

we are



corporate social responsibility report 2001



TELUS Corporation is one of Canada's leading providers of data, Internet Protocol (IP), voice and wireless communications services. We provide and integrate a full range of communications products and services that connect Canadians to the world. Our strategy is to unleash the power of the Internet to deliver the best solutions to Canadians at home, in their workplace and on the move.

table of contents

- 2 message from our president and ceo
- 3 community
- 9 environment
- 17 workplace

the future is friendly®

This report is printed on 30% post-consumer recycled paper using vegetable-based inks.

responsible

we are



investing in our communities. Our community investments add value to the lives of Canadians.

we are



safeguarding our environment. Our communications solutions reduce our impact on the environment.

we are



investing in our people. TELUS is recognized as one of the best companies to work for in Canada.

message from our president and ceo

We are responsible. This says a lot about how we approach every aspect of our business.

As we execute our business strategy—unleashing the power of the Internet to deliver the best solutions to Canadians at home, in their workplace and on the move—we do so with the full understanding that our focus does not begin and end there.

We recognize we can play an important role in shaping the quality of economic, social and physical life in the communities where we do business, and we take this corporate social responsibility role seriously.

We invest in our communities. We are proud to be an Imagine Caring Company, meaning that we donate at least one per cent of our pre-tax profits to charitable organizations. In 2001, we contributed almost \$11 million of financial and in-kind assistance to educational, health, arts and charitable organizations across Canada. We focus our community investment activities on helping charitable and non-profit organizations deliver Internet-based services that improve the quality of life for Canadians.

We take steps to safeguard our environment. We are avid users of our own environmentally-friendly technologies, and we have web-enabled many of our business processes. We set environmental objectives and targets, and we measure our progress toward these targets.

Thanks in large part to our community investment initiatives and strong environmental focus, TELUS is now included in the Dow Jones Sustainability World Index, which comprises the top sustainability-driven companies worldwide that measure up to the index's economic, environmental and social criteria.

We invest in our employees. We recognize and reward employee achievement through Team Machine, our innovative, online program that recently gained best-in-class distinction by the National Association of Employee Recognition. TELUS was also recently named one of the 10 best companies to work for in Canada by The Globe and Mail. Another publication—*BC Business*—has named us the most respected company in BC. These awards underscore the importance TELUS places on its employees, and the confidence employees have in our strategy, culture and leadership.

Our emphasis on corporate social responsibility says a lot about who we are. An innovative company. A company with vision. A company that leads by example.



Darren Entwistle
President and Chief Executive Officer
April 5, 2002



community

We live in the communities we serve. We also invest in them. In 2001, TELUS contributed almost \$11 million of financial and in-kind assistance to educational, health, arts and charitable organizations across Canada. Our community investments reflect our company's overall business focus: unleash the power of the Internet to deliver the best communications solutions to Canadians—at home, in their workplace and on the move. We do so by investing in community-building initiatives with charitable and non-profit organizations that showcase the role the Internet and technology can play in enhancing the quality of people's lives. We do so by encouraging and assisting our 28,000 employees in their volunteer activities. And we do so by matching our employees' charitable contributions, dollar for dollar.

It's about adding value to the lives of Canadians.



As a company that donates at least one per cent of pre-tax profits to charitable organizations, TELUS is proud to be identified as an Imagine Caring Company by the Canadian Centre for Philanthropy.

We're also proud that our community investment activities contributed to TELUS' recent inclusion in the prestigious Dow Jones Sustainability World Index, the world's first global index that tracks the performance of the leading sustainability-driven companies worldwide.

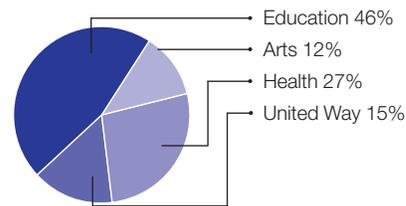
These and other acknowledgements are reminders that our approach—and commitment—to community investment is having a positive impact in communities across Canada.

We approach community investment as an opportunity to leverage not only our dollars but also our technology and expertise. We focus our community investment activities on helping individuals and communities succeed in today's knowledge-based economy. We do this by partnering with organizations in education, the arts and health care on initiatives that use technology in innovative ways. These are the areas we believe TELUS can truly add value, and these are the areas we believe truly add value to our communities.

In addition, through TELUS Community Connections—our employee community involvement program—more than 1,100 charitable organizations across Canada received financial assistance last year from TELUS and its employees. Our employees and retirees also volunteered more than 210,000 hours with hundreds of charitable organizations and community projects.

Imagine 

Community investment by sector



During our fall 2001 employee charitable giving campaign, employees and retirees demonstrated remarkable generosity and community spirit by pledging \$2.4 million to 2,400 charitable organizations across Canada. Through our matching grants program, TELUS matches these contributions dollar for dollar, which means these charitable organizations will receive \$4.8 million this year from TELUS and its employees and retirees.

Also last year, our TELUS New Media and Broadcast Fund provided \$1.2 million in financial assistance to 24 projects. Recently funded projects include Canada's first online encyclopedia and Canada in Space, a virtual tour that focuses on Canada's important role in space exploration and technology.

We have highlighted just a few of our Community Investment and Community Connections activities in this report. More detailed information can be found on our website—www.telus.com/community. This site is updated regularly, and we encourage you to visit us often.

Proud to be an Imagine
Caring Company

TELUS contributed almost \$11 million of financial and in-kind assistance last year to educational, health, arts and charitable organizations across Canada.

TELUS Learning Connection

It began in 1997 as an initiative to provide basic Internet training for Alberta teachers. Today, the TELUS Learning Connection is helping teachers unleash the power of the Internet by developing and delivering online educational resources that are now being used in schools around the world.

TELUS is the sole corporate partner of this innovative program, which integrates information technology into the classroom to provide teachers and students with access to an online learning community.

The TELUS Learning Connection website—www.2Learn.ca—features more than 14,000 pages of educational content and attracts more than 2.5 million hits a month, with each visit lasting an average of 20 minutes.

The website provides curriculum-based teaching resources and allows teachers to develop content, share research strategies, and access teaching tools and professional development opportunities.

The TELUS Learning Connection emphasizes online collaboration between teachers and students. And geography is proving to be no barrier to learning. In a recent 2Learn.ca tele-collaboration, a Grade 9 class in Calgary participated with their counterparts in Ekaterinburg, Russia, in a year-long project designed to provide an understanding of cultural differences and similarities. During the year, students communicated via e-mail and real-time video, and posted information and photos on project websites at each school.

The educational experience of this and other 2Learn.ca projects has earned the website high marks from educators around the world.

Crisis Centre of Greater Vancouver

The crisis centre phones ring more than 27,000 times a year. And every call is answered by a trained volunteer. Every year, more than 16,000 high school students in Greater Vancouver attend in-class stress management and suicide awareness workshops led by crisis centre volunteers.

Volunteers are the lifeblood of the crisis centre. And so is technology.

TELUS is providing both financial and technological assistance to help the centre meet the growing demand for its acclaimed community education and crisis intervention services.

The crisis centre's community education program is one of the most sought-after student programs provided by an outside agency. With suicide being the second leading cause of death among teens, this program teaches valuable coping and life skills to high school students who face emotional stress from bullying, cultural diversity, peer pressure and financial and socio-economic stress. Studies indicate that two-thirds of students consider suicide at some point during their teens. And in most cases, teenagers will reach out to their peers before making an attempt on their lives.

In addition to giving more than 570 community education workshops a year and answering the 24-hour distress lines, the centre's 270 volunteers also provide after-hour coverage for 19 smaller crisis centres throughout BC. New communications equipment will update the not-for-profit organization's communications infrastructure—telephones, computers, server, Internet and database management.

For more information, please visit www.crisiscentre.bc.ca.

Unleashing the power of the Internet

Our community investment activities help charitable and non-profit organizations deliver Internet-based services that improve the quality of life for Canadians.

The Royal Conservatory of Music

An innovative learning program developed by The Royal Conservatory of Music is hitting all the right notes in public schools across Canada.

Learning Through the Arts integrates visual arts, story telling, music and dance into such core curriculum subjects as math, science and history. Through the program, artists and teachers collaborate on artistic tools that engage students in learning. The result: Grade 1 students learn grammar and punctuation by using percussion instruments; Grade 3 students learn their times tables set to song; and Grade 5 students understand physics by studying dance moves.

Learning Through the Arts is currently available to 36,000 Kindergarten-Grade 12 students in 156 schools across Canada. Schools adopting the program have recorded higher math, writing and literacy scores among students.

With TELUS' financial and technological assistance, Learning Through the Arts will reach 240 schools and more than 100,000 students next year. We're helping extend the program's reach and integrate online learning resources and tools into its delivery. Once online, Learning Through the Arts will be accessible to schools in remote northern communities.

Learning Through the Arts is a school-wide initiative that involves every teacher and student. The Royal Conservatory of Music provides training and professional development for teachers and artists; it also provides teachers with resource guides that link the arts to the mandated curriculum in each province.

For more information, please visit www.ltta.ca.

Dixon Hall

In downtown Toronto's low-income Regent Park neighbourhood, a new vitality can be heard in every keystroke.

Our financial and technological support has enabled Dixon Hall to launch Hands On!, a unique computer training program for Regent Park residents. Dixon Hall is a community-based social agency that provides self-help services for low-income residents in downtown east Toronto. Regent Park is Canada's largest public housing complex and is home to 10,000 people.

Launched in late 2001, Hands On! uses a train-the-trainer approach to teach computer skills and involve participants as peer trainers. Hands On! participants undergo a 16-week training program at the Regent Park Learning Centre, which is equipped with 19 computer workstations. Hands On! participants learn keyboarding skills, software programs, and how to set up an e-mail account and use Internet search engines. They also learn peer-training techniques that enable them to then provide computer skills and technical support for new participants.

Like all Dixon Hall programs, Hands On! is designed to help people improve their lives and to ultimately make a better future for themselves. Acquiring computer skills allows residents to participate more fully in their communities and equips them to find employment opportunities.

Dixon Hall provides programs and services for high-risk youth, disadvantaged children, seniors, people who are homeless or unemployed, and women who experience family violence.

For more information, please visit www.dixonhall.on.ca.



Wired for Words

Computers and books make a perfect match in the cyberspace reading room www.wiredforwords.com.

The Wired for Words website is an online book club for children and teenagers. TELUS joined with the Calgary Board of Education and the *Calgary Herald* last year to launch the site, which now attracts more than 14,000 hits a month.

Wired for Words connects young readers with books in a safe and monitored environment. The site includes youth book reviews, books of the month, favorite celebrity books, cool links and a monthly calendar of youth-focused literary events.

The site also features sections for teachers and parents, with curricular-related activities to promote reading, hints for raising readers and links to community workshops that provide teachers and parents with ideas and resources to encourage reading.

Wired for Words posts five books a month for each age group: 4–9, 9–12, 12–15 and 15–plus. Readers are encouraged to write reviews and exchange book recommendations in a moderated bulletin board. Listed books are selected by Calgary Board of Education teachers and librarians. Book reviews are screened against a code of conduct before they're posted. Pen names, instead of real names, are used to safeguard the identity of children.

Science World

TELUS is helping Science World expand its world.

We're providing down-to-earth financial and technological support for Science World's distance education program, which uses communications technology to bring its interactive science and technology exhibits to schools throughout British Columbia.

Located in Vancouver, Science World uses the Internet and our video conferencing technology to link scientists and students, provide virtual tours of Science World exhibits and deliver subject and support materials that relate directly to school curriculum for the province.

Using technology has allowed the distance education program to positively influence children's attitudes about science and technology. It has also allowed students and teachers to experience Science World's most popular feature—interactivity. In-person and online, Science World is a popular destination for schools. It features hundreds of hands-on exhibits that explore different scientific principles and phenomena.

The latest exhibit—Our World—looks at environmental sustainability, and how the everyday choices we make affect our world. The exhibit encourages students to identify sustainable solutions by exploring environmental, social and economic factors.

For more information, please visit www.scienceworld.bc.ca.

TELUS Community Connections

We support the volunteer and charitable giving activities of our employees and retirees through TELUS Community Connections. This program recognizes the invaluable contribution of employees and retirees to TELUS' community investment activities. Their time, talent and financial support make a real difference in communities across Canada.

Employee Charitable Giving Campaign*



*Donations are pledged during the fall and dispersed the following year. TELUS matches employee donations dollar for dollar.

TELUS Community Connections has two components: a volunteer program and our annual employee charitable giving campaign.

The volunteer program encourages, supports and helps recruit employees and retirees for community service projects. Employees can volunteer on their own, as part of an employee team, or with family members. The program includes the TELUS Volunteer Involvement Fund—employees and retirees who record with TELUS Community Connections a minimum of 60 hours a year as volunteers with community organizations are eligible to have TELUS make a donation of \$200 on their behalf to the charitable or non-profit organization of their choice. In 2001, 1,148 employees applied to the Volunteer Involvement Fund, and the resulting TELUS donations totaled \$229,600.

Community projects supported by TELUS volunteers last year included the Kits for Kids program. Employees donated used and newly purchased school supplies, and packed them into backpacks that were then distributed to inner-city schools in BC, Alberta and Ontario. Another project was Caring for our Community. Employees and retirees worked with local community groups to collect or purchase clothing, blankets and personal items for distribution to those in need. In Kelowna, BC, for example, our volunteers partnered with the Kelowna Gospel Mission to prepare and serve meals, as well as provide clothing and other needed supplies.

Our employee charitable giving campaign—held every fall—enables employees to donate to Canadian charities of their choice or to special projects that address specific community needs. In addition to matching employee contributions made during the campaign, TELUS covers the administrative costs of the campaign, so that all money raised goes directly to recipient organizations.

In the fall 2001 campaign, employees pledged \$2.4 million. With TELUS matching this amount dollar for dollar, a total of \$4.8 million will be donated this year to charitable organizations in Canada. Special projects supported in the fall 2001 campaign included:

Cranbrook, BC—Cranbrook Regional Hospital Foundation: Toward the purchase of bone densitometry equipment used to diagnose osteoporosis, a bone disease associated with loss of calcium from the bones.

Nelson, BC—Kootenay Lake District Hospital: Toward the purchase of a new fetal heart monitor.

Surrey, BC—Surrey Memorial Hospital: To purchase specialized ventilators that help premature and newborn babies breathe, receive nourishment and maintain body temperature.

Lethbridge, AB—Canadian Association for Disabled Skiing: To help purchase specialized ski equipment and cover transportation costs for students with disabilities.

Calgary, AB—Carewest: To help purchase electric track lifts and beds for residents of this not-for-profit continuing care facility for people with chronic illnesses and disabilities.

Toronto, ON—Hospital for Sick Children Foundation: To help support ongoing research activities at this world-renowned facility.

A complete listing of donations and special projects from the fall 2001 campaign can be found on our website—www.telus.com/community. Just follow the Employee Charitable Giving Campaign link.

Making a difference in
our communities

Our employees and retirees pledged \$2.4 million to 2,400 charitable organizations across Canada last year. TELUS matched the donations dollar for dollar.



environment

At TELUS, we are taking proactive steps to protect our environment. We've integrated sustainable practices into our daily business lives. We're avid users of our own environmentally-friendly technologies. We reduce, reuse and recycle. We set environmental objectives and targets, and we measure our progress toward these targets. What we don't do is rest on our laurels. We're constantly striving to be better, whether it's delivering customer solutions or improving on our environmental record. TELUS is now included in the Dow Jones Sustainability World Index, which tracks the performance of leading sustainability-driven companies. We're proud to be included in this index, as it reflects the importance we place on sustainable practices. We're also proud of our leadership role in the Communications Environmental Excellence Initiative, which has resulted in the first-ever environment report for the North American telecommunications industry.

We're headed in the right direction. And we're continuously improving.

We manage our
environmental risk

**Our Environmental Management System helps us ensure
that our business practices are environmentally-friendly.**

TELUS Environment Policy

TELUS is committed to being an environmental leader. We embrace our responsibility, integrating environmental considerations into our business and offering innovative communications solutions that protect the environment. Striving for continuous improvement will guide our approach.

TELUS' values are reflected in our commitment to:

- Meet our regulatory requirements and, where possible, go beyond to achieve corporate targets.
- Demonstrate sustainable development by integrating environmental, economic and social considerations into each step of our operations.
- Offer telecommunications services that reflect quality, innovation and environmental benefits.
- Promote environmental advancement by working together with employees, suppliers, regulators, industry and the public.
- Conserve natural resources and minimize the environmental impact of waste generation and energy consumption by encouraging our employees, suppliers and customers to Reduce, Reuse and Recycle.
- Provide employees with the knowledge and training to make environmentally sound decisions in a workplace of choice.
- Communicate the results of our environmental performance internally and externally on a regular basis.

This policy and the associated Environmental Management System will be reviewed regularly to ensure continuing suitability and effectiveness.



In 2001, TELUS was the only North American telecommunications company to be included in the fixed line communications category of the Dow Jones Sustainability World Index, which tracks the performance of the leading sustainability-driven companies worldwide. The index covers the top 10% of companies in terms of economic, environmental and social criteria.

Inclusion in this index reflects our emphasis on adopting sustainable business practices that minimize our impact on the environment.

It provides an important benchmark to measure our performance. It's a step in the right direction.

Another step is our commitment to the Communications Environmental Excellence Initiative. This North American group is focused on promoting sustainable environmental practices within the telecommunications industry. Three years ago, we helped launch the initiative. Last year, the CEEI published the first environmental report for the North American telecommunications industry, reflecting our collective commitment to environmental accountability. You can access this report, and read about TELUS' environmental initiatives, by visiting our website—www.telus.com/environment.

We play an active role in business, government and non-governmental organizations to both promote and ensure that we are meeting the latest environmental practices or standards.

Within our own organization, we have adopted rigorous measurements and processes aimed at sustainability. We submit quarterly reports to the audit committee of our board of directors, and these reports are utilized by the TELUS senior management team.

You'll find details of our sustainability efforts throughout this section. This information is also posted on our website, and is updated regularly. Our e-mail address is environment@telus.com.

Managing our environmental risk

We manage environmental risk through our Environmental Management System (EMS) and by continuously improving our performance and standards. Our EMS identifies our environmental aspects and impacts, the organizational structure, responsibilities, practices, procedures and monitors performance to ensure our business practices are environmentally-friendly.

Our EMS is supported by an online environmental information system, continuous improvement programs and employee training. Our online database provides employees with environmental policies and practices as well as site-specific information, including environment risks, assessment results, chemical inventories and material safety data sheets.

By the end of 2001, the database included information on 2,400 company sites—a 100% increase from the previous year. The database expedites reports advising line managers of any issues found while conducting site assessments.

In 2001, TELUS employees completed 6,173 environment-related courses. Training covers such subjects as spills, ground disturbance, water awareness, the Workplace Hazardous Materials Information System and transportation of dangerous goods.

We are avid users of our own technology

The continuous electronic monitoring of our fuel systems at remote locations is facilitated by our telecommunications services.

Environmental site assessments

In 2001, 556 environmental site assessments were conducted—251 by our environment team and 305 by integrated operations as part of their maintenance routines. Site assessments review 11 categories of environmental risk, including those related to fuel storage tanks, spill control, refrigeration and the handling, storage and disposal of chemicals. Assessment criteria are based on federal and provincial legislation, accepted industry standards and our own management practices. Results are provided to our line managers and are recorded in our environmental site database for action.

We also conducted 28 environmental assessments at construction sites last year. These assessments allow us to monitor soil handling, water crossings, vegetation management and construction site reclamation during the planning and installation of our telecommunications network. As well, six Environmental Impact Assessments were completed and accepted by regulators.

Environmental site assessments



2005 target: Audit for compliance by having environmental advisors assess a minimum of 125 sites per year.

2001 results: 251 sites assessed by our environmental advisors.

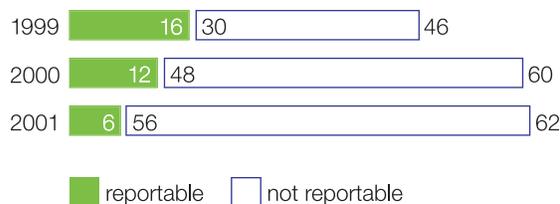
Spills & releases

We reported six spills to federal and/or provincial regulators in 2001—a 62% decrease since 1999. The type of substance, the quantity released and whether the substance entered water determines whether a spill or release must be reported to the appropriate regulatory body.

In late 2001, a charge was filed against TELUS for releasing diesel fuel into the environment. Proceedings have been adjourned to allow for dialogue; however, fuel systems were replaced and bio-remediation on site continues. Ongoing monitoring of soil indicates a significant decrease in hydrocarbon levels.

We investigate all spills or releases—regardless of size or type—to determine whether our systems or processes need to be revised to prevent a recurrence. A spill review committee meets to ensure that all incidents are accurately identified and reported and that corrective actions are taken. Any accidental spill or release involving a hazardous substance is reported immediately to our 24-hour network operations centre.

Spills & release reporting



2005 target: 100% compliance to legislative reporting requirements; all sites with hazardous chemicals, battery strings or fuel storage to have appropriate spill kits and absorbent pads.

2001 results: One spill was reported 24 hours late; 67% of audited sites had spill kits and absorbent pads—a 24% increase over 2000.

Fuel tanks & delivery systems

We've taken a multi-pronged approach to reducing the environmental risk associated with generators and fuel storage tanks. Where feasible, we've reduced the number of tanks—from 1,135 tanks in 1990 to 477 in 2001. The slight increase in 2001 reflects the inclusion of storage tanks as the result of corporate acquisitions or audits during the year.

At some sites, we've utilized alternate energy sources—for example, 35 remote sites are now solar-powered. At our remote and sensitive sites, we've undertaken upgrades that include secondary containment, corrosion protection, alarms and emergency shut-off devices. In 2001, 14 fuel storage tanks were replaced, nine were removed and continuous electronic monitoring systems were installed at 12 sites.

Fuel tanks in use



2005 target: Install monitoring, alarms, fuel shut-off devices, secondary containment for tanks, generators and piping at all remote and sensitive sites.

2001 results: 88% of prime sites completed.

Reclamation of contaminated sites

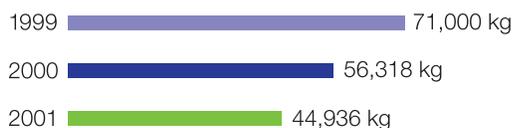
Reclamation was ongoing at 73 sites last year, and reclamation at eight other sites was completed. This reflects our commitment to cleaning up contamination identified during our ongoing site assessments or resulting from new incidents, including contamination found during the removal or replacement of fuel storage tanks, the decommissioning of sites or the sale of property.

We are also committed to remediation of right-of-ways contaminated by third parties. These usually involve gasoline, diesel, oil, methane and cleaning solvents. Of the 118 potentially contaminated right-of-ways identified, 79 remain active with the balance being closed because no contamination was found or remediation was completed.

Halons

We continue to reduce our inventory of halons, an ozone-depleting substance used as a fire suppressant in our network switch and transmission centres. In 2001, we reduced the halon inventory 11.4%.

Halon inventory



2005 target: Reduce the number of sites with halons by 55% (from 180 sites in 1993, to 81 sites); reduce the kilograms of halons by 90% (from 1993 levels).

2001 results: Have reduced the number of sites to 77; have reduced halon inventory by 67% since 1993.

Resource conservation & pollution prevention

A key to our commitment to the environment entails adopting measures that reduce the impact of our business activities on the environment.

Reduce, reuse and recycle

Our company-wide recycling efforts help reduce the amount of material sent to landfills. Last year, we recycled 17,024 metric tonnes, representing a cost saving—or cost avoidance—of \$1,191,648, based on disposal costs of \$70 per metric tonne. Total tonnage of recycled material was 8.5% lower than the previous year, primarily due to our waste reduction efforts and the sale of three office towers.

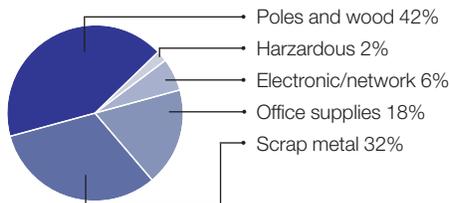
For the year, our investment recovery efforts generated \$4.8 million in revenue from the sale of used and surplus equipment and recycling initiatives. This is a 20% increase over the previous year, and represents an average benefit-to-cost ratio of 12:1. According to data from the Investment Recovery Association (of which TELUS is a member), 90% of every sales dollar generated by investment recovery is directly recorded as profit to the bottom line.

We reduce, reuse and recycle by the tonne

TELUS diverted more than 17,000 metric tonnes of waste materials from landfills last year, and reduced the consumption of copier and printer paper by more than 14 million sheets.

Our focus on reducing paper consumption is also paying off. In 2001, an employee initiative called Make Pulp Fiction helped reduce the consumption of copier and printer paper by more than 14 million sheets, resulting in a savings of \$201,239 and 1,097 trees.

Recycled work materials, in metric tonnes



2005 target: Divert 65% of solid waste from landfills; achieve 30% post-consumer recycled content in paper products purchased and used by the company.

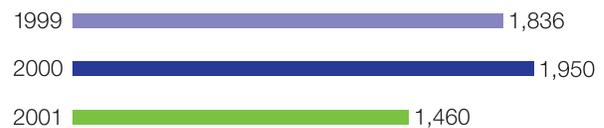
2001 results: 17,024 metric tonnes of waste materials diverted from landfills through recycling; in 2002, waste audits and improved tracking system will determine percentage of waste materials diverted.

Chemical management

In 2001, there were 1,460 hazardous products with corresponding Material Safety Data Sheets listed in our online environment information system, based on our annual site inventories. This represents a 26% year-over-year decrease in the number of chemicals used by the company.

We attribute the reduction to an awareness program that encourages employees to safely dispose or recycle old products and to purchase new products through our centralized supply chain. Material Safety Data Sheets are readily available at all work sites where these chemicals and products are present.

Chemical products used by TELUS



2005 target: Reduce the number of chemicals used by 50% from 2000 levels; inventory a minimum 1000 sites annually for chemicals.

2001 results: Reduced the number of chemicals by 26% year over year; 1032 sites inventoried—a 124% increase year over year.

Energy management

In 2002, we will finalize our strategy and targets concerning energy conservation and greenhouse gas reduction to build on existing energy reduction initiatives. To assist with these initiatives and to identify a benchmark, we have calculated energy consumption, costs and greenhouse gas emissions for 2001.

Total energy consumption

Network and buildings*	
1,804,200 GigaJoules	CO ₂ equiv.† 89,575,000 kg
Vehicle fleet**	
150,472,436 Litres	CO ₂ equiv.† 45,279,580 kg

*Natural gas, propane, fuel oil, electricity and steam.

**Gasoline and diesel.

†Emission and conversion factors from Canada's Climate Change Voluntary Challenge Registration Guide, 1999.



Extended product responsibility

We encourage our suppliers to incorporate sustainability into their products and services through our environmental procurement policy and practices. Such steps include reduced packaging, lower hazardous content and improved energy efficiency of products.

Directories

With the sale of TELUS Advertising Services in July 2001, we will now work with our new directory supplier—Dominion Information Services—to ensure that directories bearing the TELUS brand continue to be environmentally friendly. The 2001 editions of our phone directories were 100% recyclable, using 25-35% post-consumer recycled content, vegetable oil-based inks and repulpable hot melt glue for binding.

To encourage recycling at the local level, TELUS contributes financially to support directory recycling activities in Alberta and BC.

Directory recovery rate



2005 target: Work with suppliers to ensure 65% of directories recycled; directories continue to be 100% recyclable and a minimum of 30% post-consumer recycled content.

In 2001: 48% recycled (8,042 metric tonnes); directory recycling levels declined in 2001, in part due to changes in paper recycling markets.

IT equipment waste & batteries

TELUS tracks the reuse and recycling of its IT equipment waste, which includes PCs, monitors, laptop computers, peripherals (printers, scanners), telephone sets, mobile telephones and fax machines. Many materials in IT equipment are potentially hazardous if not recycled properly.

In 2001, the company managed obsolete IT equipment in the following manner:

Telephone sets—191,078 cell phones were repaired, refurbished or recycled; 8,976 handsets were crushed and recycled; 110,000 telephones were repaired or refurbished; 234 metric tonnes of copper, zinc, brass and plastic components were recycled.

Electronic and data equipment—177 metric tonnes were auctioned, reused or recycled; 21 metric tonnes of circuit cards were reused, recycled or incinerated.

Photocopiers—all photocopiers are leased from vendors.

Computers—all new computers are leased; older computers are then donated to the federal government’s Computers for Schools program.

Toner and printer cartridges—3.36 metric tonnes were returned to vendors or contractors for refurbishing or recycling.

Batteries—six metric tonnes of rechargeable batteries were recycled through TELUS Mobility, TELUS Phone Stores and our repair operations. More than 350 TELUS Mobility dealers and TELUS Phone Stores in 100 communities participate in the Rechargeable Battery Recycling Corporation’s Charge Up to Recycle program. The program accepts nickel-cadmium, nickel-metal hydride, lithium ion and small-sealed lead acid batteries for recycling.

We encourage community environmental initiatives

One example is our support of Tree Canada Foundation's greening of school grounds program in BC, Alberta, Ontario and Quebec.

Technological innovation

TELUS is a leading provider of environmentally-friendly communications solutions—solutions that facilitate the movement of information and ideas over the movement of goods and people. These solutions enhance our service to customers and reduce our impact on the environment.

Unleashing the power of the Internet

We are early adopters of technology that has helped transform and streamline our business processes. Initiatives include:

Wireless access for employees—TELUS was the first company to deploy large numbers of wireless notebooks to telecommunications field technicians, giving them reliable, high-speed connectivity to our communication networks.

Service express—our field employees use wireless web-based technology to place orders from their vehicles for materials and supplies.

Team TELUS portal—this robust, web-based environment allows online collaboration and information sharing. It also gives employees access to essential systems and information needed to serve our customers.

e.business—a number of e.business initiatives that allow our customers and suppliers to conduct business with TELUS electronically. Customers can now receive and pay their bills electronically rather than by mail. And more of our supplier relationships—involving procurement, inventory and fulfillment—are now being managed online. For example, we recently launched a new procurement system that enables desktop-to-supplier online ordering.

Online employee resources—all company career postings and our employee directory are only available online; an online employee newsletter has replaced a printed newsletter; 54% of our training courses are delivered online; and training manuals, forms and benefit information are now accessed online.

Video conferencing

Our video conferencing facilities are proving to be increasingly popular with employees, customers, educational institutions and health care organizations. Last year, more than 6,300 video conferences were held. Meeting via video conferences reduces travel and, therefore, harmful vehicle emissions.

Using very conservative assumptions—six people travelling an average of 300 km by car to attend each meeting—it would take 1,480,290 mature trees one year to absorb the CO₂ that would have been produced if participants had driven to their meetings instead of using video conferencing.

Pollutants avoided by video conferencing

Pollutants	CO ₂	HC	NO _x	CO
Avoidance (kg*)	3,700,725	14,932	14,702	107,277

*Calculations based on formulas from Environment Canada, Environment Protection Agency, Pollution Probe and Tree Canada.



workplace

We are a great place to work. You see it in our employees. The unique contribution of every member of the TELUS team sets our company apart from the competition. Their winning attitude is the key to our success in the marketplace. That's why we focus on attracting and retaining the best, and on providing workplace programs to support the professional and personal needs of our employees. We're proud that people want to work at TELUS, that they find our high-performance culture personally fulfilling, professionally challenging and financially rewarding. And we're proud that TELUS was recently named one of the 10 best companies to work for in Canada by *The Globe and Mail Report on Business*.

It says a lot about the kind of workplace we offer.

Our values say a lot about our company

We embrace change and initiate opportunity. We have a passion for growth. We believe in spirited teamwork. We have the courage to innovate.

Our corporate culture emphasizes spirited teamwork and shared values. Our values are the cornerstone of everything we do:

- We embrace change and initiate opportunity
- We have a passion for growth
- We believe in spirited teamwork
- We have the courage to innovate

We are a successful market-driven company that is a great place to work. The key is to attract the best talent available, engage employees in the business, recognize and reward their performance, and encourage their personal development. And that's what we do.

We listen

Engaging employees, listening to their opinions and taking action on their feedback are integral to our business success. It's the input, energy and ideas of the TELUS team that make TELUS a great company and a great place to work.

We provide regular opportunities for employees to give feedback about what it's like to work at TELUS. Our semi-annual Pulsecheck survey helps us evaluate—and improve where necessary—our quality of leadership, communication and employee engagement. Our commitment is to use employee feedback to build an even stronger, more competitive organization.

We support personal achievement and growth

We place a high importance on supporting employees' development and personal growth.

Through our e.performance system, we're using the power of the Internet to enable the achievement and growth of every member of the TELUS team. Every employee has an online Customized Career Development Plan that shows the alignment between their individual performance objectives and development and our overall strategic direction. We believe it is essential that everyone at TELUS understands how they personally contribute to our collective success.

The convergence of education and the Internet has opened the door to new ways to learn. We call it e.learning. By putting courses and learning materials online, TELUS employees can learn what they need when they need it. We also provide financial support to employees pursuing formal courses or programs on their own time through Canadian post-secondary organizations. Learning is the key to our future growth both as individuals and as a company.

We respect people

Our business is fast-paced, highly competitive and rapidly changing. Our success relies on the dedication and commitment of our employees. We provide a variety of lifestyle programs to help employees balance work and personal life, including flexible work options, personal wellness programs and family-care resources.

We're excited about the launch of our new Life Balance Account, which provides funding for management employees to purchase any product, service or experience that helps them create work/life balance. Whether it's fitness, home cleaning, pet care, child care, entertainment, or a relaxing get away, employees can choose something that best suits their unique situation and needs.



To enhance our commitment to diversity and equity, we've established a Diversity Advisory Council to actively encourage employee participation in employment equity matters. We also have a Workplace Accommodation Policy to assist employees with disabilities to return to work.

We recognize success

Recognition is ingrained in our corporate culture. Our recognition and reward program—called TELUS Team Machine—recognizes outstanding performance, extraordinary efforts and exceptional results. We're recognizing not only what has been achieved, but also the way it was achieved—through behaviour that reflects our shared corporate values.

TELUS also offers competitive compensation packages that allow us to recognize individual contributions and competitive skill sets. And we are one of only a few large Canadian companies to offer universal stock options to all employees.

We are all winners

Being named one to the 10 best companies to work for in Canada by *The Globe and Mail Report on Business* underscores both the importance TELUS places on its employees and the confidence employees have in our leadership, culture and values.

Our top-10 ranking in the *Report on Business* survey is the latest in a series of recent awards and recognitions for our company.

In December 2001, a survey by *BC Business* named TELUS as the most respected company in BC, reflecting factors such as the way we treat employees and how well we listen to public concerns.

TELUS was also named in the 2002 edition of Canada's Top 100 Employers as a leading company for working conditions, benefits and opportunities for advancement.

Marketing Magazine selected TELUS as one of Canada's "Top Ten Marketers that Mattered", and we won Gold in the Telecommunications category of the Annual Report Awards given by the Canadian Institute of Chartered Accountants and the National Post.

We were the only North American telecommunications company included in the fixed line communications category of the Dow Jones Sustainability World Index, which comprises the top sustainability-driven companies worldwide that measure up to the index's economic, environmental and social criteria.

We were also awarded the 2002 Award of Excellence from the BC Human Resources Management Association for outstanding people practices, and we received best-in-class distinction from the National Association for Employee Recognition for TELUS Team Machine.

We're definitely a workplace that's being noticed—and acknowledged—for all the right reasons.

responsible



