

Climate action report







About this report

BCE welcomes the increased demand for transparency from our stakeholders regarding our climate actions. We also believe it is important to detail how climate-related risks and opportunities impact our business.

We report on climate-related information in accordance with the recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD) to address and report on climate-related risks and opportunities. Beyond what the TCFD recommends, we voluntarily report information without limiting our disclosure to what is material to BCE, thus providing a more comprehensive picture to stakeholders.

Summary snapshot of our alignment with TCFD recommendations

TCFD recommendations	Bell's disclosure alignment
Metrics and targets  Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	Our carbon footprint p.12 Our journey p.14 Our targets and performance p. 15
Governance  Disclose the organization's governance around climate-related risks and opportunities	Board committee oversight & Management leadership p.19
Strategy  Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material	Climate-related risks and opportunities p. 20 Climate scenario analysis p.21 Impact of climate-related risks and opportunities on our strategy and financial planning p.25
Risk Management  Disclose how the organization identifies, assesses and manages climate-related risks	Processes for identifying and assessing climate-related risks p. 26 Processes for managing climate-related risks p.28

In this report, “we”, “us”, “our”, “BCE” and “the company” mean, as the context may require, either BCE Inc. or, collectively, BCE Inc., Bell Canada, their subsidiaries, joint arrangements and associates. “Bell” means, as the context may require, either Bell Canada or, collectively, Bell Canada, its subsidiaries, joint arrangements and associates. It covers the period from January 1 to December 31, 2023, as at December 31, 2023., except as indicated below. Energy consumption, greenhouse gas (GHG) emissions and supplier engagement performance are based on data from July 1 of the previous year to June 30 of the reporting year. Energy savings (including electric, hybrid and more fuel-efficient vehicles) and circular economy performance are based on data from October 1 of the previous year to September 30 of the reporting year. This report is dated March 7, 2024. It is our 4th report prepared in accordance with the TCFD recommendations.

Explanation of certain climate-related terms, metrics and targets

Greenhouse gas (GHG) emissions

The Intergovernmental Panel on Climate Change (IPCC) defines GHG as gases in the atmosphere that absorb and emit radiation at specific wavelengths. This causes an increase in temperature also known as the greenhouse effect. The main GHGs are carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O), but there are other GHGs, such as sulphur hexafluoride (SF₆), hydrofluorocarbons (HFC), and perfluorocarbons (PFCs). The commonly used unit to measure GHG emissions is tonnes of CO₂ equivalent (tCO₂e). To calculate the GHG emissions in tCO₂e, the individual Global Warming Potential (GWP) of GHG must be considered. All GHGs have different characteristics that give them a specific lifetime in the atmosphere and radiation absorption properties. The GWP examines these characteristics for the emission of a unit of each gas and

compares it to the emission of a unit of CO₂. The larger the GWP, the more that a given gas warms the Earth compared to CO₂ within the same timeframe. The IPCC provides GWP values that are used across countries and industries in order to have a unified factor for GHG emissions accounting and comparison.

Scope 1, 2 and 3 GHG emissions

Scope 1 emissions are direct GHG emissions from sources that are controlled by Bell. Scope 2 emissions are indirect GHG emissions associated with the consumption of purchased electricity, heating/cooling and steam required by Bell's activities. Scope 1 and 2 emissions are sometimes collectively referred to in this report as "operational emissions". Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in our value chain, including both upstream and downstream emissions.

By definition, GHG emissions from scope 3 (upstream and downstream indirect emissions) occur from sources owned or controlled by other entities in Bell's value chain (such as our suppliers, employees and customers). As a result, measuring scope 3 emissions is more complex than measuring scope 1 and scope 2 emissions, for which we are able to obtain primary data (such as litres of fuel consumed within our vehicle fleet and kilowatt-hours of electricity consumed within our buildings). For scope 3 categories for which primary data is not available, we have to rely on secondary data (such as financial data and industry-average data from published databases). These data collection challenges contribute to uncertainty in scope 3 emissions measurement.

Carbon abatement ratio

Many Bell technological solutions enable our customers to reduce their GHG emissions by optimizing transport, energy use and asset operations. Audio, video and web conferencing, teleworking, cloud computing, e-billing, e-learning, energy management, fleet management and tank monitoring are some examples. To understand the carbon abatement impact of our solutions we have worked with Groupe AGECO, a third-party consultant with expertise in GHG emissions quantification, to develop a methodology that estimates the carbon reduction capacity of our products and services used by our customers. These estimated benefits are calculated using the carbon abatement ratio, which represents the GHG emissions estimated to have been avoided by Bell's clients through the use of our technological solutions in comparison to our own operational (scope 1 and 2) GHG emissions. To do so, GHG emissions are estimated in a business-as-usual case where carbon reduction technology is not used compared to the case where Bell's solutions are used. The avoided GHG emissions correspond to the difference between the emissions estimated to have been generated in a business-as-usual case compared to the case where Bell's technological solutions are used. The emissions generated by Bell in providing solutions to customers are not deducted from the total carbon abatement of solutions, but are included in our operational emissions. Only the benefits resulting from technologies deployed to Bell's clients are considered, i.e., environmental benefits associated with solutions implemented within Bell's own operations are not included. An example of how the calculations were made is provided below:

Business-as-usual scenario	Physical meeting in one room between two or more participants, including the transportation to the meeting location
Bell's solution	Virtual meeting through a cloud-hosted platform with integrated video and audio conferencing, online presentations, shared applications and group document editing. Users can share their entire or part of their desktop, or a specific
Carbon abatement	GHG emissions avoided from business travel for a meeting due to the use of Bell's web conferencing solution

The calculation method of the carbon abatement ratio is based on existing methodologies developed in the Information and Communications Technology (ICT) sector. The calculation, as shown below, is based on assumptions that are dependent on customers' behaviour over which Bell has no control.

$$\text{Carbon abatement ratio} = \frac{\text{GHG emissions (business as usual case)} - \text{GHG emissions (using Bell's solutions case)}}{\text{Bell's total operational GHG emissions (scope 1 \& 2)}}$$

Carbon neutrality

We will measure our carbon neutrality performance based on our operational GHG emissions (scope 1 and scope 2 emissions in tonnes of CO₂e) minus GHG emissions offset by carbon credits purchased (in tonnes of CO₂e). To be carbon neutral, the total must be equal to zero or lower.

In order to achieve our target of carbon neutral operations starting in 2025, we expect that we will need to purchase a significant amount of carbon credits to offset our scope 1 and 2 GHG emissions that will not have been avoided by internal initiatives, in addition to renewable energy certificates (RECs) to reduce our scope 2 emissions. In 2023, our scope 1 and 2 emissions represented 12% of our total carbon footprint. Our target for carbon neutral operations excludes our scope 3 emissions which represented 88% of our carbon footprint in 2023.

Science-based targets

Science-based targets provide a clearly-defined pathway for companies to reduce GHG emissions, aiming to prevent the worst impacts of climate change. Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to 1.5°C above pre-industrial levels. The Science Based Targets initiative (SBTi) brings together a team of experts to provide companies with independent assessment and validation of targets.

The SBTi has approved our three science-based targets in 2022:

- Reduce our absolute operational GHG emissions (scope 1 and 2) 58% by 2030, from a 2020 baseline year - in line with a 1.5°C trajectory.
- Reach 64% of our suppliers by spend covering purchased goods and services with science-based targets by 2026.
- Reduce our absolute scope 3 GHG emissions from all categories other than purchased goods and services 42% by 2030, from a 2020 baseline year⁽¹⁾.

⁽¹⁾ Scope 3 categories covered by this target exclude indirect scope 3 GHG emissions from our purchased goods and services, and include GHG emissions from capital goods, fuel and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, downstream transportation and distribution, use of sold products, end-of-life treatment of sold products, franchises and investments.

In 2022, we recalculated our science-based target for our scope 1 and 2 GHG emissions to reflect restated GHG emissions for our 2020 base year. The impact of this recalculation is a targeted reduction of our absolute scope 1 and 2 GHG emissions of 58% instead of 57% by 2030, from a 2020 baseline year. This recalculation does not impact our other science-based targets covering scope 3 GHG emissions. The recalculated target was submitted to the SBTi for approval on October 20, 2023, with an approval expected in 2024.

Our science-based targets may need to be further adjusted in the future because the SBTi requires that targets be recalculated (following the most recent applicable SBTi criteria and recommendations) at a minimum every five years, or more often if significant changes occur (e.g., business acquisitions/divestitures).

Net zero target

BCE's carbon neutrality is different than, and independent of, the SBTi's net zero target. Net zero refers to the state in which an organization reduces GHG emissions in its entire value chain (i.e., scope 1, 2 and 3 GHG emissions) to as close to zero as possible (with a minimum reduction of at least 90%) and neutralizes⁽¹⁾ any remaining emissions such that its net global GHG emissions balance to zero. At the moment, BCE does not have a net zero target.

⁽¹⁾ According to SBTi, neutralize means that carbon is removed from the atmosphere and permanently store in geological, terrestrial, or ocean reservoirs, or in products.

Caution concerning forward-looking statements

This Report contains forward-looking statements including, without limitation, statements relating to our business outlook, objectives, plans and strategic priorities, including, in particular, our objectives concerning energy savings and reductions in the level of our greenhouse gas (GHG) emissions including, without limitation, our carbon neutrality (scope 1 and 2 only) target and our science-based targets, our carbon abatement objectives, business opportunities that could result from climate change and the potential positive impact thereof on our company, expected savings, the expected financial and operational impacts on our company of various climate-related events, and other statements that are not historical facts. A statement we make is forward-looking when it uses what we know and expect today to make a statement about the future. Forward-looking statements are typically identified by the words *assumption, goal, guidance, objective, outlook, project, strategy, target, commitment* and other similar expressions or future or conditional verbs such as *aim, anticipate, believe, could, expect, intend, may, plan, seek, should, strive and will*. All such forward-looking statements are made pursuant to the 'safe harbour' provisions of applicable Canadian securities laws and of the *United States Private Securities Litigation Reform Act of 1995*.

Unless otherwise indicated by us, forward-looking statements in this Report describe our expectations as at March 7, 2024 and, accordingly, are subject to change after such date. Except as may be required by applicable securities laws, we do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Forward-looking statements, by their very nature, are subject to inherent risks and uncertainties and are based on several assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from our expectations expressed in, or implied by, such forward-looking statements and that our business outlook, objectives, plans and strategic priorities may not be achieved. These statements are not guarantees of future performance or events, and we caution you against relying on any of these forward-looking statements. Forward-looking statements are presented in this Report for the purpose of assisting readers in understanding, in particular, certain key elements of our climate-related risks and opportunities and environmental, social and governance (ESG) objectives, and in obtaining a better understanding of our anticipated operating environment. Readers are cautioned, however, that such information may not be appropriate for other purposes.

We have made certain economic, market, operational and other assumptions in preparing the forward-looking statements contained in this Report, which include, without limitation, the assumptions described in this cautionary statement as well as in the subsections of BCE's 2023 annual Management Discussion and Analysis (MD&A) dated March 7, 2024 (BCE 2023 Annual MD&A) entitled Assumptions, which subsections are incorporated by reference in this cautionary statement. The BCE 2023 Annual MD&A has been filed by BCE with the Canadian provincial securities regulatory authorities (available at [Sedarplus.ca](https://www.sedarplus.ca)) and with the U.S. Securities and Exchange Commission (available at [SEC.gov](https://www.sec.gov)), and is also available at [BCE.ca](https://www.bce.ca). Subject to various factors, we believe that our assumptions were reasonable at March 7, 2024. If our assumptions turn out to be inaccurate, actual results or events could be materially different from what we expect.

Important risk factors that could cause actual results or events to differ materially from those expressed in, or implied by, the previously-mentioned forward-looking statements and other forward-looking statements contained in this Report include, but are not limited to the risks described in this Report as well as in section 9, *Business risks* of the BCE 2023 Annual MD&A, which section is incorporated by reference in this cautionary statement. In particular, please refer to the sections entitled "Climate-related risks and opportunities" and "Climate scenario analysis" of this Report, for a description of certain climate-related risks that could adversely affect our business operations, revenues or expenditures.

Forward-looking statements contained in this Report for periods beyond 2024 involve longer term assumptions and estimates than forward-looking statements for 2024 and are consequently subject to greater uncertainty. They assume, unless otherwise indicated, that the relevant assumptions and risks described in the BCE 2023 Annual MD&A will remain substantially unchanged during such periods.

We caution readers that the risk factors described in the previously-mentioned sections and other sections of this Report and the BCE 2023 Annual MD&A are not the only ones that could affect us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also have a material adverse effect on our business, financial condition, liquidity, financial results or reputation. We regularly consider potential acquisitions, dispositions, mergers, business combinations, investments, monetizations, joint ventures and other transactions, some of which may be significant. Except as otherwise indicated by us, forward-looking statements do not reflect the potential impact of any such transactions or of special items that may be announced or that may occur after March 7, 2024. The financial impact of these transactions and special items can be complex and depends on the facts particular to each of them. We therefore cannot describe the expected impact in a meaningful way or in the same way we present known risks affecting our business.

Assumptions and risk factors relating to GHG emissions reduction and supplier engagement targets

Our GHG emissions reduction and supplier engagement targets are based on a number of assumptions including, without limitation, the following principal assumptions:

- Our ability to purchase a significant amount of high-quality credible carbon credits and/or renewable energy certificates to offset or reduce, as applicable, our GHG emissions
- The carbon offset resulting from the purchase of carbon credits will be permanent and will not be reversed, in whole or in part, prior to the date of our targets
- The successful and timely implementation of various corporate and business initiatives to reduce our electricity and fuel consumption, as well as reduce other direct and indirect GHG emissions enablers
- No new corporate initiatives, business acquisitions, business divestitures or technologies that would materially change our anticipated levels of GHG emissions
- No negative impact on the calculation of our GHG emissions from refinements in or modifications to international standards or the methodology we use for the calculation of such GHG emissions
- No required changes to our science-based targets pursuant to the SBTi methodology that would make the achievement of our science-based targets, as updated from time to time, more onerous or unachievable in light of business requirements
- Sufficient supplier engagement and collaboration in setting their own science-based targets, no significant change in the allocation of our spend by supplier and sufficient engagement and collaboration from the other participants across our whole value chain in reducing their own GHG emissions

The achievement of our carbon neutrality target (which includes only our operational GHG emissions (scope 1 and 2) and excludes scope 3 GHG emissions) will require that we purchase a significant quantity of carbon credits and/or renewable energy certificates. Should a sufficient quantity of high-quality credible carbon credits and/or renewable energy certificates be unavailable, should their cost of acquisition be considered too onerous, should laws, regulations, applicable standards, public perception or other factors limit the number of carbon credits or renewable energy certificates that we can purchase, should any purchased carbon credits be subject to reversal, in whole or in part, or should the carbon offsets contemplated by such purchased carbon credits not materialize, the achievement of carbon neutrality target could be negatively impacted.

The achievement of our science-based target related to our scope 1 and 2 GHG emissions will require that we purchase a significant quantity of renewable energy certificates. To achieve this science-based target, only renewable energy certificates will be considered given that the SBTi standards do not enable carbon credits to be used for this target. Should a sufficient quantity of acceptable (according to the SBTi guidelines) renewable energy certificates be unavailable, should their cost of acquisition be considered too onerous, or should laws, regulations, applicable standards, public perception or other factors limit the number of renewable energy certificates that we can purchase, in whole or in part, the achievement of our science-based target related to our scope 1 and 2 GHG emissions could be negatively impacted.

A portion of our GHG emissions reduction targets also depend on our ability to implement sufficient corporate and business initiatives in order to reduce GHG emissions to the desired levels. Failure to

implement such initiatives according to planned schedules due to changes in business plans, our inability to implement requisite operational or technological changes, unavailability of capital, technologies, equipment or employees, cost allocations, actual costs exceeding anticipated costs, or other factors, or the failure of such initiatives, including of new technologies, to generate anticipated GHG emissions reductions, could negatively affect our ability to achieve our GHG emissions reduction targets. In addition, future corporate initiatives, such as business acquisitions and organic growth, could negatively affect our ability to achieve our targets, as would the adoption of new technologies that are carbon enablers or do not generate the anticipated energy savings.

A refinement in or modifications to international standards or to the methodology we use for the calculation of GHG emissions that would result in an increase in our GHG emissions could further impact our ability to achieve our targets. In addition, as it relates to our science-based targets specifically, the SBTi requires the recalculation of our targets upon the occurrence of certain events, such as business acquisitions or divestitures, or to conform to evolving SBTi methodology or standards. A recalculation resulting in the introduction of more ambitious targets could challenge our ability to achieve such updated targets.

The achievement of our science-based target relating to the level of our suppliers by spend covering purchased goods and services that have adopted science-based targets could be negatively impacted should we fail to achieve the required level of engagement and collaboration from our suppliers over which we have no control, despite the engagement measures that we may implement, or should we change significantly the allocation of our spend by supplier.

In addition, we have much less influence over the reduction of our scope 3 GHG emissions than over our scope 1 and scope 2 GHG emissions given that we must rely on the engagement and collaboration of our suppliers and other participants in our value chain in reducing their own GHG emissions. Accordingly, failure to obtain our suppliers' and other participants' engagement and collaboration could adversely affect our ability to meet our scope 3 GHG emissions reduction target.

Message from the Chair of the Board and the President and CEO

Bell's purpose is to advance how Canadians connect with each other and the world. In living up to our purpose, we are dedicated to creating value for our customers, our shareholders, our team members and the communities we serve.

As one of Canada's largest companies, a major employer and significant contributor to the country's economy, we recognize the important role we play in building a better future.

The BCE group of companies makes integral contributions to the social and economic well-being of communities small and large, rural and urban right across Canada. Our networks power innovation and we strive to provide the best experience to our customers every single day.

The threat posed by climate change is not an abstract one. Increasing extreme weather events are already having operational and financial impacts on our business – impacts that stand to increase in the future. We will continue to take measurable action to mitigate these impacts, promote sustainable practices and strengthen resiliency moving forward.

Sustainable progress

Reducing harmful environmental impacts is a key focus of our Bell for Better initiatives.

This is our fourth report prepared in accordance with the global Task Force on Climate-related Financial Disclosures (TCFD) and we are maintaining our focus on our preparedness and response to the effects of climate change.

In the recent Corporate Knights 2024 Global 100 ranking, Bell was named the most sustainable telecommunications company in the world⁽¹⁾. Bell also received an A- score from the CDP⁽²⁾, a non-profit that gathers information on climate-related risks and opportunities from organizations worldwide. We were included in the organization's "Leadership Band" for the eighth consecutive year due to our alignment with best practices and climate-related disclosures.

⁽¹⁾ In January 2024, Corporate Knights ranked BCE 51st overall, and first in our sector and industry, in its 2024 ranking of the World's 100 Most Sustainable Corporations. The ranking is based on an assessment of more than 6,000 public companies with revenue over US\$1 billion. All companies are scored on applicable metrics relative to their peers, with 50% of the weight assigned to sustainable revenue and sustainable investment.

⁽²⁾ In 2023, Bell obtained an A- score from the CDP (formerly known as the Climate Disclosure Project), ranking us in the "Leadership Band" for the eighth consecutive year. CDP thus recognizes our leadership on climate action, our alignment with current best practices and the transparency of our climate-related disclosures. CDP is a non-profit organization that gathers information on climate-related risks and opportunities from organizations worldwide.

Ongoing action

We continue to make progress towards our ambitious emissions reductions targets and to build upon our gains in environmental protection.

We are adapting our business practices to improve network resiliency in the face of extreme weather events and to respond efficiently when outages occur.

We are providing technology solutions – including cloud services virtualization, teleconferencing and videoconferencing – that make it easier to connect online, reducing the carbon footprint of businesses, government and other organizations alike.

We will continue to encourage other stakeholders – including our customers, suppliers and team members – to adopt energy-saving solutions, reduce waste and embrace sustainable best practices.

Mitigating the impacts of climate change and responding to the risks it poses is important to creating a better future – and it is good business. We are pleased to provide a detailed view of our approach and performance on governance, strategy, risk management, metrics and targets through this report.

We are confident we are on the right track. Our Bell for Better initiatives to fight climate change are making a real difference, while delivering positive results for all of our stakeholders.

Mirko Bibic, President & CEO, BCE Inc. and Bell Canada

Gordon M. Nixon, Chair of the Board, BCE Inc. and Bell Canada



Mirko Bibic
President and Chief Executive Officer
BCE Inc. and Bell Canada

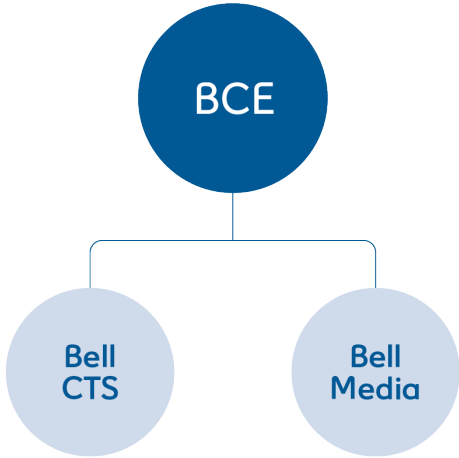


Gordon M. Nixon
Chair of the Board
BCE Inc.

BCE overview

BCE is Canada's largest communications company⁽¹⁾, providing advanced Bell broadband wireless, Internet, TV, media and business communications services to residential, business and wholesale customers for all their communications needs. BCE's shares are publicly traded on the Toronto Stock Exchange and on the New York Stock Exchange (TSX, NYSE: BCE). We are headquartered in Montréal, Québec, Canada.

Our results are reported in two segments: Bell Communication and Technology Services (CTS) and Bell Media.



To learn more about CTS and Bell Media products and services, see our [2023 Integrated annual report](#) on our website.

Corporate responsibility supports our purpose to advance how Canadians connect with each other and the world

Since our founding in 1880, Bell has been enabling Canadians to connect with each other and the world. Our approach to corporate responsibility is to manage the company in ways that nurture the social and economic prosperity of our communities while safeguarding the environment.

Our corporate responsibility approach is informed by a set of guiding principles that support our corporate strategy and policies throughout the organization. Through our own internal processes along with stakeholder feedback, we have prioritized, and set clear objectives to address environmental, social and governance (ESG) issues and opportunities, seeking to enhance sustainability across BCE. We constantly measure and report on our progress. Through these actions, we strive to drive environmental leadership, achieve a diverse and inclusive workplace, lead data governance, and protect and build stronger, healthier communities.







We insist on this approach because it is the right thing to do. We also strongly believe that Bell's corporate responsibility actions seek to target some of the world's most challenging issues and provide significant social and environmental benefits our to customers, employees and the communities we serve. These benefits in turn enable Bell to improve operational performance, attract and retain talent, increase access to capital and proactively manage risks. Our corporate responsibility strategy generates positive returns for our shareholders and for our other stakeholders.

To learn more about our strategy, see our [2023 Integrated annual report](#).

⁽¹⁾ Based on total revenue and total combined customer connections

Climate change has the potential to impact businesses across all sectors. By addressing risks and opportunities in our business strategy, we seek to create value for BCE and our stakeholders.

Climate-related risks and opportunities across our 6 strategic imperatives

	1 Build the best networks	→ Take proactive actions that aim to mitigate the impact extreme climate events can have on our buildings and network infrastructure.
	2 Drive growth with innovative services	→ Develop innovative services and invest in new technologies that seek to reduce our customers' greenhouse gas (GHG) emissions.
	3 Deliver the most compelling content	→ Raise awareness on climate change and its impacts through our media channels.
	4 Champion customer experience	→ Strive to adapt to extreme climate events that may affect our ability to offer a positive and reliable customer experience and support our customers in becoming more resilient.
	5 Operate with agility and cost efficiency	→ Monitor the increased financial impacts of climate change on our cost efficiency.
	6 Engage and invest in our people and create a sustainable future	→ Focus on climate change to help attract top talent and increase employee engagement.

Our carbon footprint

GRI 302-1, 302-2

In order to mitigate climate change, companies need to understand their carbon footprint. We've been measuring and disclosing on our GHG emissions and energy consumption for over 20 years and have been publicly disclosing it since 2003 through the CDP, a non-profit organization that gathers information on climate-related risks and opportunities from organizations worldwide.

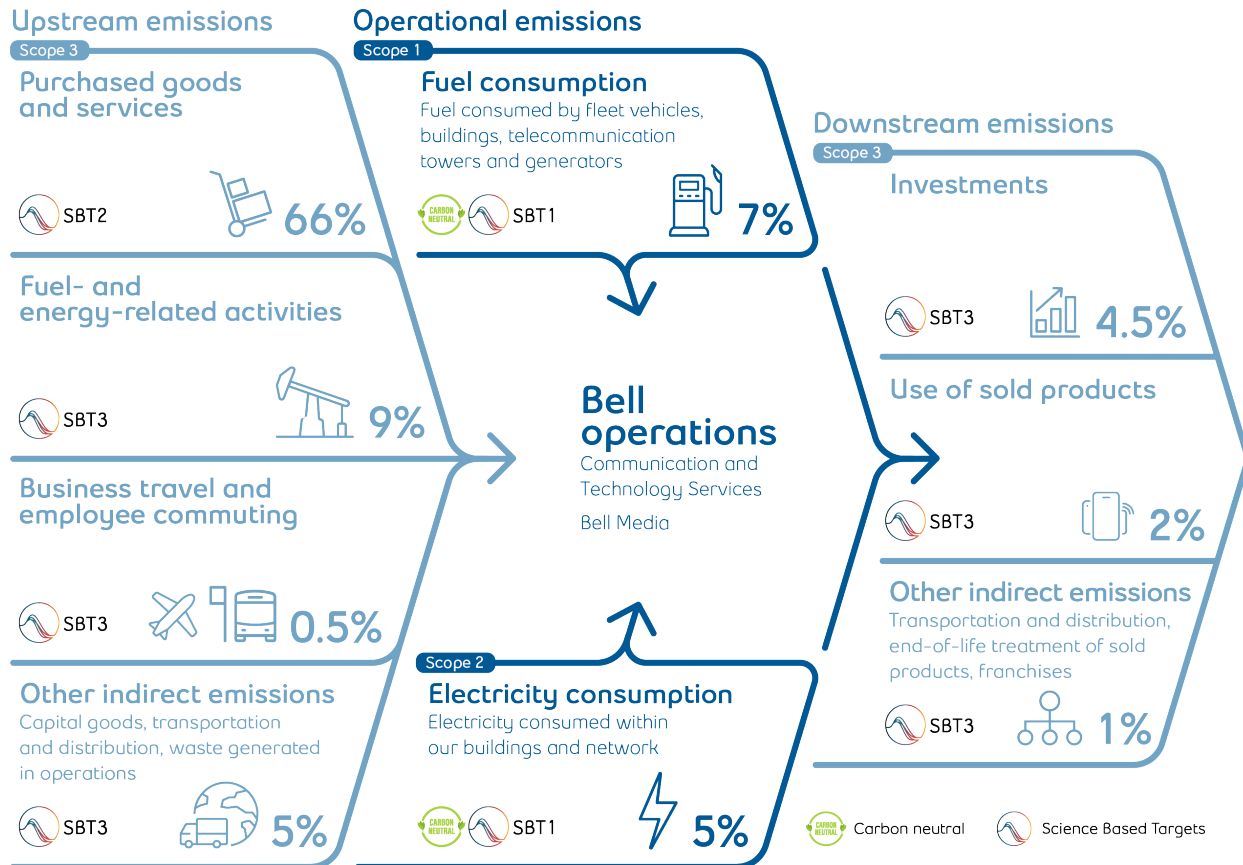
Bell's total GHG emissions - Tonnes of CO₂ equivalent (CO₂e)

GHG emissions type	Scope ⁽¹⁾	Scope description	2020	2021	2022	2023
Operational emissions	Scope 1	Direct GHG emissions from sources that are controlled by Bell	141,270	138,722	134,288	138,759
	Scope 2	Indirect GHG emissions associated with the consumption of purchased electricity, heating/cooling and steam required by Bell's activities	121,681	126,288	122,037	117,607
Upstream & downstream indirect emissions	Scope 3	Other indirect GHG emissions associated with activities up and down Bell's value chain	1,915,577	1,866,521	1,859,908	1,916,629
TOTAL			2,178,528	2,131,531	2,116,233	2,172,995

⁽¹⁾ Bell's vertical integration affects the way the GHGs emitted by our business activities are allocated among our operational GHG emissions (scope 1 and scope 2) and our upstream and downstream indirect GHG emissions (scope 3). For more details, see the Impact of the business model section of Our corporate responsibility approach information sheet

When comparing our 2023 results to 2022 our Scope 1 emissions have increased due to an increase of kilometers driven to service our customers, accidental releases of ozone depleting substances from cooling equipment, and natural events within Canada such as Hurricane Fiona, forest fires, flooding, wind and ice storms, all causing power outages which led to increase in refueling back up generators. Scope 2 emissions have decreased due to the drop in electricity emission factors in some provinces as a result of grid mix decarbonization, and Scope 3 emissions increased due to an increase in capital projects, the effects of inflation rates, and business travel.

Below is our proportion of emissions across GHG emissions categories across our whole value chain



Metrics and targets

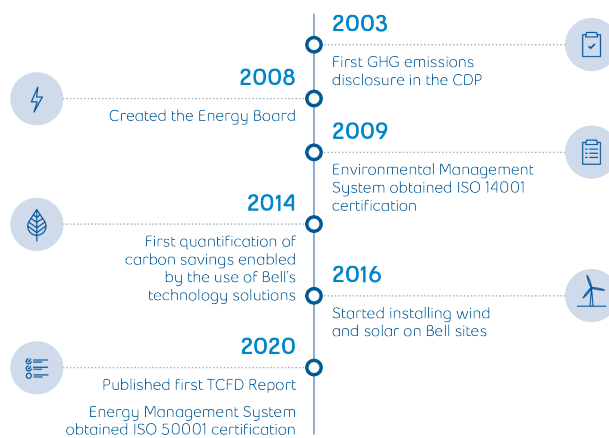
GRI 302-1, 302-2, 302-3, 302-4, 302-5, 305-1, 305-2, 305-3, 305-4, 305-5

Our journey

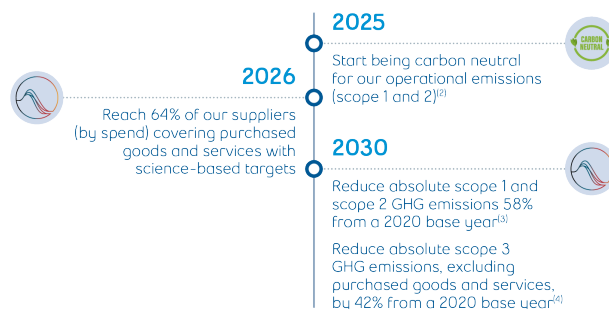
As a responsible corporate citizen, Bell aims to do its part to help fight climate change. We have an important role to play as a changing climate greatly impacts the communities we serve and increases the financial, operational and reputational risks of our business. The likelihood and impact of climate-related risk is evolving, as emphasized in the Global Risk Report of the World Economic Forum (WEF). In the WEF's [Global Risks Report 2024](#), failure to mitigate climate change is ranked as the number one long-term threat to the world, while failure to adapt to climate change ranks second.

For the past 20 years, we've been on a journey to help fight climate change by becoming more efficient with the way we do business. We've achieved significant milestones along the way and continue to set goals to capture and report our progress. Here's a look at our climate action journey and our current targets:

Our successes



Our targets⁽¹⁾



⁽¹⁾ For more information regarding our carbon neutrality and SBTi targets, please refer to the section "About our report" at the beginning of this report. The Science Based Targets initiative (SBTi) approved our targets in 2022, prior to the recalculation of our 2020 GHG emission base year. The impact of this recalculation is an increase of our target to reduce absolute scope 1 and 2 GHG emissions by 58% instead of 57% by 2030, from a 2020 base year. The recalculated target has been submitted to the SBTi for approval on October 20, 2023.

⁽²⁾ Performance is based on operational GHG emissions (scope 1 and 2 emissions in tonnes of CO₂e) minus GHG emissions offset by carbon credits purchased (in tonnes of CO₂e).

⁽³⁾ In line with a 1.5°C trajectory.

⁽⁴⁾ Scope 3 categories covered by this target exclude indirect scope 3 GHG emissions from our purchased goods and services, and include GHG emissions from capital goods, fuel and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, downstream transportation and distribution, use of sold products, end-of-life treatment of sold products, franchises and investments.




Our targets and performance

Bell continues to build pathways towards reducing GHG emissions to enable us to operate more efficiently while contributing to a low-carbon economy.

Mitigating climate change

Having milestones to demonstrate our progress in reducing emissions is important to show how we're helping fight climate change. This is why we have set the target to for our operational GHG emissions (scope 1 and 2 only) starting in 2025. We've also set near-term science-based targets designed as a first milestone to do our part to help curb global temperature rise well below 2°C above pre-industrial levels and pursue efforts to help limit warming to 1.5°C. These targets are approved by the SBTi:

- Reduce our absolute operational GHG emissions (scope 1 and 2) 58% by 2030, from a 2020 baseline year - in line with a 1.5°C trajectory⁽¹⁾
- Reach 64% of our suppliers by spend covering purchased goods and services with SBTs by 2026
- Reduce our absolute scope 3 GHG emissions from all categories (other than from purchased goods and services) 42% by 2030, from a 2020 baseline year

Target	Performance		Trend	Third party verification
	2022	2023		
 SBT1	-2,5%	-2,5%	→	PwC
 SBT2	26%	28%	↗	PwC
 SBT3	-12%	26%	↘	-

We have made some progress towards SBT1 and SBT2 versus our baseline, however we have an increase with our SBT3 in 2023. In particular, emissions in categories 3 (fuel and energy related activity), 4 (upstream transportation and distribution) and 15 (investments) have increased due to a number of elements including spend, revenue and emission factors. We are now moving more aggressively towards tackling our scope 3 emission and will continue to evolve our strategy aimed at reducing scope 3 GHG emissions.

These targets will help us transition to net zero, which is our main objective. We have yet to set our net zero target, but we will continue to innovate, refine our technologies and pursue internal initiatives with that objective in mind.

⁽¹⁾ The Science Based Targets initiative (SBTi) approved our targets in 2022, prior to the recalculation of our 2020 GHG emission base year. The impact of this recalculation is an increase of our target to reduce absolute scope 1 and 2 GHG emissions by 58% instead of 57% by 2030, from a 2020 base year. The recalculated target has been submitted to the SBTi for approval on October 20, 2023.

Our plan

Our action plan to reduce our direct emissions (scope 1 & 2)

Our action plan includes initiatives such as:

- reducing our fuel consumption through our ongoing fleet modernization and electrification. In 2023, we replaced 1,079 older vehicles with more fuel-efficient models, and we currently have 332 electric and 66 hybrid vehicles in service;
- reducing electricity usage by optimizing facility and equipment heating and cooling, implementing LED lighting conversions, modernizing our network equipment, as well as working to consolidate, optimize and virtualize servers;
- reducing our real estate footprint;
- maintaining LEED (Leadership in Energy and Environmental Design) and BOMA BEST (Building Owners and Managers Association's Building Environmental Standards) certification which includes improved energy efficiency; and
- the procurement of renewable energy certificates (RECs).

In order to achieve our target of carbon neutral operations starting in 2025, we expect that we will need to purchase a significant amount of carbon credits to offset emissions that will not have been avoided by internal initiatives, in addition to RECs to reduce our scope 2 emissions.

Our ability to achieve our operational (scope 1 and 2) GHG emissions reduction targets is subject to certain risks described in the section entitled Caution regarding forward-looking statements of this Strategic overview and depends on various assumptions including, without limitation, the following:

- supply chain challenges with the availability of electric cars that suit the needs of our operations have influenced our strategy to look for alternative zero emission models
- the implementation of various corporate initiatives to reduce direct GHG emissions
- our ability to purchase sufficient high-quality credible carbon credits and acceptable RECs according to the SBTi guidelines

Advancing energy efficiency and renewable energy

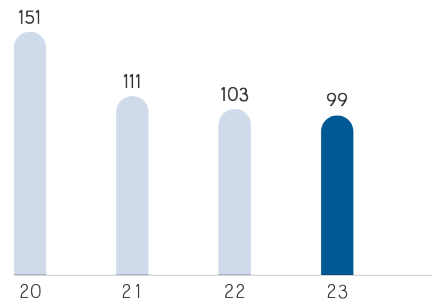
Advancing our energy efficiency and renewable energy strategy is an integral part of Bell's objective to reduce its GHG emissions while lowering energy costs. By saving electricity and reducing the use of fossil fuels in our buildings, network and vehicle fleet, and by powering more of our street furniture with renewable energy, we have prevented the release of 2,267 tonnes of CO₂ equivalent (CO₂e) emissions in 2023. This adds to the progress we've made since the creation of our Energy Board in 2008, which has cumulatively prevented the release of more than 76 kilotonnes of CO₂ equivalent emissions, saving almost \$106million from initiatives implemented.

In 2023, 56% of the 1,838,045 MWh of electricity we consumed was from renewable sources such as hydro, wind, tidal and solar. Of this, 86% was from hydro sources. In 2023, Bell's own network generated approximately 243,237 kWh of renewable power from solar and wind sources.

Our energy management system allows us to track initiatives, monitor progress and ensure we reduce our energy consumption. We are proud to be the first communications company⁽¹⁾ in North America to have our energy management system ISO 50001 certified, instilling a more systematic approach and facilitating continuous improvement on this metric. Bell's energy intensity ratio, described below, is a metric we use to track our progress. This metric illustrates the energy footprint of our operations in a meaningful way, comparing our energy consumption (from electricity and fuel consumption) to our network usage⁽²⁾. The decrease in Bell's energy intensity ratio over the years reflects the carbon reduction-enabling capabilities of our products and services.

Bell's energy intensity

Energy consumption (MWh equivalent)
divided by network usage (petabytes)



Our action plan to reduce our indirect emissions (scope 3)

Initiatives to reduce our upstream and downstream indirect GHG emissions include collaboration with industry peers, supplier education and improved contractual agreements. We seek to reduce other indirect emissions by dematerializing our real estate footprint and products distributed, and by collaborating with our dealer stores and companies in which we hold non-controlling interests to reduce their emissions.

Our ability to achieve our indirect scope 3 GHG emissions reduction targets is subject to more uncertainty than our ability to achieve our scope 1 and 2 GHG emissions reduction targets as we must rely on external actions and factors, and is subject to certain risks described in the section Caution regarding forward-looking statements in this Strategic overview and depends on certain assumptions including but not limited to:

- sufficient supplier engagement and collaboration in setting their own science-based targets, no significant change in the allocation of our spend by supplier and sufficient collaboration with partners in reducing their own GHG emissions.
- the implementation of various corporate and business initiatives to reduce our electricity and fuel consumption, as well as reduce other indirect GHG emissions enablers.

Our climate-related opportunities metrics and performance

Solutions contributing to a transition to a low carbon economy

GRI 201-2

Bell technological solutions can help our customers reduce energy needs, minimize carbon footprints⁽³⁾ and enhance productivity.

⁽¹⁾ Bell's review in 2020 of publicly available information for North American communications and telecommunications companies indicated Bell was the first of its North American communications and telecommunications competitors to receive ISO 50001 certification.

⁽²⁾ Network usage is the amount of data moving across the network, it is measured in petabytes. One petabyte is equal to 1,048,576 gigabytes (GB).

⁽³⁾ As demonstrated by the [Global Enabling Sustainability Initiative \(GeSI\)](#). Their research demonstrated that ICT solutions can decouple economic growth from emissions growth. ICT such as analytics, advanced robotics, Smart Grids, advanced energy management solutions, Smart building, Smart agriculture and Smart logistics solutions enable a reduction of global CO₂e emissions.

Our solutions include the following



Virtualization and cloud computing encourage optimal use of space, power and cooling resources by consolidating servers and storage. They improve business continuity through redundancies in our network.¹



IoT solutions can help optimize asset and fleet management and are effective for smart buildings, smart cities, smart operations and smart fieldwork applications. Electronic controls coupled with our communications networks can help communities adapt to rising mean temperatures and/or events such as extended heat waves.



Hybrid workforce solutions and teleworking help maintain business continuity, as evidenced during the COVID-19 pandemic^(2,3)

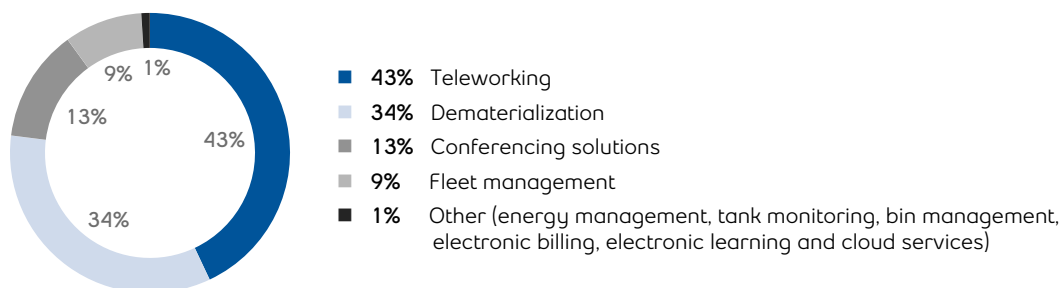


Dematerialization (the reduction of the quantities of materials needed to serve an economic function) encourages the substitution of technology (e.g., online banking apps) for travel (e.g., commuting to the bank).

At Bell, we believe it is important to understand the net carbon abatement impact of our solutions. To achieve this, we have worked with Groupe AGECO, a third-party consultant with expertise in GHG emissions quantification, to develop a methodology that uses a carbon abatement ratio which estimates the carbon reduction capacity of our products and services used by our customers.

Many Bell technological solutions enable our customers to reduce GHG emissions by optimizing transport, energy use and asset operations. For example, using Bell's fleet management solution reduces travel distances and fuel consumption. These estimated benefits are calculated using the carbon abatement ratio, which represents the GHG emissions estimated to have been avoided by our customers through the use of our technological solutions in comparison to our own operational (scope 1 and 2) GHG emissions. To do so, GHG emissions are estimated in a business-as-usual case where technology is not used compared to the case where Bell's products are used. The avoided GHG emissions correspond to the difference between the emissions estimated to have been generated in a business-as-usual case compared to the case where Bell's technological solutions are used. The calculation method of the carbon abatement ratio is based on existing methodologies developed in the Information and Communications Technology (ICT) sector. The calculation is based on assumptions that are dependent on customers' behaviour over which Bell has no control. Groupe AGECO's and Bell's analysis estimated that our technological solutions have enabled carbon abatement for our customers of nearly 1,379 kilotonnes of CO₂ equivalent (CO₂e) in 2020. This is equal to 5.2 times our 2020 operational (scope 1 and 2) GHG emissions⁽⁴⁾.

Bell technologies enabling carbon abatement



We seek to further help our customers reduce their carbon footprint from the use of our products. Our next evaluation of carbon savings enabled by our technological solutions is scheduled to be conducted in 2024.

Research InfoSource, Spotlight on Two Decades of Corporate R&D (2022).

⁽¹⁾ To learn more about virtualization, [click here](#).

⁽²⁾ To learn more about teleconferencing, [click here](#).

⁽³⁾ To learn more about hybrid workforce solutions, [click here](#).

⁽⁴⁾ Taking into account the products and services for which Bell has developed the technology and plays a fundamental role in its delivery to clients, as well as the products and services for which Bell has not developed the technology but enables it by providing the network.

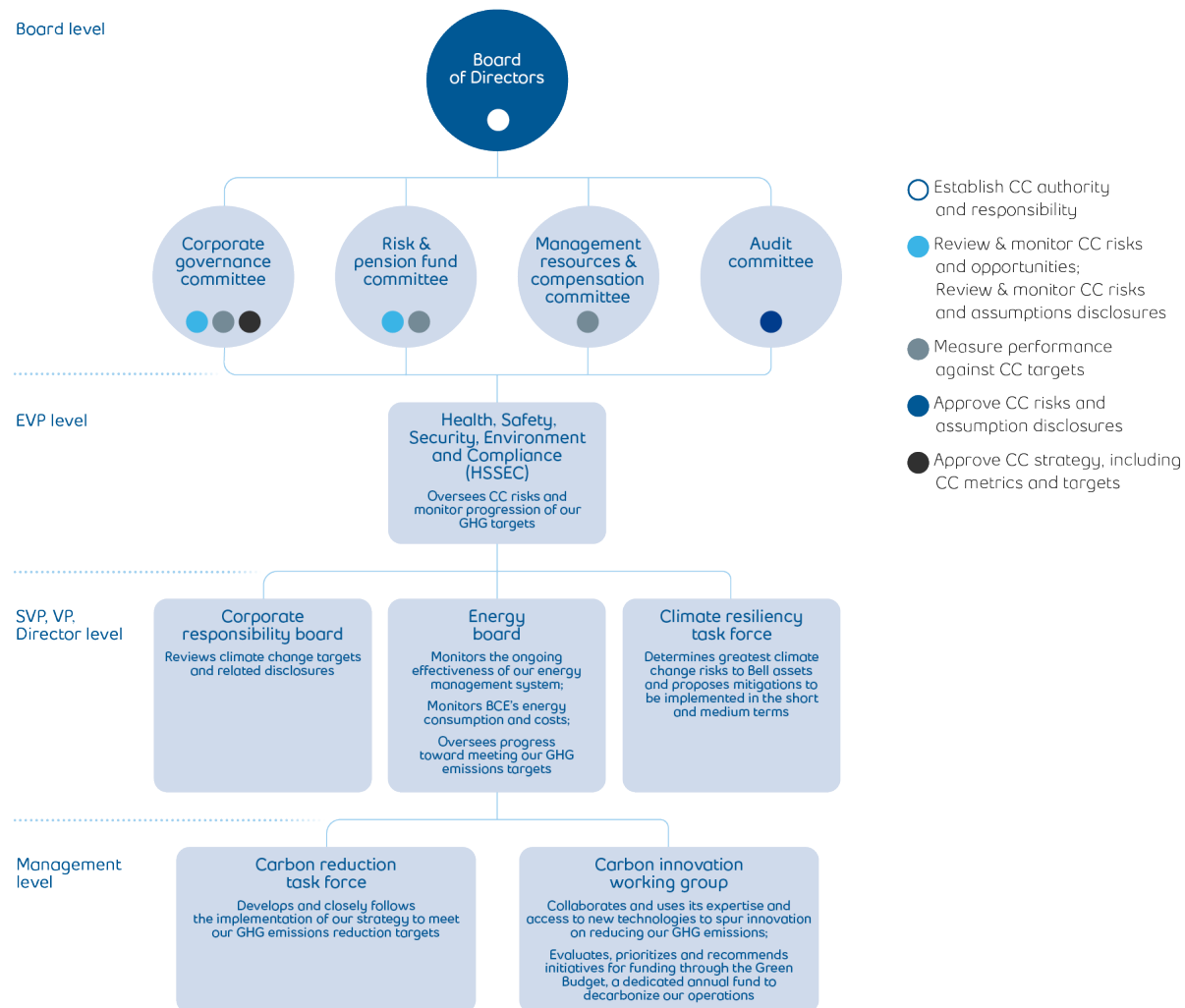
Governance

GRI 2-9, 2-12, 2-13

In order to achieve our targets and address climate change risks and opportunities, we need collaboration from our employees, suppliers and other supply chain partners. This is why we have implemented a strong governance structure starting from the top.

The BCE Board of Directors (the Board) has established clear lines of authority and oversight regarding the assessment and management of climate-related risks and opportunities. The chart below provides an overview of our governance structure related to climate change (CC).

Climate change responsibility



In 2022, to reflect how ESG is embedded into the overall strategy of the business, ESG-related metrics were embedded throughout our strategic imperatives scores and represent, in aggregate, at least 30% of the total strategic imperatives score. The Strategic Imperative score represents 40% weighting of the Corporate Performance Index within the Annual Incentive Plan.

For more information on the governance of our corporate responsibility programs, see the complementary report, [Our corporate responsibility approach](#).

Strategy

At BCE, we believe companies across all sectors must take action and seek to reduce and neutralize their carbon footprint. This collective effort is needed to hold global warming to well below 2°C, and preferably limit it to 1.5°C above pre-industrial (1850–1900) levels.




Beyond reducing GHG emissions, Bell continues to enhance and prepare its adaptation measures to face the impacts of climate change by increasing corporate climate resiliency. That's why we assess our climate-related risks and opportunities and their impacts on our businesses, strategy, financial planning and overall resilience

In alignment with the TCFD recommendations, we categorize climate-related risks into transition and physical risks, and identify climate-related transition opportunities. Transition risks are associated with the transition to a lower-carbon economy. This may include extensive regulatory, technology, and market changes needed to address mitigation and adaptation requirements related to climate change. Physical risks are associated with the physical impacts from a changing climate and can either be event-driven (acute) or longer-term shifts (chronic) in climate patterns. For the purpose of disclosures recommended by the TCFD, we have focused on seven main risks, and five opportunities.

Climate-related risks and opportunities

GRI 201-2

Transition risks and opportunities

	Risks	Opportunities
 Regulation - Carbon Pricing	<p>We are impacted by current regulations, as the power providers we rely on are subject to carbon pricing and are expected to transfer carbon costs to their customers.</p> <p>We expect our operating costs to increase as energy prices continue to rise across Canada.</p>	<p>Customers targeted by carbon pricing schemes are expected to seek products and services that will enable them to cut GHG emissions.</p> <p>The Internet of Things is one of our major carbon reduction enablers, facilitating solutions such as smart cities, smart buildings, smart roads, smart operations, and smart field work.</p>
 Technology	<p>Our customers are upgrading their devices more frequently, leading to an increase in e-waste. To address this, we are setting e-waste recovery targets and increasing opportunities to return mobile phones.</p> <p>We expect our operating costs to increase as a result of managing the program to recover, treat, and dispose of e-waste.</p>	<p>The increased frequency and severity of extreme weather conditions resulting from climate change could present an increased demand for our products and services, which can improve their businesses' resiliency. Teleworking and teleconferencing solutions allow our clients to work from anywhere and minimize their need for business travel.</p>
	<p>To learn more about our technologies and how they help customers see Our products and services section in the 2023 Integrated annual report.</p>	
 Market	<p>The transition to a low-carbon economy is likely to shift supply and demand for energy, whereby energy supply could decrease and energy prices would subsequently increase. We expect our operating costs to increase as a result of this shift.</p>	<p>Protecting our assets to prevent service disruptions is key to a resilient network. Proactively communicating our efforts can increase our ability to acquire new customers and retain the ones we have.</p>



**Reputation
(Customer
Perception)**

Service disruptions due to the impacts of climate change could have an adverse effect on our ability to provide key communication services, potentially jeopardizing customer satisfaction and damaging our overall reputation.

Failing to demonstrate proactive climate change mitigation efforts may result in decreased demand for our products and services.

Our efforts to reduce our environmental footprint offer an opportunity for Bell to distinguish itself from competitors, potentially increasing demand for our products and services. This can also positively influence our brand value and reputation.



**Reputation
(ESG Rating)**

Investors increasingly use ESG ratings to inform their investment decisions. Our ESG performance is largely influenced by our climate-related disclosures and our ability to meet our climate-related targets. Failure to consistently disclose our engagement and progress in fighting climate change or other ESG-related performance metrics, as well as experiencing a decline in our ESG ratings over time, all pose a risk of negative investor perception. This could lead to an increased cost of capital.

Transparent disclosure and strong climate-related performance could enhance our ESG ratings, which could decrease our cost of capital.

Physical Risks



**Acute impacts
(Extreme
weather events)**

Global scientific evidence suggests that climate change will increase both the frequency and severity of extreme weather events. This will include such events as flooding, ice storms and wildfires, among others. These could have a destructive impact on our communications network infrastructure and in turn affect our ability to deliver services that are critical to our customers and society.

A service disruption due to extreme weather events could lead to financial impacts including an increase in operating costs from maintenance and repairs, labour, heating and cooling, and equipment damage. Our insurance premiums could increase, or we could face reduced insurability in high-risk areas. Furthermore, this could jeopardize customer satisfaction and may result in a decrease in revenues.



**Chronic impacts
(Rising mean
temperatures)**

Anthropogenic global warming has already reached about 1.1°C above pre-industrial levels, and is expected to reach 1.5°C over the next 20 years, according to the IPCC AR6. In Canada, the average annual temperatures have increased by 1.9°C (over the period of 1948–2021) and are expected to keep rising⁽¹⁾. If average temperatures in Bell's operating regions fluctuate year-over-year, whether consistently cooler or warmer, HVAC capacities at facilities will have to increase accordingly. This will increase our energy consumption and associated operational costs for investments in our infrastructure

⁽¹⁾ From Government of Canada's website: [Temperature change in Canada](#)

Climate scenario analysis

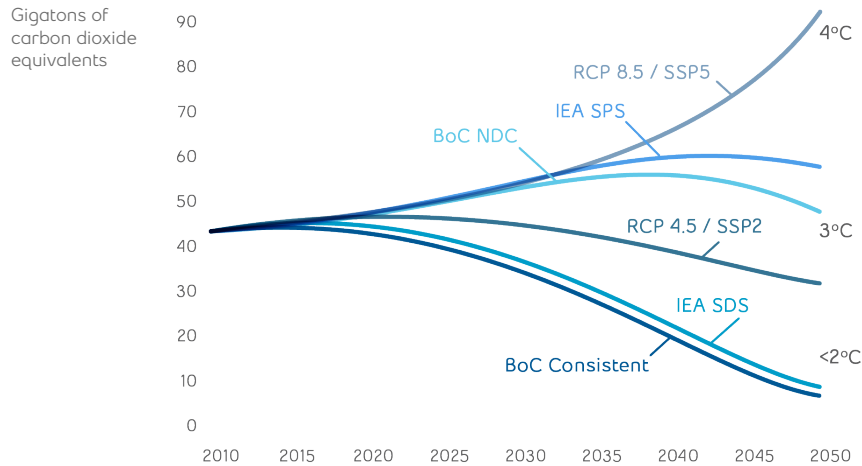
To enhance our resiliency to climate-related risks and inform our strategic planning, we completed a climate scenario analysis exercise that estimated the potential financial impacts of relevant climate-related risks and opportunities. We initiated our first climate scenario analysis exercise in 2020 and updated the analysis in 2021 to reflect updated IPCC (Intergovernmental Panel on Climate Change) conclusions from its Sixth Assessment Report (AR6) and to update the transition risks and opportunities. Our climate-related scenario analysis reflects the latest IPCC conclusions that estimates the chances of crossing the global warming level of 1.5°C in the next decade. The IPCC report found that unless there are immediate, rapid and large-scale reductions in GHG emissions, limiting warming close to 1.5°C or even 2°C will be beyond reach. Our climate-related scenarios may evolve over time as new reports and frameworks are developed and published.

The analysis took into consideration low and high temperature warming scenarios for both physical and transition risks over a short (five-year), medium (10-year) and long-term (20-year) time horizon. We selected and used six distinct scenarios in our analysis.

The table below provides a detailed summary of each of the scenarios used in our analysis.



Physical and transition risk climate scenario pathways



Climate risk	Warming	Agency ⁽¹⁾	Scenario ⁽²⁾	Line colour	
Physical	Low	IPCC	RCP 4.5		The RCP 4.5 scenario is referred to as the stabilization scenario in which emissions peak in 2040 and then total global warming is stabilized shortly after 2100
	High	IPCC	RCP 8.5		The RCP 8.5 scenario combines assumptions about high population and relatively slow income growth with modest rates of technological change and energy intensity improvements, leading in the long term to high energy demand and GHG emissions in absence of climate change policies. This RCP scenario leads to the highest GHG concentration levels
Transition	Low	IEA	SDS		The Sustainable Development Scenario represents a major transformation of the global energy system while maintaining economic and population growth. This scenario is a shift away from fossil fuels and represents sustained decarbonization efforts that are consistent with the Paris Agreement of limiting global warming to 2°C or less above pre-industrial levels by 2100
			BoC Consistent		Countries act to limit global warming to 2°C above pre-industrial levels by 2100
	High	IEA	SPS		The Stated Policies Scenario (SPS) reflects the impact of existing policy frameworks and today's announced policy intentions. The aim of the SPS is to provide a detailed sense of the direction in which existing policy frameworks and today's policy ambitions would take the energy sector out to 2040
			BoC NDC		Beginning in 2020, countries act according to their pledges under the Paris Agreement. They reduce global warming, but their actions are not enough to limit warming to an additional 2°C above pre-industrial levels by 2100

⁽¹⁾ Intergovernmental Panel on Climate Change (IPCC), International Energy Agency (IEA), and Bank of Canada (BoC)

⁽²⁾ Stated Policy Scenario (SPS), Nationally Determined Contributions (NDC), Sustainable Development Scenario (SDS), Representative Concentration Pathways (RCP)

Physical risk climate-related scenarios

We used the future climate projections from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) to conduct our scenario analysis on physical climate-related impacts across all the geographies in which we operate for both acute and chronic impacts. The Representative Concentration Pathway (RCP) 4.5 and 8.5 were used to analyze the impacts from flooding, wildfire, ice storm and extreme temperature. The likelihood of each carbon emissions scenario occurring is highly dependent on how much global effort is taken to progress toward a low-carbon economy.

In August 2021, the IPCC released its Sixth Assessment Report (AR6) using the Shared Socioeconomic Pathways (SSPs). The RCP 4.5 and RCP 8.5 scenarios used in Bell's physical risk analysis were developed based on future forcing pathways, which correspond to that of SSP 2 (RCP 4.5) and SSP 5 (RCP 8.5). The SSPs consist of five scenario narratives that highlight different socioeconomic and technological pathways for society in the 21st century. The major difference between the RCPs and SSPs is the socioeconomic considerations embedded in the SSPs narrative were not captured in the RCPs. That's because the RCPs

were not developed with the socioeconomic considerations in mind, but rather to reflect the plausible climate outcomes based on possible future emission levels. The respective SSPs address how the corresponding RCPs can be met under certain socioeconomic realities and policy expectations. Bell's physical risk scenarios used the RCP 4.5 and RCP 8.5, whose baseline has a corresponding future forcing pathways in SSP 2 (RCP 4.5) and SSP 5 (RCP 8.5) when linked to specific climate policies and other socioeconomic considerations to generate different scenario outcomes by the end of the century. Our physical risk scenarios may evolve over time as new reports and frameworks are developed and published⁽¹⁾.

Transition risk climate-related scenarios⁽²⁾

Regulation risk

We used two scenarios developed by the International Energy Agency's (IEA) 2019 World Energy Outlook (WEO) publication to conduct our scenario analysis on carbon-pricing regulation impacts: the Sustainable Development Scenario (SDS) and the Stated Policies Scenario (SPS). The SDS represents a pathway for the world to hold the rise of global temperatures within 1.8°C above pre-industrial levels by 2100 while achieving the United Nations SDGs. The SPS reflects the impact of existing policy frameworks and today's announced policy intentions, which include Nationally Determined Contributions (NDC) under the Paris Agreement. Both the SDS and the SPS assume continued technological progress and rapid widespread changes across all parts of the energy system. We also considered the Bank of Canada (BoC) scenarios, which do not comprehensively consider the role of technology in the transition to a low-carbon economy. As a result, the IEA scenarios are more optimistic regarding future technological progress and provide lower bounds for the outcomes. We therefore decided to analyze the impacts of carbon pricing regulations using both the IEA and BoC scenarios to gain more insight in terms of our carbon pricing exposure.

Reputation risks

Our initial climate scenario analysis exercise analyzed the reputational risks over a 20-year horizon with broader boundaries to calculate financial impacts. The quantification impact methodology was revisited in 2021 to match the 10-year horizon of the physical and regulatory risks, and to re-scope both sources of reputation risks. The potential financial impacts from both sources of reputation risks are now less speculative in nature. The reputational risks from a customer's perception and ESG ratings are not calculated based on climate-related scenarios unlike the other risks described above. Instead, the forecasted potential impacts are based on current customer perceptions of climate change, as well as current ESG reporting tendencies and investor expectations. As such, they may evolve over time.

⁽¹⁾ Bell's physical risk scenarios were intended to be updated in 2023 but the work is not yet completed and will be updated in 2024 to reflect SSPs consideration.







⁽²⁾ Only the regulation and reputation risks have been estimated. Market and technology risks have only been identified in the summary as potential impacts.

Scenario analysis insights

Our scenario analysis included a total of seven risks we identified as being the most relevant and having a potential financial impact on our business. For each of these risks, we tested a hypothesis to establish a theory of change and indicated the significance of the impact on our business using low and high warming scenarios.

NOTE: The impact levels below aim to compare climate-related risks against one another. No inference should be made as to the relative materiality of any of these risks for the company as a whole.

●● indicates more significant, and ● less significant in terms of relativity from one to another.

Climate-related risks	Hypothesis	Potential impact level	
		Low warming scenario Below 2°C	High warming scenario 3.5°C
Physical			
 Flooding	Would the increase in the probability of a one in 100-year flooding event occurring have a financial impact?	●	●
 Wildfires	Would the increase in the probability of a one in 100-year wildfire event occurring have a financial impact?	●	●
 Ice storms	Would the increase in the probability of a one in 100-year ice storm event occurring have a financial impact?	●	●
 Temperature	Would the increase in the number of very warm days and very cold days per annum have a financial impact?	●	●
Transition			
 Regulation	Would tightening climate policies under various warming scenarios increase the cost of energy resulting in a significant financial impact?	●●	●●
 Reputation⁽¹⁾	How much would the company's cost of capital decrease/increase if its ESG ratings decreased/increased?	●●	●●
	Would the demand for the company's products and services be negatively impacted if it does not effectively reduce its carbon impacts and build a positive reputation?	●	●

⁽¹⁾ Reputational risks are not calculated based on climate scenarios but are rather based on current customer perceptions of climate change, as well as current ESG reporting tendencies and investor expectations. They have been included to compare the impact level against other climate-related risks.

The scenarios selected by Bell are not projections but are used to review the risks and opportunities related to climate change given possible future carbon emissions scenario pathways. Therefore, the projected impacts discussed above merely represent possible impacts and are used to inform our strategic planning process. Our intention is to continue this exercise in subsequent years and to refine our analysis and approach. From this we expect to develop a more comprehensive understanding of the financial impacts from climate change and gain insight on the materiality level. The refined analysis results will be analyzed by BCE's Climate Resiliency Task Force. It will also be shared with our business units to build a sector-oriented resiliency action plan that will focus on the most significant potential climate impacts.

The results of the scenario analysis were provided to BCE's Health, Safety, Security, Environment and Compliance (HSSEC) Oversight Committee, Corporate Governance Committee (CGC) and Risk and Pension Fund Committee (RPF). This enables these committees to review the potential financial impacts from climate change and equips them with the information needed to incorporate climate-related risks and opportunities into future decision-making and strategic planning.

Impact of climate-related risks and opportunities on our strategy and financial planning

These climate-related risks and opportunities are integrated into Bell's business strategy and objectives through incentives, organizational structures, policies, procedures and products and services.

Our GHG emission reduction targets form part of our climate change strategy and have been integrated through our Environmental Management System (ISO 14001 certified) and our Energy Management System (ISO 50001 certified).

The Energy Board collects energy-related information from teams responsible for value creation, communications, fleet, network and building management, and analyzes such information to seek to ensure alignment with our climate-related strategy and operational objectives. Pertinent trend analysis and recommendations are subsequently reported to the HSSEC Committee, the final arbiter of climate-related strategy at the operational level. The HSSEC also oversees the implementation of those recommendations across all Bell business units and reports decisions and progress to the Board's RPF. C.

We invest in the development of technologies, products and services which actively seek to mitigate the impacts of climate change and/or enhance our resiliency to it. For example, we supported the development of new technologies for efficient cooling alternatives for our network infrastructure and data centres. Through this investment, we are better positioned to face chronic physical risks such as rising mean temperatures, or extended heat waves.

Increasingly, we are making strategic investments in the development of new products and services which enable our customers to reduce their own GHG emissions. We are actively developing these business opportunities through investments in IoT technologies, smart cities and connected cars. We are also assessing the benefits of existing products and services. The Global Enabling Sustainability Initiative (GeSI), stated that the use of telecommunication technologies can help in curtailing GHGs emitted by our clients, and by our own business⁽¹⁾. To calculate this GHG-reduction potential, we developed a methodology in collaboration with Groupe AGECO, a third-party consultant with an expertise in GHG quantification, that quantifies the carbon reduction capacity of our products and services. Our most recent analysis concluded that Bell's technologies have enabled carbon abatement for our customers of 5.2 times our operational carbon footprint in 2020. See Our climate-related opportunities metrics and performance section for more information on the methodology used for our calculations.

More recently, we have undertaken an assessment of our climate change mitigation measures to understand how we can better integrate climate-related risks into all aspects of our business and risk management processes. This includes the enterprise risk management framework, described in the [Risk Management](#) section of this report. One aspect of the assessment pertains to our supply chain and our suppliers' risk exposure to climate change. We are beginning to evaluate the impacts of climate change on our supply chain. Our goal is to identify high-risk suppliers and high-risk products we procure and together explore ways to mitigate such risks. In addition, we are exploring internal carbon pricing to account for the cost of carbon in our business operations.

Finally, our climate scenario analysis has helped us socialize the potential financial risks from climate change within the company. It has provided us with key insights into better integrating climate-related risks into our enterprise risk management framework. We will continue to use the results from this analysis to seek to enhance our risk management practices and our overall resiliency to climate change.

⁽¹⁾ [GeSI's SMARTer 2030 report](#) is the report stating telecommunication technologies can help curtail GHG's emitted by clients

Risk management

BCE's processes for identifying, assessing and managing climate-related risks are integrated into our multidisciplinary, company-wide risk identification, assessment and management processes.

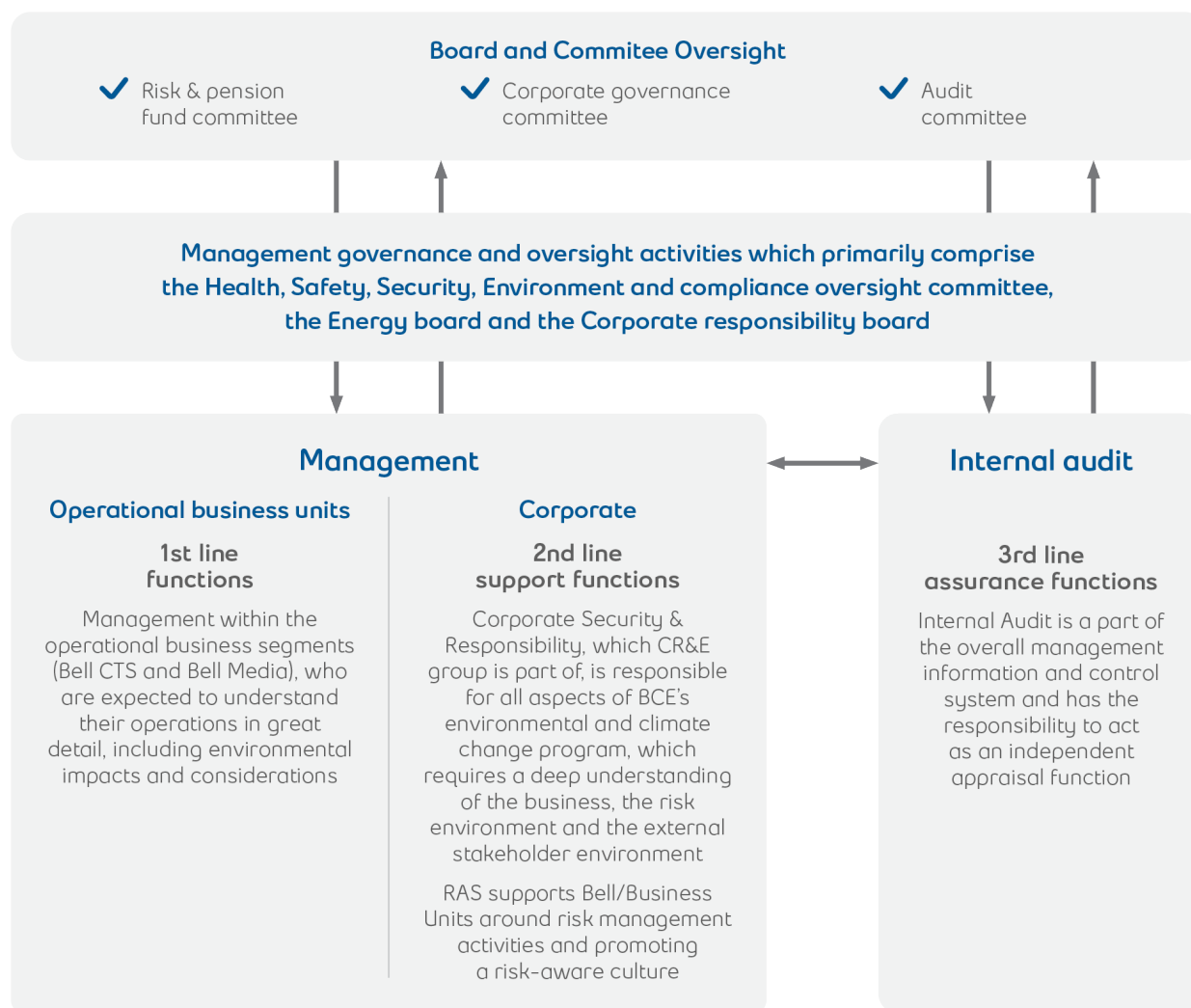
Processes for identifying and assessing climate-related risks

Approach

While the Board is responsible for BCE's risk oversight program, operational business units are central to the proactive identification and management of risk. They are supported by a range of corporate support functions, including the Risk Advisory Services (RAS) team. These functions provide independent expertise to reinforce the implementation of risk management approaches in collaboration with the operational business units. The Internal Audit function provides audit assurance, working to provide insight and support to the operational business units and corporate support functions, while providing Board committees, as required, with an independent perspective on the state of risk and control within the organization.

Collectively, these elements can be thought of as a "three lines" approach to risk management. Although our risk management framework is aligned with industry practices, there can be no assurance that it will be sufficient in preventing the occurrence of events that could have a material adverse effect on our business, financial condition, liquidity, financial results or reputation. For more details on our three lines approach to risk management refer to the Corporate governance and risk management section of our 2023 annual MD&A.

Oversight of climate-related risks



Identification of climate-related risks

The CR&E team works collaboratively with Bell's RAS team to seek to ensure that risks are appropriately documented and profiled within the organization. We define such risks as either transitional or physical, in conformity with the disclosure recommendations of the TCFD. Throughout the year, the risk identification process challenges experts to expand their knowledge of relevant trends, issues and methods.

On an ongoing basis, the CR&E team regularly monitors industry trends and publications. The team also consults with subject matter experts to understand potential risks and to monitor current and future climate-related risks that may impact our operations.

Assessment of climate-related risks

Identified risks and emerging regulatory requirements related to climate change are assessed annually. This assessment is based on the potential nature, scale and scope of impact if the risk(s) were to occur. Also assessed is the likelihood of occurrence, considering a combination of the level of threat posed to the organization by the risk, and the organization's vulnerability to a related risk event. The potential impact of risks related to climate change is assessed across a number of categories which include:

- acute risk (for example, extreme weather events that could compromise our ability to provide our key communications services, or the effect of climate-related regulation on our business operations);
- chronic risk (for example, a rise in average temperatures increasing our energy costs due to heightened need to cool network equipment, or the potential cost of penalties associated with failure to comply with climate-related regulations); and
- reputational risk (for example, a shift in expectations from our customers and investors).

Impact and likelihood are both assessed using a four-point scale. Risk exposure reflects a combination of impact and likelihood, where increased exposure is associated with risk scenarios that have a higher potential impact and higher likelihood of occurrence.

Assessments are conducted at different levels within the organization. Risks are profiled using a risk map based on the magnitude of their potential impact and likelihood of occurrence. Senior management is involved in both assessment and mitigation commensurate with the organization's potential risk exposure.

Internal reporting of climate-related risks

Risk exposures for climate-related risks are communicated by the CR&E team internally as part of standard management practices, with regular oversight review at HSSEC Committee meetings, and quarterly by the RFFC. Our climate risk reporting framework is based on the TCFD risk classification framework. A risk analysis report covering Bell's most prominent risks is generated and provided annually to the Board of Directors.

Processes for managing climate-related risks

Transition risks

Market

Bell has designed a strategy to seek to address the energy efficiency of its operations, leading to ongoing energy reduction initiatives in our facilities and vehicle fleet. These energy efficiency initiatives contribute to reducing our energy costs, thereby helping to mitigate the risk related to carbon pricing schemes. Our energy reduction initiatives are focused on both Scope 1 and Scope 2 emissions activities in buildings, network, data centres and our vehicle fleet.

In our buildings and network infrastructure, we have ongoing energy saving initiatives such as:

- modifying free cooling systems to reduce the need for mechanical cooling;
- converting to LED lighting;
- decommissioning or de-powering legacy equipment;
- consolidating, optimizing and virtualizing servers; and
- implementing energy saving software features.

In our vehicle fleet, we continually implement fossil fuel-saving initiatives such as:

- replacing fuel-powered vehicles with electric ones or, when not available, more fuel-efficient models;
- maintaining a corporate idling reduction policy; and
- improving the monitoring of fuel fraud and abuse.

Reputation

We strive to proactively maintain a state of readiness that permits us to respond efficiently to climate-related events that may disrupt our business and that contributes to managing the reputational risk associated with climate-related impacts on our operations. We have developed business continuity plans and have an emergency management team that works around the clock. The team continually evolves its practices and works with other operational teams such as our network, real estate and field services teams. In addition, we regularly report on our energy performance and GHG emissions including progress toward targets in our Integrated annual report and our CDP submission. Our annual climate-related disclosures, including this report, aim at providing the required transparency to demonstrate to our stakeholders that we are actively engaged in seeking to mitigate our climate change impacts and risks.

Physical risks

Acute

Bell is focused on implementing adaptation measures to seek to ensure the resiliency of our operations and the physical security of our team members in case of extreme weather events.

Preparedness

Our ability to create value also depends on our adaptability, as the economy shifts towards a less GHG-intensive economy. Our operations depend on how well we prepare our networks and facilities to withstand damages from natural disasters, as those events increase in frequency, magnitude and intensity year-over-year. This includes severe-weather events such as ice and snow storms, windstorms, flooding, wildfires and tornadoes. We identify and seek to address these challenges through our Climate Resiliency Task Force. By analyzing our exposure to climate-related risks and identifying opportunities, we can both guide our internal actions and keep our stakeholders informed.

Risks are targeted through assessments carried out by the Climate Resiliency Task Force, a collaborative effort between Network, IT, Real Estate, Field Services, Risk Advisory Services, Finance (insurance), Environment and Business Continuity teams for our buildings, networks, and vehicle fleet. The buildings and systems are first prioritized by level of criticality. Bell has four critical risk scenarios that can be adapted to any type of threat for which a strategy is in place to be able to continue to operate, including loss of site. We apply the Business Impact Analysis (BIA), which seeks to predict the consequences of a disruption to your business, and gathers information needed to develop recovery strategies, to determine the classification type of each business function and four loss scenarios are used to determine risk exposure.

The Business Continuity team is responsible for defining and determining the criticality level of Bell sites based on predetermined factors, including the location of our critical network elements, number of employees on site, revenues generated, value of assets, etc. We assess threats and vulnerability on an ongoing basis with the objective of ensuring the continued delivery of our products and services. Then, we develop risk mitigation plans and emergency response procedures, as well as identify opportunities to improve. In doing so, we seek to maintain a state of readiness that permits us to respond proactively and efficiently to events that may disrupt our operations.

The Finance (insurance) team has been instrumental in leading risk awareness in the company regarding redundancy of operations, identifying areas of improvement which contributes to improving the architecture and redundancy of many elements within our network infrastructure. Bell seeks to ensure all critical sites are equally protected by leveraging information on natural hazards. Recommendations are brought up to targeted key groups based on the risk and site, and can include actions such as moving equipment or improving protocols when applicable.

Responsiveness

Bell has a National Incident Centre (NIC) that operates 24 hours/day, 365 days/year to respond to company-wide incidents and emergencies. Among other responsibilities, this centre seeks to ensure centralized and coordinated actions if an extreme weather event affecting Bell's operations were to occur. The NIC is provided with all the pertinent information (gathered by Network, IT, Real Estate, Field Services, RAS and Business Continuity teams) to diligently assess emergency situations and execute the contingency plans developed for such events. Moreover, our Corporate Security and Resiliency team has systems linked with the Canadian Government's Environment and Climate Change Canada and civil protection organizations in order to receive alerts about weather-related national events (such as flooding or storms).

Chronic – rising mean temperatures

Managing the risk related to rising energy costs due to rising mean global temperatures requires a vision to seek to ensure we have the appropriate infrastructure in place. For example, we have systems linked to our Building Operation Centre and Network Operations Centres that perform remote monitoring of temperature and energy consumption in our facilities. Such systems send early warnings of critical temperature variations, intending to allow us to take action before damage occurs to our facilities.

The rising mean temperature does not only affect buildings and equipment, but also human resources as our technicians and engineers work in the field and at our customer locations. The Finance (insurance) team has started internal preliminary discussions on the need to evaluate how warmer/colder temperatures can reduce workforce productivity and our ability to build networks and perform repairs.

Closing remarks

We recognize that climate change presents a fundamental global challenge, and poses potential risks to our business, our customers and the communities in which we operate. It is for these reasons we remain focused on accelerating the implementation of initiatives to help mitigate climate and will continually strive to develop new ways to become more resilient to it, while continuing to partner with others to support these efforts and spur innovative new solutions.