

BCE TCFD Report on Climate-Related Risks and Opportunities

June 2021



BCE

About this report

BCE recognizes that maintaining transparency regarding the climate-related risks and opportunities affecting our business and disclosing our performance and initiatives on climate-related matters is critical to our stakeholders, and enables our investors to clearly understand the impacts of climate change on our business. As a result, with advice from KPMG, we have developed this stand-alone report to demonstrate our support for the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), outline BCE's climate-related risks and opportunities, and explain how our focus on climate change strategy is aligned with the TCFD framework. This report is structured using the same 4 sections as the TCFD recommendations: **Governance, Strategy, Risk Management, and Metrics and Targets.**

This Report contains data about the BCE Inc. group of companies, referred to collectively in this Report as "BCE", "Bell", "we", "us", "our" or "the company" for the calendar period from January 1, 2020, to December 31, 2020, except if otherwise stated. To learn more about our sustainability and climate change performance please refer to our [2020 Purpose and Corporate Responsibility Report](#) and our [2020 Annual Report](#).



Caution concerning forward-looking statements

Certain statements made in this TCFD Report are forward-looking statements. These statements include, but are not limited to, statements relating to our business outlook, objectives, plans and strategic priorities, including, in particular, our objectives concerning energy savings, reductions in the level of our greenhouse gas emissions and our plans to be carbon neutral across our operations in 2025, 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. Forward-looking statements are typically identified by the words *assumption, goal, guidance, objective, outlook, project, strategy, target*, 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*.

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. In addition, forward-looking statements contained in this TCFD Report for periods beyond 2021 involve longer term assumptions and estimates than forward-looking statements for 2021 and are consequently subject to greater uncertainty. These statements are not guarantees of future performance or events, and we caution you against relying on any of these forward-looking statements. Please refer to other sections of this TCFD Report, including in particular sections 2.1 and 2.3, for a description of certain climate change risks that could adversely affect our business operations, revenues or expenditures. Please also refer to [BCE's 2020 Annual MD&A](#) dated March 4, 2021 (included in BCE's 2020 Annual Report), BCE's [2021 First Quarter MD&A](#) dated April 28, 2021, and [BCE's news release dated April 29, 2021, announcing its financial results for the first quarter of 2021](#), filed by BCE with the Canadian provincial securities regulatory authorities (available at [Sedar.com](#)) and with the U.S. Securities and Exchange Commission (available at [SEC.gov](#)), for a description of certain risks and assumptions that could cause actual results or events to differ materially from our expectations expressed in, or implied by, forward-looking statements contained in this TCFD Report. These documents are also available at [BCE.ca](#).

The forward-looking statements contained in this TCFD Report describe our expectations as of June 15, 2021, 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 contained in this TCFD Report, whether as a result of new information, future events or otherwise. From time to time, we 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 BCE, 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 June 15, 2021. 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.

Forward-looking statements are presented in this TCFD Report for the purpose of assisting readers in understanding, in particular, certain key elements of our climate-related risks and opportunities and ESG objectives, and in obtaining a better understanding of our anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

Message from the Chair of the Board

Extending our leadership in addressing climate change

BCE is tremendously proud of our outstanding commitment to corporate responsibility and application of the highest Environment, Social and Governance (ESG) standards across our business, aligning with established international best practices while setting ambitious new targets.

Since our founding in 1880, Bell has always helped Canadians successfully navigate through difficult times and challenging situations. Most recently, the COVID-19 crisis has underscored the value of the advanced communications networks and services we provide, and our ability to step up for our customers and communities in times of need, a purpose reflected in our goal to advance how Canadians connect with each other and the world.

With a long history of proactively managing ESG risks and opportunities, we continue to move forward with a strong focus on resiliency, adaptability and transparency. This means ongoing action to reduce the impact of our operations on the environment, and introducing new measures to enhance our governance structure to better evaluate and address the risks we face, including those associated with climate change.

Climate change matters

To advance transparency surrounding our climate change initiatives, Bell has been working towards alignment with the internationally recognized Task Force on Climate-related Financial Disclosures (TCFD) requirements since 2019. This report is our first to fully align with TCFD recommendations and represents another important step forward in our commitment to ESG excellence.

Successive reports by the World Economic Forum (WEF) demonstrate that extreme weather, biodiversity loss and a failure to act on climate change can have profound financial, operational and reputational impacts on any business or organization, and that the risks associated with climate change are growing both in likelihood and impact.

At BCE, we recognize the importance of disclosing how we measure and manage risks and opportunities associated with climate change to better inform our stakeholders, and enhance the trust and support that is critical to our success going forward.



Bell has long been at the forefront of environmental initiatives, is consistently recognized as one of Canada's Greenest employers, and in 2020 became the first North American communications company to achieve the [ISO 50001 certification](#) for its energy management system. Building on these focused efforts, Bell has now set a target of achieving carbon neutral operations in 2025, and will reduce its absolute greenhouse gas emissions by 2030, in line with a 1.5 °C emissions scenario based on our commitment to set a science-based target through the Science Based Targets initiative. We have also adopted a new Sustainable Financing Framework to guide future financing, including the recent issuance of Bell Canada's first sustainability bond.

Moving forward

In this report we address the 4 key guidance areas identified by the TCFD – Governance; Strategy; Risk Management; and Metrics and targets – and provide further insight into how the BCE Board of Directors and senior management teams across the Bell group of companies are managing the risks and opportunities associated with climate change.

The BCE Board has also launched our new Risk and Pension Fund Committee to review, monitor and provide recommendations with respect to our overall risk management framework, including business continuity, security, environmental and climate change risks. This committee will play a critical role as Bell evolves to achieve carbon neutral operations in 2025, set a science-based target through the Science Based Targets initiative, while continuing to advance how Canadians connect with each other and the world.

As Chair of the BCE Board, I trust this report provides all our stakeholders confidence in Bell's commitment to corporate responsibility and the highest ESG standards, and our ability to effectively manage the risks and opportunities surrounding climate change going forward.



Gordon M. Nixon

Chair of the Board
BCE Inc.

Message from the President and CEO

Performance and value for Canadians continue to get better with Bell

Leadership in corporate responsibility is an integral part of Bell's goal to advance how Canadians connect with each other and the world, and Environmental, Social and Governance (ESG) standards are built into all our policies, decisions and actions as Canada's top communications company.

Every Bell initiative taken to support Canadians during the COVID-19 crisis – from temporary billing relief for our customers to ensuring the resiliency of our networks, from increased donations to support Bell Let's Talk mental health programs and frontline workers, to accelerating high-speed Internet access, especially in rural areas – has been guided by a focus on safety and support for our customers, communities and team members.

Today we are moving forward with unparalleled investments in broadband infrastructure, service innovation and next-generation 5G wireless, new initiatives to eliminate systemic racism, and a growing leadership position in addressing climate change. All these actions build on our accomplishments to date and set the stage for an even better future with Bell.

Factoring in climate change

With over 22 million customer connections, Bell's 50,000 team members support a vast ecosystem that includes consumers, small businesses, large enterprises, suppliers, manufacturers and a range of public service providers, from schools and hospitals to governments and emergency responders.

As we continue delivering greater value in today's fast-changing and highly competitive communications landscape, we also understand that we are all susceptible to the impacts of climate change.

This report on Bell's alignment with the requirements of the Task Force on Climate-related Financial Disclosures (TCFD) demonstrates how our ESG commitment, and the actions we are taking to address the risks and opportunities surrounding climate change, factor into our 6 Strategic Imperatives: build the best networks; drive growth with innovative services; deliver the most compelling content; operate with agility and cost efficiency; and engage and invest in our people.



Powering a clean economy

As has been clearly demonstrated during [COVID-19](#), Bell's networks and services are critical social and economic enablers, especially during a crisis. Today we are also poised to play a critical role in Canada's post-COVID economic recovery as we invest more than ever in expanding fibre networks, deploying new rural broadband solutions and accelerating the availability of 5G wireless.

Enabling Canada's digital economy will help fuel growth while at the same time supporting new and more energy-efficient innovations that help reduce or mitigate the impacts of climate change. As an example, 5G wireless networks are capable of carrying 1000× more data at half current levels of energy consumption over the next 10 years and will drive innovations that further reduce greenhouse gas emissions.

Bell's climate commitment extends throughout our own operations and is reflected in our goal to become carbon neutral for our operations in 2025, and our recently announcement that Bell will reduce its absolute greenhouse gas emissions by 2030, in line with a 1.5 °C emissions scenario based on our commitment to set a science-based target through the Science Based Targets initiative. We are reducing our carbon footprint by leveraging the same next-generation communications technologies we offer to customers, including energy-saving video and teleconferencing, Internet of Things (IoT) connectivity and smart home and smart building innovations. We are also optimizing heating, cooling and lighting at our facilities, reducing fuel consumption across our fleet, and deploying renewable energy options for cell sites and other installations.

As detailed in this report, Bell continues to surpass many of our environmental targets, underscoring our focus on achieving both our ESG objectives with a direct bearing on climate change, and better outcomes for all our stakeholders.



Mirko Bibic

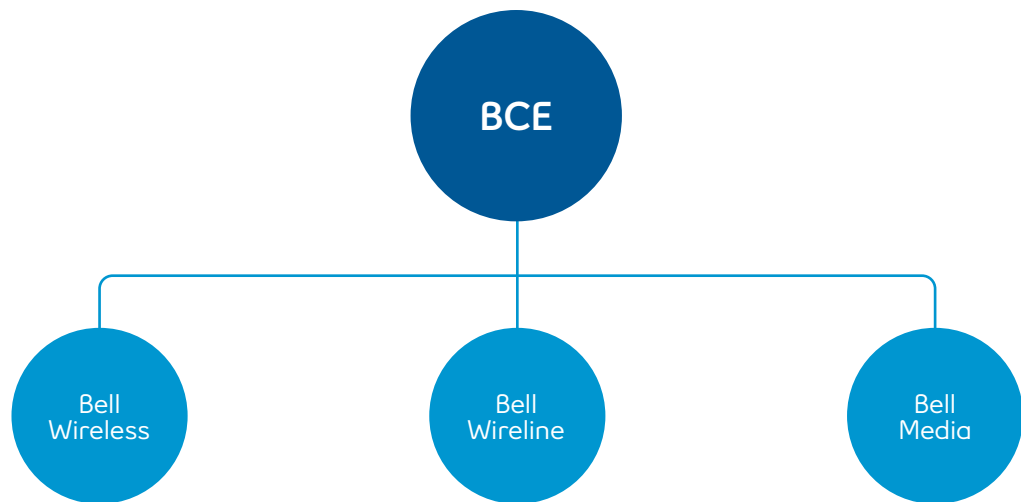
President and Chief Executive Officer
BCE Inc. and Bell Canada

Summary snapshot of our alignment with TCFD recommendations

TCFD recommendations	Recommended disclosures	Bell's disclosure alignment
<p>Governance ✓ ALIGNED</p> <p>Disclose the organization's governance around climate-related risks and opportunities</p>	<p>a) Describe the board's oversight of climate-related risks and opportunities.</p> <p>b) Describe management's role in assessing and managing climate-related risks and opportunities.</p>	<p>Board Oversight, Section 1.1 (p. 13)</p> <p>Management's role, Section 1.2 (p. 13)</p>
<p>Strategy ✓ ALIGNED</p> <p>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</p>	<p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long-term.</p> <p>b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p> <p>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2 °C or lower scenario.</p>	<p>Climate-related risks, Section 2.1 (p. 17)</p> <p>Climate-related opportunities, Section 2.2 (p. 19)</p> <p>Impact of climate-related risks and opportunities on our strategy and financial planning, Section 2.4 (p. 24)</p> <p>Processes for managing climate-related risks, Section 3.2 (p. 27)</p> <p>Climate Scenario Analysis, Section 2.3 (p. 21)</p>
<p>Risk Management ✓ ALIGNED</p> <p>Disclose how the organization identifies, assesses, and manages climate-related risks</p>	<p>a) Describe the organization's processes for identifying and assessing climate-related risks.</p> <p>b) Describe the organization's processes for managing climate-related risks.</p> <p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	<p>Processes for identifying and assessing climate-related risks, Section 3.1 (p. 25)</p> <p>Processes for managing climate-related risks, Section 3.2 (p. 27)</p> <p>Processes for identifying and assessing climate-related risks, Section 3.1 (p. 25)</p>
<p>Metrics and targets ✓ ALIGNED</p> <p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</p>	<p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p> <p>c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>Metrics to assess climate-related risks and opportunities, Section 4.1 (p. 30)</p> <p>Emissions targets and performance, Section 4.2, GHG emissions (p. 30)</p> <p>Emissions targets and performance, Section 4.2, Bell's GHG emissions reduction targets (p. 30)</p>

Company overview

BCE is Canada's largest communications company, providing residential, business and wholesale customers with a wide range of solutions 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). Our results are reported in three segments: Bell Wireless, Bell Wireline and Bell Media. We are headquartered in Montréal, Québec, Canada.



See our [Annual Report](#) (p. 35) for information on Bell Wireless brands

See our [Annual Report](#) (p. 36) for information on Bell Wireline brands

See our [Annual Report](#) (p. 37) for information on Bell Media brands

Our Corporate Responsibility approach supports our goal to advance how Canadians connect with each other and the world

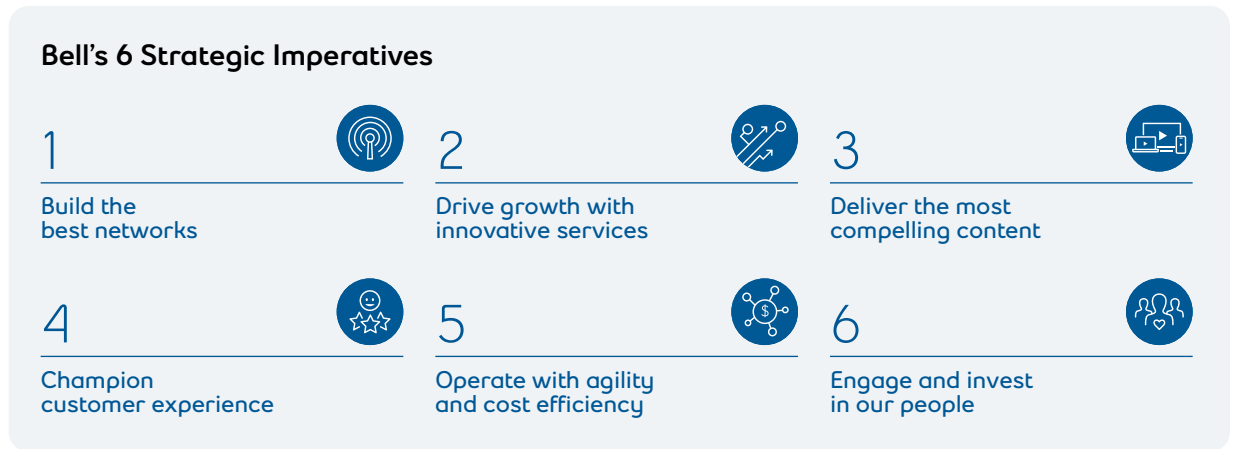
The communications industry is the foundation of societal and economic information sharing and commerce. As the Canadian leader in this ever more important, growing, and evolving industry, Bell is an important provider of the infrastructure essential to enable world-class quality and accessible services for all Canadians. As such, we believe we have a responsibility to manage key corporate responsibility issues strategically. Our approach to corporate responsibility balances economic growth, social responsibility, and environmental performance as we pursue our ongoing success as a company and seek to ensure our continued ability to contribute to the Canadian economy. Corporate responsibility is a fundamental element of each of the 6 Strategic Imperatives that inform Bell's policies, decisions, and actions. We insist on this approach, not just because it is the right thing to do, but also because it makes us a better company and supports our goal of advancing how Canadians connect with each other and the world.

Bell wishes to remain an environmental, social and governance (ESG) leader by setting ambitious targets and monitoring our ESG metrics, some of which are also included on page 47 of [BCE's 2020 annual Management Discussion and Analysis \(MD&A\)](#). This year also marked the achievement of important milestones in our ESG journey, namely setting our target to achieve carbon neutral operations in 2025, committing to set a science-based target through the Science Based Targets initiative, our objective of \$155 million in funding for the Bell Let's Talk campaign in 2025, and becoming the first North American communications company to achieve ISO 50001 certification for our energy management system.

Focused on our goal of advancing how Canadians connect with each other and the world, Bell provides millions of Canadian consumers and businesses with leading communications networks, services and media content, creates value for shareholders, provides meaningful careers to people nationwide, and makes a significant overall contribution to Canada's social and economic prosperity.

Climate change and Bell's Strategic Imperatives

Corporate responsibility is a fundamental element of each of our 6 Strategic Imperatives.



With the evolution of climate-related risk likelihood and impact, as seen in the findings presented in the [Global Risks Report of the World Economic Forum \(WEF\)](#), we understand that a changing climate can lead to increased risks for any business – including financial, operational and reputational risks. The 2021 Global Risks Report indicates that the evolving risk landscape now includes environmental risks such as extreme weather, climate action failure, human environmental damage, biodiversity loss and natural resource crises as the top global risks. These risks have the potential to cause devastating impacts on the world as we know it as well as impacts to public health and supply chains.






Bell is actively participating in fighting climate change by reducing the release of greenhouse gas (GHG) emissions that are warming our planet. To demonstrate that we are taking this initiative seriously we rigorously monitor our carbon footprint, report our GHG emissions and establish increasingly ambitious GHG emissions reduction targets.

We also believe that we have an important role to play in providing our customers with technologies that help them address climate change and adapt to related impacts on their businesses. Many studies have demonstrated that the use of our products and services helps in curtailing GHG emitted by our clients and our own operations.

Climate change risks and opportunities across our 6 Strategic Imperatives

Our 6 Strategic Imperatives

How we can address climate risk and opportunity

 1 Build the best networks	→	Take proactive actions to avoid impact from extreme climate events that may threaten our network infrastructure
 2 Drive growth with innovative services	→	Develop new innovative services and invest in new technologies to reduce our customers GHG emissions
 3 Deliver the most compelling content	→	Raise awareness on climate change through our media channels
 4 Champion customer experience	→	Adapt to extreme climate events that may affect our ability to offer a positive & reliable customer experience and support our customers becoming more resilient
 5 Operate with agility and cost efficiency	→	Monitor the increased financial impacts from climate change on our cost efficiency
 6 Engage and invest in our people	→	Take a leadership role to fight climate change to help attract top talent and increase employee's engagement

While climate change has the potential of negatively impacting businesses across all sectors, for Bell, there are opportunities to evolve our business by developing and providing innovative services that contribute to reducing greenhouse gas emissions while engaging our team members and providing multiple societal benefits.

Here are a few examples of climate change related risks and opportunities:

- When we think of building the best networks (#1) and championing customer experience (#4), we must factor in various climate risks, including the eventuality that natural disasters occur, as they have the potential of hindering our ability to provide uninterrupted service to our customers if damage to our infrastructure occurs.
- As for the strategic imperative of driving growth with innovative services (#2), we see opportunities to develop innovative services and invest in new technologies, such as IoT and 5G, in order to reduce global GHG emissions.
- In terms of operating with agility and cost efficiency (#5), climate change is a catalyst to drive our internal efforts to reduce our energy consumption and shift towards the use of more renewable energy as we aim for greater cost efficiency.
- With our media reach through multiple platforms, we believe that we have an opportunity to lead by example and also increase awareness across the Canadian population on the topic of climate change (#3).
- Lastly, our objective to remain an ESG leader and to publicly communicate our climate-related performance and targets resonates with our employees who want to work for a company that is actively contributing to fighting climate change, as well as contributing positively to the society in which they live, thus helping us in our objective to continuously engage and invest in our employees (#6).

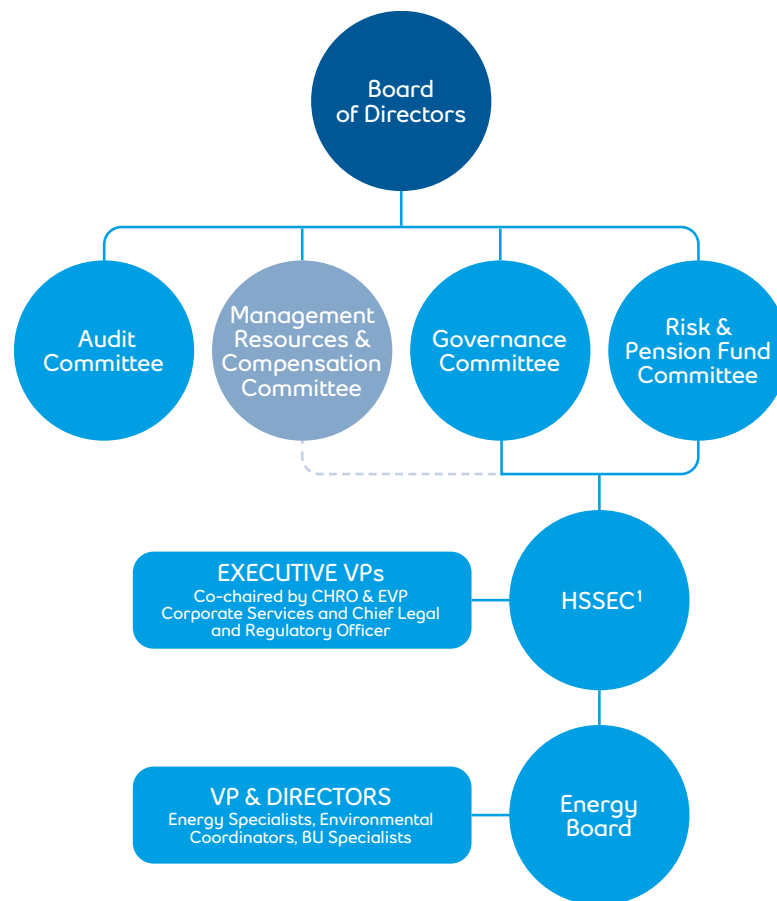
CLIMATE-RELATED RISKS AND OPPORTUNITIES DISCLOSURE ALIGNED WITH TCFD RECOMMENDATIONS

1. Governance

TCFD recommendation: *Disclose the organization's governance around climate-related risks and opportunities*

✓ ALIGNED

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



¹ Health, Safety, Security, Environment and Compliance Oversight Committee

1.1 Board committee oversight

The Board has established clear lines of authority and oversight over our climate change related matters, with primary accountability at the committee level.

Risk and Pension Fund Committee (RPFC)

The [Risk and Pension Fund Committee](#) assists the Board in its oversight responsibilities related to our enterprise risk governance framework and the policies, procedures and controls management uses to evaluate and manage key risks to which the company is exposed.

Within its duties and responsibilities related to risk oversight, the RPFC reviews, monitors, reports and, where appropriate, provides recommendations to the Board on the company's exposure to key risks that may result in significant operational, financial, legal or reputational impacts, except risks that remain under the primary responsibility of another committee of the Board.

Environmental risks and business continuity risks, including those related to climate change, and trends are under the RPFC's responsibility. The committee receives quarterly environmental reports from management and conducts a detailed review of Bell's environmental programs.

Corporate Governance Committee (Governance Committee)

The [Corporate Governance Committee](#) assists the Board in developing and implementing BCE's corporate governance guidelines, determining the composition of the Board and its committees, overseeing the company's policies concerning business conduct, ethics, public disclosure of material information and other matters, and annually reviewing our ESG strategy and disclosure, including regarding climate change.

Audit Committee

The [Audit Committee](#) is responsible for overseeing financial reporting and disclosure, as well as the organization's internal control systems and compliance with legal requirements.

1.2 Management leadership

While the Board is responsible for BCE's risk oversight program, management has established a governance framework through the HSSEC and the Energy Board which supports the Board mandate to oversee health and safety, security, environmental and compliance risks, and to ensure they are addressed through efficient programs implemented within the various business units.

Health, Safety, Security, Environment and Compliance Oversight Committee (HSSEC Committee)

The HSSEC Committee is mandated by the Risk and Pension Fund Committee to oversee health and safety, security, environmental and compliance risks, and to ensure they are addressed through efficient programs implemented within the various business units. The HSSEC Committee is co-chaired by the Chief Human Resources Officer (CHRO) & Executive Vice President (EVP), Corporate Services and the Chief Legal & Regulatory Officer (CLRO), and its members include a significant number of Bell's most senior leaders including the Chief Financial Officer (CFO), Chief Information Officer (CIO), Chief Technology Officer (CTO) and Group President, Customer Experience.

This cross-functional committee seeks to ensure that relevant risks are adequately recognized, and mitigation activities are well integrated and aligned across the organization and are supported with sufficient resources. The HSSEC Committee also looks to maximize business opportunities and to ensure that these opportunities are integrated and aligned across all parts of our business. More specifically the HSSEC Committee is required to:

- Review our Corporate Responsibility (CR) vision and guiding principles, including our climate change strategy, based on recommendations from the Corporate Responsibility & Environment (CR&E) team and recommend it for approval by the Governance Committee of the Board
- Assess emerging CR issues and trends, such as climate change, and provide recommendations on appropriate positioning for Bell
- Review and approve Bell's Environmental Policy as well as CR objectives and monitor their progress and achievement on an annual basis
- Approve operational strategies & objectives to address specific environmental issues, which include climate change, and review the results from our climate scenario analysis exercise and monitor the progress of implementation of climate change mitigation measures
- Report to the Risk and Pension Fund Committee any incidents or material issues in complying with Bell's Environmental Policy

Energy Board

The Energy Board is a senior management-level committee mandated by the HSSEC Committee to ensure oversight of Bell's overall energy consumption and costs with the intent of minimizing financial and reputational risks while maximizing business opportunities. This committee is chaired by the Vice President, Corporate Security and Responsibility, and its members include business unit vice presidents, directors, managers and specialists.

The Energy Board was created in 2008 to continually improve our energy performance. This committee explores and oversees the implementation of technologies to improve energy efficiency within our facilities (buildings, network, and information technology (IT) infrastructure), our vehicle fleet, and our business travel. Its key tasks include:

- Monitor BCE's energy consumption & costs on a periodic basis
- Establish the methodology to anticipate future variations in energy consumption & costs
- Set energy reduction targets & monitor progress made to achieve them
- Identify opportunities to reduce energy costs, support implementation of energy-saving initiatives & recommend appropriate policy changes
- Recommend the development of awareness campaigns to engage employees in becoming more "energy smart"
- Seek to ensure that BCE's energy efficiency performance is periodically monitored & reported in an integrated manner to the RPF, the Board and to external stakeholders

The Energy Board supports the implementation of Bell's climate change strategy, including achievement of our carbon footprint reduction target.

Engagement

The CHRO and EVP Corporate Services has direct oversight of the CR&E team, which is accountable for corporate responsibility initiatives. The CHRO & EVP Corporate Services and the Chief Legal Officer & Regulatory Officer (CLRO), who both co-chair the HSSEC Committee, have 30% of their variable pay tied to personal objectives that cover a variety of ESG topics. These include corporate governance and ethics, as well as key performance metrics such as community investment, greenhouse gas emissions reduction, ISO recertification, team member engagement, safety accident frequency rate, and waste management.

In 2020, the Management Resources and Compensation Committee (MRCC) of the Board introduced a metric to track corporate performance against our ESG targets, which includes our GHG emissions reduction target. This target along with several other performance metrics are used to calculate the Annual Incentive Pay (Bonus) that is paid out to Bell's team members on an annual basis.

Finally, the CR&E team's mandate is to ensure our CR strategy is well integrated throughout the business in order to minimize risks and optimize business opportunities. The CR&E team members have most of the variable portion of their compensation tied to environmental goals.

In 2020, we became the first North American communications company to achieve ISO 50001 certification for energy management and created new roles to support energy management. We now count more than 7 energy specialists within the organization.

In order to accomplish our objectives, we proactively monitor global trends and stay at the forefront of best practices by applying a systematic management system approach. In 2009, we became the first Canadian telecommunication company to have such a system certified ISO 14001. Through the application of this corporate environmental management system (EMS), more than 50 individuals have direct responsibility for corporate responsibility issues related to our business imperatives across the company.

All employees from the business unit VPs, through to business unit Environmental Coordinators (ECs), are responsible for the performance of our corporate responsibility portfolios. Please see [Our purpose and corporate responsibility approach](#) for more details.

2. Strategy

TCFD recommendation: *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.*

✓ **ALIGNED**

Bell takes the risks brought about by climate change very seriously. We also recognize that climate change could also bring opportunities for our business, such as higher demand for our products and services contributing to a cleaner economy, and enhance the brand value and reputation.

We have completed our climate scenario analysis with the help of a third party and we have identified the following issues that could impact Bell along with their potential financial impact on our business:

Transition risks		Potential financial impact
	Regulation <ul style="list-style-type: none"> Carbon pricing regulations 	<ul style="list-style-type: none"> Increased operational costs due to rising price of energy
	Technology <ul style="list-style-type: none"> End-of-life treatment of our technologies 	<ul style="list-style-type: none"> Increased operational costs due to increase in e-waste treatment programs and management systems
	Market <ul style="list-style-type: none"> Shifting supply and demand for energy 	<ul style="list-style-type: none"> Increased operational costs due to rising price of energy
	Reputation <ul style="list-style-type: none"> Public perception on accountability and managing climate-related issues Climate-related disclosures and ESG rankings 	<ul style="list-style-type: none"> Decreased demand for our products and services due to not effectively managing or reducing our climate-related impacts Increased cost of capital due to degrading ESG rankings and score in our disclosures
Physical risks		Potential financial impact
	Acute <p>Increased severity & frequency of extreme weather events (flooding, ice storms, wildfires, and extreme temperatures)</p>	<ul style="list-style-type: none"> Increased operating costs from maintenance & repairs, labour, heating and cooling, and equipment damage Asset impairment leading to service disruption causing a decrease in revenues Increased insurance premiums or reduced insurability in high risk areas
	Chronic <ul style="list-style-type: none"> Rising mean temperatures 	<ul style="list-style-type: none"> Increased operating costs due to extended cooling requirements in our buildings Increased investment requirements in new resilient technology and construction

Products & Services – Opportunities



- Development and increased growth of our digital products and services

Potential financial impact

- Increased revenues resulting from increased demand for our digital products and services that help our customers reduce their carbon footprint
- Increased revenues resulting from increased need to use resiliency and adaptation services by our customers, due to an increase in frequency and severity of extreme weather events

Reputation – Opportunities



- Enhanced public perception on accountability and managing climate-related issues
- Climate-related disclosures and ESG rankings

Potential financial impact

- Increased demand for our products and services due to effectively managing or reducing our climate-related impacts and leadership on climate-related issues
- Decreased cost of capital due to improving ESG rankings and score in our disclosures

2.1 Climate-related risks

We recognize that climate change poses potential risks to our business, our customers, and the communities in which we operate in. In alignment with the TCFD recommendations, we categorize climate-related risks into transition and physical risks.

Transition risks are associated with a transition to a lower-carbon economy, which may include extensive policy, legal, technology, and market changes 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 7 main risks, which fall under the transition and physical risk categories identified by the TCFD.

Transition risks



Regulation (Carbon pricing)

In Canada, the carbon footprint of certain organizations is subject to carbon pricing schemes. Although Bell is not directly targeted by current regulations, energy producers subject to carbon pricing are expected to transfer the carbon cost to their customers. This is expected to affect our operating costs by increasing the price of energy in all provinces across Canada since all provinces will be subject to a carbon pricing schemes.



Market

The transition to a low-carbon economy is likely to cause a shift in supply and demand for energy, whereby energy supply could decrease and lead to rising energy prices, which would increase our operational costs. In addition, carbon pricing schemes in Canada are expected to exacerbate this situation through the transfer of carbon price costs to consumers, resulting in a further increase in our operational costs.



Technology

The environmental impacts (including the GHG emissions) for the use and end-of-life treatment of our technologies is expected to increase as the technology of our products (e.g., devices becoming smarter) become more sophisticated and consume more energy. In addition, our customers are increasingly upgrading their devices more frequently leading to an increase in the stream of e-waste. Bell recognizes the role we have to play in managing and minimizing this e-waste and, as a result, we expect an increase in operational costs related to the recovery, treatment, and disposal of this e-waste.



Reputation (Customer Perception)

As climate change becomes increasingly a concern for our customers, there is enhanced public perception on the accountability and management of climate-related risks. Our operations, service performance, reputation, and overall business continuity are largely dependent on how we manage our physical and non-physical assets and how well we protect them from climate change. Climate change impacts could disrupt our operations, which in turn could have an adverse effect on our ability to provide key communications services, thus jeopardizing customer satisfaction and damaging our overall reputation. Ultimately, there is a risk of not demonstrating Bell's proactive behaviour towards climate change, which could affect our ability to acquire or retain customers.



Reputation (ESG Rankings)

Investors use ESG ratings and ranking agencies to influence their investment decision-making process. More specifically, our ESG performance is largely influenced by our climate-related disclosures and our ability to meet our climate-related targets and objectives. If we do not continue to disclose our climate change performance or should our ESG rankings degrade over time, there is a risk that investors will see this as unfavourable, which could affect our ability to efficiently access 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 (such as flooding, ice storms, wildfires, and other extreme climate-related events). These could have a destructive impact on our telecommunications network infrastructure, which could affect our ability to deliver communications services that are critical to society and our customers. This could jeopardize customer satisfaction and may result in increased expenditures to repair our network.



Chronic Impacts (Rising mean temperatures)

Anthropogenic global warming has already reached about 1.0 °C above pre-industrial levels, and is expected to reach 1.5 °C between 2030 and 2052 if the trend continues. In Canada, average temperatures have been increasing – and are expected to keep rising – at twice the global warming rate. If average temperatures where Bell is operating are warmer year over year, there will be an increasing need for cooling capacity in our facilities, thus increasing our energy consumption and associated costs. Furthermore, in order to remain resilient to these increasing temperatures, we would need to increase our investments in our infrastructure, which would lead to increased operational costs.

2.2 Climate-related opportunities

The effects of climate change can also create opportunities in the communications industry. For the purpose of disclosures recommended by the TCFD, we have focused on two main opportunities related to climate change that present advantages for Bell, which fall under the products and services and reputation categories identified by the TCFD.

Products and Services – Technologies



Helping Canadians fight climate change

Business customers are increasingly aiming to reduce their carbon footprint. In particular, customers targeted by carbon pricing schemes are expected to seek products and services that will enable them to cut GHG emissions, thereby assisting them in meeting their emissions caps (under cap and trade schemes) and reducing their expenses related to carbon pricing.

Offering services that enable Canadians to reduce their carbon footprint could generate additional revenues for Bell by increasing the number of potential customers seeking our technologies, and by expanding the range of products and services potentially purchased by current customers.

To learn more about how the use of communication technologies contributes to reducing carbon emissions of our customers and our own operations, see section *Using Bell's products and services helps address climate change* in the Customers section of our [2020 Purpose and Corporate responsibility report](#) (p. 42).



Helping Canadians adapt to climate change impacts

The increased frequency and severity of extreme weather conditions resulting from climate change could present an increased demand for our products and services, as their use helps our customers adapt to such climate change impacts by improving their businesses' resiliency. Our technologies improve business continuity, for example, by providing access to information systems in the event of a natural disaster or other extreme weather event preventing our clients from physically accessing their offices or being able to perform business travel. In parallel, during the COVID-19 pandemic, demand for our products and services drastically increased to support our customers in their working from home transition and benefitted society by reducing the risks of increased transmission of the virus.

Teleworking and teleconferencing solutions allow our clients to work from anywhere and to minimize their need for business travels. In addition, technologies like IoT solutions help businesses reduce their risk exposure by ensuring continued delivery of key communication services. Bell's robust business continuity plans seek to ensure the reliability of these technologies (for more information, see the [Risk management](#) section below).

For more examples of such technologies, see section *Using Bell's products and services helps address climate change impacts* in the Customers section of our [2020 Purpose and Corporate responsibility report](#) (p. 42).

Reputation



Customer Perception

Consumers' desire to purchase products and services is directly related to their perception on whether a company is demonstrating their commitment to sustainability, including managing and mitigating climate change, and adapting to its consequences. Bell's award-winning leadership on managing its environmental footprint thus presents an opportunity to differentiate itself. This competitive advantage could increase the demand for our products and services, and positively impact company value by improving our brand value and reputation. We continuously seek to expand our business in a responsible and sustainable way and have taken concrete actions in support of this objective. For example, every year we set energy reduction objectives that support our carbon footprint reduction targets. Please see the [Metrics & Targets](#) section below for more information on our carbon reduction objectives and targets, including key performance metrics we track to measure our progress.



ESG Rankings

As mentioned above, investors are increasingly using ESG ratings and ranking agencies to influence their investment decision-making process. There is an opportunity for Bell to continue to disclose and improve reporting on its climate-related risks, opportunities, and performance. Transparent disclosure and strong climate-related performance could contribute to enhancing our ESG ratings, which could decrease our cost of capital. This TCFD Report along with our other climate-related disclosures represent our continued focus on transparently reporting on our climate change initiatives and performance. More recently, Bell has disclosed its carbon footprint and reduction targets in its [2020 annual MD&A](#) for the first time. Specifically, we disclosed our objective to achieve carbon neutral operations starting in 2025, with an interim 2021 target to reduce the ratio of operational GHG emissions to our network usage by 40% from 2019 levels.

2.3 Climate Scenario Analysis

In 2020, we initiated our first climate scenario analysis exercise in order to identify the potential financial impacts from relevant climate-related risks and opportunities to ultimately enhance our resilience to climate-related risks and influence our strategic planning. Bell engaged external experts to lead a qualitative and quantitative climate scenario analysis by studying a number of future emissions pathway scenarios.

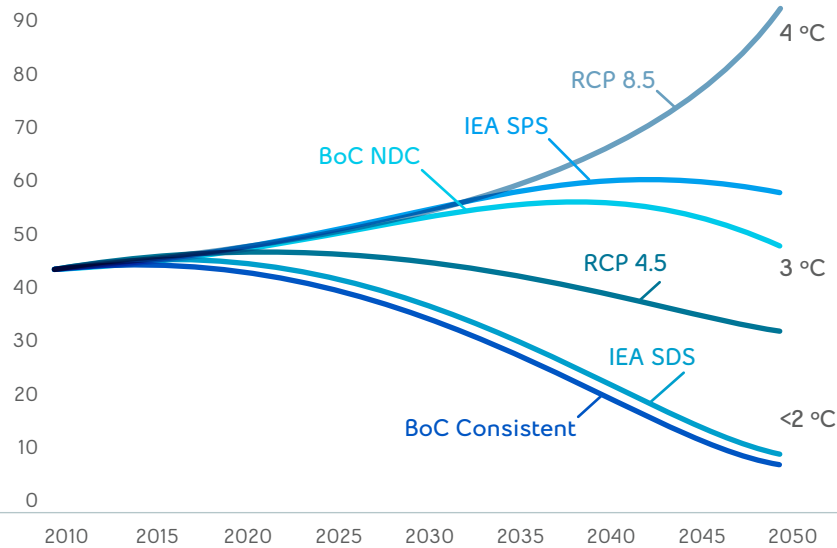
The analysis took into consideration a low and high temperature warming scenario for both physical and transition risks over a short (5-year), medium (10-year), and long (20-year) term time horizon. A total of six distinct scenarios were selected (see graphic below).

Please see the table below for a detailed summary of each of the scenarios used in our analysis.



Physical and transition risk climate scenario pathways

Gigatons of carbon dioxide equivalents



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 greenhouse gas 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 degrees or less by 2100
		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
	High	IEA	SPS		The Stated Policies Scenario 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	Consistent		Countries act to limit global warming to 2 °C 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 impacts across all of the geographies in which we operate for both acute and chronic impacts. The Representative Concentration Pathway (RCP) 4.5 (low warming scenario) and 8.5 (high warming scenario) were used to analyze the impacts from flooding, wildfire, ice storm, and extreme temperature. The likelihood of each emissions scenario occurring is highly dependent on how much global effort is taken to progress towards a low-carbon economy. Although some progress has been made, current estimates of GHG emissions are in line with the RCP 8.5 pathway.

Transition risk climate-related scenarios

Regulation risk

We used two scenarios developed by the International Energy Agency's (IEA) 2019 World Energy Outlook (WEO) publication: the Sustainable Development Scenario (SDS) and the Stated Policies Scenario (SPS). The SDS represents a pathway for the globe to hold the rise of global temperatures within 1.8 °C by 2100 while achieving the United Nations Sustainable Development Goals (UN SDGs). The SPS reflects the impact of existing policy frameworks and today's announced policy intentions. These include Nationally Determined Contributions (NDC) under the Paris Agreement. Both the SDS and the SPC 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 take into account a comprehensive analysis of 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 as much insight as possible in terms of our carbon pricing exposure.

Reputation risks







The reputational risks from customer perception and ESG rankings were only analyzed over the 20-year time horizon independently from the scenarios described above. As these risks are highly speculative in nature we did not link them to any climate-related scenarios and therefore, the results presented below are irrespective of any scenarios and their forecasted potential impacts are based on current customer perceptions of climate change, as well as current ESG reporting tendencies and investor expectations.

Scenario Analysis Insights

Our scenario analysis included a total of 7 climate-related risks, which we identified as having a potential financial impact on our business. For each of these risks, we tested a hypothesis to establish a theory of change and identify the climate-related events expected to result in financial impacts to Bell's costs, revenue, and assets (see below table for a description of our hypothesis tested for each risk). The high-level results from the climate scenario analysis are summarized below for each of the climate-related risks under the 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.

Risks	Hypothesis	Potential impact level	
		Low warming scenario Below 2 °C	High warming scenario 3.5 °C
 Flooding	Would the increase in the probability of a 1 in 100 year flooding event occurring have a financial impact?	●	●
 Wildfires	Would the increase in the probability of a 1 in 100 year wildfire event occurring have a financial impact?	●	●
 Ice storms	Would the increase in the probability of a 1 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?	●	●
 Regulation	Would tightening climate policies under various warming scenarios increase the cost of energy resulting in a significant financial impact?	●●	●●
 Reputation	How much would the company cost of capital decrease/increase if its ESG score decrease/increase?	●●	●●
	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?	●●	●●

The scenarios selected by Bell are not projections but are used to review the risks and opportunities related to climate change given possible future emissions scenario pathways. Therefore, the projected impacts discussed above merely represent possible impacts and used to inform our strategic planning process. Our intention is to continue this exercise in subsequent years and refine our analysis and approach to develop a more comprehensive understanding of the financial impacts from climate change and gain insight on the materiality level. This was our first attempt at a climate scenario analysis and the results of this analysis are still being integrated into our climate mitigation and resilience plans.

The results of the scenario analysis were provided to Bell's HSSEC Committee members, as well as the Corporate Governance Committee of the Board, and will also be presented to the RPFC Committee, to review the potential financial impacts from climate change and enable them to incorporate climate-related risks and opportunities into future decision-making and strategic planning.

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

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

The development of our GHG emission reduction targets, which are part of our Climate change program linked to [Bell's Environmental Policy](#), is an example of how issues related to climate change have influenced our strategy. Our climate change program enables corporate-wide engagement in actions that help us meet our GHG emission reduction targets.

We use the information the Energy Board collects to inform our approach to operational objectives. Teams responsible for value creation, communications, fleet, networks and buildings management collect information, which is then analyzed by members of the Energy Board to assess alignment with our strategy. Pertinent trend analyses and recommendations are then reported to the HSSEC Committee, the final arbiter of climate-related strategy at the operational level, which also oversees its implementation across all Bell's business units. Finally, the HSSEC Committee reports decisions and progress to the Board's RPFC.

Furthermore, we invest in research and development in technologies, products, and services that actively mitigate and enhance our resiliency to climate change. 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.

We have also focused our strategic planning on increasing investments in researching and developing new products and services that enable our customers to reduce their own GHG emissions. We are actively developing this particular business segment through investments in IoT technologies, smart cities and connected cars. As a result, we have conducted studies to better understand the carbon abatement potential of our products and services and we have increased our investment in research to analyze and quantify the environmental benefits of some of our products and services.

With the increase in carbon pricing regulations and the indirect impact it has on our operating costs, we have begun building our own internal carbon price system (financial monitoring system) to effectively account for the cost of carbon in our business operations. Our Corporate Responsibility and Environment (CR&E) team is actively working with our Finance team to integrate the carbon cost in our business case templates as a pilot project in an attempt to better understand how Bell can internalize the cost of carbon and influence our strategic planning process. The objective is to embed this internal carbon price system into all our business decisions and future investment considerations via the creation of an "Enviro by Design" program.

More recently, we have undertaken an assessment of our climate mitigation measures to understand how we can better integrate climate-related risks into all aspects of our business and risk management processes, including the enterprise risk management framework. One of these aspects includes our supply chain and the risk exposure to climate change of our suppliers. We are beginning to evaluate the impact of climate change on our supply chain with the goal of identifying high-risk suppliers and products we procure to then engage these suppliers and explore ways to mitigate these risks.

Finally, this first climate scenario analysis has already helped us internally socialize the potential financial risks from climate change and 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 enhance our risk management practices and our overall resiliency to climate change.

3. Risk management

TCFD recommendation: *Disclose how the organization identifies, assesses, and manages climate-related risks.*

✓ **ALIGNED**

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

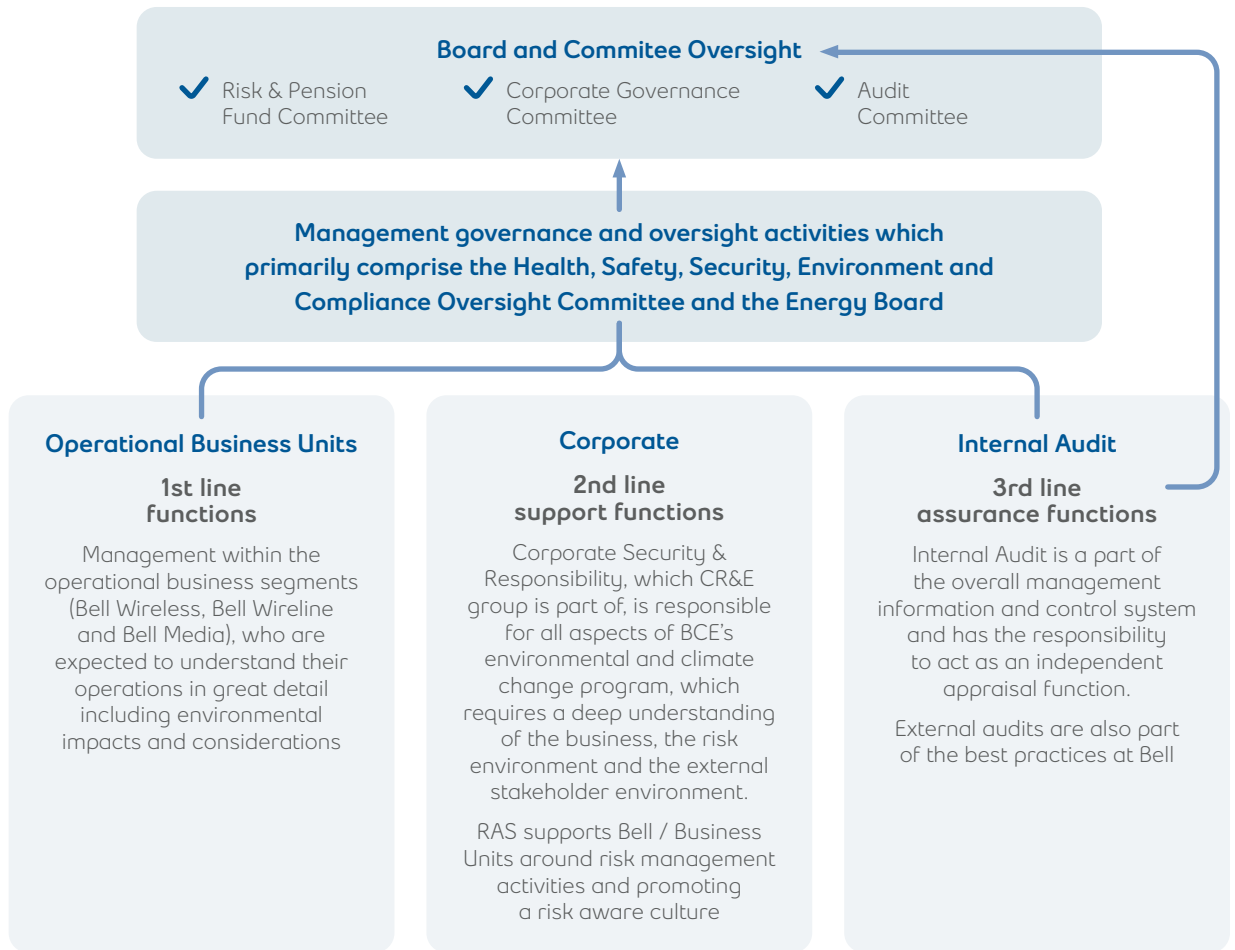
3.1 Processes for identifying and assessing climate-related risks

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, that provide independent expertise to reinforce the implementation of risk management approaches in collaboration with the operational business units. The Internal Audit function provides a further element of expertise and assurance, working to provide insight and support to the operational business units and corporate support functions, while also providing the Audit Committee, and other 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 to prevent the occurrence of events that could have a material adverse effect on our business, financial condition, liquidity, financial results or reputation.

Oversight of climate-related risks



Identification of climate-related risks

The Corporate Responsibility and Environment (CR&E) team monitors industry trends and publications, and consults with subject matter experts to understand potential risks, and to monitor current and future climate-related legislation, policies, and regulations that may impact our business. The CR&E team works collaboratively with Bell's Risk Advisory Services team to ensure that risks are appropriately documented and profiled within the organization and leverages experts throughout the year to expand their knowledge of relevant trends, issues and methods.

Assessment of climate related risks

Identified risks are assessed based on the potential nature, scale and scope of **impact** if the risk were to occur, and 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:

- Operational 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 business operations)
- Financial 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)
- Reputational risk (for example, shift in expectations from customers and investors).

Impact and likelihood are both assessed using traditional low, medium or high scales with risk exposure reflecting a combination of impact and likelihood where increased exposure is associated with risk scenarios which have a higher potential impact and higher likelihood of occurrence.

Assessments are conducted at different levels within the organizations and risks are profiled using a risk map based on the magnitude of their potential impact and likelihood of occurrence, with senior management involvement in both assessment and mitigation commensurate with the organization's potential risk exposure.

Reporting of climate related risks

Risk exposures for climate related risks are communicated by the CR&E team as part of standard management practices with regular oversight review at HSSEC meetings and quarterly at the RPFC. Reporting on climate related risk exposures is filtered based on magnitude of potential exposure to support appropriate focus of effort and engagement at different levels of management through to the Board level. A risk analysis report is generated and provided annually to the Board.

Assessing climate-related opportunities

In terms of climate-related opportunities, we seek to prioritize initiatives with the highest potential for carbon reduction either for the company or for our customers.

Opportunities are assessed based on a cost-benefit approach by the Energy Board. Findings are reported to the HSSEC Committee on a regular basis and, furthermore, evaluated for potential to benefit Bell.

3.2 Processes for managing climate-related risks

For the purpose of disclosures recommended by the TCFD, we have focused on the risks most relevant to the communications industry.

Carbon pricing

Bell has designed a strategy to address the energy efficiency of its operations, leading to ongoing energy reduction initiatives within 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 2 emissions activities in buildings, network, data centres and our vehicle fleet. Within our buildings, network, and data centres, we implement electricity savings initiatives such as:

- Modifying free cooling systems to reduce the need for mechanical cooling
- Implementing conversions to LED lighting
- Decommissioning or de-powering legacy equipment
- Consolidating, optimizing and virtualizing servers
- Implementing energy saving software features

In our fleet we continuously implement fossil fuel-saving initiatives such as:

- Replacing older vehicles with new, more fuel-efficient models
- Maintaining a corporate idling reduction policy
- Improving the monitoring of fuel fraud and abuse
- Evaluating new vehicles based on energy efficiency attributes tied to their use

For more information, see the [Energy and Greenhouse gas](#) information sheet on our website.

Reputation

In order to manage the reputational risk associated with climate-related impacts on our operations, we have developed business continuity plans and have a 24/7 emergency management team that continuously evolves its practices and works with operational teams such as our network, real estate and field service teams, to ensure that we maintain a state of readiness that permits us to respond proactively and efficiently to events that may disrupt our business. In addition, we also regularly report on our energy performance and GHG emissions including progress towards targets in our Annual Report, Purpose and Corporate Responsibility Report, and our Climate Change CDP submission. Our annual climate-related disclosures along with this newly developed TCFD Report, provide the required transparency to demonstrate to our stakeholders that we take climate change seriously and are proactively acting to mitigate our climate change impacts and risks.

Extreme weather events

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

Preparedness

Risks are addressed through assessments carried out in collaboration with our Network, IT, Real Estate, Field Services, Risk Advisory Services, and Business Continuity teams for our buildings, networks, and vehicle fleet. The buildings and systems are first prioritized by level of criticality. The Business Continuity team is charged with defining the criticality level of our infrastructure based on predetermined factors, including level of traffic passing through our network, number of employees on site, profile of customers served, revenues generated, single point of failure, value of assets, location of facilities in areas prone to extreme weather events, etc. We assess threats and vulnerability on an ongoing basis for critical sites to ensure 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 so doing, we maintain a state of readiness that seeks to permit us to respond proactively and efficiently to events that may disrupt our business.

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 in case of an extreme weather event affecting Bell's operations. The NIC is provided with all the pertinent information (gathered by Network, IT, Real Estate, Field Services, Risk Advisory Services and Business Continuity teams) to diligently assess emergency situations and execute contingency plans developed for such events. Moreover, our Corporate Security and Resiliency team has systems linked with Environment and Climate Change Canada and civil protection organizations in order to receive alerts about weather-related national events (such as flooding or storms), which allow us to prepare accordingly.

Rising mean temperatures

Managing the risk related to rising energy costs due to rising mean global temperatures requires a vision 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 of our facilities. Such systems send early warnings of critical temperature variations, which allow us to take action before damage occurs to our facilities.

In addition, Bell seeks to manage this risk by collaborating to develop new technologies, such as more efficient cooling alternatives, to seek to put us in a better position to respond to the rise in mean global temperatures. For example, Bell partnered with Carnot to conduct a pilot project in one of our data centres to test a CO₂ refrigeration technology. This test demonstrated that it is possible to maximize free cooling up to 10 °C, thereby reducing our operating costs for electricity consumption. We also seek to manage this risk by adding free cooling systems to reduce the need for mechanical cooling in our buildings and network equipments, and by consolidating, optimizing and virtualizing servers. Another example of the benefit of new technology is telecommunications equipment that is resistant to higher temperatures, which could reduce our cooling needs and costs. Another way to manage the effects of average temperature change is to favour LEED and BOMA BEST certified buildings in our real estate portfolio, which aim to consolidate and optimize the efficiency and cost-effectiveness of power and cooling. For more information on these certifications, see our [Sustainable real estate](#) information sheet on our website.

4. Metrics and targets

TCFD Recommendation: *Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.*

✓ ALIGNED

4.1 Metrics to assess climate-related risks and opportunities

Bell assesses climate-related risks and opportunities in line with its strategy and risk management processes. Our key metrics used to monitor our performance are:



Opportunity metrics: Carbon abatement by our customers

We track the GHG emissions avoided by our customers through the use of our products and services as a percentage of our own emissions. In 2020, this amounted to 250% of our own emissions.



Risk metrics: New climate-related risk performance metrics to be identified

We are working on identifying a new risk metric that will allow us to monitor our performance on managing our climate-related risks.

4.2 Emissions targets and performance

Bell takes its objective to control and reduce its GHG emissions seriously and tracks Scope 1, Scope 2 and Scope 3 GHG emissions across the company in order to manage performance against our goals and to monitor current and future climate-related risks.

GHG emissions (Tonnes of CO₂ equivalent, 2020, 2019)

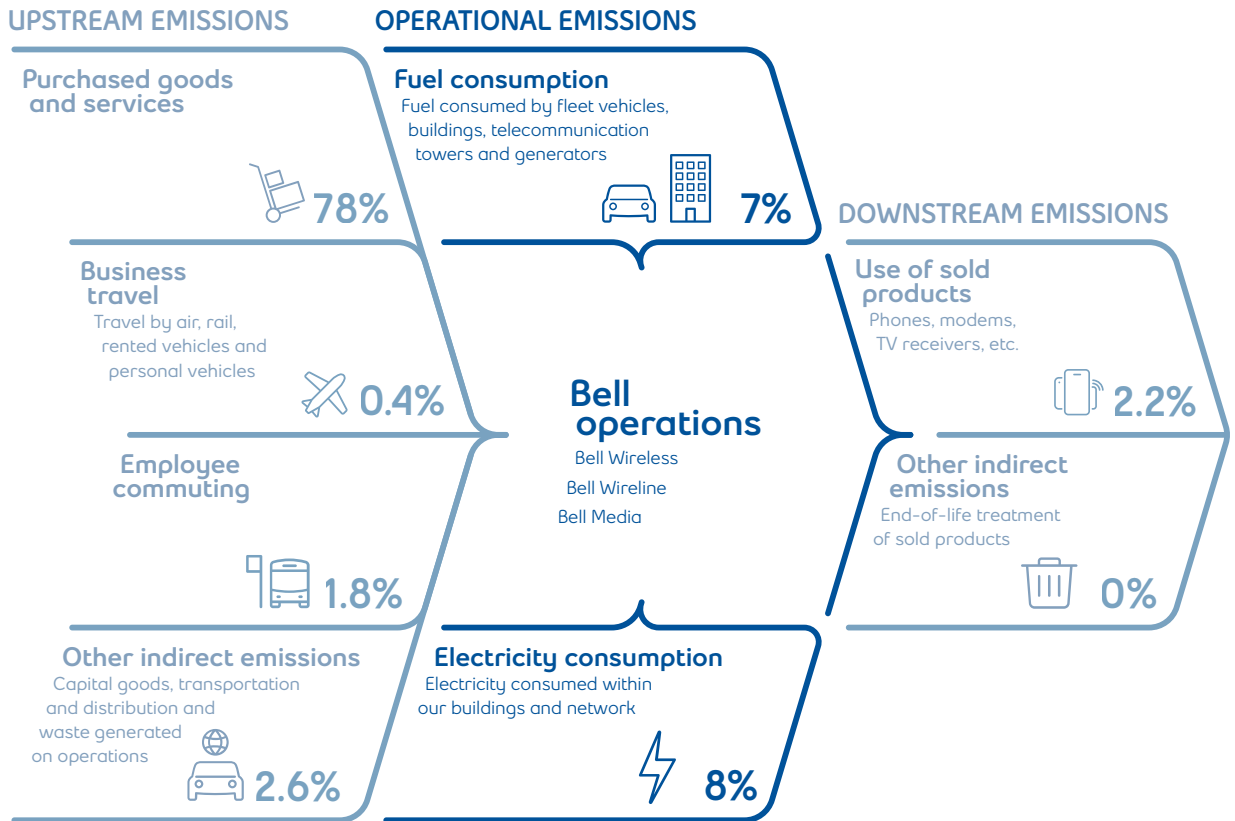
Emissions	Scope description ¹	2020	2019	Increase/decrease	
Operation	Scope 1	Direct GHG emissions from sources that are owned or controlled by Bell	142,996	148,889	-4.0%
	Scope 2	Indirect GHG emissions associated with the consumption of purchased electricity, heat, steam, and cooling	167,412	196,401	-14.8%
Indirect	Scope 3	Purchased goods and services, Capital goods, Upstream transport and distribution, Waste, Business travel, Employee commuting, Use of sold products	1,721,227	1,584,955	+8.6%
TOTAL		2,031,635	1,930,245	+5.3%	

The level of our operational emissions (Scope 1 and Scope 2 GHG emissions) is affected by Bell's vertical integration. For example, network installations and construction, which are often outsourced by other carriers, and our growth in broadcasting and media, all affect our operational emissions.

Our tracking also included our Scope 3 emissions pertaining to both upstream indirect emissions such as employee commuting, business travel, purchased goods and services and downstream indirect emissions such as the use of sold products by our clients. The breakdown below provides an overview of the various types of emissions from Bell's activities in 2020.

¹ Scopes 1, 2 and 3 (business travel only) data have been audited by a third party

Sources of all GHG emissions (%)



Bell's GHG emissions reduction targets

Bell is taking action to mitigate climate change. Our efforts start with energy consumption as we strive to both save energy and reduce associated greenhouse gas (GHG) emissions. Among other initiatives, we are increasing electricity efficiency at Bell's facilities, reducing the fuel consumption of our vehicles and boosting the use of renewable energy.

In addition, we set GHG emissions reduction targets to signal the importance of doing our part for climate change, ignite innovation in projects that might reduce emissions, and drive results that ensure we progress in the right direction.

We are also collaborating with partners, such as the Global e-Sustainability Initiative (GeSI), GSMA and the EXCEL partnership, to contribute to developing best practices in defining GHG emissions reductions targets.

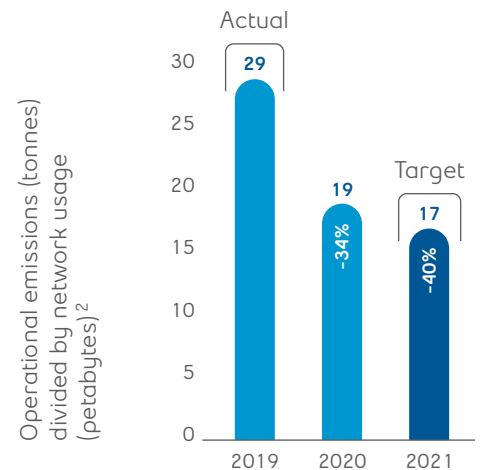
Here is a summary of Bell's GHG emission targets:

2021 GHG intensity reduction targets

In 2019, we surpassed our 2020 GHG emissions reduction target. While we work to set a new long-term target, we set an interim GHG reduction target to reduce the ratio of our operational GHG emissions (tonnes of CO₂ equivalent) to our network usage (petabytes) by 40% of our 2019 level by the end of 2021.¹

This intensity metric illustrates the footprint of our operations in a meaningful way, recognizing the carbon reduction-enabling capabilities of our products and services (see the Using Bell's products and services helps fight climate change section in our [2020 Purpose and Corporate responsibility report](#) (p. 42)).

Bell's 2021 GHG emissions reduction target



2025 Carbon neutral operations

In March 2021, we added a new target, which is to be carbon neutral for our operational emissions starting in 2025. To meet this target, we will continue implementing numerous mitigation measures that seek to reduce our electricity and fuel consumption. For the remaining GHG emissions that we cannot reduce, we will partner with a well-recognized organization to purchase credible carbon credits to offset emissions.

We are proud to build on Bell's strong record of environmental leadership by introducing the objective to achieve carbon neutral operations in 2025 across Canada's largest communications company.

Bell's goal is to advance how Canadians connect with each other and the world, a purpose enabled by consistent execution of the highest environmental, social and governance standards across the company's operations.

2030 and beyond Science-based GHG emissions reduction targets

Bell is committed to set science-based emissions reduction targets across all scopes³ and to reduce absolute operational and indirect GHG emissions by 2030 in line with a 1.5 °C emissions scenarios and the criteria and recommendations of the [Science Based Targets initiative](#)⁴ – aligning our climate mitigation targets with the most ambitious aim of the Paris Agreement and to what science dictates is necessary to reduce the destructive impacts of climate change on human society and nature. By pledging our commitment to SBTi and joining the Business Ambition for 1.5 °C campaign, we aim to contribute to halving global GHG emissions by 2030 and hitting global net-zero emissions by 2050.

¹ For 2019, performance is based on energy consumption and network usage data from October 1, 2018 to September 30, 2019. Starting in 2020, performance is based on energy consumption and network usage data from July 1 of the previous year to June 30 of the reporting year. Network usage includes residential and wholesale Internet, business Internet dedicated (BID), VPN, IPTV, Inter-Network Exchange (INX), prepaid and postpaid wireless services, Wireless Home Internet, Voice-over-LTE traffic, IoT, and enterprise usage, both in Canada and on international roaming partners' networks. As the methodology for gathering network usage differs from one carrier to another, and because a company's business model directly impacts the amount of GHG it emits and how those GHG emissions are calculated and classified (as noted in the Impact of the business model section of [Our purpose and corporate responsibility approach](#) on our website), the ratio itself cannot be used to directly compare carrier performance. This metric excludes our Bell MTS division.

² For 2019, performance is based on energy consumption and network usage data from October 1, 2018 to September 30, 2019. Starting in 2020, performance is based on energy consumption and network usage data from July 1 of the previous year to June 30 of the reporting year. Network usage includes residential and wholesale Internet, business Internet dedicated (BID), VPN, IPTV, Inter-Network Exchange (INX), prepaid and postpaid wireless services, Wireless Home Internet, Voice-over-LTE traffic, IoT, and enterprise usage, both in Canada and on international roaming partners' networks. Metric exclude our Bell MTS division. Science-based targets are greenhouse gas emissions reduction targets that are in line with the level of decarbonization required to meet the goals of the Paris Agreement – to limit global warming to well-below 2 °C above pre-industrial levels and pursue efforts to limit warming to 1.5 °C

³ Science-based targets are greenhouse gas emissions reduction targets that are in line with the level of decarbonization required to meet the goals of the Paris Agreement – to limit global warming to well-below 2 °C above pre-industrial levels and pursue efforts to limit warming to 1.5 °C

⁴ The Science Based Targets initiative (SBTi) is a collaboration between CDP, the United Nations Global Compact (UN Global Compact), World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) and is one of the We Mean Business Coalition commitments

Closing remarks

At Bell, we recognize that climate change presents both a fundamental global challenge and a challenge for ourselves, while presenting business opportunities to innovate and grow our business. We recognize that climate change poses potential risks to our business, our customers, and the communities in which we operate. Considering the importance of taking measures to fight climate change, we believe we have a role to play in being part of the solution through our own internal initiatives as well as via innovative solutions that we provide to our customers.

We are committed to deepening our understanding on the matter and to continuously develop new ways to be more resilient to the impacts of climate change. We will accelerate the implementation of initiatives and take advantage of global innovations in our industry that can help fight climate change, such as the rollout of IoT technologies and 5G network and services, said to provide greater energy efficiency and “enable up to 10 MtCO₂e equivalent reduction from Canadian wireless carriers between 2020 and 2030 compared to emissions without 5G.” ([CWTA](#)).
