



United Nations Global Compact

The United Nations has developed a global agreement, or compact, to help businesses align their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, the environment and anti-corruption. TELUS supports the compact and we became a signatory of the United Nations Global Compact (UNGC) in 2010 and continued our support throughout 2018. The CEO letter in our [Sustainability Report](#) confirms our support for the Global Compact.

Communication on Progress

Embracing global sustainability principles

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

Specifically in 2018, TELUS presented at the [Canadian SDG Business Forum](#) and at SDG training events hosted by the GCNC throughout the year. Additionally, TELUS is one of several companies to participate in the Gender Equality Leadership in the Canadian Private Sector [project](#) which is sponsored by the Government of Canada and facilitated by the GCNC.

TELUS continue to align targets to the [Sustainable Development Goals](#) as described in our [Sustainability Report](#).

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

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

- Transforming healthcare (SDG 3)
- Providing access to education for children and youth (SDG 4)
- Enabling the digital economy (SDG 9)
- Fostering more inclusive and equitable communities (SDG 11)
- Caring for our environment (SDG 13)
- Creating a sense of online safety, security, protection and respect of privacy (SDG 17).

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

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

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

Human rights

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

TELUS has a long-standing commitment to respecting and protecting human rights as outlined in our [Code of Ethics and Conduct](#), and reflected in our respectful workplace, employment equity and diversity practices. The Code ties together policies regulating business behaviour and provides guidelines for the standards of ethical conduct expected of all employees, including officers and members of the [TELUS Board of Directors](#). The Code, which is updated and published annually, formalizes our commitment to safeguard internationally proclaimed human rights. Further details about our expectations are provided for employees in our Respectful Workplace policy.

Each year, TELUS requires all employees and contractors to complete an online Integrity training course that outlines key aspects of the Ethics, Respectful Workplace, Security and Privacy policies. The 2018 course was completed by 100 per cent of employees by April 7, 2019. TELUS also has specific online training based on our Respectful Workplace policy that is required for all newly hired team members, and team members newly promoted into management professional and people leader roles. Newly engaged contractors are also required to complete this online training.

In 2018, there was an additional focus on training with respect to Sexual Harassment in the Workplace as well as our Drug and Alcohol Policy.

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

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

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

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

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

In 2016, we began the process to draft a specific Human Rights Policy, which we hope to publish in 2019.

UNGC Principle 2: Businesses should make sure that they are not complicit in human rights abuses.

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

Each year, key points from TELUS' Respectful Workplace policy are covered in our mandatory Integrity training course. In addition, all newly hired employees are provided training on the policy. Our overriding goals are to:

- Help employees understand the law and what is considered acceptable behaviour at work
- Be sure employees are aware of the protections and processes available to them should an inappropriate workplace issue arise.

Complaints filed by our employees with the [Canadian Human Rights Commission](#) are analyzed to determine if there are any internal practices that are causing concern and require attention. In our

international locations, we comply with regulatory laws and requirements for each jurisdiction. Details can be found in our [Sustainability Report](#).

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

It is paramount that our SCOC leads the industry in ethical and sustainability standards. In 2018, our team updated the SCOC to ensure it reflected best in class practices. To reinforce our leadership in this area, the revised SCOC published in 2018 included more:

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

During 2019, TELUS will continue its focus on developing a specific Human Rights Policy and enhancing monitoring and assessment processes of our operations for Human Rights issues.

Conflict Minerals

In 2012, the [Securities and Exchange Commission](#) (SEC) finalized reporting requirements to disclose the use of designated minerals and metals mined in the Democratic Republic of Congo and adjacent countries. Cassiterite (a source of tin), wolframite (a source of tungsten), columbite-tantalite (or coltan, a source of tantalum) and gold are often referred to collectively as conflict minerals. Such minerals may be used in electronic and communications equipment that we use or sell. As a signatory of the UNGC, we are committed to preventing human rights abuses that could result from our operations.

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

These SEC reporting requirements for conflict minerals, mandated by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, came into effect for our 2013 annual reporting cycle. Through the establishment of an internal Conflict Minerals Working Group, we have performed our due diligence and have met the reporting requirements annually.

Labour standards

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

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

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

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

Additionally, TELUS is signatory to two major collective agreements in the province of Quebec. The larger of the two is between TELUS and the SQET which covers 742 trades, clerical and operator services team members and the other is between TELUS and the SAMT covering 626 management and professional team members. The agreement with the SAMT expires on March 31, 2021. The contract with the SQET expires on December 31, 2022.

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

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

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

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

Union recognition through consultation

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

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

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

Board of Directors diversity representation

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

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

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

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

The following codes and policies guide our workplace practices and provide assurance TELUS does not use or support forced labour at any of our operations:

- The TELUS Code of Ethics and Conduct states that employees have the right to a safe and violence-free workplace, and violence in the workplace is considered a criminal issue
- A Violence Prevention in the Workplace Investigation and Reporting policy

Our Supplier Code of Conduct addresses freely chosen employment. It is expected that all work for our suppliers is voluntary, and workers are free to leave at any time or terminate their employment. Forced, bonded (including debt bondage) or indentured labour, involuntary prison labour, slavery or trafficking of persons shall not be used. This includes transporting, harbouring, recruiting, transferring or receiving vulnerable persons by means of threat, force, coercion, abduction or fraud for the purpose of exploitation. While workers may be asked to provide government-issued documentation as identification, it is expected that they will not be required to surrender government-issued identification, passports or work permits as a condition of employment.

UNGC Principle 5: The effective abolition of child labour.

TELUS does not use or support child labour at any of our operations. In fact, the TELUS [Supplier Code of Conduct](#) does not allow the use of child labour anywhere in our supply chain. It is expected that our suppliers do not use child labour in any part of their business operations. The minimum age for employment or work shall be 15 years of age (or 14 where the laws of the country permit) or the age for completing compulsory education in that country, whichever is higher. If any child labour is detected, the Supplier shall immediately stop such child labour and improve the supplier's child labour avoidance practices. We encourage the use of workplace apprenticeship programs, provided they comply with all applicable laws and regulations in the jurisdiction in which they operate.

TELUS routinely monitors developments with respect to the [International Labour Organization \(ILO\) conventions 138 and 182](#) with respect to child labour, particularly in countries in which we do business.

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

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

TELUS' commitment to diversity and inclusiveness is a defining feature of our culture. Our team members have made it clear that this commitment is an important aspect of what makes them proud to be part of the TELUS family. Our vision is to be a global leader in diversity and inclusion by having our team reflect the diversity of our customers and communities at every level of the organization.

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

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

- Diversifying our job candidate pool through establishing partnerships with various industry organizations including SenseAbility, Canadian National Institute for the Blind, Magnet, and Indigenous Link.
- Developing job aids to help leaders better understand how they can support persons with disabilities, and generating ideas to improve our job postings, careers website and training.
- Focusing on strengthening the quality and quantity of women and diverse candidates in technical and leadership positions, including launching two new Diversity and Inclusiveness scholarships that focus on females and minorities in technology.
- Engaging over 7,000 TELUS team members through our Team Member Resource Groups (TRGs) to play an important role in advancing inclusion within our organization and throughout the communities where we live, work and serve around the world.
- Maintaining sponsorships with the We Matter campaign, a multimedia program targeting youth and young adults at-risk for suicide, and Indigenous Careers (an organization that helps market our employment opportunities to urban Indigenous and on-reserve individuals across the country).

TELUS' Diversity and Inclusiveness Council has developed and implemented initiatives including providing diversity training to TELUS employees and assisting with the establishment of team member resource groups. These resource groups include:

- Abilities Network: for employees and family members with varying abilities
- Alliance: for active and retired military personnel and the families who support them
- Connections: our women's network
- Eagles: our Indigenous Peoples network
- Mosaic: for multicultural employees
- Spectrum: our network for our lesbian, gay, bisexual, transgender, queer and allied team members.

Results from our annual employee survey in 2018 indicate that 96 per cent of employees agree or strongly agree that we have a work environment that embraces diversity and accepts individual differences (e.g., gender, race, ethnicity, sexual orientation, religion, age).

To learn more about diversity and inclusiveness at TELUS, please visit our [website](#).

Environment

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

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

Our environmental sustainability is tied to global standards

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

Auditing and site assessments

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

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

Training

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

TELUS established a Climate Change Strategy in 2010, with a goal of reducing absolute energy consumption by 10 per cent and realizing a 25 per cent reduction in greenhouse gas (GHG) emissions by 2020 based on 2010 levels. We have reduced our energy consumption by 11.6 per cent and our

GHG emissions by 26.9 per cent since 2010, surpassing our targets. We monitor and report our progress annually and these goals form a component of the Sustainability Index in our Corporate Scorecard, the results of which impact the variable component of our employees compensation. In 2019, we plan to set new long-term targets and include targets with respect to renewable energy procurement.

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

The strength of our environmental and sustainability culture at TELUS is the result of over two decades of dedicated work in this field. Since we published our first environmental report in 1992, we have continued to evolve our environmental management and sustainability program to support what we believe is a best-in-class sustainability program. Our disclosure now aligns to the Global Reporting Initiative G4 guidelines at the Core level and in 2018, we were named to the Dow Jones Sustainability World Index (DJSI) for the third consecutive year and to the DJSI North American Index for the 187th consecutive year.

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

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

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

Through this program, we have decreased our environmental footprint by eliminating 18,500 tonnes of carbon dioxide emissions and reducing 2.9 million hours of commuting time in 2018 alone.

In 2018, TELUS launched our Trees for Paper program. This program, compensates for our 2017 paper and packaging use by planting 48,600 trees with our longstanding partner Tree Canada. These trees will benefit the community by capturing carbon, providing oxygen and wildlife habitat for generations to come. As of the date of this report, we intend to plant 54,000 trees to compensate for the 2018 paper and packaging we consumed.

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

TELUS develops and implements technology solutions that support the principle of moving ideas instead of people. Our TELUS Technology Labs enable testing, trialing and proof-of-concept of emerging technologies and services. Associated with the labs, TELUS Innovation Centres across Canada showcase our current and potential future networks and services. When we implement environmentally-friendly technologies internally, we not only support our own sustainability goals, we provide benefits to society as a whole by reducing resource use and GHG emissions. Externally, we offer videoconference and teleconference technologies for our customers and partners, which reduces the need for travel, providing a reduced carbon footprint.

Key 2018 energy efficiency program highlights include:

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

Additionally, many of our [TELUS Health](#) solutions support this principle.

Anti-corruption

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

Bribery and corruption is one of the primary obstacles to economic development. It undermines the rule of law, weakens trust in public institutions and challenges democratic principles. Bribery and corruption can exist in any society, rich or poor, creating a need for continued vigilance by regulators, law enforcement agencies and industry leaders.

Risks from bribery and other forms of corruption are a concern for companies both in Canada and abroad. Companies may be confronted with demands for bribes, challenged by competitors acting corruptly or faced with employees violating their codes of conduct. TELUS mitigates these risks by implementing and enforcing a robust Anti-Bribery and Corruption Compliance Program that is supported by clear policies, processes and controls.

Since 2012, we have addressed anti-bribery and corruption risks through a risk-based framework that includes:

- Senior management involvement and support: senior leaders across TELUS are responsible and accountable for making sure the Anti-Bribery and Corruption Compliance Program is effectively implemented and consistently monitored. Senior executives set the tone to create a culture where bribery is unacceptable.
- Corporate compliance policies and procedures: a specific Anti-Bribery and Corruption Policy was rolled out to the TELUS team after being approved by the TELUS Board of Directors. Our Anti-Bribery and Corruption Compliance Policy provides further clarity and guidance for employees and third parties engaged by TELUS, and supplements other guidance in the TELUS Code of Ethics and Conduct, the Supplier Code of Conduct, and our Code of Conduct for Business Sales Activities.

- Training and education: our annual Integrity training highlights our zero-tolerance approach to bribery and corruption. Further training continues to be provided through our Business Sales Code of Conduct and Anti-Bribery and Corruption programs.
- Incentives and consistent disciplinary procedures: annual performance objectives were created for employees responsible for implementing and monitoring the compliance program. Failure to act in accordance with the Anti-Bribery and Corruption Policy may subject employees to disciplinary action, which may include dismissal.

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