionally to the Committee, and administratively to the Company's Chief Financial Officer ("CFO"), and the Committee will:

- (a) review and approve management's appointment, termination or replacement of the Chief Internal Auditor;
- (b) review and consider the annual performance objectives, performance evaluation and compensation treatment of the Chief Internal Auditor;
- (c) oversee the work of the internal auditors including reviewing and approving the annual internal audit plan and updates thereto;
- (d) review the report of the internal auditors on the status of significant internal audit findings, recommendations and management's responses and review any other reports of the internal auditors;
- (e) annually review the scope of responsibilities and effectiveness of the internal audit team, its reporting relationships, activities, organizational structure and resources, its independence from management, its credentials and its working relationship with the external auditors; and
- (f) review and approve the internal audit charter and updates thereto at a minimum of every five years (or sooner if required).

The internal auditors will report quarterly to the Committee on the results of internal audit activities and will also have direct access to the chair of the Committee when the internal auditors determine it is necessary.

#### **4.4 Whistleblower, Ethics and Internal Controls Processes**

The Committee will ensure that the Company has in place adequate procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The CEO, CFO, or the Chief Internal Auditor will report to the Committee, and the Committee will review such reports, on any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls. Where the CEO, CFO and/or the Chief Internal Auditor are named in a complaint, the Director of Ethics will speak directly with the chair of the Committee.

The Committee will review:

- (c) at least once every two years, and recommend to the Board for approval, together with the People, Culture and Compensation Committee, the Code of Ethics and Conduct and material changes thereto; and
- (d) quarterly reports on ethics breaches including any pertaining to internal controls over financial reporting or fraud involving management or other employees who have a role in the Company's internal controls over financial reporting.

The Chief Internal Auditor will report to the Committee, and the Committee will consider such reports, on the results of the investigation of whistleblower, ethics and internal controls complaints.

#### **4.5 Accounting and Financial Management**

The Committee will review:

- (a) with management and the external auditors, the Company's major accounting policies, including the impact of alternative accounting policies and key management estimates, risks and judgments that could materially affect the financial results and whether they should be disclosed in the MD&A;
- (b) emerging accounting issues and their potential impact on the Company's financial reporting;
- (c) significant judgments, assumptions and estimates made by management in preparing financial statements;
- (d) the evaluation by either the internal or external auditors of management's internal control systems, and management's responses to any identified weaknesses;
- (e) the evaluation by management of the adequacy and effectiveness in the design and operation of the Company's disclosure controls and internal controls for financial reporting;
- (f) audits designed to report on management's representations on the effectiveness and efficiency of selected projects, processes, programs or departments;
- (g) management's approach for safeguarding corporate assets, data and information systems, the adequacy of staffing of key financial functions and their plans for improvements; and
- (h) internal interim and post implementation reviews of major capital projects.

#### **4.6 Credit Worthiness, Treasury Plans and Financial Policy**

The Committee will review with management:

- (a) the Company's financial policies and compliance with such policies;
- (b) the credit worthiness of the Company;
- (c) the liquidity of the Company; and
- (d) important treasury matters including financing plans.

#### **4.7 Legal/Regulatory Matters**

The Committee will review:

- (a) with management, the external auditors and legal counsel, any litigation, claim or other contingency, including any tax assessment, that could have a material effect upon the financial position or operating results of the Company;
- (b) annually, management's relationships with regulators, and the accuracy and timeliness of filings with regulatory authorities;
- (c) quarterly reports from the Chief Legal and Governance Officer on compliance with laws and regulations;
- (d) quarterly reports from the Vice-President, Chief Data and Trust Officer ("Chief Compliance Officer") on legal, privacy and regulatory compliance activities; and
- (e) the anti-bribery and corruption policy and recommend to the Board for approval any material changes thereto.

#### **4.8 Risk Management**

The Committee will:

- (a) consider reports on the annual enterprise risk assessment and updates thereto;
- (b) except to the extent that responsibility is reserved to the Board or delegated to another Board committee, review management's implementation of risk policies and procedures, and assess the appropriateness and comprehensiveness of those policies and procedures;

- (c) consider reports on security (including cybersecurity);
- (d) consider reports on financial risk management including derivative exposure and policies;
- (e) consider reports on tax risk management and governance;
- (f) consider reports on business continuity, disaster recovery planning and external threat/hazard monitoring for the Company, including climate-related physical and transitional risks; and
- (g) review other risk management matters from time to time as the Committee may consider suitable or the Board may specifically direct.

#### **4.9 Other**

The Committee will review:

- (a) compliance with the Executive Expense Policy of the expenses of the Board and the CEO;
- (b) significant related party transactions and actual and potential conflicts of interest relating thereto to verify their propriety and that disclosure is appropriate;
- (c) the disclosure policy of the Company and recommend any material changes thereto to the Board for approval; and
- (d) evaluate, at least once annually, the adequacy of these terms of reference and the Committee's performance, and report its evaluation and any recommendations for change to the Corporate Governance Committee.

The Committee will also have such other duties and responsibilities as are delegated to it and review such other matters as, from time to time, are referred to it by the Board.

#### **5. AUTHORITY**

The Committee, in fulfilling its mandate, will have the authority to:

- (a) engage and set compensation for independent counsel and other advisors;
- (b) communicate directly with the CFO, internal and external auditors, Chief Compliance Officer, Chief Legal and Governance Officer and any other member of management the Committee deems appropriate;
- (c) delegate tasks to Committee members or subcommittees of the Committee; and
- (d) access appropriate funding as determined by the Committee to carry out its duties.