Building connections

2024 INTEGRATED ANNUAL REPORT

BCE

Our purpose

Advancing how Canadians connect with each other and the world.

Table of contents

About this report

GRI 2-1

This is our third Integrated annual report (referred to as "the report" or "this report"). 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.

Our approach to integrated reporting

GRI 2-3

Since 1993, BCE has been publishing a corporate responsibility report detailing our performance in managing environmental, social and governance (ESG) issues. In 2022, for the first time, we presented both our financial and non-financial (also called ESG or sustainability) performance in an integrated annual report following the principles of the International Reporting Framework (the <IR> Framework), now part of the IFRS® Foundation. With this, we became the first major North American communications company to issue an integrated report.[1] For more information on our sustainability performance, visit BCE.ca/responsibility or contact us at esg@bell.ca.

Reporting structure and reporting period

GRI 2-3

This report is divided into three sections: the Strategic overview, the 2024 annual Management's discussion and analysis (BCE 2024 Annual MD&A) and the audited consolidated financial statements for the year ended December 31, 2024 (BCE 2024 Annual financial statements) of BCE Inc. All amounts in this report are in millions of Canadian dollars except where otherwise noted. This report is dated March 6, 2025.

— The Strategic overview on pages 7 à 63 of this Integrated annual report provides a summary of BCE's value creation model. This includes the strategy and performance highlights for the year ended December 31, 2024. There are topics with exceptions to this calendar-year timeframe. 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. Circular economy performance is based on data from October 1 of the previous year to September 30 of the reporting year. The Commission for Complaints for Telecom-television Services (CCTS) report is from August 1 of the previous year to July 31 of the reporting year.

— The Strategic overview has been prepared based on the principles set out in the <IR> Framework. We believe this approach provides a useful basis for disclosing how we seek to create sustained value for our stakeholders over time. Integral to the <IR> Framework are the six forms of "capital" (Our networks, Our customers and relationships, Our products and services, Our environment, Our people and Our financial resources) that serve as inputs to value creation. BCE introduces its capitals in our value creation model (page 23) and references them using icons throughout the Strategic overview and the BCE 2024 Annual MD&A to demonstrate how each capital links to our strategy, value creation and risk management.

— Pages 64 à 167 of this Integrated annual report present the BCE 2024 Annual MD&A, which comments on our business operations, performance, financial position and other matters for the years ended December 31, 2024 and December 31, 2023.

— Pages 170 à 223 of this Integrated annual report present the BCE 2024 Annual financial statements comprised of the consolidated statements of the financial positions of BCE Inc. and its subsidiaries as at December 31, 2024 and December 31, 2023, the related consolidated income statements, statements of comprehensive income, changes in financial position, equity, cash flows and the related notes.

Reporting criteria

GRI 2-6, 2-28

The sustainability information included in this Integrated annual report is intended to respond to our stakeholders' expectations regarding matters contained herein. We used established frameworks and standards to guide the development of the metrics and the information we disclose in this Integrated annual report. Among these, we employed the Global Reporting Initiative (GRI) Standards, which help identify pertinent issues and their impact on enterprise value, as well as society and the environment. As climate-related reporting evolves, we continue to monitor reporting against leading climate-related frameworks, including the standards of the International Sustainability Standards Board (ISSB) since the Task Force on Climate-related Finance Disclosures (TCFD) recommendations have now been integrated into the ISSB standards. Furthermore, we measure and report on select Sustainability Accounting Standards Board (SASB) and Sustainable Development Goals (SDGs) metrics. As a signatory to the United Nations Global Compact (UNGC) since 2006, we report our progress in the areas of human rights, labour, environment and anti-corruption. This report describes the actions we have taken to implement the UNGC guidelines and principles, and serves as our Communication on Progress (COP).

Throughout the Strategic overview, visual indicator tags for GRI and SASB have been integrated to allow stakeholders to identify where information relating to specific disclosure standards is presented. In addition, we have provided indices (GRI, SASB, UNGC and SDG) detailing how we respond to each standard, which are available in our ESG data summary. Some metrics disclosed in the Strategic overview do not specifically align with the named reporting standards, but rather have been developed internally by Bell to communicate the value created for stakeholders through our progress on a number of sustainability initiatives.

(1) As of March 2, 2023, Bell's review 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 publish an integrated annual report based on the Integrated Reporting <IR> Framework.

Format

This Integrated annual report is available online in English and French. The PDF file is accessible on a standard computer screen, and by most screen readers used by the visually impaired. The document is also mobile-friendly. We strive to make information relevant to our target audiences accessible in this report and via hyperlinks to additional documents available on our website. To receive this document in an alternative format, please send a request via the accessibility feedback form on BCE.ca.

Non-financial reporting boundaries GRI 2-2, 2-3, 2-6

The non-financial data for BCE contained in this report aligns to the same reporting entities as this report's financial statements, covering the BCE group of companies. However, we have completed a number of transactions in 2024, including acquisitions, dispositions, partnerships and investments, such as the acquisition of OUTFRONT Media Inc.'s Canadian out-of-home (OOH) media business, OUTEDGE Media Canada, as well as the acquisition of HGC Technologies Inc. (HGC Technologies), Stratejm Inc. (Stratejm) and CloudKettle Inc. (CloudKettle). Except for the employee count key performance indicator (KPI), the non-financial disclosures presented herein exclude impacts from acquisitions during the reporting period due to lack of data availability, unless otherwise noted.

Non-financial reporting data verification and assurance GRI 2-5

The content of the Strategic overview and all referenced web pages and complementary reports have been reviewed and approved by BCE employees at the vice president and director level, who are responsible for the accuracy and completeness of the non-financial information disclosed, in accordance with our Certification Procedures related to ESG Disclosures.

PricewaterhouseCoopers LLP (PwC) has performed a limited assurance engagement for select ESG metrics. The results are documented in PwC's limited assurance report available in the Responsibility section of the BCE.ca website.

Restated data GRI 2-4

Carbon abatement ratio

We have restated our 2020 carbon abatement ratio in order to account for improved data which became available in 2023 for two of our products, Cloud Services and Dematerialization Services. The Cloud Services adjustment reflects a more accurate virtual machine to physical server ratio, which is data that was previously more conservatively estimated. With respect to Dematerialization Services, in 2023 we incorporated a more accurate understanding of user profiles and their distribution within our Dematerialization Services (the Internet). Previous allocation of users in Dematerialization Services with different GHG avoidance potentials led to an overestimation of avoided emissions from these services. As a result of the foregoing adjustments, our 2020 carbon abatement ratio has decreased from 5.2 to 4.0.

2020 and 2023 GHG scope 3 emissions

We have restated 2020 and 2023 results for categories 7 – Employee commuting, 9 – Downstream transportation and distribution, 11 – Use of sold products and 12 – End-of-life treatment of sold products to account for more accurate data that has been obtained to calculate those categories. In addition, 2023 results for categories 1 – Purchased goods and services and 3 – Fuel and energy-related activities, have been recalculated to correct minor miscalculations. The impact of these restatements is an increase in our scope 3 emissions of 4% in 2020 and 9% in 2023.

Accordingly, we have also restated our 2020 base year and 2023 emissions for our science-based targets to reduce our scope 3 GHG emissions from all categories other than purchased goods and services. The impact of these restatements is an increase of 20% in 2020 base year and our updated result for 2023 progress is 42% instead of 26%. As part of the Science Based Target initiative (SBTi) guidelines, we will submit the new base year and any subsequent target change to the SBTi for approval in 2025.

Circular Economy – Waste to landfill

We have restated the 2023 results for the total waste sent to landfill KPI from 16% to 15% due to updated 2023 data provided by Groupe de Course Octane (GCO) and by the copper cable decommissioning program.

Revised targets GRI 2-4

Wireline expansion

In our 2023 Integrated annual report, we disclosed a target to expand our pure fibre footprint to 8.3 million locations by the end of 2025. As a direct result of the CRTC's rejection on February 3, 2025 of a Governor-in-Council request to reconsider its November 2023 decision that provided large carriers temporary wholesale tariffed access to Bell's FTTP network, we expect to reduce our capital expenditures by more than we anticipated for 2025. Consequently, our near-term fibre build target of 8.3 million locations by the end of 2025 will not be reached.

New metrics and targets

Circular Economy – Waste to landfill

Since our current waste reduction target was achieved in 2024, we've extended our waste reduction target to reach and maintain a 30% reduction in total waste sent to landfill by 2030, from a 2019 base year.

Definition, methodology and assumptions of key ESG metrics and targets GRI 3-3

5G network coverage

The percentage of the Canadian population covered by Bell's 5G wireless network (5G and 5G+) was calculated by dividing the number of people with access to Bell's 5G network by the total Canadian population reported by Statistics Canada (Census data, published in 2021). The number of people with access to Bell's 5G network was estimated using an industry benchmark model and Bell's network data related to November 2024. The KPI reflects the best estimate of network coverage as at December 31, 2024 on the basis that no significant additional 5G network was enabled after November 2024.

Fibre network coverage

This KPI represents the new locations that were connected with access to Bell's pure fibre wireline network. This KPI is calculated by summing the total number of locations nationally connected to the pure fibre network cumulatively as of December 31, 2024.

Network reliability

Bell's network reliability refers to our high-speed Fibre-to-the-Home (FTTH) Internet connection. FTTH refers to a type of broadband Internet connection technology that uses fibre-optic cables to transmit data. We calculate network reliability using the outage duration time of Bell's FTTH Internet connection, defined as service-affecting end time subtracted from service-affecting start time, and applying that duration to the number of customers impacted to achieve a yearly reliability rate.

Information security training

This is calculated as the percentage of team members that have a Bell email address, who were onboarded to the Be Cyber Savvy Information Security training and have completed the full training as of December 31, 2024.

Information security phishing

The phishing simulation report rate coordinated through Bell's phishing simulation platform was measured by Beauceron/Phisherman using the percentage of phishing simulations reported in 2024.

Community investment

This KPI is calculated in alignment with the LGB Model (formerly "London Benchmarking Group") and includes the following elements: cash donations, in-kind donations and program management costs, and includes initiatives related to the four key action pillars: anti-stigma, care and access, research, and workplace health. Cash donations are compiled from tax receipts received from not-for-profit organizations and third-party invoices for the purchase of goods and services. In-kind donations are non-cash contributions and represent the value of public service announcements through Bell Media. The value of these announcements is estimated as 75% of the retail price. Program management costs are related to the personnel and expenses dedicated to the execution of the initiatives.

Suppliers engagement

This KPI is calculated by obtaining the total amount spent with suppliers that have an approved science-based target or who are science-aligned, divided by the total amount spent with suppliers. The suppliers included in the calculation of this KPI are the top 800 suppliers by spend.

Circular economy – Waste to landfill

This is calculated as the variance percentage of waste sent to landfill between the reporting period and base year 2019.

Circular economy – Hazardous waste

This KPI is calculated as the percentage of hazardous waste recovered and diverted to certified recyclers in relation to the total quantity of hazardous materials generated. The hazardous materials that we recover include network batteries, residual material from our fleet services and material such as aerosols, oily containers, paint and fluorescent tubes.

Circular economy – eWaste recovery

This is the total number of TV receivers, modems, mobile phones and Wi-Fi pods Bell recovered in the reporting period.

Team member well-being

This KPI is calculated as the percentage of total current people leaders (having a minimum of one direct report) and senior leaders (director level and above) who have completed the Mental Health Core training (the first training course in the Workplace Mental Health Leadership certificate program).

Team member engagement

This KPI is the average score obtained in the 2024 team member satisfaction survey, which ran from September 10, 2024 to September 24, 2024, and which is based on four specific questions and the percentage of employees who responded favourably (Strongly agree or Agree) to these questions out of the total number of employees who responded to the survey. The questionnaire process is managed by a third-party vendor with experience in employee satisfaction surveys. The third-party designs the questionnaire and identifies the most pertinent questions for the calculation of the employee engagement score. We changed our methodology in 2024. It is now based on four specific questions, instead of five.

Time lost accident frequency rate

This KPI is the annual total number of lost time injuries in BCE's workplace per 200,000 hours worked. A lost work case is a case or injury which results in an employee being unfit for work on the next regularly scheduled day after the day of occurrence of the event. The cases and hours related to contractors are not included. This KPI has exception in business units included in the organizational boundaries. Business units included: Bell Canada, Bell Media, BTS and Expertech (excluding MTS).

Gender diversity on the Board of directors

The percentage of gender diverse directors on the Board of Directors of BCE Inc. is determined on a self-identification basis, over the total number of directors on the Board, as at December 31, 2024. Gender diverse directors are defined as directors who identify as women and directors who identify with a gender other than man or woman.

Gender diversity in executive positions

The percentage of gender diverse representation in executive positions is determined on a self-identification basis over the total number of staff in executive positions (vice-president and above). Gender diverse staff in executive positions are those who identify as women, or a gender other than man or woman.

Explanation of certain climate-related terms, metrics and targets GRI 2-6, 201-2, 302-5, 305-5

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 (CO_2), methane (CH_4) and nitrous oxide (N_2O), but there are other GHGs, such as sulphur hexafluoride (SF_6), hydrofluorocarbons (HFCs), and perfluorocarbons (PFCs). The commonly used unit to measure GHG emissions is tonnes of CO_2 equivalent (tCO_2e). To calculate GHG emissions in tCO_2e, the individual Global Warming Potential (GWP) of the GHG must be considered. Each GHG has different characteristics that give it a specific lifetime in the atmosphere and radiation absorption properties. The GWP accounts for these characteristics in the emission of a unit of each gas, and compares them to the emission of a unit of CO_2. The larger the GWP, the more a given gas warms the Earth compared to CO_2 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.

The following definitions, as well as our methodologies and assumptions used to evaluate our GHG emissions, are aligned with the GHG protocol.

Scope 1 GHG emissions

Scope 1 emissions are direct GHG emissions from sources that are controlled by Bell and are associated with fuel consumed by fleet vehicles, buildings, telecommunication towers and generators. To calculate our scope 1 emissions, we used the CO_2e emission factors from the Government of Canada's Greenhouse Gas Sources and Sinks in Canada, part of the National Inventory Report (NIR).

Scope 2 GHG emissions

Scope 2 emissions are indirect GHG emissions, and are associated with the consumption of purchased electricity, heating/cooling and steam required by Bell's activities. They can be calculated according to the following two accounting methodologies:

Scope 2 – location-based

The location-based GHG method relies on the average energy-generation emission factors for specific geographical regions, such as provinces or countries. This method uses emission factors that represent the average emissions intensity of the power grids supplying the energy consumed by Bell. The CO_2e emission factors are sourced from the Government of Canada's Greenhouse Gas Sources and Sinks in Canada, part of the NIR.

Scope 2 – market-based

The market-based GHG method is used when Bell acquires electricity bundled with contractual instruments, or purchases contractual instruments independently. The emission factors used in this method are specified within the contractual agreements with the applicable supplier. This approach is relevant for operations in markets that offer consumers the ability to select differentiated electricity products.

We use market-based GHG accounting to evaluate our GHG targets.

Operational emissions

The sum of scope 1 and 2 (market-based) emissions are sometimes collectively referred to in this report as "operational emissions."

Scope 3 GHG emissions

Scope 3 emissions cover all indirect emissions (not included in scope 2) that occur in our value chain, including both upstream and downstream emissions. GHG emissions from scope 3 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). The complexity of this data collection contributes to uncertainty in scope 3 emissions measurement. Scope 3 emissions represent the majority of BCE's GHG emissions and are excluded from our target of carbon neutral operations in 2025.

Scope 3 GHG emissions – Category 1 Purchased goods and services

Scope 3 emissions, category 1 Purchased goods and services data relates to the extraction, production, and transportation of goods and services purchased during the reporting year from suppliers providing mobility and TV consumer products, IT products and services, carrier services, marketing services, access network services, professional services, real estate services, field material, administrative services, etc. To obtain a reliable calculation, we extract the spend data for all suppliers for the reporting period. The top 100 suppliers in terms of spending are selected to convert to calculations of GHG emissions. The top 100 suppliers represent approximately 70% of the total spent. An extrapolation of the GHG emissions is conducted for the remaining 30%. Emissions (tonnes of CO_2e) are calculated by multiplying the spend amount for a type of good or service purchased by the relevant CO_2e emission factor. For the purchased goods and services category, among others, the CO_2e emission factors are sourced from the U.S. Environmental Protection Agency – U.S. Environmentally-Extended Input-Output (USEEIO) database 2018 and are converted to CAD and adjusted for inflation.

Scope 3 GHG emissions – Category 6 Business travel

Scope 3 emissions, category 6 Business travel relates to other indirect emissions associated with business travel for our employees, including travel by air, rail, rented vehicles and personal vehicles. The CO_2e emission factors are sourced from U.S. Environmental Protection Agency Center for Corporate Climate Leadership.

GHG emissions absolute variation from base year 2020

We present our GHG emissions absolute variation of the scope 1 and scope 2 (market-based) GHG emissions from a 2020 base year. This is calculated as the mathematical accuracy of the variation of the 2024 scope 1 and scope 2 (market-based) GHG emissions compared to the 2020 base year Scope 1 and 2 GHG emissions.

Carbon abatement ratio

Bell provides a number of technological solutions that enable our customers to reduce their GHG emissions by optimizing transport, energy use and asset operations. Audio, video and web conferencing, teleworking, cloud services, e-billing, energy management, fleet management and tank monitoring are some examples of such technological solutions. Since there is no official or standardized way to calculate the carbon abatement enabled by technology services, a combination of public studies has been leveraged to calculate the carbon abatement of our products and services. We have worked with Groupe AGECO, a third-party consultant with expertise in GHG emissions quantification, to reference existing Information and Communications Technology (ICT) industry methodologies from Global Enabling Sustainability Initiative GeSI, BT Group/Carbon Trust and AT&T to estimate the carbon reduction capacity of our products and services used by our customers. The calculation is based on assumptions that are dependent on customers' behaviour over which Bell has no control. 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 carbon reduction technology is not used, compared to the case where Bell's technological 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 provided by the solutions, but are included in our operational emissions. Only the benefits resulting from technologies deployed to our customers are considered – environmental benefits associated with solutions implemented within Bell's own operations are not included. An example of how the calculations were made is provided in the following table:

Business-as-usual scenario	Physical meeting in one room between two or more participants, including 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 application with a small group of people
Carbon abatement	GHG emissions avoided from business travel for a meeting through the use of Bell's web conferencing solution

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

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

Carbon neutrality

We will measure our carbon neutrality performance based on our operational GHG emissions (scope 1 and 2 emissions in tonnes of CO_2e) minus GHG emissions offset by carbon credits purchased (in tonnes of CO_2e). To be carbon neutral, the total must be equal to zero or lower.

To achieve our target to have carbon neutral operations in 2025, 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 2024, our scope 1 and 2 emissions represented 9% of our total carbon footprint. Our target for carbon neutral operations excludes our scope 3 emissions, which represented 91% of our carbon footprint in 2024.

Science-based targets

Science-based targets provide a clearly-defined pathway to reduce GHG emissions, for companies 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 SBTi brings together a team of experts to provide companies with independent assessment and validation of targets.

The SBTi approved our science-based targets in 2022, which are:

- Reduce our absolute operational GHG emissions (scope 1 and 2) by 58% by 2030, from a 2020 base year – in line with a 1.5°C trajectory (SBT1).
- Reach 64% of our suppliers by spend covering purchased goods and services with science-based targets by 2026 (SBT2).
- Reduce our absolute scope 3 GHG emissions from all categories other than purchased goods and services by 42% by 2030, from a 2020 base year (SBT3).[1]

Our science-based targets may be 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 organizational changes occur (i.e., business acquisitions/divestitures) or upon the restatement of GHG emissions.

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[2] any remaining emissions such that its net global GHG emissions balance to zero. As of March 2025, BCE does not have a net-zero target.

(1) Scope 3 categories covered by this target exclude indirect scope 3 GHG emissions from our purchased goods and services which represented 66% of our carbon footprint in 2024, 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.

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

Strategic overview

Caution regarding forward-looking statements

This Strategic overview contains forward-looking statements including, without limitation, statements relating to BCE's anticipated reductions in capital expenditures, BCE's network deployment plans, our objective to maintain investment-grade credit ratings for Bell Canada's senior debt, our goal to drive long-term value creation for BCE's shareholders, our ESG objectives and the benefits expected to result therefrom (which include, without limitation, our objectives concerning inclusion and belonging), customer service and satisfaction, energy savings, circular economy and waste reduction, community investment and partnerships, data privacy and information security, network coverage and reliability, team member well-being, engagement and development, corporate governance and ethical business conduct leadership, reductions in the level of our GHG emissions including, without limitation, our carbon neutrality (scope 1 and 2 only) target and our science-based targets and carbon abatement objectives), the expected impacts on our company of various climate-related events, business opportunities that could result from climate change, the proposed acquisition by Bell Canada of Northwest Fiber Holdco, LLC (doing business as Ziply Fiber (Ziply Fiber)), the expected timing and completion thereof, certain potential benefits expected to result from the proposed acquisition including the combined Bell Canada and Ziply Fiber target number of fibre locations to be reached by the end of 2028, Bell Canada's growth prospects and strategic positioning, Bell's goal to become a $1 billion tech services organization by 2030, Bell's goal to become the largest and most trusted managed security services provider in Canada, BCE's business outlook, objectives, plans and strategic priorities, and other statements that do not refer to 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 (U.S.) *Private Securities Litigation Reform Act of 1995*.

Unless otherwise indicated by us, forward-looking statements in this Strategic overview describe our expectations as at March 6, 2025 and, accordingly, are subject to change after that 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 readers against relying on any of these forward-looking statements. Forward-looking statements are presented in this Strategic overview for the purpose of assisting readers in understanding our objectives, strategic priorities and business outlook as well as 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 Strategic overview, which include, without limitation, the assumptions described in this cautionary statement as well as in the subsections of the BCE 2024 Annual MD&A entitled Assumptions, which subsections are incorporated by reference in this cautionary statement. Subject to various factors, we believe that our assumptions were reasonable at March 6, 2025. 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 Strategic overview, include, but are not limited to, the risks described in this Strategic overview as well as in section 9, *Business risks* of the BCE 2024 Annual MD&A, which section is incorporated by reference in this cautionary statement.

Forward-looking statements contained in this Strategic overview for periods beyond 2025 involve longer-term assumptions and estimates than forward-looking statements for 2025 and are consequently subject to greater uncertainty. They assume, unless otherwise indicated, that the relevant assumptions and risks described in the BCE 2024 Annual MD&A will remain substantially unchanged during such periods.

We caution readers that the risk factors described in the previously-mentioned section and in other sections of the BCE 2024 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 6, 2025. The financial impact of these transactions and special items can be complex and depends on 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 (RECs) to offset or reduce, as applicable, our GHG emissions

— The carbon offset will be permanent and will not be reversed, in whole or in part, prior to the date of our targets

— No significant increase in electricity grid emissions intensity over which we have no control

— Sufficient supplier engagement and collaboration in setting their own science-based 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

— Availability of sufficient funds to be allocated to the implementation of initiatives to reduce our electricity and fuel consumption

— No significant cost increase in solutions and initiatives identified to be implemented to achieve our targets

— No new corporate initiatives, business acquisitions, business divestitures or technologies that would materially change our anticipated levels of GHG emissions. In particular, our GHG emissions reduction targets assume that the previously announced pending acquisition of Ziply Fiber and pending dispositions of Northwestel Inc. (Northwestel) and our ownership stake in Maple Leaf Sports and Entertainment Ltd. (MLSE) will not 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

— 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 science-based target related to our scope 1 and 2 GHG emissions will require that we purchase a significant quantity of RECs. To achieve this science-based target, only RECs will be considered given that the SBTi standards do not permit carbon credits to be used for this target. Should a sufficient quantity of acceptable (according to the SBTi guidelines) RECs be unavailable, should their cost of acquisition be considered too onerous, should sufficient funds be unavailable or should laws, regulations, applicable standards, public perception or other factors limit the number of RECs 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.

Additionally, 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. Should a sufficient quantity of high-quality credible carbon credits be unavailable, should their cost of acquisition be considered too onerous, should sufficient funds be unavailable, should laws, regulations, applicable standards, public perception or other factors limit the number of carbon credits that we can purchase, should any purchased carbon credits be subject to reversal, in whole or in part or should the carbon offsets not materialize, the achievement of our carbon neutrality target could be negatively impacted.

Our scope 2 and 3 GHG emissions reduction targets depend on the emissions intensity originating from the electricity grid in the jurisdictions where we operate and over which we have no control. Should a significant increase in such emissions intensity be recorded in one or more jurisdictions where we conduct our operations, the achievement of our science-based targets related to our scope 2 and 3 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 business dispositions including the previously announced pending acquisition of Ziply Fiber and pending dispositions of Northwestel and our ownership stake in MLSE, 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.

Who we are GRI 2-6

Purpose and strategic imperatives

Bell's purpose is to advance how Canadians connect with each other and the world.

As Canada's largest communications company,[1] we strive to create better customer experiences and make a positive difference for all Bell stakeholders. We are proud to provide a wide range of reliable and innovative communications and digital solutions that intersect with our customers' daily lives – all powered by our world-class pure fibre and wireless networks.

By increasing the capacity and resiliency of our networks, while streamlining and modernizing our operations, Bell is delivering next-generation, future-ready communications technology and enterprise tech services, keeping Canadian consumers and businesses connected, informed, and entertained while enabling businesses to compete on the world stage.

By working together, we are striving to build a more sustainable future for our common benefit, guided by our six strategic imperatives.

Strategic imperatives

Build the best networks

Continuing to enhance our key competitive advantage with a focus on delivering leading broadband fibre and wireless networks in locations large and small.

Drive growth with innovative services

Leveraging our leading network technologies to provide truly differentiated communications services to Canadians and drive revenue growth.

Deliver the most compelling content

Taking a unified approach across our media and distribution assets to deliver the content Canadians want the most.

Champion customer experience

Making it easier for customers to do business with Bell at every step, from sales to installation, to ongoing support.

Operate with agility and cost efficiency

Underscoring our focus on operational excellence and cost discipline throughout every part of our business.

Engage and invest in our people and create a sustainable future

Strengthening our inclusive workplace culture, recognizing that Bell's success requires a dynamic and engaged team that is committed to high ESG standards.

To learn more about our strategic imperatives and our progress to date, see section 2, Strategic imperatives in the BCE 2024 Annual MD&A.

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

Bell for Better GRI 2-6

We believe our passion and the way we invest our time and money makes a positive difference. With a focus on communications, information, entertainment and innovation, we strive to make an impact.

We look to create a thriving, prosperous and more connected world by investing in our advanced fibre and wireless networks – the backbone of today's digital economy – while our premier assets in video, audio, out-of-home advertising and digital media provide audiences with the content they want most. We aim to propel the growth of Canadian enterprises with our growing suite of tech services solutions, making innovation possible for businesses and governments.

Aligned with these objectives, we have a year-round focus on mental health initiatives through Bell Let's Talk, along with our environmental sustainability programs, and a workforce engaged in the communities where they live and work.

We align our sustainability practices to support our purpose to advance how Canadians connect with each other and the world.

Better world

We are investing in a better tomorrow by striving to minimize our environmental footprint and through our work to achieve science-based environmental targets. As we pursue our purpose, our efforts and the products and services we offer help increase accessibility for all while safeguarding our customers' privacy. Through Bell Let's Talk, we are supporting mental health programs that help Canadians get better access to the care they need.

Better communities GRI 203-1

Because we invest locally, we help strengthen communities across the country and contribute to Canada's prosperity. This includes our deployment of reliable advanced networks that help Canadians be productive, informed and entertained, and the delivery of relevant and timely news and entertainment content across Bell Media's video, audio and digital properties.

Better workplace

As one of Canada's largest employers, we support inclusion and belonging in our workforce and promote a continuous growth mindset. Our recognition culture aims to celebrate the accomplishments of our team members and increase employee engagement.

To learn more about the Bell for Better program and for updates on our initiatives, visit the Bell for Better website.

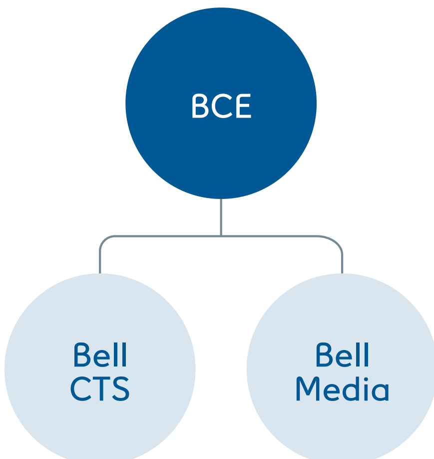
Organizational overview GRI 2-1, 2-2, 2-6

BCE is Canada's largest communications company,[1] providing advanced Bell broadband Internet, wireless, 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.

BCE's business segments

At December 31, 2024



Bell CTS provides a wide range of communication products and services to consumer, business and government customers across Canada. Wireless products and services include mobile data and voice plans, streaming services, and devices and are available nationally. Wireline products and services comprise data (including Internet access, Internet protocol television (IPTV), cloud-based services and business solutions), voice, and other communication services and products, which are available to our residential, small and medium-sized business and large enterprise customers primarily in Ontario, Québec, the Atlantic provinces and Manitoba, while satellite TV service and connectivity to business customers are available nationally across Canada. In addition, this segment includes our wholesale business, which buys and sells local telephone, long distance, data and other services from or to resellers and other carriers as well as the results of operations of our national consumer electronics retailer, The Source (Bell) Electronics Inc. (The Source). In 2024, Bell Canada announced a strategic partnership with Best Buy Canada to operate 167 The Source consumer electronics retail stores in Canada, which have been rebranded as Best Buy Express and offer the latest in consumer electronics from Best Buy along with exclusive telecommunications services from Bell.

Bell Media provides a portfolio of assets in premium video, audio, OOH advertising, and digital media to customers nationally across Canada. Revenues are derived primarily from advertising and subscriber fees.

Leading the way in broadband and media innovation

Bell leverages the power of our world-class fibre and wireless networks to deliver a wide range of innovative products and services to consumers, businesses and government customers across Canada. These include mobile data and voice plans for our 5G+, 5G and 4G LTE, wireless networks, Fibe Internet and TV, Wireless Home Internet, residential and business voice services, cloud-based services, security solutions, Internet of Things (IoT) and other business solutions leveraging artificial intelligence (AI) and machine learning.

Bell Media is Canada's leading content creation company,[2] with premier assets in television, radio, out-of-home (OOH) advertising and digital media. Bell Media partners with advertisers to help connect brands to consumers through video, audio, OOH and digital platforms, as well as through our advanced advertising technology products.

Governance GRI 2-9, 2-12, 2-13, 2-14, 2-26

BCE's Board and management believe that strong corporate governance practices contribute to superior results in creating and maintaining shareholder value. Governance based on transparency, integrity and accountability to our stakeholders provides a framework and sets the company's values that guide our business practices.

The Board is actively engaged in the strategic management of corporate responsibility issues and receives regular reports on performance. While the Board has the overall responsibility for risk, the responsibility for certain elements of the Risk Oversight program is delegated to Board committees. This ensures that these elements, which are reported to the Board regularly, are treated with the appropriate expertise, attention and diligence.

Across our value creation model, we set and track our performance through ESG-related metrics, which are embedded throughout our strategic imperatives score and which represent, in aggregate, at least 30% of the total strategic imperatives score. Progress on our strategic imperatives represents 40% weighting of the corporate performance index within the Annual Incentive Plan.

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

(2) CRTC statistical analysis released annually confirms high levels of investment in Canadian content by Bell Media, including Canadian Programming Expenditures (CPE) and Canadian Content Development (CCD) expenditures, including in the most recent analysis.

Our corporate responsibility governance

Board level

Board of Directors:
Reviews our ESG strategy on an annual basis and establishes clear oversight of our programs and approach to ESG practices with primary accountability at the committee level.

Corporate Governance Committee:
Oversees our ESG strategy and disclosure, and is responsible for our governance practices and policies, alongside reviewing our Code of Business Conduct (CoBC) on an annual basis, recommending any necessary changes for approval by the Board.

Risk & Pension Fund Committee:
Oversees risks that could impact our business, including ESG risks.

Management Resources and Compensation Committee:
Oversees human resource issues and tracks corporate performance against our ESG targets.

Audit Committee:
Responsible for monitoring significant ESG issues that could impact financial reporting, reviews internal audit activities in relation to ESG policies and programs and approves our risks and assumptions disclosure related to our ESG disclosures risks.

EVP level

Health, Safety, Security, Environment & Compliance Oversight Committee (HSSEC):
Oversees risks and ensures issues are addressed through efficient programs implemented within the various business units.

SVP, VP and Director level

Corporate Responsibility Board:
Supports the evolution of our corporate responsibility strategy, and proactively manages ESG topics with an integrated approach.

Energy Board:
Ensures oversight of Bell's overall energy consumption and progress towards meeting GHG emissions reduction targets.

Climate Resiliency Taskforce:
Assists in building a climate resiliency governance to address the potential impacts of climate change.

Responsible AI Office:
Oversees AI programs, risks, our AI ethical framework implementation, developments in AI technologies and their applications and monitors legal and regulatory developments impacting AI.

Information Security Steering Committee:
Aligns on Information Security program strategy, including fraud, current and emerging threats, investments and resources against BCE priorities.

Information Security Delivery Program:
Reviews in-year information security strategic and tactical projects with a focus on risks, gaps, changes to current plan.

Bell Information Security Forum:
Drives awareness of our information security program strategy and solicits feedback on business impacts.

Function level

Corporate Responsibility Reporting Office:
Serves as a central function to coordinate corporate responsibility reporting activities and is responsible for managing the ESG controls framework, for which the objective is to provide accurate, reliable and traceable ESG data to fortify the integrity of our disclosures.

Business Units & Data Primes:
Participate in corporate responsibility reporting activities and execute ESG controls.

Ethical values supporting our day-to-day actions GRI 2-23

We understand that trust is key to delivering value to our customers, communities, shareholders and team members. We therefore aim to achieve the highest standards of ethical business and professional conduct in our work, including understanding and abiding by the values and requirements set out in the Bell Code of Business Conduct (CoBC). Our employees are bound by our CoBC, which outlines our core ethical values and standards, and provides clear guidance on the expectations of ethical behaviour – which often goes beyond legal and regulatory requirements – that team members are expected to uphold and commit to on an annual basis. Our CoBC requires that employees report any illegal acts or violations of the Code or other Bell policies and provides instructions on how to do so through our confidential and anonymous Business Conduct Help Line or by contacting the Corporate Secretary or the Chair of the Audit Committee. If a report reveals a well-founded issue or concern, responsibility for the remediation of system and process deficiencies will be allocated based on ownership, while the relevant business segment will remain responsible for addressing any employee misconduct through established procedures, which include taking recommendations from appropriate corporate groups such as Human Resources, Corporate Security and Legal, or outside advisors where appropriate. We have established protocols for establishing investigative processes and procedures, conducting investigations and reporting investigation results.

Our CoBC outlines that individuals who may be in a position to conduct lobbying activities on behalf of Bell, must consult the Regulatory and Government Affairs Team before making representations to public officials. This is to ensure that our lobbying activities are transparent, ethical and compliant with legal boundaries and disclosure requirements. Non-compliance with our policies on political contributions and lobbying may result in penalties under our CoBC, and Bell may refer any such matter to the appropriate regulatory and legal authorities.

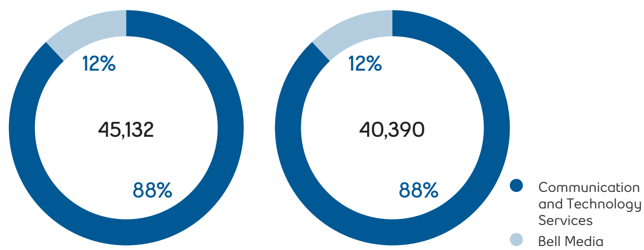
To ensure proper governance of the quickly evolving application of AI, in 2023 we introduced a Responsible AI Policy covering ethical conduct related to the use of AI in our business.

As a safeguard for external stakeholders such as suppliers, we have implemented the Business Conduct Help Line, administered by ClearView Strategic Partners, a means to anonymously and confidentially raise questions and address any ethical issue or dilemma.

Our workforce GRI 2-7

At the end of 2024, our team consisted of 40,390 employees, a decrease of 4,742 employees, compared to the 45,132 employees at the end of 2023, driven by workforce reductions, natural attrition and retirements, along with the impact of the permanent store closures of The Source as part of our distribution partnership with Best Buy Canada, partly offset by the acquisitions made over the past year.

2023 employees   2024 employees



BCE 2024 at a glance

99.9947%	network reliability maintained
World's most sustainable telecommunications company	BCE ranked 34th overall in Corporate Knights' Global 100 most sustainable corporations [1]
87%	of the Canadian population is covered by our 5G network, and **60%** is covered by our 5G+ network
$573M	invested in research and development in capital expenditures, making Bell Canada's top telecommunications company to invest in R&D [2]
31,350+	hours of original content produced
93%	of people leaders completed mandatory base training on mental health
27%	in GHG reductions (scope 1 and 2) against 2020 base year
$1.6M	invested, together with Canadians, in Canadian mental health supports on Bell Let s Talk Day 2025
Highest annual adjusted EBITDA margin [3]	in over 30 years of 43.4%, up 1.2 pts over 2023

(1) According to Corporate Knights Inc.s global rankings released on January 22, 2025. BCE was ranked #34 overall and #1 in our sector and industry, in its 2025 ranking of the world s 100 most sustainable corporations. The ranking is based on an assessment of more than 8,000 public companies with revenue over US $1 billion whose fiscal year ends between July 1, 2023, and June 30, 2024. All companies are scored on applicable metrics relative to their peers, with 50% of the weight assigned to sustainable revenue and sustainable investment.

(2) Research InfoSource Inc., an independent R&D analyst firm, ranked Bell 5th on its list of Canada s top 100 investors in research and development based on dollars invested for 2023.

(3) Adjusted EBITDA margin is defined as adjusted EBITDA divided by operating revenues.

Our financial performance

Financial and operational highlights

The Bell team provided communications technologies in 2024 that enhanced the connectivity of Canadians. These connections form the foundation for BCE's long-term success.

2024 financial performance	Actual	Target [1]
Revenue growth †	(1.1%)	Approx. (1.5%)
Adjusted EBITDA [2] growth †	1.7%	1.5% to 4.5%
Net earnings growth †	(83.9%)	No target provided
Capital intensity [3]	16.0%	Below 16.5%
Net earnings per share (EPS) growth †	(92.1%)	No target provided
Adjusted net earnings per share (adjusted EPS) [2] growth †	(5.3%)	(7%) to (2%)
Cash flows from operating activities growth †	(12.1%)	No target provided
Free cash flow [2] growth †	(8.1%)	(11%) to (3%)

Connecting Canadians with advanced technology services and media

Bell team members continue to champion the customer experience as we deliver advanced networks, technology services and compelling content to individuals, families, communities, businesses and governments across Canada. Our strong focus on the resiliency and capacity of our world-class fibre broadband, television and wireless services and on making it easier to do business with Bell enabled solid subscriber growth in retail Internet, Internet Protocol television (IPTV) and wireless in 2024.

BCE retail subscribers (millions)	2024	2023	Change
Mobile phone [4][5][6]	10.29	10.29	–
Mobile connected device	3.04	2.73	11.4%
Internet [5][6][7][8]	4.49	4.47	0.4%
IPTV [7]	2.13	2.07	3.0%
Residential telephone services [7][8][9]	1.83	2.02	(9.3%)
Total [6]	**21.79**	**21.58**	**1.0%**

24.66M Total Bell consumer, business and wholesale customer connections

† Compared to 2023.

(1) As announced in a news release issued on November 7, 2024, and available on SEDAR+ at www.sedarplus.ca, we revised our revenue guidance for 2024 downward from a range of 0% to 4%, previously announced on February 8, 2024, to a decline of approximately 1.5%. All other financial guidance targets remained unchanged.

(2) Adjusted EBITDA is a total of segments measure, adjusted EPS is a non-GAAP ratio and free cash flow is a non-GAAP financial measure. These financial measures do not have any standardized meaning under IFRS® Accounting Standards. Therefore, they are unlikely to be comparable to similar measures presented by other issuers. We define adjusted EPS as adjusted net earnings per BCE common share. Refer to section 11, Non-GAAP financial measures, other financial measures and key performance indicators (KPIs) of the BCE 2024 Annual MD&A for more information on these measures including, in the case of adjusted EBITDA, a reconciliation to net earnings as being the most directly comparable financial measure under IFRS Accounting Standards and for free cash flow, a reconciliation to cash flows from operating activities as being the most directly comparable financial measure under IFRS Accounting Standards.

(3) Capital intensity is defined as capital expenditures divided by operating revenues.

(4) In Q4 2024, we removed 124,216 Bell prepaid mobile phone subscribers from our prepaid mobile phone subscriber base as at December 31, 2024, as we stopped selling new plans for this service as of that date.

(5) In Q3 2024, we removed 77,971 Virgin Plus prepaid mobile phone subscribers from our prepaid mobile phone subscriber base as at September 30, 2024, as we stopped selling new plans for this service as of that date. Additionally, as a result of a recent CRTC decision on wholesale high-speed Internet access services, we are no longer able to resell cable Internet services to new customers in our wireline footprint as of September 12, 2024, and consequently we removed all of the existing 106,259 cable subscribers in our wireline footprint from our retail high-speed Internet subscriber base as of that date.

(6) In Q1 2024, we adjusted our mobile phone postpaid subscriber base to remove very low to non-revenue generating business market subscribers of 105,802. Additionally, in Q1 2024 our retail high-speed Internet subscriber base increased by 3,850 business subscribers as a result of a small acquisition. We also removed 11,645 turbo hub subscribers from our retail high-speed Internet subscriber base in Q1 2024, as we are no longer actively marketing this product in our wireless-to-the-home footprint. Lastly, as of Q1 2024, we are no longer reporting retail satellite TV subscribers as this no longer represents a significant proportion of our revenues. As a result, satellite TV subscribers have been removed from our retail TV subscriber base, and we now report exclusively retail IPTV subscribers.

(7) In Q2 2024, we increased our retail IPTV subscriber base by 40,997 to align the deactivation policy for our Fibe TV streaming services to our traditional Fibe TV service. While in Q2 2023, our retail high-speed Internet, retail IPTV and retail residential NAS lines subscriber bases increased by 35,080, 243 and 7,458 subscribers, respectively, as a result of small acquisitions.

(8) Excludes wholesale customers.

(9) Excludes business telephone services.

Message from the Chair of the Board

GRI 2-22

Gordon M. Nixon
Chair of the Board
BCE Inc.

Harnessing opportunities to drive long-term growth for the BCE group of companies

As Chair of the Board of BCE, I'm proud to support the entire Bell team as we execute a plan of action designed to maximize long-term value for our customers, shareholders and the communities in which we live and work.

Bell's purpose is to advance how Canadians connect with each other and the world. As Canada's largest communications company, we provide advanced broadband Internet, wireless, TV, media and business communication and technology services – while continuously evolving to stay competitive.

2024 was a challenging year across the entire industry, including at Bell. An aggressive pricing environment, unfavourable regulatory outlook and slow market growth affected our share price performance – and those of our competitors. Our Board, along with the entire Bell team, are focused on executing a plan for growth and improved share price performance moving forward.

In 2024, we expanded our customer base and network reach, prioritizing our core businesses and executing on our competitive advantages. Our world-class fibre and 5G wireless networks supported Canadian innovation and powered our great country's economy.

BCE's strategic focus is to offer the best customer experience, best networks, best tech services offerings and best digital media platforms and content to our customers, while identifying new growth opportunities.

We accelerated innovation by using advanced technology to our advantage, including leading-edge AI solutions, to enhance the customer experience. Bell Media led the way in digital-first experiences and grew streaming audiences on Crave, TSN, RDS, iHeartRadio Canada and other platforms.

I'm confident that we have the right plan to benefit all our stakeholders, as our industry navigates regulatory challenges and an uncertain horizon for the Canadian economy.

Bell for Better

As one of Canada's most recognized brands, we have an important role to play in building a better future.

Bell remains dedicated to mental health through our Bell Let's Talk initiative. Since 2010, Bell Let's Talk has reduced the stigma and helped local organizations provide support to those in need.

Our 2024 campaign highlighted Canadian mental health organizations supporting youth and encouraged everyone to create real change in their communities. Together with Canadians on Bell Let's Talk Day 2025, we contributed $1,605,770 to six organizations that are addressing Canada's youth mental health crisis.

Board update

As Chair of the BCE Board, I'm privileged to work with a team that is dedicated to upholding the highest standards of corporate governance. In 2024 we were recognized once again by The Globe and Mail as the top telecommunications company on its annual governance ranking of Canada's corporate boards.

Shareholder returns

BCE remains focused on supporting future growth for shareholders. This past year, we have implemented several initiatives, including the proposed divestiture of our 37.5% ownership stake in MLSE and our proposed acquisition of Ziply Fiber, the largest fibre Internet provider in the Pacific Northwest of the United States.

In 2025, we will continue to manage our balance sheet responsibly, optimizing the cost of capital, while taking action to grow the business. As always, we will keep our shareholders updated along the way.

Moving ahead with a clear plan

Bell is moving forward with a future-focused plan to compete and thrive in a fast-changing environment. By focusing on our core strengths, and most importantly keeping customers at the heart of everything we do, our team will win subscribers and build a strong foundation for the years to come.

On behalf of the Bell Board, I'd like to thank our shareholders for your confidence in the BCE group of companies as we continue to innovate and take advantage of growth opportunities that set us up for long-term success.

Gordon M. Nixon
Chair of the Board
BCE Inc.

Message from the President and CEO GRI 2-22

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

Building connections to drive long-term growth

Bell's purpose is to advance how Canadians connect with each other and the world. As a proud Canadian company, we power businesses of all sizes, enable online learning and e-healthcare, connect families and friends and tell Canadian stories across our conventional and digital media platforms. Throughout 2024, Team Bell delivered on its purpose for our customers and all Canadians.

Over the past year, Bell and the entire Canadian telecommunications industry faced ongoing regulatory challenges and an ultra competitive pricing environment. Despite these challenges, we've kept our focus by driving growth in our core businesses and by offering innovative services that meet the needs of our customers.

Customers First

Our customers are our top priority. As their needs evolve, we are evolving with them.

In 2024, Bell became the first Canadian telecommunications company to name a dedicated Chief Customer Experience Officer, Hadeer Hassaan. Hadeer has a mandate to create best-in-class experiences for our customers in every encounter, across all channels.

We will continue to harness the power of technology to create more seamless processes for customers, whether they would like to purchase new services, change their plan, or simply get support with a technical or billing issue.

As CEO, I'm focused on long-term growth that benefits our customers and shareholders. By executing in four key areas – putting customers first, offering Canada's fastest pure fibre Internet and 5G networks, becoming a tech services leader and building a digital media and content powerhouse – we are delivering lasting value for our stakeholders.

Canada's fastest Pure Fibre Internet and 5G Networks

Our networks – and the team members who run them – power Canada's economy and are the foundation of our success.

Fibre is the future, and Bell is leading the way, offering Canadians the fastest Internet technology and providing a more durable alternative to cable, ready to meet customers' evolving needs over time.

In 2024, we expanded our fibre network to more households and businesses across Canada. Today, more than 7.8 million households and businesses have access to Bell fibre. Our 5G and 5G+ wireless networks reach 87% and 60% of the population, respectively.

We also announced our intention to acquire Ziply Fiber, the largest fibre Internet provider in the Pacific Northwest of the United States. Together, Bell and Ziply Fiber have a goal to reach approximately 12 million fibre locations across North America by the end of 2028.

Tech Services Leader

To better support our enterprise clients, Bell has set an ambitious goal: to become a $1 billion tech services organization by 2030. Following our 2023 acquisition of FX Innovation, we strengthened our capabilities by acquiring CloudKettle, Stratejm and HGC Technologies this past year. These additions are rounding out our expertise, helping companies modernize their digital infrastructure, automate their workflows and keep their businesses secure – on Canada's best networks.

We will continue to aggressively expand our tech services offering, including through our partnerships with globally leading technology companies like ServiceNow.

Digital Media and Content Powerhouse

Bell Media continues to respond to shifting audience preferences by prioritizing the growth of our digital media platforms. Crave, Canada's only privately-owned, bilingual streaming service, had its most-watched year in 2024, driven by the introduction of an ad-supported tier and our launch on Prime Video Channels. Today, more than 3.6 million Canadians are Crave subscribers.

Original content on Crave ranked among the most-watched Canadian series in 2024 in English and in French. Thanks to our expanded licensing deal with Warner Bros. Discovery, Crave will remain the exclusive Canadian home for HBO and Max content for years to come.

TSN and RDS expanded the reach of Canada's best sports content, while the iHeartRadio Canada streaming application brought the country's most dynamic, popular and respected radio brands to Canadians from the palm of their hand.

We continue to boost value for advertising partners through advanced advertising solutions, supported in part by the acquisition of OUTEDGE Media Canada in 2024.

Our timely shift to digital media platforms is paying off. Last year, digital accounted for 42% of our total media revenue, up from just 20% in 2021.

Building for the Future

Bell and the Canadian telecommunications industry will continue to face challenges in the year ahead. Canada's economy is under threat and prolonged regulatory uncertainty is affecting our forward planning. In the face of uncertainty, Bell will continue to advocate for public policy conditions that support Canadian companies and good-paying jobs.

As we look ahead to 2025, our actions will be guided by our strategic and operational roadmap. We will execute on our key priorities while strengthening our balance sheet through transformation savings and divestment of non-core assets. And we will share our progress with our shareholders transparently and on a regular basis.

On behalf of the Bell team, thank you to our customers, partners and shareholders for your continued confidence. Together, we will build more connections in 2025 and beyond.

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

External operating context GRI 2-6, 3-2, 3-3

Macroeconomic and global trends play an important role in determining how our industry evolves. We strive to ensure that our understanding of these trends informs our strategic imperatives and value creation process, and helps shape the way we interact with our customers, team members, shareholders and society at large. The following is an examination of these trends.

Trends	What they involve	Bell's approach
5G network infrastructure	The industry-wide expansion of 5G networks continues to drive customer demand for the products and services this new technology enables. Following full deployment over the next few years, 5G capabilities will enhance the lives of Canadians with new applications, such as immersive video and gaming, remote telehealth and self-driving vehicles.	**To learn more** about our initiatives and how we are integrating 5G considerations into our business operations and priorities, see the Our networks section in this Strategic overview, and section 2.1, Build the best networks, section 3.2, Business outlook and assumptions and section 5.1, Bell Wireless – Competitive landscape and industry trends in the BCE 2024 Annual MD&A.
Technological evolution and innovation	Telecommunication technology continues to evolve rapidly across both the wireline and wireless fronts. Innovations across fibre infrastructure, IoT and smart technology are meeting new demands to deliver both societal and environmental benefits.	**To learn more** about our approach and role in innovation, see the Our networks and Our products and services sections in this Strategic overview, and sections 2.2, Drive growth with innovative services and 3.2, Business outlook and assumptions, in the BCE 2024 Annual MD&A.
Artificial intelligence (AI)	Bell is focused on ensuring the responsible development and use of AI technologies. Our approach to the development and use of AI aligns with Bell's ethics, privacy, and security requirements and broader sustainability objectives. This will support customer, employee, and other stakeholder confidence in this important technology.	**To learn more** about how Bell is addressing risks associated with AI development and deployment, see our Responsible AI policy.
Reducing the digital divide	Access to reliable and affordable high-speed Internet has become a key driver of societal well-being. As such, there is a growing determination by telecommunications providers, governments and other organizations to improve the reliability of and access to wireline and wireless services.	**To learn more** about how Bell is addressing the digital divide through increasing our network coverage and reliability, see the Our networks and Our customers and relationships sections in this Strategic overview.

Trends	What they involve	Bell's approach
Energy consumption and climate change	Consensus among the international scientific community is that GHG emissions, especially CO_2, are major contributors to climate change. Companies across all industries should be focused on helping to fight climate change and safeguard against its threat through mitigation, adaptation and resilience. Ensuring the resilience of our networks and services in the context of increasing severe weather events is paramount.	**To learn more** about how Bell is identifying and seeking to manage its climate-related risks, see the Risk management section of our Climate action report. To read about our climate-related initiatives, see the Our environment section in this Strategic overview, and to learn more about how we are helping customers fight climate change and adapt to its impacts, see the Our products and services section in this Strategic overview.
Privacy and information security	The increasing use of, and reliance on, digital systems, as well as the importance of protecting personal information and privacy in regard to wireless, Internet and media services, has drawn the attention of lawmakers and customers. Changes to privacy laws have been proposed in a number of Canadian jurisdictions. There has also been increased interest in, and scrutiny of, the use, collection, and disclosure of personal information in Canada.	**To learn more** about our privacy and information security practices, see the Our networks and Our products and services sections in this Strategic overview.
Corporate responsibility	Society, regulators, governments, employees and others have heightened expectations concerning the role of companies in society and the way in which they operate. This includes incorporating ethical business practices and contributing to positive socioeconomic impacts. Globally, many companies are showcasing their approach to corporate responsibility through self-regulation and the integration of social accountability within their business models. The disclosure of corporate responsibility performance is becoming extensively scrutinized by various stakeholders as they expect consistent, factual and balanced information.	**To learn more** about our corporate responsibility performance, see this Strategic overview and the resources available in the Responsibility section on BCE.ca.
Inclusion and belonging	Increasingly, investors, customers and employees expect companies to demonstrate how they address inclusion and belonging to foster an inclusive workplace and society.	**To learn more** about how Bell supports inclusion and belonging in the workplace and through our community initiatives, see the Our people and Our customers and relationships sections in this Strategic overview.
Regulatory	Increased federal regulation in both the telecommunications and broadcasting areas of Bell's business is having an impact on the company's external operating context. The long overdue implementation of a new broadcasting framework is moving too slowly – putting our ability to fund Canadian content and news at increased risk. In 2024, the Canadian Radio-television and Telecommunications Commission (CRTC) mandated large carriers to provide wholesale access to their fibre networks across the country. Bell awaits the final decision by the CRTC on the matter.	**To learn more** about how the regulatory environment affects network investment and the funding of compelling content, see the Our customers and relationships and Delivering compelling content sections of the Strategic overview.

Stakeholder engagement and key sustainability topics

GRI 2-29, 3-1, 3-2, 3-3

A key aspect of stakeholder engagement is establishing mechanisms through which we can capture key internal and external stakeholder opinions and input to support the mapping of priorities and decision-making.

Our latest corporate responsibility priority assessment was conducted in 2023 when we surveyed stakeholders for their opinion on the importance of corporate responsibility topics with the greatest potential influence on BCE's enterprise value, on society, and on the environment. The stakeholders included customers of each of our service lines, team members representing various geographies and levels throughout BCE, investors, suppliers, governmental groups, non-profit organizations, local and Indigenous community partners, and academic institutions. To identify these stakeholders, we followed the standards of the Global Reporting Initiative.

The results of the survey demonstrated that our value creation model and our Bell for Better initiatives are aligned with the priorities identified by our stakeholders, as detailed in the table below. We are considering repeating this exercise in the future to continue evaluating emerging trends that create value for Bell as well as for society and the environment.

Our corporate responsibility approach supports our corporate strategy and policies throughout the organization. Through stakeholder engagement and our own internal processes, we monitor sustainability issues and opportunities and set objectives for priority issues to enhance sustainability performance.

This table illustrates the link between our Corporate Strategy and our priority sustainability topics:

Capital	Sustainability topic	Target	Strategic imperative: Build the best networks	Drive growth with innovative services	Deliver the most compelling content	Champion customer experience	Operate with agility and cost efficiency	Engage and invest in our people and create a sustainable future
Our networks	Network coverage and reliability	★	●			●	●	
	Data privacy	★	●			●	●	
	Information security	★	●			●	●	
Our customers and relationships	Customer service and satisfaction	★	●	●		●		
	Community investment and partnerships	★	●	●		●		●
	Responsible procurement through suppliers	–	●	●				●
	Business ethics	–	●					●
	Reducing the digital divide	★	●	●		●	●	●
Our products and services	Enabling transition to a low-carbon economy	★		●	●			●
	Ethical media practices	–	●		●			●
	Producing original content	–		●	●	●		●
Our environment	Climate change	★	●				●	●
	Energy management	★	●				●	●
	Circular economy	★	●				●	●
	Biodiversity and ecosystems	–	●				●	●
Our people	Inclusion and belonging	★		●		●		●
	Team member well-being	★		●		●		●
	Team member engagement and development	★		●		●		●
Our financial resources	Sustainable financing	–						●

Build the best networks
Champion customer experience
Drive growth with innovative services
Operate with agility and cost efficiency
Deliver the most compelling content
Engage and invest in our people and create a sustainable future

★ Bell has set a target in regard to this topic

Value creation

Our value creation model GRI 3-1, 3-3

Using the principles of the Integrated Reporting Framework, we have developed a holistic view of our value creation process. This view highlights the value we create for our stakeholders through our business operations, guided by our strategic imperatives and use of capitals. Our activities and initiatives relating to each capital are reported on the following pages.

Our strategy

Purpose

BCE's purpose is to advance how Canadians connect with each other and the world.

Through **Bell for Better**, we demonstrate our commitment to create a better world, better communities and a better workplace.

Every day, we are dedicated to advancing our purpose. We are committed to transforming our business by executing on our six strategic imperatives.

- Build the best networks
- Drive growth with innovative services
- Deliver the most compelling content
- Champion customer experience
- Operate with agility and cost efficiency
- Engage and invest in our people and create a sustainable future

Operating environment

We operate in an evolving environment influenced by trends and presenting business risks which we strive to manage under a strong governance model.

Our capitals	Our outcomes	Value we create	How we measure value
Our networks Reliable, accessible and affordable world-class broadband fibre and wireless networks.	**Powering Canada's prosperity** Connecting Canadians with world-leading technology to support Canada's growth agenda, productivity and leadership in innovation.	**Connected customers through strong trusted networks** (9 Industry, innovation and infrastructure; 17 Partnerships for the goals)	– Network coverage & reliability – Data privacy and information security
Our customers and relationships Strong relationships with customers, communities and suppliers.	**Enabling better experiences** Smart solutions and partnerships that champion customer experience and support community resiliency and growth.		– Customer satisfaction – Community investment (mental health) – Supplier partnerships aligned with our values
Our products and services Innovative and compelling products, services and media content addressing societal demands.	**Enhancing opportunities for Canadians** Providing the capabilities and tools for consumers and businesses to thrive and prosper.	**Sustainable society** (11 Sustainable cities and communities; 12 Responsible consumption and production; 13 Climate action)	– Products and services that enable low-carbon economy – Compelling content and digital transformation
Our environment Responsible environmental management throughout our operations.	**Contributions to environmental sustainability** Minimizing environmental impacts in our operations through ambitious actions towards prevention and mitigation.		– Greenhouse gas emissions reduction – Circular economy
Our people Skilled and engaged team members.	**An inclusive and engaged workforce** A workplace where team members know they can have an impact, immerse themselves in opportunities and feel like they belong.	**Thriving team members** (3 Good health and well-being; 10 Reduced inequalities)	– Team member well-being and engagement – Inclusion and belonging
Our financial resources Capital from our investors, returns on our investments and free cash flow generated from our operations.	**Financial growth** Ongoing investment in our purpose and positive returns to our investors.	**Investor returns and strong capital structure** (8 Decent work and economic growth)	– Revenue, adjusted EBITDA and free cash flow growth – Available liquidity – Dividend payments – Sustainable financing

Our networks

Our wireline and wireless networks, as well as our broadcasting services, keep Canadians connected, informed and entertained. By providing the latest advanced network technologies, we power Canada's prosperity and support the nation's innovation pipeline. Additionally, our focus on data privacy and information security supports the reliability of our networks.

Our purpose to advance how Canadians connect with each other and the world is underpinned by our ability to provide robust and reliable networks across our footprint and ensure continued access to critical infrastructure.

Build the best networks

Operate with agility and cost efficiency

Champion customer experience

How we monitor impact and progress:

Topic	Target	2024 performance	YoY change	2024 third-party verification	Result
Network coverage and accessibility	Wireless: Expand 5G network coverage to more than 87% of the Canadian population by the end of 2024	87%	Increased by 1 percentage point	PwC [1]	✓
	Wireline: Expand our pure fibre footprint	7.8 million	Increased by 6%	PwC [2]	↗
Network reliability	Maintain network reliability level above 99.99% for FTTH	99.9947%	Decreased by 0.0005 percentage points	PwC [1]	✓
Data privacy	Zero conditionally resolved well-founded privacy complaints from the Office of the Privacy Commissioner of Canada (OPC)[3]	0	No change	OPC	✓
Information security	90% of onboarded team members complete yearly Be Cyber Savvy information security training	95%	No change	PwC [1]	✓
	Improve year-over-year phishing simulation report rate	36%	Increased by 3 percentage points	PwC [1]	✓

→ Stable ↘ Missed or not on track ↗ On track ✓ Achieved

For complementary information:

— Social webpage
— ESG data summary
— Our commitment to privacy
— Our privacy policy
— Information security policy

(1) PwC provided limited assurance over this indicator. See PwC's limited assurance report.
(2) PwC provided limited assurance over this indicator in 2024, but not on the year-over-year variance as 2023 data wasn't reviewed. See PwC's limited assurance report.
(3) A complaint is considered well-founded if the Information Commissioner concluded that one or more of the allegations in the complaint has merit.

Building Canada's networks of the future

Advanced communications networks provide access to a broad spectrum of everyday activities for all Canadians. Today, Bell's leading network technologies are a key part of Canada's 21st century infrastructure. Our networks provide consumers and businesses with new and greater opportunities to connect, build and grow today, while unlocking the future-ready innovations of tomorrow.

Our activities and outcomes

Leading the growth of Canada's pure fibre networks GRI 201-1, 203-1, 203-2

Delivering advanced communications services that help generate a strong and more sustainable future for all Canadians starts with continuous network investment and innovation.

From the beginning of 2020 to the end of 2024, as part of Bell's capital expenditure program, we have invested nearly $23 billion in our networks, and expanded high-speed fibre Internet to 2.5 million homes and businesses across Atlantic Canada, Québec, Ontario and Manitoba. Our significant investment in fibre Internet and 5G expansion has yielded ongoing strong subscriber momentum.

As part of our strategy to build resilient, future-ready networks that meet customer demands, we are continuing to gradually transition from our copper wire networks to pure fibre connections – widely regarded as the best broadband technology in the world. The decommissioning of copper networks enables us to offer customers the fastest pure fibre Internet network in Canada, while increasing both resiliency and efficiency, and serving as a platform for next-generation services. The Fibre Now program has expanded across the country to communities in Québec, Ontario, Manitoba and Atlantic Canada, with 125,000 customers having migrated to our fibre network in 2024.

Connecting cities and smaller communities GRI 203-1, 203-2

Bell continued to fully fund broadband rollouts in communities large and small across our footprint.

The rollout of pure fibre Internet continued in communities large and small in 2024. In addition to expanding our fibre network, we're also offering faster Internet speeds. Customers in Québec, Manitoba, Ontario and Atlantic Canada now have access to 3 Gbps speeds, with expansion to additional communities on the way. In addition, Bell has continued to work closely with governments on partnerships to bring broadband access to remote and other hard-to-serve areas, such as in Nova Scotia. Bell also continues network deployment in Newfoundland and Labrador and in rural Ontario, with the Universal Broadband Fund and Accelerated High-Speed Internet Program respectively.

Accelerating our fibre growth strategy across North America GRI 201-2, 203-1

Leveraging our fibre expertise to diversify our operating footprint, unlocking significant growth opportunities in the U.S. fibre market.

To accelerate growth opportunities, in 2024, BCE announced that Bell had entered into an agreement to acquire Ziply Fiber, the leading fibre Internet provider in the Pacific Northwest of the United States. The proposed acquisition is expected to close in the second half of 2025, subject to certain customary closing conditions and the receipt of certain regulatory approvals, including by the Federal Communications Commission and approvals by state Public Utilities Commissions. Upon the closing of this acquisition, Bell will solidify its standing as the third-largest fibre Internet provider in North America. Today, Ziply Fiber reaches approximately 1.3 million fibre locations. Together, Bell and Ziply Fiber have a goal to reach approximately 12 million fibre locations across North America by the end of 2028.

Advancing wireless connectivity GRI 203-1

Successive generations of wireless technologies continue to change the way Canadians live, work and play.

Our LTE wireless network reached more than 99% of Canadians by 2020. Since then, we launched and expanded our 5G network in urban and rural markets, reaching 87% of all Canadians at the end of 2024.(1) In 2024, Global Wireless Solutions (GWS) awarded Bell for having Canada's fastest and best network across 5G and 5G+ for the fourth consecutive year.(2)

We also continued to expand 5G+ service in urban and rural markets, including communities in Newfoundland and Labrador, Prince Edward Island, Nova Scotia, New Brunswick, Québec, Ontario and Manitoba. Today, 5G+ is considered to be the fastest mobile technology in Canada,(3) improving the performance of video and gaming experiences, remote telehealth, self-driving vehicles, IoT solutions, and future innovations. By the end of 2024, Bell's 5G+ network was available to 60% of Canadians.(4) In 2024, Bell started deploying 3800 MHz spectrum in select areas of Toronto and Kitchener-Waterloo. This 3800 MHz spectrum was secured in the federal government's 3500 and 3800 MHz spectrum auction in 2023.

(1) PwC provided limited assurance over this indicator. See PwC's limited assurance report.

(2) Independent testing by Global Wireless Solutions (GWS) from February to November 2024 ranked Bell's 5G and 5G+ networks highest among Canadian national wireless carriers. GWS OneScore™ rankings for 5G+ performance and speeds are based on testing while actively using 3500 MHz spectrum.

(3) 5G+ performance and speed claims are based on a third-party score (Global Wireless Solutions OneScore™) calculated using wireless network testing in Canada comparing Bell against other competitive national wireless networks while actively using 3500 MHz spectrum.

(4) Based on internal Bell data.

Responding to outages and maintaining functional, reliable networks

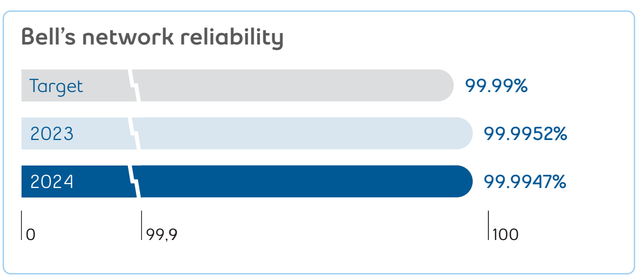
TC-SI-550a.1 and TC-SI-550a.2

Prioritizing network reliability and responsiveness in our day-to-day operations is vital to the present and future well-being of Canadians.

Bell's network investments are delivering world-leading and reliable networks and services to customers in urban, rural and remote communities. Investing in network security, capacity and resiliency has helped Bell achieve 99.9947%[1] network reliability for FTTH, achieving our target to maintain our FTTH network reliability above 99.99%. Our 2024 investments have provided core network architecture, diversity and redundancy – including multiple transport routes – which minimize the risk of major service disruptions.

In 2024, wildfires in the Yukon, Northern British Columbia and parts of Manitoba caused significant damage to Bell infrastructure, but with our adapted business practices aimed at improving network resiliency and mitigating impacts to services, our teams were able to mobilize quickly to resolve outages.

Since Hurricane Fiona in 2022, we have invested $20 million to install an additional 275 fixed generators and to increase battery backup to critical cell towers and wireline sites across Atlantic Canada. Adding fixed generators enables critical sites to automatically switch to generator power if commercial power is lost. This also gives us more flexibility in the planning stages by having our fleet of portable generators at the ready in areas predicted to be the hardest hit by extreme weather.



Bell's dedication to provide reliable connectivity to our customers is demonstrated by our operational governance processes, our best-in-class design and network architectural practices, and the continuous investments that we make in our networks year after year.

Copper theft and vandalism pose significant challenges to telecommunications infrastructure, disrupting essential services and jeopardizing community safety. The ongoing increase in copper theft is responsible for 87% of the nearly 1,700 physical security incidents related to our network since January 2022. The most impacted provinces include Ontario with 59% of incidents, New Brunswick with 20% and Québec with 13%. We have implemented advanced measures to combat threats, such as installing aerial alarms to protect our network and alert local law enforcement when an incident is detected. We continue to work closely with provincial and federal governments to prioritize increased fines and amendments to the criminal code to protect critical infrastructure. These collaborative measures are bolstered by our ongoing transition from legacy copper networks to pure fibre technology.

For more than two decades, we have successfully deployed most of the largest mission-critical two-way radio service communications networks in Canada. We are proud that we have a unique mandate to serve the public when it matters most, providing public safety radio communications to more than 80,000 first responders and other essential services in Canada.

Bell is the largest provider of 9-1-1 emergency services in Canada. We offer specialized 24/7 bilingual support, network monitoring and maintenance to 175 emergency contact centres in Newfoundland and Labrador, Prince Edward Island, Nova Scotia, New Brunswick, Québec, Ontario and Manitoba. Bell hosts and supports the Text with 9-1-1 (T9-1-1) service nationally, and we support the Alert Ready system used to inform Canadians of critical emergencies in their area. In 2024, as part of a national mandate to modernize 9-1-1 networks and accelerate broadband deployment, Bell has transitioned several 9-1-1 emergency contact centres and carriers in Ontario and Québec to Next Generation 9-1-1 (NG911). This transition offers the scalability, reliability and speeds necessary to enhance emergency services for Canadians. Bell also continued investments to deliver Canada's Public Safety Broadband Network (PSBN) to provide first responders with secure, nationwide connectivity to better serve Canadians in emergencies.

(1) PwC provided limited assurance over this indicator. See PwC's limited assurance report.

Privacy and information security

Our success depends on robust privacy and information security practices. As Canadians have become more digitally connected, evolving cyber threats have become more frequent. Our enterprise and residential customers increasingly recognize the importance of information security, which is why we continue to invest significantly in our people, processes and technology to seek to ensure we diligently safeguard their data, information and services.

Our activities and outcomes

Committing to data privacy

GRI 205-2, 418-1, SASB TC-TL-220a.1 and TC-SI-220a.1

Our customers and team members expect us to collect data appropriately, maintain its security and use it for purposes that advance their interests.

Increasing customer awareness regarding the protection of their personal information has attracted the attention of lawmakers and regulators, resulting in changes to privacy laws and increased regulatory scrutiny.

Our privacy policy offers details on how and when we collect, use and disclose personal information. Each year, all Bell team members must review and sign the Bell Code of Business Conduct (CoBC), which requires employees to follow all confidentiality and privacy policies, codes and practices. Since 2021, we have maintained mandatory governance training for all employees as part of our bi-annual CoBC training program. This reinforces the importance of safeguarding customer information and using it only as allowed under our privacy policy.

In 2024, Bell continued to make significant investments in people, processes and technology in order to enhance our privacy management program and to protect confidential information from evolving cybersecurity threats.

We keep information only as long as we need to or as required by law. Moreover, Bell does not disclose a customer's confidential information to government agencies unless it is required or permitted by law (such as where it is necessary to investigate the contravention of a law or to prevent fraud and secure our networks) or in the case of an emergency where there is an imminent danger to life or property.

When we become aware of a suspected breach of privacy, we follow strict protocols to investigate and assess the issue and, if appropriate, to develop and implement mitigation strategies to prevent a reoccurrence. Since November 1, 2018, we have been obligated by law to report all privacy breaches that present a "real risk of significant harm" to impacted individuals to the Office of the Privacy Commissioner of Canada. Our objective is to have zero unresolved well-founded privacy complaints(1) from the Office of the Privacy Commissioner of Canada. We achieved this goal once again in 2024.

Prioritizing information security GRI 3-3

We must be able to identify and address information security risks in a timely manner to best protect our customers, networks, team members and business assets.

Our Information Security policy and program are based on guiding principles to protect the confidentiality, integrity and availability of all Bell information systems, services, and networks. We build and continuously improve security policies and directives based on industry standards and the threat landscape. Since 2018, our Information Security Action Plan (ISAP) has served as our centralized planning tool to direct operational teams in implementing best practices, continuously enhancing security controls and providing a systematic approach to monitor our progress quarterly. In 2023, we aligned our program to meet the requirements of the ISO/IEC 27001 standard, and have continued to use this as a base to build on and maintain our information security management system, along with conducting Service Organization Control (SOC 1 & 2) audits on specific services across Bell to provide independent assurance on security, availability and privacy controls to our customers. As part of our external assurance and testing measures, we continue to uphold payment card industry (PCI) compliance, meeting the security standards set out by the PCI Security Standards Council (PCI SSC) to protect cardholder data.

We have an internal Cyber Threat Intelligence team that identifies threats facing Bell and our customers, and complements the intelligence we gather from other industry sources. Bell is a founding member of the Canadian Cyber Threat Exchange (CCTX), a national, cross-sector threat forum where security professionals exchange actionable threat intelligence and mitigation measures with peers. Our full suite of security solutions is monitored by Bell's Security Operations Centre, which is staffed 24/7 to provide incident and policy management, and to report on all security-related incidents. There have not been any related regulatory investigations or lawsuits to date.

Our Be Cyber Savvy information security education program includes access to our specialized cyber awareness platform, monthly phishing simulations, base year cybersecurity courses and a recurring annual course to maintain knowledge for all team members. At the end of 2024, 95% of onboarded team members had completed base year training,(2) surpassing our goal of a 90% completion rate.

For phishing simulations we achieved a reporting rate of 36% in 2024,(2) a 9% improvement year-over-year. We believe a combination of training, clear messaging and positive reinforcement has led to continued annual improvement in reporting suspected phishing attempts and demonstrates team member engagement in keeping Bell information secure.

(1) A complaint is considered well-founded if the Information Commissioner concluded that one or more of the allegations in the complaint has merit.
(2) PwC provided limited assurance over this indicator. See PwC's limited assurance report.

Our customers and relationships

We enable better experiences by offering smart solutions and collaborative partnerships that champion the customer experience and support community, resiliency and growth.

Our relationships with key stakeholders are at the core of our success. We drive our growth by developing and delivering innovative services to our customers. This is made possible by our determination to continue building and operating the best communications networks in the country.

Champion customer experience

Drive growth with innovative services

Build the best networks

How we monitor impact and progress:

Topic	✪ Target	2024 performance	YoY change	2024 third-party verification	Result
Customer service and satisfaction	Reduce Bell's percentage of complaints to the CCTS	17%	Increased by 0.9 percentage points	CCTS	↘
Community investment and partnerships	Help build better communities across the country by contributing to groundbreaking work in mental health and engaging in volunteerism and charitable giving	$20,325,543	–$2.6M	PwC [1]	✓

→ Stable ↘ Missed or not on track ↗ On track ✓ Achieved

For complementary information:

— Social webpage
— ESG data summary
— Fighting against forced labour and child labour report
— Bell supplier code of conduct

(1) PwC provided limited assurance over this indicator. See PwC's limited assurance report.

Customers

To champion a best-in-class customer experience, we empower every team member, regardless of their role, to prioritize customer needs in every interaction. By developing innovative solutions and initiatives to enhance sales, service and support, our team members strive to make every customer's experience easy and efficient.

Our activities and outcomes

Championing the customer experience through new tools and resources

At Bell, we are constantly innovating and improving our systems and processes, investing in world-class technology platforms and harnessing the power of AI to deliver a seamless experience for our customers today and in the future.

We are focused on making it easy to do business with us by offering customers the flexibility to choose their preferred channel of communication, whether it's a phone call, live chat or our user-friendly app and website. This personalized approach ensures that every interaction is tailored to an individual's needs and preferences.

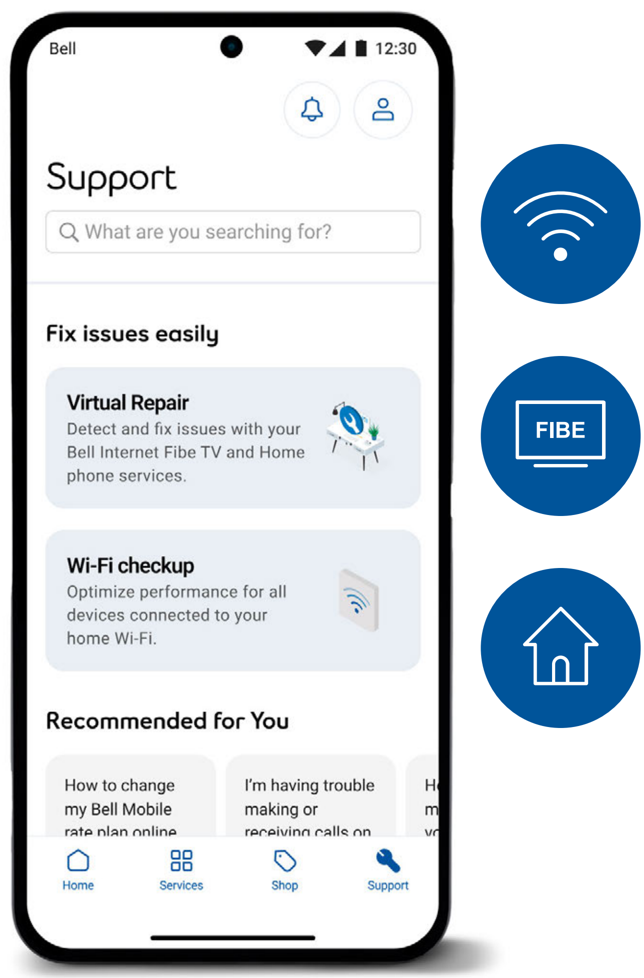
We have harnessed AI-driven automation, data analytics and cloud computing, combined, to seek to improve operations, identify and help eliminate security threats, enhance customer service and streamline processes for all of our customers. This includes our new generative AI virtual assistant, which helps provide customers with faster and more relevant support via chat with multi-language support, helping drive customer satisfaction and operational efficiency. If the issue requires additional assistance, the virtual assistant uses the details collected to direct the customer to the agent best equipped to support their specific needs. Adoption of this tool has helped enable our contact centres to handle over three million inquiries to date,[(1)] by helping to direct customers to self-service options when appropriate. With the virtual assistant managing chats with customers, questions are handled by AI, allowing more complex issues to be directed to live agents faster. In 2025, we aim to bring these same benefits to customers contacting us by phone, when we begin replacing our Interactive Voice Response (IVR) systems with voice-supported AI virtual assistants.

Our award-winning MyBell or Virgin Plus My Account apps have empowered customers to activate their own wireline services faster, saving time and money. Using equipment delivered to their home, customers follow easy-to-understand instructions to get connected without the need to coordinate a technician visit. The convenience and efficiency makes Self-Install the preferred option for customers with Bell and Virgin Plus FTTH connections.

Our suite of mobile apps were recognized with 13 international awards for excellence in design, capabilities and ease of use.[(2)] We have continued to introduce new customer-friendly features and navigation improvements to our suite of apps. These improvements include redesigning interfaces, streamlining eSIM activations, simplifying the Bring Your Own Device (BYOD) process and providing convenient payment options. With these enhancements, more customers are using our award-winning apps to complete their online transactions without additional support.

Our advanced AI-powered virtual repair tool helps customers troubleshoot Internet, Fibe TV and home phone issues themselves. It automates diagnostics and fixes, and then guides customers through the repair process based on their specific issue. The tool also offers an option for real-time online support and makes it easy to book an in-person technician visit, if required. Customers can also use the Wi-Fi Check-up tool to analyze their Wi-Fi network and get personalized recommendations to optimize performance on their devices. In most cases, issues are resolved in under five minutes.

Using our Outage Notification Program, Bell also proactively informs customers about Internet service disruptions, including those caused by severe weather. Our customers are kept up to date about the outage and estimated resolution times with instant updates delivered directly to their phones, inboxes and app screens.



(1) Based on internal Bell data.

(2) In 2024 the MyBell app received a Gold AVA Digital Award, a Gold Stevie Award, a Gold Hermes Creative Award, a Gold dotcom Award, and a Silver W3 Award; the Virgin Plus My Account app received a Gold Horizon Interactive Award, a Gold Hermes Creative Award, a 2024 Gold Stevie Award, a Gold MarCom Award and the Best Telecommunication Mobile Application WebAward; the Lucky Mobile My Account app received a Platinum AVA Digital Award, a Platinum Horizon Interactive Award, and a Silver W3 Award.

Customer choices in a competitive Internet market SASB TC-SI-520a.3

We believe it is important for our customers to have access to choice, innovation and the free exchange of ideas. This is why Bell supports an open Internet and meets all requirements related to net neutrality as set out by the Canadian Radio-television and Telecommunications Commission (CRTC). The CRTC requirements related to net neutrality effectively codify specific rules for Internet traffic management practices and differential pricing practices.

Delivering lower prices for consumers GRI 203-2

Canada's competitive communications landscape continues to benefit consumers

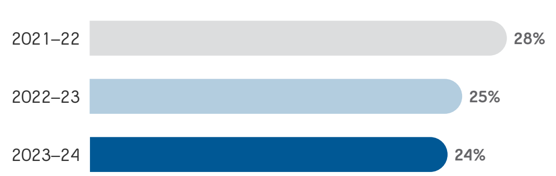
Intense competition is driving both wireless and wireline prices down. Perception of Wireless Cost and Plans,[1] a 2024 survey conducted by Abacus Data, and commissioned by the Canadian Telecommunications Association (CTA), found 86% of Canadians who switched plans last year are getting better value. Data collected by Innovation, Science and Economic Development (ISED) Canada, shows that wireless prices decreased an average of 18.2% for data plans in 2023 when compared to 2022 prices, and that home Internet prices in Canada declined across all service plans in 2023.[2] Their report's findings are consistent with Statistics Canada's January 2025 Consumer Price Index which showed wireless prices have decreased 46% since 2020 while Internet prices have declined by 6%.

The Canadian telecommunications sector continues to offer competitive prices while delivering 99.7% mobile wireless coverage.

Measuring performance

We monitor and analyze insights and feedback from our customers through our multiple channels and platforms, as well as our progress in reducing complaints compared to industry-wide performance.

BCE group of companies' share of complaints accepted by the CCTS



The 2023–2024 Annual Report by the Commission for Complaints for Telecom-television Services (CCTS) reflects Bell's focus on championing the customer experience through investments in training, tools and self-serve channels, which compares well with other national service providers. While our share of industry complaints for the Bell brand was up 5% in the 2023/24 report, complaints are down by 44% over the past five years.[3] Together, the industry share of complaints for the BCE group of companies and affiliates finished 5% lower year-over-year, including a 26% reduction for Virgin Plus.[4] Since the 2018/19 report, our companies' share of complaints has fallen by nearly 30%.

We aim to improve our CCTS results by continuing to leverage leading-edge technology to enhance our customer service training, tools and processes.

Ethical Sales Practices Program GRI 2-26

We are focused on upholding ethical sales practices on presale customer interactions, as well as on subsequent auditing and governance processes. Bell sales agents receive sales ethics and vulnerable Canadians training, and are also offered price positioning training to help ensure they are able to clearly communicate Bell's pricing structure. We have also implemented a multichannel mystery-shopping program. This program's objective, among others, is to identify systemic issues in how pricing is communicated to customers, and determine if customers feel pressured to make a purchase or are feeling misled during the interaction.

To learn more about Bell's Ethical Sales Practices Program, see our Human rights and accommodation statement.

Our commitment to accessibility GRI 203-2

BCE is committed to treating all people in a way that allows them to maintain their dignity and independence. An important part of doing this is to identify, prevent and remove barriers to accessibility.

Bell's focus on inclusivity extends to all aspects of operations; from procurement to the design and delivery of programs and services, we demonstrate our dedication to integrating accessibility principles into every stage of our work. This is supported by updated accessibility communication guidelines, which have been improved with clearer and more concise information.

We believe in creating a more inclusive environment for all, and in support of this we require mandatory accessibility training for all employees. We also continue to raise awareness and promote understanding through written communications, videos and team presentations throughout the year. For team members who directly serve our customers, we offer enhanced training that focuses on building knowledge for our accessibility product and service offerings, as well as best practices for supporting customers. Bell also maintains a dedicated Accessibility Services Centre to support customers with accessibility needs, including those with hearing, vision, speech, cognitive and mobility disabilities. This centre provides personalized, first-class customer service, ensuring fair treatment and maximizing the value our customers receive from our products and services.

(1) Perception of Wireless Cost and Plans. Between May 16 and 24, 2024, Abacus Data, a Canadian polling and market research firm, conducted a nationwide survey involving 5,000 Canadians aged 18 and over. The survey was commissioned by the Canadian Telecommunications Association (CTA) to evaluate perceptions of cell phone rates and service offerings, examining how frequently Canadians switch their plans, their views on the service provided by new plans, and comparing costs between new and previous plans.

(2) Price Comparisons of Wireline, Wireless and Internet Services in Canada and with Foreign Jurisdictions: 2023 Edition.

(3) The CCTS numbers/data only includes Bell Canada (this excludes Bell Aliant, Bell MTS, Virgin Plus, Lucky Mobile, PC Mobile).

(4) Bell reduced its share of industry complaints by 44.3% over the past five years based on data from the 2018–2019 Annual Report through to the 2023–2024 Annual Report from the CCTS.

In 2024, Bell enhanced hiring principles and improved accessibility for online job postings as part of our work to ensure equitable employment opportunities for individuals with disabilities. Bell has also made significant strides in improving the accessibility of websites, mobile applications and TV services, introducing features like voice command, screen reader compatibility and described video. We have a section covering accessibility services published on all of our websites. In these sections, customers can easily find accessibility discounts and features that were introduced to Bell and Virgin Plus postpaid customers and Lucky Mobile prepaid wireless customers in 2024.

We are focused on continuously improving our accessibility practices, and guidance from individuals with disabilities will remain a key component of our accessibility plans moving forward, whether that is through our robust feedback process or ongoing consultations.

To learn more about Bell's accessibility Products and Services, Accessibility plan and 2024 progress reports, visit bell.ca/Accessibility_services.

Community

Building strong relationships with Canadians extends beyond our direct product and service offerings. We aim to strengthen the communities in which we operate, and are proud to do this through a variety of means.

Our activities and outcomes

Moving mental health forward through Bell Let's Talk GRI 201-1

Bell is taking a leading role in helping address the mental health crisis in Canada with the Bell Let's Talk mental health initiative. We invest in mental health programs across the country to ensure that more Canadians can better access the care they need.

The goal of the Bell Let's Talk mental health initiative is to reduce the stigma surrounding mental illness, while accelerating access to care, supporting research and promoting psychologically healthy workplaces.

On World Mental Health Day 2024, Bell announced another $10 million towards mental health in 2025, bringing the total Bell Let's Talk investment to $184 million since 2010. We also unveiled a new report on youth mental health by Mental Health Research Canada – A Generation At Risk: The State of Youth Mental Health in Canada. The report shows there is a growing health crisis among young Canadians.

On January 22, 2025, Bell put a priority focus on youth mental health with a new text-to-donate campaign. Together with Canadians on Bell Let's Talk Day, we contributed a total of $1,605,770 to six youth mental health organizations, including: Integrated Youth Services, Jack.org, Kids Help Phone, National Association of Friendship Centres, the Strongest Families Institute and the Youth in Mind Foundation.

Bell Let's Talk has partnered with more than 1,585 organizations including hospitals, universities, local community service providers and other care and research organizations. This collaboration has enabled these organizations to improve access to mental health supports and services in communities nationwide.

The Bell Let's Talk Community Fund supports registered charities working to improve access to mental health supports and services in communities throughout Canada. In October 2024, the Fund announced 75 new grants. Since 2011, the Fund has provided over 1,175 grants and invested over $22 million in helping ensure Canadians have increased access to the services needed to address the growing mental health crisis.

Mary Deacon, Chair of Bell Let's Talk, presents a $100,000 donation to Winnipeg's Ma Mawi Wi Chi Itata Centre.

Bell Let's Talk

Bell Let's Talk proudly partners with organizations supporting the mental health of Indigenous communities. In February 2025, Bell Let's Talk announced new partnerships with Nahanni Butte Dene Band, Yukon Aboriginal Women's Council, Nunavut Kamatsiaqtut Help Line, Ma Mawi-Wi-Chi-Itata Centre Inc., Kenora Chiefs Advisory, CDFM Huron-Wendat, and Mokami Status of Women Council. Some of the new Bell Let's Talk Community Fund partners include Metis Child, Family and Community Services Agency and Fondation Jean Lapointe.

In 2024, the Bell True Patriot Love Fund awarded a total of $250,000 to 9 organizations making a meaningful difference in the military veteran community. These organizations improve access to mental health care for military members, veterans and their families.

Bell follows the National Standard for Psychological Health and Safety in the Workplace, and promotes its adoption across corporate Canada.

To learn more about how Bell Let's Talk is making an impact on Canadians' mental health, visit Bell.ca/LetsTalk.

Supporting inclusion and belonging in our communities

In line with our values, Bell extends its inclusion and belonging initiatives beyond our workplace and into our communities.

Our aim is to foster a more inclusive and accessible society where our team members, our customers, suppliers and communities feel valued, respected and supported.

Bell and Bell Media are proud of their long tradition of support for Canadian arts and culture. We work with a number of partners to enrich the communities we serve through the encouragement of creative expression and with ongoing support of festivals that showcase a variety of Canadian content and talented creators. These initiatives range from a full roster of cultural activities and festivals around the country, to something as innovative and creative as it is transforming.

Launched in 2023, the Bell Inbound Assist program is part of a three-year collaboration between Bell and the Toronto Raptors, and offers recognition and financial support to community-based organizations that welcome and offer resources and support newcomers to Canada through basketball. In 2024, three Bell Inbound Assist grants totalling $120,000 were awarded to Play Forever, a Toronto-based non-profit providing structured and accessible recreation, education and mental health services to local youth, Toronto's Jane/Finch Centre and Edmonton's Free Play for Kids. Year two of the program was announced in 2024, and will grant three more community-based organizations supporting newcomers to Canada through sport $30,000 each in 2025.

In 2024, we continued to support the principles of the United Nations Declaration on the Rights of Indigenous Peoples and the recommendations of the Truth and Reconciliation Commission's 94 Calls to Action. All team members are encouraged to learn more about contributing to reconciliation. We strive to foster positive and mutually respectful relationships with Indigenous Peoples and communities, including Bell team members, customers and partners. Through all levels of the organization, in partnership with our Partnership Accreditation in Indigenous Relations (PAIR) working group, Bell seeks to provide opportunities to reinforce our commitment to Indigenous relations both internally and within our local communities as invited to do so.

To learn more, read Our commitment letter on BCE.ca.

Investing in creating community value GRI 201-1

Acting as an engaged corporate citizen has been central to our identity for over 145 years. Bell contributes to the creation of shared value for the communities we serve and for society at large.

Our goal is to help build better communities across the country by contributing to groundbreaking work in three areas – mental health, team member volunteerism and charitable giving. Our overall community investment in 2024 was $20,325,543.[(1)]

Communities also benefit from the engagement of our team members as they support the causes they value deeply. Through the Bell for Better Team Giving Program, our team members are highly engaged in charitable giving and volunteerism to make the world a better place. Bell doubles the impact by matching donations to registered Canadian charities, up to $1,000 per team member per year. In addition, Bell provides team grants to charities based on, and in recognition of, the volunteer time commitments of our team members and retirees. In 2024, Bell team members and retirees donated over $1,325 million to more than 2,000 Canadian charities, matched by a further $1,150 million from Bell through our year-round Giving Program. More than 108,000 volunteer hours were tracked, providing 391 team grants for charitable organizations across Canada.

(1) PwC provided limited assurance over this indicator. See PwC's limited assurance report.

OPEQ team member at work

Contributing to large-scale economic benefits GRI 201-1

Canada's communications industry is the backbone of innovation and economic growth in Canada. It plays a major role in enabling Canadian prosperity now and in the future, and enables businesses to innovate and advance in the digital age.

By providing the networks and cutting-edge technology that people and businesses rely on, Canada's communications industry not only drives innovation and economic growth across the country, but also powers a smarter future for all Canadians, especially as businesses continue to prioritize digital transformation. According to a recent report commissioned by the CTA, increased connectivity has the potential to contribute an incremental $112 billion to Canada's GDP by 2035.

According to the same study, the telecommunications sector contributed almost $81 billion to Canada's GDP in 2023 and supported 782,000 jobs, helping virtually every sector of the economy.

Bell's investments in broadband and 5G networks generate billions of dollars in economic activity and support thousands of jobs at Bell and throughout our Canadian supply chain.(1) The connectivity made possible as the direct result of investments by Bell and other network providers powers Canada's digital economy. It fuels innovation and new growth opportunities in important areas of the economy, including logistics and transportation, agriculture, education, digital media and environmental sustainability.

Reducing the digital divide GRI 203-1

Consistently improving our networks and offering affordable options gives Canadians better access to services that are important in everyday life.

Originally launched in November 2018, and updated in 2022, the Connecting Families program now offers speeds that are up to five times faster than in phase one of the program, and includes 200 gigabytes of data for $20 per month. The second phase also broadens eligibility to include low-income seniors and families receiving the maximum Child Care Benefit (CCB). The initiative is administered through Computers for Success Canada (CFSC-OPEC), a not-for-profit partner of the Government of Canada's digital inclusion and economic development programs, and is made possible through the involvement of service providers such as Bell and others.

In 2021, Bell joined other companies to launch the CEO Pledge campaign initiated by Microsoft Canada. The campaign aims to bring companies together to commit to reducing the digital divide by donating their used equipment to the Computers for Schools Plus (CFS+) program. In 2024, we donated approximately 10,409 computers. Bell is actively involved in Computers for Schools Québec (OPEQ – Ordinateurs pour les écoles du Québec), the Québec division of CFS+, by ensuring representation on the board of directors, appointing an employee as Executive Director and providing space for a workshop and the administrative offices for the OPEQ management team. In addition to providing thousands of refurbished electronic devices per year to schools, non-profit organizations and low-income individuals, OPEQ offers internships that contribute to the development of digital skills and the integration into the labour market of young technicians and people with physical or intellectual limitations. By participating in this program, Bell aims to help reduce the digital divide and contribute to the employability of the workforce of today and tomorrow.

(1) Estimate calculated on the basis of Table 36-10-0594-01, Input-output multipliers, detail level, from Statistics Canada for the Communication engineering construction industry.

Suppliers

Accountability is at the centre of the mutually beneficial and ethical relationships we establish with suppliers. We hold our suppliers to high standards and recognize the potential social and environmental impacts related to purchasing goods and services. We endeavour to choose suppliers that share Bell's values in prioritizing information security and ethical behaviours.

Our activities and outcomes

Procuring responsibly through our supply chain GRI 2-6, 308-1

Bell holds its suppliers to the same high standards of business as we hold ourselves.

Our values and the expectations we have of our suppliers are set out in our Supplier code of conduct, which defines the standard of business comportment we require of our suppliers. This Code seeks to ensure suppliers maintain data privacy and security controls, reduce environmental impacts and respect regulations and best practices related to labour and human rights, business ethics, health and safety, responsible sourcing of minerals and business continuity. As a result, the Code helps reduce risks to our operations and reputation from each of those potential sources.

In accordance with our Supplier risk management program, risks from products and services Bell purchases are evaluated during the initial onboarding assessment and subsequent assessments if required. Suppliers may also be asked to provide supplementary information, such as details pertaining to their data management, company policies, standards and practices. Mitigating controls are applied with the objective of managing the risk posed by the product or service purchased. In some cases, Bell shares its own internal procedures and directives for suppliers to follow. In particular, suppliers are required to notify Bell immediately of all actual or suspected privacy breaches, information security incidents or loss of Bell's data, and suppliers are required to assist Bell in managing the consequences of such events. In 2024, Bell conducted 570 supplier assessments.

Suppliers that play a significant role in our business with the potential to impact our operations, customers and services are defined as critical suppliers, and for these we conduct regular touchpoints to ensure Bell's requirements are upheld.

Bell may assess and monitor suppliers' practices related to business comportment described in the Code, and conduct on-site audits to ensure suppliers remain compliant. To help facilitate such audits, in 2024 Bell joined the Joint Alliance for CSR (JAC). JAC is a not-for-profit association of large international telecommunications operators with the objective of developing corporate social responsibility across the industry's supply chains. Bell's membership in JAC provides us access to a shared library of high-quality, third-party site audits of some of our most important suppliers. Bell will contribute to this library of supplier site audits, with the objective of ensuring our suppliers maintain a high-level of compliance with industry standards. In 2024, we verified the adherence of six of our key suppliers to our standards, representing 31% of our annual spend on tangible electronic products, by reviewing audits requisitioned by other members of JAC. None of those we reviewed presented any issues of concern.

As required by law, BCE issues an annual report describing the steps taken in the previous year to prevent and reduce the risk that forced labour and child labour are used in our supply chain.

To learn more about the standards our third-party suppliers must adhere to, see our Supplier code of conduct.

Engaging with suppliers to promote growth and innovation

Engaging actively with suppliers to identify opportunities and address risks is key to fostering a more sustainable value chain.

Our suppliers are a key component of our success, and choosing the right suppliers is critical, considering the complications and constraints related to global provisioning. We work with our key suppliers with the objective of ensuring they align with our values, and we challenge them to collaborate on innovative projects to drive improvements.

For example, Bell works with suppliers to participate in innovative solutions that seek to minimize the environmental impact of our business operations. This means we work with suppliers to redirect, reuse, repurpose and recycle material from our waste streams wherever possible. We also support organizations that are focused on protecting the environment and decarbonizing their operations.

In 2024, 34% of our suppliers by spend had set science-based targets [1] for reducing their greenhouse emissions, providing a helpful illustration of our collective focus.

We will continue to engage our suppliers in this initiative with the goal of 64% of our suppliers by spend committing to or setting science-based targets by 2026.

(1) PwC provided limited assurance over this indicator. See PwC's limited assurance report.

Our products and services

Our products and services help our customers take advantage of emerging capabilities and applications powered by Canada's fastest pure fibre internet and 5G networks.[1] We seek to meet the evolving needs of our residential and business customers by investing in advances in network technology, research and development (R&D), the expansion of our modern IT platforms, cloud-based and AI-driven solutions, and a digital-first approach to our media and advertising offerings.

Driving growth with innovative services is a strategic imperative as we respond to the needs of our customers, helping them stay connected, informed, productive and entertained. The digital nature of our products and services contributes to the transition of our customers to a low-carbon economy and helps create a more sustainable and prosperous future.

Drive growth with innovative services

Deliver the most compelling content

Engage and invest in our people and create a sustainable future

How we monitor impact and progress:

Topic	Target	2024 performance	YoY change	2024 third-party verification	Result
Enabling transition to a low-carbon economy	Increase carbon savings enabled by the use of Bell's technological solutions[2]	4.7 times Bell's operational GHG	+0.7 (was 4.0 in 2020)	–	✓

→ Stable ↘ Missed or not on track ↗ On track ✓ Achieved

For complementary information:

- Social webpage
- ESG data summary
- Responsible AI policy
- CTV News editorial standards and policies
- Noovo Info editorial standards and policies
- Bell Code of Business Conduct
- Bell STB energy information
- Bell SNE energy information

Success indicators

Success indicators for our products and services	2024	YoY change
Research and development (capex)	$573M	($111M) from 2023
Research and development (opex)	$66M	($24M) from 2023
Original French-language content produced (hours)	1,270+	(7%) from 2023
Original English-language produced (hours)	30,000+	(19%) from 2023

(1) Based on analysis by Ookla® of Speedtest Intelligence® data for Q3–Q4 2024. Ookla trademarks used under license and reprinted with permission.

(2) Performance is estimated pursuant to our carbon abatement ratio based on 2023 data, which is when our last evaluation was completed. The 2020 carbon abatement ratio has been restated. For more information on this metric, refer to "About this report".

Innovative digital technologies

As Canada's largest Canadian communications company,[1] and a top investor in research and development,[2] Bell is focused on driving innovation to enhance its services and contribute to the betterment of Canadians.

Bell's dedication to offering our customers Canada's fastest pure fibre Internet and 5G networks is evidenced by our numerous awards, solidifying our position as Canada's most awarded Internet service provider. These accolades include top honours from BrandSpark as the most trusted provider across various categories, including high-speed Internet performance and connectivity, home phone, TV, and cellular service,[3] as well as the overall most trusted communications provider. In 2024, Ookla recognized Bell pure fibre as Canada's fastest Internet,[4] and Global Wireless Solutions (GWS) awarded Bell for having Canada's fastest and best network across 5G and 5G+.[5]

Our strategic use of AI helps enhance services and improve the customer experience. Through in-house AI and machine learning algorithms, we identify and block hundreds of millions of fraudulent and spam calls before they reach our customers. This system has significantly reduced the number of unwanted calls that our customers receive. For our Fibe TV service, we recently introduced AI-based personalization features to enhance the viewing experience, offering customers more tailored content recommendations.

Bell also continues to launch innovative services. In 2024, we introduced the next generation of Fibe TV service in Atlantic Canada, integrating live TV, on-demand content, thousands of apps, and powerful search capabilities into a single, enhanced experience. We also launched the Bell Business Wi-Fi App for small businesses in Ontario and Québec, offering improved security, customizable guest Wi-Fi, valuable customer and employee data insights, and simplified network management.

Next-generation networks and services

We continue to invest in new wireless spectrum, infrastructure and technology to bring next-generation networks and services to Canadians, transforming the way they connect.

In 2024, we partnered with Samsung to conduct a 5 Component Carrier aggregation (5CCA) test on a smartphone over a live production network, leveraging 3800 MHz spectrum. As a means to unlock the fastest mobile speeds available in Canada, the 5CCA technology allows the device to access 3800 MHz spectrum, together with Bell's other available 5G spectrum. The partnership made Bell one of the first carriers in North America to successfully deploy a 5CCA test in a live production environment with Samsung.

In partnership with Nokia, a global technology leader in mobile, fixed and cloud networks, we achieved a significant advancement in Canadian broadband technology with the successful completion of the country's first 50G passive optical network (PON) technology trial at our Advanced Technical Lab in Montréal. To do this, we leveraged our existing fibre infrastructure to provide even faster Internet speeds to customers. The successful integration of 50G PON with Bell's existing PON networks demonstrates an efficient and more cost-effective path to upgrading infrastructure.

Fostering a culture of innovation and problem-solving

Investing in tomorrow's technology is foundational to driving innovation across our portfolio of products and services, keeping us at the forefront of network innovation and leadership.

Our goal of driving innovation stretches beyond our own operations. Fibre and 5G connectivity are revolutionizing innovation by providing the foundation for a hyper-connected world. Together, these technologies help create a powerful synergy, enabling businesses to develop innovative solutions, accelerate research, and unlock new possibilities across various industries. Bell seeks to continue to invest in expanding our connectivity in both urban and rural areas, giving our customers access to the tools they need to help drive innovation in Canada.

Bell partners with and supports companies and ventures that are innovating across many industries. We are one of the top Canadian investors in research and development, ranked fifth overall and top telecommunications company in the Top 100 Corporate R&D Spenders for 2024 report by Research Infosource Inc.[2] In 2024, we spent $573 million in capital expenditures on research and development activities, and engaged and partnered with nearly 300 technology companies.

Bell Ventures, Bell's corporate venture capital initiative, cultivates unique partnerships with each portfolio company, helping them to drive innovation in their respective industries. In 2024, Bell Ventures made a significant impact with four strategic investments. These investments – three direct and one indirect – underscore our objective to help foster technological advancement across various industries. For example, Selector AI, an AI Ops platform, helps improve network service quality by detecting anomalies and providing actionable insights. Protexxa, an AI-powered cybersecurity platform, offers comprehensive identity management services, while McRock Capital, a fund dedicated to industrial IoT and supply chain innovation, further strengthens Bell Ventures' portfolio in these industries. These strategic partnerships highlight Bell Ventures' dedication to supporting cutting-edge technology and its role in helping shape the future of various technology sectors.

Bell is committed to collaboration and leveraging cutting-edge technologies such as AI, cloud computing, IoT, and next-generation security to drive innovation. This commitment is evident in our strategic partnership with Mila, a Québec AI research institute, to explore how deep learning can enhance business performance and customer experience, and accelerate AI innovation through cloud computing.

Bell also joined a consortium of companies including Google, Desjardins and Fonds de solidarité FTQ to partner with Ax-C, a new hub for innovative entrepreneurship set to open in 2025. The goal of this strategic private sector partnership is to build a strong and dynamic ecosystem dedicated to the growth of startups in Québec.

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

(2) Research InfoSource Inc., an independent R&D analyst firm, ranked Bell 5th on its list of Canada's top 100 investors in research and development based on dollars invested for 2023.

(3) Voted and awarded Most Trusted High Speed Internet Provider for Wi-Fi Performance/Wi-Fi Connectivity, Home Phone Service Provider, TV Service Provider (in a tie), and Cellular Service Provider (in a tie) by Canadian shoppers based on the 2025 BrandSpark® Canadian Trust Study.

(4) Based on analysis by Ookla® of Speedtest Intelligence® data for Q3–Q4 2024. Ookla trademarks used under license and reprinted with permission.

(5) Independent testing by Global Wireless Solutions (GWS) from February to November 2024 ranked Bell's 5G and 5G+ networks highest among Canadian national wireless carriers. GWS OneScore™ rankings for 5G+ performance and speeds are based on testing while actively using 3500 MHz spectrum.

Strategic Acquisitions and Partnerships

It's through our latest acquisitions and partnerships that we aim to scale our technology services, bringing new industry-leading solutions to our customers. GRI 2-28

In 2024, Bell, through its subsidiary FX Innovation, which Bell acquired in 2023, significantly expanded its cloud capabilities by acquiring CloudKettle, a professional services provider specializing in enterprise Salesforce implementations. This acquisition bolsters Bell's position as a major player in providing comprehensive cloud solutions to medium and large organizations by building on FX Innovation's expertise in end-to-end multi-cloud managed services, IT workflow automation solutions and cloud consulting services.

We also significantly strengthened our ServiceNow capabilities with the acquisition of HGC Technologies (also through FX Innovation), an Elite ServiceNow partner. HGC Technologies brings extensive expertise in application development, HR service management, and a robust North American talent pool, particularly bolstering FX Innovation's strategic expansion into the U.S. market. This acquisition created a leading ServiceNow Centre of Excellence in Canada, offering a comprehensive suite of services, including process automation, cloud technologies, and digital transformation solutions.

To further enhance operational efficiency and customer experience, Bell forged a strategic partnership with ServiceNow, implementing the platform internally and extending managed services to enterprise clients. This partnership is a key component of Bell's digital transformation strategy, streamlining business-critical areas such as network operations, customer service, and field service.

Bell also partnered with Google Cloud to introduce Google Cloud Contact Center AI (CCAI) to transform customer and employee experiences for business clients. Bell is the first to offer a fully AI-powered solution for enterprise and mid-market customers in Canada. The managed CCAI solution, supported by Bell's professional services expertise, leverages generative AI for intelligent customer and agent experiences, providing rich conversational interactions and insightful analytics. Bell's own internal implementation of CCAI showcases its effectiveness and provides the company with valuable expertise to support its clients' digital transformations.

Partnering with Microsoft, Bell delivers innovative hybrid work solutions to Canadian businesses. This collaboration includes Bell Operator Connect for Microsoft Teams, enabling businesses to integrate Bell's high-quality voice network into Teams without requiring additional hardware or upfront investment. Furthermore, Bell's adoption of Microsoft 365 demonstrates its commitment to modernizing its internal operations and enhancing its customers' digital experiences.

These strategic partnerships and acquisitions underscore Bell's commitment to delivering cutting-edge solutions and services, solidifying our position as a leader in Canada's technology and communications sectors.

Growing our digital media business

New acquisitions and partnerships in support of Bell Media's digital media growth strategy.

In 2024, Bell Media completed its acquisition of OUTEDGE. This acquisition supports Bell Media in delivering multi-channel marketing solutions across Canada and solidifies our leadership position in the OOH space. Accelerating Canadian programmatic growth, Bell Media also announced a new partnership with StackAdapt, which will expand Bell Media's premium inventory across CTV and digital channels onto StackAdapt's programmatic platform. These partnerships underscore Bell Media's leadership in innovative digital advertising and ensure our premium content is accessible where customers demand it. In 2024, Bell Media also became the new Canadian sales partner of Dotdash Meredith, America's largest digital publisher. This strategic partnership added Dotdash Meredith's premium digital inventory from more than 40 renowned media brands, such as People and Better Homes & Gardens, Allrecipes and Food & Wine, to our portfolio.

Contributing to a better world through our products and services

Our products and services provide value to Canadians by helping them both mitigate climate change and adapt to its impacts. Our solutions help enable customers to reduce environmental impacts, improve health and safety and better safeguard protected data.

Our activities and outcomes

Solutions contributing to climate change adaptation and mitigation GRI 201-2

Bell technological solutions can help our customers reduce energy needs, minimize carbon footprints and enhance productivity.[1]

Our solutions help businesses embrace new ways to communicate, collaborate, ensure business continuity and maintain services in the event of emergencies and extreme incidents.

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.
- 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 can help maintain business continuity by giving workers access to their cloud-based collaboration tools from anywhere, anytime, and on any device. In times of crisis, immediate access to reliable communications is critical to disaster recovery.
- 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).

We continue to develop business solutions that aim to enable carbon emissions reductions and help customers adapt to climate change.

To learn more about about our collaboration solutions, visit Bell Business Solutions.

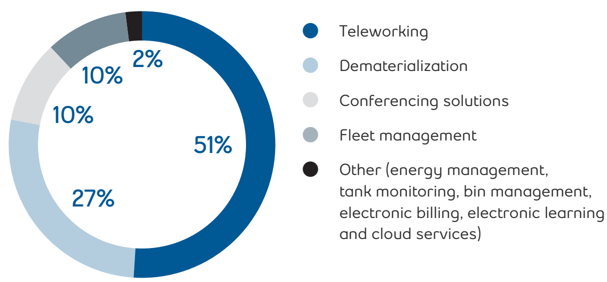
Quantifying how our solutions enable carbon abatement

Since there is no official or standardized way to calculate the carbon abatement enabled by technology services, a combination of public studies has been leveraged to calculate the carbon abatement of our products and services. We have worked with Groupe AGECO, a third-party consultant with expertise in GHG emissions quantification, to reference existing ICT industry methodologies from GeSI, BT Group/Carbon Trust and AT&T to estimate the carbon reduction capacity of our products and services used by our customers. The calculation is based on assumptions that are dependent on customers' behaviour over which Bell has no control.

Bell provides a number of technological solutions that help enable our customers to reduce their GHG emissions by optimizing transport, energy use and asset operations. For example, using Bell's fleet management solution helps reduce 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 carbon reduction technology is not used, compared to the case where Bell's technological 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.

Groupe AGECO's and Bell's analysis estimated that our technological solutions have enabled carbon abatement of nearly 1,193 kilotonnes of CO_2 equivalent for our customers in 2023. This is equal to 4.7 times Bell's operational GHG (scope 1 and 2) emissions.[2]

Bell technologies enabling carbon abatement



This analysis undertaken by Bell and Groupe AGECO is the fourth[3] of its kind. Our objective is to continually increase Bell technological solutions' carbon abatement ratio by developing and providing more products and services that aim to enable carbon reduction four our customers.

The prevalence of Bell's 5G network is helping accelerate positive impacts of wireless technology on the environment. According to a study published by the CTA and Accenture,[4] 5G reduces GHG emissions by allowing network operators to be more efficient and by enabling improved carbon abatement.

(1) 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 CO_2e emissions.

(2) 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. For more information about the carbon abatement ratio, including the restatement of such ratio, please refer to "About this report".

(3) In our fourth analysis, we updated the quantification of Bell's carbon abatement ratio based on 2023 data. The earlier three studies were based on 2015, 2017 and 2020 data.

(4) Accelerating 5G in Canada: The Role of 5G in the Fight Against Climate Change by CTA and Accenture.

Enhancing connectivity for the advancement of the communities we serve

Bell IoT solutions can help businesses provide a safer, healthier work environment for their employees and society at large.

Bell IoT solutions support businesses, governments, and other organizations in helping manage their infrastructure and assets more efficiently. By leveraging the power of IoT, businesses can manage their communications needs and resources more efficiently through the use of online and paperless tools such as zero-touch ordering and online billing and invoicing, thus also reducing waste.

In 2024, we partnered with the City of Toronto to support their pilot Congestion Management Plan, an initiative aimed at improving the flow of traffic within the city. For this, we deployed state-of-the-art Pan-Tilt-Zoom cameras, streaming real-time traffic securely over Bell's 5G network to the City of Toronto's cloud infrastructure. This is expected to help empower the city's traffic controllers to make more informed decisions, better optimize traffic flow, improve the daily commute and reduce time spent idling in traffic for those who live and work in Toronto. The pilot is expected to be completed in spring 2025.

Additionally, in 2024, we partnered with the world's largest Canadian-based manufacturer of underground mining equipment, MacLean Engineering, to advance mining operations with the support of a Bell Private Mobile Network (PMN) at their Research and Training facility in Sudbury, Ontario. With a persistent, dedicated bandwidth and signal stability from the surface to the underground, the PMN helps enable interoperability between equipment – a key component of IoT, and remote and autonomous operation, enhancing safety for workers and helping drive more sustainable practices and reduced vehicle emissions.

Cybersecurity solutions supporting business continuity

Evolving cybersecurity attacks are a shared concern for governments, businesses and the public.

Bell is a longstanding leader in providing security solutions and services to Canadian businesses and organizations.[1] We help financial institutions, governments, retailers, manufacturers, and other organizations across the country improve their cybersecurity posture by helping alleviate the challenges of investigating, detecting, mitigating and resolving cyber attacks.

In 2024, Bell acquired Stratejm to augment Bell's managed cybersecurity services. Stratejm's sophisticated cybersecurity mesh architecture helps enable Bell to provide customers with next-generation automated threat detection and response solutions that streamline the identification and remediation of cybersecurity incidents. By integrating Stratejm's solutions with Bell's extensive managed services portfolio, Bell strengthened its ability to fortify its customers' cybersecurity resilience, tackle intricate security challenges, and empower organizations to better navigate the ever-changing cybersecurity threat landscape with assurance and precision.

A Distributed Denial of Service (DDoS) attack occurs when a threat actor floods a server with Internet traffic to prevent users from accessing connected online services and sites. Bell's Network DDoS solution helps mitigate these incidences, safeguarding business operations and helping ensure continued service availability. Over the last 12 months, we have successfully mitigated over 100 million attacks, thus safeguarding critical business operations.[2] The service was enhanced in 2024 to offer a more cost-effective Edge DDoS solution for Canadian businesses.

Bell has established a strategic partnership with Palo Alto Networks, a global leader in cybersecurity solutions. This collaboration combines Bell's expertise in managed and professional services with Palo Alto Networks' industry-leading, AI-powered cybersecurity platforms. The partnership offers comprehensive threat protection to Bell's enterprise customers and reinforces Bell's goal of becoming the largest and most trusted Managed Security Services Provider in Canada.

Bell has also partnered with SentinelOne, a leading cybersecurity company, to provide advanced endpoint protection for Canadian businesses. This partnership marks SentinelOne's first collaboration with a major Canadian telecommunications company. The combined capabilities of Bell and SentinelOne provide customers with increased visibility and insight into their data, delivering end-to-end protection and enabling businesses to defend against cyberattacks more rapidly, effectively, and accurately across their entire attack surface.

(1) Based on Bell's position in the IDC MarketScape: Canadian Security Services Vendor Assessment reports – 2015, 2017, 2018, 2019, and 2022 (the report was not published in 2016, 2020 and 2021).

(2) Based on third-party data by Arbor (detection) and Radware (mitigation) collected in November 2023 and September 2024.

Delivering compelling content

Bell Media is Canada's leading media and entertainment company, providing Canadians with access to the most compelling entertainment, sports, and news content where customers demand it. With a portfolio of assets in premium video, audio, out-of-home advertising, and digital media, Bell Media produces and distributes high-impact content that entertains, informs and reflects the communities we serve.

Our activities and outcomes

Delivering the most compelling content across a range of platforms SASB SV-ME-000.B

Bell Media offers a diverse mix of news, entertainment, and sports content spanning both traditional and digital platforms. Our dynamic approach to content delivery seeks to drive meaningful engagement with audiences and stakeholders, while continually meeting evolving consumer demands.

Bell Media offers both advertising-based and subscription-based on-demand platforms, as well as conventional linear services delivering access to local, national and international programming. These include CTV – Canada's top national network in primetime for 23 consecutive years – and 35 local CTV and Noovo television stations in markets across the country. As of the end of 2024, Bell Media also holds 24 specialty channels, including sports leaders TSN and RDS;[1] five direct-to-consumer streamers, including the bilingual premium video streaming service, Crave; and the leading out-of-home advertising network in Canada, Astral. Bell Media is a partner of Montréal's Grandé Studios; Sphère Média; and Dome Productions, one of North America's leading production facilities providers. The iHeartRadio Canada brand, another Bell Media asset, delivers hundreds of streaming radio stations and music channels to listeners.

With a perspective that is distinctly Canadian, CTV News is Canada's most-watched news organization – both locally and nationally. CTV News operations include 24/7 news services CTV News Channel, BNN Bloomberg and CP24. Bell Media also operates the French-language news service Noovo Info, and digital news sites CTVNews.ca, CP24.com, BNNBloomberg.ca and noovo.info, which provide a direct connection to Canada's most trusted news anytime and anywhere.

Throughout 2024, Bell Media produced more than 1,270 hours of original French-language content and produced more than 30,000 hours of English-language original content.

Bell Media local content production

French-language	English-language
1,270+	30,000+

In recent years, Canada's broadcasting landscape has undergone many changes, from shifting audience behaviour and declining ad revenues, to the growth of foreign streaming giants. In 2023, the federal government adopted the Online Streaming Act, mandating that the CRTC create a new broadcasting framework that is fit-for-purpose in the streaming age. The new framework aims to level the playing field by mandating that foreign streaming platforms do more to promote and fund the creation of Canadian content. As the consultation process continues, Bell's position is to advocate for a framework that takes into account the important role broadcasters play in the system while reducing our overall regulatory burden.

Great, global and profitable content for Canadian and international markets

Bell Media invests in locally-made productions that are for Canadians, by Canadians, helping nurture and promote Canadian culture, in addition to the acquisition of high-quality content that resonates with both Canadian and international audiences. These investments in content contribute to local economies, provide employment for Canadian media industry talent, specialists, and suppliers, and diversify our content library.

In 2024, Bell Media continued to deliver popular content across its platforms and is committed to creating great original content with global appeal. Titles include hit series The Amazing Race Canada, Shoresy, Survivor Québec, and In Memoriam, Bell Media original productions were licensed in 75+ countries, including key regions across the United States of America, Mexico, Central and South America, Latin America, Europe, United Kingdom, the Middle East and North Africa, Asia, Australia and New Zealand.

On top of the content we produce, we also invest in the acquisition of high-quality content to offer choice to our audiences. This includes exclusive licensing agreements and strategic partnerships that expand and diversify our content library. In 2024, Bell Media built on its content agreements with an expanded licensing deal with Warner Bros. Discovery, extending Crave as the exclusive Canadian platform for HBO and Max content for multiple years. The deal also includes a co-production commitment for original Canadian content, the licensing of Bell Media original content for use on Warner Bros. Discovery platforms outside of Canada, and extended access to French-language content for use on Bell Media platforms.

Bell Media also signed a new licensing agreement with NBCUniversal Global TV Distribution, rebranding Discovery and Investigation Discovery as USA Network and Oxygen True Crime, in Canada. Bell Media's specialty channels Animal Planet, Discovery Science, and Discovery Velocity have also rebranded as CTV Wild, CTV Nature, and CTV Speed, respectively. These agreements reflect Bell Media's focus on broadening its content offerings and strengthening its relationships with international studios.

TSN and RDS deliver coverage of a wide variety of sports championships and events. In 2024, they provided exclusive coverage in Canada of two prominent international soccer tournaments: the UEFA EURO 2024 and CONMEBOL Copa América 2024. The networks also continued to deliver exclusive coverage of Formula 1's Canadian Grand Prix in Montréal, as well as comprehensive NFL coverage, highlighted by Super Bowl LVIII from Las Vegas. Additionally, we provided ongoing coverage of major sports, including the CFL, NBA, PWHL, WNBA, regional NHL coverage, MLB, MLS, Season of Champions curling, auto racing, professional golf, and Grand Slam Tennis.

(1) Based on the depth and breadth of broadcasted sporting events, and TSN's reach, according to data provided by Numeris, a data company providing audience data and insights capturing media behaviours for the Canadian media industry, and TSN.

Expanding audience growth and engagement

Expanded digital distribution is key to Bell Media's growth. We are bringing our brands and content to the places consumers are demanding it, ensuring Bell Media is seen and heard by the right people at the right time.

Bell Media's digital properties experienced significant growth in 2024. Crave, Canada's only privately-owned bilingual subscription streaming service, saw an 18% increase in subscriptions to more than 3.6 million, fueled by a 51% rise in direct-to-consumer subscribers. Its launch on Prime Video Channels further expanded its reach, marking this year as the most-watched year in Crave's streaming history. TSN and RDS also expanded their reach with Prime Video Channels in Canada. Bell Media's news properties, including CTVNews.ca, CP24.com, and BNNBloomberg.ca, remained top digital news destinations, with CTV News as the most consumed digital Canadian news property in the nation. Noovo.info, the French-language news site, showed remarkable growth, with more than a 50% increase in horizontal video views, and more than 600% in vertical video views, also surpassing 1.3 million likes and 17 million in reach on it's TikTok account. Noovo.ca also saw increased page visits and video views this year, supported by strong overall content performance and increased audience engagement across platforms such as YouTube, Facebook, and TikTok.

Advancing the digital transformation of Bell Media's local radio stations is iHeartRadio Canada, which offers Canadian and international programming, curated playlists, and exclusive digital streaming channels. In the top six radio markets in 2024, Bell Media listening was up 4% compared to 2023, in a market that was down 4%.[1]

In 2024, Bell Media announced the launch of 11 English-and French-language FAST channels, featuring a selection of acclaimed and fan-favourite entertainment, factual, news, and sports programming. All 11 channels are available on LG Channels, Samsung TV Plus, Plex, and The Roku Channel. The launch of these FAST channels and platform partners helps expand advertising opportunities for Bell Media clients, allowing advertisers to reach a wider Canadian audience and effectively engage their desired target demographics.

Journalistic integrity of news programming SASB SV-ME-270a.3

We are responsible for telling Canada's stories, reflecting the country, its multicultural and multiracial dynamics, and for being impartial and independent from those seeking to influence our news programming.

CTV News and Noovo Info are committed to upholding the highest journalistic standards, including the principles of journalistic independence. As a reputable news organization in a democracy, it is our fundamental purpose to inform Canadians of what is happening and to clarify events so that they may form their own conclusions. We accomplish this by telling balanced, accurate, fair and relevant stories in a clear and compelling way. All journalists at CTV News and related operations must abide by the CTV News editorial standards and policies. This is also the same for Noovo Info, which adheres to its own set of editorial standards and policies, ensuring the delivery of balanced and accurate news and content.

With a perspective that is uniquely Canadian, and through a network of national and local news operations, our mission is to be Canada's most trusted news source, providing the most timely and relevant news and information on all platforms, while adhering to the highest standards of journalism at all times. Our target audience is a broad demographic of Canadians across all age groups who are interested in the world around them. CTV News is a member of the Trust Project, a global network of news organizations. The Trust Project aims to build standards that affirm and amplify journalism's commitment to transparency, accuracy, inclusion and fairness.

(1) Numeris, CY 2024 vs 2023, Central Markets CTRL, Mo-Su 2a-2a, Adults 18-54 based on % of hours tuned among the stations reporting their revenues to TRAM.

Our environment

As Canada's largest communications company,[1] we strive to create a more environmentally sustainable future through responsible management of environmental impacts and helping mitigate the effects of climate change. Our stakeholders expect that our environmental focus be defined by purposeful action, so we are dedicated to making progress toward optimal resource use by advancing our circular economy model and by seeking to reduce our GHG footprint.

To deliver on our strategic imperative to engage and invest in our people and create a more sustainable future, we endeavour to limit our environmental impact throughout our operations, networks, products and our entire value chain. We strive to improve our energy efficiency and our resilience to climate-related disruptions.

Build the best networks

Operate with agility and cost efficiency

Engage and invest in our people and create a sustainable future

How we monitor impact and progress:

Topic	Target	2024 performance	YoY change	2024 third-party verification	Result
Greenhouse gas emissions[2]	Carbon neutral operations in 2025[3]	192,545	Reduced by 25%	PwC (Scope 1 and 2 emissions and YoY change)[4]	↗
	Science-based targets				
	1) Reduce our absolute scope 1 and scope 2 GHG emissions 58% by 2030, from a 2020 base year[5]	–27%	Reduced by 24 percentage points	PwC[4]	↗
	2) Reach 64% of our suppliers by spend covering purchased goods and services with science-based targets by 2026	34%	Increased by 6 percentage points	PwC[4]	↗
	3) Reduce our absolute scope 3 GHG emissions from categories other than purchased goods and services 42% by 2030, from a 2020 base year[6]	34%	Reduced by 8 percentage points	–	↗
Circular economy	New waste reduction target: 30% reduction in total waste sent to landfill by 2030, from a 2019 base year	–22%	Increased by 7 percentage points	PwC[4]	–
	Hazardous waste: Divert 100% of generated hazardous waste to certified recyclers by the end of 2024	100%	Increased by 1 percentage point	PwC[4]	✓
	E-waste recovery: Recover used TV receivers, modems, mobile phones and Wi-Fi pods	2,759,467	Decreased by 194,056	PwC[4]	✓
Management approach	Maintain ISO 14001 certification	Certified	Maintained 16th year in a row	Bureau Veritas	✓
	Maintain ISO 50001 certification	Certified	Maintained 5th year in a row	Bureau Veritas	✓

→ Stable ↘ Missed or not on track ↗ On track ✓ Achieved

For complementary information:

— Environmental webpage
— ESG data summary
— Climate action report
— Climate-related risks and opportunities disclosures summary
— Our environmental policy

(1) Based on total revenue and total combined customer connections.
(2) For more information regarding our GHG targets, refer to the section "About this report" and to the section "Caution regarding forward-looking statements" for more information relating to the risks and assumptions relating to these targets.
(3) Performance is based on operational GHG emissions (scope 1 and 2 emissions in tonnes of CO_2e) minus GHG emissions offset by carbon credits purchased (in tonnes of CO_2e).
(4) PwC provided limited assurance over this indicator. See PwC's limited assurance report.
(5) In line with a 1.5°C trajectory.
(6) 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 2020 base year and 2023 data have been restated, see "About this report" for further details.

Climate change

Climate change could pose risks to our operating environment and our ability to create value. To help mitigate these risks, we aim to optimize our energy consumption and reduce our GHG emissions while continuing to adapt to the impacts of climate change.

Our activities and outcomes

Mitigating climate change

GRI 201-2, 302-4, 305-1, 305-2, 305-3, 305-5

As a responsible corporate citizen, Bell aims to do its part to help fight climate change. Measuring our carbon footprint, setting targets and building pathways toward reducing GHG emissions helps enable us to operate more cost efficiently while contributing to a low-carbon economy.

As a first step to be able to mitigate climate change, companies need to understand their carbon footprint. We have been measuring and reporting on our GHG emissions and energy consumption for over 20 years and have been publicly disclosing them since 2003 through the CDP, a non-profit organization that gathers information for investors on climate-related risks and opportunities from organizations worldwide.

To help us track and report progress as we advance on our journey to mitigate the impacts of climate change, we have set near-term science-based targets. We believe everyone has a role to play 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, which is why we have the following science-based targets, as approved by SBTi:

— Reduce our absolute operational GHG emissions (scope 1 and 2) by 58% by 2030, from a 2020 base year – in line with a 1.5°C trajectory (SBT1)

— Reach 64% of our suppliers by spend covering purchased goods and services with science-based targets by 2026 (SBT2)

— Reduce our absolute scope 3 GHG emissions from all categories (other than from purchased goods and services) by 42% by 2030, from a 2020 base year (SBT3)

These targets are intended to help us transition to net-zero. We have yet to set our net-zero target, but we will continue to innovate, refine our technologies and pursue internal initiatives with this objective in mind.

In addition to our science-based targets, in 2025, we have set a target to be carbon neutral for our operational emissions (scope 1 and 2 only).

To achieve our targets, we need collaboration from, among others, our employees, suppliers and partners. We've embedded the responsibility of reducing energy consumption across all management levels of the organization, and placed oversight with the Board of Directors. Since 2008, our senior management-level Energy Board has worked to better govern the effectiveness of our energy management system by identifying and implementing energy efficiency initiatives across our operations. As the importance of taking action to limit climate change has increased, the Energy Board's mandate has evolved to include objectives to achieve GHG emissions reduction targets.

Further cross-functional engagement is occurring through the Carbon Reduction Taskforce and the Innovation Working Group. These committees assist in identifying initiatives to reduce energy consumption, set business function level targets, spur innovation and propose projects for the Green Budget, a dedicated annual fund to decarbonize our operations. Our climate change strategy and progress toward targets are reported through the year to various senior level committees within Bell including the Board of Directors.

We are collaborating with partners, such as GeSI, the Global System for Mobile Communications Association (GSMA), and the Canadian Business for Social Responsibility (CBSR) to develop best practices in defining and supporting actions to transition to a low-carbon economy.

Bell's total GHG emissions

Tonnes of CO_2 equivalent

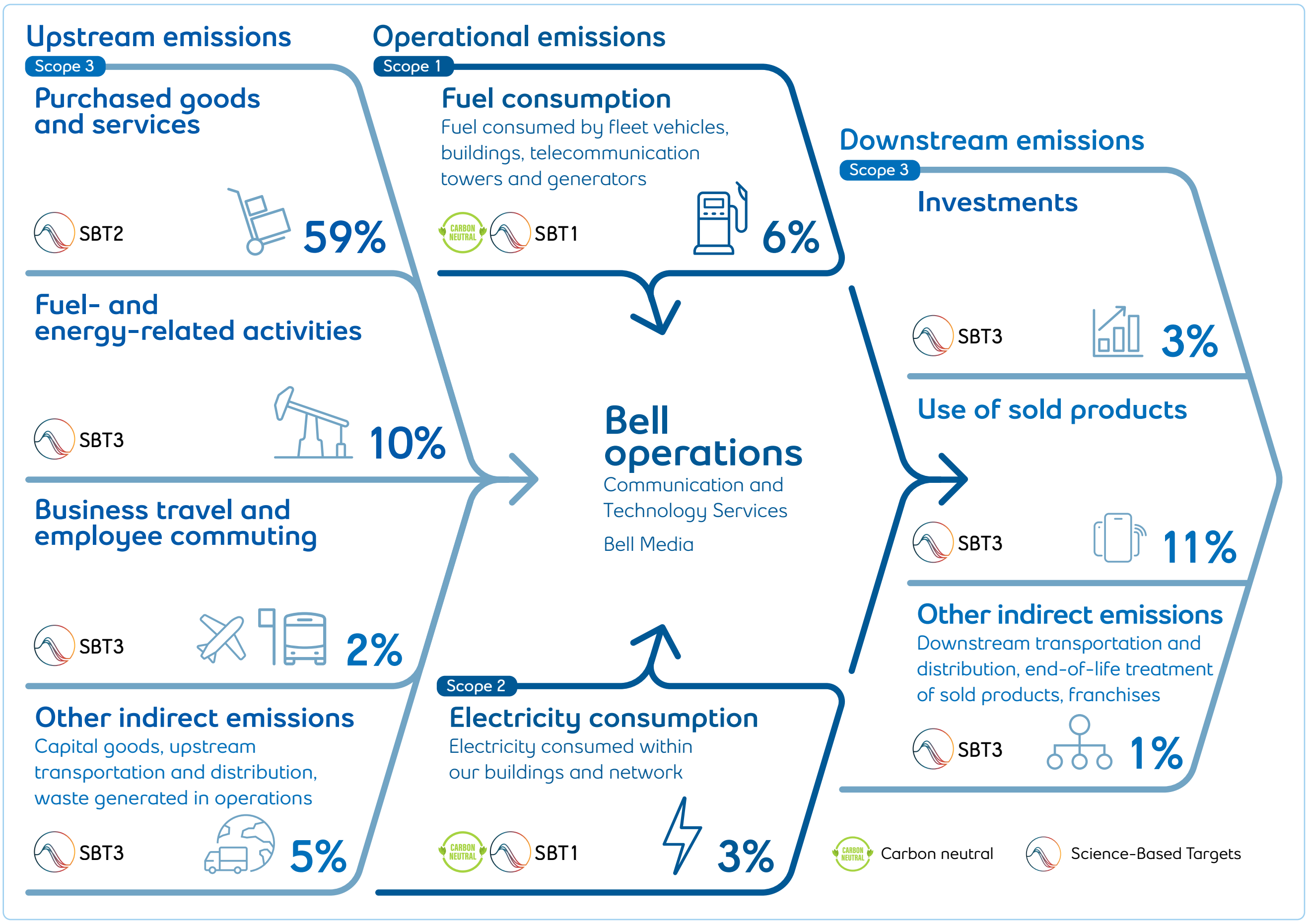
Scope	2020	2023	2024
Scope 1 [(1)]	141,270	138,759	125,729
Scope 2 (market-based) [(1)] [(2)]	121,681	117,607	66,816
Scope 3 [(3)]	1,992,104	2,095,740	1,794,803
Total	**2,255,055**	**2,352,106**	**1,987,348**

(1) PwC provided limited assurance over this indicator. See PwC's limited assurance report.

(2) Our scope 2 emissions decrease from 2023 to 2024 is primarily due to retiring RECs we had procured for this purpose. To learn more about climate-related terms, metrics and targets, see "About this report." Scope 2 location-based data is available in our ESG data summary.

(3) 2020 and 2023 data have been restated, see "About this report" section for details.

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



Our plan

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

Our action plan includes initiatives such as:

- fleet rightsizing and electrification. In 2024, we replaced 713 older vehicles with new, more fuel-efficient models. We now have a total of 470 electric and 370 hybrid vehicles in our fleet;
- improving energy efficiency by optimizing facility equipment (i.e., heating and cooling), modernizing our network equipment, having some buildings certified LEED (Leadership in Energy and Environmental Design) and maintaining BOMA BEST (Building Owners and Managers Associations' Building Environmental Standards) certifications;
- asset optimization, which includes reducing our real estate footprint, as well as working to consolidate and optimize equipment, including virtualizing servers;
- increasing on-site renewables (solar and wind generation); and
- procuring renewable energy certificates (RECs).

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

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

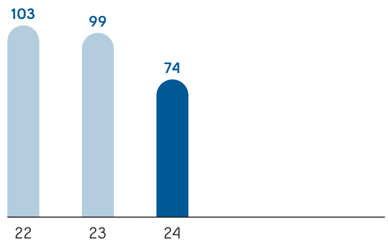
- our ability to purchase a significant amount of high-quality credible carbon credits and/or RECs to offset or reduce, as applicable, our GHG emissions;
- no significant increase in electricity grid emissions intensity over which we have no control; and
- the successful and timely implementation of various corporate and business initiatives to reduce our electricity and fuel consumption.

Advancing our energy efficiency is an integral part of Bell's objective to reduce its GHG emissions while lowering energy costs and helping our customers reduce their own carbon footprint. Bell's energy intensity ratio, described below, is a metric we use to track our progress to improve our energy efficiency. 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.[1] The decrease in Bell's energy intensity ratio over the years reflects the carbon reduction-enabling capabilities of our products and services.

(1) 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).

Bell's energy intensity GRI 302-3, 305-4

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 reducing our real estate footprint, dematerializing products distributed, and by collaborating with our dealer stores and companies in which we hold non-controlling interests to reduce their emissions.

In 2023, we joined forces with Cogeco and Rogers to create a coalition with aid from Canadian Business for Social Responsibility (CBSR), named the Canadian Telecommunications Decarbonization Alliance (CTDA). The coalition's objective is to take a unified telecommunications industry approach to engage suppliers to help reduce scope 3 emissions. In 2024, we hosted two webinars with our vendors to educate them on each of our science-based targets, and the engagement needed on their part to set GHG emissions reduction targets to reduce their own carbon footprint. Vendor engagement continues as we further develop our strategy to address scope 3 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. For scope 3 GHG emissions reductions, we must rely on external actions and factors, and we are subject to certain risks described in the "Caution regarding forward-looking statements" section of this Strategic overview. It also depends on certain assumptions including, but not limited to:

- sufficient supplier engagement and collaboration in setting their own science-based 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 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 emissions.

Becoming resilient to climate change

Adapting to the impacts and consequences of climate change by building greater resiliency into our business is crucial to ensuring business continuity and value creation.

Our ability to create value also depends on our adaptability to the changing environment due to climate change. Our operation resiliency depends 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 flooding, wildfires, ice and snowstorms, windstorms and tornadoes. We identify and seek to address these challenges through our Climate Resiliency Taskforce.

Bell team member proactively setting up back up power generators

Circular economy

We are advancing our circular economy approach to focus on solutions that detach growth from accelerating raw material consumption in an effort to reduce the environmental impact of our operations. Waste reduction is essential to improving our operational efficiency by generating economic benefits, and better aligning with the values and expectations of our employees and customers.

Our activities and outcomes

Responsible procurement of goods and services

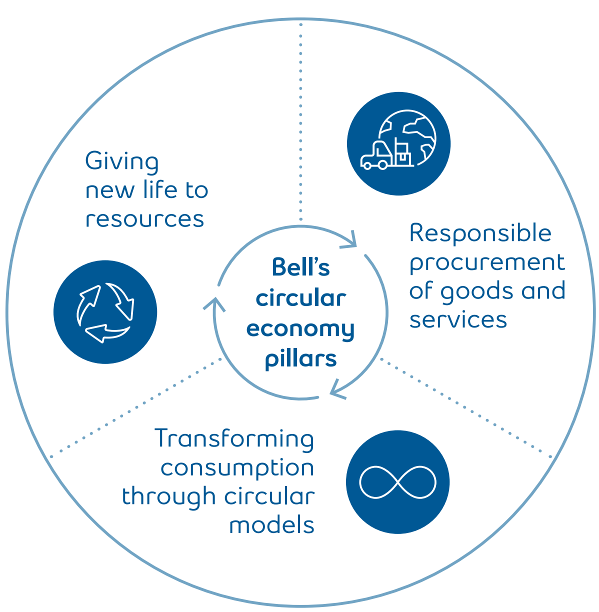
GRI 2-28

Our focus on reducing the environmental impacts of our supply chain enables us to build and sustain more resilient processes while limiting costs throughout our business.

With the objective of reducing the environmental impact of our supply chain, we evaluate the environmental risks of our suppliers and set contractual sustainability criteria. The criteria address the use of toxic substances, heavy metals, the recyclability of materials, the identification of plastics used, energy efficiency and the impact on our carbon footprint. Our sustainable criteria for customer-facing products encompasses mobile phones and accessories, batteries, chargers, SIM cards, street furniture, modems, TV receivers, paper and packaging and single-use plastic products. These criteria also extend to internal products, including laptops and cleaning supplies.

Bell requires that sustainability criteria be applied to contracts where applicable. For instance, sustainability criteria are included in contracts for the purchase of electronic products, aiming to ensure they are energy efficient and that they do not contain conflict minerals. We participate in the Canadian Energy Efficiency Voluntary Agreement (CEEVA), whose program for TV set-top boxes (STBs) aims to complement the ENERGY STAR program in Canada. CEEVA's Small Network Equipment (SNE) program aims to improve the energy efficiency of these devices without compromising rapidly-evolving technological advancements or customer usability. Through this voluntary agreement, Bell aims to improve the energy efficiency of STBs and SNE in accordance with the agreement's standards.

Bell's circular economy pillars



Bell is also focused on reducing waste by limiting the use of single-use plastics and requiring packaging criteria for all contracts related to tangible goods we resell to customers or use internally (e.g., recyclability, responsible sourcing and avoidance of substances of very high concern). Embedding circularity deeper into our operations strengthens our path towards a more environmentally responsible value chain. This includes integrating ways to eliminate unnecessary waste in our processes.

Transforming consumption through circular models

Bell operates reuse and repair/refurbishment programs that allow us to extend the useful life of products and materials.

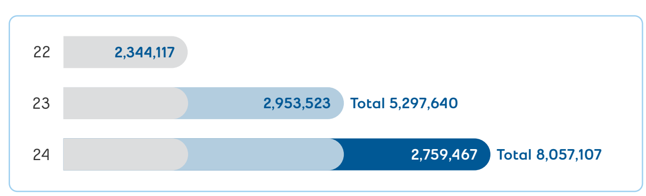
Over the years, we have implemented several reuse, maintenance, repair and refurbishment initiatives, including setting up internal repair shops at a number of work centres to repair tools and ladders. Initiatives such as the repair and reuse of our wooden cable reels used to wind, transport and lay cables, provide a source of value creation for the company. This initiative extends the product-life of materials, reducing the need to purchase new materials, thereby reducing cost.

Bell provides national take-back programs, drop-boxes and mail-in instructions that make recovery of end-of-life consumer electronics easy and efficient. By renting STBs, modems and Wi-Fi pods, Bell maintains ownership of the equipment, allowing us to manage their maintenance, repair and reuse, diverting electronic waste from landfill. We also provide return and repair services through in-store drop-off for mobile devices and prepaid mailing labels to all customers using rental products. In 2024, our recovery programs diverted more than 3,123.88 metric tonnes of customer electronic devices away from landfill.

In fall 2024, held an e-waste collection event where employees were encouraged to bring their end-of-life electronics for refurbishment or recycling at our campuses in Mississauga and Montréal, which also served to raise awareness on the importance of properly disposing of e-waste.

We remain focused on diverting e-waste from landfills through increased recycling and refurbishment and will continue to track the number of recovered electronic devices as a key performance indicator.

Customer devices recovered over the last three years [(1)]



(1) PwC provided limited assurance over this indicator. See PwC's limited assurance report.

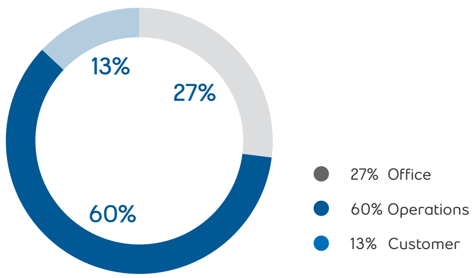
Giving new life to resources and diverting waste

GRI 2-28, 301-3, 304-2, 306-1, 306-2, 306-3

We seek to reduce our environmental impact by collaborating with suppliers to divert and recycle materials where practicable and help ensure compliance with environmental regulations.

Building on our efforts in previous years, we have extended our corporate objective to reduce by 30% waste sent to landfill by 2030, from a 2019 base year. In 2024, we reduced our waste sent to landfill by 22%.

Overall waste production



To further divert waste from landfill and advance our circular economy approach, we have established the Circular Economy Task Force, a forum where business units share successful circular innovations and challenges, in addition to regulatory updates and corporate requirements.

Several of our initiatives are mature and have become integral to our business, including our recycling programs for telecommunications copper cables, terminals, utility poles, cable reels, wood pallets and lead-acid batteries. In 2024, to enhance our waste diversion efforts, we launched a fibre optic cable recycling program in Québec. This project has been under development for several years due to the challenges of recycling fibre optic cables and the limited options available in Canada. We collaborated with Service de Recyclage de Fibre Optique (SRFO) to initiate this program, which won the 2024 Ecotech Québec Eureka Award in the large corporations category. This new initiative highlights our focus on reducing our environmental footprint.

We recognize that partnerships are vital to reducing our environmental footprint, which is why we collaborate with multiple organizations to support our corporate objective of diverting waste from landfills. Since 2001, we have partnered with the Centre de Formation en Entreprise et Récupération (CFER), a training centre that teaches youth valuable skills in equipment recovery and refurbishment. CFER collects and sorts recyclable materials generated at 16 of our work centres in Québec, helping to increase our diversion rate.

We have also partnered with World Wildlife Fund Canada (WWF-Canada) to support their ambitious 10-year plan Regenerate Canada to fight biodiversity loss and climate change. By returning used mobile devices to Bell through the Bell Blue Box program, our customers are also playing a role, as we donate the net proceeds of the residual value of these mobile devices to WWF-Canada. In 2024, we extended our capacity to refurbish, via our qualified e-waste contractors, collected mobile devices and put them back on the market, keeping more units in use, and helping increase the net proceeds we donate to WWF-Canada. The donations help advance their goals of restoring one million hectares of complex ecosystems, stewarding 100 million hectares more, and reducing carbon emissions by 30 million tonnes by 2030.

Bell is supporting WWF-Canada's work to address climate change and restore nature.

WWF

Managing hazardous waste

GRI 303-1, 306-2

At Bell, we have established compliance programs to manage residual materials defined by law as hazardous.

Network batteries account for the greatest proportion of hazardous waste generated at Bell. Other hazardous waste that we generate includes aerosols, absorbents, oily containers and fluorescent tubes. When these materials are not properly handled or disposed of, contaminants can enter the atmosphere, migrate through the soil or even leach into groundwater. To mitigate the risk of these environmental impacts, we apply industry standards across our operations for storage, transportation and disposal of hazardous waste.

Our corporate objective to divert 100% of generated hazardous waste to certified recyclers by the end of 2024 has been achieved.

Optical fibre recycling solution implemented in Richmond, Qc and winner of a prix Eurêka

A mature environmental management approach

Bell has been working to reduce the environmental impact of its operations for more than 30 years. Taking environmental actions reduces risk, encourages investment in our company, aligns with customer expectations and helps us attract and retain skilled team members.

Our activities and outcomes

Environmental focus and continual improvement

GRI 303-1, 304-2, 305-6, 305-7

Our Environmental Management System (EMS) powers our actions as we aim to prevent and mitigate environmental impacts.

Bell's focus on environmental protection starts with programs designed to reduce environmental impacts throughout our value chain. In the extension and maintenance of our infrastructure, our approach seeks to help ensure we act to protect biodiversity, reduce consumption of resources, better manage our waste, prevent contamination and maintain compliance with environmental regulations.

— **Air emissions:** Bell owns and operates equipment, some of which can emit air pollutants. These may include air-conditioning and refrigeration systems, fire-extinguishing systems and generators among others. We seek to limit the emission of contaminants by responsibly managing these critical pieces of equipment and, where feasible, replacing equipment with lower environmental impact alternatives.

— **Petroleum products and equipment:** Bell's petroleum storage tanks and generators are essential for providing backup power to maintain our networks during outages or emergencies and to meet our daily operational needs in remote areas. Where possible, Bell prioritizes above-ground tanks over underground tanks, and all underground tanks are double-walled to provide secondary containment. To maintain the integrity of our storage tanks and to prevent accidental spills, we monitor them with electronic leak detectors and conduct annual inspections on all tanks, along with regular leak testing on underground tanks.

— **Waste water from manholes:** A considerable portion of Bell's network is located in underground conduit structures that are accessible by manholes. When our underground infrastructure needs to be accessed for installation, maintenance, repair or decommissioning, the accumulated effluent may need to be pumped out to ensure technicians can safely conduct their work. To do this, we have implemented pumping procedures aiming to prevent the discharge of contaminated water into the environment.

— **Treated wood poles:** Bell's aerial network is supported by poles, generally made of wood, the majority of which are treated with preservatives to extend their useful life and to help them withstand the natural elements. These preservatives can be toxic to lifeforms if conditions permit the preservatives to leach or otherwise be released into the environment. Bell adheres to internally-developed pole storage and installation criteria with the objective of helping ensure that soil and water are not impacted by these preservatives.

— **Lead cables:** Bell's overall wireline infrastructure still contains a very small percentage of lead-sheathed cables. Bell transitioned away from installing such cables in the 1960s when we began deploying plastic polymers – in place of lead – for the majority of our cable deployment. Since the mid-2000s, Bell has also been replacing lead-sheathed copper cables with fibre. As we upgrade our network from copper to pure fibre, we have been removing lead-containing components in active construction areas where feasible and safe to do so, in line with established safe handling protocols.

— **Biodiversity:** Bell teams work outside in the natural environment every day to install, maintain, repair and decommission network infrastructure. These activities have a potential to negatively impact the environment. To seek to better protect biodiversity, we study network projects and assess their potential environmental impacts. Furthermore, we have set tree and pest management practices, only permitting the use of pesticides in extenuating circumstances, and/or only once physical and mechanical methods have proven to be unsuccessful. Since 2022, we have celebrated National Tree Day by planting trees in partnership with Tree Canada and in 2023 we began participating in the "No-Mow May" initiative.

— **Water consumption:** Bell's direct activities only have a minor impact on water resources, as we mainly use water for drinking and sanitary purposes, vehicle cleaning and cooling buildings and server rooms. This does not deter or prevent us from implementing programs and practices to control our water consumption.

Managing our issues through our EMS enables us to exercise due diligence and better ensure legal compliance. Team members access a series of training and awareness activities promoting and reinforcing the proactive management of environmental impacts.

Our objective of continuous improvement includes reassessing our actions to improve how we address current and developing environmental issues on an annual basis, with the objective of creating more sustainable value for all stakeholders as we grow our business. Our EMS has been certified ISO 14001 since 2009, a first for any North American communications company, and we aim to maintain our EMS's ISO 14001 certification.

Our people

Our team members come from diverse backgrounds and possess unique skills that deliver value across our business. We engage and invest in our people to create a more sustainable future along with a thriving, productive and creative workforce.

Engaged team members are better positioned to develop innovative services that accelerate growth and to personally champion the customer experience.

Engage and invest in our people and create a sustainable future

Drive growth with innovative services

Champion customer experience

How we monitor impact and progress:

Topic	Target	2024 performance	YoY change	2024 third-party verification	Result
Team member well-being	90% of people leaders complete mandatory base training on mental health	93%	Decreased by 1 percentage point	PwC [1]	✓
Health and safety	Report our lost-time accident frequency rate (accident per 200,000 hours of work)	1.57	Worsened by 0.20	PwC [1]	✓
Gender diversity	35% gender diverse directors on the Board	38%	Increased by 5 percentage points	PwC [1]	✓
Gender diversity	35% gender diverse representation in executive positions (vice president level and above) by the end of 2025	35%	Increased by 3 percentage points	PwC [1]	✓
Team member engagement	Reach and maintain an overall team member engagement score of 75% [2]	65%	Decreased by 8 percentage points	PwC [1]	↘

→ Stable ↘ Missed or not on track ↗ On track ✓ Achieved

For complementary information:

— Social webpage
— ESG data summary
— Business Code of Conduct
— Health and safety policy
— Mental health policy
— Workplace violence and harassment prevention policy
— Human rights and accommodation statement

(1) PwC provided limited assurance over this indicator. See PwC's limited assurance report.

(2) This metric is calculated as the average score obtained in the annual Bell team member satisfaction survey. Our methodology has changed from 2023; it is now based on four specific questions, instead of five.

Team member well-being

To support the Bell team, we strive for a dynamic culture where all team members feel valued and respected in a safe, supportive environment. We offer inclusive benefits, ongoing education and awareness programs, and a range of progressive initiatives to help foster well-being and success.

Our activities and outcomes

Fostering a healthy and fulfilling workplace GRI 410-1

Bell's Employee Value Proposition provides a clear statement of our unique culture, what team members value most about working at Bell, and how we strive to make Bell a place where every employee has opportunities to grow, make an impact and feel like they belong.

A respectful and inclusive workplace free of harassment, violence and discrimination is critical to Bell's culture and team success. Informed by internationally accepted standards as well as the United Nations Guiding Principles on Business and Human Rights (UNGPs), we have a shared responsibility to uphold the human rights of workers and are focused on treating them with dignity and respect. This includes identifying adverse human rights impacts through anonymous reporting channels to identify and respond to business operations that may contribute to human rights inequities, integrating learnings into relevant company processes to eliminate or minimize future impacts to human rights, establishing measures to track the effectiveness of improvement efforts, and communicating our practices through our organizations' policies and public disclosures.

Our Workplace violence and harassment prevention policy and enhanced Human Rights and Accommodation Policy, outlined in our Human Rights Statement, include prevention-focused training, a zero-tolerance approach to workplace harassment and violence, and an internal mediation program and guidance for anyone experiencing family or intimate partner violence. We have a team of trained professionals who provide support to team members and investigate complaints of harassment and violence. We also continued to deliver instructor-led training on creating a respectful work environment to over 600 team members in 2024.

Strengthening mental health in the workplace

Taking action to promote and support the mental health and well-being of our team members makes Bell stronger and creates a positive impact that goes beyond our company.

At Bell, we support mental health in a variety of ways, including unlimited mental health benefits, our Employee and Family Assistance Program, and resources and training for leaders and team members on resiliency, stress management, emotional intelligence and managing mental health challenges. Since we launched our workplace mental health program in 2010, we have hosted more than 1,850 mental health awareness and anti-stigma campaigns and events. In 2024, over 31,750 employees participated in such events and reported a 98% satisfaction rate.

All Bell leaders are required to complete the Workplace Mental Health Leadership training, a widely-used program that leads to certification from Queen's University upon completion. Over 90% of our people leaders are currently enrolled in our formal instructor-led program on Inclusive Leadership. In 2024, Bell also offered this program to external partners and clients across Canada at no cost.

In 2024, Bell partnered with Pillcheck, a platform that combines DNA analysis with clinical pharmacy services, to provide an innovative health benefit for our employees and their family members at a discounted price. We offer it at no cost to employees on short-term mental health leave to help them find the right medication at the right dosage to better support them through their disability journey.

We continuously monitor, assess outcomes, and adapt our workplace mental health program to meet the evolving needs of team members, align with industry standards and maintain a risk management approach to prevent and address psychological risk factors. Since 2010, we've been tracking key performance indicators (KPIs) on a quarterly basis to monitor the psychological health of our workplace and enhance our mental health initiatives. These KPIs are collected using a scorecard that covers short-term disability, long-term disability, usage of benefits and mental health support programs, participation rate in our mental health training program, and employee engagement. We also collect feedback from employees on disability leaves and the role they believed the workplace played in their disability journey to evaluate and prevent psychosocial risks in the workplace.

Additionally, our annual employee engagement survey aligns with the 13 psychosocial factors outlined in the National Standard for Psychological Health and Safety in the Workplace. This provides key insights into employee well-being, allowing us to monitor the workplace at the corporate and team levels. Action plans are developed to address any identified areas for improvement, as appropriate.

Providing competitive compensation, benefits and resources GRI 201-3, 401-2

Bell provides team members with competitive total compensation packages that reflect inclusive practices to attract, engage and retain top talent.

Bell's total compensation package includes a competitive base salary, comprehensive benefit plans, strong performance incentives and retirement and savings plans. Together, this represents a total compensation package that is comparable with other large Canadian employers. The majority of Bell team members participate in our Annual Incentive Plan (AIP), which is aligned with our six strategic imperatives and Bell's financial performance, as well as individual achievements. In recent years, the AIP has paid out near target.

Our comprehensive compensation strategy provides equitable compensation based on skills, role, performance and the external market, regardless of gender, age, disability, gender identity and expression, sexual orientation, race, ethnicity, cultural heritage or creed. In response to the federal pay equity legislation which came into force in August 2021, Bell completed eight Federal Pay Equity Plans by September 2024, and was required to make only minimal pay adjustments to meet pay equity requirements. We also perform frequent wage-gap analyses to seek alignment with our inclusion and belonging objectives, and conduct ongoing market reviews using best-in-class compensation surveys to maintain our market competitiveness.

Our comprehensive benefits plans go beyond traditional coverage, offering a range of benefits designed to meet team members' individual needs and promote a healthy, fulfilling lifestyle. Full-time and part-time team members are eligible for competitive benefits coverage, including health and dental plans; virtual health care; paid sickness and disability coverage; travel, critical illness, life and accident insurance coverage; vacation days and a flexible holiday policy; coverage for family members; and a health reimbursement account and a lifestyle account that can be used to cover wellness and other lifestyle spending. In 2024, we expanded family planning benefits adding adoption and surrogacy benefits up to a lifetime maximum of $15,000, fertility treatment coverage up to a lifetime maximum of $5,000, and fertility drug coverage up to a lifetime maximum of $15,000. Bell also offers team members a 70% salary replacement for up to 17 weeks for maternity leave, and 70% salary replacement for up to 19 weeks for both parental and adoption leaves.

Moreover, Bell offers many options to help our team members save for retirement and other short-and long-term goals directly through payroll deductions or direct lump-sum transfers from external plans. Most Bell team members are automatically enrolled in a defined contribution (DC) pension plan with company matching contributions. Other savings plan options include an employee share-purchase plan (ESP) with company matching contributions, a Group Retirement Savings Plan (RSP), a Group Tax-Free Savings Account (TFSA), and, since January 2024, a Group First Home Savings Account (FHSA) and a Short-term TFSA. In 2024, more than 25,000 team members participated in the ESP, firmly aligning our employees' and shareholders' interest in seeing their investment in BCE deliver strong returns. To further enhance their savings options, eligible team members participating in the Bell DC pension plan can now reallocate up to 2% of their voluntary payroll contributions to the RSP, FHSA and both TFSA programs while still receiving the company match in their DC account. In 2024, we contributed, directly or through our pension plans surpluses, an estimated value of $240 million in accrued benefits to the 35,000 active participants in our defined benefits and DC pension plans. With respect to our 50,000 pensioners across the country, they have received pension payments of $1.3 billion in 2024.

Maintaining strong health and safety practices

GRI 403-1, 403-2, 403-5

Protecting the health and safety of our team is our top priority and creates an environment where all can contribute with confidence.

Our occupational health and safety management system aligns with the International Organization for Standardization (ISO) 45001 standard, with designated health and safety coordinators for each of our business units.

Working in partnership with team members and union representatives, we support eight corporate Health and Safety (H&S) committees, 136 local H&S committees, and 439 safety representatives. In compliance with occupational health and safety regulations, these committees and representatives cover our operations throughout Canada with representation from operational and clerical functions. The committees meet periodically to address health and safety challenges, collectively perform over 7,250 annual workplace inspections, and collaborate with the corporate Health and Safety team on the development and implementation of prevention programs.

In 2024, Bell continued with prevention plans, pre-work hazard assessments and communications related to safe work practices, as well as extensive field training and observation. Our overall lost-time accident frequency rate increased to 1.57,[(1)] which is attributed to an ongoing high volume of migration over fibre services that requires technicians to climb and manipulate ladders more frequently, which in turn increases the risk of injury. Changes in customer demand led to the hiring of a new cohort of technicians, who experienced a higher rate of injury compared to their more experienced colleagues. Throughout 2025, we will continue to enhance our focus on proper ladder handling, climbing procedures, and support for new team members.

We maintain our focus on prevention by continually improving hazard-prevention programs and assessing the company's various functions for potential risks. This enables us to create synergies and align practices across all our business lines to evolve our health and safety programs. Our Corporate Safety Action Plan (CSAP) is the foundation of our safety management system and ensures that health and safety programs are managed in a systematic and diligent manner, that resources and responsibilities are clearly identified, and that our progress is monitored and reviewed quarterly.

In 2024, we have continued to prioritize team member hazard reporting across all areas of the business. Specific to our outside technicians and contractors, we increased focus regarding the identification of vegetation hazards encountered when working near joint-use poles to mitigate electrical dangers.

Ensuring the safety of our field operations is supported by rigorous manager supervision. In 2024, managers were provided with training and support tools to enhance their supervisory skills and ensure thorough oversight with effective coaching. Additionally, all active outside team members were observed by their manager while performing different tasks or jobs.

Since 2023, we've also been working to enhance the team's awareness and engagement to better support our current programs and foster a culture of safety across the organization. To support this objective, we have modernized our existing training programs, continued our regular company communications on safety, introduced formal recognition of team members who report hazards and increased visibility on team members engaged in H&S committees.

Inclusion and belonging

At Bell, we are proud of our focus on fostering an inclusive and accessible workplace where all team members feel valued, respected, supported, and that they belong. The focus on inclusion and belonging within Bell fosters the innovation and creativity of our team members that is reflected in the communities we are a part of.

Our activities and progress

Building a culture of inclusion and belonging

We engage with team members to enhance understanding and demonstrate how diverse perspectives contribute to better outcomes and enable teams to share a common vision.

We continue to prioritize inclusion and belonging at the senior leadership level through effective talent management strategies and development programs for high-potential leaders. These include a focus on engagement, mentoring, coaching and sponsorship.

Our current gender diversity target is a minimum of 35% gender diverse directors on the BCE Board, defined as directors who identify as women and directors who identify with a gender other than man or woman. At the end of 2024, we met our target, with five directors on the BCE Board identifying as women, representing 38%[(2)] of all directors.

We set a target ensuring that by the end of 2025, 35% of leaders at the vice president level and above would be gender diverse. By the end of 2024, this target was met with 35%[(2)] of leaders at the vice president level and above identifying as either women, or a gender other than man or woman.

Bell has five employee resource groups that are helping promote inclusion and a sense of belonging in our workplace. These include Black Professionals at Bell, Diversability at Bell, Pride at Bell, Women at Bell and the newly launched Pan-Asians at Bell. Built on their unique needs and shared interests, members focus on raising cultural awareness, finding new ways for team members to connect, encouraging allyship and engaging in meaningful conversations to promote professional development and a strong sense of belonging.

(1) PwC provided limited assurance over this indicator. See PwC's limited assurance report. Bell's vertical integration affects our overall lost-time accident frequency. For more details, see our Corporate responsibility governance webpage.

(2) PwC provided limited assurance over this indicator. See PwC's limited assurance report.

Attracting talent with diverse perspectives

Our focus remains on recruiting and selecting candidates who mirror the customers and communities we serve.

As we continue to lead in a competitive marketplace, and continue to advance our business in both the technology services and digital media space, we are actively engaged in initiatives aimed at nurturing and attracting talent with diverse perspectives.

We collaborate with various organizations to promote STEM-related opportunities within Bell. Our talent attraction strategy includes a strong digital and social presence, direct candidate engagement, effective sourcing tools, and partnerships with a variety of community organizations.

Bell Technical Solutions launched a local initiative to integrate individuals with disabilities into its work centres, partnering with a local organization to recruit candidates from this group. This initiative has been rewarding for all involved, fostering a more inclusive workplace.

To learn more, visit jobs.bell.ca/life-at-bell.

Team member engagement and development

Bell team members are highly skilled, dynamic and engaged individuals and we want to see them grow and succeed. We are better when we invest in our team's development through learning programs, recognition and engagement to ensure that each team member feels a sense of belonging with unparalleled opportunities to grow and make an impact.

Our activities and outcomes

Listening to ensure we adapt

We listen to our team members and leverage their voices in the design and development of our workplace practices.

Our annual Team Survey is a key tool for gathering data-driven and sentiment-based insights on our strengths and opportunities used to evaluate team member engagement with questions about communication, recognition, trust and respect. Following the survey, leaders share results with team members and collaborate to build and execute action plans focused on high priority areas. In 2024, we rebuilt the survey questions to align with our evolving culture and gain feedback on topics that influence employee experience and Bell's transformation. As a result, the 2024 survey will set a new benchmark for us moving forward.

In 2024, we saw strong participation with 82% of team members completing the Team Survey. Our overall engagement score was 65%,[(1)] demonstrating that we have opportunities to improve how our team members feel about their work and company. We are guiding team members through our company-wide transformation, providing clarity about the company's strategy and breaking down what that means for them.

With 88% of team members reporting that they have open and transparent communication with their leader and 85% feeling trusted to perform their role, we have a strong foundation to build on. Overall, we saw an increase of employees feeling recognized for their contributions with a 5-point improvement. Our results show that team members appreciate the support they receive from their direct leaders and colleagues, and are satisfied with our mental health initiatives. They are passionate about the work they do to support our customers, and share a desire to break down silos and increase collaboration between teams.

In 2024, we evolved our CEO Dialogue initiative into a broader-reaching strategy that included some small group conversations, campus walkabouts and Q&A sessions that provided hundreds of team members with an opportunity to directly connect with our CEO, Mirko Bibic, and other senior executives. This direct dialogue strives to create a better understanding of how employees contribute to our strategic goals and where they require more support in our transformational journey. When surveyed, 93% of participants felt the engagement sessions allowed for open discussion and that Mirko was receptive to hearing their opinions and driving improvements as a result of their feedback.

As part of the employee lifecycle listening, we conduct both onboarding and off-boarding surveys to understand key opportunities for improvement, as well as in our employee experience. In 2024, as we redesigned our new hire onboarding experience, we launched two surveys to obtain feedback about initial onboarding and day 30 experience for new hires. With this data we are able to make improvements to critical milestones in the employee journey at Bell.

Fostering a culture of continuous learning and development

Bell promotes team member performance and retention by supporting their personal and professional development to help them advance their careers.

Bell offers many resources for continuous learning to support team members and ensure they receive the essential knowledge needed for their job, develop new skills, and adapt to the transformation of our organization. Part of our continuous learning path includes a series of mandatory training modules to be completed by team members. Bell continues to ensure a high degree of compliance, consistently maintaining a 90% completion rate of our Be Principles training covering important fundamentals including ethics, responsibility, emergency readiness, health & safety, cybersecurity, fraud prevention, respect and inclusion.

In 2024, over 90% of our team members completed the "Accessibility at Bell" training, covering accessibility laws, rights, support and best practices. Additionally, 94% of people leaders completed the importance of French at Bell course in support of Bill-96. All Bell team members have access to thousands of high-quality courses on a wide range of topics including business, evolving technical skills, and leadership development. With over one million videos viewed annually, and 6.5 million viewed since launching the Bell Learning Hub in 2019, we continue to be among the 75th percentile,[(2)] compared to similar organizations.

(1) PwC provided limited assurance over this indicator. See PwC's limited assurance report.

(2) Provided by LinkedIn as part of a quarterly review conducted in Q4 2024, benchmarked against other large companies with a minimum of 10,000 licenses purchased for LinkedIn's learning platform.

To support Bell's strategic imperative to engage and invest in our people and create a more sustainable future, we offer Bell U, a virtual university with training programs covering various subjects, for team members who aspire to work in high-demand and technology-focused roles. Team members can obtain Bell certified microdegrees, including professional designations and qualifications to support career advancement or move into a new technology-focused role.

The Bell U Community is supported by the Bell U Certification Hub, created to support employees who want to expand their skills and gain industry-recognized certifications in many technical domains including cyber, cloud, collaboration, and networking (5G). The Bell U Certification Hub hosts training paths for foundational, associate, advanced, and specialized certifications that provides an end-to-end learning experience. Over 1,600 employees completed training pathways in 2024 and obtained industry-recognized certifications. In 2024, we also launched the Bell U Tech Foundations program which provides 600+ directors and executives with an opportunity to learn about key technologies that will support our tech transformation. Technical understanding in agile, AI and cloud have proven to be a critical enabler to help executives be more influential, collaborative, and innovative.

Reinforcing our transformation, we launched the Bell Leadership Attributes learning pathways in 2024. These learning pathways offer five distinct learning experiences for each attribute, equipping team members with the skills and knowledge needed to excel in their roles and contribute to our shared vision. We also offer a Next Gen development program for high-potential employees to build skills and prepare them for leadership roles to drive organizational success.

In late 2024, we expanded our mentor matching program from management to all team members to build on the 1,200 mentoring relationships already established. We also held our inaugural Learning Day event, bringing together over 2,000 team members virtually and in person from across the organization showcasing our learning programs and opportunities to promote career growth.

Reinforcing teamwork through recognition and appreciation

At Bell, we believe in recognizing team member contributions that enable us to deliver on our purpose: advancing how Canadians connect with each other and the world.

Through our unified recognition program, Better Together, we recognize team member contributions and celebrate service anniversary milestones. Over 95% of team members participate in our recognition program and 80% of our leaders are active in the Better Together platform each month, facilitating over 905,000 peer-to-peer recognition gestures. The Bravo Award is the most prestigious award at Bell and is given in recognition of outstanding performance by individuals and teams significantly contributing to our transformation while demonstrating our leadership attributes.

Strengthening our relationships with labour unions GRI 2-30, 407-1

The positive engagement of our unionized team members is key to Bell's success, and we aim to negotiate collective agreements that deliver competitive labour conditions and uninterrupted service to our customers.

Our employees have the inherent right to associate with labour unions and enter into collective bargaining. Positive, long-term relationships with unions representing team members remains a priority. Approximately 42% of all Bell team members are represented by labour unions in Canada. Our unionized team members belong to 69 different bargaining units represented by 16 different labour unions. Our various collective agreements reinforce the importance of having a fair, inclusive and accessible workplace where everyone feels valued, respected and supported.

Different collective agreement provisions include:

- joint labour-union committees that provide an opportunity to discuss important matters while improving relationships between the parties;
- a well-defined grievance procedure;
- transfer and job posting procedures to facilitate professional mobility; and
- restructuring and layoff terms, including the payment of severance pay and redeployment considerations.

Our financial resources

Our capital comes from our investors, lenders and free cash flow that is generated from our operations. We aim to balance long-term investment to generate growth while strengthening our balance sheet and optimizing our cost of capital. Our consistent and responsible approach to capital allocation is focused on creating long-term value for shareholders.

By focusing on operational excellence and cost discipline throughout every part of our business, we aim to deliver leading broadband fibre and wireless networks in locations large and small. We seek to provide truly differentiated communications services to Canadians and drive revenue growth by leveraging our networks to serve our customers.

Build the best networks

Operate with agility and cost efficiency

Drive growth with innovative services

How we monitor our impact and progress: 2024 financial performance

Financial measure	2024 Target [1]	2024 Performance and results	
Revenue growth	Approx. (1.5%)	(1.1%)	BCE revenues declined by 1.1% in 2024, compared to 2023, driven by both lower product and service revenues of 5.2% and 0.4%, respectively, due to reduced product and service revenues from Bell CTS, partly mitigated by higher Bell Media revenues.
Adjusted EBITDA growth	1.5% to 4.5%	1.7%	BCE adjusted EBITDA grew by 1.7% in 2024, compared to 2023, attributable to a greater contribution from our Bell CTS and Bell Media segments, reflecting lower operating costs, moderated by reduced operating revenues.
Net earnings growth	No target provided	(83.9%)	In 2024, net earnings decreased by 83.9%, compared to 2023, mainly due to higher impairment of assets primarily at our Bell Media segment due to a further decline in advertising demand and spending in the linear advertising market, higher severance, acquisition and other costs, higher interest expense and higher depreciation and amortization, partly offset by lower income taxes, higher adjusted EBITDA and lower other expense.
Capital intensity	Below 16.5%	16.0%	Capital expenditures were $3,897 million in 2024, down $684 million or 14.9% over last year, corresponding to a capital intensity ratio of 16.0%, down 2.6 pts year over year. This decline is consistent with a planned reduction in capital spending, primarily driven by slower FTTP footprint expansion, regulatory decisions that discourage network investment, and the realization of efficiencies from prior investments in digital transformation initiatives.
Net earnings per share (EPS) growth	No target provided	(92.1%)	Net earnings attributable to common shareholders in 2024 decreased by $1,913 million, or $2.10 per common share, compared to 2023, mainly due to higher impairment of assets primarily at our Bell Media segment, higher severance, acquisition and other costs, higher interest expense and higher depreciation and amortization, partly offset by lower income taxes, higher adjusted EBITDA and lower other expense.
Adjusted net earnings per share (adjusted EPS) growth	(7%) to (2%)	(5.3%)	Excluding the impact of severance, acquisition and other costs, net mark-to-market gains (losses) on derivatives used to economically hedge equity settled share-based compensation plans, net equity gains (losses) on investments in associates and joint ventures, net gains (losses) on investments, early debt redemption costs and impairment of assets, net of tax and non-controlling interest (NCI), adjusted net earnings in 2024 was $2,773 million, or $3.04 per common share, compared to $2,926 million, or $3.21 per common share, in 2023.
Cash flows from operating activities growth	No target provided	(12.1%)	In 2024, BCE's cash flows from operating activities of $6,988 million decreased by $958 million, compared to 2023, mainly due to lower cash from working capital, higher interest paid, higher severance and other costs paid and higher income taxes paid, partly offset by higher EBITDA.

(1) As announced in a news release issued on November 7, 2024, and available on SEDAR+ at www.sedarplus.ca, we revised our revenue guidance for 2024 downward from a range of 0% to 4%, previously announced on February 8, 2024, to a decline of approximately 1.5%. All other financial guidance targets remained unchanged. For a more detailed discussion of our 2024 financial performance including information on our capital expenditures and our capital allocation strategy, see the BCE 2024 Annual MD&A.

Financial measure	2024 Target [1]	2024 Performance and results	
Free cash flow growth	(11%) to (3%)	(8.1%)	Free cash flow of $2,888 million in 2024 decreased by $256 million compared to 2023, mainly due to lower cash flows from operating activities, excluding cash from acquisition and other costs paid, partly offset by lower capital expenditures.
Annualized dividend per common share	$3.99 per share	$3.99 per share	Annualized dividend per BCE common share for 2024 increased by $0.12 cents, or 3.1%, to $3.99 compared to $3.87 per share in 2023.

Our activities and outcomes

Capital structure

BCE's balance sheet was underpinned by an available liquidity [2] position of $4.5 billion at the end of 2024, comprised of $1,572 million in cash, $400 million in short-term investments, $700 million available under our securitized receivables program and $1.8 billion available under our $4 billion committed revolving and expansion credit facilities, as well as a balance sheet with a pension solvency surplus totalling $3.7 billion. We continue to monitor the capital markets for opportunities to lower our cost of debt and optimize our cost of capital. We seek to proactively manage financial risk in terms of currency exposure of our U.S. dollar-denominated purchases, as well as equity risk exposure under BCE's long-term equity-based incentive plans and interest rate and foreign currency exposure under our various debt instruments. We also seek to maintain investment-grade credit ratings for Bell's senior debt.

Capital expenditures

Bell investments are delivering benefits directly to our customers, from providing more consumers with better access to family and friends, remote learning and entertainment to enabling businesses and communities to operate more efficiently and grow in the digital economy. At the same time, by continuing to close the digital divide that separates communities, we are also supporting growth among suppliers and partners and helping build and drive innovation across the Canadian digital ecosystem.

In 2024, Bell's capital expenditures were $3.9 billion as we continued our fibre deployments directly to homes and businesses and 5G wireless connectivity throughout our footprint. As a direct result of these investments, Bell's pure fibre footprint reached a total of 7.8 million locations at the end of 2024.[3]

Bell wireless and network technologies are a key part of Canada's 21st century infrastructure. Bell's LTE wireless network reached 99% of Canadians by 2020. Since then, we launched and expanded our 5G network in urban and rural markets, reaching 87% of all Canadians at the end of 2024.[3]

Bell's leadership in the deployment of new and innovative networks and services is a direct result of our investment in research and development (R&D), which enables us to continue providing our customers with products and services that are among the most advanced in the world. At the same time, R&D allows us to adopt new technologies that better support our own operations, champion the customer experience, and drive growth with innovative services. In 2024, Bell's R&D spending was $573 million in capital expenditures and $66 million in operating expenses. Bell continues to collaborate with industry partners to drive innovation and create long-term value for Canadians. This includes support for university research to drive innovation in 5G, AI and cybersecurity, helping to deliver a stream of innovative technology to Canadian homes and businesses.

To learn more about our capital expenditures, refer to our BCE 2024 Annual MD&A.

Sustainable financing

In April 2021, Bell published the BCE Inc. Sustainable Financing Framework, guiding the issuance of green, social, and sustainability bonds, a first for a Canadian communications company. The proceeds fund investments in ten categories, including energy efficiency, pollution prevention, and clean transportation. Sustainalytics confirmed the framework's credibility and alignment with sustainability guidelines. In May 2021, Bell issued a $500 million sustainability bond and the proceeds were fully allocated to environmental and social investments by March 2022.

In November 2022, Bell converted $3.5 billion (now $4.0 billion) in credit facilities to a sustainability-linked loan, adjusting borrowing costs based on GHG emission reduction targets. In May 2023, Bell introduced sustainability-linked derivatives, tying costs to GHG reduction performance. In September 2023, Bell added sustainability-linked pricing to its $2.3 billion securitization program.

These initiatives highlight Bell's focus on ESG objectives and building credibility in meeting sustainability targets.

To learn more, see our Sustainable Financing Framework and Sustainable Bond Allocation report at BCE.ca.

(1) As announced in a news release issued on November 7, 2024, and available on SEDAR+ at www.sedarplus.ca, we revised our revenue guidance for 2024 downward from a range of 0% to 4%, previously announced on February 8, 2024, to a decline of approximately 1.5%. All other financial guidance targets remained unchanged. For a more detailed discussion of our 2024 financial performance including information on our capital expenditures and our capital allocation strategy, see the BCE 2024 Annual MD&A.

(2) Available liquidity is a non-GAAP financial measure. It does not have any standardized meaning under IFRS Accounting Standards. Therefore, it is unlikely to be comparable to similar measures presented by other issuers. Refer to section 11, Non-GAAP financial measures, other financial measures and key performance indicators (KPIs) of the BCE 2024 Annual MD&A for more information on this measure, including a reconciliation of available liquidity to cash as the most directly comparable financial measure under IFRS Accounting Standards.

(3) PwC provided limited assurance over this indicator. See PwC's limited assurance report.

Climate-related risks and opportunities disclosures summary

BCE welcomes the increased demand from our stakeholders for transparency regarding our climate actions. We also believe it is important to detail how climate-related risks and opportunities can affect our business. With TCFD recommendations now integrated into the ISSB standards, we continue to monitor our reporting against leading climate-related frameworks. A summary of our climate-related risks and opportunities is described below with more details in our Climate action report.

To learn more about our approach to climate-related risks and opportunities, please see the following links:

— Climate action report

— Section 1.5 of the MD&A and section 6.2 of BCE's Management Proxy Circular – Climate change governance

Governance GRI 2-9, 2-13

The Board of Directors has established clear lines of authority and oversight over our climate-related risks and opportunities, with primary accountability at the Board committee level. The management and oversight of climate-related matters have been integrated into the roles and responsibilities of executives, management and other team members. Remuneration is linked to the successful delivery of our corporate-wide climate change strategy through the evaluation of progress against climate-related objectives and targets.

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 focus on increasing our climate resiliency in the face of the impacts of climate change by maintaining and enhancing our adaptation plans and measures. That's why we assess our climate-related risks and opportunities and their impacts on our businesses, strategy, financial planning and overall resilience.

Climate risk assessment

In 2024, we conducted a comprehensive refresh of our climate risk assessment to address evolving environmental issues and incorporate up-to-date climate data and scenarios. This initiative aimed to provide an updated evaluation of our climate-related risks and opportunities, enhancing our strategic decision-making and resilience to climate impacts. The updated assessment employed a scenario-based approach to qualitatively identify and assess climate-related risks and opportunities. By exploring a range of possible climate futures, we aim to better position ourselves against potential climate impacts.

Approach

Our climate-related risks are categorized into two primary types: transition risks and physical risks. Transition risks arise from the shift to a low-carbon economy, involving significant regulatory, technological, and market changes to meet both mitigation and adaptation demands. Physical risks stem from the direct effects of climate change, either through acute events or chronic, long-term shifts in climate patterns.

An analysis was conducted with internal stakeholders to review and align on the relevance of previously identified climate-related risks and opportunities, and to identify new ones. The group first examined transition risks and opportunities under both the low-carbon and high-carbon futures over a short (five-year), medium (10-year) and long-term (20-year) time horizon. Physical risks were examined under a high-carbon scenario only. This approach is based on the limited divergence in projected physical risk between high-carbon and low-carbon scenarios through 2045. The session aimed to understand how escalating physical climate impacts might affect Bell's critical infrastructure and operations in a future with insufficient climate action, in the short, medium and long-term. These workshops provided valuable insights that informed an updated list of current and anticipated climate-related risks and opportunities for Bell.

Climate-related risks and opportunities GRI 201-2

Climate-related physical risks

Type	Description	Time horizon	Impacts
Acute	Increased frequency and severity of extreme weather events (e.g., floods, wildfires, heatwaves).	Medium to long	Extreme weather events can cause extensive service disruptions, leaving customers without communication for extended periods and damaging critical infrastructure such as cell towers, data centres, and fibre networks. These disruptions could lead to revenue loss, increased insurance premiums, and capital expenditures for rebuilding and reinforcing infrastructure.
Chronic	Gradual and long-term changes in climate patterns such as, rising temperatures, changing precipitation patterns and rising sea levels.	Medium to long	Rising global temperatures can accelerate equipment degradation, leading to frequent maintenance and replacements. This results in higher capital and operational expenses for upgrading and maintaining infrastructure.

Climate-related transition risks

Type	Description	Time horizon	Impacts
Policy & legal	Evolving regulations on energy efficiency, carbon pricing, grid intensity, climate resilience and policies for companies to set carbon reduction targets to support Canada's Net-Zero 2050 commitment.	Short to medium	Compliance with new energy efficiency standards and climate resilience regulations may require equipment upgrades, leading to increased capital expenditures. Higher carbon pricing could elevate operational costs for energy-intensive facilities and operations. An increase in grid emissions intensity, resulting from greater reliance on natural gas power plants from the electrical grid in the jurisdictions where we conduct our operations, could affect Bell's ability to meet its GHG targets.
Technology	The costs associated with adopting new technologies to improve efficiency, decarbonize operations and develop new products and services. An increase in e-waste and associated operational costs due to customers upgrading their devices more frequently.	Short to long	Outdated and failure to adopt new technologies may lead to competitive disadvantages and revenue loss. E-waste pose environmental concerns and could result in increased operational costs to recover, refurbish and dispose of e-waste.
Market	Shifting market dynamics, including rising energy and material costs and evolving consumer preferences.	Short to long	Market volatility may drive up material and energy costs, impacting operational expenses. Potential shortages or price increases for materials essential to low-carbon technologies could affect service offerings and product development. Climate-related events could also impact pricing with our suppliers and outsourcers, which in turn could impact our business. Given that some of our third-party suppliers and outsourcers are located in foreign countries that are more at risk of experiencing weather-related events. Localized natural disasters in such countries could further negatively impact our business.
Reputational	Stakeholder perceptions and expectations regarding the company's climate actions and resilience.	Short to medium	Climate-related service disruptions and failure to meet climate action expectations can erode trust, resulting in customer attrition, revenue loss, reputational damage and increased capital costs due to a higher risk profile.

Climate-related opportunities

Type	Description	Time horizon	Impacts
Resource efficiency	Enhancing energy efficiency and modernizing operations to reduce energy consumption.	Short to long	Implementing advanced cooling and efficient network equipment can reduce energy use, lowering operational costs and carbon pricing liabilities. Fleet rightsizing and electrification can increase operational efficiency, leading to long-term fuel savings and lower maintenance costs. Energy-efficient technologies in buildings will reduce energy consumption, decreasing associated costs.
Energy sources	Procurement of low-carbon energy sources and use of on-site renewable generation.	Short to medium	Renewable energy sources and strategically investing in decarbonization projects in provinces with high grid intensity could mitigate exposure to energy price volatility, potentially decreasing long-term energy costs. On-site renewable generation for critical infrastructure enhances power supply reliability, improves network resilience, minimizes the risk of service disruptions and can mitigate exposure to increased energy costs.
Products & services	Developing and offering innovative solutions that address climate challenges and meet evolving sustainability demands.	Short to medium	Higher demand for digital solutions that help customers reduce emissions and cost, such as energy management, teleconferencing, IoT-based systems for energy optimization like smart buildings and fleet management, could increase revenue. Increased opportunities for climate resiliency services, such as emergency communication systems and data backup solutions, could drive revenue growth.
Resilience	Investment in network infrastructure and supply chain resilience to mitigate climate-related disruptions.	Short to long	Investing in our infrastructure to increase its resiliency strengthens operational continuity during climate-related disruptions, potentially reducing costs from downtime, emergency repairs and service interruptions. Enhancing supply chain resilience through diversifying suppliers and implementing advanced risk management strategies could significantly reduce the risk of operational disruptions.
Reputation	Investors increasingly use climate-related disclosures to inform their investment decisions. Growing demand from customers to partner with suppliers that are engaged to fight climate change.	Short to medium	Transparent disclosure and strong climate-related performance can attract and/or retain investors. Performance on ESG ratings, which include climate-related performance, could reinforce investors perception and decrease our cost of capital. Our efforts to reduce our footprint can also positively influence our brand value and reputation and lead to customer attraction and retention.

Climate scenario analysis

In 2024, in an effort to enhance our resiliency to climate-related risks and to inform our strategic planning, we completed a climate scenario analysis exercise that analyzed two distinct climate futures. The purpose of the exercise was to explore potential impacts across a spectrum of physical and transition risks, as well as climate-related opportunities.

During the process to update our climate-related scenarios, it became evident that when compared to our physical risks, Bell is better positioned to manage transition risks and capitalize on climate-related opportunities due to existing climate policies and internal initiatives. Through our discussions, physical risks were flagged as a growing concern for the communications sector due to the increase in weather events and their impact on our critical services. As part of this reassessment, it was determined that Bell should prioritize the evaluation of its entire portfolio to identify climate hazards most likely to impact its infrastructure and operations.

As a part of our next steps, we intend to build on the insights from the physical risk exposure assessment and conduct a high-level vulnerability assessment of Bell's key assets and infrastructure.

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.

The Corporate Responsibility & Environment (CR&E) team works collaboratively with the Climate resiliency taskforce and Bell's Risk advisory services (RAS) team to seek to ensure that risks are appropriately documented and profiled within the organization. We monitor industry trends and publications on an ongoing basis. We also consult with subject matter experts to understand potential risks and to monitor current and future climate-related risks that may impact our operations.

Risk exposures for climate-related risks are communicated as part of standard management practices, with regular oversight review at Health, Safety, Security, Environment & Compliance (HSSEC) Committee meetings, and quarterly by the Risk & Pension Fund Committee (RPFC). In addition, a risk analysis report covering Bell's most prominent risks is generated and provided annually to the Board.

Metrics and targets

As one of Canada's largest employers, we are driven to play a role in mitigating the growing impacts of climate change, which is why we've been on this journey for the past 20 years and have set milestones within the next few years to track our progress.

To learn more about our targets and performance, refer to the section on Our environment in this Strategic overview.

To learn more about our opportunity metrics and targets, along with our GHG abatement ratio tracking the transition to a lower carbon economy enabled by the use of Bell's technological solutions, refer to the section on Our products and services in this Strategic overview.

Issues impacting value

The following section provides a high-level overview of some of our principal business risks that could have a material adverse effect on our business, financial condition, liquidity, financial results or reputation. We also detail below our approach to dealing with these risks. Although we believe the measures taken to manage risks are reasonable, there are inherent limitations to such measures. There can be no expectation or assurance that they will effectively address or mitigate such risks. Our business is subject to inherent risks and uncertainties, and the risks described below 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 materially and adversely affect our business, financial condition, liquidity, financial results or reputation. The actual effect of any event could be materially different from what we currently anticipate. Readers should refer to section 9, Business risks of the BCE 2024 Annual MD&A for a more detailed discussion of these risks. Readers should also refer to the section entitled "Caution regarding forward-looking statements" on page 7 of this Strategic overview.

Risk factors	Description	Management activities	Capitals
Competitive environment	Intensity of competitive activity and an evolving competitive dynamic, including from regulatory decisions, technological substitution, acquisitions by competitors and the expansion of alternative service providers with variable scale, coverage and technologies, all contributing to disruptions in each of our business segments	We invest in and leverage our networks and technology, our suite of products and services and our relationships to build and maintain a strong customer value proposition while seeking to expand our market presence We have a disciplined strategic planning process which seeks to address changing market dynamics in relation to traditional and new markets We aim to establish differentiation against traditional and new competitors, leveraging acquisitions and strategic partnerships to serve our customers	Our networks Our products and services Our financial resources
Regulatory environment and compliance	Regulatory initiatives, proceedings and decisions, government consultations and government positions affect us and influence our business Inability to build and operationalize enhanced compliance frameworks and comply with legal and regulatory obligations; unfavourable resolution of legal proceedings	We actively participate in the public consultations by governments and regulatory bodies on issues of importance to our businesses. We seek to demonstrate the value of a policy and regulatory climate that supports investments in Canada and recognizes the long-term benefits to Canadians of facilities-based competition We inform stakeholders of the benefits we provide to local communities including employment, connectivity to world-class networks and services, and access to news, information and entertainment We aim to enhance our compliance frameworks, including through internal steering committees and employee awareness and training on emerging and evolving legal and regulatory obligations	Our networks Our customers and relationships Our products and services Our environment Our people Our financial resources
Technology/ infrastructure transformation	Failure to evolve and transform our networks, systems and operations using next-generation technologies, while lowering our cost structure The inability to increase network resiliency to withstand climate-related disruptions, extreme weather and natural disasters Failure to have our people, processes and culture evolve to a cross-functional approach to minimize business unit silos and promote a holistic "One Bell" mindset	We are making significant investments in next-generation networks and technologies which aim to support our operational transformation, offering end-to-end (E2E) cloud, IT and security solutions through strategic partnerships and acquisitions. Our investments also reflect our evolving media offerings, growing streaming audiences and enhancing advertiser value while maintaining digital revenue growth. These investments seek to broaden our reach, streamline, simplify, modernize and automate our systems and processes, and bring continuous innovation and improvements to the products and services we offer. We also leverage acquisitions and strategic partnerships with a holistic focus on seeking to enhance customer value and improve our underlying cost structure	Our networks Our customers and relationships Our products and services Our financial resources

Risk factors	Description	Management activities	Capitals
Customer experience	Inability to drive a positive customer experience in all aspects of our engagement with customers	Championing the customer experience is a Bell strategic imperative and is central to our choice of strategic investments and operating principles and practices We constantly seek to innovate in the ways we engage with customers and deliver service and support in an omni-channeled, streamlined, and simplified manner. This includes improvements to the range and capabilities of our call centres, our online self-serve and support options, and the deployment of innovative tools that use artificial intelligence and machine learning technologies	Our networks Our customers and relationships Our products and services
Security management and data governance	Inability to protect our physical and non-physical assets from events such as information security attacks and unauthorized access or entry Failure to implement effective security and data governance frameworks	We have a well-developed, responsive information security strategy which guides our investments in the implementation of prevention, detection and response programs aimed at protecting our assets against ongoing cyber threats Our security programs also seek to protect our extensive portfolio of physical assets in relation to unauthorized access, structural damage and business continuity Our data governance program covers privacy, information security, data access management and records management, and we have implemented mandatory information security and data governance training for all employees	Our networks Our customers and relationships Our products and services Our people Our financial resources
Operational performance	Failure to maintain operational networks and to implement or maintain effective processes and IT systems Events affecting the functionality of, and our ability to protect, test, maintain, replace and upgrade our networks, IT systems, equipment and other facilities	We focus on delivering high-quality, reliable and resilient services across our networks and service portfolios through performance monitoring, proactive maintenance and strategic redundancy We seek to improve network and technology performance to maximize efficiencies, considering availability, cost and the environment We perform assessments of critical assets and carry out continuous business impact assessments of key functions and backup planning to support smooth operations	Our networks Our products and services Our financial resources
People	Failure to attract, develop and retain a talented team capable of furthering our strategic imperatives and high-tech transformation Workforce disruptions and failure to maintain positive labour relations	We strive to be an employer of choice. Our Employee Value Proposition is designed to empower our team members to make an impact, immerse themselves in opportunities and belong. We have strengthened our employee training offerings to support our transformation, and we invest in effective talent management strategies and development programs for high-potential leaders, as well as mentoring, coaching and sponsorship. In addition, our recruitment strategies actively focus on enhancing our talent community by partnering with various organizations and holding virtual recruitment events to engage potential candidates	Our people

Risk factors	Description	Management activities	Capitals
Financial management	Inability to access adequate sources of capital and generate sufficient cash flows from operating activities to meet our cash requirements, fund capital expenditures and provide for planned growth Failure to lower our cost structure Failure to adequately manage our exposure to financial risks and risks related to tax amounts, contributions to post-employment benefit plans, and fraudulent activities	We have implemented financial management systems and practices to monitor our liquidity levels and our access to capital. We strive to protect against material economic exposures and financial risks We further implement targeted initiatives as we continuously seek to optimize our cost structure	Our networks Our products and services Our financial resources
Brand reputation and ESG	Reputational risks and the inability to meaningfully integrate ESG considerations into our business strategies, operations and governance, or to achieve our ESG performance targets Failure to take appropriate action to adapt to current and emerging environmental impacts, including climate change Failure to develop and implement strong corporate governance practices and adequately manage social issues	We monitor and act on changes in several important areas including regulatory, customer, network, security and third-party vendor matters, that are interwoven across the organization to assess and seek to protect our brand reputation We have implemented corporate governance practices, including through our Code of Business Conduct, as well as policies and systems seeking to enhance corporate governance and monitor and address legal exposure We seek to integrate ESG into our business strategies, brand value proposition and governance We have established clear lines of authority over, and oversight of, our corporate responsibility programs and our approach to ESG practices with primary accountability at the Board level We have set targets against certain ESG topics that we monitor. Some of those targets are linked to compensation. We have implemented initiatives that aim to improve ESG performance, and enhanced our non-financial public disclosures We implement various preventative measures to address health and environmental risks	Our networks Our customers and relationships Our products and services Our environment Our people
Third-party vendor management	Our dependence on third-party suppliers, outsourcers and consultants to provide an uninterrupted supply of products and services we need Failure of our supplier selection, governance and oversight processes, including failure to ensure supply redundancy, and the extent to which our products and services may fail to comply with applicable standards	We have a supplier risk management program that aims to profile and manage ongoing risk exposure in critical and key supplier arrangements. We work with suppliers to seek to ensure continuity of supply and develop appropriate remedial strategies when issues are uncovered We seek to address supply chain constraints by actively managing inventory levels and implementing the appropriate sourcing responses	Our networks Our customers and relationships Our products and services Our environment Our financial resources

Management's discussion and analysis

MD&A

Table of contents

In this management's discussion and analysis (MD&A), *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.

All amounts in this MD&A are in millions of Canadian dollars, except where noted. Please refer to section 11, *Non-GAAP financial measures, other financial measures and key performance indicators (KPIs)* for a list of defined non-GAAP financial measures, other financial measures and KPIs.

Please refer to BCE's audited consolidated financial statements for the year ended December 31, 2024 when reading this MD&A.

In preparing this MD&A, we have taken into account information available to us up to March 6, 2025, the date of this MD&A, unless otherwise stated.

You will find additional information relating to BCE, including BCE's audited consolidated financial statements for the year ended December 31, 2024, BCE's annual information form for the year ended December 31, 2024, dated March 6, 2025 (BCE 2024 AIF) and recent financial reports, on BCE's website at **BCE.ca**, on SEDAR+ at **sedarplus.ca** and on EDGAR at **sec.gov**.

Documents and other information contained in BCE's website or in any other site referred to in BCE's website or in this MD&A are not part of this MD&A and are not incorporated by reference herein.

This MD&A comments on our business operations, performance, financial position and other matters for the two years ended December 31, 2024 and 2023.

Caution regarding forward-looking statements

This MD&A and, in particular, but without limitation, section 1.3, *Key corporate developments*, section 1.4, *Capital allocation strategy*, section 1.6, *Capitals and our corporate responsibility*, section 2, *Strategic imperatives*, section 3.2, *Business outlook and assumptions*, section 5, *Business segment analysis* and section 6.7, *Liquidity*, contain forward-looking statements. These forward-looking statements include, without limitation, statements relating to the proposed acquisition by Bell Canada of Northwest Fiber Holdco, LLC (doing business as Ziply Fiber (Ziply Fiber)), the expected timing and completion thereof, the sources of liquidity we expect to use to fund the proposed acquisition, certain potential benefits expected to result from the proposed acquisition including the combined Bell Canada and Ziply Fiber target number of fibre locations to be reached by the end of 2028, Bell Canada's growth prospects and strategic positioning, the proposed disposition of BCE's ownership stake in Maple Leaf Sports and Entertainment Ltd. (MLSE), the expected timing and completion thereof, the intended use by BCE of the net proceeds from the proposed disposition and the planned access by Bell Media to content rights for the Toronto Maple Leafs and Toronto Raptors for the next 20 years, the proposed disposition of Northwestel Inc. (Northwestel), the expected timing and completion thereof, the intended use by Bell Canada of the proceeds from the proposed disposition and the planned continuation of a Bell Canada partnership with Northwestel beyond transaction close, BCE's common share dividend, expected dividend payout ratio level in 2025 and dividend payout policy target, BCE's net debt leverage policy target and the projected decrease starting in 2025 of BCE's leverage level, BCE's anticipated reductions in capital expenditures, BCE's network deployment plans, the status of BCE's Shareholder Dividend Reinvestment and Stock Purchase Plan (DRP) and the time period during which the discount thereunder will be maintained by BCE, our objective to maintain investment-grade credit ratings for Bell Canada's senior debt, our goal to drive long-term value creation for BCE's shareholders, the intended use of the net proceeds of Bell Canada's February 18, 2025 offering of junior subordinated debt securities, BCE's expected post-employment benefit plans funding and the sources of liquidity we expect to use to meet our 2025 cash requirements, our environmental, social and governance (ESG) objectives, which include, without limitation, our objectives concerning inclusion and belonging, our targeted reductions in the level of our greenhouse gas (GHG) emissions including, without limitation, our carbon neutrality (scope 1 and 2 only) target, our science-based targets, our objectives concerning reductions in waste to landfill, community investment, privacy and information security, corporate governance and ethical business conduct, our transformation initiatives, BCE's business outlook, objectives, plans and strategic priorities, and other statements that do not refer to 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 (U.S.) *Private Securities Litigation Reform Act of 1995*.

Unless otherwise indicated by us, forward-looking statements in this MD&A describe our expectations as at March 6, 2025 and, accordingly, are subject to change after that 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 MD&A for the purpose of assisting investors and others in understanding our objectives, strategic priorities and business outlook as well as 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 MD&A, and, in particular, but without limitation, the forward-looking statements contained in the previously mentioned sections of this MD&A. These assumptions include, without limitation, the assumptions described in the various sub-sections of this MD&A entitled *Assumptions*, which sub-sections are incorporated by reference in this cautionary statement. Subject to various factors, we believe that our assumptions were reasonable as at March 6, 2025. 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 MD&A, include, but are not limited to: the negative effect of adverse economic conditions, including trade wars resulting from the imposition of U.S. tariffs on imports from Canada and retaliatory tariffs by the Canadian government on goods coming from the U.S., recessions, reductions in immigration levels, high housing support costs relative to income, and financial and capital market volatility, and the resulting negative impact on customer spending and the demand for our products and services; the negative effect of adverse conditions associated with geopolitical events; the intensity of competitive activity and the failure to effectively respond to evolving competitive dynamics; the level of technological substitution and the presence of alternative service providers contributing to disruptions and disintermediation in each of our business segments; changing customer behaviour and the expansion of cloud-based, over-the-top (OTT) and other alternative solutions; advertising market pressures from economic conditions, fragmentation and non-traditional/global digital services; rising content costs and challenges in our ability to acquire or develop key content; high Canadian Internet and smartphone penetration; regulatory initiatives, proceedings and decisions, government consultations and government positions that negatively affect us and influence our business including, without limitation, concerning mandatory access to networks, spectrum auctions, the imposition of consumer-related codes of conduct, approval of acquisitions, broadcast and spectrum licensing, foreign ownership requirements, privacy and cybersecurity obligations and control of copyright piracy; the inability to implement enhanced compliance frameworks and to comply with legal and regulatory obligations; unfavourable resolution of legal proceedings; the failure to evolve and transform our networks, systems and operations using next-generation technologies while lowering our cost structure, including the failure to meet customer expectations of product and service experience; the inability to drive a positive customer experience; the inability to protect our physical and non-physical assets from events such as information security attacks, unauthorized access or entry, fire and natural disasters; the failure to implement an effective security and data governance framework; the risk that we may need to incur significant capital expenditures to provide additional capacity and reduce network congestion; service interruptions or outages due to network failures or slowdowns; events affecting the functionality of, and our ability to protect, test, maintain, replace and upgrade, our networks, information technology (IT) systems, equipment and other facilities; the failure by other telecommunications carriers on which we rely to provide services to complete planned and sufficient testing, maintenance, replacement or upgrade of their networks, equipment and other facilities, which could disrupt our operations including through network or other infrastructure failures; the complexity of our operations and IT systems and the failure to implement, maintain or manage highly effective processes and IT systems; in-orbit and other operational risks to which the satellites used to provide our satellite television (TV) services are subject; the failure to attract, develop and retain a talented team capable of furthering our strategic imperatives and operational transformation; the potential deterioration in employee morale and engagement resulting from staff reductions, cost reductions or reorganizations and the de-prioritization of transformation initiatives due to staff reductions, cost reductions or reorganizations; the failure to adequately manage health and safety concerns; labour disruptions and shortages; the inability to access adequate sources of capital and generate sufficient cash flows from operating activities to meet our cash requirements, fund capital expenditures and provide for planned growth; uncertainty as to whether our dividend payout policy will be maintained or achieved, or that the dividend on common shares will be maintained or dividends on any of BCE's outstanding shares will be declared by BCE's board of directors (BCE Board); the failure to reduce costs and adequately assess investment priorities, as well as unexpected increases in costs; the inability to manage various credit, liquidity and market risks; the failure to evolve practices to effectively monitor and control fraudulent activities; new or higher taxes due to new tax laws or changes thereto or in the interpretation thereof, and the inability to predict the outcome of government audits; the impact on our financial statements and estimates from a number of factors; pension obligation volatility and increased contributions to post-employment benefit plans; the expected timing and completion of the proposed disposition of Northwestel are subject to closing conditions, termination rights and other risks and uncertainties, including, without limitation, the purchaser securing financing and the completion of confirmatory due diligence, which may affect its completion, terms or timing and, as such, there can be no assurance that the proposed disposition will occur, or that it will occur on the terms and conditions, or at the time, currently contemplated, or that the potential benefits expected to result from the proposed disposition will be realized; the expected timing and completion of the proposed disposition of BCE's ownership stake in MLSE and the planned access by Bell Media to content rights for the Toronto Maple Leafs and Toronto Raptors for the next 20 years through a long-term agreement with Rogers Communications Inc. (Rogers) are subject to closing conditions, termination rights and other risks and uncertainties, including, without limitation, relevant sports league and other customary approvals, which may affect its completion, terms or timing, and the intended use of proceeds by BCE from the proposed disposition may vary based on timing of closing of the disposition and other factors and, as such, there can be no assurance that the proposed disposition, the anticipated use of proceeds and the potential benefits expected to result from the proposed disposition will occur or be realized, or that they will occur or be realized on the terms and conditions, or at the time, currently contemplated; the expected timing and completion of the proposed acquisition of Ziply Fiber are subject to customary closing conditions, termination rights and other risks and uncertainties, including, without limitation, relevant regulatory approvals, such as approval by the Federal Communications Commission and approvals by state Public Utilities Commissions, which may affect its completion, terms or timing and, as such, there can be no assurance that the proposed acquisition will occur, or that it will occur on the terms and conditions, or at the time, currently contemplated, or that the potential benefits expected to result from the proposed acquisition will be realized; reputational risks and the inability to meaningfully integrate ESG considerations into our business strategy, operations and governance; the adverse impact of various internal and external factors on our ability to achieve our ESG targets including, without limitation, those related to GHG reduction and supplier engagement; the failure to take appropriate actions to adapt to current and emerging environmental impacts, including climate change; the failure to develop and implement sufficient corporate governance practices; the inability to adequately manage social issues; health risks, including pandemics, epidemics and other health concerns, such as radio frequency emissions from wireless communications devices and equipment; our dependence on third-party suppliers, outsourcers and consultants to provide an uninterrupted supply of the products and services we need; the failure of our vendor selection, governance and oversight processes, including our management of supplier risk in the areas of security, data governance and responsible procurement; the quality of our products and services and the extent to which they may be subject to defects or fail to comply with applicable government regulations and standards.

These and other risk factors that could cause actual results or events to differ materially from our expectations expressed in, or implied by, our forward-looking statements are discussed in this MD&A and, in particular, in section 9, *Business risks* of this MD&A.

Forward-looking statements contained in this MD&A for periods beyond 2025 involve longer-term assumptions and estimates than forward-looking statements for 2025 and are consequently subject to greater uncertainty. Forward-looking statements for periods beyond 2025 further assume, unless otherwise indicated, that the risks described above and in section 9, *Business risks* of this MD&A will remain substantially unchanged during such periods.

We caution readers that the risk factors described above and in the previously-mentioned section and in other sections of this 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 6, 2025. The financial impact of these transactions and special items can be complex and depends on 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.

1 Overview

1.1 Introduction

At a glance

BCE is Canada's largest communications company,[1] 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 two segments: Bell Communication and Technology Services (Bell CTS) and Bell Media.

Bell CTS provides a wide range of communication products and services to consumer, business and government customers across Canada. Wireless products and services include mobile data and voice plans, streaming services, and devices and are available nationally. Wireline products and services comprise data (including Internet access, Internet protocol television (IPTV), cloud-based services and business solutions), voice, and other communication services and products, which are available to our residential, small and medium-sized business and large enterprise customers primarily in Ontario, Québec, the Atlantic provinces and Manitoba, while satellite TV service and connectivity to business customers are available nationally across Canada. In addition, this segment includes our wholesale business, which buys and sells local telephone, long distance, data and other services from or to resellers and other carriers as well as the results of operations of our national consumer electronics retailer, The Source (Bell) Electronics Inc. (The Source). In 2024, Bell Canada announced a strategic partnership with Best Buy Canada to operate 167 The Source consumer electronics retail stores in Canada, which have been rebranded as Best Buy Express and offer the latest in consumer electronics from Best Buy along with exclusive telecommunications services from Bell.

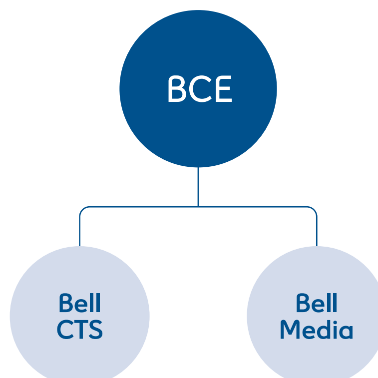
Bell Media provides a portfolio of assets in premium video, audio, OOH advertising, and digital media to customers nationally across Canada. Revenues are derived primarily from advertising and subscriber fees.

We also hold investments in a number of other assets, including:

- a 37.5% indirect equity interest in MLSE[2]
- a 50% indirect equity interest in Glentel Inc. (Glentel)
- a 20.2% indirect equity interest in entities that operate the Montréal Canadiens Hockey Club, evenko and the Bell Centre in Montréal, Québec, as well as Place Bell in Laval, Québec

BCE is Canada's largest communications company

BCE's business segments
At December 31, 2024



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

(2) *On September 18, 2024, BCE announced that it has reached an agreement to sell its ownership stake in MLSE for $4.7 billion to Rogers, subject to relevant sports league and other customary approvals. The transaction is expected to close in mid-2025.*

Our purpose

BCE's purpose is to advance how Canadians connect with each other and the world. Our strategy builds on our longstanding strengths in networks, service innovation and content creation, and positions the company for continued growth and innovation leadership. Our primary business objectives are to grow our subscriber base profitably and to maximize revenues, operating profit, free cash flow and return on invested capital by further enhancing our position as the foremost provider in Canada of comprehensive communications services to residential, business and wholesale customers, and as Canada's leading media and entertainment company. We seek to take advantage of opportunities to leverage our networks, infrastructure, sales channels, and brand and marketing resources across our various lines of business to create value for our customers and other stakeholders.

Our strategy is centred on our disciplined focus and execution of six strategic imperatives that position us to deliver continued success in a fast-changing communications marketplace. The six strategic imperatives that underlie BCE's business plan are:

Bell's six strategic imperatives

- Build the best networks
- Drive growth with innovative services
- Deliver the most compelling content
- Champion customer experience
- Operate with agility and cost efficiency
- Engage and invest in our people and create a sustainable future

Our operational transformation[1]

We are continuing our journey to modernize our operations, increase productivity, build tech talent and materially right-size our cost base. Innovation is driving customer expectations for enhanced user experiences, improved customer service, and faster market responses, all of which are improved by our operational transformation.

Our transformation reinforces a customer-first approach and specifically sets out to deliver incremental value to our customers as indicated in the following examples:

- Ability for customers to enjoy our products, services, and content on any device in any location
- Enable customers to be served on their timeline through simple sales and support interactions across the channel of their choosing (e.g., online, call centre, store)
- Access to new and better products, services and solutions on an accelerated basis tailored to meet customers' evolving needs and expectations

Our alignment to the International Integrated Reporting Framework

Following the principles of the International Integrated Reporting Framework (<IR> Framework), now part of the IFRS® Foundation, Bell released, concurrently with this MD&A, an Integrated Annual Report which contains a strategic overview outlining our sustainable value creation process. This strategic overview discloses how we seek to generate sustainable value for our stakeholders as the result of our business operations, guided by our strategic imperatives and use of capitals. Our capitals are outlined below and serve as inputs that are transformed through our business strategy and strategic imperatives resulting in outcomes that seek to create value for our stakeholders over time.

Our networks
Reliable, accessible and affordable world-class broadband fibre and wireless networks.

Our customers and relationships
Strong relationships with customers, communities and suppliers.

Our products and services
Innovative and compelling products, services and media content addressing societal demands.

Our environment
Responsible environmental management throughout our operations.

Our people
Skilled and engaged team members.

Our financial resources
Capital from our investors, returns on our investments and free cash flow generated from our operations.

To increase the connectivity of information, we have incorporated the icons representing our six capitals described above throughout this MD&A to highlight the respective linkage between our capitals and the topics discussed.

(1) *Also referred to as our transformation from a traditional telecommunications company to a technology services and digital media company.*

BCE 2024 consolidated results

Operating revenues
$24,409 million
(1.1%) vs. 2023

Net earnings
$375 million
(83.9%) vs. 2023

Adjusted EBITDA [1]
$10,589 million
1.7% vs. 2023

Net earnings attributable to common shareholders
$163 million
(92.1%) vs. 2023

Adjusted net earnings [1]
$2,773 million
(5.2%) vs. 2023

Cash flows from operating activities
$6,988 million
(12.1%) vs. 2023

Free cash flow [1]
$2,888 million
(8.1%) vs. 2023

BCE customer connections [5]

Total mobile phones [2] [3] [5]
10.3 million
subscribers at the end of 2024
Flat vs. 2023

Retail high-speed Internet [3] [4] [5]
+0.4%
4.5 million subscribers at the end of 2024

Retail IPTV [4]
+3.0%
2.1 million subscribers at the end of 2024

Retail residential network access services (NAS) lines [4]
(9.3%)
1.8 million subscribers at the end of 2024

(1) *Adjusted EBITDA is a total of segments measure, and adjusted net earnings and free cash flow are non-GAAP financial measures. See section 11.3,* Total of segments measures *and section 11.1,* Non-GAAP financial measures *in this MD&A for more information on these measures.*

(2) *In Q4 2024, we removed 124,216 Bell prepaid mobile phone subscribers from our prepaid mobile phone subscriber base as at December 31, 2024, as we stopped selling new plans for this service as of that date.*

(3) *In Q3 2024, we removed 77,971 Virgin Plus prepaid mobile phone subscribers from our prepaid mobile phone subscriber base as at September 30, 2024, as we stopped selling new plans for this service as of that date. Additionally, as a result of a recent Canadian Radio-television and Telecommunications Commission (CRTC) decision on wholesale high-speed Internet access services, we are no longer able to resell cable Internet services to new customers in our wireline footprint as of September 12, 2024, and consequently we removed all of the existing 106,259 cable subscribers in our wireline footprint from our retail high-speed Internet subscriber base as of that date.*

(4) *In Q2 2024, we increased our retail IPTV subscriber base by 40,997 to align the deactivation policy for our Fibe TV streaming services to our traditional Fibe TV service. While in Q2 2023, our retail high-speed Internet, retail IPTV and retail residential NAS lines subscriber bases increased by 35,080, 243 and 7,458 subscribers, respectively, as a result of small acquisitions.*

(5) *In Q1 2024, we adjusted our mobile phone postpaid subscriber base to remove very low to non-revenue generating business market subscribers of 105,802. Additionally, in Q1 2024 our retail high-speed Internet subscriber base increased by 3,850 business subscribers as a result of a small acquisition. We also removed 11,645 turbo hubs subscribers from our retail high-speed Internet subscriber base in Q1 2024, as we are no longer actively marketing this product in our wireless-to-the-home footprint. Lastly, as of Q1 2024, we are no longer reporting retail satellite TV subscribers as this no longer represents a significant proportion of our revenues. As a result, satellite TV subscribers have been removed from our retail TV subscriber base, and we now report exclusively retail IPTV subscribers.*

1.2 About BCE

Our 2024 results are reported in two segments: Bell CTS and Bell Media. We describe our products and services by segment in this section, to provide further insight into our operations.

Our products and services

Our networks   Our products and services

Bell CTS

Segment description

- Provides a wide range of communication products and services to consumer, business and government customers across Canada
- Wireless products and services include mobile data and voice plans, streaming services, and devices and are available nationally
- Wireline products and services comprise data (including Internet access, IPTV, cloud-based services and business solutions), voice, and other communication services and products, which are available to our residential, small and medium-sized business and large enterprise customers primarily in Ontario, Québec, the Atlantic provinces and Manitoba, while satellite TV service and connectivity to business customers are available nationally across Canada
- Includes our wholesale business, which buys and sells local telephone, long distance, data and other services from or to resellers and other carriers, and the wireline operations of Northwestel, which provides telecommunications services in Canada's Northern Territories [1]

Our brands include

Bell, Bell Aliant, Bell MTS, Fibe, Virgin plus, lucky mobile, NorthwesTel

Our networks and reach

We hold wireless spectrum licences, with holdings across various spectrum bands and regions across Canada, totalling more than 8.6 billion megahertz per population (MHz-Pop), corresponding to an average of approximately 233 megahertz (MHz) of spectrum per Canadian.

The vast majority of our cell towers are connected with fibre, the latest network infrastructure technology, for a faster and more reliable connection.

Our Fourth Generation (4G) Long-term Evolution (LTE) nationwide wireless broadband network is compatible with global standards and delivers high-quality and reliable voice and high-speed data services coast to coast to virtually all of the Canadian population. Fifth Generation (5G) and 5G+ are the next generation of wireless technology, offering faster speeds and lower latency. Our LTE network will be the backbone for our 5G network as it expands across Canada.

- LTE coverage of over 99% of Canada's population, with LTE-A covering 96% of Canada's population, and 5G coverage of 87% of Canada's population, with 5G+ covering 60% of Canada's population at December 31, 2024
- Peak theoretical mobile data access download speeds: 5G+, up to 3 gigabit(s) per second (Gbps) in select markets; 5G, up to 1.7 Gbps (average expected speeds of 89 to 705 megabits per second (Mbps) in markets across Canada); LTE-A, up to 1.5 Gbps (average expected speeds of 25 to 325 Mbps) in markets across Canada; LTE, up to 150 Mbps (expected average speeds of 18 to 40 Mbps); high-speed packet access plus (HSPA+), up to 42 Mbps (expected average speeds of 7 to 14 Mbps) [2]
- Reverts to LTE/LTE-A technology and speeds when customers are outside 5G and 5G+ coverage areas
- Bell also operates a LTE-category M1 (LTE-M) network, which is a subset of our LTE network, supporting low-power Internet of Things (IoT) applications with enhanced coverage, longer device battery life and enabling lower costs for IoT devices connecting to Bell's national network. Our LTE-M network is available in most Canadian provinces.
- Extensive local access network in Ontario, Québec, the Atlantic provinces and Manitoba, as well as in Canada's Northern Territories [1]
- Fibre-to-the-premise (FTTP) footprint covering approximately 7.8 million homes and businesses in Ontario, Québec, the Atlantic provinces and Manitoba
- Wireless-to-the-premise (WTTP) footprint covering approximately 1 million locations primarily in rural areas. WTTP is 5G-capable fixed wireless technology delivered over Bell's LTE wireless network that provides broadband residential Internet access to smaller and underserved communities.
- Largest Internet protocol (IP) multi-protocol label switching footprint of any Canadian provider, enabling us to offer business customers a virtual private network (VPN) service for IP traffic and to optimize bandwidth for real-time voice and TV

We have approximately 8,000 retail points of distribution across Canada, including approximately 1,000 Bell, Virgin Plus, Lucky Mobile, Staples and Best Buy Express locations, as well as Glentel-operated locations (WIRELESSWAVE, Tbooth wireless and WIRELESS etc.) and other third-party dealer and retail locations.

(1) *In June 2024, Bell Canada entered into an agreement for the sale of Northwestel to Sixty North Unity, a consortium of Indigenous communities from the Yukon, the Northwest Territories and Nunavut. The transaction is expected to close in 2025 subject to certain closing conditions, including securing financing by Sixty North Unity and the completion of confirmatory due diligence and, as such, there can be no assurance that the transaction will ultimately be consummated. The Competition Bureau's approval was received in the fourth quarter of 2024.*

(2) *Network speeds vary with location, signal and customer device. Compatible device required.*

Our wireless products and services

- **Data and voice plans:** From plans focused on affordability to premium services, we have plans that cater to all customer segments, available on either postpaid or prepaid options, including unlimited data, shareable, device financing plans and Connect Everything plans. Our services provide fast Internet access for video, social networking, messaging and mobile applications, as well as a host of call features.
- **Specialized plans:** for tablets, smartwatches, Connected Car, mobile Internet, trackers, laptops and security cameras
- **Extensive selection of devices:** the latest 5G and 5G+ smartphones, tablets, smartwatches, mobile Internet devices and connected things (Bell Connected Car, trackers, connected home, lifestyle and virtual reality)
- **Travel:** international roaming in over 230 destinations, with LTE roaming in 213 destinations and 5G roaming in 106 destinations
- **Mobile business solutions:** push-to-talk, field service management, worker safety and mobility management
- **IoT solutions:** fleet management, asset management, smart supply chain, building and site management, municipal operations, integrated smart city ecosystem with Esri
- **Smart Home:** home security, monitoring and automation services from Bell Smart Home
- **Bundles:** multi-product bundles of Internet, TV, home phone, mobility and smart home services with monthly discounts

Our wireline products and services

Residential

- **Internet:** high-speed Internet access through fibre-optic broadband technology, 5G-capable WTTP technology or digital subscriber line (DSL) with a wide range of options, including reliable Wi-Fi, unlimited usage, security services and mobile Internet. Our Internet service, marketed as Fibe Internet, offers symmetrical download and upload speeds of up to 3 Gbps with FTTP, or download speeds of up to 100 Mbps with Fibre-to-the-node (FTTN), while our Wireless Home Internet (WHI) fixed wireless service delivers broadband download speeds of up to 50 Mbps. We also offer Internet service under the Virgin Plus brand offering download speeds of up to 1 Gbps.
- **TV:** IPTV services (Fibe TV, Fibe TV app and Virgin Plus TV) and satellite TV service. Bell's Fibe TV service powered by Google Android TV technology provides extensive live and on-demand content options with 4K resolution (4K) picture quality and capabilities and features including access to thousands of apps, voice remote powered by Google Assistant, universal search, cloud personal video recorder (PVR), compact 4K high dynamic range (HDR) receiver and access to the Fibe TV app. The Fibe TV app live TV streaming service offers live and on-demand programming on Bell Streamer, Apple TV, Airplay, Amazon Fire TV, Google Chromecast, Android TV devices, smartphones, tablets and computers. Bell Streamer is a 4K HDR streaming device powered by Android TV offering all-in-one access to the Fibe TV app, support for all major streaming services and access to over 10,000 apps from Google Play. We also offer an app-based live TV streaming service branded as Virgin Plus TV.
- **Home Phone:** local telephone service, long distance and advanced calling features

Business

- **Internet and network solutions:** through our advanced technologies and end-to-end network, cloud and security expertise, Bell is a network transformation partner of choice for Canadian businesses. Our solutions include business Internet, software-defined solutions, private networks, global networks, managed and professional services.
- **Voice and Collaboration:** we offer a variety of voice and collaboration solutions, including unified communications as a service (UCaaS), traditional local and long distance phone services, cloud-based voice over IP (VoIP) services and advanced solutions with custom calling features
- **Cloud:** Bell supports every stage of businesses' cloud journey with cloud, network and security expertise, an advanced partner ecosystem and advanced hybrid multi-cloud solutions. Our cloud solutions include professional and managed services, public multi-access edge computing (MEC) with Amazon Web Services Wavelength, cloud connect, and backup and disaster recovery.
- **Security:** we offer a full suite of solutions to address businesses' security concerns, including network security, cloud security and managed and professional services
- **Contact centre:** we offer scalable, cloud-based contact centre solutions that include artificial intelligence (AI)-enhanced features, enabling omnichannel experiences and flexible, hybrid work styles

Bell Media

Segment description

- Canada's leading media and entertainment company with a portfolio of assets in premium video, audio and OOH advertising, and digital media, monetized through traditional and digital platforms
- Revenues are derived primarily from advertising and subscriber fees
  - Conventional TV, radio, and OOH revenues are derived from advertising
  - Distribution of our TV and video products through partners result in revenue derived from subscription fees and advertising
  - Direct-to-consumer (DTC) streaming services revenue is derived from subscription fees and advertising

Our brands include

Our assets and reach

Video

- 35 conventional TV stations including **CTV**, Canada's #1 conventional network for 23 consecutive years, #1 Canadian advertising-based video on demand (AVOD) platform CTV.ca and leading digital news destination CTVNews.ca, and the French-language **Noovo** network in Québec, including its popular AVOD platform and digital news destination Noovo.info
- 24 specialty TV channels, including **TSN**, Canada's sports leader and **RDS**, the top French-language sports network
- 5 DTC streaming services, including **Crave**, the exclusive home of HBO and Max Originals in Canada, STARZ, **TSN**, **TSN+**, and **RDS**
- 11 English and French-language free, ad-supported streaming television (FAST) channels, featuring a selection of acclaimed and fan-favourite entertainment, factual, news, and sports programming. All 11 channels are available on LG Channels, Samsung TV Plus, Plex, and The Roku Channel.

Audio

- Bell Media owns the iHeartRadio Canada brand, encompassing audio content featuring 212 music channels, 100 licensed radio stations, hundreds of thousands of podcasts, playlists, and on-demand content. In February 2024, we announced our intent to divest 45 radio stations, all subject to CRTC review and other closing conditions. The CRTC has currently approved the transfer of ownership and control of 13 of the 45 stations. In November 2024, iHeartRadio Canada announced the launch of its first artist-led streaming channel, Bryan Adams Radio.
- Bell Media also provides access to local radio programming and additional content live and on-demand via the iHeartRadio website and app. iHeartRadio Canada is advancing the digital transformation of Bell Media's local radio stations, offering Canadian and international programming, curated playlists, and exclusive digital streaming channels. The iHeartRadio Canada app includes features like custom push notifications, in-app messaging, and real-time listener interaction through its 'talkback' service.

OOH advertising

- Network of strategically located advertising faces spanning across the country in 50 markets. In 2024, Bell Media completed its acquisition of OUTFRONT Media Inc.'s Canadian OOH media business, OUTEDGE Media Canada (OUTEDGE).

Broadcast rights

- **Sports:** long-term media rights to key sports properties and official Canadian broadcaster of the Super Bowl, Grey Cup and International Ice Hockey Federation (IIHF) World Junior Championship. Live sports coverage includes the Toronto Maple Leafs, Montréal Canadiens, Winnipeg Jets and Ottawa Senators, Canadian Football League (CFL), National Football League (NFL), National Basketball Association (NBA), Professional Women's Hockey League (PWHL), Major League Soccer (MLS), Fédération Internationale de Football Association (FIFA) World Cup events, Curling's Season of Champions, Major League Baseball (MLB), Golf's Majors, NASCAR, Formula 1 (F1), Grand Slam Tennis, National Collegiate Athletic Association (NCAA) March Madness, and more.
- **Warner Bros. Discovery:** Crave extended a long-term licensing agreement with Warner Bros. Discovery that sees Crave continuing to be the home of HBO and Max Originals, as well as new cable series, library TV series, and pay and post-pay window rights for Warner Bros. films. The agreement also feeds CTV, CTV.ca, the CTV app, and Bell Media's suite of Specialty channels with Warner Bros. Discovery's iconic content.
- **NBCUniversal Global TV Distribution:** A new licensing agreement to rebrand Discovery and Investigation Discovery into USA Network and Oxygen True Crime in Canada. Bell Media's specialty channels Animal Planet, Discovery Science, and Discovery Velocity have also rebranded as CTV Wild, CTV Nature, and CTV Speed, respectively.
- **STARZ:** long-term agreement with Lionsgate for premium STARZ programming in Canada
- **iHeartRadio:** exclusive partnership for digital and streaming music services in Canada

Other assets

- Equity interest in Dome Productions Partnership, one of North America's leading providers of sports and other event production and broadcast facilities
- Montréal's Octane Racing Group Inc., promoter of the F1 Canadian Grand Prix, the largest annual sports and tourism event in the country
- Minority interest in Montréal's Grandé Studios, a Montréal-based multipurpose TV, film and equipment company which provides production facilities, equipment rentals, and technical services

Our products and services

- Varied and extensive array of video content to broadcast distributors across Canada
- **Advertising** on our video, audio, digital and OOH properties to both local and national advertisers across a wide range of industry sectors
- **Strategic partnerships** to advance advertising opportunities for clients, such as becoming the exclusive Canadian sales partner for Dotdash Meredith, America's largest digital publisher; accelerating Canadian programmatic growth with StackAdapt; and expanding reach with TikTok's Pulse Premiere
- **Bell Ads for Business**, an advertising platform that allows local businesses across Canada to utilize Bell's premium Canadian data and target intended audiences
- **Crave** bilingual subscription-based on-demand premium video streaming service offering a large collection of premium content in one place, including HBO, Max, STARZ and original French-language programming, on set-top boxes (STBs), mobile devices, streaming devices and online. Crave is offered through a number of Canadian TV providers and is available directly to all Canadian Internet subscribers as an OTT service.
- **TSN**, **TSN+**, and **RDS** streaming services offering live and on-demand TSN and RDS content directly to consumers through an annual or monthly subscription on computers, tablets, mobile devices, Apple TV and other streaming devices

Other BCE investments

BCE also holds investments in a number of other assets, including:

- a 37.5% indirect equity interest in MLSE, a sports and entertainment company that owns several sports teams, including the Toronto Maple Leafs, the Toronto Raptors, Toronto FC and the Toronto Argonauts, as well as real estate and entertainment assets in Toronto. In September 2024, BCE announced the sale of its ownership stake in MLSE to Rogers, subject to certain closing conditions, including relevant sports league and other customary approvals. The Competition Bureau's approval was received in December 2024. The transaction is expected to close in mid-2025.
- a 50% indirect equity interest in Glentel, a Canadian-based connected services retailer
- a 20.2% indirect equity interest in entities that operate the Montréal Canadiens Hockey Club, evenko (a promoter and producer of cultural and sports events) and the Bell Centre in Montréal, Québec, as well as Place Bell in Laval, Québec

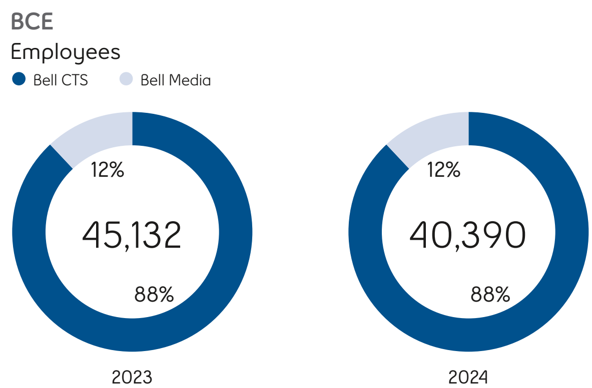
Our people

Our people

Employees

At the end of 2024, our team consisted of 40,390 employees, a decrease of 4,742 employees, compared to 45,132 employees at the end of 2023, driven by workforce reductions, natural attrition and retirements, along with the impact of permanent store closures of The Source as part of our distribution partnership with Best Buy Canada, partly offset by acquisitions made over the past year.

Approximately 43% of total BCE employees were represented by labour unions at December 31, 2024.



Bell code of business conduct

The ethical business conduct of our people is core to the integrity with which we operate our business. The Bell Code of Business Conduct sets out specific expectations and accountabilities, providing employees with practical guidelines to conduct business in an ethical manner. Our commitment to the Code of Business Conduct is renewed by employees each year in an ongoing effort to ensure that all employees are aware of, and adhere to, Bell's standards of conduct.

1.3 Key corporate developments

Our networks | Our customers and relationships | Our products and services | Our people | Our financial resources

This section contains forward-looking statements, including relating to the proposed acquisition by Bell Canada of Ziply Fiber, the expected timing and completion thereof, the sources of liquidity we expect to use to fund the proposed acquisition, certain potential benefits expected to result from the proposed acquisition including the combined Bell Canada and Ziply Fiber target number of fibre locations to be reached by the end of 2028, Bell Canada's growth prospects and strategic positioning, the proposed disposition of BCE's ownership stake in MLSE, the expected timing and completion thereof, the intended use by BCE of the net proceeds from the proposed disposition and the planned access by Bell Media to content rights for the Toronto Maple Leafs and Toronto Raptors for the next 20 years, the proposed disposition of Northwestel, the expected timing and completion thereof, the intended use by Bell Canada of the proceeds from the proposed disposition and the planned continuation of a Bell Canada partnership with Northwestel beyond transaction close. Refer to the section *Caution regarding forward-looking statements* at the beginning of this MD&A.

Proposed acquisition of Ziply Fiber

On November 4, 2024, BCE announced that Bell Canada had entered into an agreement to acquire Ziply Fiber, the leading fibre Internet provider in the Pacific Northwest of the U.S., for approximately $3.65 billion in U.S. dollars (approximately $5 billion in Canadian dollars) in cash and the assumption of outstanding net debt of approximately $1.45 billion in U.S. dollars (approximately $2 billion in Canadian dollars) to be rolled over at transaction close, representing a transaction value of approximately $5.1 billion in U.S. dollars (approximately $7 billion in Canadian dollars). This strategic acquisition is expected to grow Bell's position as North America's third largest fibre internet provider. Together, Bell Canada and Ziply Fiber have a goal to reach approximately 12 million fiber locations in North America by the end of 2028. This is expected to accelerate subscriber, revenue and EBITDA growth for Bell. The transaction is subject to certain customary closing conditions and the receipt of certain regulatory approvals, including the Federal Communications Commission, and approvals by state Public Utilities Commissions. The proposed acquisition is expected to close in the second half of 2025.

Disposition of minority stake in MLSE

On September 18, 2024, BCE announced the sale of its 37.5% ownership stake in MLSE to Rogers for gross proceeds of $4.7 billion. The transaction is subject to certain closing conditions, including relevant sports league and other customary approvals. The Competition Bureau's approval was received in December 2024. This transaction is expected to close in mid-2025. BCE intends to direct the $4.2 billion net proceeds of this disposition towards the proposed acquisition of Ziply Fiber. In addition, Bell Media has secured access to content rights for the Toronto Maple Leafs and Toronto Raptors on TSN for the next 20 years through a long-term agreement with Rogers, also subject to league approvals.

Disposition of Northwestel

On June 10, 2024, Bell Canada entered into an agreement with Sixty North Unity, a consortium of Indigenous communities from the Yukon, the Northwest Territories and Nunavut, to dispose of Northwestel, the largest telecommunications service provider in Canada's North, for up to $1 billion, subject to adjustments. Bell Canada plans to maintain a strategic partnership with Northwestel beyond the transaction close through ongoing operational support, and as Northwestel's largest customer. The transaction is expected to close in 2025 subject to certain closing conditions, including securing financing by Sixty North Unity and the completion of confirmatory due diligence and, as such, there can be no assurance that the transaction will ultimately be consummated. The Competition Bureau's approval was received in the fourth quarter of 2024. Bell Canada intends to use the proceeds from the transaction to pay down debt.

Hadeer Hassaan appointed Bell's first Chief Customer Experience Officer

In October 2024, Hadeer Hassaan was promoted to the new role of Executive Vice President, Chief Customer Experience Officer. Hadeer leads Bell's Customer Operations, Field Services, Digital, Channel Design and Delivery business units with a focus on Bell's strategic imperative to champion customer experience. With nearly 25 years of telecommunications and tech experience, including user experience (UX) design, Hadeer has a strong background in creating customer-centric solutions, having led many of Bell's recent digitization initiatives to deliver meaningful, best-in-class experiences across all channels. Hadeer joined Bell in 2013 and held a number of increasingly senior roles before becoming Senior Vice President, Customer Operations in 2022.

1.4 Capital allocation strategy

Our financial resources

This section contains forward-looking statements, including relating to BCE's common share dividend, expected dividend payout ratio level in 2025 and dividend payout policy target, BCE's net debt leverage policy target and the projected decrease starting in 2025 of BCE's leverage level, anticipated reductions in capital expenditures, the status of the DRP and the time period during which the discount thereunder will be maintained by BCE, the sources of liquidity we expect to use to fund the proposed acquisition of Ziply Fiber, our objective to maintain investment-grade credit ratings for Bell Canada's senior debt, our goal to drive long-term value creation for BCE's shareholders, the intended use of the net proceeds of Bell Canada's February 18, 2025 offering of junior subordinated debt securities, and our business outlook, objectives and plans. Refer to the section *Caution regarding forward-looking statements* at the beginning of this MD&A.

We aim to balance long-term investment to generate growth while strengthening the balance sheet and optimizing our cost of capital. We remain focused on maintaining investment grade credit ratings for Bell's senior debt and lowering our net debt leverage and dividend payout ratios towards our policy ranges. Our consistent and responsible approach to capital allocation is focused on creating long-term value for shareholders.

Dividend and dividend payout policy

On February 6, 2025, BCE's Board declared a quarterly dividend of $0.9975 per common share, payable on April 15, 2025, to shareholders of record at the close of business on March 14, 2025. BCE's common share dividend and common share dividend payout policy will continue to be reviewed by the BCE Board. In its review, the BCE Board will consider the competitive, macroeconomic and regulatory environments as well as progress being made on our strategic and operational roadmap.

BCE's stated common share dividend payout policy is to target a dividend payout range of 65% to 75% of free cash flow. Our policy is intended to be a framework conveying to market participants BCE's long-term approach and philosophy to allocating cash generated by the business and considers our strategic business priorities, long-term growth opportunities and capital funding requirements. The policy is designed to remain consistent in the long term and does not vary to take into account, and is not intended to be adjusted to reflect, our accelerated capital expenditures to advance our network investments in fibre, 5G and 5G+ network infrastructure which occurred from 2021 to 2024, transitory events affecting the industry or regulatory environment in which we operate, strategic acquisitions, and other specific events occurring from time to time. The policy is not intended to restrict the BCE Board's discretion in declaring dividends and does not bind BCE in declaring any set amount of dividend. As a result, dividends are not automatically reduced in a year when free cash flow is lower or increased in a year when free cash flow is higher.

BCE's dividend payout policy, setting the common share dividend rate and the declaration of dividends are subject to the discretion of the BCE Board and, consequently, there can be no guarantee that BCE's dividend payout policy will be maintained or achieved, that the dividend on common shares will be maintained or that dividends will be declared. Dividend rates and the declaration of dividends by the BCE Board are ultimately dependent on BCE's operations and financial results, which are in turn subject to various assumptions and risks, including those outlined in this MD&A.

For the year ended December 31, 2024, our dividend payout ratio [1] was 125%, an increase from 111% for the year ended December 31, 2023, due to lower free cash flow and higher cash dividends paid on common shares. Free cash flow decreased by $256 million in 2024, compared to 2023, due mainly to $958 million lower cash flows from operating activities, partly offset by a $684 million reduction in capital expenditures.

The $958 million decrease in cash flows from operating activities was due mainly to a $377 million year-over-year decline in the net change in operating assets and liabilities, $273 million higher interest paid due to higher average debt levels and higher interest rates, $152 million higher severance and other costs paid and $83 million higher income taxes paid, partly offset by a $172 million increase in adjusted EBITDA.

Our dividend payout ratio for 2024 exceeded the high end of our policy range by 50%, or approximately $1.9 billion, due mainly to substantial capital expenditures as we continued to make generational investments in our networks to support the buildout of our fibre, 5G and 5G+ network infrastructure, significant severance payments related to workforce restructuring initiatives and lower cash from operating assets and liabilities.

In Q4 2024, BCE's DRP was amended to provide, at the BCE Board's discretion, for the issuance of new common shares from treasury at a discount to the volume weighted average trading price of the common shares for the five trading days immediately preceding the applicable dividend payment date (Average Market Price). Commencing with the dividend paid on January 15, 2025, and subsequently until further notice, common shares distributed under the DRP are being issued from treasury at a discount of 2% to the Average Market Price.

Common shares delivered to participants under the DRP in reinvestment of cash dividends were previously purchased on the secondary market with no discount. The issuance of treasury shares under the discounted DRP enables BCE to retain cash that would otherwise have been paid as cash dividends. The shareholder enrollment rate for the dividend payment made in January 2025 attained 34%, resulting in $308 million of cash being retained and contributing to an expected reduction in the dividend payout ratio in 2025. The BCE Board will be evaluating the opportunity to terminate the discount under the DRP in 2025, taking into account several factors including the price per share at which shares are being issued under the DRP and BCE's progress on initiatives towards reducing its net debt leverage ratio.

Our dividend payout ratio for 2025 is currently expected to be lower than our 2024 dividend payout ratio of 125%. This expectation: (i) reflects a planned reduction in capital expenditures of approximately $500 million compared to 2024; (ii) excludes the impact of the acquisition of Ziply Fiber, which is expected to close in the second half of 2025; and (iii) reflects the impact of the discounted treasury DRP.

(1) *Dividend payout ratio is a non-GAAP ratio. Refer to section 11.2,* Non-GAAP ratios *in this MD&A for more information on this measure.*

Executive compensation alignment

BCE is focused on a pay-for-performance approach for all team members, including our executives. In order to attract, motivate and retain top talent, the company offers a competitive total compensation package.

- Base salary: rewards the scope and responsibilities of a position, with target positioning at the median of our comparator group.
- Annual incentive: encourages strong performance against yearly corporate and individual objectives.
- Long-term incentive: aligns with long-term interests of shareholders.

The mix of vehicles awarded under BCE's long-term incentive plan favours the execution of multiple objectives. They are structured to create sustainable value for shareholders by attracting, motivating and retaining the executive officers needed to drive the business strategy, and rewarding them for delivering on our goal of advancing how Canadians connect with each other and the world, through the successful execution of our six strategic imperatives. We have strong alignment of interest between shareholders and management through our equity-based incentive plans.

Best practices adopted by BCE for executive compensation

- Stringent share ownership requirements
- Emphasis on pay at risk for executive compensation
- Double trigger change-in-control policy
- Anti-hedging policy on share ownership and incentive compensation
- Clawbacks for the President and Chief Executive Officer (CEO) and all Executive Vice Presidents as well as all option holders
- Caps on BCE supplemental executive retirement plans and annual bonus payouts, in addition to long-term incentive grants
- Vesting criteria aligned to shareholder interests

Capital allocation priorities

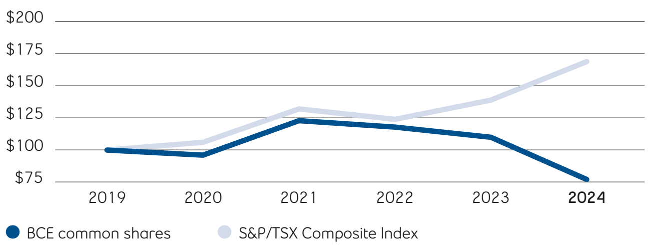
In line with our capital markets objectives, we seek to maintain appropriate levels of investment to drive the long-term growth of our business, while seeking to maintain investment-grade credit ratings for Bell's senior debt and optimizing our balance sheet in order to drive long-term value creation for shareholders. We deploy excess free cash flow and divestiture proceeds, when available, in a balanced manner and on uses that include, but are not limited to:

- Funding of strategic acquisitions and investments (including wireless spectrum purchases) that support the growth of our business
- Debt reduction
- Share buybacks through normal course issuer bid (NCIB) programs

In 2024, excess free cash flow [(1)] was negative $725 million, compared to negative $342 million in 2023. The year-over-year decrease was primarily attributable to lower cash flows from operating activities of $6,988 million, which decreased by $958 million year over year, mainly due to lower cash from working capital, higher interest paid, higher severance and other costs paid and higher income taxes paid. These factors were partly offset by higher adjusted EBITDA.

Five-year cumulative total value of a $100 investment [(2)]

December 31, 2019 – December 31, 2024



This graph compares the yearly change in the cumulative annual total shareholder return of BCE common shares against the cumulative annual total return of the S&P Global Ratings Canada, a business unit of S&P Global Canada Corp. (S&P)/TSX Composite Index,[(3)] for the five-year period ending December 31, 2024, assuming an initial investment of $100 on December 31, 2019 and the quarterly reinvestment of all dividends.

(1) *Excess free cash flow is a non-GAAP financial measure. Refer to section 11.1,* Non-GAAP financial measures *in this MD&A for more information on this measure.*

(2) *Based on BCE's common share price on the TSX and assuming the reinvestment of dividends.*

(3) *As the headline index for the Canadian equity market, the S&P/TSX Composite Index is the primary gauge against which to measure total shareholder return for Canadian-based, TSX-listed companies.*

Capital structure

BCE's balance sheet was underpinned by an available liquidity [1] position of $4.5 billion at the end of 2024, comprised of $1,572 million in cash, $400 million in short-term investments, $700 million available under our securitized receivables program and $1.8 billion available under our $4 billion committed revolving and expansion credit facilities, as well as a balance sheet with a pension solvency surplus totalling $3.7 billion. We continue to monitor the capital markets for opportunities to lower our cost of debt and optimize our cost of capital. We seek to proactively manage financial risk in terms of currency exposure of our U.S. dollar-denominated purchases, as well as equity risk exposure under BCE's long-term equity-based incentive plans and interest rate and foreign currency exposure under our various debt instruments. We also seek to maintain investment-grade credit ratings for Bell's senior debt.

Long-term public debt maturity profile

- Average term of Bell Canada's publicly issued debt securities: approximately 12.8 years [2]
- Average after-tax cost of publicly issued debt securities: 3.2% [2]
- All publicly issued debt securities maturing in 2025 already pre-funded

Liquidity position [2]

- $1.8 billion available under our $4 billion multi-year committed credit facilities
- $700 million receivables securitization available capacity
- $1,572 million cash
- $400 million short-term investments

Investment-grade credit ratings for Bell's senior debt [2] [3]

- Long-term debt credit rating of BBB (high) by DBRS Limited (DBRS), Baa 2 by Moody's Investors Service, Inc. (Moody's) and BBB by S&P

We monitor our capital structure by utilizing a number of measures, principally net debt leverage ratio and dividend payout ratio.

At December 31, 2024, our net debt leverage ratio [4] was 3.81 times adjusted EBITDA, an increase from 3.48 times adjusted EBITDA at December 31, 2023, due to foreign currency fluctuations on U.S. dollar denominated debt, business acquisitions including OUTEDGE and Stratejm Inc. (Stratejm), the final payment for 3800 MHz spectrum licences secured in the auction completed in November 2023, and substantial capital expenditures. These leverage levels exceeded our internal net debt leverage policy target of 3.0 times adjusted EBITDA as a result of wireless spectrum purchases, accelerated capital expenditures to advance our network and transformation investments, and financing a number of strategic acquisitions over the past several years. Our objective is to lower our net debt leverage ratio closer towards our policy target of 3.0 times adjusted EBITDA. BCE's leverage level is projected to begin decreasing in 2025 as we apply the proceeds of the issuance on February 18, 2025 of $2,250 million in U.S. dollars of aggregate principal amount of Fixed-to-Fixed Rate Junior Subordinated Notes in two series (A and B) (the Junior Subordinated Notes) to reduce senior indebtedness and capitalize on opportunities to monetize non-core assets and use the sale proceeds to strengthen our balance sheet and optimize our cost of capital. The Junior Subordinated Notes receive 50% equity treatment from the credit rating agencies. To align with their methodologies, we will apply, starting in 2025, only 50% of the value of the Junior Subordinated Notes as debt in the calculation of our net debt leverage ratio.

BCE credit ratios	Internal target	December 31, 2024	December 31, 2023
Net debt leverage ratio	3.0	3.81	3.48

Bell Canada successfully accessed the debt capital markets in February 2024 and May 2024, raising a total of $1,450 million in U.S. dollars ($1,951 million in Canadian dollars) in gross proceeds from the issuance of notes in the U.S., and $1,500 million in gross proceeds from the issuance in Canada of medium-term note (MTN) debentures. Both the Canadian-dollar and U.S. dollar issuances contributed to maintaining our after-tax cost of outstanding publicly issued debt securities relatively stable at approximately 3.2% (4.4% on a pre-tax basis) and the average term to maturity at approximately 12.8 years. The net proceeds of the 2024 offerings were used to fund the repayment of Bell Canada's US $600 million US-3 Notes and the repayment at maturity of Bell Canada MTN debentures maturing in 2025, to fund the remaining payment for the 3800 MHz spectrum licences secured by Bell Mobility Inc. (Bell Mobility) through the Canadian government's 3800 MHz spectrum auction, to repay short-term debt and for general corporate purposes.

In May 2024, Bell Canada renewed its short form base shelf prospectus, enabling Bell Canada to offer debt securities from time to time until June 9, 2026. The debt securities will be fully and unconditionally guaranteed by BCE. Consistent with past practice, the short form base shelf prospectus was renewed to continue to provide Bell Canada with financial flexibility and efficient access to the Canadian capital markets.

Subsequent to year end, on February 6, 2025, Bell Canada amended and restated its short form base shelf prospectus to, among other things, amend the description and characteristics of the debt securities that may be issued thereunder so as to provide for the issuance of subordinated (including junior subordinated) debt securities in Canada and the U.S., under one or more new trust indentures, as further detailed below.

Subsequent to year end, on February 18, 2025, Bell Canada completed an offering of $2,250 million in U.S. dollars ($3,187 million in Canadian dollars) aggregate principal amount of Fixed-to-Fixed Rate Junior Subordinated Notes in two series (A and B).

The $1,000 million in U.S. dollars ($1,416 million in Canadian dollars) Fixed-to-Fixed Rate Junior Subordinated Notes, Series A due 2055 initially bear interest at an annual rate of 6.875% and reset every five years starting on September 15, 2030 at an annual rate equal to the five-year U.S. Treasury rate plus a spread of 2.390%, provided that the interest rate during any five-year interest period will not reset below 6.875%. The $1,250 million in U.S. dollars ($1,771 million in Canadian dollars) Fixed-to-Fixed Rate Junior Subordinated Notes, Series B due 2055 initially bear interest at an annual rate of 7.000% and reset every five years starting on September 15, 2035 at an annual

(1) *Available liquidity is a non-GAAP financial measure. See section 11.1,* Non-GAAP financial measures *in this MD&A for more information on this measure.*

(2) *As at December 31, 2024.*

(3) *These credit ratings are not recommendations to buy, sell or hold any of the securities referred to, and they may be revised or withdrawn at any time by the assigning rating agency. Ratings are determined by the rating agencies based on criteria established from time to time by them, and they do not comment on market price or suitability for a particular investor. Each credit rating should be evaluated independently of any other credit rating.*

(4) *Net debt leverage ratio is a capital management measure. See section 11.4,* Capital management measures *in this MD&A for more information on this measure.*

rate equal to the five-year U.S. Treasury rate plus a spread of 2.363%, provided that the interest rate during any five-year interest period will not reset below 7.000%. Bell Canada may redeem either series of the Junior Subordinated Notes, in whole or in part, at a redemption price equal to 100% of the principal amount commencing on the applicable first reset dates. The net proceeds of the offering are intended to be used for the repurchase, redemption or repayment, as applicable, of Bell's senior indebtedness and for other general corporate purposes.

The acquisition funding for Ziply Fiber has been structured with the objective to maintain Bell Canada's investment-grade senior debt credit ratings. Approximately $4.2 billion of the approximate $5.0 billion purchase price for the acquisition of the Ziply Fiber equity is expected to be funded from the net proceeds of the divestiture by BCE of its ownership stake in MLSE. BCE currently expects to fund the balance of the purchase price from its discounted treasury DRP. In the event that the closing of the sale of BCE's ownership stake in MLSE occurs after the closing of the Ziply Fiber acquisition, on November 1, 2024, Bell Canada entered into a commitment letter (Commitment Letter) for a $3,700 million in U.S. dollars ($5,324 million in Canadian dollars) unsecured term loan facility (Ziply Term Facility) that can be drawn to finance the acquisition of Ziply Fiber. Subsequent to year end and pursuant to the terms and conditions of the Commitment Letter, Bell Canada made reductions of $965 million in U.S. dollars ($1,375 million in Canadian dollars) in the aggregate amount of the Commitment Letter, decreasing the commitment thereunder to $2,735 million in U.S. dollars ($3,949 million in Canadian dollars). The Ziply Term Facility will be guaranteed by BCE and will be made available, as the case may be, in a single draw on the closing date of the Ziply Fiber acquisition, which is expected to close in the second half of 2025. The borrowings under the Ziply Term Facility will be subject to customary conditions, including the execution of definitive documentation.

1.5 Corporate governance and risk management

Corporate governance philosophy

The Board and management of BCE believe that strong corporate governance practices contribute to superior results in creating and maintaining shareholder value. That is why we continually seek to strengthen our corporate governance practices and ethical business conduct by adopting best practices, and providing full transparency and accountability to our shareholders. The Board is responsible for the supervision of the business and affairs of the company.

Below are our key Board information and governance best practices:

✓	Directors are ALL Independent (except CEO)
99%	2024 Board and Committee Director Attendance Record
✓	Board Committee Members are All Independent
✓	Board Diversity Policy and Target for Gender Representation
✓	Annual Election of All Directors
✓	Directors Elected Individually
✓	Majority Voting for Directors
✓	Separate Chair and CEO
✓	Board Interlocks Guidelines

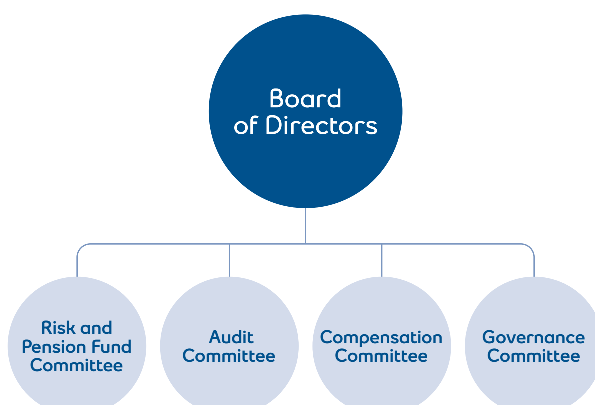
✓	Directors' Tenure Guidelines
✓	Board Renewal: 6 Non-Executive Director Nominees ≤ 7 Years Tenure Average Tenure = 5.69 years
✓	Share Ownership Guideline for Directors and Executives
✓	Code of Business Conduct and Ethics Program
✓	Annual Advisory Vote on Executive Compensation
✓	Formal Board Evaluation Process
✓	Board Risk Oversight Practices
✓	ESG Strategy Reviewed by Board
✓	Robust Succession Planning

For more information, please refer to BCE's most recent notice of annual general shareholder meeting and management proxy circular (the Proxy Circular) filed with the Canadian provincial securities regulatory authorities (available at **sedarplus.ca**) and furnished to the U.S. Securities and Exchange Commission (available at **sec.gov**), and available on BCE's website at **BCE.ca**.

Risk governance framework

Board oversight

BCE's full Board is entrusted with the responsibility for identifying and overseeing the principal risks to which our business is exposed and seeking to ensure there are processes in place to effectively identify, monitor and manage them. These processes seek to mitigate rather than eliminate risk. A risk is the possibility that an event might happen in the future that could have a negative effect on our business, financial condition, liquidity, financial results or reputation. While the Board has overall responsibility for risk, the responsibility for certain elements of the risk oversight program is delegated to Board committees in order to ensure that they are treated with appropriate expertise, attention and diligence, with reporting to the Board on a regular basis.



Risk information is reviewed by the Board or the relevant committee throughout the year, and business leaders present regular updates on the execution of business strategies, risks and mitigation.

- The Risk and Pension Fund Committee has oversight responsibility for the organization's risk governance framework, which exists to identify, assess, mitigate and report key risks to which BCE is exposed. As part of its Charter, the Risk and Pension Fund Committee is tasked with oversight of risks relating to network resiliency, business continuity plans, work stoppage and disaster recovery plans, regulatory and public policy, information management and privacy, AI, information security (including cyber security), physical security, fraud, vendor management, reputation and ESG (including climate change), technology, safety, geopolitics, the pension fund and other risks as required. The Risk and Pension Fund Committee receives reports on security matters, including information security (including cyber security), and on environmental matters, each quarter, and on AI matters annually.
- The Audit Committee is responsible for overseeing the integrity of our financial statements and related information, management's assessment and reporting on the effectiveness of internal controls, and risk processes as they relate to financial reporting and management.
- The Management Resources and Compensation Committee (Compensation Committee) oversees risks relating to compensation, succession planning and workplace policies and practices.
- The Corporate Governance Committee (Governance Committee) assists the Board in developing and implementing BCE's corporate governance principles and guidelines, identifying individuals qualified to become members of the Board, and determining the composition of the Board and its committees. The Governance Committee is responsible for oversight of our ESG strategy (including climate change strategy and climate-related matters, and supply chain labour issues) and strategies to protect or enhance the company's reputation, and their integration within our overall business strategy, and disclosure regarding ESG matters. The Governance Committee is also responsible for oversight of the company's policies concerning business conduct, ethics, public disclosure of material information and AI governance.

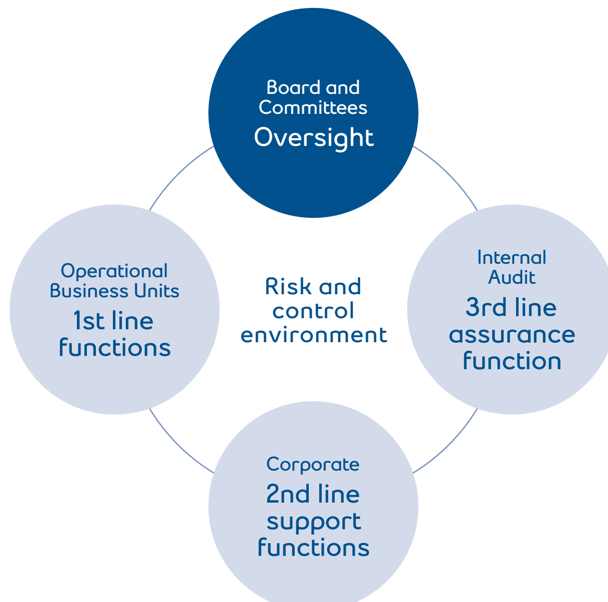
Risk management culture

There is a strong culture of risk management at BCE that is actively promoted by the Board, the Risk and Pension Fund Committee and the President and CEO, at all levels within the organization. It is a part of how the company operates on a day-to-day basis and is woven into its structure and operating principles, guiding the implementation of the organization's strategic imperatives.

The President and CEO, selected by the Board, has set his strategic focus through the establishment of six strategic imperatives and focuses risk management around the factors that could impact the achievement of those strategic imperatives. While the constant state of change in the economic environment and the industry creates challenges that need to be managed, clarity around strategic objectives, performance expectations, risk management and integrity in execution ensures discipline and balance in all aspects of our business.

Risk management framework

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 that provide independent expertise to reinforce 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, the Risk and Pension Fund 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 the risk management framework described in this section 1.5 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.



First line – operational business units

The first line refers to management within our operational business units, who are expected to understand their operations in great detail and the financial results that underpin them. There are regular reviews of operating performance involving the organization's executive and senior management. The discipline and precision associated with this process, coupled with the alignment and focus around performance goals, creates a high degree of accountability and transparency in support of our risk management practices.

As risks emerge in the business environment, they are discussed in a number of regular forums to share details and explore their relevance across the organization. Executive and senior management are integral to these activities in driving the identification, assessment, mitigation and reporting of risks at all levels. Formal risk reporting occurs through strategic planning sessions, management presentations to the Board and formal enterprise risk reporting, which is shared with the Board and the Risk and Pension Fund Committee during the year.

Management is also responsible for maintaining effective internal controls and for executing risk and control procedures on a day-to-day basis. Each operational business unit develops its own operating controls and procedures that fit the needs of its unique environment.

Second line – corporate support functions

BCE is a very large enterprise, with 40,390 employees as at December 31, 2024, multiple business units and a diverse portfolio of risks that is constantly evolving based on internal and external factors. In a large organization, it is common to manage certain functions centrally for efficiency, scale and consistency. While the first line is often central to identification and management of business risks, in many instances operational management works collaboratively with, and also relies on, the corporate functions that make up the second line of support in these areas. These corporate functions include Regulatory, Finance, Corporate Security, Corporate Risk Management, Legal, Corporate Responsibility, Human Resources, Real Estate and Procurement.

Legal and Regulatory function: This function is responsible for the regulatory portfolio, including an expanding range of obligations set out in new privacy and data protection laws being enacted in Canada and around the world. BCE has developed, and maintains, an enhanced Data Governance Policy that encompasses the protection and appropriate use of data across its life cycle. A significant element of the data governance program relies on the Corporate Security activities outlined below and these two functions work jointly with data owners, data custodians and other relevant employees to seek to ensure this policy is appropriately implemented. We recognize that a strong and consistently applied approach to data governance is essential to maintaining the social licence necessary to achieve our business objectives. For more information on our approach to privacy and data security, refer to section 1.6, *Capitals and our corporate responsibility*, in this MD&A.

Finance function: BCE's Finance function plays a pivotal role in seeking to identify, assess and manage risks through a number of activities, which include financial performance management, external reporting, pension management, capital management, and oversight and execution practices related to the U.S. *Sarbanes-Oxley Act of 2002* and equivalent Canadian securities legislation, including the establishment and maintenance of appropriate internal control over financial reporting. BCE has also established and maintains disclosure controls and procedures to seek to ensure that the information it publicly discloses, including its business risks, is accurately recorded, processed, summarized and reported on a timely basis. For more details concerning BCE's internal control over financial reporting and disclosure controls and procedures, refer to the Proxy Circular and section 12, *Effectiveness of internal controls*, in this MD&A.

Corporate Security function: This function is responsible for all aspects of security, which requires a deep understanding of the business, the risk environment and the external stakeholder environment. Based on this understanding, Corporate Security sets the standards of performance required across the organization through security policies and directives that define requirements to protect team members, company assets and information. In high and evolving risk areas such as information security, Corporate Security leverages its experience and competence to develop strategies intended to mitigate the organization's risks. For instance, we have implemented security awareness training, policies and directives that seek to mitigate information security threats. We further rely on security assessments to identify risks and review projects with the objective of ensuring that systems are deployed with the appropriate level of control, including access management, vulnerability management, security monitoring and testing. We evaluate and seek to adapt our security policies and directives designed to protect our information and assets in light of the continuously evolving nature and sophistication of information security threats. However, given the complexity and scale of our business, network infrastructure, technology and IT support systems, there can be no assurance that the security policies and directives that we implement will prevent the occurrence of all potential information security breaches. In addition, although BCE has contracted an insurance policy covering information security risk, there can be no assurance that any insurance we may have will cover the costs, damages, liabilities or losses that could result from the occurrence of any information security breach.

Corporate Risk Management function: This function works across the company to gather information and report on the organization's assessment of its principal risks and the related exposures. Annually, senior management participate in a risk survey that provides an important reference point in the overall risk assessment process.

In addition to the activities described above, the second line is also critical in building and operating the oversight mechanisms that bring focus to relevant areas of risk and reinforce the bridges between the first and second lines, thereby seeking to ensure that there is a clear understanding of emerging risks, their relevance to the organization and the proposed mitigation plans.

To further coordinate efforts between the first and second lines, BCE has established a Health and Safety, Security, Environment and Compliance Oversight Committee (HSSEC Committee). A significant number of BCE's most senior leaders are members of the HSSEC Committee, the purpose of which is to oversee BCE's strategic security (including information security), compliance, environmental, and health and safety risks and opportunities. 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 co-chairs report to the Risk and Pension Fund Committee, Governance Committee and Compensation Committee of the Board.

We have also established management committees reporting to the HSSEC Committee: (i) the Corporate Responsibility Board (CR Board) to support the evolution of our corporate responsibility strategy and proactively manage ESG topics in an integrated approach; the CR Board also reports to the BCE Disclosure and Compliance Committee with regard to the public disclosure of ESG information; (ii) the Energy Board to ensure oversight of Bell's overall energy consumption and progress towards meeting our GHG emissions reduction targets (science-based targets and target to be carbon neutral for our operational emissions (scope 1 and 2 only) in 2025); (iii) the Climate Resiliency Task Force to assist in building a climate resiliency governance to address the potential impacts of climate change; (iv) the Responsible AI Office to oversee AI programs, risks, our AI ethical framework implementation, developments in AI technologies and their applications and monitor legal and regulatory developments impacting AI; (v) the Information Security (IS) Steering Committee to align on IS program strategy, including fraud, current and emerging threats, investments and resources against BCE priorities; (vi) the IS Delivery Program to review in-year IS strategic and tactical projects, and (vii) the Bell IS Forum to drive awareness of our IS program strategy and solicit feedback on business impacts.

Third line – internal audit function

Internal Audit is a part of the overall management information and control system and has the responsibility to act as an independent appraisal function. Its purpose is to provide the Audit Committee, the Risk and Pension Fund Committee, and other Board committees, as required, and management with objective evaluations of the company's risk and control environment, to support management in fulfilling BCE's strategic imperatives and to maintain an audit presence throughout BCE and its subsidiaries.

1.6 Capitals and our corporate responsibility

This section contains forward-looking statements, including relating to our ESG objectives. Refer to the section *Caution regarding forward-looking statements* at the beginning of this MD&A and to the sub-section *Assumptions* at the end of this section 1.6. For explanations of certain climate-related terms, metrics and targets used in this section 1.6 including, without limitation, carbon neutral, science-based targets and net zero, please refer to *Explanation of certain climate-related terms, metrics and targets* at the end of this section 1.6.

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.

Corporate responsibility underpins our six strategic imperatives

Corporate responsibility is a fundamental element of each of the six strategic imperatives that inform BCE's policies, decisions and actions.[1] As one of Canada's largest companies, we are driven to continually improve our impact and our contribution to society with our network deployments, investments in mental health initiatives, environmental sustainability and an engaged workplace. This approach also supports our purpose to advance how Canadians connect with each other and the world.

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 sustainability issues and opportunities, seeking to enhance sustainability across BCE. We constantly measure and report on our progress. Through these actions, we strive to demonstrate strong environmental performance, achieve an inclusive workplace, lead data governance, and protect and build stronger, healthier communities.

The Board has established clear oversight of our corporate responsibility programs and our approach to ESG practices with primary accountability at the committee level. The Governance Committee is responsible for oversight of our ESG strategy and disclosure. This includes the integration of ESG within our company strategy and monitoring the implementation of ESG programs, goals and key initiatives. Moreover, it is responsible for oversight and related disclosure of climate-related risks, and for our governance practices and policies, including those concerning business conduct, ethics and AI. In addition, the Risk and Pension Fund Committee oversees risks that could impact our business, such as safety and security, business continuity, supply chain, AI and ESG risks, while the Audit Committee monitors significant ESG issues that could impact financial reporting and approves our risks and assumptions disclosure. The Compensation Committee has oversight of human resource issues and tracks corporate performance against our ESG targets. Since 2020, the Compensation Committee has formally added ESG targets to the corporate performance metrics within the measures of the Annual Incentive Plan (AIP). Since 2022, to reflect how ESG is embedded into the overall strategy of the business, we set and track our performance through ESG-related metrics, which are embedded throughout our strategic imperatives score and which represent, in aggregate, at least 30% of the total strategic imperatives score. Progress on our strategic imperatives represents 40% weighting of the corporate performance index within the AIP.

Since 1993, BCE has been publishing a corporate responsibility report detailing our performance in managing ESG issues. In 2022, for the first time, we presented both our financial and non-financial (also called ESG or sustainability) performance in an Integrated annual report following the principles of the <IR> Framework, now part of the IFRS Foundation. We believe this approach provides a useful basis for disclosing how we seek to create sustained value for our stakeholders over time. Integral to the <IR> Framework are the six forms of "capital" (Our networks, Our customers and relationships, Our products and services, Our environment, Our people and Our financial resources) that serve as inputs to value creation.

Our networks

Our networks

Our networks and services are fundamental to the communities we serve, the nation's economy and Canadian society as a whole. Our networks are integral to delivering our wireless, wireline, and broadcasting services. We work closely with governments, regulators and our customers to maximize these societal benefits.

Additionally, privacy and information security present both potentially significant risks and opportunities for any business operating in the digital economy. They are the subject of an expanding range of obligations, including under new privacy and data protection laws being enacted in Canada and around the world. Our customers, team members and investors increasingly expect us to demonstrate that we collect data appropriately, use it for purposes that advance their interests, and keep it secure.

How digital access helps create value

Advanced communications networks provide access to a broad spectrum of everyday activities for all Canadians. Today, Bell's leading network technologies are a key part of Canada's 21st century infrastructure. Our networks provide consumers and businesses with new and greater opportunities to connect, build and grow today, while unlocking the future-ready innovations of tomorrow.

Our activities and outcomes

Bell investments are delivering benefits directly to our customers, from providing more consumers with better access to family and friends, remote learning and entertainment to enabling businesses and communities to operate more efficiently and grow in the digital economy. At the same time, by continuing to close the digital divide that separates communities, we are also supporting growth among suppliers and partners and helping build and drive innovation across the Canadian digital ecosystem.

(1) *At BCE we continue our commitment to corporate responsibility while adapting our practices and policies to ensure we comply with the applicable laws, practices and prevailing policies in the various jurisdictions in which we operate.*

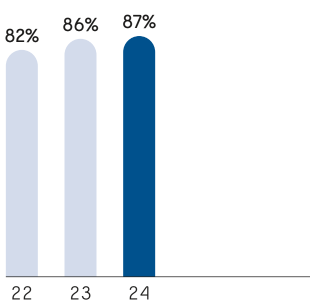
In 2024, Bell's capital expenditures were $3.9 billion as we continued our fibre deployments directly to homes and businesses and 5G wireless connectivity throughout our footprint. As a direct result of these investments, Bell's pure fibre footprint reached a total of 7.8 million locations at the end of 2024.

Bell wireless and network technologies are a key part of Canada's 21st century infrastructure. Bell's LTE wireless network reached 99% of Canadians by 2020. Since then, we launched and expanded our 5G network in urban and rural markets, reaching 87% of all Canadians at the end of 2024.

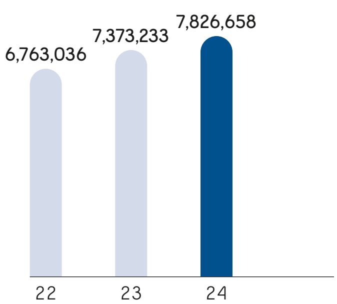
Investing in network security, capacity and resiliency has helped Bell achieve 99.9947% network reliability in 2024. Our investments provide core network architecture, diversity and redundancy – including multiple transport routes – which minimize the risk of major service disruptions. We also proactively provide notifications to keep customers informed if services are disrupted.

Key metrics

5G network coverage at December 31



Pure fibre footprint



Bell's network reliability [1]

How data governance helps create value

We recognize that to achieve our purpose of advancing how Canadians connect with each other and the world, we must maintain the social licence from our customers and all Canadians to collect and use data in our operations. A strong and consistently applied approach to data governance is critical to maintaining that social licence by focusing on respecting the privacy of our customers' data and protecting such data against information security threats. Conversely, failure to meet customer expectations regarding the appropriate use and protection of their data can have negative reputational, business and financial consequences for our company.

Our activities and outcomes

Our approach to data governance encompasses the protection and appropriate use of data across their life cycle, and we are incorporating data governance proactively as a core consideration in all our business initiatives and technology decisions. We have a data governance policy which covers privacy, information security, data access management and records management. All employees are trained on data governance, as part of our mandatory biannual code of business conduct training. In 2024, Bell continued to make significant investments in people, processes and technology in order to seek to protect confidential information from evolving cybersecurity threats.

Key metric

	2022	2023	2024
Number of unresolved well-founded privacy complaints [2] from the Office of the Privacy Commissioner of Canada	–	–	–

How information security governance helps create value

As Canadians have become more digitally connected, evolving cyber threats have become more frequent. We need to be able to identify and address information security risks in a timely manner in order to be in a better position to protect our market share and reputation, and these efforts align with our strategic imperative to champion customer experience, while at the same time reducing exposure to cyberattacks. Avoiding data breaches can also limit the increase in expenses associated with remediation efforts and legal exposures, aligning with our strategic imperative to operate with agility and cost efficiency.

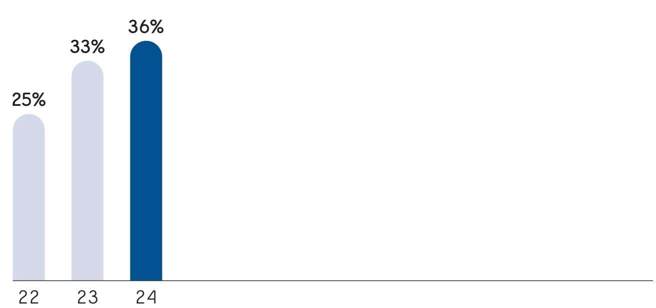
Our activities and outcomes

We are focused on maintaining the trust that our customers have in us to protect their data. To do this, we are implementing prevention, detection, and response programs related to security threats. In addition, we are helping define industry security and risk management practices, and we are training our team members on data protection.

In 2023, we aligned our program to meet the requirements of the ISO/IEC 27001 standard, and have continued to use this as a base to build on and maintain our information security management system. Our Be Cyber Savvy information security education program includes access to our specialized cyber awareness platform, monthly phishing simulations, base year cybersecurity courses and a recurring annual course to maintain knowledge for all team members. At the end of 2024, 95% of onboarded team members had completed base year training. We believe a combination of training, clear messaging and positive reinforcement has led to continued annual improvement in reporting suspected phishing attempts and demonstrates team member engagement in keeping Bell information secure.

Key metric

Phishing simulation report rate



(1) *Bell's network reliability refers to our high-speed FTTH Internet connection.*

(2) *A complaint is considered well-founded if the Information Commissioner concluded that one or more of the allegations in the complaints has merit.*

Our customers and relationships

Our customers and relationships

Since 2010, the Bell Let's Talk mental health initiative has raised awareness and action for Canadian mental health with a focus on helping reduce the stigma around mental illness, improving access to care, supporting world-class research and leading by example in workplace mental health. Over the last 15 years, Canadians have taken action to create real change by engaging in the world's largest mental health conversation to help create a Canada where everyone can get the culturally-appropriate mental health support they need. On World Mental Health Day 2024, Bell announced another $10 million towards mental health in 2025, bringing the total Bell Let's Talk investment to $184 million since 2010.

How taking action on mental health helps create value

Our products and services help communities thrive, and we believe the way we invest – our time, our money and our passion – has a positive impact on the communities we serve. Communities also benefit from the engagement of our team members as they support the causes they value deeply. Bell is taking a leading role in helping address the mental health crisis in Canada with Bell Let's Talk. The program encourages Canadians to take action and achieve real change in their mental health.

Our activities and outcomes

Bell Let's Talk has partnered with more than 1,585 organizations including hospitals, universities, local community service providers and other care and research organizations. This collaboration has enabled these organizations to improve access to mental health supports and services in communities nationwide.

- On Bell Let's Talk Day, on January 22, 2025, Bell put a priority focus on youth mental health with a new text-to-donate campaign. Together with Canadians on Bell Let's Talk Day, we contributed a total of $1,605,770 to six youth mental health organizations, including Integrated Youth Services, Jack.org, Kids Help Phone, National Association of Friendship Centres, the Strongest Families Institute and the Youth in Mind Foundation.
- Communities and organizations across Canada showed their support on January 22 by raising the Bell Let's Talk flag at city and town halls, military bases, schools and other locations. Students across the country at elementary and high schools, universities, colleges and cégeps also engaged in a variety of initiatives in their learning environments to promote student mental health.
- Since 2011, the Bell Let's Talk Community Fund has provided over 1,175 grants and invested over $22 million including 75 new grants announced in October 2024
- In 2024, The Bell True Patriot Love Fund awarded a total of $250,000 to 9 organizations making a meaningful difference in the military veteran community

Key metric

The company's total Bell Let's Talk investment reached $174 million at the end of 2024.

Our products and services

Our products and services

Our products and services provide value to Canadians by helping them both mitigate climate change and adapt to its impacts. Our solutions enable customers to reduce environmental impacts, improve health and safety and better safeguard protected data from growing risks.

How our products and services contributing to climate change mitigation and adaptation helps create value

Bell technologies and services can help our customers reduce energy needs, minimize carbon footprints and enhance productivity. Our solutions help businesses embrace new ways to communicate, collaborate, ensure business continuity and be able to maintain services in the event of emergencies and extreme incidents.

Our activities and outcomes

Our solutions include:

- 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
- 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 can help maintain business continuity by giving workers access to their cloud-based collaboration tools from anywhere, anytime, and on any device. In times of crisis, immediate access to reliable communications is critical to disaster recovery
- 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. The carbon abatement ratio 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 emissions generated by Bell in providing the solutions to the 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 application with a small group of people.
Carbon abatement	GHG emissions avoided from business travel for a meeting due to the use of Bell's web conferencing solution

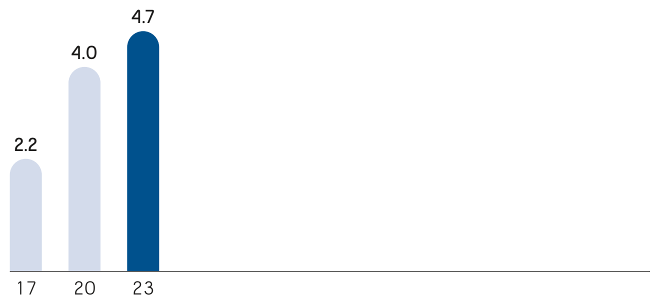
The calculation method of the carbon abatement ratio is based on existing methodologies developed in the Information and Communications Technology (ICT) sector. The calculation, as shown below, is based on assumptions that are dependent on customers' behaviour over which Bell has no control.

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

Key metric

GHG emissions estimated to have been avoided by our customers through the use of Bell's products and services

Number of times by which GHG emissions estimated to have been abated by our customers through the use of Bell's technologies exceeded scope 1 and 2 GHG emitted by Bell's operations [(1)]



Our environment

Our environment

We strive to minimize the negative environmental impacts of our operations and to create positive impacts where possible. We also know that our team members, our customers, and our investors expect this. Taking care of the environment makes good business sense. If we fail to take action to reduce our negative impacts on the environment, we risk losing our valuable team members and customers to competitors, we risk increased costs due to fines or remediation requirements, and we risk losing investors, all of which could adversely impact our business.

We have been implementing and maintaining programs to reduce the environmental impact of our operations for more than 30 years. Our Environmental Policy, first issued in 1993, reflects our team members' values, as well as the expectations of customers, investors and society that we regard environmental protection as an integral part of doing business that needs to be managed systematically under a continuous improvement process. We implemented an environmental management system to help with this continuous improvement, which has been certified ISO 14001 [(2)] since 2009, making us the first North American communications company to be so designated.[(3)]

How addressing climate change helps create value

Climate change could pose risks to our operating environment and our ability to create value. To help mitigate these risks, we aim to optimize our energy consumption and reduce our GHG emissions while continuing to adapt to the impacts of climate change.

Our activities and outcomes

We are taking action both to help fight climate change and adapt to its consequences. We are adapting by taking action to seek to maintain our resiliency in the face of climate change, and are helping our customers do the same. To fight climate change, we are focused on reducing our energy consumption and GHG emissions, while also helping customers reduce theirs. Fostering innovation that helps reduce our carbon footprint is part of our culture. On an annual basis, we calculate, monitor and publicly report on our energy performance and GHG emissions, and on our risks and opportunities related to climate change. Since 2003, we report on our climate change mitigation and adaptation efforts through the CDP (formerly the Carbon Disclosure Project), a not-for-profit organization that gathers information on climate-related risks and opportunities from organizations worldwide. We are also engaged in reducing our GHG footprint to contribute to the global effort in fighting climate change. We have set the target to be carbon neutral for our

(1) *GHG emitted by Bell's operations refers to scope 1 emissions (direct GHG emissions from sources that are owned or controlled by Bell) and scope 2 emissions (indirect GHG emissions associated with the consumption of purchased electricity, heating/cooling and steam required by Bell's activities). The analyses were performed based on 2017, 2020 and 2023 data, respectively.*

(2) *Our ISO 14001 certification covers Bell Canada's internal governance to ensure execution of the environmental management system associated with the development of policies and procedures for the delivery of services by Bell Canada for business sectors network & broadband services (wireline, wireless, internet, TV), cloud and data hosting, broadcast services (radio, digital platform & TV) and connectivity and advertising technology and event promotion.*

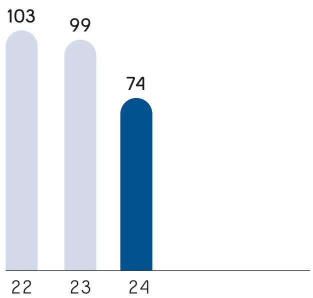
(3) *Bell's review in 2020 of publicly available information for North American communications and telecommunications companies indicated Bell was the first of its North American communications and telecommunications competitors to receive ISO 14001 certifications.*

operational GHG emissions (scope 1 and 2 only) in 2025. For 2026 and 2030, we have set science-based GHG emissions reduction and supplier engagement targets that are consistent with the goals of the Paris Agreement. The Science Based Targets initiative (SBTi)[(1)] has approved the three specific targets set by BCE Inc. that cover all scopes.

Key metrics

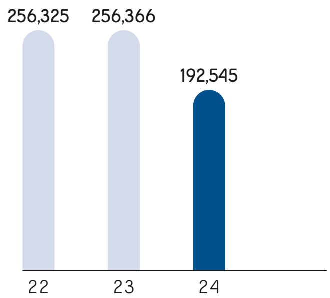
Energy intensity

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



Operational (scope 1 and 2 market-based) GHG emissions

(tonnes of CO_2e)



How circular economy helps create value

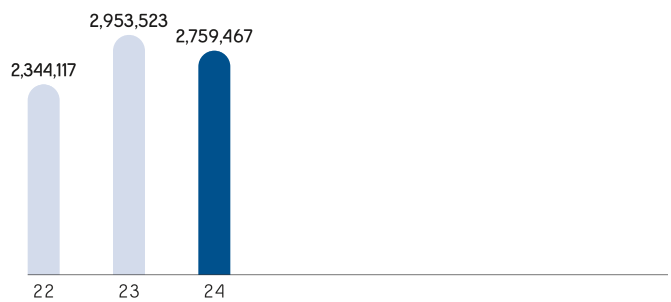
We are advancing our circular economy approach to focus on solutions that detach growth from accelerating raw material consumption in an effort to reduce the environmental impact of our operations. Waste reduction is essential to improving our operational efficiency by generating economic benefits, and better aligning with the values and expectations of our employees and customers.

Our activities and outcome

Bell has managed waste reduction, reuse and recycling programs for more than 30 years. We have waste reduction goals and strong monitoring processes in place that enable us to track and report on our activities that generate waste. To manage the waste created from the electronic devices we distribute to customers, we have implemented effective and accessible e-waste collection programs for the recovery, reuse, refurbishment and recycling of customer-facing devices, including national take-back programs, drop boxes and mail-in instructions. To measure the success of these programs, we track the number of recovered electronic devices annually. At Bell, we believe in leading by example, and so to continue to manage and reduce the waste generated from our own operations, we have the target to reach and maintain a 30% reduction of total waste sent to landfill by 2030, from a 2019 baseline year. In 2024, to enhance our waste diversion efforts, we launched a fibre optic cable recycling program in Québec. This project has been under development for several years due to the challenges of recycling fibre optic cables and the limited options available in Canada. Through working towards waste reduction, we are striving to build a resilient path to circularity.

Key metric

Customer devices recovered[(2)]



(1) *The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute and the World Wide Fund for Nature driving ambitious climate action in the private sector by enabling organizations to set science-based emissions reduction targets.*

(2) *Customer devices include used TV receivers, modems, Wi-Fi pods and mobile phones.*

Our people

Our people

To execute on our strategic imperatives, we rely on the engagement and expertise of our team members. We focus on attracting, developing and retaining the best talent, as well as creating a positive team member experience to drive effectiveness, high performance and agility in our evolving business environment. Through workplace wellness initiatives and by promoting belonging in the workplace, we reinforce our goal of creating a safe and inclusive atmosphere for all team members.

How well-being helps create value

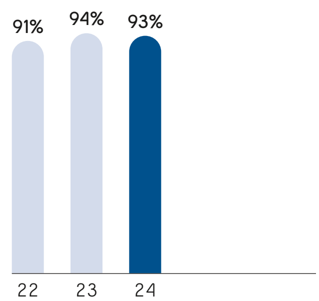
Bell team members bring our corporate purpose and strategic imperatives to life every day. To support the Bell team, we strive for a dynamic culture where all team members feel valued and respected in a safe, supportive environment. We offer inclusive benefits, ongoing education and awareness programs, and a range of progressive initiatives to help foster well-being and success. At Bell, we believe that taking care of the well-being of our team members is essential to their personal success and to our organization's ongoing progress.

Our activities and outcomes

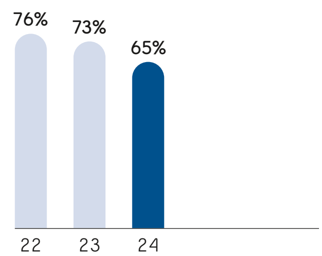
To foster the well-being of our team members, we believe that engaging our team members as well as nurturing an inclusive environment are both essential. We are proud to be again ranked as one of Canada's Top Employers.[1] Bell has also been recognized by Mediacorp as one of Canada's Top Employers for Young People, Top Family-Friendly Employers, one of Canada's Greenest Employers, one of Canada's Best Diversity Employers and one of Montréal's Top Employers.[2] [3] [4] [5] [6] We are focused on developing and retaining the best talent in the country by providing a workplace that is positive, professional and rewarding, all of which enable creativity and innovation. We also continue to develop, implement and share mental health practices in the workplace, and to broaden our approach to emphasize total-health support. We educate team members through our training programs and campaigns, support them through an extensive range of mental health services, and support and adapt workplace policies and practices to foster a psychologically safe workplace. Since 2010, over 90 metrics have been measured quarterly and assessed for trends and program insights to closely monitor the psychological health of our workplace. Collecting qualitative and quantitative data is crucial to ensuring that we are heading in the right direction and making any required adjustments to our mental health programs.

Key metrics

People leaders who completed mandatory base training on mental health



Overall team member engagement score [7]



(1) *Bell was recognized as one of "Canada's Top 100 Employers" in years 2016 to 2025 by Canada's Top Employers, an editorial competition organized by Mediacorp Canada Inc., a publisher of employment periodicals. Winners are evaluated and selected based on their industry leadership in offering exceptional workplaces for their employees. Employers are compared to others in their field to determine which offers the most progressive and forward-thinking programs.*

(2) *Bell was recognized as one of "Canada's Top Employers for Young People" in years 2018 to 2025 by Canada's Top 100 Employers. Winners are evaluated and selected based on the programs offered to attract and retain young employees, when compared to other employers in the same field.*

(3) *Bell was recognized as one of "Canada's Top Family-Friendly Employers" in years 2020 to 2024 by Canada's Top 100 Employers. Winners were evaluated and selected based on the programs and initiatives offered to help employees balance work and family commitments, when compared to other employers in the same field.*

(4) *Bell was recognized as one of "Canada's Greenest Employers" in years 2017 to 2024 by Canada's Top 100 Employers. Winners were evaluated and selected based on the unique environmental initiatives and programs they have developed; the extent to which they have been successful in reducing the organization's own environmental footprint; the degree to which their employees are involved in these programs and whether they contribute any unique skills; and the extent to which these initiatives have become linked to the employer's public identity, attracting new employees and clients to the organization.*

(5) *Bell was recognized as one of "Canada's Best Diversity Employers" in years 2017 to 2022 and in 2025 by Canada's Top 100 Employers. Winners are evaluated and selected based on exceptional workplace diversity and inclusiveness programs, when compared to other employers in the same field.*

(6) *Bell was recognized as one of "Montréal's Top Employers" in years 2013 to 2024 by Canada's Top Employers. Winners were evaluated and selected based on progressive and forward-thinking programs offered in a variety of areas, when compared to other organizations in the same field.*

(7) *This metric is calculated as the average score obtained in the annual Bell team member satisfaction survey. The Team Member Engagement score is based on four specific questions and the percentage of employees who responded favourably (Strongly agree or Agree) to these questions out of the total number of employees who responded to the survey. Methodology has changed from 2023, it was then based on five specific questions.*

Our financial resources

Our financial resources

The financial resources of the company are addressed throughout this MD&A. In addition, in 2022 and 2023, we added sustainability-linked pricing to our committed credit facilities, to our securitization program and to certain derivatives, introducing price adjustments based on our performance of certain sustainability performance targets.

Assumptions

GHG emissions reduction and supplier engagement targets

Our environment

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 (RECs) to offset or reduce, as applicable, our GHG emissions
- The carbon offset will be permanent and will not be reversed, in whole or in part, prior to the date of our targets
- No significant increase in electricity grid emissions intensity over which we have no control
- Sufficient supplier engagement and collaboration in setting their own science-based 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
- Availability of sufficient funds to be allocated to the implementation of initiatives to reduce our electricity and fuel consumption
- No significant cost increase in solutions and initiatives identified to be implemented to achieve our targets
- No new corporate initiatives, business acquisitions, business divestitures or technologies that would materially change our anticipated levels of GHG emissions. In particular, our GHG emissions reduction targets assume that the previously announced pending acquisition of Ziply Fiber and pending dispositions of Northwestel and our ownership stake in MLSE will not 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
- 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

Explanation of certain climate-related terms, metrics and targets

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. We use market-based GHG accounting (emission factors are specified within the contractual agreements with the applicable supplier) to evaluate our GHG targets. Scope 1 and 2 (market-based) emissions are sometimes collectively referred to in this MD&A 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 neutrality

We will measure our carbon neutrality performance based on our operational GHG emissions (scope 1 and 2 emissions in tonnes of CO_2e) minus GHG emissions offset by carbon credits purchased (in tonnes of CO_2e). To be carbon neutral, the total must be equal to zero or lower. To achieve our target to have carbon neutral operations in 2025, 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 2024, our scope 1 and 2 emissions represented 9% of our total carbon footprint. Our target for carbon neutral operations excludes our scope 3 emissions which represented 91% of our carbon footprint in 2024.

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 SBTi brings together a team of experts to provide companies with independent assessment and validation of targets.

Net zero target

BCE's carbon neutrality and science-based targets are 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., scopes 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 stored in geological, terrestrial, or ocean reservoirs, or in products.*

2 Strategic imperatives

Our success is built on the BCE team's dedicated execution of the six strategic imperatives that support our purpose to advance how Canadians connect with each other and the world.

This section contains forward-looking statements, including relating to BCE's network deployment plans, our ESG objectives, and our 2025 objectives, plans and strategic priorities. Refer to the section *Caution regarding forward-looking statements* at the beginning of this MD&A.

2.1 Build the best networks

Continuing to enhance our key competitive advantage with a focus on delivering leading broadband fibre and wireless networks in locations large and small.

2024 progress

- Announced our intent to acquire Ziply Fiber, the leading fibre Internet provider in the Pacific Northwest of the U.S., to accelerate Bell's growth in fibre. Together, Bell Canada and Ziply Fiber have a goal to reach approximately 12 million fibre locations in North America by the end of 2028, reinforcing Bell's position as the third largest fibre Internet provider in North America.
- Continued to expand our FTTP direct fibre footprint to more homes and businesses, reaching 7.8 million locations at the end of 2024. FTTP enables multi-gigabit symmetrical download and upload Internet speeds, offering a performance and quality advantage over cable networks.
- Completed Canada's first 50G passive optical network technology trial, in partnership with Nokia Corporation, leveraging existing fibre infrastructure to reach speeds up to 50Gbps on a single fibre, and demonstrating an efficient and cost-effective upgrade path
- Deployed 3800 MHz spectrum in select areas of Toronto and Kitchener-Waterloo, offering customers the country's fastest mobile technology on Canada's fastest 5G+ network [(1)]
- Expanded 5G+ service coverage, leveraging 3500 MHz and 3800 MHz spectrum, to reach 60% of Canada's population
- Bell's 5G and 5G+ networks were recognized as the fastest and best in Canada by Global Wireless Solutions (GWS) in its 2024 nationwide assessment of 5G networks.[(1)] This marks the third consecutive year Bell has earned this recognition for its 5G network and the second consecutive year for its 5G+ network.

2025 focus

- Further deployment of direct fibre to more homes and businesses within our wireline footprint, but at a slower pace than during any of 2020 to 2024
  - As a direct result of the CRTC's rejection on February 3, 2025 of a Governor-in-Council request to reconsider its November 2023 decision that provided large carriers temporary wholesale tariffed access to Bell's FTTP network, our near-term fibre build target of 8.3 million locations by the end of 2025 will not be reached
- Ongoing expansion and deployment of 5G and 5G+ wireless networks, offering competitive coverage and quality

(1) *Independent testing by GWS from February to November 2024 ranked Bell's 5G and 5G+ networks highest among Canadian national wireless carriers. GWS OneScore rankings for 5G+ performance and speeds are based on testing while actively using 3500 MHz spectrum.*

2.2 Drive growth with innovative services

Leveraging our leading network technologies to provide truly differentiated communications services to Canadians and drive revenue growth.

2024 progress

- Added 309,517 total net postpaid and prepaid mobile phone subscribers, bringing Bell's mobile phone customer base to 10,288,574 at December 31, 2024
- As part of a strategic distribution agreement, Bell and Best Buy Canada opened 167 Best Buy Express small-format consumer technology retail stores across Canada, offering a selection of products from Best Buy and exclusive telecommunications services from Bell, Virgin Plus and Lucky Mobile
- Entered into a retail partnership with Loblaw Companies Limited to launch no name mobile, providing Canadians new affordable wireless options and prepaid plans, powered by PC Mobile and running on Bell's 4G network
- Expanded our multi-year strategic partnership with Hyundai Motor Group, leveraging Bell's IoT connectivity to provide Canadian customers with advanced in-car connected infotainment services
- Announced a technology collaboration with MacLean Engineering, the world's largest Canadian-based manufacturer of underground mining equipment, to advance the next generation of mining operations in Canada with Bell's Private Mobile Network at the MacLean Research & Training Facility
- Built on our position as the leading Internet service provider (ISP) in Canada with a retail high-speed Internet subscriber base of 4,490,896 at December 31, 2024, up 0.4% over 2023
- Bell pure fibre was ranked Canada's fastest Internet in Ookla's Q1-Q2 2024 and Q3-Q4 2024 Speedtest Awards reports [1]
- Recognized as Canada's most trusted communications provider by BrandSpark. Bell was also awarded Most Trusted High Speed Internet provider for Wi-Fi performance/Wi-Fi connectivity for the sixth consecutive time, and earned Most Trusted awards for TV, cellular and home phone.[2]
- Acquired Stratejm, a Mississauga-based cybersecurity provider, and CloudKettle Inc., a Halifax-based professional services provider, adding professional and managed services expertise in cybersecurity and Salesforce digital workflow automation to Bell's existing capabilities and strengthening end-to-end AI-powered support for enterprise customers
- FX Innovation acquired HGC Technologies (HGC), an Elite ServiceNow partner. Based in Montréal, with Canadian and American operations, HGC focuses on helping clients maximize their business impact with the ServiceNow digital workflow platform. The acquisition strengthens FX Innovation's expertise in process automation, cloud technologies, and digital transformation.
- Expanded our multi-year strategic partnership with ServiceNow, an AI platform for business transformation, to accelerate Bell's digital transformation while continuing to offer ServiceNow implementation expertise to support the digital transformation of its Bell Business Markets (BBM) customers. The partnership makes Bell one of ServiceNow's largest communications customers with a first-of-its-kind collaboration in Canada.
- Formed a strategic partnership with Palo Alto Networks that brings together Bell's expertise in managed and professional services with Palo Alto Networks' AI-powered cybersecurity platforms, enabling Bell to offer a full suite of services to deliver comprehensive protection against evolving cyber threats for customers in Canada
- Launched Google Cloud Contact Center AI from Bell for Canadian businesses, a managed solution supported by professional services expertise that enables intelligent customer and agent experiences leveraging generative AI-infused technology
- Launched services for Microsoft Teams Phone Mobile, building on Bell's collaboration with Microsoft to offer Canadian businesses a flexible, secure, high-performance communication solution. The mobile-first solution integrates mobile numbers with Teams, enabling seamless calling and collaboration.
- Announced a partnership with Mila, a Montréal-based research institute in AI, to develop AI solutions to enhance customer experience, optimize business operations and cultivate a vibrant AI ecosystem within Québec and across Canada
- Launched the Bell Business Wi-Fi App, providing small businesses in Ontario and Québec with an enhanced Wi-Fi experience that combines improved security, customizable guest Wi-Fi, employee and customer data insights, and simplified network management

2025 focus

- Leverage innovative new partnerships and collaborations to deliver for our customers
- Continued growth in wireless mobile phone subscribers
- Introduction of more 5G and 5G+ devices and services
- Increased adoption of unlimited data plans and device financing plans
- Improved wireless handset device availability in addition to stable device pricing and margins
- Continued business customer adoption of advanced 5G and IoT solutions
- Continued growth in retail Internet subscribers
- Enhance Internet product superiority through new service offerings and hardware to provide an enhanced customer experience in the home
- Cross sell to customers who do not have all their telecommunication services with Bell
- Continued diversification of Bell's distribution strategy with a focus on expanding DTC and online transactions
- Continue to deliver network-centric managed and professional services solutions to large and medium-sized businesses that increase the value of connectivity services

(1) *Based on analysis by Ookla, a web testing and network diagnostics company, of Speedtest Intelligence data of fixed nationally aggregated Speed Score results for Q1-Q2 and Q3-Q4 2024.*

(2) *Voted and awarded Most Trusted High Speed Internet Provider for Wi-Fi Performance/Wi-Fi Connectivity, Home Phone Service Provider, TV Service Provider (in a tie), and Cellular Service Provider (in a tie) by Canadian shoppers based on the 2025 BrandSpark Canadian Trust Study. BrandSpark is a research and consulting firm.*

2.3 Deliver the most compelling content

Taking a unified approach across our media and distribution assets to deliver the content Canadians want the most.

2024 progress

- Increased our IPTV subscriber base by 3.0% to 2,132,953 at December 31, 2024
- Grew our total Crave subscriber base to more than 3.6 million, up 18% over 2023
- 2024 was the most watched year in Crave history for hours viewed
- Crave, TSN and RDS became available on Prime Video Channels in Canada
- Maintained CTV's #1 ranking as the most-watched TV network in Canada for the 23rd year in a row
- Launched 11 English and French-language FAST channels, featuring a selection of entertainment, factual, news, and sports programming, available on LG Channels, Samsung TV Plus, Plex and The Roku Channel
- Completed the previously announced acquisition of OUTEDGE, to support Bell Media's digital media strategy and deliver multi-channel marketing solutions across Canada
- Announced the expansion of Bell Media's partnership with Warner Bros. Discovery for the Canadian market, extending Crave for multiple years as the exclusive home of HBO and Max content
- Secured a content and licensing agreement with NBCUniversal Global TV Distribution bringing cable channels USA Network and Oxygen True Crime to Canada for the first time ever, as of January 1, 2025, at which time existing specialty channels Discovery and Investigation Discovery rebranded as USA Network and Oxygen True Crime. Also on January 1, 2025, existing specialty channels Animal Planet, Discovery Science and Discovery Velocity rebranded as CTV Wild, CTV Nature, and CTV Speed.
- Announced a partnership with Lionsgate and Point Grey Pictures (PGP), the production company founded by actor Seth Rogen and filmmaker Evan Goldberg, to develop and produce PGP's first Canadian scripted TV series
- Launched Bell Ads for Business, an advertising platform that allows businesses across Canada to utilize Bell's premium Canadian data, and target intended audiences, while accessing digital inventory across the open internet and Bell Media digital properties
- Bell Media became the Canadian strategic partner of TikTok's Pulse Premiere in Canada, an advertising solution that gives advertisers' brands the control and predictability to choose where their ads are placed, adjacent to select publisher partner content on the For You feed, including adjacency to Bell Media's TikTok content
- Bell Media became the exclusive Canadian sales partner of Dotdash Meredith, America's largest digital publisher, expanding premium digital advertising in Canada
- Bell Media and StackAdapt, a multi-channel advertising platform, partnered to make Bell Media's inventory of connected TV, display, video, audio, and digital OOH channels available on the StackAdapt platform. This partnership enables advertisers to scale campaigns effectively across Bell Media's digital offerings, including live sports.
- Partnered with Shopsense AI to bring second-screen shopping experiences to Canadian viewers, marking Shopsense's first expansion outside the U.S. and the first integration of its Commerce OS into Canadian entertainment programming

2025 focus

- Continued growth in IPTV subscribers
- Enhance TV product superiority through new service offerings and innovation to provide an enhanced customer experience in the home
- Reinforce industry leadership in conventional TV, specialty TV, DTC streaming and sports services
  - In January 2025, Bell and Corus Entertainment expanded their multi-year agreement to distribute Corus networks on Bell Fibe TV and Bell Satellite TV, including Corus' premier lifestyle networks, Flavour Network and Home Network
- Continued scaling of Crave, TSN, TSN+ and RDS through expanded distribution, optimized content offering and UX improvements
  - In January 2025, Bell Media launched new bundle subscription options allowing viewers to combine Crave, TSN (English-language bundle), and RDS (French-language bundle), with the Ultimate Entertainment and Sports Bundle plans
- Continued support of original French content with a focus on digital platforms such as Crave, Noovo.ca and iHeartRadio Canada, to better serve our French-language customers through a personalized digital experience
- Grow advertising revenue and maximize market share
- Continue to scale Connected TV and Dynamic Audio Ad Insertion (DAAI), bringing precision targeting of digital advertising and providing a personalized ad experience to specific households or devices
- Advance our digital-first media strategy including growing digital revenues.(1) DTC subscribers and digital growth in OOH business
- Optimize unique partnerships and strategic content investments to monetize content rights and Bell Media properties across all platforms and scale global content distribution

(1) *Digital revenues are comprised of advertising revenue from digital platforms including web sites, mobile apps, connected TV apps and OOH digital assets/platforms, as well as advertising procured through Bell digital buying platforms and subscription revenue from DTC services and video-on-demand (VOD) services.*

2.4 Champion customer experience

Making it easier for customers to do business with Bell at every step, from sales to installation, to ongoing support.

2024 progress

- Decreased our share of consumer complaints for the BCE group of companies and affiliates by 5% over the previous year, according to the 2023–2024 Annual Report by the Commission for Complaints for Telecom-television Services (CCTS)
- Appointed Hadeer Hassaan as Bell's first Chief Customer Experience Officer, reinforcing our customer-first approach in everything we do and our objective to create meaningful experiences across all channels
- Launched a refreshed MyBell app, offering a range of new features and improvements including improved navigation, personalized offers and alerts on the home screen, and a modern visual design
- Introduced new digital bill featuring an easier to understand layout and new features that highlight any month-over-month changes, personal bill explainers and digital billboards that keep customers informed about their Bell services, exclusive offers, and campaigns like Bell for Better
- Introduced new virtual assistants leveraging Google Chat AI for Bell, Virgin Plus and Lucky Mobile customers, offering instant answers and self-service links
- Leveraging AI technologies developed by Meta and Google, launched new chatbot for field technicians that serves as a virtual helpdesk, delivering real-time support and resources to technicians
- Implemented AI-powered agent support models leveraging real-time transcription, enabling the analysis of calls in our contact centers through our Speech AI solution and the identification of cross-sell opportunities
- Leveraged Generative AI for call quality assurance, monitoring aspects such as time on hold and manager escalations and to automatically generate retention offers in real time

2025 focus

- Launch a customer friendly virtual assistant to answer common questions quickly and accurately
- Add open ticket tracking capabilities for customers to check the status of requests and communicate with agents with links in MyBell
- Continue to invest in AI to resolve customer issues faster
- Upgrade knowledge management tools enabling customers to get accurate, consistent answers whether through retail channels, call centres or MyBell
- Continue to improve quality of operations to make it easy to do business with Bell
- Further improve and expand self-installation capabilities
- Further reduce the number of repair truck rolls through better diagnostics and our Virtual Repair tool
- Reduce the elapsed time when field technicians have to refer an issue to another group for resolution

2.5 Operate with agility and cost efficiency

Underscoring our focus on operational excellence and cost discipline throughout every part of our business.

2024 progress

- Continued our multi-year operational transformation to modernize our operations, increase productivity, build technology talent and materially right-size our cost base
- Improved BCE consolidated adjusted EBITDA margin[1] by 1.2 pts to 43.4%, our highest annual margin in over 30 years
- Reduced Bell CTS operating costs by 3.4%, contributing to Bell CTS adjusted EBITDA margin improvement of 1.2 pts over 2023
- Realized labour savings of more than $200 million from workforce restructuring initiatives
- Reduced capital expenditures by $684 million in 2024 to $3,897 million, consistent with a planned reduction in capital spending attributable to slower new FTTP footprint expansion, regulatory decisions that discourage network investment, and the realization of efficiencies from prior investments in digital transformation initiatives
- Delivered productivity improvements and cost efficiencies resulting from the expansion of Bell's all-fibre network footprint and service innovations enabled by new broadband technologies

2025 focus

- Accelerate Bell's operational transformation
- Continued focus on our cost structure
- Realize cost savings from:
  - operating efficiencies enabled by our direct fibre footprint
  - changes in consumer behaviour and product innovation
  - digital adoption
  - product and service enhancements
  - expanding self-serve capabilities
  - new call centre and digital investments
  - other improvements to the customer service experience
  - lower contracted rates from our suppliers
  - rationalization of real estate footprint
- Continued reduction in capital expenditures and capital intensity[2]
  - As a direct result of the CRTC's rejection on February 3, 2025 of a Governor-in-Council request to reconsider its November 2023 decision that provided large carriers temporary wholesale tariffed access to Bell's FTTP network, we expect to reduce our capital expenditures by more than we anticipated would be the case for 2025. Consequently, our near-term fibre build target of 8.3 million locations by the end of 2025 will not be reached.

(1) *Adjusted EBITDA margin is defined as adjusted EBITDA divided by operating revenues.*
(2) *Capital intensity is defined as capital expenditures divided by operating revenues.*

2.6 Engage and invest in our people and create a sustainable future

Strengthening our inclusive workplace culture, recognizing that Bell's success requires a dynamic and engaged team that is committed to the highest ESG standards.

2024 progress

- Named one of Canada's Top 100 Employers for the tenth consecutive year by Mediacorp [(1)]
- Named one of Canada's Top Employers for Young People for the eighth consecutive year by Mediacorp [(2)]
- Named one of Canada's Top Family-Friendly Employers for the fifth consecutive year by Mediacorp [(3)]
- Named a Montréal Top Employer for the 12th consecutive year by Mediacorp [(4)]
- Introduced a new AI assistant powered by Generative AI technology for team members, offering a wide range of capabilities to enhance their productivity and creativity
- As part of our collaboration with Microsoft to bring new solutions to Canadian businesses, Bell adopted Microsoft 365 as its cloud collaboration platform, advancing the company's own digital transformation, and helping to foster greater collaboration and productivity across teams
- Introduced the Welcome Hub, Bell's onboarding solution for new hires powered by ServiceNow and developed in partnership with FX Innovation, improving the employee experience while facilitating preboarding tasks and centralizing administrative steps and procedures
- Ranked the most sustainable telecom globally for the second year in a row and 34th overall in the Corporate Knights Global 100 2025 ranking of the most sustainable corporations in the world [(5)]
- Named to the Canada's Best 50 Corporate Citizens list compiled by Corporate Knights for a third consecutive year, ranking 19th overall [(6)]
- Named one of Canada's Greenest Employers for the eighth straight year [(7)]
- Named the top telecom and ranked 3rd overall in the Globe and Mail's Road to Net Zero report [(8)]

2025 focus

- Enable skills and career development to support Bell's operational transformation
- Evolve talent and leadership development programs
- Support a holistic, company-wide engagement and communication strategy
- Continue HR transformation to drive self-service, automation, process simplification and cost structure improvements
- Continue our leading workplace programs for the mental health and well-being of all Bell team members
- Continue to implement our action plan to achieve carbon neutral operations
- Enhance our Be Cyber Savvy program for employees, further advancing their cybersecurity knowledge and awareness

(1) *Bell was recognized as one of "Canada's Top 100 Employers" in years 2016 to 2025 by Canada's Top Employers, an editorial competition organized by Mediacorp Canada Inc., a publisher of employment periodicals. Winners are evaluated and selected based on their industry leadership in offering exceptional workplaces for their employees. Employers are compared to others in their field to determine which offers the most progressive and forward-thinking programs.*

(2) *Bell was recognized as one of "Canada's Top Employers for Young People" in years 2018 to 2025 by Canada's Top 100 Employers. Winners are evaluated and selected based on programs offered to attract and retain young employees, when compared to other employers in the same field.*

(3) *Bell was recognized as one of "Canada's Top Family-Friendly Employers" in years 2020 to 2024 by Canada's Top 100 Employers. Winners were evaluated and selected based on the programs and initiatives offered to help employees balance work and family commitments, when compared to other employers in the same field.*

(4) *Bell was recognized as one of "Montréal's Top Employers" in years 2013 to 2024 by Canada's Top Employers. Winners were evaluated and selected based on progressive and forward-thinking programs offered in a variety of areas, when compared to other organizations in the same field.*

(5) *In January 2025, Corporate Knights Inc., a sustainable-economy media and research company, ranked BCE #1 among telecom providers and #34 overall in its global 2025 ranking of the World's 100 Most Sustainable Corporations. The ranking is based on an assessment of more than 8,000 public companies with revenue over US $1 billion whose fiscal year ends between July 1 2023, and June 30, 2024. All companies are scored on applicable metrics relative to their peers, with 50% of the weight assigned to sustainable revenue and sustainable investment.*

(6) *In June 2024, Corporate Knights Inc. ranked BCE #19 overall in its ranking of Canada's best 50 corporate citizens. The annual ranking is based on a set of 25 ESG indicators that compares Canadian companies with a gross revenue of at least $1 billion. Eligible companies include: Canadian-headquartered privately held companies and Canadian Crown corporations with at least $1 billion annual revenue, Canadian-listed companies with more than $1 billion annual revenue, companies included in S&P/TSX Renewable Energy and Clean Technology Index (all revenues), top 10 largest Canadian cooperative organizations by revenue, top 10 credit unions by assets under management and those with at least 100,000 members and all 2023 Best 50 companies. All companies are scored on up to 25 KPIs covering resource management, employee management, financial management, sustainable revenue and sustainable investment and supplier performance in comparison to their peer group, with 50% of each company's score assigned to sustainable revenue and sustainable investment.*

(7) *Bell was recognized as one of "Canada's Greenest Employers" in years 2017 to 2024 by Canada's Top 100 Employers. Winners were selected and evaluated based on the unique environmental initiatives and programs they have developed; the extent to which they have been successful in reducing the organization's own environmental footprint; the degree to which their employees are involved in these programs and whether they contribute any unique skills; and the extent to which these initiatives have become linked to the employer's public identity, attracting new employees and clients to the organization.*

(8) *In February 2024, the Globe and Mail ranked Bell 3rd in their ranking of Canadian companies with strong management leading them on the Road to Net Zero. The ranking is based on Sustainalytics' analysis of thousands of data points to calculate the Low-Carbon Transition Rating (LCTR) score. To date, it has rated 8,000 companies globally, including 260 publicly-traded corporations in Canada.*

3 Performance targets, outlook, assumptions and risks

This section provides information pertaining to our performance against 2024 targets,[1] our consolidated business outlook and operating assumptions for 2025 and our principal business risks.

3.1 BCE 2024 performance

Financial measure	2024 target	2024 performance and results	
Revenue growth	**Approx. (1.5%)**	(1.1%)	BCE revenues declined by 1.1% in 2024, compared to 2023, driven by both lower product and service revenues of 5.2% and 0.4%, respectively, due to reduced product and service revenues from Bell CTS, partly mitigated by higher Bell Media revenues.
Adjusted EBITDA growth	**1.5% to 4.5%**	1.7%	BCE adjusted EBITDA grew by 1.7% in 2024, compared to 2023, attributable to a greater contribution from our Bell CTS and Bell Media segments, reflecting lower operating costs, moderated by reduced operating revenues.
Net earnings growth	**No target provided**	(83.9%)	In 2024, net earnings decreased by 83.9%, compared to 2023, mainly due to higher impairment of assets primarily at our Bell Media segment due to a further decline in advertising demand and spending in the linear advertising market, higher severance, acquisition and other costs, higher interest expense and higher depreciation and amortization, partly offset by lower income taxes, higher adjusted EBITDA and lower other expense.
Capital intensity	**Below 16.5%**	16.0%	Capital expenditures were $3,897 million in 2024, down $684 million or 14.9% over last year, corresponding to a capital intensity ratio of 16.0%, down 2.6 pts year over year. This decline is consistent with a planned reduction in capital spending, primarily driven by slower FTTP footprint expansion, regulatory decisions that discourage network investment, and the realization of efficiencies from prior investments in digital transformation initiatives.
Net earnings per share (EPS) growth	**No target provided**	(92.1%)	Net earnings attributable to common shareholders in 2024 decreased by $1,913 million, or $2.10 per common share, compared to 2023, mainly due to higher impairment of assets primarily at our Bell Media segment, higher severance, acquisition and other costs, higher interest expense and higher depreciation and amortization, partly offset by lower income taxes, higher adjusted EBITDA and lower other expense.
Adjusted net earnings per share (adjusted EPS)[2] growth	**(7%) to (2%)**	(5.3%)	Excluding the impact of severance, acquisition and other costs, net mark-to-market gains (losses) on derivatives used to economically hedge equity settled share-based compensation plans, net equity gains (losses) on investments in associates and joint ventures, net gains (losses) on investments, early debt redemption costs and impairment of assets, net of tax and non-controlling interest (NCI), adjusted net earnings in 2024 was $2,773 million, or $3.04 per common share, compared to $2,926 million, or $3.21 per common share, in 2023.
Cash flows from operating activities growth	**No target provided**	(12.1%)	In 2024, BCE's cash flows from operating activities of $6,988 million decreased by $958 million, compared to 2023, mainly due to lower cash from working capital, higher interest paid, higher severance and other costs paid and higher income taxes paid, partly offset by higher EBITDA.
Free cash flow growth	**(11%) to (3%)**	(8.1%)	Free cash flow of $2,888 million in 2024 decreased by $256 million compared to 2023, mainly due to lower cash flows from operating activities, excluding cash from acquisition and other costs paid, partly offset by lower capital expenditures.
Annualized dividend per common share	**$3.99 per share**	$3.99 per share	Annualized dividend per BCE common share for 2024 increased by $0.12 cents, or 3.1%, to $3.99 compared to $3.87 per share in 2023.

(1) *As announced in a news release issued on November 7, 2024, and available on SEDAR+ at www.sedarplus.ca, we revised our revenue guidance for 2024 downward from a range of 0% to 4%, previously announced on February 8, 2024, to a decline of approximately 1.5%. All other financial guidance targets remained unchanged.*

(2) *Adjusted EPS is a non-GAAP ratio. Refer to section 11.2,* Non-GAAP ratios *in this MD&A for more information on this measure.*

3.2 Business outlook and assumptions

This section contains forward-looking statements, including relating to our projected financial performance, anticipated reductions in capital expenditures, network deployment plans, and business outlook, objectives, plans and strategic priorities. Refer to the section *Caution regarding forward-looking statements* at the beginning of this MD&A.

2025 outlook

We expect wireless and broadband competitive pricing flowthrough pressure from 2024, lower subscriber loadings, decreased wireless product sales and higher media content and programming costs to impact revenue and adjusted EBITDA. We expect restrained enterprise customer spending on traditional network products and services, and a continued market shift by wireless customers to bring-your-own-device (BYOD) mobile phone transactions. Additionally, our strategic distribution partnership with Best Buy Canada will result in a further decrease in revenue in 2025 due to the timing of The Source store closures and transition to Best Buy Express in 2024. As this revenue is largely consumer electronics related, the impact on BCE's adjusted EBITDA will not be material given low margins for such products. While declines in legacy voice and data and traditional media revenues are expected to continue to weigh on BCE's adjusted EBITDA, our fibre, 5G wireless, B2B solutions business and digital media continue to present attractive growth opportunities.

Our strategic priorities in 2025 centre on:

- Maintaining focus on higher value mobile phone and Internet subscribers and growth in bundled households
- Continuing to accelerate our business markets growth in cloud, security and workflow automation services
- Continued digital advertising and direct-to-consumer streaming growth

Despite competitive and economic pressures on revenue and adjusted EBITDA, we anticipate a higher adjusted EBITDA margin in 2025 enabled by savings from transformation initiatives, including a reduced workforce, and other operating efficiencies. We expect a slowdown of our fibre build in Canada and efficiencies from transformation initiatives to drive lower capital expenditures, which is expected to drive higher free cash flow.

Assumptions

Assumptions about the Canadian economy

Our forward-looking statements are based on certain assumptions concerning the Canadian economy. These assumptions do not incorporate the imposition of wide-ranging U.S. tariffs on imports from Canada and retaliatory tariffs by the Canadian government on a wide range of goods coming from the U.S. Given the fast-evolving situation and the high degree of uncertainty around the duration and extent of trade wars, it is difficult to predict how the effects would flow-through the economy. New tariffs could significantly affect the outlooks for economic growth, customer spending, inflation and the Canadian dollar. In particular, we have assumed:

- Strengthening economic growth, given the Bank of Canada's most recent estimated growth in Canadian gross domestic product of 1.8% in 2025, representing an increase from 1.3% in 2024
- Slower population growth because of government policies designed to slow immigration
- Growth in consumer spending supported by past decreases in interest rates
- Modest growth in business investment underpinned by past declines in interest rates
- Relatively stable level of consumer price index (CPI) inflation
- Ongoing labour market softness
- Interest rates expected to remain at or near current levels
- Canadian dollar expected to remain near current levels. Further movements may be impacted by the degree of strength of the U.S. dollar, interest rates and changes in commodity prices.

Market assumptions

- A higher level of wireline and wireless competition in consumer, business and wholesale markets
- Higher, but slowing, wireless industry penetration
- A shrinking data and voice connectivity market as business customers migrate to lower-priced telecommunications solutions or alternative OTT competitors
- The Canadian traditional TV and radio advertising markets are expected to be impacted by audience declines as the advertising market growth continues to shift towards digital
- Declines in broadcasting distribution undertaking (BDU) subscribers driven by increasing competition from the continued rollout of subscription video on demand (SVOD) streaming services together with further scaling of OTT aggregators

Assumptions underlying expected continuing contribution holiday in 2025 in the majority of our pension plans

- At the relevant time, our defined benefit (DB) pension plans will remain in funded positions with going concern surpluses and maintain solvency ratios that exceed the minimum legal requirements for a contribution holiday to be taken for applicable DB and defined contribution (DC) components
- No significant declines in our DB pension plans' financial position due to declines in investment returns or interest rates
- No material experience losses from other events such as through litigation or changes in laws, regulations or actuarial standards

3.3 Principal business risks

Provided below is a summary description of certain of our principal business risks that could have a material adverse effect on all of our segments. Certain additional business segment-specific risks are reported in section 5, *Business segment analysis*. For a detailed description of the principal risks relating to our regulatory environment and of the other principal business risks that could have a material adverse effect on our business, financial condition, liquidity, financial results or reputation, refer to section 8, *Regulatory environment* and section 9, *Business risks*, respectively.

General economic conditions and geopolitical events

Our business and financial results could be negatively affected by adverse economic conditions, including trade wars and recessions. Trade wars resulting from the imposition of U.S. tariffs on imports from Canada and retaliatory tariffs by the Canadian government on goods coming from the U.S. could significantly affect economic growth, customer spending, inflation and the Canadian dollar. Given the fast-evolving situation and high degree of uncertainty around the duration and extent of tariffs that could be imposed, it is difficult to predict how the effects would flow-through the economy. The global economic environment could further exacerbate pre-existing risk factors, including those described in this MD&A, in light of modest Canadian economic growth, reductions in immigration levels, high housing support costs relative to income, and financial and capital market volatility. All of these could negatively affect our business and financial results, including by adversely affecting customer spending and the resulting demand for our products and services, our customers' financial condition, and the cost and amount of funding available in the financial markets.

Furthermore, risk factors including, without limitation, those described in this MD&A, could be exacerbated, or become more likely to materialize, as a result of geopolitical events, which could have an adverse impact on our business or future financial results and related assumptions, the extent of which is difficult to predict. Geopolitical events could adversely impact the global economy and cause financial and capital market volatility, broader geopolitical instability and armed conflicts, higher energy prices, inflationary pressures limiting consumer and business spending and increasing our operating costs, disruptions in our supply chain and increased information security threats.

Competitive environment

Our networks   Our products and services   Our financial resources

Competitive activity in our industry is intense and competitive dynamics are evolving, contributing to disruptions in each of our business segments

Our market landscape is being reshaped by changing macroeconomic and regulatory environments, increasing global and national competition, and evolving customer preferences. As our business evolves and technological advances drive new services, delivery models and strategic partnerships, our competitive landscape continues to intensify and expand to include new and emerging competitors, certain of which were historically our partners or suppliers, as well as global-scale competitors, including, in particular, cloud and OTT service providers, IoT hardware and software providers, VoIP providers, and other web-based and satellite-based players that are penetrating the communications space with significant resources and a large customer base over which to amortize costs. Certain of these competitors are changing the competitive landscape by establishing a material market presence, which has accelerated in recent years. Established competitors further seek to consolidate or expand their product offerings through acquisitions in order to increase scale and market opportunities in light of these changes in market dynamics. Failure to effectively respond to such evolving competitive dynamics could adversely affect our business and financial results.

Technology substitution, IP networks and recent regulatory decisions, in particular, continue to facilitate entry in our industry. In addition, the effects of government policies that result in the acquisition of spectrum at favourable pricing by regional facilities-based wireless service providers distort market dynamics. These factors have changed industry economics and allowed competitors to launch new products and services and gain market share with far less investment in financial, marketing, human, technological and network resources than has historically been required. In particular, with regulatory decisions mandating wholesale rates for wireline Internet and mobile virtual network operator (MVNO) access, competitors can deliver their services over our networks, leveraging regulatory obligations applicable to us, therefore limiting their need to invest in building their own networks and impacting the network-based differentiation of our services and our ability to earn an appropriate return on investment in our networks. Such lower required investment by competitors and impact on our return on investment challenges the monetization of our networks and our operating model. Moreover, foreign OTT players are currently not subject to the same Canadian content investment obligations as those imposed on Canadian domestic digital suppliers, which provides them with a competitive advantage over us.

New technologies create a potential for diversifying our product and service offerings and create growth opportunities. However, if we are unable to develop and deploy new solutions in advance of or concurrently with our competitors, if the market does not adopt these new technologies in pace with our deployment of new solutions, or if we fail to adequately assess and manage the risks associated with these new solutions, our business and financial results could be adversely affected.

We expect these trends to continue in the future, and the increased competition we face as a result could negatively impact our business including, without limitation, in the following ways:

- Competitors' aggressive market offers, combined with heightened customer sensitivity around pricing, could lead to pricing pressures, lower margins and increased costs of customer acquisition and retention, and our market share and sales volumes could decrease if we do not match competitors' pricing levels or increase customer acquisition and retention spending
- Adverse economic conditions, such as economic downturns or recessions, high interest rates and elevated inflation, adverse conditions in the financial markets, reductions in immigration levels, or a declining level of retail and commercial activity, could have a negative impact on the demand for, and prices of, our wireline, wireless and media products and services, and improve the competitive position of lower-cost providers
- Regulatory decisions regarding wholesale access to our wireless and fibre networks could facilitate entry of new competitors, including OTT players, strengthen the market position of current competitors, or encourage existing competitors to expand beyond their traditional footprint, which may negatively impact our retail subscriber base in favour of lower-margin wholesale subscribers and thus could negatively impact our capacity to optimize scale and invest in our networks
- The acceleration of disruptions and disintermediation in each of our business segments could adversely affect our business and financial results
- Should our value proposition on pricing, network, speed, service or features not be considered sufficient for customers in light of available alternatives, or should our products and services not be provided over customers' preferred delivery channels, this could lead to increased churn and slowing revenue growth
- The shift to online transactions could cause a reduction in in-store traffic, which could adversely impact our ability to leverage our extensive retail network to increase the number of subscribers and sell our products and services
- The convergence of wireline and wireless services is impacting product purchase choice by customers and could increase product substitution in favour of lower-margin products as well as increase churn. These trends are expected to increase with the continued adoption of 5G and 5G+.
- Increased embedded SIM (eSIM) adoption makes it easier for customers to change service providers and has the potential to upend existing distribution models, including negatively impacting roaming revenue
- The extent and timely rollout of fibre networks and 5G and 5G+ mobile services may be adversely impacted by government and regulatory decisions, constraints on access to and price of network equipment, labour shortages and potential operational challenges in delivering new technology
- Cloud-based and OTT-based substitution and the market expansion of lower-cost VoIP, collaboration and software-defined networking in a wide area network (SD WAN) solutions offered by local and global competitors, such as traditional software players, are changing our approach to service offerings and pricing and could have an adverse effect on our business
- The launch by Canadian and international competitors of low earth orbit (LEO) satellites, as well as partnerships between Canadian telcos and LEO satellite connectivity providers, and between governments and LEO satellite connectivity providers, to provide connectivity, including in rural areas and the North, intensifies competition, which could adversely affect our network deployment strategy in such areas and negatively impact demand for our connectivity services. The ability of our subsidiary Northwestel, operating in Canada's North, to respond to the competitive threat from these providers is further hampered by CRTC retail Internet regulations.
- Increased insolvency, spending rationalization and consolidation by business customers could lead to further disruptions in our Bell CTS segment, driven by technology substitution, economic factors and customers' operational efficiencies
- The pressure from simpler, lower-cost, agile service models is driving in-sourcing trends, which could have an adverse impact on our managed services business
- Greater customer adoption of services like 5G, as well as IoT services and applications in the areas of retail (e.g., home automation), business (e.g., remote monitoring), transportation (e.g., connected car and asset tracking) and urban city optimization (smart cities), combined with the increased use of AI, is expected to accelerate competition in these areas
- Subscriber and viewer growth and retention are challenged by changing viewer habits, optionality, higher costs for consumers and content providers, as well as the expansion and continued market penetration of global scale low-cost OTT content providers, OTT aggregators and other alternative service providers, some of which may offer content and platforms as loss leaders to support their core business, as well as account stacking, CRTC arbitration and a fragmentation of audiences due to an abundance of choices
- Competition, with both global competitors and traditional Canadian TV competitors, for programming content could drive significant increases in content acquisition and development costs as well as reduced access to key content as some competitors withhold content to enhance their OTT service offering
- The proliferation of content piracy could negatively impact our ability to monetize products and services beyond our current expectations, while creating bandwidth pressure without corresponding revenue growth in the context of regulated wholesale high-speed Internet access rates
- Our ability to grow digital and other alternative advertising revenue, in the context of a changing and fragmented advertising market, is being challenged by global-scale players
- Traditional radio faces accelerated substitution from new music players and alternative streaming services such as those offered by global audio streaming players and those made available by new technologies, including smart car services

For a further discussion of our competitive environment and related risks, as well as a list of our main competitors, on a segmented basis, refer to *Competitive landscape and industry trends* and *Principal business risks* in section 5, *Business segment analysis*.

Regulatory environment and compliance

Our networks | Our customers and relationships | Our products and services | Our environment | Our people | Our financial resources

Our regulatory environment influences our strategies, and adverse governmental or regulatory decisions could have negative financial, operational, reputational or competitive consequences for our business

Although most of our retail services are not price-regulated, government agencies and departments such as the CRTC, Innovation, Science and Economic Development Canada (ISED), Canadian Heritage and the Competition Bureau continue to play a significant role in regulatory matters such as establishing and modifying regulations for mandatory access to networks, spectrum auctions, the imposition of consumer-related codes of conduct, approval of acquisitions, broadcast and spectrum licensing, foreign ownership requirements, privacy and cybersecurity obligations, and control of copyright piracy. As with all regulated organizations, strategies are contingent upon regulatory decisions. Adverse decisions by governments or regulatory agencies, increased regulation or lack of effective anti-piracy remedies could have negative financial, operational, reputational or competitive consequences for our business.

For a discussion of our regulatory environment and the principal risks related thereto, refer to section 8, *Regulatory environment* as well as the segment discussion under *Principal business risks* in section 5.1, *Bell CTS*.

Failure to proactively address our legal and regulatory obligations, and our involvement in various claims and legal proceedings, could have an adverse effect on our business, financial performance and reputation

Changes in laws or regulations, or in how they are interpreted, and the adoption of new laws or regulations, as well as pending or future litigation, could have an adverse effect on our business, financial performance and reputation. The increase in laws and regulations around customer interactions and the technological evolution of our business further create an environment of complex compliance requirements that must be adequately managed. The failure to monitor and comply with legal or regulatory obligations applicable to us could expose us to litigation, significant fines and penalties, and operational restrictions, as well as result in reputational harm. Heightened focus on consumer protection through provincial legislation and regulatory consumer codes, as well as increased legal and regulatory pressure in the areas of privacy, accessibility, data governance and other ESG topics, require that we build and operationalize enhanced compliance frameworks and could further increase the company's exposure to investigations, litigation, sanctions, fines and reputational harm.

We become involved in various claims and legal proceedings as part of our business. For a description of important legal proceedings involving us, please see the section entitled *Legal proceedings* contained in the BCE 2024 AIF.

Technology/infrastructure transformation

Our networks | Our customers and relationships | Our products and services | Our financial resources

The evolution and transformation of our networks, systems and operations using next-generation technologies, while lowering our cost structure, are essential to effective competition and customer experience

Globalization, increased competition and ongoing technological advances are driving customer expectations for faster market responses, improved customer service, enhanced user experiences and cost-effective delivery. Meeting these expectations requires the deployment of new service and product technologies along with customer service tools that are network-neutral and based on a more collaborative and integrated development environment. The availability of improved networks and software technologies further provides the foundation for better and faster connections, which have in turn led to a significant growth in IoT applications. Change can be difficult and may present unforeseen obstacles that might impact successful execution, and this transition is made more challenging by the complexity of our multi-product environment, combined with the complexity of our network and IT infrastructure.

We are pursuing an operational transformation, which entails improving the experience and value we deliver to customers enabled by modernized infrastructure, simplified and automated business processes, and a right-sized cost model.

Failure to successfully pursue this transformation and accurately assess the potential of new technologies, make critical updates to existing network capabilities, achieve cloud integration and fortify cybersecurity, or to invest and evolve in the appropriate direction in an environment of changing business models, could limit our ability to deliver value to our customers through easy and simple buy and support interactions and through enabling them to get what they want much faster through any channel, as well as limit our customers' ability to receive products, services and content to any device or location regardless of network access type. As a result, this could have an adverse impact on our business and financial results.

Our network and IT evolution activities seek to use new as well as evolving and developing technologies, including network functions virtualization, software-defined networks, cloud technologies, multi-edge computing, open source software, "big data", IoT, AI and machine learning. These activities further seek to transform our networks and systems through consolidation, virtualization and automation to achieve our objectives of becoming more agile in our service delivery and operations, as well as providing omni-channel capabilities for our customers and driving lower costs. Our evolution activities also focus on building next-generation converged wireline and wireless networks leveraging smart-core technologies, to enable competitive quality and customer experience at a competitive cost structure amid rapidly growing capacity requirements. Alignment across technology platforms, product and service development and operations is increasingly critical to ensure appropriate trade-offs and optimization of capital allocation. Failure to adopt best in class technology practices in transforming our operations in order to enable a truly customer-centric service experience may hinder our ability to build customers' trust in our innovation and technological capabilities and our ability to compete on footprint, service experience and cost structure. Planning and executing multiple complex projects within the desired delivery timelines can also be challenging. Any one or more of the above could have an adverse impact on our business, financial results and reputation.

Customer retention and new customer acquisitions may be hindered during our transformation activities if such transformation causes poor service performance, which in turn may adversely affect our ability to achieve operational and financial objectives. Failure to quickly maximize adaptable infrastructures, processes and technologies to efficiently respond to evolving customer patterns and behaviours and to leverage IP and automation across many facets of our network, product and service portfolio could inhibit a fully customer-centric approach. This could reduce our ability to provide comprehensive self-serve convenience, real-time provisioning, cost savings and flexibility in delivery and consumption, leading to negative business and financial outcomes.

We further seek to expand our network footprint to enhance our value proposition and meet customer needs while deploying technologies to support growth. However, adverse government, regulatory or court decisions may impact the specific nature, magnitude, location and timing of investment decisions. In particular, the requirement to provide aggregated access to our FTTP on a wholesale basis, lowering of rates by the CRTC of mandated wholesale services over FTTP and/or FTTN, the imposition of unfavourable terms or the adoption of unfavourable rates in arbitration processes associated with the facilities-based MVNO access service the CRTC has implemented, the potential for additional mandated access to our networks, or the imposition of broader wholesale obligations on wireless networks would undermine the incentives for facilities-based digital infrastructure providers to invest in next-generation wireline and wireless networks. Failure to continue investment in next-generation capabilities in a disciplined, timely and strategic manner could limit our ability to compete effectively and to achieve desired business and financial results.

Other examples of risks that could affect the achievement of our desired technology/infrastructure transformation include the following:

- Failure to have our people, processes and culture evolve to a cross-functional approach to minimize business unit silos and promote a holistic "One Bell" mindset may impact our transformation initiatives
- The current global economic environment as well as geopolitical events may bring about further incremental costs, delays or unavailability of equipment, materials and resources, which may impact our ability to continue building next-generation converged networks and drive other transformation initiatives
- Challenges in hiring, retaining, insourcing, and developing technical and skilled resources could adversely impact transformation activities. Potential deterioration in employee morale and de-prioritization of transformation initiatives due to staff reductions, cost reductions or reorganizations could adversely affect our transformation and financial results.
- Suboptimal capital deployment in network build, infrastructure and process upgrades, and customer service improvements, could hinder our ability to compete effectively
- Cloud-based strategy with multiple service providers requires a different architecture framework and execution for each service provider which could slow the pace of our transformation
- Execution risk and lower or slower than expected savings achieved through targeted savings initiatives (e.g., vendor management, real estate optimization) could impact our ability to invest in the transformation
- We, and other telecommunications carriers upon which we rely to provide services, must be able to purchase high-quality, reputable network equipment and services from third-party suppliers on a timely basis and at a reasonable cost
- Network construction and deployment on municipal or private property requires the issuance of municipal or property owner consents, respectively, for the installation of network equipment, which could increase the cost of, and cause delays in, fibre and wireless rollouts
- The successful deployment of 5G mobile services could be impacted by various factors affecting coverage and costs
- Higher demand for faster Internet speed and capacity, coupled with governmental policies and initiatives, creates tensions around FTTP deployment in terms of geographic preference and pace of rollout
- The increasing dependence on applications for content delivery, sales, customer engagement and service experience drives the need for new and scarce capabilities (sourced internally or externally), that may not be available, as well as the need for associated operating processes integrated into ongoing operations
- New products, services or applications could reduce demand for our existing, more profitable service offerings or cause prices for those services to decline, and could result in a shorter life cycle for existing or developing technologies, which could increase depreciation and amortization expense
- The decommissioning of legacy equipment could be challenged by customer and regulatory requirements to continue using older technologies as well as inherent risks involved with transitioning to new systems
- As content providers' business models change, content consumption habits evolve and viewing options increase, our ability to aggregate and distribute relevant content and our ability to develop alternative delivery vehicles to compete in new markets and increase customer engagement and revenue streams may be hindered by the significant software development and network investment required
- Successfully managing the development and deployment of relevant product solutions on a timely basis to match the speed of adoption of IoT in the areas of retail, business and government could be challenging
- Customers continue to expect improvements in customer service, new functions and features, and reductions in the price charged to provide those services. Our ability to provide such improvements increasingly relies upon using a number of rapidly evolving technologies, including AI and machine learning. However, the use of such technologies is being increasingly scrutinized by legislators and regulators. If we cannot build market-leading competencies in the use of these emerging technologies in a way that respects societal values, we may not be able to continue to meet changing customer expectations and to continue to grow our business.

4 Consolidated financial analysis

Our financial resources

This section provides detailed information and analysis about BCE's performance in 2024 compared with 2023. It focuses on BCE's consolidated operating results and provides financial information for our Bell CTS and Bell Media business segments. For further discussion and analysis of our business segments, refer to section 5, *Business segment analysis*.

4.1 Introduction

BCE consolidated income statements

	2024	2023	$ change	% change
Operating revenues				
Service	**21,073**	21,154	(81)	(0.4%)
Product	**3,336**	3,519	(183)	(5.2%)
Total operating revenues	**24,409**	24,673	(264)	(1.1%)
Operating costs	**(13,820)**	(14,256)	436	3.1%
Adjusted EBITDA	**10,589**	10,417	172	1.7%
Adjusted EBITDA margin	***43.4%***	*42.2%*		*1.2 pts*
Severance, acquisition and other costs	**(454)**	(200)	(254)	n.m.
Depreciation	**(3,758)**	(3,745)	(13)	(0.3%)
Amortization	**(1,283)**	(1,173)	(110)	(9.4%)
Finance costs				
Interest expense	**(1,713)**	(1,475)	(238)	(16.1%)
Net return on post-employment benefit plans	**66**	108	(42)	(38.9%)
Impairment of assets	**(2,190)**	(143)	(2,047)	n.m.
Other expense	**(305)**	(466)	161	34.5%
Income taxes	**(577)**	(996)	419	42.1%
Net earnings	**375**	2,327	(1,952)	(83.9%)
Net earnings attributable to:				
Common shareholders	**163**	2,076	(1,913)	(92.1%)
Preferred shareholders	**181**	187	(6)	(3.2%)
NCI	**31**	64	(33)	(51.6%)
Net earnings	**375**	2,327	(1,952)	(83.9%)
Adjusted net earnings	**2,773**	2,926	(153)	(5.2%)
EPS	**0.18**	2.28	(2.10)	(92.1%)
Adjusted EPS	**3.04**	3.21	(0.17)	(5.3%)

n.m.: not meaningful

BCE statements of cash flows – selected information

	2024	2023	$ change	% change
Cash flows from operating activities	**6,988**	7,946	(958)	(12.1%)
Capital expenditures	**(3,897)**	(4,581)	684	14.9%
Free cash flow	**2,888**	3,144	(256)	(8.1%)

BCE operating revenues decreased by 1.1% in 2024, compared to last year, driven by reduced product and service revenues of 5.2% and 0.4%, respectively. The decline in product revenues was attributable to lower consumer electronics sales at The Source due to permanent store closures and conversion to Best Buy Express as part of our distribution partnership with Best Buy Canada, partly offset by greater wireless device sales, mainly resulting from a higher sales mix of premium mobile phones, moderated by lower contracted volumes. The decline in service revenues reflected greater acquisition, retention and bundle discounts on wireline residential services, sustained wireless competitive pricing pressures, ongoing erosion in legacy voice, and satellite TV revenues, and continued lower demand for traditional broadcast TV advertising. This was mitigated in part by higher wireless, retail Internet and IPTV subscriber bases, along with the flow-through of rate increases, ongoing growth in media digital revenues, the contribution from various acquisitions, and higher business solutions services revenue.[1]

In 2024, net earnings decreased by 83.9%, compared to 2023, mainly due to higher impairment of assets primarily at our Bell Media segment, higher severance, acquisition and other costs, higher interest expense and higher depreciation and amortization, partly offset by lower income taxes, higher adjusted EBITDA and lower other expense.

BCE adjusted EBITDA grew by 1.7% in 2024, compared to last year, due to growth in both our Bell CTS and Bell Media segments, driven by lower operating costs, reflecting cost reduction initiatives, mainly attributable to workforce reductions, cost containment and other operating efficiencies, partly offset by reduced operating revenues. This resulted in an adjusted EBITDA margin of 43.4% in 2024, up 1.2 pts, over last year, due to lower operating costs, coupled with a reduced proportion of low-margin product sales in our total revenue base, partly offset by lower service revenue flow-through.

In 2024, BCE's cash flows from operating activities decreased by $958 million, compared to 2023, mainly due to lower cash from working capital, higher interest paid, higher severance and other costs paid and higher income taxes paid, partly offset by higher EBITDA.

Free cash flow decreased by $256 million in 2024, compared to 2023, mainly due to lower cash flows from operating activities, excluding cash from acquisition and other costs paid, partly offset by lower capital expenditures.

4.2 Customer connections

Our customers and relationships

BCE net activations (losses)

	2024	2023	% change
Mobile phone net subscriber activations (losses)	**309,517**	411,189	(24.7%)
Postpaid	***213,408***	*426,172*	*(49.9%)*
Prepaid	***96,109***	*(14,983)*	*n.m.*
Mobile connected device net subscriber activations	**310,882**	293,307	6.0%
Retail high-speed Internet net subscriber activations	**131,521**	187,126	(29.7%)
Retail IPTV net subscriber activations	**21,614**	81,918	(73.6%)
Retail residential NAS lines net losses	**(187,426)**	(176,612)	(6.1%)
Total services net activations	**586,108**	796,928	(26.5%)

n.m.: not meaningful

(1) *Business solutions services revenue within our BBM unit is comprised of managed services, which include network management, voice management, hosting and security, and professional services, which include consulting, integration and resource services.*

Total BCE customer connections

	2024	2023	% change
Mobile phone subscribers [1][2][4]	**10,288,574**	10,287,046	–
Postpaid [4]	***9,530,436***	*9,422,830*	*1.1%*
Prepaid [1][2]	***758,138***	*864,216*	*(12.3%)*
Mobile connected device subscribers	**3,043,430**	2,732,548	11.4%
Retail high-speed Internet subscribers [2][3][4]	**4,490,896**	4,473,429	0.4%
Retail IPTV subscribers [3]	**2,132,953**	2,070,342	3.0%
Retail residential NAS lines [3]	**1,834,191**	2,021,617	(9.3%)
Total services subscribers [4]	**21,790,044**	21,584,982	1.0%

(1) *In Q4 2024, we removed 124,216 Bell prepaid mobile phone subscribers from our prepaid mobile phone subscriber base as at December 31, 2024, as we stopped selling new plans for this service as of that date.*

(2) *In Q3 2024, we removed 77,971 Virgin Plus prepaid mobile phone subscribers from our prepaid mobile phone subscriber base as at September 30, 2024, as we stopped selling new plans for this service as of that date. Additionally, as a result of a recent CRTC decision on wholesale high-speed Internet access services, we are no longer able to resell cable Internet services to new customers in our wireline footprint as of September 12, 2024, and consequently we removed all of the existing 106,259 cable subscribers in our wireline footprint from our retail high-speed Internet subscriber base as of that date.*

(3) *In Q2 2024, we increased our retail IPTV subscriber base by 40,997 to align the deactivation policy for our Fibe TV streaming services to our traditional Fibe TV service. While in Q2 2023, our retail high-speed Internet, retail IPTV and retail residential NAS lines subscriber bases increased by 35,080, 243 and 7,458 subscribers, respectively, as a result of small acquisitions.*

(4) *In Q1 2024, we adjusted our mobile phone postpaid subscriber base to remove very low to non-revenue generating business market subscribers of 105,802. Additionally, in Q1 2024 our retail high-speed Internet subscriber base increased by 3,850 business subscribers as a result of a small acquisition. We also removed 11,645 turbo hubs subscribers from our retail high-speed Internet subscriber base in Q1 2024, as we are no longer actively marketing this product in our wireless-to-the-home footprint. Lastly, as of Q1 2024, we are no longer reporting retail satellite TV subscribers as this no longer represents a significant proportion of our revenues. As a result, satellite TV subscribers have been removed from our retail TV subscriber base, and we now report exclusively retail IPTV subscribers.*

BCE added 586,108 net retail subscriber activations in 2024, down 26.5% compared to last year. The net retail subscriber activations in 2024 consisted of:

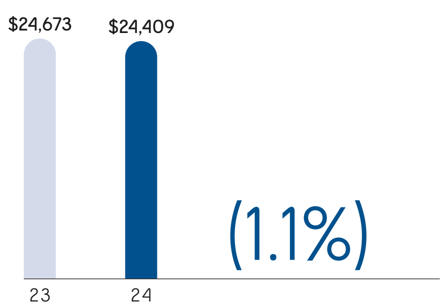
- 309,517 mobile phone net subscriber activations, along with 310,882 mobile connected device net subscriber activations
- 131,521 retail high-speed Internet net subscriber activations
- 21,614 retail IPTV net subscriber activations
- 187,426 retail residential NAS lines net losses

At December 31, 2024, BCE's retail subscriber connections totaled 21,790,044, up 1.0% year over year, and consisted of:

- 10,288,574 mobile phone subscribers, stable year over year, and 3,043,430 mobile connected device subscribers, up 11.4% year over year
- 4,490,896 retail high-speed Internet subscribers, up 0.4% year over year
- 2,132,953 retail IPTV subscribers, up 3.0% year over year
- 1,834,191 retail residential NAS lines, down 9.3% year over year

4.3 Operating revenues

BCE
Revenues
(in $ millions)



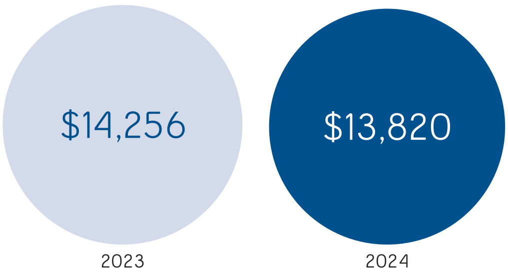
	2024	2023	$ change	% change
Bell CTS	**21,619**	21,926	(307)	(1.4%)
Bell Media	**3,151**	3,117	34	1.1%
Inter-segment eliminations	**(361)**	(370)	9	2.4%
Total BCE operating revenues	**24,409**	24,673	(264)	(1.1%)

BCE

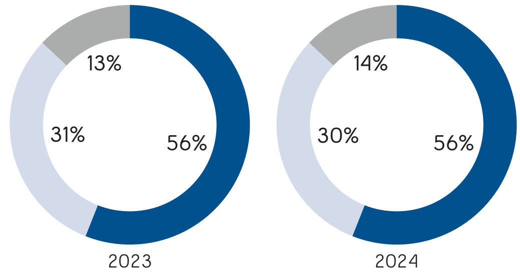
BCE operating revenues in 2024 decreased by 1.1% over last year, driven by lower product revenues of 5.2% and lower service revenues of 0.4%. The year-over-year decline in operating revenues was attributable to lower Bell CTS revenues of 1.4%, from both lower product revenues of 5.2% and reduced service revenues of 0.7%, driven by continued erosion in wireline voice revenues, partly offset by higher wireline data and wireless revenues. The growth in Bell Media operating revenues of 1.1% moderated the decline in BCE operating revenues, reflecting higher advertising and other revenues, partly offset by lower subscriber revenues.

4.4 Operating costs

BCE
Operating costs
(in $ millions)



BCE
Operating cost profile



	2024	2023	$ change	% change
Bell CTS	**(11,788)**	(12,206)	418	3.4%
Bell Media	**(2,393)**	(2,420)	27	1.1%
Inter-segment eliminations	**361**	370	(9)	(2.4%)
Total BCE operating costs	**(13,820)**	(14,256)	436	3.1%

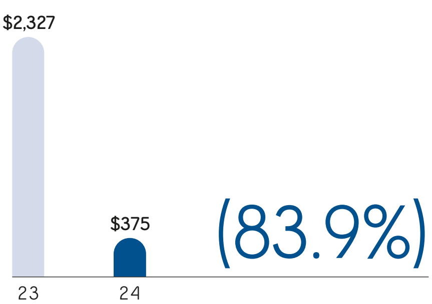
(1) *Cost of revenues includes costs of wireless devices and other equipment sold, network and content costs, and payments to other carriers.*
(2) *Labour costs (net of capitalized costs) include wages, salaries and related taxes and benefits, post-employment benefit plans service cost, and other labour costs, including contractor and outsourcing costs.*
(3) *Other operating costs include marketing, advertising and sales commission costs, bad debt expense, taxes other than income taxes, IT costs, professional service fees and rent.*

BCE

BCE operating costs decreased by 3.1% in 2024, compared to last year, due to lower expenses in Bell CTS of 3.4% and Bell Media of 1.1%, reflecting cost reduction initiatives, mainly attributable to workforce reductions, cost containment and other operating efficiencies, as well as lower cost of goods sold associated with the product revenue decline and lower content costs at Bell Media.

4.5 Net earnings

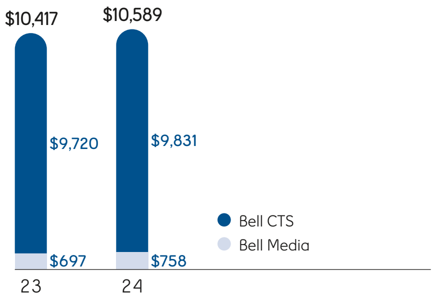
BCE
Net earnings
(in $ millions)



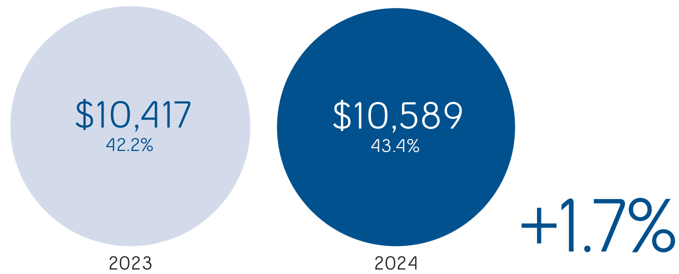
In 2024, net earnings decreased by 83.9%, compared to 2023, mainly due to higher impairment of assets primarily at our Bell Media segment due to a further decline in advertising demand and spending in the linear advertising market, higher severance, acquisition and other costs, higher interest expense and higher depreciation and amortization, partly offset by lower income taxes, higher adjusted EBITDA and lower other expense.

4.6 Adjusted EBITDA

BCE
Adjusted EBITDA
(in $ millions)



BCE
Adjusted EBITDA
(in $ millions)
(% adjusted EBITDA margin)



	2024	2023	$ change	% change
Bell CTS	**9,831**	9,720	111	1.1%
Adjusted EBITDA margin	***45.5%***	*44.3%*		*1.2 pts*
Bell Media	**758**	697	61	8.8%
Adjusted EBITDA margin	***24.1%***	*22.4%*		*1.7 pts*
Total BCE adjusted EBITDA	**10,589**	10,417	172	1.7%
Adjusted EBITDA margin	***43.4%***	*42.2%*		*1.2 pts*

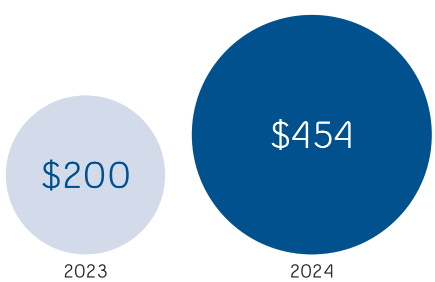
BCE

BCE adjusted EBITDA increased by 1.7% in 2024, compared to 2023, driven by growth from both our Bell CTS and Bell Media segments of 1.1% and 8.8%, respectively, due to lower operating costs, partly offset by reduced operating revenues. This resulted in an adjusted EBITDA margin of 43.4% in 2024, up 1.2 pts over last year, attributable to lower operating costs, along with a reduced proportion of low-margin product sales in our total revenue base, moderated by lower service revenue flow-through.

4.7 Severance, acquisition and other costs

This category includes various income and expenses that are not related directly to the operating revenues generated during the year. This includes severance costs consisting of charges related to involuntary and voluntary employee terminations, as well as transaction costs, such as legal and financial advisory fees, related to completed or potential acquisitions, employee severance costs related to the purchase of a business, the costs to integrate acquired companies into our operations, costs related to litigation and regulatory decisions, when they are significant, and other costs.

BCE
Severance, acquisition and other costs
(in $ millions)



2024

Severance, acquisition and other costs included:

- Severance costs of $383 million related to involuntary and voluntary employee terminations
- Acquisition and other costs of $71 million

2023

Severance, acquisition and other costs included:

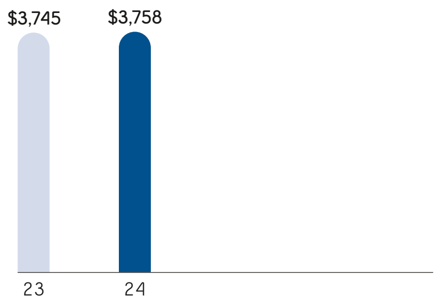
- Severance costs of $134 million related to involuntary and voluntary employee terminations
- Acquisition and other costs of $66 million

4.8 Depreciation and amortization

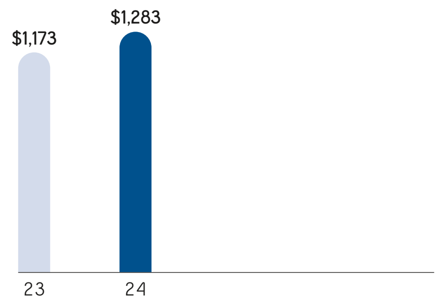
The amount of our depreciation and amortization in any year is affected by:

- *How much we invested in new property, plant and equipment and intangible assets in previous years*
- *How many assets we retired during the year*
- *Estimates of the useful lives of assets*

BCE
Depreciation
(in $ millions)



BCE
Amortization
(in $ millions)



Depreciation

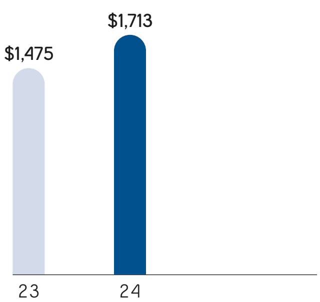
Depreciation in 2024 increased by $13 million, compared to 2023, mainly due to a higher asset base as we continued to invest in our broadband and wireless networks.

Amortization

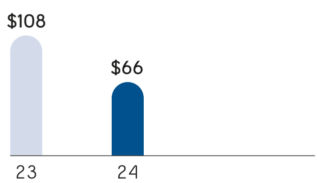
Amortization in 2024 increased by $110 million, compared to 2023, mainly due to a higher asset base.

4.9 Finance costs

BCE
Interest expense
(in $ millions)



BCE
Net return on post-employment benefit plans
(in $ millions)



Interest expense

Interest expense in 2024 increased by $238 million, compared to 2023, mainly due to higher average debt balances and higher interest rates.

Net return on post-employment benefit plans

Net return on our post-employment benefit plans is based on market conditions that existed at the beginning of the year as well as the net post-employment benefit plan asset (liability). On January 1, 2024, the discount rate was 4.6% compared to 5.3% on January 1, 2023.

In 2024, net return on post-employment benefit plans decreased by $42 million, compared to last year, as a result of a lower discount rate in 2024 and a lower net asset position.

The impacts of changes in market conditions during the year are recognized in *Other comprehensive income (loss) (OCI).*

4.10 Impairment of assets

2024

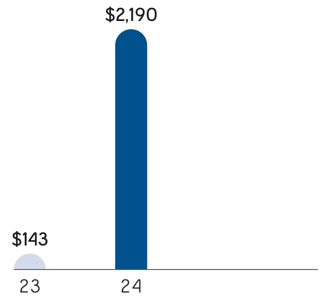
During the third quarter of 2024, we identified indicators of impairment for our Bell Media TV services and radio markets, due to a further decline in advertising demand and spending in the linear advertising market. Accordingly, impairment testing was required for certain groups of cash generating units (CGUs) as well as for goodwill for the Bell Media group of CGUs.

We recognized $958 million of impairment charges for English and French TV services and radio markets within our Bell Media segment. These charges included $627 million allocated to indefinite-life intangible assets for broadcast licences and brands, $144 million allocated to program and feature film rights, $85 million allocated to property, plant and equipment for network and infrastructure and equipment, $85 million allocated to software, $10 million allocated to finite-life intangible assets mainly for trademarks, and $7 million allocated to prepaid expenses.

In Q3 2024, we recorded $1,132 million of impairment charges for goodwill at Bell Media.

Additionally in 2024, we recorded impairment charges of $100 million related mainly to right-of-use assets for certain office spaces we ceased using as part of our real estate optimization strategy as a result of our hybrid work policy.

BCE
Impairment of assets
(in $ millions)



2023

During the fourth quarter of 2023, we recognized $86 million of impairment charges for French TV channels within our Bell Media segment. The impairment charges were the result of a reduction in advertising demand in the industry resulting from economic uncertainties and unfavourable impacts to market-based valuation assumptions. These charges included $41 million allocated to indefinite-life intangible assets for broadcast licences and brands, and $45 million to finite-life intangible assets for program and feature film rights.

There was no impairment of Bell Media goodwill.

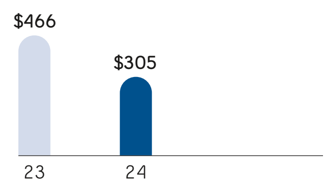
Additionally in 2023, we recorded impairment charges of $57 million related mainly to right-of-use assets for certain office spaces we ceased using as part of our real estate optimization strategy as a result of our hybrid work policy.

4.11 Other expense

Other (expense) income includes income and expense items, such as:

- *Net mark-to-market gains or losses on derivatives used to economically hedge equity settled share-based compensation plans*
- *Equity income or losses from investments in associates and joint ventures*
- *Gains or losses on retirements and disposals of property, plant and equipment and intangible assets*
- *Gains or losses on investments, including gains or losses when we dispose of, write down or reduce our ownership in investments*
- *Early debt redemption costs*
- *Interest income*

BCE
Other expense
(in $ millions)



For the year ended December 31	2024	2023
Net mark-to-market losses on derivatives used to economically hedge equity settled share-based compensation plans	**(269)**	(103)
Equity (losses) income from investments in associates and joint ventures		
Loss on investment	**(247)**	(581)
Operations	**10**	28
(Losses) gains on retirements and disposals of property, plant and equipment and intangible assets	**(38)**	11
Interest income	**123**	67
Gains on investments	**57**	80
Early debt redemption costs	**–**	(1)
Other	**59**	33
Total other expense	**(305)**	(466)

2024

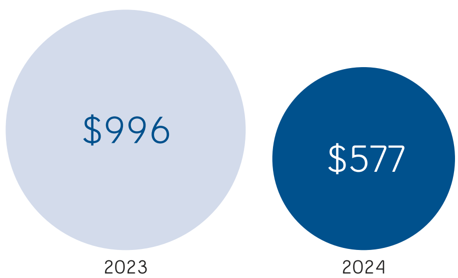
Other expense of $305 million included net mark-to-market losses on derivatives used to economically hedge equity settled share-based compensation plans, losses on our equity investments in associates and joint ventures, which included a loss on BCE's share of an obligation to repurchase at fair value the minority interest in MLSE and losses on retirements and disposals of property, plant and equipment and intangible assets, partly offset by interest income and gains on our investments mainly related to an obligation to repurchase at fair value the minority interest in one of our subsidiaries.

2023

Other expense of $466 million included losses on our equity investments in associates and joint ventures which included a loss on BCE's share of an obligation to repurchase at fair value the minority interest in MLSE and net mark-to-market losses on derivatives used to economically hedge equity settled share-based compensation plans, partly offset by gains on our investments as a result of the sale of our 63% ownership in certain production studios and higher interest income.

4.12 Income taxes

BCE
Income taxes
(in $ millions)



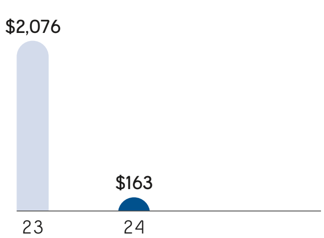
The following table reconciles the amount of reported income taxes in the income statements with income taxes calculated at a statutory income tax rate of 26.8% for both 2024 and 2023.

For the year ended December 31	2024	2023
Net earnings	**375**	2,327
Add back income taxes	**577**	996
Earnings before income taxes	**952**	3,323
Applicable statutory tax rate	**26.8%**	26.8%
Income taxes computed at applicable statutory rates	**(255)**	(891)
Non-taxable portion of gains on investments	**18**	5
Uncertain tax positions	**4**	16
Impairment of goodwill	**(303)**	–
Change in estimate relating to prior periods	**1**	10
Non-taxable portion of equity losses	**(66)**	(149)
Previously unrecognized tax benefits	**3**	–
Other	**21**	13
Total income taxes	**(577)**	(996)
Average effective tax rate	**60.6%**	30.0%

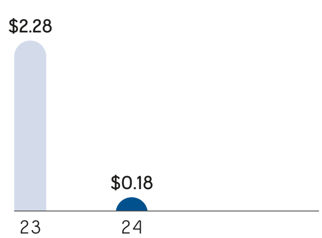
Income taxes in 2024 decreased by $419 million, compared to 2023, mainly due to lower taxable income.

4.13 Net earnings attributable to common shareholders and EPS

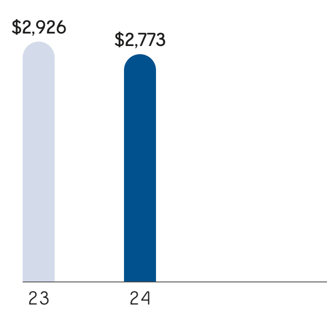
BCE
Net earnings attributable to common shareholders
(in $ millions)



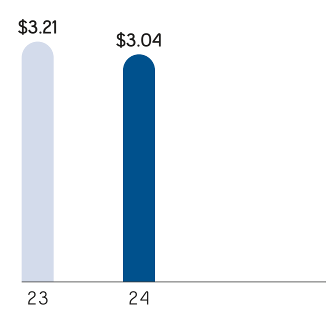
BCE
EPS
(in $)



BCE
Adjusted net earnings
(in $ millions)



BCE
Adjusted EPS
(in $)



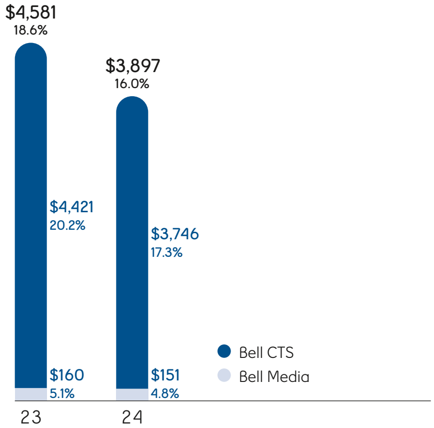
Net earnings attributable to common shareholders in 2024 decreased by $1,913 million, or $2.10 per common share, compared to 2023, mainly due to higher impairment of assets primarily at our Bell Media segment, higher severance, acquisition and other costs, higher interest expense and higher depreciation and amortization, partly offset by lower income taxes, higher adjusted EBITDA and lower other expense.

Excluding the impact of severance, acquisition and other costs, net mark-to-market gains (losses) on derivatives used to economically hedge equity settled share-based compensation plans, net equity gains (losses) on investments in associates and joint ventures, net gains (losses) on investments, early debt redemption costs and impairment of assets, net of tax and NCI, adjusted net earnings in 2024 was $2,773 million, or $3.04 per common share, compared to $2,926 million, or $3.21 per common share, in 2023.

4.14 Capital expenditures

Our networks

BCE
Capital expenditures
(in $ millions)
Capital intensity
(%)



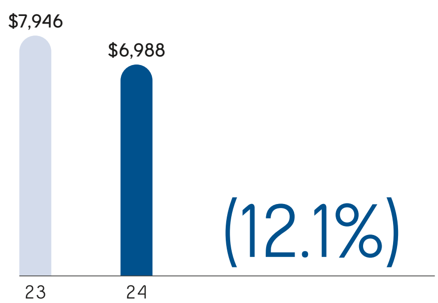
BCE capital expenditures of $3,897 million in 2024, along with a corresponding capital intensity ratio of 16.0%, declined by 14.9% and 2.6 pts, respectively, over 2023, consistent with a planned reduction in capital spending, primarily driven by slower FTTP footprint expansion, regulatory decisions that discourage network investment, and the realization of efficiencies from prior investments in digital transformation initiatives.

4.15 Cash flows

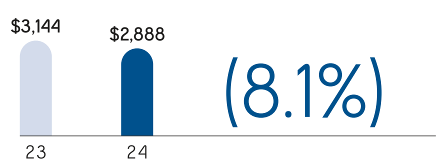
In 2024, BCE's cash flows from operating activities decreased by $958 million, compared to 2023, mainly due to lower cash from working capital, higher interest paid, higher severance and other costs paid and higher income taxes paid, partly offset by higher EBITDA.

Free cash flow decreased by $256 million in 2024, compared to 2023, mainly due to lower cash flows from operating activities, excluding cash from acquisition and other costs paid, partly offset by lower capital expenditures.

BCE
Cash flows from operating activities
(in $ millions)



BCE
Free cash flow
(in $ millions)



5 Business segment analysis

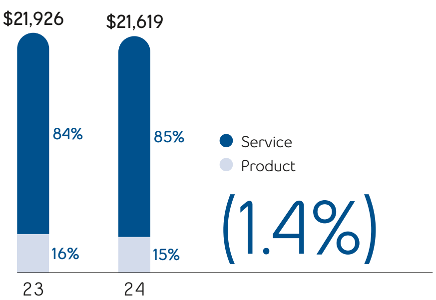
Our networks | Our customers and relationships | Our products and services | Our financial resources

5.1 Bell CTS

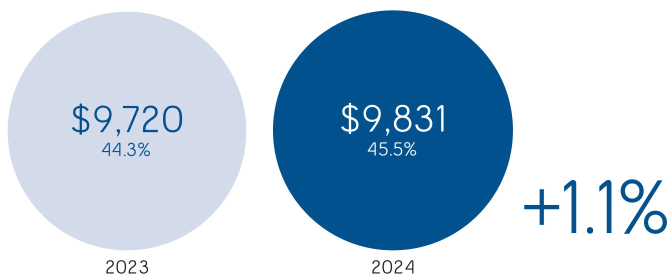
Financial performance analysis

2024 performance highlights

Bell CTS
Revenues
(in $ millions)



Bell CTS
Adjusted EBITDA
(in $ millions)
(% adjusted EBITDA margin)



Total mobile phone subscribers (1) (2) (4) in 2024
10.3 million
Flat vs. 2023

Mobile phone postpaid net subscriber activations in 2024
213,408
Decreased (49.9%) vs. 2023

Mobile phone prepaid net subscriber activations in 2024
96,109
vs. net losses of (14,983) in 2023

Mobile phone postpaid churn in 2024 (5)
1.33%
Increased 0.18 pts vs. 2023

Mobile phone blended average revenue per user (ARPU) (1) (2) (4) (6) per month
(2.0%)
2024: $57.90
2023: $59.08

Retail high-speed Internet subscriber growth (2) (3) (4)
+0.4%
in 2024

Retail high-speed Internet net subscriber activations in 2024
131,521
Decreased (29.7%) vs. 2023

Retail IPTV subscriber growth (3)
+3.0%
in 2024

Retail IPTV net subscriber activations in 2024
21,614
Decreased (73.6%) vs. 2023

Retail residential NAS lines subscriber decline (3)
(9.3%)
in 2024

(1) *In Q4 2024, we removed 124,216 Bell prepaid mobile phone subscribers from our prepaid mobile phone subscriber base as at December 31, 2024, as we stopped selling new plans for this service as of that date.*

(2) *In Q3 2024, we removed 77,971 Virgin Plus prepaid mobile phone subscribers from our prepaid mobile phone subscriber base as at September 30, 2024, as we stopped selling new plans for this service as of that date. Additionally, as a result of a recent CRTC decision on wholesale high-speed Internet access services, we are no longer able to resell cable Internet services to new customers in our wireline footprint as of September 12, 2024, and consequently we removed all of the existing 106,259 cable subscribers in our wireline footprint from our retail high-speed Internet subscriber base as of that date.*

(3) *In Q2 2024, we increased our retail IPTV subscriber base by 40,997 to align the deactivation policy for our Fibe TV streaming services to our traditional Fibe TV service. While in Q2 2023, our retail high-speed Internet, retail IPTV and retail residential NAS lines subscriber bases increased by 35,080, 243 and 7,458 subscribers, respectively, as a result of small acquisitions.*

(4) *In Q1 2024, we adjusted our mobile phone postpaid subscriber base to remove very low to non-revenue generating business market subscribers of 105,802. Additionally, in Q1 2024 our retail high-speed Internet subscriber base increased by 3,850 business subscribers as a result of a small acquisition. We also removed 11,645 turbo hubs subscribers from our retail high-speed Internet subscriber base in Q1 2024, as we are no longer actively marketing this product in our wireless-to-the-home footprint.*

(5) *Mobile phone churn is defined as the rate at which existing mobile phone subscribers cancel their services. Refer to section 11.6, KPIs in this MD&A for more information on this measure.*

(6) *Mobile phone blended ARPU is defined as Bell CTS wireless external services revenues divided by the average mobile phone subscriber base for the specified period, expressed as a dollar unit per month.*

Bell CTS results

Revenues

	2024	2023	$ change	% change
Wireless	**7,149**	7,120	29	0.4%
Wireline data	**8,117**	8,084	33	0.4%
Wireline voice	**2,672**	2,862	(190)	(6.6%)
Other wireline services	**318**	312	6	1.9%
External service revenues	**18,256**	18,378	(122)	(0.7%)
Inter-segment service revenues	**27**	29	(2)	(6.9%)
Operating service revenues	**18,283**	18,407	(124)	(0.7%)
Wireless	**2,715**	2,885	(170)	(5.9%)
Wireline	**621**	634	(13)	(2.1%)
External/Operating product revenues	**3,336**	3,519	(183)	(5.2%)
Total external revenues	**21,592**	21,897	(305)	(1.4%)
Total operating revenues	**21,619**	21,926	(307)	(1.4%)

Bell CTS operating revenues declined by 1.4% in 2024, compared to last year, due to both lower product and service revenues. The year-over-year service revenue decline was driven by continued erosion in wireline voice revenues, moderated by wireline data and wireless revenues growth.

Bell CTS operating service revenues decreased by 0.7% in the year, compared to 2023.

- **Wireless revenues** increased by 0.4% in 2024, compared to last year, driven by:
  - Continued growth in our mobile phone and connected device subscriber bases coupled with the flow-through of rate increases

  These factors were partly offset by:
  - Greater competitive pricing pressures on rate plans experienced throughout the year
  - Lower data overages driven by increased customer adoption of monthly plans with higher data thresholds, including unlimited plans
- **Wireline data revenues** grew by 0.4% in 2024, compared to 2023, mainly driven by:
  - Higher retail Internet and IPTV subscriber bases, along with the flow-through of residential rate increases
  - The contribution from FX Innovation, acquired in June 2023, along with other small acquisitions
  - Greater business solutions services sales to enterprise customers, including security and cloud growth

  These factors were partly offset by:
  - Increased acquisition, retention and bundle discounts on residential services
  - Continued erosion in our satellite TV subscriber base along with IP broadband and legacy data revenue declines
- **Wireline voice revenues** declined by 6.6% in 2024, compared to last year, primarily due to:
  - Ongoing retail residential NAS lines erosion, combined with business voice declines, driven by technological substitution to wireless and Internet-based services
  - Greater acquisition, retention and bundle discounts on residential services

  These factors were partly offset by:
  - Flow-through of residential rate increases

Bell CTS operating product revenues decreased by 5.2% in the year, compared to last year.

- **Wireless operating product revenues** declined by 5.9% year over year, due to lower consumer electronics sales from The Source as a result of permanent store closures and conversion to Best Buy Express as part of our distribution partnership with Best Buy Canada, and reduced wireless device sales from lower contracted volumes, partly offset by a greater sales mix of premium mobile phones
- **Wireline operating product revenues** declined by 2.1% in 2024, compared to last year, attributable to exceptionally strong traditional infrastructure sales to large enterprise customers in 2023, mainly due to the recovery from global supply chain disruptions experienced in 2022, partly offset by higher land mobile radio systems sales to the government sector

Operating costs and adjusted EBITDA

	2024	2023	$ change	% change
Operating costs	**(11,788)**	(12,206)	418	3.4%
Adjusted EBITDA	**9,831**	9,720	111	1.1%
Adjusted EBITDA margin	**45.5%**	44.3%		1.2 pts

Bell CTS operating costs decreased by 3.4% in 2024, compared to 2023, due to:

- Cost reduction initiatives, resulting from workforce reductions, permanent closures of The Source stores as part of our distribution partnership with Best Buy Canada, as well as automation-enabled operating efficiencies
- Lower cost of goods sold associated with the decline in product revenues
- Savings from lower call volumes to our customer service centres

These factors were partly offset by:

- Greater costs from FX Innovation, acquired in June 2023, and other small acquisitions
- Increased bad debt expense
- Higher costs associated with the growth in business solutions services revenue

Bell CTS adjusted EBITDA increased by 1.1% in 2024, compared to last year, driven by lower operating costs, partly offset by reduced operating revenues. Adjusted EBITDA margin of 45.5% in 2024, increased by 1.2 pts over 2023, due to lower costs, attributable to various cost reduction initiatives and operating efficiencies, along with a reduced proportion of low-margin product sales in our total revenue base, partly offset by lower service revenue flow-through.

Bell CTS operating metrics

Wireless

	2024	2023	Change	% change
Mobile phones				
Blended ARPU [1] [2] [3] ($/month)	**57.90**	59.08	(1.18)	(2.0%)
Gross subscriber activations	**2,351,507**	2,224,555	126,952	5.7%
Postpaid	***1,641,053***	*1,608,503*	*32,550*	*2.0%*
Prepaid	***710,454***	*616,052*	*94,402*	*15.3%*
Net subscriber activations (losses)	**309,517**	411,189	(101,672)	(24.7%)
Postpaid	***213,408***	*426,172*	*(212,764)*	*(49.9%)*
Prepaid	***96,109***	*(14,983)*	*111,092*	*n.m.*
Blended churn % (average per month)	**1.67%**	1.51%		(0.16) pts
Postpaid	***1.33%***	*1.15%*		*(0.18) pts*
Prepaid	***5.28%***	*5.31%*		*0.03 pts*
Subscribers [1] [2] [3]	**10,288,574**	10,287,046	1,528	–
Postpaid [3]	***9,530,436***	*9,422,830*	*107,606*	*1.1%*
Prepaid [1] [2]	***758,138***	*864,216*	*(106,078)*	*(12.3%)*
Mobile connected devices				
Net subscriber activations	**310,882**	293,307	17,575	6.0%
Subscribers	**3,043,430**	2,732,548	310,882	11.4%

n.m.: not meaningful

(1) *In Q4 2024, we removed 124,216 Bell prepaid mobile phone subscribers from our prepaid mobile phone subscriber base as at December 31, 2024, as we stopped selling new plans for this service as of that date.*

(2) *In Q3 2024, we removed 77,971 Virgin Plus prepaid mobile phone subscribers from our prepaid mobile phone subscriber base as at September 30, 2024, as we stopped selling new plans for this service as of that date.*

(3) *In Q1 2024, we adjusted our mobile phone postpaid subscriber base to remove very low to non-revenue generating business market subscribers of 105,802.*

Mobile phone blended ARPU of $57.90 decreased by 2.0% in 2024, compared to last year, driven by:

- Greater competitive pricing pressures on rate plans experienced throughout the year
- Lower data overages due to greater customer adoption of monthly plans with higher data thresholds, including unlimited plans

These factors were partly offset by:

- Flow-through of rate increases
- The favourable impact from the Q1 2024 adjustment to our mobile phone postpaid subscriber base to remove very low to non-revenue generating business market subscribers of 105,802

Mobile phone gross subscriber activations grew by 5.7% in 2024, compared to 2023, due to both higher postpaid and prepaid gross subscriber activations.

- **Mobile phone postpaid gross subscriber activations** increased by 2.0% in 2024, compared to last year, driven by the population growth experienced in the first half of the year, along with continued 5G momentum, partly offset by greater competitive intensity and lower contribution from The Source given store conversions to Best Buy Express and a decline in foreign student volumes reflecting government-imposed student visa caps

- **Mobile phone prepaid gross subscriber activations** increased by 15.3% in 2024, compared to last year, driven by expanded retail distribution and effective Lucky Mobile promotional offers

Mobile phone net subscriber activations decreased by 24.7% in 2024, compared to 2023, due to lower postpaid net subscriber activations, partly offset by greater prepaid net subscriber activations.

- **Mobile phone postpaid net subscriber activations** decreased by 49.9% in 2024, compared to last year, due to greater subscriber deactivations, partly offset by higher subscriber gross activations
- **Mobile phone prepaid net subscriber activations** increased by 111,092 year over year, due to higher gross activations and fewer subscriber deactivations

Mobile phone blended churn of 1.67% in 2024, increased by 0.16 pts, compared to 2023.

- **Mobile phone postpaid churn** of 1.33% in 2024 increased by 0.18 pts year over year, due to higher subscriber deactivations driven by greater competitive market activity and promotional offer intensity compared to last year
- **Mobile phone prepaid churn** of 5.28% in 2024, decreased by 0.03 pts, compared to 2023, due to lower subscriber deactivations driven by successful retention offers on Lucky Mobile, moderated by the impact of more attractive promotional offers on postpaid discount brands, particularly in the early part of the year

Mobile phone subscribers at December 31, 2024 totaled 10,288,574, essentially stable, compared to the 10,287,046 subscribers reported at the end of 2023. This consisted of 9,530,436 postpaid subscribers, an increase of 1.1% from 9,422,830 subscribers reported at the end of 2023, and 758,138 prepaid subscribers, a decrease of 12.3% from 864,216 subscribers reported at the end of last year. As at December 31, 2024 and September 30, 2024 we removed 124,216 Bell prepaid mobile phone subscribers and 77,971 Virgin Plus prepaid mobile phone subscribers, respectively, from our prepaid mobile phone subscriber base as we stopped selling new plans for these services as of those dates. Additionally, in Q1 2024, we adjusted our mobile phone postpaid subscriber base to remove very low to non-revenue generating business market subscribers of 105,802.

Mobile connected device net subscriber activations increased by 6.0% in 2024, compared to last year, mainly due to higher IoT net activations.

Mobile connected device subscribers at December 31, 2024 totaled 3,043,430 up 11.4% from 2,732,548 subscribers reported at the end of 2023.

Wireline data

Retail high-speed Internet

	2024	2023	Change	% change
Retail net subscriber activations	**131,521**	187,126	(55,605)	(29.7%)
Retail subscribers (1) (2) (3)	**4,490,896**	4,473,429	17,467	0.4%

(1) *As a result of a recent CRTC decision on wholesale high-speed Internet access services, we are no longer able to resell cable Internet services to new customers in our wireline footprint as of September 12, 2024, and consequently we removed all of the existing 106,259 cable subscribers in our wireline footprint from our retail high-speed Internet subscriber base as of that date.*

(2) *In Q1 2024, we removed 11,645 turbo hubs subscribers from our retail high-speed Internet subscriber base as we are no longer actively marketing this product in our wireless-to-the-home footprint. Additionally, our retail high-speed Internet subscriber base increased by 3,850 business subscribers as a result of a small acquisition.*

(3) *In Q2 2023, our retail high-speed Internet subscriber base increased by 35,080 as a result of small acquisitions.*

Retail high-speed Internet net subscriber activations decreased by 29.7% in 2024, compared to last year, mainly due to more aggressive promotional offers by competitors offering cable, fixed wireless and satellite Internet services, as well as less new fibre footprint expansion, slowing market growth and a higher number of customers coming off of promotional offers.

Retail high-speed Internet subscribers totaled 4,490,896 at December 31, 2024, up 0.4% from 4,473,429 subscribers reported at the end of 2023. In Q1 2024, we removed 11,645 turbo hubs subscribers from our retail high-speed Internet subscriber base as we are no longer actively marketing this product in our wireless-to-the-home footprint. Additionally, in Q1 2024, our retail high-speed Internet subscriber base increased by 3,850 business subscribers due to a small acquisition. Finally, as a result of a recent CRTC decision on wholesale high-speed Internet access services, we are no longer able to resell cable Internet services to new customers in our wireline footprint as of September 12, 2024, and consequently we removed all of the existing 106,259 cable subscribers in our wireline footprint from our retail high-speed Internet subscriber base as of that date.

Retail IPTV

	2024	2023	Change	% change
Retail IPTV net subscriber activations	**21,614**	81,918	(60,304)	(73.6%)
Retail IPTV subscribers (1) (2)	**2,132,953**	2,070,342	62,611	3.0%

(1) *In Q2 2024, we increased our retail IPTV subscriber base by 40,997 to align the deactivation policy for our Fibe TV streaming services to our traditional Fibe TV service.*

(2) *In Q2 2023, our retail IPTV subscriber base increased by 243 as a result of small acquisitions.*

Retail IPTV net subscriber activations decreased by 73.6% in 2024, compared to 2023, attributable to lower gross activations from our Fibe TV streaming services due to our focus on growing higher-valued subscribers, along with less pull-through as a result of lower Internet activations, increased competitive intensity and greater substitution with OTT services.

Retail IPTV subscribers at December 31, 2024 totaled 2,132,953, up 3.0% from 2,070,342 subscribers reported at the end of 2023. In Q2 2024, we increased our retail IPTV subscriber base by 40,997 to align the deactivation policy for our Fibe TV streaming services to our traditional Fibe TV service.

Wireline voice

	2024	2023	Change	% change
Retail residential NAS lines net losses	**(187,426)**	(176,612)	(10,814)	(6.1%)
Retail residential NAS lines [(1)]	**1,834,191**	2,021,617	(187,426)	(9.3%)

(1) *In Q2 2023, our retail residential NAS lines subscriber base increased by 7,458 subscribers as a result of small acquisitions.*

Retail residential NAS lines net losses increased by 6.1% in 2024, compared to last year, from lower gross activations resulting from the continued substitution to wireless and Internet-based technologies, as well as less pull-through on lower Internet activations, mitigated in part by fewer customer deactivations.

Retail residential NAS lines of 1,834,191 at December 31, 2024, declined by 9.3% from 2,021,617 lines reported at the end of 2023. The 2024 rate of erosion of 9.3% has deteriorated over the 7.7% experienced in 2023, mainly due to the impact of small acquisitions made in 2023.

Competitive landscape and industry trends

This section contains forward-looking statements, including relating to our business outlook. Refer to the section *Caution regarding forward-looking statements* at the beginning of this MD&A.

Competitive landscape

Wireless products and services

The Canadian wireless industry experienced low single-digit service revenue growth in 2024, which was largely attributable to continued customer growth despite slowing immigration and population growth. With penetration rates in other developed geographies (U.S., Europe and Asia) well above 100%, the Canadian mobile phone penetration rate is expected to continue to increase, above and beyond the approximate rate of 93% for 2024, in line with the trend toward multiple devices, and the ongoing adoption of mobile devices and services.

In 2024, the Canadian wireless industry continued to experience heightened levels of competition nationally, particularly amongst flanker brands. This competitive intensity has contributed to ongoing base rate plan pricing pressure, driving pressure to service revenue and offsetting subscriber growth. Additionally, continued declines in chargeable data usage driven by rising levels of data allocation in monthly plans, including unlimited data plans, as well as other ongoing factors, such as the popularity of data sharing plans, including family plans, and an evolving shift in the customer mix toward non-traditional mobile devices and tools such as video chats, along with increased adoption of Canada-U.S.-Mexico plans, are further eroding revenues. The roll-out of 5G network infrastructure continued in 2024, with 5G coverage by the national carriers reaching approximately 88% of the Canadian population at the end of 2024, compared to approximately 86% at the end of 2023. For Bell, our long-standing focus on network excellence is reflected in the recognition we received from independent third-party sources, including being recognized as Canada's fastest and best 5G and 5G+ networks by GWS in its 2024 nationwide assessment of 5G networks. This marks the third consecutive year Bell has earned this recognition for its 5G network and the second consecutive year for its 5G+ network.

The Canadian wireless industry remains highly competitive and capital-intensive among facilities-based providers, as carriers continue to expand and enhance their broadband wireless networks, including the ongoing build-out of 5G and operationalization of spectrum.

Competitors for wireless products and services

- Facilities-based national wireless service providers Rogers, the Telus Corporation group of companies (Telus) and Québecor Inc. (Québecor)
- Regional facilities-based wireless service providers Saskatchewan Telecommunications Holding Corporation, which provides service in Saskatchewan; Bragg Communications Inc. (Eastlink), which provides service in the three Maritime provinces

Wireline products and services

An estimated 7.6 million Internet subscribers received their service over the networks of the three largest cable companies at the end of 2024, compared to an estimated 7.5 million subscribers at the end of 2023. Meanwhile, an estimated 7.7 million Internet subscribers received their service over the networks of incumbent local exchange carriers (ILECs) like Bell at the end of 2024, compared to approximately 7.6 million at the end of 2023. Bell continues to make gains in market share as a result of the ongoing expansion of our FTTP direct fibre network and increased customer penetration of bundled service offerings. Our ongoing focus on FTTP and its superior characteristics as compared to cable, such as higher and symmetrical download and upload speeds and greater reliability, has allowed us to connect approximately 7.8 million homes and businesses in Ontario, Québec, the Atlantic provinces and Manitoba to our pure fibre technology. Notably, Bell pure fibre Internet was awarded fastest in Canada in Ookla's Q3-Q4 2024 Speedtest Awards report for the fourth consecutive time. Bell was also awarded most trusted high-speed Internet provider for Wi-Fi performance/Wi-Fi connectivity for the sixth consecutive time from BrandSpark's Most Trusted Awards.

While many Canadians still watch conventional TV, digital streaming platforms are playing an increasingly important role in the broadcasting industry and in the distribution of content. Popular online video services are providing Canadians with more choice about where, when and how to access video content. In 2024, ILECs offering IPTV service expanded their combined subscriber base by an estimated 1% to reach 3.5 million customers, or a 39% market share, up compared to approximately 37% at the end of 2023, through wider network coverage, enhanced differentiated services and bundled offerings, and marketing and promotions focused on IPTV. Canada's three largest cable companies had an estimated 4.5 million TV subscribers, or a 50% market share at the end of 2024, unchanged from 2023. The balance of industry subscribers were served by satellite TV and regional providers.

In recent years, two of the largest Canadian cable companies have launched new TV services based on the Comcast X1 video platform – Rogers and Québecor's Vidéotron brand. Our IPTV platform (Fibe TV, Fibe TV app and Virgin Plus TV) continues to offer numerous service advantages compared to this cable platform, including: flexible pricing plans and packages available to all customers; picture clarity and quality; content depth and breadth; the number of ways customers can access content, including wireless set-top boxes, Restart TV, higher-capacity PVR and the Fibe TV app. We continue to offer more on-demand content and more OTT content with Crave, Netflix, Prime Video and YouTube all in one place.

The financial performance of the overall Canadian wireline telecommunications market continues to be impacted by the ongoing declines in legacy voice service revenues resulting from technological substitution to wireless and OTT services, as well as by the ongoing conversion to IP-based data services and networks by large business customers. Canada's three largest cable companies had an estimated combined base of approximately 2.5 million telephony subscribers at the end of 2024, representing a national residential market share of approximately 41%, unchanged from 2023. Telecommunications companies had an estimated combined total of 3.0 million telephony subscribers at the end of 2024, representing a market share of approximately 49%, unchanged from 2023. Other non-facilities-based competitors also offer local and long distance VoIP services and resell high-speed Internet services.

Competitors for wireline products and services

- Cable TV providers offering cable TV, Internet and cable telephony services, including:
  - Rogers in Ontario, New Brunswick, Newfoundland and Labrador, British Columbia, Alberta, Saskatchewan and Manitoba
  - Vidéotron in Québec
  - Cogeco Cable Inc. (a subsidiary of Cogeco Inc.) (Cogeco) in Ontario and Québec
  - Shaw Direct, providing satellite TV service nationwide
  - Eastlink in every province except Saskatchewan, where it does not provide cable TV and Internet service
- Telus provides residential voice, Internet and IPTV services in British Columbia, Alberta and Eastern Québec
- Telus and Allstream Inc. (Allstream) provide wholesale products and business services across Canada
- Various others such as TekSavvy Solutions and Vonage Canada (a division of Vonage Holdings Corp.) offer resale or VoIP-based local, long distance and Internet services
- LEO satellite providers offering Internet services
- OTT voice and/or video services, such as Zoom, Skype, Netflix, Prime Video, Disney+ and YouTube
- Digital media streaming devices such as Apple TV, Roku and Google Chromecast
- Other Canadian ILECs and cable TV operators
- Substitution to wireless services, including those offered by Bell
- Customized managed outsourcing solutions competitors, such as systems integrators CGI Inc. and IBM
- Wholesale competitors include cable operators, domestic competitive local exchange carrier (CLEC)s, U.S. or other international carriers for certain services, and electrical utility-based telecommunications providers
- Competitors for home security range from local to national companies, such as Telus, Rogers, Chubb Fire & Security and Stanley Security. Competitors also include do-it-yourself security providers such as Lorex and home automation service providers such as Ring, Nest and Wyze.

Industry trends

Wireless products and services

Wireless growth continues to be driven by the ongoing increase in data usage and adoption, including: higher-value smartphones, unlimited data offerings, shared family data plans, IoT devices, as well as mobile access and related data services. These trends are expected to drive the growing demand for wireless data services for the foreseeable future, particularly as the industry continues to shift to 5G. However, these growth opportunities are being offset by competitive pricing pressures and declining data overage revenues as adoption of unlimited data plans increases. Consequently, industry ARPU is expected to continue to remain pressured for the foreseeable future. As a result of increased competitive intensity, the industry continues to see greater adoption of BYOD additions, resulting in increased switching activity between carriers. Furthermore, recent government objectives to slow immigration growth in Canada, including fewer international student permits, could impact future industry subscriber growth and may lead to increased competitive intensity.

While LTE and LTE-A technologies increase download speeds, encourage data usage and enhance the customer experience, growth in data traffic poses challenges to mobile access technology. To better manage this data traffic, Canadian providers continue to evolve their networks and deploy spectrum to support the shift to 5G. Although the millimetre wave (mmWave) band is important for the expansion of 5G networks, ISED has not yet indicated when the mmWave spectrum auction will commence.

IoT technologies connect communications-enabled devices via wireless technologies, allowing them to exchange key information and share processes. Advanced platforms and networks are already in place in industries such as transportation and logistics, utilities and fleet management, with deployment ongoing in other sectors, including smart cities, manufacturing, retail, food services, consumer utilities, and connected cars. These industries are adopting IoT solutions, combined with other applications, to digitally transform their operations and generate value from their connections. IoT presents a meaningful opportunity for growth in wireless connectivity, which can deliver services to customers more efficiently. IoT connectivity generally has a lower ARPU when sold as a stand-alone service, but supports both revenue and margin growth, since it often leads to the sale of IoT applications or our other service offerings, enhancing customer account penetration with additional services. In 2024, we added 310,882 mobile connected devices, bringing our mobile connected device subscriber base to more than 3.0 million, up 11% from 2023.

Wireline products and services

The wireline telecommunications market is expected to remain very competitive in 2025. Although the residential high-speed internet market is maturing, with a penetration rate of approximately 93% across Canada at the end of 2024, subscriber growth is expected to continue over the coming years. Technology substitution, including the growth of wireless and VoIP services, is expected to continue to replace higher-margin legacy voice revenues, while digital streaming services and other online content providers are expected to impact current linear TV services. Bell is an important provider of these substitution services and the decline in this legacy business is continuing as expected.

The popularity of viewing TV and on-demand content anywhere, particularly on handheld devices, is expected to continue to grow as customers adopt services that enable them to view content on multiple screens. Streaming media providers continue to enhance OTT and DTC streaming services in order to compete for a share of viewership, as viewing habits and consumer demand evolve. Conventional TV content providers are monitoring OTT developments and seeking to adapt their content and market strategies to compete with these non-traditional offerings. We view OTT as an opportunity to add further capabilities to our linear and on-demand assets, providing customers with flexible options to choose the content they want and encouraging greater customer usage of Bell's high-speed Internet and wireless networks. In 2024, we expanded the reach of our DTC streaming services through our agreement with Amazon, making Crave, TSN and RDS available on Prime Video Channels in Canada. In 2025, Bell Media launched new bundle subscription options allowing viewers to combine Crave, TSN, and RDS, with the Ultimate Entertainment and Sports Bundle plans.

The Canadian ILECs continue to make significant capital investments in broadband networks, with a focus on FTTP, to maintain and enhance their ability to support advanced IP-based services and higher broadband speeds. Cable companies continue to evolve their cable networks with DOCSIS-related bandwidth enhancements and node splitting. Although the platform increases speed in the near term and is cost-efficient, it does not offer the advanced capabilities of FTTP over the longer term, such as fast symmetrical upload and download speeds.

In the business market, the convergence of IT and telecommunications, facilitated by the ubiquity of IP, continues to shape the competitive environment, with non-traditional providers increasingly blurring the lines of competition and business models. Cable companies continue to make investments to better compete in the highly contested small and medium-sized business space. Telecommunications companies like Bell are providing network-centric managed applications that leverage their significant FTTP investments, while IT service providers are bundling network connectivity with their proprietary software-as-a-service (SaaS) offerings. The development of IP-based platforms, which provide combined IP voice, data and video solutions, creates potential cost efficiencies that compensate, in part, for reduced margins resulting from the continuing shift from legacy to IP-based services. The evolution of IT has created significant opportunities for our business markets services, such as cloud, security and workflow automation solutions, that can have a greater business impact than traditional telecommunications services.

Business outlook and assumptions

This section contains forward-looking statements, including relating to our projected financial performance for 2025 and our business outlook, objectives, plans and strategic priorities. Refer to the section *Caution regarding forward-looking statements* at the beginning of this MD&A.

2025 outlook

Our outlook for 2025 reflects an uncertain macroeconomic and regulatory environment, and ongoing competitive pricing pressures. Our outlook also considers the superiority of fibre over cable, our 5G wireless services, enterprise business solutions services and digital subscriptions, all of which present opportunities for growth. Additionally, our strategic distribution partnership with Best Buy Canada will result in a further decrease in revenue in 2025 due to the timing of The Source store closures and transition to Best Buy Express in 2024. As this revenue is largely consumer electronics related, the impact on adjusted EBITDA will not be material given low margins for such products.

We are targeting stable revenue driven by continued subscriber base expansion and pricing changes, offset by the cumulative impact of 2024 competitive market pricing pressures.

Wireless subscriber growth is expected to be supported by an ongoing 5G upgrade cycle, continued penetration growth and our continued focus on multi-product cross sales. We are focused on growing our wireless mobile phone subscriber base in a disciplined and cost-conscious manner as we manage increased competitive intensity and promotional activity across all regions and market segments. We expect slightly declining mobile phone blended ARPU driven by the flow-through of prior year competitive pricing pressures and reduced data overage revenue resulting from the continued adoption of unlimited plans, partly offset by increased 5G subscriptions and pricing changes. We will also seek to achieve higher revenues from IoT services and applications.

Continued expansion of our retail Internet and IPTV subscriber bases is expected to be supported by a broader FTTP service footprint together with higher household penetration, further scaling of Bell's app-based live TV streaming services and the introduction of new products and features. We will continue to focus on winning the home by leveraging our symmetrical Internet speed advantage over cable, delivering the best customer experience with our products, and driving greater cross-sell penetration of higher value mobility and Internet households.

In our business markets, we expect an improving financial performance trajectory predicated on higher product sales and project spending by large enterprise customers combined with wireless subscriber growth. However, as large enterprise customers continue to look for opportunities to leverage low-cost technologies to grow and transform the workforce of the future and face increased uncertainty about future economic conditions, spending on telecommunications services and products is expected to be variable. In addition, ongoing customer migrations from traditional technologies to IP-based systems and demand for cheaper bandwidth alternatives will continue to impact business markets' results in 2025. We intend to seek to offset the revenue decline from traditional legacy telecommunications services by continuing to develop market leading services and value enhancements to improve the client experience through services such as cloud, security and workforce automation solutions. Further, we intend to use marketing initiatives and other customer-specific strategies with the objective of slowing the pace of NAS erosion, while also investing in direct fibre expansion, 5G and new solutions in key portfolios such as Internet, private networks, voice and unified communications, cloud solutions, workflow automation, security solutions, cloud-based contact centre, IoT and MEC. We will also continue to focus on delivering network-centric managed and professional services solutions to large and medium-sized businesses that increase the value of connectivity services.

We expect the overall level of competitive intensity in our small and medium-sized business markets to remain high, as cable operators and other telecom competitors look to these customer segments as potential growth opportunities. We also intend to introduce service offerings that help drive innovative solutions and value for our small and medium-sized customers by leveraging Bell's network assets, broadband fibre footprint and service capabilities to expand our relationships with them.

We are maintaining a sharp focus on our operating cost structure to help offset pressures related to customer growth and retention, the ongoing erosion of high-margin wireline voice and other legacy revenues, and competitive repricing pressures in our residential, business and wholesale markets. This, combined with further operating efficiencies enabled by our direct fibre footprint, changes in consumer behaviour and product innovation, digital adoption, product and service enhancements, expanding self-serve capabilities, new call centre and digital investments, other improvements to the customer service experience, management workforce reductions including attrition and retirements, and lower contracted rates from our suppliers, is expected to deliver meaningful cost savings and productivity gains across the organization.

Assumptions

- Stable or slight decrease in our market share of national operators' wireless mobile phone net additions as we manage increased competitive intensity and promotional activity across all regions and market segments
- Ongoing expansion and deployment of 5G and 5G+ wireless networks, offering competitive coverage and quality
- Continued diversification of our distribution strategy with a focus on expanding DTC and online transactions
- Slightly declining mobile phone blended ARPU due to competitive pricing pressure
- Continuing business customer adoption of advanced 5G, 5G+ and IoT solutions
- Continued scaling of technology services from recent acquisitions made in the enterprise market through leveraging our sales channels with the acquired businesses' technical expertise
- Improving wireless handset device availability in addition to stable device pricing and margins
- Moderating deployment of direct fibre to incremental homes and businesses within our wireline footprint
- Continued growth in retail Internet subscribers
- Increasing wireless and Internet-based technological substitution
- Continued focus on the consumer household and bundled service offers for mobility, Internet and content services
- Continued large business customer migration to IP-based systems
- Ongoing competitive repricing pressures in our business and wholesale markets
- Traditional high-margin product categories challenged by large global cloud and OTT providers of business voice and data solutions expanding into Canada with on-demand services
- Increasing customer adoption of OTT services resulting in downsizing of TV packages and fewer consumers purchasing BDU subscriptions services
- Realization of cost savings related to operating efficiencies enabled by our direct fibre footprint, changes in consumer behaviour and product innovation, digital and AI adoption, product and service enhancements, expanding self-serve capabilities, new call centre and digital investments, other improvements to the customer service experience, management workforce reductions including attrition and retirements, and lower contracted rates from our suppliers
- No adverse material financial, operational or competitive consequences of changes in or implementation of regulations affecting our communication and technology services business

Key growth drivers

- A greater number of customers on our 5G and 5G+ networks
- Cross-sell to customers who do not have all their telecommunication services with Bell
- Further expansion of FTTP footprint, but at a slower pace than during any of 2020 to 2024
- Increasing FTTP and WTTP customer penetration
- Continued growth in retail Internet and IPTV subscribers
- Expansion of our business customer relationships to drive higher revenue per customer
- Ongoing service innovation and product value enhancements

Principal business risks

This section discusses certain principal business risks specifically related to the Bell CTS segment. For a detailed description of the other principal risks that could have a material adverse effect on our business, refer to section 9, *Business risks*.

Aggressive competition

Risk

- The intensity of competitive activity from national wireless operators, smaller or regional facilities-based wireless service providers, non-traditional players and resellers
- The intensity of competitive activity coupled with the proliferation of instalment and/or buy and pay later plans, and new wireline product launches for residential customers (e.g., IoT, smart home systems and devices, innovative TV platforms, etc.) and business customers (e.g., OTT VoIP, collaboration and SD WAN solutions) from national operators, non-traditional players and wholesalers, including the expanded offering of retail services based on wholesale access by large facilities-based competitors

Potential impact

- Pressure on our revenue, adjusted EBITDA, ARPU, cash flows and churn would likely result if wireless competitors continue to aggressively pursue new types of price plans, increase discounts, offer shared plans based on sophisticated pricing requirements (e.g., instalments) or offer other incentives, such as cash-back for upgrade with old smartphone and multi-product bundles, in order to attract new customers
- An increase in the intensity level of competitive activity for wireline services could result in lost revenue, higher churn and increased acquisition and retention expenses, all of which would put pressure on Bell CTS's adjusted EBITDA

Regulatory environment

Risk

- Increased regulation of wireless services, pricing and infrastructure, such as additional mandated access to wireless networks, establishing rates for mandated wireless services that are materially different from the rates we propose, and limitations placed on future spectrum bidding
- In an interim decision (Interim Decision), the CRTC determined that aggregated access to Bell Canada's FTTP facilities in Ontario and Québec should be mandated on a temporary and expedited basis, and the CRTC set interim rates that are materially lower than the rates we proposed, and which do not sufficiently account for the investment required in these facilities. Subsequently, in a final decision (Final Decision), the CRTC concluded its wholesale high-speed access review and mandated the establishment of an aggregated wholesale high-speed access service available on FTTP facilities to be provided by large ILECs in all provinces as of February 13, 2025. The CRTC also prohibited incumbents from accessing wholesale high-speed access service over any technology, on a go forward basis, within their traditional incumbent wireline territories. This new service materially improves the business position of our competitors. Bell Canada had filed an appeal of the Interim Decision to the Governor-in-Council and the latter released an order referring the Interim Decision back to the CRTC to reconsider, no later than 90 days after November 6, 2024, whether the three largest Internet service providers in Canada and their affiliates should be prohibited from using aggregated FTTP services in Ontario and Québec further to tariffs approved by the CRTC. In a February 3, 2025 decision, the CRTC determined that it would not vary the Interim Decision and would instead rule on the issue of whether Bell Canada, Rogers Communications Canada Inc., Telus Communications Inc. and their affiliates should be prohibited from using tariffed wholesale high-speed access services by summer 2025. Several parties have filed Part 1 applications asking the CRTC to review and vary several aspects of the Final Decision. In a motion dated September 12, 2024, Saskatchewan Telecommunications (SaskTel) has also sought leave to appeal the Final Decision to the Federal Court of Appeal. The Competitive Network Operators of Canada, Cogeco Communications Inc., Eastlink and SaskTel have also filed a joint appeal of the Final Decision to the Governor-in-Council. The latter must decide on this appeal on or before August, 13, 2025. At this point, Bell Canada is still assessing the impact of the Final Decision. If final rates are established that are different from the interim rates, there is a risk they will be applied retroactively.
- The courts could overturn the new wholesale rates the CRTC set for aggregated high-speed access service in 2021, which were much higher than the rates it had proposed in 2019. Although the Federal Court of Appeal rejected TekSavvy Solutions Inc.'s application to overturn those rates, the latter is now seeking leave from the Supreme Court of Canada to challenge that decision.

Potential impact

- Increased regulation could influence network investment and the market structure, limit our flexibility, improve the business position of our competitors, limit network-based differentiation of our services, and negatively impact the financial performance of our Bell CTS segment
- In respect of the new aggregated wholesale high-speed access service mandated on FTTP facilities: (i) the mandating of final rates that are materially different from the rates we proposed could have a financial impact, (ii) while we are able to make use of wholesale FTTP in the traditional territory of Telus Communications Inc., and vice versa, our traditional territory has a larger customer base than that of Telus Communications Inc., giving the latter access to a larger base of potential new customers than we will gain access to; (iii) we and our brands that resell wholesale high-speed access services over competitors' cable are no longer allowed to sell those services to new customers within our traditional wireline incumbent serving territory, and (iv) in the case of our existing wholesale high-speed access service, the implementation of the rates for aggregated or disaggregated wholesale high-speed access services could change our investment strategy, especially in relation to investment in next-generation wireline networks in smaller communities and rural areas, improve the business position of our competitors, further accelerate penetration and disintermediation by OTT players, and negatively impact the financial performance of our business

Market environment, technological advancement and changing customer behaviour

Risk

- Slower subscriber growth due to high Canadian Internet and smartphone penetration, combined with potential pressures from the economic environment and reduced discretionary spending, and reductions in immigration levels
- With technological advancement, the traditional TV viewing model (i.e., a subscription for bundled channels) is challenged by an increasing number of legal and illegal viewing options available in the market offered by traditional, non-traditional and global players, as well as increasing cord-cutting and cord-shaving trends
- The proliferation of network technologies impacts business customers' decision to migrate to OTT, VoIP and/or leverage SD WAN architecture
- Changing customer habits further contribute to the erosion of NAS lines

Potential impact

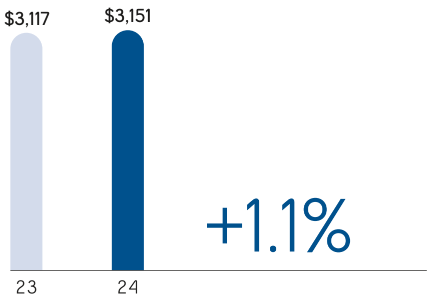
- A maturing wireline and wireless market with reductions in immigration levels could challenge subscriber growth and the cost of subscriber acquisition and retention, putting pressure on the financial performance of our business
- Our market penetration and number of TV subscribers could decline as a result of innovative offerings by BDUs and an increasing number of domestic and non-domestic unregulated OTT providers, as well as a significant volume of content piracy
- The proliferation of IP-based products, including OTT content and OTT software offerings directly to consumers, may accelerate the disconnection of TV services or the reduction of TV spending, as well as the reduction in business IT investments by customers
- The ongoing loss of NAS lines challenges our traditional voice revenues and compels us to develop other service offerings

5.2 Bell Media

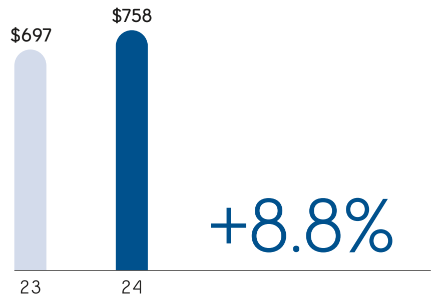
Financial performance analysis

2024 performance highlights

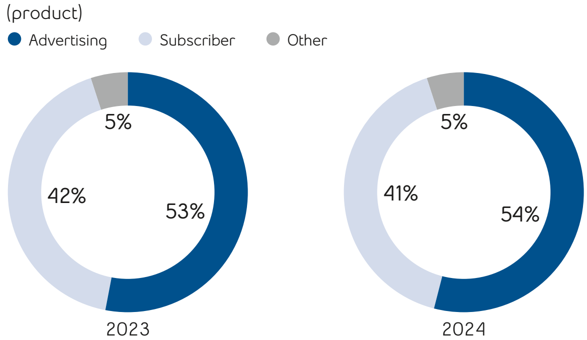
Bell Media
Revenues
(in $ millions)



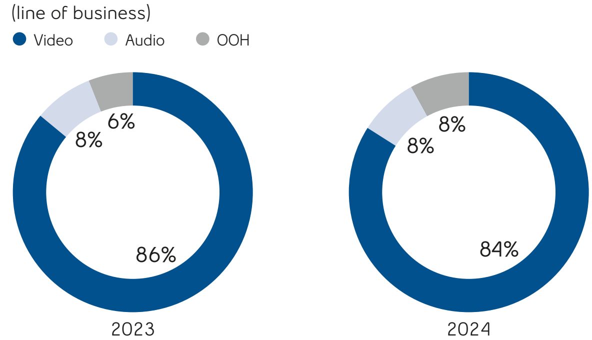
Bell Media
Adjusted EBITDA
(in $ millions)



Bell Media
Revenue mix
(product)



Bell Media
Revenue mix
(line of business)



Bell Media results

Revenues

	2024	2023	$ change	% change
External revenues	**2,817**	2,776	41	1.5%
Inter-segment revenues	**334**	341	(7)	(2.1%)
Bell Media operating revenues	**3,151**	3,117	34	1.1%

Bell Media operating revenues increased by 1.1% in 2024, compared to last year, driven by higher advertising and other revenues, partly offset by lower subscriber revenues. Digital revenues (1) continued to contribute to the growth in operating revenues, up 19.2% year over year.

- **Advertising revenues** increased by 2.8% in 2024, compared to 2023, driven by higher digital advertising revenues, mainly attributable to increased bookings from Bell Media's strategic audience management (SAM) TV media sales tool along with growth in ad-supported subscription tiers on Crave and Connected TV. Additionally, advertising revenues were favourably impacted by higher OOH revenues from the acquisition of OUTEDGE in June 2024 and stronger sports specialty TV performance, partly offset by continued lower demand for traditional broadcast TV advertising, primarily impacting conventional and entertainment specialty TV, and the unfavourable impact from content delays due to the Writers Guild of America (WGA) and the Screen Actors Guild and American Federation of Television and Radio Artists (SAG-AFTRA) strikes in 2023.
- **Subscriber revenues** declined by 1.1% in 2024, compared to last year, due to lower year-over-year BDU subscribers, partly offset by growth in Crave and sports streaming subscribers
- **Other revenues** increased year over year in 2024, primarily due to higher revenues from Formula 1 and the acquisition of OUTEDGE

(1) *Digital revenues are comprised of advertising revenue from digital platforms including websites, mobile apps, connected TV apps and OOH digital assets/platforms, as well as advertising procured through Bell digital buying platforms and subscription revenue from DTC services and video on demand services.*

Operating costs and adjusted EBITDA

	2024	2023	$ change	% change
Operating costs	**(2,393)**	(2,420)	27	1.1%
Adjusted EBITDA	**758**	697	61	8.8%
Adjusted EBITDA margin	**24.1%**	22.4%		1.7 pts

Bell Media operating costs decreased by 1.1% in 2024, compared to last year, due to:

- Restructuring initiatives undertaken over the past year as a result of the unfavourable economic and broadcasting regulatory environments
- Lower content costs

These factors were partly offset by:

- Greater costs from the acquisition of OUTEDGE
- Higher costs associated with the revenue growth from Formula 1

Bell Media adjusted EBITDA grew by 8.8% in 2024, compared to last year, driven by higher operating revenues and lower operating costs.

Bell Media operating metrics

- Total Crave subscriptions increased 18% from last year to more than 3.6 million, which was driven by a 51% increase in Crave DTC streaming subscribers
- CTV maintained its #1 ranking as the most-watched network in Canada for the 23rd year in a row among total viewers in primetime, with 14 of the top 20 programs nationally among total viewers
- Bell Media maintained its leadership position in the specialty and pay TV market with its English specialty and pay TV properties reaching 73% of all Canadian English specialty and pay TV viewers in the average week among key viewers aged 25 to 54 and with its French specialty and pay TV properties reaching 68% of Québec French specialty and pay TV viewers in an average week
- Noovo had 5 out of the top 15 most watched regular shows on French conventional TV among viewers aged 25 to 54
- Bell Media continued to rank first in unique visitors, reach, total page views and total page minutes in digital media in 2024 among Canadian broadcast and video network competitors. Bell Media also ranked sixth among online properties in the country in terms of unique visitors and reach, with an average of 22.9 million unique visitors per month, with 70% average monthly reach of the digital audience in 2024.
- Bell Media remained Canada's top radio broadcaster in 2024, and it had the #1 and #2 musical radio station in the Montréal French-language market for 2024 among listeners aged 25 to 54
- Astral Media Inc. (Astral) continues to be a leading OOH solution provider across Canada, offering a range of six product lines: outdoor advertising, street furniture, airport, digital large format, transit and indoor place-based. Our products have the potential to reach 24 million Canadians weekly, and we offer exclusive advertising presence including 5 of the top 15 airports and 2 of the top transit commissions in Canada.

Competitive landscape and industry trends

This section contains forward-looking statements, including related to our business outlook. Refer to the section *Caution regarding forward-looking statements* at the beginning of this MD&A.

Competitive landscape

Competition for content in the Canadian media industry continues to be increasingly controlled by a small number of global competitors with significant scale and financial resources. Technology has allowed new entrants to become media players in their own right. Some players have become more vertically integrated across both traditional and emerging platforms to better enable the acquisition and monetization of premium content. Global aggregators have also emerged and are competing for both content and viewers.

Bell Media competes in the video, audio, OOH advertising and digital media markets:

- **Video:** The video market has become increasingly fragmented and this trend is expected to continue as new services and technologies increase the diversity of information and entertainment outlets available to consumers
- **Audio:** Competition within the radio broadcasting industry occurs primarily in discrete local market areas among individual stations
- **OOH:** The Canadian OOH advertising industry is fragmented, consisting of a few large companies as well as numerous smaller and local companies operating in a few local markets
- **Digital media:** Consumer demand for digital media, content on mobile devices, and on-demand content is increasing and media products have experienced significant digital uptake, requiring industry players to increase their efforts in digital content and capabilities in order to compete. In response to this trend, advertisers are shifting their spending to premium video and audio products on global digital platforms and social media that enable marketers to narrowly target specific audiences instead of the previous mass marketing approach. This results in lower use of traditional advertising methods and requires a shift in focus. Bell Media and other media companies have initiated programs to sell their advertising inventory on a more targeted basis through updated buying platforms with enhanced access to data and are now selling their inventory on programmatic buying platforms.

The Canadian traditional TV and radio advertising markets are expected to be impacted by audience declines as advertising market growth continues to shift towards digital.

Competitors

Video

- Conventional Canadian TV stations (local and distant signals) and specialty and pay channels, such as those owned by Corus Entertainment Inc. (Corus), Rogers, Québecor and Canadian Broadcasting Corporation (CBC)/Société Radio-Canada
- U.S. conventional TV stations and specialty channels
- OTT streaming providers such as Netflix, Prime Video, Disney+, Apple TV+, Paramount +, Discovery+ and DAZN
- Video-sharing websites such as YouTube, TikTok and Instagram
- FAST channels

Audio

- Large radio operators, such as Rogers, Corus, Cogeco and Stingray Group Inc. that also own and operate radio station clusters in various local markets
- Radio stations in specific local markets
- Satellite radio provider SiriusXM
- Music streaming services such as Spotify and Apple Music
- Music downloading services such as Apple's iTunes Store
- Other media such as newspapers, local weeklies, TV, magazines, outdoor advertising and the Internet

OOH advertising

- Large outdoor and indoor advertisers, such as Allvision, Branded Cities, Lamar Advertising, Pattison Outdoor, Québecor Inc., Vendo Media, REC Media, UB Media, Cineplex, and Rogers Sports & Media
- Numerous smaller and local companies operating a limited number of faces in a few local markets
- Other media such as TV, radio, print media and the Internet

Industry trends

Consumers continue to have access to an array of online entertainment and information alternatives, with new options being added yearly. The increase in alternative entertainment options has led to a fragmentation in consumption habits. Traditional linear TV still delivers higher viewership compared to other forms of video consumption, although the gap is closing with more people consuming content from an assortment of services and in a variety of formats. In particular, today's viewers are consuming more content online, watching less scheduled programming live, time-shifting original broadcasts through PVRs, viewing more video on mobile devices, and catching up on an expanded library of past programming on-demand. While households use streaming services, such as Crave, Netflix, Prime Video, Disney+, Apple TV+, and YouTube to complement linear TV consumption, an increasing number are using these services as alternatives to a traditional linear package. With the increase of options in the alternative market, content is more widespread than ever before across providers, resulting in a more competitive landscape. This has resulted in price increases and consumers' need to subscribe to more than one service. The industry has responded with bundling options, lower price ad tiers, and an increase in FAST channels, such as The Roku Channel, Tubi and Pluto TV. In 2024, Bell Media launched 11 English and French-language FAST channels, featuring a selection of entertainment, factual, news, and sports programming, available on LG Channels, Samsung TV Plus, Plex and The Roku Channel.

Premium video content remains vitally important to media companies in attracting and retaining viewers and advertisers. This content, including live sports and special events, should continue to draw audiences and advertisers moving forward. Heightened competition for these rights from global competitors, including Netflix, Prime Video, Disney+, DAZN and Apple TV+, has already resulted in higher program rights costs and may also make it more difficult to secure content.

Consumer behaviour is continually changing and media companies are adjusting by evolving and personalizing their content and product offerings. Media companies have launched their own solutions with the objective of better competing with non-traditional offerings through DTC products such as Bell Media's bilingual Crave service, TSN and RDS, all of which offer streaming on a variety of platforms. While the SVOD model continues to dominate the streaming landscape, AVOD and FAST services are seeing tremendous growth due to the appeal to price-conscious consumers.

In addition, there has been a shift in how advertisers want to buy advertising across all media platforms. The growth of digital consumption has also given advertisers the opportunity to buy more targeted inventory and to buy inventory via self-serve and programmatically. As a result, Bell Media and other media companies have initiated programs to sell their advertising inventory on a more targeted basis through updated buying platforms with enhanced access to data and are now selling their inventory on programmatic buying platforms.

Business outlook and assumptions

This section contains forward-looking statements, including relating to our projected financial performance for 2025 and our business outlook, objectives, plans and strategic priorities. Refer to the section *Caution regarding forward-looking statements* at the beginning of this MD&A.

2025 outlook

We are targeting positive media revenue growth in 2025 led by scaling of digital advertising in Connected TV, DAAI, ad-supported Crave and through the acquisition in 2024 of OUTEDGE. The Canadian traditional TV and radio advertising markets are expected to be impacted by audience declines as advertising market growth continues to shift towards digital. Subscriber revenue growth is being targeted through continued scaling of Crave, TSN, RDS and TSN+ through expanded distribution, optimized content offerings, UX improvements and BDU rate increases. The non-recurrence of revenue adjustments in 2024 and the effects of shifting media consumption towards competing OTT and digital platforms, as well as further TV cord-shaving and cord-cutting, is expected to continue to negatively impact legacy media subscriber revenue and volumes.

We remain focused on advancing our digital-first media strategy, including growing digital revenues and DTC subscribers. We also intend to continue controlling costs by achieving productivity gains and pursuing operational efficiencies across all of our media properties, while continuing to invest in premium content across all screens and platforms.

Across our media properties, particularly in video, we intend to leverage our market position combined with enhanced audience targeting to offer advertisers, both nationally and locally, premium opportunities to reach their target audiences. Success in this area requires that we focus on successfully acquiring highly rated programming and differentiated content; building and maintaining strategic supply arrangements for content across all screens and platforms; and producing and commissioning high-quality Canadian content. We will also continue to scale Connected TV and DAAI, bringing precision targeting of digital advertising and providing a personalized ad experience to specific households or devices.

Our sports offerings are expected to continue to deliver popular content and viewing experiences to our video audiences. These offerings, combined with the integration of our digital platforms, are integral parts of our strategy to enhance viewership and engagement. We will also continue to focus on creating innovative high-quality productions in the areas of sports news and editorial coverage.

In non-sports specialty TV, audiences and advertising revenues are expected to be driven by investment in quality programming and production including the rebranding of our specialty channels including the introduction of USA Network and Oxygen True Crime in Canada.

Through Crave, our bilingual premium video streaming service, we will continue to leverage our investments in premium content (including HBO, Max, STARZ and original French-language programming) in order to attract DTC streaming subscribers. We intend to continue expanding platform distribution and delivering UX improvements.

We will continue to support original French programming with a focus on digital platforms such as Crave, Noovo.ca and iHeartRadio, to better serve our French-language customers through a personalized digital experience.

In audio, we intend to offer advertisers, both nationally and locally, attractive opportunities to reach their target audiences including scaling of DAAI. Additionally, in conjunction with our video properties, we will continue to pursue opportunities that leverage our promotional capabilities, provide an expanded platform for content sharing, including additional radio stations on our iHeartRadio Canada app, and offer other synergistic efficiencies.

In our OOH operations, we provide advertisers with attractive opportunities in all key Canadian markets. We continue to seek new opportunities to support the growing demand in digital, including converting strategic existing static outdoor structures to digital as well as building new digitals. Our acquisition of OUTEDGE was fully integrated for sales under the Astral brand to kick off 2025. This accelerates our digital media strategy and ability to deliver impactful, multi-channel marketing solutions coast-to-coast.

Assumptions

- Overall digital revenue expected to reflect scaling of Connected TV, DTC advertising and subscriber growth, as well as digital growth in our OOH business contributing towards the advancement of our digital-first media strategy
- Leveraging of first-party data to improve targeting, advertisement delivery including personalized viewing experience and attribution
- Continued escalation of media content costs to secure quality content
- Continued scaling of Crave, TSN, TSN+ and RDS through expanded distribution, optimized content offering and UX improvements
- Continued support in original French content with a focus on digital platforms such as Crave, Noovo.ca and iHeartRadio Canada, to better serve our French-language customers through a personalized digital experience
- Ability to successfully acquire and produce highly-rated programming and differentiated content
- Building and maintaining strategic supply arrangements for content across all screens and platforms
- No adverse material financial, operational or competitive consequences of changes in or implementation of regulations affecting our media business

Key growth drivers

- Continued scaling of Crave, TSN, TSN+ and RDS through expanded distribution including bundles and partnerships
- Scaling of Connected TV advertising
- DTC advertising and subscriber growth
- Digital growth in our OOH business
- Ongoing growth in BDU rates
- Delivery of compelling content to maintain strength in audience performance and scale global content distribution

Principal business risks

This section discusses certain principal business risks specifically related to the Bell Media segment. For a detailed description of the other principal risks that could have a material adverse effect on our business, refer to section 9, *Business risks*.

Advertising and subscription revenue uncertainty

Risk

- Advertising is heavily dependent on economic conditions and viewership, and traditional media is under increasing pressure for advertising spend against dominant non-traditional/global digital services
- The advertising market could be further impacted by canceled or delayed advertising campaigns from many sectors due to the economic environment
- Bell Media has contracts with a variety of BDUs, under which monthly subscription fees for specialty and pay TV services are earned, which expire on a specific date

Potential impact

- Economic uncertainty could continue to impact advertisers' spending. Our failure to increase or maintain viewership or capture our share of the changing and fragmented advertising market, including digital revenues, could result in the loss of advertising revenue.
- If we are not successful in obtaining favourable agreements with BDUs, it could result in the loss of subscription revenue

Aggressive competition

Risk

- The intensity of competitive activity from new technologies and alternative distribution platforms such as unregulated OTT content offerings, VOD, personal video platforms, DTC distribution and pirated content, in addition to traditional TV services, in combination with the development of more aggressive product and sales strategies by non-traditional global players with a much larger scale

Potential impact

- Increased competitive activity in combination with the development of more aggressive product and sales strategies could have an adverse impact on the level of subscriptions and/or viewership for Bell Media's TV services and on Bell Media's revenue streams

Rising content costs and ability to secure key content

Risk

- Rising content costs, as an increasing number of domestic and global competitors seek to acquire the same content or to restrict content within their own ecosystems, and the ability to acquire or develop key differentiated content to drive revenues and subscriber growth

Potential impact

- Rising programming costs could require us to incur unplanned expenses, which could result in negative pressure on adjusted EBITDA
- Our inability to acquire or develop popular programming content could adversely affect Bell Media's viewership and subscription levels and, consequently, advertising and subscription revenues

6 Financial and capital management

Our financial resources

This section tells you how we manage our cash and capital resources to carry out our strategy and deliver financial results. It provides an analysis of our financial condition, cash flows and liquidity on a consolidated basis.

6.1 Net debt

	2024	2023	$ change	% change
Long-term debt	**32,835**	31,135	1,700	5.5%
Debt due within one year	**7,669**	5,042	2,627	52.1%
50% of preferred shares (1)	**1,767**	1,834	(67)	(3.7%)
Cash	**(1,572)**	(547)	(1,025)	n.m.
Cash equivalents	**–**	(225)	225	100.0%
Short-term investments	**(400)**	(1,000)	600	60.0%
Net debt	**40,299**	36,239	4,060	11.2%

n.m.: not meaningful

(1) *50% of outstanding preferred shares of $3,533 million and $3,667 million at December 31, 2024 and December 31, 2023, respectively, are classified as debt consistent with the treatment by some credit rating agencies.*

The increase of $2,627 million in debt due within one year and $1,700 million in long-term debt were due to:

- the issuance by Bell Canada of Series US-9 Notes, with a total principal amount of $700 million in U.S. dollars ($942 million in Canadian dollars)
- the issuance by Bell Canada of Series US-10 Notes, with a total principal amount of $750 million in U.S. dollars ($1,009 million in Canadian dollars)
- the issuance by Bell Canada of Series M-61 MTN debentures, with a total principal amount of $400 million
- the issuance by Bell Canada of Series M-63 MTN debentures, with a total principal amount of $1,100 million
- an increase in notes payable (net of repayments) of $1,945 million
- a net increase of $580 million due to higher lease liabilities and other debt
- an increase in outstanding loans of $324 million under the Bell Mobility uncommitted trade loan agreement

Partly offset by:

- the repayment at maturity of Series M-44 MTN debentures, with a total principal amount of $1,000 million
- the repayment at maturity of Series US-3 Notes, with a total principal amount of $600 million in U.S. dollars ($748 million in Canadian dollars)
- the repayment at maturity of Series 10 Notes, with a total principal amount of $225 million

The increase in cash of $1,025 million, the decrease in short-term investments of $600 million and the decrease in cash equivalents of $225 million were mainly due to:

- $6,988 million of cash flows from operating activities
- $3,834 million of issuance of long-term debt
- $1,945 million increase in notes payable (net of repayments)

Partly offset by:

- $3,897 million of capital expenditures
- $3,613 million of dividends paid on BCE common shares
- $3,303 million of repayment of long-term debt
- $624 million for business acquisitions
- $531 million for the purchase of spectrum licences
- $235 million paid for the purchase on the open market of BCE common shares for the settlement of share-based payments
- $187 million of dividends paid on BCE preferred shares
- $92 million paid for the repurchase of BCE preferred shares
- $68 million of cash dividends paid by subsidiaries to NCI

6.2 Outstanding share data

Common shares outstanding	Number of shares
Outstanding, January 1, 2024	**912,274,545**
Shares issued under deferred share plan	**8,558**
Outstanding, December 31, 2024	**912,283,103**

Stock options outstanding	Number of options	Weighted average exercise price ($)
Outstanding, January 1, 2024	**7,484,561**	**61**
Forfeited or expired	**(938,742)**	**59**
Outstanding and exercisable, December 31, 2024	**6,545,819**	**61**

At March 6, 2025, 921,824,604 common shares and 5,503,174 stock options were outstanding.

Discounted Treasury Dividend Reinvestment Plan

In Q4 2024, BCE amended its DRP to provide, at the BCE Board's discretion, for the issuance of new common shares from treasury at a discount to the Average Market Price. Commencing with the dividend payable on January 15, 2025 to eligible shareholders as of the December 16, 2024 record date, and subsequently until further notice, common shares will be issued from treasury at a discount of 2% to the Average Market Price.

Subsequent to year end, on January 15, 2025, 9,540,786 common shares were issued from treasury under the DRP to shareholders of record on December 16, 2024 holding 308,654,258 common shares, for $314 million.

6.3 Cash flows

	2024	2023	$ change	% change
Cash flows from operating activities	**6,988**	7,946	(958)	(12.1%)
Capital expenditures	**(3,897)**	(4,581)	684	14.9%
Cash dividends paid on preferred shares	**(187)**	(182)	(5)	(2.7%)
Cash dividends paid by subsidiaries to non-controlling interest	**(68)**	(47)	(21)	(44.7%)
Acquisition and other costs paid	**52**	8	44	n.m.
Free cash flow	**2,888**	3,144	(256)	(8.1%)
Business acquisitions	**(624)**	(222)	(402)	n.m.
Business dispositions	**–**	209	(209)	(100.0%)
Acquisition and other costs paid	**(52)**	(8)	(44)	n.m.
Decrease (increase) in short-term investments	**600**	(1,000)	1,600	n.m.
Spectrum licences	**(531)**	(183)	(348)	n.m.
Other investing activities	**14**	(4)	18	n.m.
Increase (decrease) in notes payable	**1,945**	(646)	2,591	n.m.
Issue of long-term debt	**3,834**	5,195	(1,361)	(26.2%)
Repayment of long-term debt	**(3,303)**	(1,858)	(1,445)	(77.8%)
Repurchase of a financial liability	**–**	(149)	149	100.0%
Issue of common shares	**–**	18	(18)	(100.0%)
Purchase of shares for settlement of share-based payments	**(235)**	(223)	(12)	(5.4%)
Repurchase of preferred shares	**(92)**	(140)	48	34.3%
Cash dividends paid on common shares	**(3,613)**	(3,486)	(127)	(3.6%)
Other financing activities	**(31)**	(24)	(7)	(29.2%)
Net increase in cash	**1,025**	448	577	n.m.
Net (decrease) increase in cash equivalents	**(225)**	175	(400)	n.m.

n.m.: not meaningful

Cash flows from operating activities and free cash flow

In 2024, BCE's cash flows from operating activities decreased by $958 million, compared to 2023, mainly due to lower cash from working capital, higher interest paid, higher severance and other costs paid and higher income taxes paid, partly offset by higher EBITDA.

Free cash flow decreased by $256 million in 2024, compared to 2023, mainly due to lower cash flows from operating activities, excluding cash from acquisition and other costs paid, partly offset by lower capital expenditures.

Capital expenditures

	2024	2023	$ change	% change
Bell CTS	**3,746**	4,421	675	15.3%
Capital intensity	***17.3%***	*20.2%*		*2.9 pts*
Bell Media	**151**	160	9	5.6%
Capital intensity	***4.8%***	*5.1%*		*0.3 pts*
BCE	**3,897**	4,581	684	14.9%
Capital intensity	***16.0%***	*18.6%*		*2.6 pts*

BCE capital expenditures of $3,897 million in 2024, corresponding to a capital intensity ratio of 16.0%, declined by $684 million and 2.6 pts, respectively, over 2023. The year-over-year decline reflected:

- Lower capital expenditures in Bell CTS of $675 million, compared to last year, consistent with a planned reduction in capital spending, primarily driven by slower FTTP footprint expansion, regulatory decisions that discourage network investment, and the realization of efficiencies from prior investments in digital transformation initiatives
- Reduced year-over-year capital spending at Bell Media of $9 million, mainly due to lower spending on Connected TV and studio expansions, partly offset by higher investments to support digital growth and OUTEDGE acquisition impact

Business acquisitions

On July 2, 2024, Bell Canada acquired Stratejm for cash consideration of $78 million ($73 million net of cash acquired) and $11 million of estimated additional cash consideration contingent on the achievement of certain performance objectives. This contingent consideration is expected to be settled by 2027 and the maximum amount payable is $20 million. Contingent consideration is estimated to be $11 million at December 31, 2024.

On June 7, 2024, Bell Media completed the acquisition of OUTFRONT Media Inc.'s Canadian OOH media business, OUTEDGE, for cash consideration of $429 million ($418 million net of cash acquired). Pursuant to a consent agreement negotiated with the Competition Bureau, Bell Media must dispose of 669 advertising displays in Québec and Ontario. On October 4, 2024, we entered into an agreement to dispose of these advertising displays for estimated proceeds of $14 million, subject to adjustments. Completion of the sale is expected in the first quarter of 2025, subject to receipt of the Competition Bureau's approval and other customary closing conditions.

On June 1, 2023, Bell acquired FX Innovation, a Montréal-based provider of cloud-focused managed and professional services and workflow automation solutions for business clients, for cash consideration of $157 million ($156 million net of cash acquired), of which $12 million is payable within two years, and an estimated $6 million of additional cash consideration contingent on the achievement of certain performance objectives. This contingent consideration is expected to be settled by 2027 and the maximum amount payable is $7 million. Contingent consideration is estimated to be $2 million at December 31, 2024.

Business dispositions

On May 3, 2023, we completed the sale of our 63% ownership in certain production studios, which were included in our Bell Media segment, for net cash proceeds of $211 million.

Spectrum licences

On November 30, 2023, Bell Mobility secured the right to acquire 939 licences of 3800 MHz spectrum across Canada for $518 million. On January 17, 2024, Bell made a first payment of $104 million to ISED. The remaining balance of $414 million was paid on May 29, 2024, at which time Bell acquired the 3800 MHz spectrum licences.

On May 19, 2023, after approval from ISED, Bell Mobility obtained the right to use, through subordination, certain of Xplore Inc.'s 3500 MHz spectrum licences in Québec, for $145 million.

Debt instruments

We use a combination of short-term and long-term debt to finance our operations. Our short-term debt consists mostly of notes payable under commercial paper programs, loans securitized by receivables and wireless device financing plan receivables, and bank facilities. We usually pay fixed rates of interest on our long-term debt and floating rates on our short-term debt. As at December 31, 2024, all of our debt was denominated in Canadian dollars with the exception of our commercial paper, Bell Mobility trade loans and our U.S. Series of Notes, which are denominated in U.S. dollars and have been hedged for foreign currency fluctuations with cross currency interest rate swaps.

2024

During 2024, we issued debt, net of repayments. This included:

- $3,834 million issuance of long-term debt comprised of the issuance of Series US-9 Notes with a total principal amount of $700 million in U.S. dollars ($942 million in Canadian dollars), the issuance of Series US-10 Notes with a total principal amount of $750 million in U.S. dollars ($1,009 million in Canadian dollars), the issuance of Series M-61 MTN debentures with a total principal amount of $400 million, the issuance of Series M-63 MTN debentures with a total principal amount of $1,100 million, the increase of $324 million in outstanding loans under the Bell Mobility uncommitted trade loan agreement and the issuance of other debt of $66 million, partly offset by $7 million of discounts on our debt issuances
- $1,945 million issuance (net of repayments) of notes payable

Partly offset by:

- $3,303 million repayment of long-term debt comprised of the repayment of Series M-44 MTN debentures with a total principal amount of $1,000 million, the repayment of Series US-3 Notes with a total principal amount of $600 million in U.S. dollars ($748 million in Canadian dollars), the repayment of Series 10 Notes with a total principal amount of $225 million and net payments of leases and other debt of $1,330 million

2023

During 2023, we issued debt, net of repayments. This included:

- $5,195 million issuance of long-term debt comprised of the issuance of Series M-57, Series M-58, Series M-59, Series M-60, Series M-61 and Series M-62 MTN debentures, with total principal amounts of $300 million, $1,050 million, $450 million, $600 million, $400 million and $700 million in Canadian dollars, respectively, the issuance of Series US-8 Notes, with a total principal amount of $850 million in U.S. dollars ($1,138 million in Canadian dollars), the increase of $491 million in outstanding loans under the Bell Mobility uncommitted trade loan agreement and the issuance of other debt of $74 million, partly offset by $8 million of discounts on our debt issuances

Partly offset by:

- $1,858 million repayment of long-term debt comprised of net payments of leases and other debt of $1,258 million and the repayment of Series M-29 MTN debentures with a total principal amount of $600 million
- $646 million repayment (net of issuances) of notes payable

Consolidation of MLSE ownership under BCE (repurchase of a financial liability)

In January 2023, BCE repurchased the 9% interest held by the BCE Master Trust Fund (Master Trust Fund), a trust fund that holds pension fund investments serving the pension obligations of the BCE group pension plan participants, in MLSE for a cash consideration of $149 million, as a result of BCE's obligation to repurchase the Master Trust Fund's interest in MLSE at that price.

Issuance of common shares

The issuance of common shares in 2024 decreased by $18 million, compared to 2023, due to no stock options having been exercised in 2024.

Repurchase of preferred shares

In 2024, BCE repurchased and canceled 5,346,488 First Preferred Shares under its NCIB for a total cost of $92 million.

Subsequent to year end, BCE repurchased and canceled 1,413,405 First Preferred Shares under its NCIB for a total cost of $25 million.

In 2023, BCE repurchased and canceled 8,124,533 First Preferred Shares under its NCIB for a total cost of $140 million.

Cash dividends paid on common shares

In 2024, cash dividends paid on common shares of $3,613 million increased by $127 million, compared to 2023, due to a higher dividend paid in 2024 of $3.9600 per common share, compared to $3.8225 per common share in 2023.

6.4 Post-employment benefit plans

For the year ended December 31, 2024, we recorded an increase in our post-employment benefit plans and a gain, before taxes, in OCI of $796 million, due to a higher-than-expected return on plan assets, and an increase in the discount rate to 4.7% at December 31, 2024, compared to 4.6% at December 31, 2023, partly offset by an increase in the effect of the asset limit.

For the year ended December 31, 2023, we recorded a decrease in our post-employment benefit plans and a loss, before taxes, in OCI of $553 million, due to a decrease in the discount rate of 4.6% at December 31, 2023, compared to 5.3% at December 31, 2022, partly offset by a gain on plan assets, experience gains and a decrease in the effect of the asset limit.

6.5 Financial risk management

Management's objectives are to protect BCE and its subsidiaries on a consolidated basis against material economic exposures and variability of results from various financial risks, including credit risk, liquidity risk, foreign currency risk, interest rate risk, equity price risk and longevity risk. These risks are further described in Note 2, *Material accounting policies*, Note 9, *Other expense*, Note 27, *Post-employment benefit plans* and Note 29, *Financial and capital management* in BCE's 2024 consolidated financial statements.

The following table outlines our financial risks, how we manage these risks and their financial statement classification.

Financial risk	Description of risk	Management of risk and financial statement classification
Credit risk	We are exposed to credit risk from operating activities and certain customer financing activities, the maximum exposure of which is represented by the carrying amounts reported in the statements of financial position. We are exposed to credit risk if counterparties to our trade receivables, including wireless device financing plan receivables, and derivative instruments are unable to meet their obligations.	• Large and diverse customer base • Deal with institutions with investment-grade credit ratings • Regularly monitor our credit risk and credit exposure, and consider, among other factors, the effects of changes in interest rates and inflation • Our trade receivables and allowance for doubtful accounts balances at December 31, 2024, which both include the current portion of wireless device financing plan receivables, were \$4,305 million and \$120 million, respectively • Our non-current wireless device financing plan receivables and allowance for doubtful accounts balances at December 31, 2024 were \$410 million and \$12 million, respectively • Our contract assets balance at December 31, 2024 was \$759 million, net of an allowance for doubtful accounts balance of \$18 million
Liquidity risk	We are exposed to liquidity risk for financial liabilities.	• Our cash, cash equivalents, short-term investments, amounts available under our securitized receivables program, cash flows from operations and possible capital markets financing are expected to be sufficient to fund our operations and fulfill our obligations as they become due. Should our cash requirements exceed the above sources of cash, we would expect to cover such a shortfall by drawing on existing committed bank facilities and new ones, to the extent available • Refer to section 6.7, *Liquidity – Contractual obligations*, for a maturity analysis of our recognized financial liabilities

Foreign currency risk	We are exposed to foreign currency risk related to anticipated purchases and certain foreign currency debt.
	A 10% depreciation (appreciation) in the value of the Canadian dollar relative to the U.S. dollar would result in a gain of \$1 million (loss of \$73 million) recognized in net earnings at December 31, 2024 and a gain of \$119 million (loss of \$107 million) recognized in *Other comprehensive income (loss)* at December 31, 2024, with all other variables held constant.
	Refer to the following *Fair value* section for details on our derivative financial instruments.
		• At December 31, 2024, we had outstanding foreign currency forward contracts and options maturing from 2025 to 2027 of \$5.7 billion in U.S. dollars (\$7.8 billion in Canadian dollars) and ₱3.2 billion in Philippine pesos (\$75 million in Canadian dollars), to manage foreign currency risk related to anticipated purchases and certain foreign currency debt
		  • For cash flow hedges relating to anticipated purchases denominated in foreign currencies, changes in the fair value of these derivatives are recognized in our statements of comprehensive income, except for any ineffective portion of the hedging relationship, which is recognized in *Other expense* in the income statements. Realized gains and losses in *Accumulated OCI* are reclassified to the income statements or to the initial cost of the related non-financial asset in the same periods as the corresponding hedged transactions are recognized.
		  • For cash flow hedges relating to our U.S. dollar debt under our commercial paper program and securitization of receivables program, changes in the fair value of these derivatives are recognized in *Other expense* in the income statements and offset the foreign currency translation adjustment on the related debt, except for any portion of the hedging relationship which is ineffective
		  • For economic hedges, changes in the fair value are recognized in *Other expense* in the income statements
		• At December 31, 2024, we had outstanding cross currency interest rate swaps with notional amounts of \$6,550 million in U.S. dollars (\$8,554 million in Canadian dollars) to hedge the U.S. currency exposure of our U.S. Notes maturing from 2032 to 2054
		  • For these cross currency interest rate swaps, changes in the fair value of these derivatives are recognized in our statements of comprehensive income, except for amounts recorded in *Other expense* in the income statements to offset the foreign currency translation adjustment on the related debt and any portion of the hedging relationship which is ineffective
		• At December 31, 2024, we had outstanding cross currency interest rate swaps with a notional amount of \$600 million in U.S. dollars (\$815 million in Canadian dollars) to hedge the U.S. currency exposure of outstanding loans maturing in 2025 and 2026 under our Bell Mobility trade loan agreement
		  • For these cross currency interest rate swaps, changes in the fair value of these derivatives are recognized in our statements of comprehensive income, except for amounts recorded in *Other expense* in the income statements to offset the foreign currency translation adjustment on the related debt and any portion of the hedging relationship which is ineffective

Financial risk	Description of risk	Management of risk and financial statement classification

Interest rate risk	We are exposed to risk on the interest rates of our debt, our post-employment benefit plans and on dividend rate resets on our preferred shares.
	A 1% increase (decrease) in interest rates would result in a loss (gain) of $28 million recognized in net earnings at December 31, 2024, with all other variables held constant.
	Refer to the following *Fair value* section for details on our derivative financial instruments.
		• We use interest rate swaps, cross currency basis rate swaps, cross currency interest rate swaps, forward starting interest rate swaps, amortizing interest rate swaps, interest rate swaptions and interest rate floors to hedge interest rate exposure on existing and/or future debt issuances. We also use leveraged interest rate options to hedge economically the dividend rate resets on preferred shares.
		• At December 31, 2024, we had outstanding interest rate swaps with a notional amount of $700 million to hedge the fair value of our Series M-62 MTN debentures maturing in 2029
		  • For interest rate swaps, changes in the fair value of these derivatives and the related debt are recognized in *Other expense* in the income statements and offset each other, except for any ineffective portion of the hedging relationship
		• At December 31, 2024, we had outstanding interest rate swaps with a notional amount of $250 million to hedge the fair value of our series M-52 MTN debentures maturing in 2030
		  • For interest rate swaps, changes in the fair value of these derivatives and the related debt are recognized in *Other expense* in the income statements and offset each other, except for any ineffective portion of the hedging relationship
		• At December 31, 2024, we had outstanding interest rate swaps with a notional amount of $350 million to hedge the fair value of our series M-57 MTN debentures maturing in 2032
		  • For interest rate swaps, changes in the fair value of these derivatives and the related debt are recognized in *Other expense* in the income statements and offset each other, except for any ineffective portion of the hedging relationship
		• At December 31, 2024, we had outstanding forward starting interest rate swaps, effective from 2025 with a notional amount of $550 million in U.S. dollars ($742 million in Canadian dollars), of which $275 million in U.S. dollars matures in each of 2030 and 2035, to hedge the interest rate exposure on future U.S. dollar debt issuances
		  • For forward starting interest rate swaps, changes in the fair value of these derivatives are recognized in our statements of comprehensive income, except for any ineffective portion of the hedging relationship, which is recognized in *Other expense* in the income statements
		• At December 31, 2024, we had outstanding forward starting interest rate swaps, effective from 2028 with a notional amount of $125 million to hedge the fair value of our series M-59 MTN debentures maturing in 2053
		  • For forward starting interest rate swaps, changes in the fair value of these derivatives and the related debt are recognized in *Other expense* in the income statements and offset each other, except for any ineffective portion of the hedging relationship
		• At December 31, 2024, we had outstanding forward starting interest rate swaps, effective from 2028 with a notional amount of $400 million to hedge the fair value of our series M-61 MTN debentures maturing in 2053
		  • For forward starting interest rate swaps, changes in the fair value of these derivatives and the related debt are recognized in *Other expense* in the income statements and offset each other, except for any ineffective portion of the hedging relationship
		• At December 31, 2024, we had an outstanding amortizing interest rate swap with a notional amount of $123 million to hedge the interest rate exposure on other debt maturing in 2028
		  • For amortizing interest rate swaps, changes in the fair value of these derivatives are recognized in our statements of comprehensive income
		• At December 31, 2024, we had outstanding leveraged interest rate options with a fair value of nil to hedge economically the dividend rate resets on $582 million of our preferred shares which had varying reset dates in 2021 for the periods ending in 2026
		  • For leveraged interest rate options, changes in the fair value of these derivatives are recognized in the income statements in *Other expense*
		• At December 31, 2024, we had outstanding interest rate floors with a notional amount of $350 million to hedge economically the interest cost of our series M-62 MTN debentures maturing in 2029
		  • For interest rate floors, changes in the fair value of these derivatives are recognized in *Other expense* in the income statements
		• For our post-employment benefit plans, the interest rate risk is managed using a liability matching approach, which reduces the exposure of the DB plans to a mismatch between investment growth and obligation growth

Equity price risk	We are exposed to risk on our cash flow related to the settlement of equity settled share-based payment plans. A 5% increase (decrease) in the market price of BCE's common shares would result in a gain (loss) of $18 million recognized in net earnings at December 31, 2024, with all other variables held constant. Refer to the following *Fair value* section for details on our derivative financial instruments.	• At December 31, 2024, we had outstanding equity forward contracts with a fair value net liability of $429 million on BCE's common shares to economically hedge the cash flow exposure related to the settlement of equity settled share-based compensation plans • Changes in the fair value of these derivatives are recorded in the income statements in *Other expense*
Longevity risk	We are exposed to life expectancy risk on our post-employment benefit plans.	• The Bell Canada Pension Plan has an investment arrangement which hedges part of its exposure to potential increases in longevity, which covers approximately $3 billion of post-employment benefit obligations

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Certain fair value estimates are affected by assumptions we make about the amount and timing of future cash flows and discount rates, all of which reflect varying degrees of risk. Income taxes and other expenses that may be incurred on disposition of financial instruments are not reflected in the fair values. As a result, the fair values may not be the net amounts that would be realized if these instruments were settled.

The carrying values of our cash, cash equivalents, short-term investments, trade and other receivables, trade payables and other liabilities, interest payable, dividends payable, notes payable and loans secured by receivables approximate fair value as they are short-term. The carrying value of wireless device financing plan receivables approximates fair value given that their average remaining duration is short and the carrying value is reduced by an allowance for doubtful accounts and an allowance for revenue adjustments. The carrying value of the Bell Mobility trade loans approximates fair value given their average remaining duration is short and they bear interest at a variable rate.

The following table provides the fair value details of other financial instruments measured at amortized cost in the statements of financial position.

			December 31, 2024		December 31, 2023	
	Classification	Fair value methodology	Carrying value	Fair value	Carrying value	Fair value
Debt securities and other debt	Debt due within one year and long-term debt	Quoted market price of debt	**31,247**	**30,885**	29,049	28,225

The following table provides the fair value details of financial instruments measured at fair value in the statements of financial position.

		Fair value			
	Classification	Carrying value of asset (liability)	Quoted prices in active markets for identical assets (level 1)	Observable market data (level 2) (1)	Non-observable market inputs (level 3) (2)
December 31, 2024					
Publicly-traded and privately-held investments (3)	Other non-current assets	**877**	**35**	**–**	**842**
Derivative financial instruments	Other current assets, trade payables and other liabilities, other non-current assets and liabilities	**(368)**	**–**	**(368)**	**–**
Other	Other non-current assets	**225**	**–**	**225**	**–**
December 31, 2023					
Publicly-traded and privately-held investments (3)	Other non-current assets	587	10	–	577
Derivative financial instruments	Other current assets, trade payables and other liabilities, other non-current assets and liabilities	(488)	–	(488)	–
Other	Other non-current assets and liabilities	147	–	216	(69)

(1) *Observable market data such as equity prices, interest rates, swap rate curves and foreign currency exchange rates.*

(2) *Non-observable market inputs such as discounted cash flows and revenue and earnings multiples. For certain privately-held investments, changes in our valuation assumptions may result in a significant change in the fair value of our level 3 financial instruments.*

(3) *Unrealized gains and losses are recorded in* OCI *in the statements of comprehensive income and are reclassified from* Accumulated OCI *to the* Deficit *in the statements of financial position when realized.*

6.6 Credit ratings

Credit ratings generally address the ability of a company to repay principal and pay interest on debt or dividends on issued and outstanding preferred shares.

Our ability to raise financing depends on our ability to access the public equity and debt capital markets, the money market, as well as the bank credit market. Our ability to access such markets and the cost and amount of funding available partly depend on our assigned credit ratings at the time capital is raised. Investment grade credit ratings usually mean that when we borrow money, we can obtain lower interest rates than companies that have ratings lower than investment grade. A ratings downgrade could result in adverse consequences for our funding cost and capacity, and our ability to access the capital markets, the money market and/or bank credit market.

The following table provides BCE's and Bell Canada's credit ratings as at March 6, 2025 from DBRS, Moody's and S&P.

Key credit ratings

	Bell Canada [1]		
March 6, 2025	DBRS	Moody's	S&P
Commercial paper	R-2 (high)	P-2	A-2 (Canadian scale) A-2 (Global scale)
Senior (unsubordinated) long-term debt	BBB (high)	Baa2	BBB
Subordinated long-term debt	BBB (low)	Baa3	BBB-
Junior subordinated long-term debt	BBB (low)	Baa3	BB+
	BCE [1]		
	DBRS	Moody's	S&P
Preferred shares	Pfd-3	–	P-3 (High) (Canadian scale) BB+ (Global scale)

(1) *These credit ratings are not recommendations to buy, sell or hold any of the securities referred to, and they may be revised or withdrawn at any time by the assigning rating agency. Ratings are determined by the rating agencies based on criteria established from time to time by them, and they do not comment on market price or suitability for a particular investor. Each credit rating should be evaluated independently of any other credit rating.*

On August 30, 2024, Moody's downgraded Bell Canada's issuer rating to Baa2 from Baa1, senior long-term debt rating to Baa2 from Baa1 and subordinated long-term debt rating to Baa3 from Baa2. Bell Canada's commercial paper rating was affirmed at P-2. In addition, Moody's downgraded BCE's issuer rating to Baa3 from Baa2. The outlook associated with the Moody's ratings was changed to stable from negative. The downgrades were principally as a result of ongoing debt leverage above Moody's thresholds for the prior ratings. All of these new ratings remain investment grade according to Moody's rating scale with Moody's Baa3 rating representing its last investment grade rating rank.

On September 12, 2024, S&P downgraded the issuer-credit ratings on BCE and its subsidiaries to BBB from BBB+. At the same time, S&P lowered Bell Canada's senior long-term debt rating to BBB from BBB+ and subordinated long-term debt rating to BBB- from BBB. Although Bell Canada's commercial paper rating was affirmed at A-2 on a Global scale, it was downgraded to A-2 from A-1 (Low) on a Canadian national scale. S&P also lowered the ratings on BCE's preferred shares to P3 (High) from P2 (Low), on a Canadian national scale, and to BB+ from BBB-, on a Global scale. The outlook associated with the S&P ratings was changed to stable from negative. The downgrades were principally as a result of ongoing debt leverage above S&P's thresholds for the prior ratings. All of these new ratings on Bell Canada's senior and subordinated debt remain investment grade according to S&P's rating scale with S&P's BBB- rating representing its last investment grade rating rank. Notwithstanding that preferred shares are not debt or credit instruments, the new P3 (High) and BB+ ratings on BCE's preferred shares are considered below an investment grade rating on S&P's rating scale.

On November 5, 2024, DBRS placed all its credit ratings on BCE Inc. and Bell Canada "Under Review with Negative Implications" following BCE's announcement that Bell Canada had entered into an agreement to acquire Ziply Fiber.

On February 18, 2025, Bell Canada issued $2,250 million in U.S. dollars ($3,187 million in Canadian dollars) aggregate principal amount of Junior Subordinated Notes in two series: 1) $1,000 million in U.S. dollars ($1,416 million in Canadian dollars) of 6.875% Fixed-to-Fixed Rate Junior Subordinated Notes, Series A due 2055; and 2) $1,250 million in U.S. dollars ($1,771 million in Canadian dollars) of 7.000% Fixed-to-Fixed Rate Junior Subordinated Notes, Series B due 2055. The payment of principal, interest and other payment obligations under each series of Junior Subordinated Notes is fully, irrevocably and unconditionally guaranteed by BCE Inc. on a junior subordinated basis. The Junior Subordinated Notes are direct and unsecured junior subordinated debt obligations of Bell Canada and, accordingly, are subordinated in right of payment to all present and future indebtedness of Bell Canada (other than indebtedness which by its terms ranks equally with or subordinate to the Junior Subordinated Notes), including being subordinated to Bell Canada's subordinated long-term debt referred to in the above table. DBRS, Moody's and S&P have assigned ratings of BBB (low), Baa3 and BB+, respectively, to the Junior Subordinated Notes. DBRS' and Moody's ratings represent the lowest investment grade ratings according to their respective rating scales. However, S&P's BB+ rating is considered the highest rating below an investment grade rating on S&P's rating scale. Additionally, the DBRS rating on the Junior Subordinated Notes is also "Under Review with Negative Implications".

As of March 6, 2025, BCE's and Bell Canada's credit ratings had stable outlooks from Moody's and S&P.

6.7 Liquidity

This section contains forward-looking statements, including relating to our anticipated capital expenditures, our expected post-employment benefit plans funding, BCE's common share dividend and common share dividend payout policy, and the sources of liquidity we expect to use to meet our 2025 cash requirements. Refer to the section *Caution regarding forward-looking statements* at the beginning of this MD&A.

Available liquidity

Total available liquidity at December 31, 2024 was $4.5 billion, comprised of $1,572 million in cash, $400 million in short-term investments, $700 million available under our securitized receivables program and $1.8 billion available under our $4.0 billion committed revolving and expansion credit facilities (given $2.2 billion of commercial paper outstanding).

In Q4 2024, we increased the committed revolving credit facility from $2.5 billion to $2.7 billion and extended the term to November 2029. We also increased the committed expansion facility from $1 billion to $1.3 billion and extended the term to November 2027.

On November 1, 2024, Bell Canada entered into the Commitment Letter for the $3,700 million in U.S. dollars ($5,324 million in Canadian dollars) Ziply Term Facility that can be drawn to finance the acquisition of Ziply Fiber. Subsequent to year end and pursuant to the terms and conditions of the Commitment Letter, Bell Canada made reductions of $965 million in U.S. dollars ($1,375 million in Canadian dollars) in the aggregate amount of the Commitment Letter, decreasing the commitment thereunder to $2,735 million in U.S. dollars ($3,949 million in Canadian dollars).

We expect that our cash, cash equivalents, short-term investments, amounts available under our securitized receivables program, cash flows from operations and possible capital markets financings will permit us to meet our cash requirements in 2025 for capital expenditures, post-employment benefit plans funding, dividend payments, the payment of contractual obligations, maturing debt, ongoing operations and other cash requirements.

Should our 2025 cash requirements exceed our cash, cash equivalents, short-term investments, cash generated from our operations, and funds raised under capital markets financings and our securitized receivables program, we would expect to cover such a shortfall by drawing under committed credit facilities that are currently in place or through new facilities to the extent available.

In 2025, our cash flows from operations, cash, cash equivalents, short-term investments, capital markets financings, securitized receivables program and credit facilities should give us flexibility in carrying out our plans for business growth, including business acquisitions, as well as for the payment of contingencies.

We continuously monitor our operations, capital markets and the Canadian economy with the objective of maintaining adequate liquidity.

Securitization program

In 2023, we amended our securitization program to add sustainability-linked pricing. The amendment introduces a financing cost that varies based on our performance of certain sustainability performance targets.

The securitization program is recorded as a floating rate revolving loan secured by certain receivables. We continue to service trade receivables and wireless device financing plan receivables under the securitization program, which matures in June 2027 unless previously terminated. The lenders' interest in the collection of these receivables ranks ahead of our interests, which means that we are exposed to certain risks of default on the amounts securitized.

We have provided various credit enhancements in the form of overcollateralization and subordination of our retained interests.

The lenders have no further claim on our other assets if customers do not pay the amounts owed.

As of December 31, 2024, the balance of loans secured by receivables was $1.1 billion in U.S. dollars ($1.6 billion in Canadian dollars) and the total receivable balance collateralized under the program was $3.4 billion. The foreign currency risk on these loans is managed using foreign currency forward contracts. See section 6.5, *Financial risk management* in this MD&A for additional details.

Credit facilities

The table below is a summary of our total bank credit facilities at December 31, 2024.

December 31, 2024	Total available	Drawn	Letters of credit	Commercial paper outstanding	Net available
Committed credit facilities					
Unsecured revolving and expansion credit facilities (1) (2)	4,000	–	–	2,190	1,810
Unsecured term loan facility	5,324	–	–	–	5,324
Unsecured non-revolving credit facilities	641	52	–	–	589
Other	106	–	71	–	35
Total committed credit facilities	10,071	52	71	2,190	7,758
Non-committed credit facilities					
Bell Canada	1,810	–	512	–	1,298
Bell Mobility	863	863	–	–	–
Total non-committed credit facilities	2,673	863	512	–	1,298
Total committed and non-committed credit facilities	12,744	915	583	2,190	9,056

(1) *Bell Canada's $2.7 billion committed revolving credit facility expires in November 2029 and its $1.3 billion committed expansion credit facility expires in November 2027.*

(2) *As of December 31, 2024, Bell Canada's outstanding commercial paper included $1,522 million in U.S. dollars ($2,190 million in Canadian dollars). All of Bell Canada's commercial paper outstanding is included in* Debt due within one year.

Bell Canada may issue notes under its Canadian and U.S. commercial paper programs up to the maximum aggregate principal amount of $3.0 billion in either Canadian or U.S. currency provided that at no time shall such maximum amount of notes exceed $3.5 billion in Canadian currency.

Effective November 22, 2024, the maximum amount of Bell Canada's committed unsecured revolving and expansion credit facilities was increased in the aggregate by $500 million as compared to December 31, 2023. The total amount of the net available committed revolving and expansion credit facilities may be drawn at any time.

On November 1, 2024, Bell Canada entered into the Commitment Letter for the $3,700 million in U.S. dollars ($5,324 million in Canadian dollars) Ziply Term Facility that can be drawn to finance the acquisition of Ziply Fiber. Subsequent to year end and pursuant to the terms and conditions of the Commitment Letter, Bell Canada made reductions of $965 million in U.S. dollars ($1,375 million in Canadian dollars) in the aggregate amount of the Commitment Letter, decreasing the commitment thereunder to $2,735 million in U.S. dollars ($3,949 million in Canadian dollars).

In 2023, Bell Mobility entered into a $600 million U.S. dollar uncommitted trade loan agreement to finance certain purchase obligations. Loan requests were made until April 30, 2024, with each loan having a term of up to 24 months. The loan agreement has been hedged for foreign currency fluctuations.

Some of our credit agreements require us to meet specific financial ratios and to offer to repay and cancel the credit agreement upon a change of control of BCE or Bell Canada. In addition, some of our debt agreements require us to make an offer to repurchase certain series of debt securities upon the occurrence of a change of control event as defined in the relevant debt agreements. We are in compliance with all conditions and restrictions under such agreements.

Supplier finance arrangements

Supplier finance arrangements are agreements whereby a finance provider pays amounts to a participating supplier in respect of invoices owed by BCE and receives the settlement from BCE at a later date. These arrangements have an average term of 5 years, whereas comparable trade payables would have payment terms between 30 and 60 days.

Cash requirements

Capital expenditures

In 2025, our planned capital spending will be focused on our strategic imperatives, reflecting an appropriate level of investment in our networks and services. As a direct result of the CRTC's rejection on February 3, 2025 of a Governor-in-Council request to reconsider its November 2023 decision that provided large carriers temporary wholesale tariffed access to Bell's FTTP network, we expect to reduce our capital expenditures by more than we anticipated would be the case for 2025. Consequently, our near-term fibre build target of 8.3 million locations by the end of 2025 will not be reached.

Post-employment benefit plans funding

Our post-employment benefit plans include DB pension and DC pension plans, as well as other post-employment benefits (OPEBs) plans. The funding requirements of our post-employment benefit plans, resulting from valuations of our plan assets and liabilities, depend on a number of factors, including actual returns on post-employment benefit plan assets, long-term interest rates, plan demographics, and applicable regulations and actuarial standards. Actuarial valuations were last performed for our significant post-employment benefit plans as at December 31, 2023.

We expect to contribute approximately $30 million to our DB pension plans in 2025, subject to actuarial valuations being completed. We expect to contribute approximately $10 million to the DC pension plans and to pay approximately $60 million to beneficiaries under OPEB plans in 2025.

Common share dividend

On February 6, 2025, BCE's Board declared a quarterly dividend of $0.9975 per common share, payable on April 15, 2025 to shareholders of record at the close of business on March 14, 2025. BCE's common share dividend and common share dividend payout policy will continue to be reviewed by BCE's Board. In its review, BCE's Board will consider the competitive, macroeconomic and regulatory environments as well as progress being made on BCE's strategic and operational roadmap.

Contractual obligations

The following table is a summary of our contractual obligations at December 31, 2024 that are due in each of the next five years and thereafter.

At December 31, 2024	2025	2026	2027	2028	2029	Thereafter	Total
Recognized financial liabilities							
Total debt, excluding lease liabilities	2,769	1,988	1,771	2,139	1,490	22,114	32,271
Lease liabilities (1)	1,258	991	493	392	332	2,047	5,513
Notes payable	2,203	–	–	–	–	–	2,203
Loan secured by receivables	1,600	–	–	–	–	–	1,600
Interest payable on long-term debt, notes payable and loan secured by receivables	1,491	1,255	1,213	1,155	1,055	12,037	18,206
Net receipts on cross currency interest rate swaps and interest rate swaps	(64)	(61)	(40)	(40)	(39)	(1,322)	(1,566)
Commitments							
Commitments for property, plant and equipment and intangible assets	1,747	1,133	589	304	307	1,109	5,189
Purchase obligations	711	617	381	257	240	612	2,818
Planned acquisition of Ziply Fiber	7,000	–	–	–	–	–	7,000
Leases committed not yet commenced	6	1	–	–	–	–	7
Total	**18,721**	**5,924**	**4,407**	**4,207**	**3,385**	**36,597**	**73,241**

(1) *Includes imputed interest of $922 million.*

We are also exposed to liquidity risk for financial liabilities due within one year as shown in the statements of financial position.

Our commitments for property, plant and equipment and intangible assets include program and feature film rights and investments to expand and update our networks to meet customer demand.

Purchase obligations consist of contractual obligations under service and product contracts for operating expenditures and other purchase obligations.

On November 4, 2024, BCE announced that Bell Canada had entered into an agreement to acquire Ziply Fiber, the leading fibre Internet provider in the Pacific Northwest of the U.S., for approximately $3.65 billion in U.S. dollars (approximately $5 billion in Canadian dollars) in cash and the assumption of outstanding net debt of approximately $1.45 billion in U.S. dollars (approximately $2 billion in Canadian dollars) to be rolled over at transaction close, representing a transaction value of approximately $5.1 billion in U.S. dollars (approximately $7 billion in Canadian dollars). The transaction is subject to certain customary closing conditions and the receipt of certain regulatory approvals, including the Federal Communications Commission, and approvals by state Public Utilities Commissions and, as such, there can be no assurance that the transaction will ultimately be consummated. The proposed acquisition is expected to close in the second half of 2025.

Our commitments for leases not yet commenced include real estate, OOH advertising spaces and fibre use. These leases are non-cancellable.

Indemnifications and guarantees

As a regular part of our business, we enter into agreements that provide for indemnifications and guarantees to counterparties in transactions involving business dispositions, sales of assets, sales of services, purchases and development of assets, securitization agreements and leases. While some of the agreements specify a maximum potential exposure, many do not specify a maximum amount or termination date.

We cannot reasonably estimate the maximum potential amount we could be required to pay counterparties because of the nature of almost all of these indemnifications and guarantees. As a result, we cannot determine how they could affect our future liquidity, capital resources or credit risk profile. We have not made any significant payments under indemnifications or guarantees in the past.

6.8 Litigation

In the ordinary course of business, we become involved in various claims and legal proceedings seeking monetary damages and other relief. In particular, because of the nature of our consumer-facing business, we are exposed to class actions pursuant to which substantial monetary damages may be claimed. Due to the inherent risks and uncertainties of the litigation process, we cannot predict the final outcome or timing of claims and legal proceedings. Subject to the foregoing, and based on information currently available and management's assessment of the merits of the claims and legal proceedings pending at March 6, 2025, management believes that the ultimate resolution of these claims and legal proceedings is unlikely to have a material and negative effect on our financial statements or operations. We believe that we have strong defences and we intend to vigorously defend our positions.

For a description of important legal proceedings pending at March 6, 2025, please see the section entitled *Legal proceedings* contained in the BCE 2024 AIF.

7 Selected annual and quarterly information

7.1 Annual financial information

The following table shows selected consolidated financial data of BCE for 2024, 2023 and 2022 based on the annual consolidated financial statements, which are prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB). We discuss the factors that caused our results to vary over the past two years throughout this MD&A.

	2024	2023	2022
Consolidated income statements			
Operating revenues			
Service	**21,073**	21,154	20,956
Product	**3,336**	3,519	3,218
Total operating revenues	**24,409**	24,673	24,174
Operating costs	**(13,820)**	(14,256)	(13,975)
Adjusted EBITDA	**10,589**	10,417	10,199
Severance, acquisition and other costs	**(454)**	(200)	(94)
Depreciation	**(3,758)**	(3,745)	(3,660)
Amortization	**(1,283)**	(1,173)	(1,063)
Finance costs			
Interest expense	**(1,713)**	(1,475)	(1,146)
Net return on post-employment benefit obligations	**66**	108	51
Impairment of assets	**(2,190)**	(143)	(279)
Other expense	**(305)**	(466)	(115)
Income taxes	**(577)**	(996)	(967)
Net earnings	**375**	2,327	2,926
Net earnings attributable to:			
Common shareholders	**163**	2,076	2,716
Preferred shareholders	**181**	187	152
Non-controlling interest	**31**	64	58
Net earnings	**375**	2,327	2,926
Net earnings per common share – basic and diluted	**0.18**	2.28	2.98
Ratios			
Adjusted EBITDA margin (%)	**43.4%**	42.2%	42.2%

	2024	2023	2022
Consolidated statements of financial position			
Property, plant and equipment	**30,001**	30,352	29,256
Total assets	**73,485**	71,940	69,329
Debt due within one year (including notes payable and loans secured by receivables)	**7,669**	5,042	4,137
Long-term debt	**32,835**	31,135	27,783
Total non-current liabilities	**41,279**	39,276	35,345
Equity attributable to BCE shareholders	**17,071**	20,229	22,178
Total equity	**17,360**	20,557	22,515
Consolidated statements of cash flows			
Cash flows from operating activities	**6,988**	7,946	8,365
Cash flows used in investing activities	**(4,438)**	(5,781)	(5,517)
Capital expenditures	**(3,897)**	(4,581)	(5,133)
Decrease (increase) in short-term investments	**600**	(1,000)	–
Business acquisitions	**(624)**	(222)	(429)
Business dispositions	**–**	209	52
Spectrum licences	**(531)**	(183)	(3)
Cash flows used in financing activities	**(1,750)**	(1,542)	(2,988)
Issue of common shares	**–**	18	171
Increase (decrease) in notes payable	**1,945**	(646)	111
Increase in securitized receivables	**–**	–	700
Issue of long-term debt	**3,834**	5,195	1,951
Repayment of long-term debt	**(3,303)**	(1,858)	(2,023)
Repurchase of a financial liability	**–**	(149)	–
Cash dividends paid on common shares	**(3,613)**	(3,486)	(3,312)
Cash dividends paid on preferred shares	**(187)**	(182)	(136)
Cash dividends paid by subsidiaries to non-controlling interest	**(68)**	(47)	(39)
Free cash flow	**2,888**	3,144	3,067
Share information			
Weighted average number of common shares (millions)	**912.3**	912.2	911.5
Common shares outstanding at end of year (millions)	**912.3**	912.3	912.0
Market capitalization [1]	**30,398**	47,595	54,255
Dividends declared per common share (dollars)	**3.99**	3.87	3.68
Dividends declared on common shares	**(3,646)**	(3,530)	(3,356)
Dividends declared on preferred shares	**(181)**	(187)	(152)
Closing market price per common share (dollars)	**33.32**	52.17	59.49
Ratios			
Capital intensity (%)	**16.0%**	18.6%	21.2%
Price to earnings ratio (times) [2]	**185.11**	22.88	19.96
Other data			
Number of employees (thousands)	**40**	45	45

(1) *BCE's common share price at the end of the year multiplied by the number of common shares outstanding at the end of the year.*
(2) *Price to earnings ratio is defined as BCE's common share price at the end of the year divided by EPS.*

7.2 Quarterly financial information

The following table shows selected BCE consolidated financial data by quarter for 2024 and 2023. This quarterly information is unaudited but has been prepared on the same basis as the annual consolidated financial statements. We discuss the factors that caused our results to vary over the past eight quarters throughout this MD&A.

	2024				2023			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Operating revenues								
Service	**5,287**	**5,286**	**5,308**	**5,192**	5,348	5,281	5,303	5,222
Product	**1,135**	**685**	**697**	**819**	1,125	799	763	832
Total operating revenues	**6,422**	**5,971**	**6,005**	**6,011**	6,473	6,080	6,066	6,054
Adjusted EBITDA	**2,605**	**2,722**	**2,697**	**2,565**	2,567	2,667	2,645	2,538
Severance, acquisition and other costs	**(154)**	**(49)**	**(22)**	**(229)**	(41)	(10)	(100)	(49)
Depreciation	**(933)**	**(934)**	**(945)**	**(946)**	(954)	(937)	(936)	(918)
Amortization	**(317)**	**(325)**	**(325)**	**(316)**	(299)	(295)	(296)	(283)
Finance costs								
Interest expense	**(431)**	**(440)**	**(426)**	**(416)**	(399)	(373)	(359)	(344)
Net return on post-employment benefit plans	**17**	**16**	**17**	**16**	27	27	27	27
Impairment of assets	**(4)**	**(2,113)**	**(60)**	**(13)**	(109)	–	–	(34)
Other (expense) income	**(103)**	**(63)**	**(101)**	**(38)**	(147)	(129)	(311)	121
Income taxes	**(175)**	**(5)**	**(231)**	**(166)**	(210)	(243)	(273)	(270)
Net earnings (loss)	**505**	**(1,191)**	**604**	**457**	435	707	397	788
Net earnings (loss) attributable to common shareholders	**461**	**(1,237)**	**537**	**402**	382	640	329	725
Net earnings (loss) per common share – Basic and diluted	**0.51**	**(1.36)**	**0.59**	**0.44**	0.42	0.70	0.37	0.79
Weighted average number of common shares outstanding – basic (millions)	**912.3**	**912.3**	**912.3**	**912.3**	912.3	912.3	912.2	912.1
Other information								
Cash flows from operating activities	**1,877**	**1,842**	**2,137**	**1,132**	2,373	1,961	2,365	1,247
Free cash flow	**874**	**832**	**1,097**	**85**	1,289	754	1,016	85
Capital expenditures	**(963)**	**(954)**	**(978)**	**(1,002)**	(1,029)	(1,159)	(1,307)	(1,086)

Fourth quarter highlights

Operating revenues	Q4 2024	Q4 2023	$ change	% change
Bell CTS	**5,681**	5,744	(63)	(1.1%)
Bell Media	**832**	822	10	1.2%
Inter-segment eliminations	**(91)**	(93)	2	2.2%
Total BCE operating revenues	**6,422**	6,473	(51)	(0.8%)

Adjusted EBITDA	Q4 2024	Q4 2023	$ change	% change
Bell CTS	**2,436**	2,419	17	0.7%
Bell Media	**169**	148	21	14.2%
Total BCE adjusted EBITDA	**2,605**	2,567	38	1.5%

Total operating revenues at BCE decreased by 0.8% in the quarter, compared to Q4 2023, driven by lower service revenues of 1.1%, partly offset by higher product revenues of 0.9%. Bell CTS operating revenues decreased by 1.1% year over year, attributable to reduced service revenues of 1.6%, resulting from ongoing voice revenue erosion and lower wireless revenues, mitigated in part by higher data revenues. This decline in revenues was moderated by higher Bell CTS product revenues of 0.9% year over year. Bell Media operating revenues increased by 1.2% year over year, from higher subscriber and advertising revenues.

BCE net earnings increased by 16.1% in Q4 2024, compared to Q4 2023, mainly due to lower impairment of assets, lower other expense, higher adjusted EBITDA and lower income taxes, partly offset by higher severance, acquisition and other costs and higher interest expense.

BCE's adjusted EBITDA grew by 1.5% in Q4 2024, compared to Q4 2023, driven by greater contributions from our Bell Media and Bell CTS segments of 14.2% and 0.7%, respectively. The year-over-year increase in adjusted EBITDA was due to lower operating costs of 2.3%, reflecting cost reduction initiatives, mainly attributable to workforce reductions, cost containment and other operating efficiencies, partly offset by reduced operating revenues. This drove a corresponding adjusted EBITDA margin of 40.6% in Q4 2024, up 0.9 pts over the same period last year, reflecting reduced operating expenses, moderated by lower service revenue flow-through.

Bell CTS operating revenues decreased by 1.1% in Q4 2024, compared to the same period in 2023, due to lower service revenues of 1.6%, moderated by higher product revenues of 0.9%. The decline in service revenues reflected greater acquisition, retention and bundle discounts on wireline residential services, ongoing erosion in voice, and satellite TV services, along with lower IP broadband revenues, as well as continued wireless competitive pricing pressures coupled with lower wireless data overages and outbound roaming revenues. This was partly offset by growth in our mobile phone, connected device, Internet and IPTV subscriber bases along with the flow-through of wireless and residential wireline rate increases, the contribution from small acquisitions made during the past year, and growth in business solutions services revenues. The year-over-year increase in product revenues was driven by higher wireline product revenues, mainly from greater land mobile radio systems sales to the government sector, partly offset by lower wireless product revenues, mainly from reduced consumer electronics sales due to permanent store closures of The Source and conversion to Best Buy Express as part of our distribution partnership with Best Buy Canada, moderated by higher wireless device revenues resulting from a greater sales mix of premium mobile phones.

Bell CTS adjusted EBITDA increased by 0.7% in Q4 2024, compared to Q4 2023, from lower operating costs, partly offset by lower operating revenues. The decline in operating costs of 2.4% was driven by cost reduction initiatives, resulting from workforce reductions, permanent closures of The Source stores as part of our distribution partnership with Best Buy Canada, as well as automation-enabled operating efficiencies, partly offset by greater costs related to small acquisitions made during the past year. Adjusted EBITDA margin of 42.9% in Q4 2024, increased by 0.8 points over Q4 2023, due to reduced operating expenses, moderated by lower service revenue flow-through.

Bell Media operating revenues increased by 1.2% in Q4 2024, compared to the same period last year, driven by higher subscriber and advertising revenues, including growth in digital revenues of 6.3%. Subscriber revenues increased by 2.0% year over year, due to higher streaming revenues mainly from Crave and sports, partly offset by a retroactive adjustment in Q4 2023 related to a contract with a Canadian TV distributor and lower year-over-year BDU subscribers. Advertising revenues increased by 0.4% year over year, due to higher OOH revenues from the acquisition of OUTEDGE in June 2024, and stronger sports specialty TV performance, partly offset by continued lower demand for traditional broadcast TV advertising.

Bell Media adjusted EBITDA grew by 14.2% in Q4 2024, compared to the same period last year, driven by higher operating revenues and lower operating costs. The decrease in operating costs of 1.6% reflected the favourable impact of restructuring initiatives undertaken over the past year as a result of the unfavourable economic and broadcasting regulatory environments and lower content costs, partly offset by greater costs related to the acquisition of OUTEDGE.

BCE capital expenditures of $963 million in Q4 2024, decreased by $66 million or 6.4% year over year, corresponding to a capital intensity ratio of 15.0%, down 0.9 pts over the same period last year, mainly driven by lower spending in Bell CTS of $68 million, in line with a planned reduction in capital spending, primarily driven by slower FTTP footprint expansion, regulatory decisions that discourage network investment, and the realization of efficiencies from prior investments in digital transformation initiatives.

BCE severance, acquisition and other costs of $154 million in Q4 2024 increased by $113 million, compared to Q4 2023, mainly due to higher severance costs related to involuntary and voluntary employee terminations, partly offset by lower acquisition and other costs.

BCE depreciation of $933 million in Q4 2024 decreased by $21 million, year over year, mainly due to a lower asset base.

BCE amortization of $317 million in Q4 2024 increased by $18 million, year over year, mainly due to a higher asset base.

BCE interest expense of $431 million in Q4 2024 increased by $32 million, compared to Q4 2023, mainly due to higher average debt balances, partly offset by lower interest rates.

BCE impairment of assets of $4 million in Q4 2024 decreased by $105 million, compared to Q4 2023, mainly due to impairment charges for French TV channels within our Bell Media segment in 2023.

BCE other expense of $103 million in Q4 2024 decreased by $44 million, year over year, mainly due to lower losses on our equity investments in associates and joint ventures which included a loss on BCE's share of an obligation to repurchase at fair value the minority interest in MLSE in 2023 and higher interest income, partly offset by higher net mark-to-market losses on derivatives used to economically hedge equity settled share-based compensation plans.

BCE income taxes of $175 million in Q4 2024 decreased by $35 million, compared to Q4 2023, mainly due to lower taxable income.

BCE net earnings attributable to common shareholders of $461 million in Q4 2024, or $0.51 per share, were higher than the $382 million, or $0.42 per share, reported in Q4 2023. The year-over-year increase was mainly due to lower impairment of assets, lower other expense, higher adjusted EBITDA and lower income taxes, partly offset by higher severance, acquisition and other costs and higher interest expense. Adjusted net earnings increased to $719 million in Q4 2024, compared to $691 million in Q4 2023, and adjusted EPS increased to $0.79 from $0.76 in Q4 2023.

BCE cash flows from operating activities was $1,877 million in Q4 2024 compared to $2,373 million in Q4 2023. The decrease was mainly attributed to lower cash from working capital, higher interest paid and higher income taxes paid, partly offset by higher EBITDA.

BCE free cash flow generated in Q4 2024 was $874 million, compared to $1,289 million in Q4 2023. The decrease was mainly attributable to lower cash flows from operating activities, excluding cash from acquisition and other costs paid, partly offset by lower capital expenditures.

Seasonality considerations

Some of our revenues and expenses vary slightly by season, which may impact quarter-to-quarter financial results.

Wireless service and product revenues are influenced by the timing of new mobile device launches and seasonal promotional periods, such as back-to-school, Black Friday and the Christmas holiday period, as well as the level of overall competitive intensity. Because of these seasonal effects, subscriber additions and retention costs due to device upgrades related to contract renewals are typically higher in the third and fourth quarters. For ARPU, historically we have experienced seasonal sequential increases in the second and third quarters, due to higher levels of usage and roaming in the spring and summer months, followed by historical seasonal sequential declines in the fourth and first quarters. However, this seasonal effect on ARPU has moderated, as unlimited and larger capacity data options and North America wide plans have become more prevalent, resulting in less variability in chargeable data usage.

Wireline service and product revenues tend to be higher in the fourth quarter because of historically higher data and equipment product sales to business customers. However, this may vary from year to year depending on the strength of the economy and the presence of targeted sales initiatives, which can influence customer spending. Home Phone, TV and Internet subscriber activity is subject to modest seasonal fluctuations, attributable largely to residential moves during the summer months and the back-to-school period in the third quarter. Targeted marketing efforts conducted during various times of the year to coincide with special events or broad-based marketing campaigns also may have an impact on overall wireline service and product revenues.

Bell Media revenue and related expenses from TV and radio broadcasting are largely derived from the sale of advertising, the demand for which is affected by prevailing economic conditions as well as cyclical and seasonal variations. Seasonal variations in video are driven by the strength of TV ratings, particularly during the fall programming season, major sports league seasons and other special sporting events such as the Olympic Games, National Hockey League (NHL) and NBA playoffs and FIFA World Cup soccer, as well as fluctuations in consumer retail activity during the year.

8 Regulatory environment

8.1 Introduction

This section describes certain legislation that governs our business and provides highlights of recent regulatory initiatives and proceedings, government consultations and government positions that affect us, influence our business and may continue to affect our ability to compete in the marketplace. Bell Canada and several of its direct and indirect subsidiaries, including Bell Mobility, Bell ExpressVu Limited Partnership (ExpressVu), Bell Media, NorthernTel, Limited Partnership (NorthernTel), Télébec, Limited Partnership (Télébec), Group Maskatel Québec LP (Maskatel) and Northwestel, are governed by the *Telecommunications Act*, the *Broadcasting Act*, the *Radiocommunication Act* and/or the *Bell Canada Act*. Our business is affected by regulations, policies and decisions made by various regulatory agencies, including the CRTC, a quasi-judicial agency of the Government of Canada responsible for regulating Canada's telecommunications and broadcasting industries, and other federal government departments, in particular ISED and the Competition Bureau.

In particular, the CRTC regulates the prices we can charge for retail telecommunications services when it determines there is not enough competition to protect the interests of consumers. The CRTC has determined that competition is sufficient to grant forbearance from retail price regulation under the *Telecommunications Act* for the vast majority of our retail wireline and wireless telecommunications services. The CRTC can also mandate the provision of access by competitors to our wireline and wireless networks and the rates we can charge them. Notably, it currently mandates wholesale high-speed access for wireline broadband as well as domestic wireless roaming services and a wholesale facilities-based MVNO access service. Lower mandated wholesale rates or the imposition of unfavourable terms for mandated services would undermine our incentives to invest in network improvements and extensions, limit our flexibility, influence the market structure, improve the business position of our competitors, limit network-based differentiation of our services and negatively impact the financial performance of our businesses. Our TV distribution and our TV and radio broadcasting businesses are subject to the *Broadcasting Act* and are, for the most part, not subject to retail price regulation.

Although most of our retail services are not price-regulated, government agencies and departments such as the CRTC, ISED, Canadian Heritage and the Competition Bureau continue to play a significant role in regulatory matters such as establishing and modifying regulations for mandatory access to networks, spectrum auctions, the imposition of consumer-related codes of conduct, approval of acquisitions, broadcast and spectrum licensing, foreign ownership requirements, privacy and cybersecurity obligations, and control of copyright piracy. Adverse decisions by governments or regulatory agencies, increasing regulation or a lack of effective anti-piracy remedies could have negative financial, operational, reputational or competitive consequences for our business.

8.2 Telecommunications Act

The *Telecommunications Act* governs telecommunications in Canada. It defines the broad objectives of Canada's telecommunications policy and provides the Government of Canada with the power to give general direction to the CRTC on any of its policy objectives. It applies to several of the BCE group of companies and partnerships, including Bell Canada, Bell Mobility, NorthernTel, Télébec, Maskatel and Northwestel.

Under the *Telecommunications Act*, all facilities-based telecommunications service providers in Canada, known as telecommunications common carriers (TCCs), must seek regulatory approval for all telecommunications services, unless the services are exempt or forborne from regulation. Most retail services offered by the BCE group of companies are forborne from retail regulation. The CRTC may exempt an entire class of carriers from regulation under the *Telecommunications Act* if the exemption meets the objectives of Canada's telecommunications policy. In addition, a few large TCCs, including those in the BCE group, must also meet certain Canadian ownership requirements. BCE monitors and periodically reports on the level of non-Canadian ownership of its common shares.

Review of mobile wireless services

On April 15, 2021, the CRTC released a decision, requiring Bell Mobility, Rogers Communications Canada Inc., Telus Communications Inc. and SaskTel to provide MVNO access to their networks to regional wireless carriers to allow them to operate as MVNOs in ISED Tier 4 spectrum licence areas where they own spectrum. While the terms and conditions for MVNO access would be established in tariffs to be approved by the CRTC, the rate for MVNO access would not be subject to the CRTC tariff regime but instead be commercially negotiated between the parties with final offer arbitration (FOA) by the CRTC as a recourse if negotiations fail. The CRTC indicated that the mandated access service is intended to be a temporary measure and will, in the absence of certain implementation delays, be phased out seven years from the date tariffed terms and conditions are finalized. In the decision, the CRTC has also required Bell Mobility, Rogers Communications Canada Inc. and Telus Communications Inc. to provide seamless handoffs as part of the CRTC's existing mandated domestic roaming service and has confirmed that its mandatory roaming obligations apply to 5G. On July 14, 2021, Bell Mobility, Rogers Communications Canada Inc., Telus Communications Inc. and SaskTel filed proposed tariff terms and conditions for the mandated MVNO access service and Bell Mobility, Rogers Communications Canada Inc. and Telus Communications Inc. filed proposed amendments to their mandated roaming tariffs to reflect the CRTC's determinations. On April 6, 2022, the CRTC issued a decision on the mandated roaming tariffs in which it directed Bell Mobility, Rogers Communications Canada Inc. and Telus Communications Inc. to make specified changes to their tariffs by April 21, 2022, for CRTC approval.

On October 19, 2022, the CRTC issued a decision in which it made certain determinations regarding the terms and conditions of the proposed MVNO tariffs previously filed by Bell Mobility, Rogers Communications Canada Inc., Telus Communications Inc. and SaskTel, and directed them to file revised tariffs reflecting these determinations within 30 days. In the decision, the CRTC directed Bell Mobility, Rogers Communications Canada Inc., Telus Communications Inc. and SaskTel to offer MVNO access service to regional carriers with a home radio access network

(RAN) and core network actively offering mobile wireless services commercially to retail customers in Canada, and confirmed that similar terms and conditions related to seamless handoffs and 5G in the domestic roaming tariffs should apply to the mandated MVNO tariffs. The CRTC required Bell Mobility, Rogers Communications Canada Inc., Telus Communications Inc. and SaskTel to begin accepting requests for MVNO access from regional wireless carriers from the date of the decision. Bell Mobility is required to provide access to the mandated MVNO service in all provinces (excluding Saskatchewan) and in the three territories. It is unclear at this time what impact, if any, the measures set out in this decision could have on our business and financial results, and our ability to make investments at the same levels as we have in the past. In Q3 2023, we began providing MVNO access service on Bell Mobility's network in certain regions and expect that use of the service on our network by our wholesale customers will continue to expand in the future.

On July 13, 2023, the CRTC accepted a request from Québecor Media Inc. to initiate FOA in respect of rates for MVNO access service from Bell Mobility. On October 10, 2023, the CRTC issued a decision selecting the rate proposed by Bell Mobility. On December 15, 2023, Québecor Media Inc. filed a Part 1 application seeking the CRTC's intervention in determining the start date for the MVNO access service from Bell Mobility, alleging Bell Mobility had improperly denied Québecor Media Inc. access subsequent to the release of the CRTC's FOA decision. On August 29, 2024, the CRTC denied Québecor Media Inc.'s application and set September 12, 2024 as the start date for Bell Mobility's MVNO access service, directing the parties to enter into an MVNO access agreement by such date. Consistent with the CRTC's decision, the parties entered into an MVNO access agreement as of September 12, 2024 under which Québecor Media Inc. is now receiving MVNO access from Bell Mobility.

On November 27, 2024, Québecor Media Inc. filed another Part 1 application asking the CRTC to review and vary its previous decision. Québecor Media Inc. requested that the CRTC order Bell Mobility to reimburse them for the difference between the roaming fees charged to Québecor Media Inc. from October 11, 2023 to September 12, 2024, and the amount Québecor Media Inc. would have been charged had the MVNO access rate been applied from October 11, 2023. On January 20, 2025, Bell Mobility submitted its response, asking the CRTC to deny Québecor Media Inc.'s application because it did not meet the CRTC's established test for a review of the decision.

The CRTC previously accepted a joint request for FOA from Rogers Communications Canada Inc. and Québecor Media Inc. On July 24, 2023, the CRTC issued a decision selecting the rate proposed by Québecor Media Inc. In the decision, the CRTC made a number of findings or determinations that indicate a continued trend toward downplaying the importance of incentives for investment in telecommunications networks in Canada. While the CRTC's determination in Bell Mobility's FOA with Québecor Media Inc. appears to have moderated this approach by highlighting the importance of providing a return on investment to facilities-based carriers, adverse regulatory decisions such as the Rogers Communications Canada Inc. and Québecor Media Inc. FOA decision are expected to impact the specific nature, magnitude, location and timing of our future wireless and wireline investment decisions. On August 23, 2023, Rogers Communications Canada Inc. sought leave to appeal the CRTC's FOA decision with the Federal Court of Appeal. On August 16, 2024, the Federal Court of Appeal granted Rogers Communications Canada Inc.'s application.

CRTC examination of retail rates for international roaming

On October 7, 2024, the CRTC issued a letter to each of Bell Mobility, Rogers Communications Canada Inc. and Telus Communications Inc. indicating that following a review it had conducted of fees that Canadians pay when they travel internationally, it had certain concerns with respect to the choice available to Canadians when roaming and roaming rates. The CRTC indicated that it expected Bell Mobility, Rogers Communications Canada Inc. and Telus Communications Inc. to report back to the CRTC by November 4, 2024 on the steps they are taking to respond to these concerns and that if it determines that sufficient action is not taken, it will launch a formal proceeding. Each of the three carriers filed their responses on November 4, 2024 setting out their plans to the CRTC. While the timing and outcome of any further CRTC process regarding our international roaming rates is currently unknown and it is unclear what impact, if any, such a process could have, any action by the CRTC to regulate the rates or attributes of the international roaming offerings of wireless carriers is likely to have a negative impact on our business and financial results.

Review of wholesale FTTN high-speed access service rates

As part of its ongoing review of wholesale Internet rates, on October 6, 2016, the CRTC significantly reduced, on an interim basis, some of the wholesale rates that Bell Canada and other major providers charge for access by third-party Internet resellers to FTTN or cable networks, as applicable. On August 15, 2019, the CRTC further reduced the wholesale rates that Internet resellers pay to access network infrastructure built by facilities-based providers like Bell Canada, with retroactive effect to March 2016.

The August 2019 decision was stayed, first by the Federal Court of Appeal and then by the CRTC, with the result that it never came into effect. In response to review and vary applications filed by each of Bell Canada, five major cable carriers (Cogeco Communications Inc., Eastlink, Rogers Communications Canada Inc., Shaw and Vidéotron Ltd.) and Telus Communications Inc., the CRTC issued Decision 2021-181 on May 27, 2021, which mostly reinstated the rates prevailing prior to August 2019 with some reductions to the Bell Canada rates with retroactive effect to March 2016. As a result, in the second quarter of 2021, we recorded a reduction in revenue of $44 million in our consolidated income statements.

While there remains a requirement to refund monies to third-party Internet resellers, the establishment of final wholesale rates that are similar to those prevailing since 2019 reduces the impact of the CRTC's long-running review of wholesale Internet rates. In a Federal Court of Appeal order dated September 15, 2021, the largest reseller, TekSavvy Solutions Inc., obtained leave to appeal the CRTC's decision of May 27, 2021 before the Federal Court of Appeal. On July 22, 2024, the Federal Court of Appeal issued a decision rejecting TekSavvy Solutions Inc.'s appeal of Decision 2021-181 pursuant to which the CRTC had, in May 2021, mostly reinstated wholesale Internet rates prevailing prior to August 2019. On September 30, 2024, TekSavvy Solutions Inc. sought leave to appeal that decision to the Supreme Court of Canada.

The decision was also challenged in three petitions brought by TekSavvy Solutions Inc., Canadian Network Operators Consortium Inc. and National Capital Freenet before Cabinet but, on May 26, 2022, Cabinet announced it would not alter the decision.

Review of the wholesale high-speed access service framework

On March 8, 2023, the CRTC launched a consultation, TNC 2023-56, to review the wholesale high-speed access framework.

On November 6, 2023, in Telecom Decision CRTC 2023-358 (the Interim Decision), the CRTC determined that aggregated access to Bell Canada's FTTP facilities in Ontario and Québec should be mandated on a temporary and expedited basis, and the CRTC set interim access rates.

The imposition of an interim aggregated access to FTTP facilities obligation has undermined Bell Canada's incentives to invest in next-generation wireline networks. In February 2024, Bell Canada announced its intention to reduce capital expenditures by over $1 billion over 2024 and 2025 combined, including a minimum of $500 million in 2024, as a result of federal government policies and the Interim Decision. Bell Canada is currently ahead of plan having achieved nearly 70% of that objective by the end of 2024.

On February 2, 2024, Bell Canada filed an appeal of the Interim Decision to the Governor-in-Council, and on November 6, 2024, the Governor-in-Council issued an order referring the Interim Decision back to the CRTC to reconsider, no later than 90 days after November 6, 2024, whether Bell Canada, Rogers Communications Canada Inc. and Telus Communications Inc. and their affiliates should be prohibited from using aggregated FTTP services in Ontario and Québec further to tariffs approved by the CRTC. In an application for judicial review to the Federal Court dated December 4, 2024, Telus Communications Inc. has sought an order quashing the order of the Governor-in-Council. In a February 3, 2025 decision, the CRTC determined that it would not vary the Interim Decision and would instead rule on the issue of whether Bell Canada, Rogers Communications Canada Inc. and Telus Communications Inc. and their affiliates should be prohibited from using tariffed wholesale high-speed access services by summer 2025. As a result of the CRTC's February 3, 2025 decision, our near-term fibre build target of 8.3 million locations by the end of 2025 will not be reached.

On August 13, 2024, in Telecom Regulatory Policy CRTC 2024-180 (the Final Decision), the CRTC mandated that the interim obligation to provide wholesale aggregated access to Bell Canada's FTTP facilities in Ontario and Québec, and to Telus Communications Inc.'s FTTP facilities in Québec, would be made final. Further, the Final Decision expanded the geographic scope of the Interim Decision such that Bell Canada is required to provide wholesale aggregated access to its FTTP facilities in Atlantic Canada and Manitoba by February 13, 2025. Telus Communications Inc. and SaskTel are also required to provide aggregated access to their respective FTTP facilities in Alberta, British Columbia, and Saskatchewan by the same date. This obligation does not apply to any new FTTP networks that Bell Canada, Telus Communications Inc., or SaskTel make available at retail during the five-year period between August 13, 2024 and August 12, 2029. However, this five-year period is not a continuously rolling period. Instead, all new FTTP locations, regardless of when they are made available at retail, will be subject to a wholesale aggregated access obligation as of August 12, 2029. Under the Final Decision, cable companies are exempt from wholesale FTTP obligations and, as such, are not required to provide wholesale access to their FTTP networks. Also, under the Final Decision, Bell Canada, SaskTel, Telus Communications Inc., Cogeco Communications Inc., Eastlink, Rogers Communications Canada Inc., Québecor Media Inc., and their respective affiliates are not eligible to buy mandated aggregated wholesale high-speed access, whether over copper, coaxial cable, or FTTP, within their traditional incumbent wireline footprints. As a result, Distributel and other Bell Canada brands were required to, and did, cease reselling wholesale high-speed access over coaxial cable to new customers after September 12, 2024.

At this point, Bell Canada is still assessing the impact of the Final Decision. On October 25, 2024, in Telecom Order CRTC 2024-261, the CRTC updated interim rates for Ontario and Québec and set interim rates for the other provinces. If final rates are established that are different from the interim rates, there is a risk they will be applied retroactively.

Several parties, including the Competitive Network Operators of Canada, Cogeco Communications Inc., Eastlink, Rogers Communications Canada Inc. and TekSawy Solutions Inc. have filed Part 1 applications asking the CRTC to review and vary several aspects of the Final Decision. The CRTC has consolidated these Part 1 applications, and the record of the consolidated proceeding closed on February 13, 2025.

In a motion dated September 12, 2024, SaskTel has sought leave to appeal the Final Decision to the Federal Court of Appeal. The Competitive Network Operators of Canada, Cogeco Communications Inc., Eastlink and SaskTel have also filed a joint appeal of the Final Decision to the Governor-in-Council. The Governor-in-Council must decide on this appeal on or before August, 13, 2025.

The maintenance, on a permanent basis, of an aggregated access to FTTP facilities obligation, particularly if Telus Communications Inc. and Rogers Communications Canada Inc. are eligible to use aggregated FTTP services in Ontario and Québec, would undermine Bell Canada's incentive to invest in next-generation wireline networks and would be expected to adversely impact our financial results.

Review of the CRTC's regulatory framework for Northwestel

On January 16, 2025, the CRTC issued a decision in its proceeding to review the regulatory framework for Northwestel and the state of telecommunications services in Canada's North. The decision imposed a number of obligations on Northwestel, including obligations to provide automatic bill credits for lengthy Internet outages and to make certain changes to Northwestel's existing wholesale transport service. The CRTC did not impose new wholesale access obligations on Northwestel and did not mandate rate reductions. The CRTC did announce that it would introduce a new retail Internet subsidy to improve affordability in the Far North, to be funded by the National Contribution Fund. On January 16, 2025, the CRTC initiated a new proceeding (TNC 2025-10) to consider the implementation details of that subsidy, including the amount.

Implementing a retail Internet service subsidy in the Far North

On January 16, 2025, the CRTC issued a decision in its proceeding to review the regulatory framework for Northwestel and the state of telecommunications services in Canada's North. In this decision, the CRTC announced that it would introduce a new retail Internet subsidy to improve affordability in the Far North, to be funded by the National Contribution Fund. On January 16, 2025, the CRTC initiated a new proceeding (TNC 2025-10) to consider the implementation details of that subsidy, including the amount. At this time, it is unclear what impact the CRTC's decision in the subsidy proceeding could have on our business and financial results, including any potential incremental increase that BCE may have to pay to the National Contribution Fund as a result.

CRTC review of access to poles

On February 15, 2023, the CRTC issued a decision which included a number of determinations to facilitate access by third parties to poles owned by Canadian carriers or poles to which Canadian carriers control access. Among other directions, the CRTC's decision: establishes new timelines for each step in the pole access permitting process; reduces the obligations of access seekers to pay costs for any pole repairs, upgrades or replacements required to accommodate the addition of the access seeker's equipment; provides access seekers with greater flexibility to carry out pole repairs and upgrades themselves; maintains the circumstances under which pole owners may obtain priority access to poles or reserve capacity for their future use on poles; and imposes new notification and reporting obligations on pole owners. On April 3, 2023, large ILECs, including Bell Canada through Tariff Notices 977 and 978 (TNs 977 and 978), updated their applicable tariffs to incorporate the new determinations and these tariffs were approved by the CRTC on January 28, 2025 through Telecom Order CRTC 2025-21 (Order 2025-21).

On October 16, 2023, Bell Canada filed Tariff Notice 981 (TN 981) to revise the tariff pages for its National Services Tariff (NST) CRTC 7400 Item 901 – Support Structure Service to reflect an updated monthly pole rental rate per unit applicable in its Ontario and Québec serving area, and is awaiting the CRTC's decision on this application. Given the CRTC has yet to provide an interim approval to this application seeking an increase in rate but approved the changes in terms submitted in TNs 977 and 978 on January 28, 2025, Bell Canada will be forced to absorb corrective work costs and process make ready on an accelerated basis at non-compensatory rates until TN 981 is approved or current rates are made interim. This is why Bell recently reiterated its request to the CRTC that its current pole rate in Ontario and Québec be made interim, and on February 27, 2025, Bell submitted motions to the Federal Court of Appeal seeking a stay of, and leave to appeal Order 2025-21.

On February 5, 2024, the CRTC initiated a new consultation, as anticipated in its February 15, 2023 decision, to consider the deployment of wireless facilities, such as small cells, on ILEC-owned or -controlled support structures. The CRTC is examining issues including whether it has jurisdiction over small cell attachments on ILEC-owned poles, and if so, the applicability of existing ILECs' support structure tariffs to wireless facilities and what regulatory changes, if any, are required in connection with the deployment of advanced wireless technologies in Canada. Interventions were filed in this proceeding on April 4, 2024 and final replies were filed on May 6, 2024. At this time, it is unclear what impact the CRTC's decision in this proceeding could have on our business and financial results.

Bill C-26, *An Act Respecting Cyber Security*

On June 14, 2022, the Government of Canada introduced Bill C-26, *An Act Respecting Cyber Security* (ARCS). ARCS would enact the *Critical Cyber Systems Protection Act*, which would establish a regulatory framework requiring designated operators in the finance, telecommunications, energy and transportation sectors to protect their critical cyber systems. Also included in Bill C-26 are proposed changes to the *Telecommunications Act* that would establish new authorities that would enable the Government to take action to promote the security of the Canadian telecommunications system, which could include measures with respect to certain suppliers, such as Huawei and ZTE. If enacted, Bill C-26 would give the federal cabinet and the ISED Minister additional order-making powers and establish an enforcement regime under which the Minister responsible for ISED could impose administrative monetary penalties, among other actions. It is unclear at this time what impact the legislative changes could have on our business and financial results.

On January 6, 2025, Parliament was prorogued until March 24, 2025. As a result, legislation that has not received royal assent, including Bill C-26, is no longer before Parliament. However, the same or similar legislation could be reintroduced in a subsequent session of Parliament.

CRTC proceedings resulting from recent amendments to the *Telecommunications Act*

On November 22, 2024, the CRTC launched three public consultations to consider enhanced measures under the Wireless and Internet Codes to give Canadians more flexibility to choose their mobile and Internet plans: Telecom Notice of Consultation CRTC 2024-293, *Call for Comments – Making it easier to choose a wireless phone or Internet service – Enhancing customer notification*; Telecom Notice of Consultation CRTC 2024-294, *Call for comments – Making it easier to choose a wireless phone or Internet service – Removing barriers to switching plans*; and Telecom Notice of Consultation CRTC 2024-295, *Call for comments – Making it easier to choose a wireless phone or Internet service – Enhancing self-service mechanisms*.

The consultations follow the passing of Bill C-69, *An Act to implement certain provisions of the budget tabled in Parliament on April 16, 2024* (Bill C-69), which received royal assent on June 20, 2024. Bill C-69 includes amendments to the *Telecommunications Act* directing the CRTC to implement certain specific measures related to the arrangements between telecommunications providers and their customers, including prohibiting charging certain extra fees to switch carriers or modify service arrangements. The amendments require the CRTC to specify the type of fees to which the amendments will apply and the rules around how the amendments will be implemented.

On December 4, 2024, the CRTC issued another notice of consultation (TNC 2024-318, *Making it easier for consumers to shop for Internet services*) as a result of recent amendments to the *Telecommunications Act* through Bill C-288, which requires the CRTC to hold public hearings on how Internet service providers (ISPs) should make certain information on fixed broadband services available to the public.

There are separate deadlines for submissions on these consultations over the course of 2025, including an oral proceeding with respect to TNC 2024-318 currently scheduled to commence on June 10, 2025. The timing of any CRTC decision with respect to these proceedings is currently unknown and it is unclear what impact, if any, these proceedings could have on our business and financial results. Any action by the CRTC to regulate the fees charged by carriers, how customers switch between carriers or how ISPs must share information with customers is likely to have a negative impact on our business and financial results as a result of increased operational costs or other negative outcomes.

Canada's telecommunications foreign ownership rules

Under the *Telecommunications Act*, there are no foreign investment restrictions applicable to TCCs that have less than a 10% share of the total Canadian telecommunications market as measured by annual revenues. However, foreign investment in telecommunications companies can still be refused by the government under the *Investment Canada Act*. The absence of foreign ownership restrictions on such small or new entrant TCCs could result in more foreign companies entering the Canadian market, including by acquiring spectrum licences or Canadian TCCs.

8.3 Broadcasting Act

The *Broadcasting Act* outlines the broad objectives of Canada's broadcasting policy and assigns the regulation and supervision of the broadcasting system to the CRTC. Key policy objectives of the *Broadcasting Act* are to protect and strengthen the cultural, political, social and economic fabric of Canada and to encourage the development of Canadian expression.

Most broadcasting activities require a programming or distribution licence from the CRTC. The CRTC may exempt broadcasting undertakings from complying with certain licensing and regulatory requirements if it is satisfied that non-compliance will not materially affect the implementation of Canadian broadcasting policy. A corporation must also meet certain Canadian ownership and control requirements to obtain a programming or distribution licence, and corporations must have the CRTC's approval before they can transfer effective control of a broadcasting licensee.

Our TV distribution operations and our TV and radio broadcasting operations are subject to the requirements of the *Broadcasting Act*, the policies and decisions of the CRTC and their respective broadcasting licences. Any changes in the *Broadcasting Act*, amendments to regulations or the adoption of new ones, or amendments to licences, could negatively affect our competitive position or the cost of providing services.

Bill C-11, *An Act to amend the Broadcasting Act*

On April 27, 2023, Bill C-11, *An Act to amend the Broadcasting Act and to make related and consequential amendments to other Acts*, received royal assent. Key among the amendments in Bill C-11 is the immediate elimination of CRTC Part II Licence Fees whereby the broadcasting industry paid an annual tax of approximately $125 million per year. In addition, foreign online broadcasting undertakings doing business in Canada will be required to contribute to the Canadian broadcasting system in a manner that the CRTC deems appropriate. The specifics of such contributions will be determined through the CRTC's public consultation processes and enforced by way of conditions imposed by the CRTC. The timing and the outcome of the CRTC's consultation processes, the first stage of which was launched on May 12, 2023 (as discussed under *Broadcasting Notice of Consultation CRTC 2023-138* below) is not fully known. Therefore, the impact that these regulatory changes could have on our business and financial results is unclear at this time.

Broadcasting Notice of Consultation CRTC 2023-138

On May 12, 2023, the CRTC issued Broadcasting Notice of Consultation CRTC 2023-138, *The Path Forward – Working towards a modernized regulatory framework regarding the contributions to support Canadian and Indigenous content*. This Notice represents the first step to developing an updated regulatory framework for broadcasting undertakings, including online undertakings. A key part of this new framework is to establish the conditions under which online services would be required to make financial contributions, including initial base contributions, to support the creation and discoverability of Canadian and Indigenous content. It will also determine who the recipients of the initial base contributions will be. The CRTC held a three-week hearing beginning on November 20, 2023 to focus on these issues. On June 4, 2024, the CRTC released its decision, requiring foreign streamers to contribute 5% of their Canadian broadcasting revenue as of September 2024 to certain funds set out by the CRTC. However, Canadian streamers affiliated with a licensed broadcaster (for example, Bell Media's linear Crave service available through cable companies) have been exempted from this requirement until the CRTC reviews the existing regulatory obligations of traditional media properties. Foreign streamers, specifically Amazon.com.ca ULC, Apple Canada Inc., the Motion Picture Association-Canada (which represents Netflix Studios, LLC, Paramount Pictures Corporation, Sony Pictures Entertainment Inc., Universal City Studios LLC, Walt Disney Studios Motion Pictures, and Warner Bros. Entertainment Inc.) and Spotify AB, have each sought leave to appeal and/or judicial review of the CRTC's decision. Each company has challenged various different aspects of the decision, including, in some cases, the reasonableness of the CRTC exempting Canadian streamers affiliated with licensed broadcasters but not exempting foreign streamers. The CRTC continues to launch additional consultations, including on how to support the creation of Canadian and Indigenous content (both audio-visual and audio), as well as diversity, inclusion and discoverability issues (see *Broadcasting Notice of Consultation CRTC 2024-288* and *Broadcasting Notice of Consultation CRTC 2025-52* below). In addition, the CRTC has initiated a consultation on ensuring a sustainable broadcasting system (see *Broadcasting Notice of Consultation CRTC 2025-2* below). As a last step, the CRTC intends to finalize each undertaking's or ownership group's contribution requirements, presumably as part of our group licence renewal. The timing and outcome of all of these proceedings is unknown. Therefore, the impact that these regulatory changes could have on our business and financial results is unclear at this time.

Broadcasting Notice of Consultation CRTC 2024-288

On November 15, 2024, the CRTC issued Broadcasting Notice of Consultation CRTC 2024-288, *The Path Forward – Defining "Canadian Program" and supporting the creation and distribution of Canadian programming in the audio-visual sector*. This consultation will modernize the definition of Canadian content and will also explore the types of expenditures that traditional broadcasting undertakings and online undertakings should make towards this content. The outcome of this proceeding is unknown. Therefore, the impact that these regulatory changes could have on our business and financial results is unclear at this time.

Broadcasting Notice of Consultation CRTC 2025-2

On January 9, 2025, the CRTC issued Broadcasting Notice of Consultation CRTC 2025-2, *The Path Forward – Working towards a sustainable Canadian broadcasting system*. This consultation will examine the market dynamics between programming undertakings, broadcasting distribution undertakings and online undertakings with a view to ensuring that the industry is able to meet the policy objectives set out in the *Broadcasting Act*. This proceeding will also look at all the regulatory tools that both programming undertakings (like Bell Media) and broadcasting distribution undertakings (like Bell TV) use in negotiations with other licensees for the carriage and distribution of programming services. The outcome of this proceeding is unknown. Therefore the impact that any regulatory changes could have on our business and financial results is unclear at this time.

Broadcasting Notice of Consultation CRTC 2025-52

On February 20, 2025, the CRTC issued Broadcasting Notice of Consultation CRTC 2025-52, *The Path Forward – Supporting Canadian and Indigenous audio content*. This consultation seeks to update the definition of what constitutes a Canadian musical selection, i.e., the Music, Artist, Performance, Lyrics (MAPL) system, and to provide a definition of French-language vocal music. In addition, the CRTC intends to explore how radio stations and audio streaming services can support the airplay of emerging artists as well as Indigenous artists, both potentially through exhibition and expenditure requirements. The outcome of this proceeding is unknown. Therefore, the impact that these regulatory changes could have on our business and financial results is unclear at this time.

8.4 Radiocommunication Act

ISED regulates the use of radio spectrum under the *Radiocommunication Act* and *Radiocommunication Regulations* to ensure that radiocommunication in Canada is developed and operated efficiently. All companies wishing to operate radio apparatus in Canada must hold a radio licence or spectrum licence to do so. The *Radiocommunication Regulations* specify those persons (including corporations such as Bell Canada and Bell Mobility) who are eligible to be issued radio licences or spectrum licences.

Consultation on 26, 28 and 38 GHz (Millimeter Wave) spectrum licensing framework

On June 6, 2022, ISED initiated a consultation seeking input regarding a policy and licensing framework to govern the auction and use of spectrum licences in the 26, 28 and 38 Gigahertz (GHz) (Millimeter Wave) spectrum bands. The consultation paper seeks comments on the use of a spectrum set-aside for certain auction bidders, or a spectrum cap across the 26, 28 and 38 GHz spectrum bands. ISED proposes that the auctioned licences will have a 10-year term and that there will be limits on the extent of transferability of licences for the first five years of the licence term. In addition, ISED proposes that licensees will be required to deploy a certain number of sites in each licence area at five and nine and a half years following licence issuance. ISED has not yet indicated a specific date when the auction will take place. The consultation paper also seeks comments on the transition process for existing 38 GHz licensees from fixed to flexible use (i.e., mobile or fixed use), as well as the limitations on the use of 38 GHz spectrum by satellite earth stations. It is unclear what impact the results of this consultation and future related processes could have on our business and financial results.

8.5 Bell Canada Act

Among other things, the *Bell Canada Act* limits how Bell Canada voting shares and Bell Canada facilities may be sold or transferred. Specifically, under the *Bell Canada Act*, the CRTC must approve any sale or other disposal of Bell Canada voting shares that are held by BCE, unless the sale or disposal would result in BCE retaining at least 80% of all of the issued and outstanding voting shares of Bell Canada. Except in the ordinary course of business, the sale or other disposal of facilities integral to Bell Canada's telecommunications activities must also receive CRTC approval.

8.6 Other

Bill C-18, the Online News Act

On June 22, 2023, Bill C-18, *An Act respecting online communications platforms that make news content available to persons in Canada* (the Online News Act), received royal assent. The Online News Act requires digital news intermediaries, such as Google and Meta (until the latter elected to block all news links and thus is no longer subject to the Online News Act), that share news content produced by other news outlets to negotiate commercial arrangements with those news outlets, compensating them for the news content shared on digital platforms. The legislation entitles Bell Media's general news services, such as CTV and Noovo, to compensation. Further details regarding the compensation framework have been set out in regulations that were released on December 15, 2023 (the Regulations). These Regulations clarify that the Online News Act applies to search engines and social media sites that provide access to news content in Canada, provided these platforms earn at least $1 billion in annual global revenue and reach at least 20 million Canadians on a monthly basis. However, the Regulations also allow Google to apply to be exempt from parts of the Online News Act if it commits to pay $100 million annually (growing each year by inflation) to a collective (the Collective) which will then distribute it to eligible news outlets. On June 7, 2024, Google submitted an application for exemption to the CRTC and on October 28, 2024, the CRTC approved a five-year exemption for Google, which required Google to provide payment to the Collective by December 27, 2024. Of the $100 million to be paid by Google, under the Regulations, news outlets that are also private broadcasters, such as CTV and Noovo, cannot receive more than 30% of the overall compensation available (with other news outlets, such as those associated with newspapers and public broadcasters, receiving the rest). While the amount that we will receive has not yet been finalized, we are expecting to receive compensation for the 2024 calendar year in the first half of 2025. Finally, on December 12, 2024, the CRTC established the mandatory bargaining process which would apply between news outlets and digital news intermediaries that are captured by the Online News Act. This framework was necessary for the CRTC to put into place in order to administer the Online News Act. However, while Google retains its exemption, the mandatory bargaining process is not expected to be utilized.

9 Business risks

A risk is the possibility that an event might happen in the future that could have a negative effect on our business, financial condition, liquidity, financial results or reputation. The actual effect of any event could be materially different from what we currently anticipate. The risks described in this 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 materially and adversely affect our business, financial condition, liquidity, financial results or reputation.

This section describes the principal business risks that could have a material adverse effect on our business, financial condition, liquidity, financial results or reputation, and cause actual results or events to differ materially from our expectations expressed in, or implied by, our forward-looking statements. Certain of these principal business risks have already been discussed in other sections of this MD&A, and we refer the reader to those sections for a discussion of such risks. All of the risk discussions set out in the sections referred to in the table below, as well as the risk discussion relating to general economic conditions and geopolitical events set out in Section 3.3, *Principal business risks*, are incorporated by reference in this section 9.

Risks discussed in other sections of this MD&A	Section references
Competitive environment	Section 3.3, *Principal business risks* Section 5, *Business segment analysis* (*Competitive landscape and industry trends* section for each segment)
Regulatory environment	Section 3.3, *Principal business risks* Section 8, *Regulatory environment*
Technology/infrastructure transformation	Section 3.3, *Principal business risks*
Risks specifically relating to our Bell CTS and Bell Media segments	Section 5, *Business segment analysis* (*Principal business risks* section for each segment)

The other principal business risks that could also have a material adverse effect on our business, financial condition, liquidity, financial results or reputation are discussed below.

Customer experience

Our networks   Our customers and relationships   Our products and services

Driving a positive customer experience in all aspects of our engagement with customers is important to avoid brand degradation and other adverse impacts on our business and financial performance

As the bar continues to be raised by customers' evolving expectations of service and value, failure to get ahead of such expectations and build a more robust and consistent service experience at a fair value proposition could hinder product and service differentiation and customer loyalty. The foundation of effective customer service is the ability to deliver high-quality, consistent and simple solutions to customers in an expeditious manner and on mutually agreeable terms. Although we seek to reduce complexity in our operations through our transformation initiatives, we operate with multiple technology platforms, ordering and billing systems, sales channels, marketing databases and a myriad of rate plans, promotions, brands and product offerings, in the context of a large customer base and a workforce that continuously requires to be trained, monitored and replaced, which may limit our ability to respond quickly to market changes and reduce costs, and may lead to customer confusion or billing, service or other errors, which could adversely affect customer satisfaction, acquisition and retention. Media attention to customer complaints could also erode our brand and reputation and adversely affect customer acquisition and retention. In addition, the current global economic environment may bring about further workforce reduction initiatives or limit investments, which could negatively impact the rapidity of our response to customer demands and the overall customer experience.

With the proliferation of connectivity services, apps and devices, customers are accustomed to doing things when, how and where they want through websites, self-serve options, web chat, call centres and social media forums. These customer demands have intensified over the years with the resulting shift to online transactions. We seek to provide the necessary platforms for customers to research, interact, purchase and receive service and to continuously improve our call centre experience and self-serve tools to improve customer service and drive household penetration. Customers' journey is increasingly completed on mobile devices, requiring alignment of websites, customer support platforms and marketing. Understanding the customer relationship as a whole in a multi-product environment and delivering a simple, seamless experience at a fair price is increasingly central to an evolving competitive dynamic. While we have introduced new services and tools, including self-managed solutions, designed to accelerate our customer experience evolution, we are unable to predict whether such services and tools will be sufficient to meet customer expectations. Failure to develop true omni-channel, streamlined and simplified capabilities and improve our customer experience by digitizing and developing a consistent, fast and on-demand end-to-end experience before, during and after sales using new technologies such as AI and machine learning, in parallel with our network evolution, could also adversely affect our business, financial results, reputation and brand value. Such development activities could further be challenged by scarcity of skilled resources in a competitive labour market. In addition, while AI, including the use of customer-facing chatbots, could provide for better, cost effective and convenient customer experiences, we must carefully assess the challenges associated with the use of such technology by us as well as by our competitors, such as the intentional or unintentional misuse of AI tools by our employees or third parties, the provision by our AI systems of inaccurate information about our products or services to our customers, or the existence of an explicit or implicit bias in our AI models. Failure to do so could harm our brand and reputation, cause disruption to our business operations and expose us to customer complaints and litigation.

Customers' perception of our products, services, brand and corporate image is also important. Embracing topics that matter to the stakeholder value proposition, such as ESG practices and the reporting of same, adds an important layer to the customer perception of our company and thus to the overall customer experience. Failure to positively influence customer perceptions through effective communication, including through our use of social media and other communication media or otherwise, could adversely affect our business, financial results, reputation and brand value.

Security management and data governance

Our networks · Our customers and relationships · Our products and services · Our people · Our financial resources

Our operations, service performance, reputation and business continuity depend on how well we protect our physical and non-physical assets, including from information security threats

Our operations, service performance, reputation and business continuity depend on how well we protect our physical and non-physical assets, including networks, IT systems, offices, corporate stores and sensitive information, from events such as information security attacks, unauthorized access or entry, fire, natural disasters, power loss, building cooling loss, acts of war or terrorism, sabotage, vandalism, actions of neighbours and other events. The protection and effective organization of our systems, applications and information repositories are central to the secure and continuous operation of our networks and business, as electronic and physical records of proprietary business and personal data, such as confidential customer and employee information, are all sensitive from a market and privacy perspective.

Information security breaches can result from deliberate or unintended actions by a growing number of sophisticated actors, including hackers, organized criminals, state-sponsored organizations and other parties. Information security attacks have grown in complexity, magnitude and frequency in recent years and the potential for damage is increasing. Information security attacks may be perpetrated using a complex array of ever evolving and changing means including, without limitation, the use of stolen credentials, social engineering, computer viruses and malicious software, phishing and other attacks on network and information systems. Information security attacks aim to achieve various malicious objectives including unauthorized access to, ransom/encryption of, and theft of, confidential, proprietary, sensitive or personal information, as well as extortion and business disruptions.

We are also exposed to information security threats as a result of actions that may be taken by our customers, suppliers, outsourcers, business partners, employees or independent third parties, whether malicious or not, including as a result of the use of social media, cloud-based solutions and IT consumerization. Our use of third-party suppliers and outsourcers and reliance on business partners, which may similarly be subject to information security threats, also expose us to risks as we have less immediate oversight over their IT domains. Furthermore, the introduction of smartphones, 5G, cloud computing and the proliferation of data services, including mobile TV, mobile commerce, mobile banking and IoT applications, as well as increased digitization and the use or misuse of emerging technologies such as AI, robotics and smart contracts leveraging blockchain for digital certification, have significantly increased the threat surface of our networks and systems, resulting in higher complexity that needs to be carefully monitored and managed to minimize security threats. Failure to implement an information security program that efficiently considers relationships and interactions with business partners, suppliers, customers, employees and other third parties across all methods of communication, including social media and cloud-based solutions, could adversely affect our ability to successfully defend against information security attacks.

Changes in behaviour over the past years as well as recent geopolitical events have further increased our exposure to information security threats. Remote work arrangements of our employees and those of our suppliers have increased remote connectivity to our systems and the potential use of unauthorized communications technologies. In addition, we have seen an increase in global criminal activity, which further pressures our security environment.

If information security threats were to become successful attacks resulting in information security breaches, they could harm our brand, reputation and competitiveness, decrease customer and investor confidence and adversely affect our business, financial results, stock price and long-term shareholder value, given that they could lead to:

- Network operating failures and business disruptions, which could negatively impact our ability to sell products and services to our customers and adversely affect their ability to maintain normal business operations and deliver critical services, and/or the ability of third-party suppliers to deliver critical services to us
- Unauthorized access to, and use of, proprietary or sensitive information, which could result in lost revenue, diminished competitive advantages, challenges in retaining or attracting customers after an incident and loss of future business opportunities
- Theft, loss, leak, destruction, encryption, corruption, unauthorized disclosure and unauthorized access to or use of data and confidential information, including personal information about our customers or employees, that could result in financial loss, exposure to claims for damages by customers, employees and others, fines and/or penalties for non-compliance with applicable privacy legislation, extortion threats due to ransomware and difficulty in accessing materials to defend legal actions
- Physical damage to network assets impacting service continuity
- Fines and sanctions for failure to meet legislative requirements or from credit card providers for failing to comply with payment card industry data security standards for protection of cardholder data
- Increased fraud as criminals leverage stolen information against our customers, our employees or our company
- Remediation costs such as liability for stolen information, equipment repair and service recovery, and incentives to customers or business partners in an effort to maintain relationships after an incident

- Increased information security protection costs, including the costs of deploying additional personnel and protection technologies, training and monitoring employees, and engaging third-party security experts and auditors
- Changes in the terms, conditions and pricing of customer, supplier and financial contracts and agreements that we may have

In light of the evolving nature and sophistication of information security threats, our information security policies, procedures and controls must continuously adapt and evolve in order to seek to mitigate risk and, consequently, require constant monitoring to ensure effectiveness. However, given the complexity and scale of our business, network infrastructure, technology and IT supporting systems, there can be no assurance that the security policies, procedures and controls that we implement will be effective against all information security attacks. In addition, there can be no assurance that any insurance we may have will cover all or part of the costs, damages, liabilities or losses that could result from the occurrence of any information security breach.

Failure to implement an effective security and data governance framework could harm our brand and reputation, expose us to regulatory pressure, fines and/or penalties, constrain our competitive opportunities, and adversely affect our business and financial results

To achieve our purpose of advancing how Canadians connect with each other and the world, we must preserve the social licence from our customers and all Canadians to collect and use data in our operations. A strong and consistently applied approach to data governance is critical to maintaining that social licence, requiring us to focus on respecting the privacy of our customers' and employees' data and protecting such data against information security threats. As our operations involve receiving, processing and storing such proprietary business and personal data, effective policies, procedures and controls must be implemented to protect information systems and underlying data in accordance with applicable privacy legislation. Failure to meet customer and employee expectations regarding the appropriate use and protection of their data could have negative reputational, business and financial consequences for the company.

There has also been increased regulatory scrutiny over the use, collection, and disclosure of personal information in Canada. We are subject to various privacy legislation, such as Canada's anti-spam legislation (CASL) and the *Personal Information Protection and Electronic Documents Act*, as well as foreign privacy legislation via the mandatory flow-through of privacy-related obligations by our customers, including the *General Data Protection Regulation* (EU). Global and domestic regulation around privacy and data practices are evolving rapidly and new or amended privacy legislation has been proposed or adopted federally and in a number of Canadian provincial jurisdictions with significant obligations, limitations on the use of personal information, fines and/or penalties and short implementation horizons. Our data governance framework must not only meet applicable privacy requirements, but also be able to evolve for continuous improvement. Effective data governance is also a component of good ESG practices, which are considered an increasingly important measure of corporate performance and value creation.

Failure to implement an effective data governance framework encompassing the protection and appropriate use of data across its life cycle, and incorporating data governance as a core consideration in our business initiatives and technology decisions, could harm our brand, reputation and competitiveness, decrease customer and investor confidence and adversely affect our business and financial results. It could give rise to litigation, investigations, fines and/or penalties and liability for failure to comply with increasingly stringent privacy legislation, as well as increased audit and regulatory scrutiny that could divert resources from business operations.

Operational performance

Our networks | Our products and services | Our financial resources

Our networks and IT systems are the foundation of high-quality consistent services, which are critical to meeting service expectations

Our ability to provide high-quality, consistent, reliable and resilient wireless, wireline and media services to customers in a complex and changing operating environment is crucial for sustained success. It is therefore essential that we continuously refine our operating model in order to meet customer expectations of product and service experience at a desired cost structure.

Network capacity demands for content offerings and other bandwidth-intensive applications on our wireline and wireless networks have been growing at unprecedented rates. Unexpected capacity pressures on our networks may negatively affect our network performance and our ability to provide services. Evolving customer behaviour and their use of our networks, products and services have created increased capacity pressure on certain areas of our wireless, wireline and broadcast media networks, and there can be no certainty that our networks will continue to sustain such increased usage. In addition, we may need to incur significant capital expenditures in order to provide additional capacity and reduce network congestion. Network performance and/or reliability may vary depending on the location and the recent trend for families to move from urban centres to less urbanized areas increases the need to develop and/or enhance our networks in areas that were not previously served or that were underserved.

Customers and other stakeholders expect that we deliver reliable service performance, enabled by our networks and other infrastructure, as well as the networks and other infrastructure of third-party providers on which we rely. Issues relating to network availability, speed, consistency and traffic management on our more current as well as our legacy networks could adversely affect our customers, including by preventing the provisioning of critical services, and could have an adverse impact on our business, reputation and financial performance. Heightened scrutiny by regulatory authorities with respect to network availability could lead to increased identification of non-compliance and increased fines. Furthermore, we may need to manage the possibility of instability in the context of our transformation initiatives, including as we transition towards converged wireline and wireless networks and newer technologies, including software-defined networks leveraging open source software and cloud services. Network failures and slowdowns, whether caused by internal or external forces, human-caused error or threat, or external events, could adversely affect our brand and reputation, subscriber acquisition and retention as well as our financial results. While we invest in the resiliency of our networks and other infrastructure and establish response strategies and business continuity protocols to seek to maintain service consistency, there is no assurance that such investments and protocols will be sufficient to prevent network failure or the failure of other infrastructure, or a disruption in the delivery of our services.

In addition, we currently use a very large number of interconnected internal and third-party operational and business support systems for provisioning, networking, distribution, broadcast management, ordering, billing and accounting, which may hinder our operational efficiency. If we fail to implement, maintain or manage highly effective IT systems supported by an effective governance and operating framework, and implement transformation initiatives to streamline and integrate our processes and systems, this may lead to inconsistent performance and dissatisfied customers, which over time could result in higher churn. It may also limit our cross-sell capabilities across our portfolio of products and services.

Further examples of risks to operational performance that could impact our reputation, business operations and financial performance include the following:

- The current global economic environment as well as geopolitical events may bring about further incremental costs, delays or unavailability of equipment, materials and resources, which may impact our ability to maintain or upgrade our networks in order to accommodate increased network usage and to provide the desired levels of customer service
- Failure to maintain required service delivery amid operational challenges (including those related to targeted cost savings initiatives, flexible work models and the availability of employees with the required skill set) and a transformation of our infrastructure and technology could adversely affect our brand, reputation and financial results
- We may lose sales should we fail to maximize channel efficiencies, which could adversely affect our financial results
- Corporate restructurings, system replacements and upgrades, process redesigns, staff reductions and the integration of business acquisitions may not deliver the benefits contemplated, or be completed when expected, and could adversely impact our ongoing operations
- Failure to streamline our significant IT legacy system portfolio and proactively improve operating performance could adversely affect our business and financial results
- We may experience more service interruptions or outages due to legacy infrastructure. In some cases, vendor support is no longer available or legacy vendor operations have ceased. Copper theft and vandalism to our telecommunications infrastructure may also cause service disruptions and jeopardize community safety.
- An increase in lost-time accident rate by our employees could adversely impact our ongoing operations
- There may be a lack of replacement parts and competent and cost-effective resources to perform the life cycle management and upgrades necessary to maintain the operational status of legacy networks and IT systems
- Climate change increases the probability, frequency, intensity and length of severe weather-related events such as ice, snow and wind storms, wildfires, flooding, extended heat waves, hurricanes, tornadoes and tsunamis, all of which could impact network availability and performance and drive more repairs of network equipment

Our operations and business continuity depend on how well we protect, test, maintain, replace and upgrade our networks, IT systems, equipment and other facilities

Our operations, service performance, reputation, business continuity and strategy depend on how well we and our contracted product and service providers, as well as other telecommunications carriers on which we rely to provide services, protect our or their networks and IT systems, as well as other infrastructure and facilities, from events such as information security attacks, unauthorized access or entry, fire, natural disasters, power loss, building cooling loss, acts of war or terrorism, sabotage, vandalism, actions of neighbours and other events. Climate change, especially in areas of greater environmental sensitivity, could heighten the occurrence of certain of the above-mentioned risks. We must also manage business continuity issues caused by internal sources, including human error, human-caused threats and inefficiencies. Establishing response strategies and business continuity protocols to maintain service consistency if any disruptive event materializes is critical to the achievement of effective customer service. Any of the above-mentioned events, as well as the failure by us, or by other telecommunications carriers on which we rely to provide services, to adequately complete planned and sufficient testing, maintenance, replacement or upgrade of our or their networks, equipment and other facilities, which is, among other factors, dependent on our or their ability to purchase equipment and services from third-party suppliers, could disrupt our operations (including through disruptions such as network and other infrastructure failures, billing errors or delays in customer service), require significant resources and result in significant remediation costs, which in turn could have an adverse effect on our business and financial performance, or impair our ability to keep existing subscribers or attract new ones.

In addition, the current global economic environment as well as geopolitical events may bring about further incremental costs, delays or unavailability of equipment, materials and resources, which could impact our operations and business continuity strategies.

Satellites used to provide our satellite TV services are subject to significant operational risks that could have an adverse effect on our business and financial performance

Pursuant to a set of commercial arrangements between ExpressVu and Telesat Canada (Telesat), we currently have satellites under contract with Telesat. Telesat operates or directs the operation of these satellites, which utilize highly complex technology and operate in the harsh environment of space and are therefore subject to significant operational risks while in orbit. These risks include in-orbit equipment failures, malfunctions and other problems, commonly referred to as anomalies, that could reduce the commercial usefulness of a satellite used to provide our satellite TV services. Acts of war or terrorism, magnetic, electrostatic or solar storms, or space debris or meteoroids could also damage such satellites. Any loss, failure, manufacturing defect, damage or destruction of these satellites, of our terrestrial broadcasting infrastructure or of Telesat's tracking, telemetry and control facilities to operate the satellites could have an adverse effect on our business and financial performance and could result in customers terminating their subscriptions to our satellite TV service.

People

Our people

Attracting, developing and retaining a talented team capable of furthering our strategic imperatives and operational transformation is essential to our success

Our business depends on the efforts, engagement and expertise of our management and non-management employees and contractors, who must be able to operate efficiently and safely based on their responsibilities and the environment in which they are functioning. Demand for highly skilled team members remains a concern, as retiring workers, varying levels of immigration, and an increase in remote-work arrangements allowing more global competition have created an even more competitive marketplace. This emphasizes the importance of developing and maintaining a comprehensive and inclusive human resources strategy and employee value proposition to adequately compete for talent and to identify and secure high-performing candidates for a broad range of job functions, roles and responsibilities. In addition, an appropriately skilled pool of talent (as a result of hiring, insourcing and reskilling) is essential to support evolving business priorities in the context of an ongoing business transformation impacting job nature and skill sets. Our objective to transform our business requires a cultural change and a capacity to evolve, and impacts our recruitment strategy and deployment of resources. We seek to have our employees adapt to new ways of working as traditional telecommunications companies are moving towards flatter work structures, leveraging generative AI, with fewer silos and more cross-functional corporate structures. Failure to attract and appropriately train, motivate, remunerate or deploy employees on initiatives that further our strategic imperatives and operational transformation, or to efficiently replace departing employees, could have an adverse impact on our ability to attract and retain talent and drive performance across the organization. A shortage of skilled labour could negatively affect our ability to implement our strategic priorities, as well as sell our products and services and more generally serve our customers.

Establishing a culture that drives inclusivity, employee engagement, development and progression is essential to attract and retain talent. In addition, employees are typically more engaged at work when their value system aligns with their employer's corporate values. We have strengthened our employee training offerings to support our transformation and we further endeavour to establish and continually enhance programs and provide resources to support team members on a wide range of topics, including mental health services and support. However, failure to establish robust programs and enhance them to further these aspirations could adversely affect our ability to attract and retain team members. Failure to sufficiently address evolving employee expectations related to our culture and value proposition could also adversely affect our ability to attract and retain team members.

Other examples of people-related risks include the following:

- The increasing technical and operational complexity of our businesses and the high demand in the market for skilled resources in strategic areas create a challenging environment for hiring, developing and retaining such skilled resources
- Failure to establish a complete and effective succession plan, including preparation of internal talent and identification of potential external candidates, where relevant, for senior executive and other key roles, could impair our business until qualified replacements are found
- Ensuring the health and safety of our workforce operating in different environments, including manholes, telephone poles, cell towers, vehicles, foreign news bureaus and war zones, and/or in times of pandemic, requires focus, effective processes and flexibility to avoid injury, illness, service interruption, fines and reputational impact
- Potential deterioration in employee morale and engagement resulting from staff reductions, cost reductions or reorganizations could adversely affect our business and financial results

Challenges related to collective agreements could adversely affect our business

Approximately 43% of BCE employees were represented by unions and were covered by collective agreements at December 31, 2024. The positive engagement of members of our team represented by unions is contingent on negotiating collective agreements that deliver competitive labour conditions and uninterrupted service, both of which are critical to achieving our business objectives.

We cannot predict the outcome of collective agreement negotiations. Renewal of collective agreements could result in higher labour costs and be challenging in the context of a declining workload due to transformation, a maturing footprint, improved efficiencies and adverse government or regulatory decisions. If during the bargaining process there were to be project delays and work disruptions, including work stoppages or work slowdowns, this could adversely affect service to our customers and, in turn, our customer relationships and financial performance.

Financial management

Our networks Our products and services Our financial resources

If we are unable to raise the capital we need or generate sufficient cash flows from operating activities, we may need to limit our capital expenditures or our investments in new businesses, or try to raise capital by disposing of assets

Our ability to meet our cash requirements, fund capital expenditures and provide for planned growth depends on having access to adequate sources of capital and on our ability to generate cash flows from operating activities, which is subject to various risks, including those described in this MD&A.

Our ability to raise financing depends on our ability to access the public equity and debt capital markets, the money market, as well as the bank credit market. Our ability to access such markets and the cost and amount of funding available depend largely on prevailing market conditions and the outlook for our business and credit ratings at the time capital is raised.

Risk factors such as capital market disruptions, political, economic and financial market instability in Canada or abroad, government policies, central bank monetary policies, increasing interest rates, changes to bank capitalization or other regulations, reduced bank lending in general or fewer banks as a result of reduced activity or consolidation, could reduce capital available or increase the cost of such capital. In addition, an increased level of debt borrowings could result in lower credit ratings, increased borrowing costs and a reduction in the amount of funding available to us, including through equity offerings. Business acquisitions and our acquisition of wireless spectrum licences could also adversely affect our outlook and credit ratings and have similar adverse consequences. There is no assurance that we will maintain our credit ratings and a ratings downgrade could result in adverse consequences for our funding cost and capacity, and our ability to access the capital markets, money market and/or the bank credit market. In addition, participants in the public capital and bank credit markets have internal policies limiting their ability to invest in, or extend credit to, any single entity or entity group or a particular industry. Finally, with increasing emphasis by the capital markets on ESG performance and reporting, there is a potential for the cost and availability of funding to be increasingly tied to the quality of our ESG practices and related disclosed metrics.

Our bank credit facilities, including credit facilities supporting our commercial paper program, are provided by various financial institutions. While it is our intention to renew certain of such credit facilities from time to time, there is no assurance that these facilities will be renewed on favourable terms or in similar amounts.

Global financial markets have experienced, and could again experience, significant volatility and weakness as a result of market disruptions, including relating to the economy and geopolitical events. The current global economic environment could continue to negatively impact equity and debt capital markets, cause interest rate and currency volatility and movements, and adversely affect our ability to raise financing in the public capital, bank credit and/or commercial paper markets as well as the cost thereof. Additionally, the negative impact of the global economic environment and potential recession, and the levels of inflation and interest rates on our customers' financial condition, could adversely affect our ability to recover payment of receivables from customers and lead to further increases in bad debts, thereby negatively affecting our revenues and cash flows, as well as our position under our securitized receivables program.

Differences between BCE's actual or anticipated financial results and the published expectations of financial analysts, as well as events affecting our business or operating environment, may contribute to volatility in the market price of BCE's securities. A major decline in the capital markets in general, or decrease in the market price or fluctuations in trading volumes of BCE's securities, may negatively affect our ability to raise debt or equity capital, retain senior executives and other key employees, make strategic acquisitions or enter into joint ventures.

If we cannot access the capital we need or generate cash flows to implement our business plan or meet our financial obligations on acceptable terms, we may have to limit our ongoing capital expenditures and our investment in new businesses or try to raise additional capital by selling or otherwise disposing of assets. Any of these could have an adverse effect on our cash flows from operating activities and on our growth prospects.

We cannot guarantee that our dividend payout policy will be maintained or achieved, or that dividends will be maintained or declared

Maintaining or achieving BCE's dividend payout policy, maintaining the BCE common share dividend, as well as the declaration of dividends on any of BCE's outstanding shares, are subject to the discretion of the BCE Board and, consequently, there can be no guarantee that BCE's dividend payout policy will be maintained or achieved, that the dividend on common shares will be maintained or that dividends will be declared on any of BCE's outstanding shares. Maintaining or achieving BCE's dividend payout policy, maintaining dividends and the declaration of dividends by the BCE Board are ultimately dependent on BCE's corporate strategy, operations and financial results which are, in turn, subject to various assumptions and risks, including those set out in this MD&A.

The failure to reduce costs, unexpected increases in costs and the failure to optimize capital spending, could adversely affect our ability to achieve our strategic imperatives and financial guidance

Our objective to lower our cost structure continues to be aggressive with a company-wide focus on cost transformation and reduction, but there is no assurance that we will be successful in reducing costs. Examples of risks to our ability to reduce costs or limit potential cost increases include the following:

- Inflation could continue to result in higher input costs for equipment, products and services, and create increased pressure for wage increases
- Increased costs related to geopolitical events, in particular as they impact our supply chain, could persist for an undetermined period of time
- Increasing or high interest rates could negatively impact our cost of financing
- Our cost reduction objectives require aggressive negotiations with our suppliers and there can be no assurance that such negotiations will be successful or that replacement products or services provided will not lead to operational issues
- As suppliers continue to shorten software life cycles, the cost of seeking to maintain adequate information security solutions increases
- Achieving timely cost reductions while moving to an IP-based network is dependent on disciplined network decommissioning, which can be delayed by customer contractual commitments, regulatory considerations and other unforeseen obstacles
- Failure to contain growing operational costs related to network sites, network performance and resiliency, footprint expansion, spectrum licences, insurance and content and equipment acquisition could have a negative effect on our financial performance
- In addition to the potential impact from the global economic environment and geopolitical events, fluctuations in energy prices are further partly influenced by government policies to address climate change such as carbon pricing which, combined with growing data demand that increases our energy requirements, could increase our energy costs beyond our current expectations
- Failure to successfully deliver on our contractual commitments, whether due to security events, operational challenges or other reasons, may cause us to incur financial penalties and loss of revenues

In addition, as part of our business operations and operational transformation, it is essential that we optimize capital spending and ensure appropriate trade-offs in our capital allocation. However, should we fail to adequately assess investment priorities and optimal trade-offs, our business and financial results could be negatively affected.

We are exposed to various credit, liquidity and market risks

Our exposure to credit, liquidity and market risks, including equity price, interest rate and currency fluctuations, is discussed in section 6.5, *Financial risk management* of this MD&A and in Note 29 to BCE's 2024 consolidated financial statements.

Our failure to identify and manage our exposure to changes in interest rates, foreign exchange rates, BCE's share price and other market conditions could lead to missed opportunities, increased costs, reduced profit margins, cash flow shortages, inability to complete planned capital expenditures, reputational damage, equity and debt securities devaluations, and challenges in raising capital on market-competitive terms.

The failure to evolve practices to effectively monitor and control fraudulent activities could result in financial loss and brand degradation

As a public company with a range of desirable and valuable products and services and a large number of employees, BCE requires a disciplined program covering governance, exposure identification and assessment, prevention, detection and reporting that considers corruption, misappropriation of assets and intentional manipulation of financial statements by employees and/or external parties. The current global economic environment could further lead to increased fraud activities, which could result in financial loss and brand degradation.

Specific examples relevant to us include:

- Copyright theft and other forms of unauthorized use that undermine the exclusivity of Bell Media's content offerings, which could divert users to unlicensed or otherwise illegitimate platforms, thus impacting our ability to derive distribution and advertising revenues
- Unauthorized individuals taking over an account owner's online account without their permission in order to gain access to wireless products and goods via various means (social engineering, phishing, smishing, etc.)
- Subscription fraud where fraudsters use their own, a stolen or a synthetic identity to obtain mobile devices and services with no intention to pay
- Network usage fraud such as call/sell operations using our wireline or wireless networks or incidents related to network components such as copper theft
- Ongoing efforts to steal the services of TV distributors, including Bell Canada and ExpressVu, through compromise or circumvention of signal security systems, causing revenue loss
- Organized criminal activities targeting and seizing high value inventory

Income and commodity tax amounts may materially differ from the expected amounts

Our complex business operations are subject to various tax laws. The adoption of new tax laws, or regulations or rules thereunder, or changes thereto or in the interpretation thereof, could result in higher tax rates, new taxes or other adverse tax implications. In addition, while we believe that we have adequately provided for all income and commodity taxes based on all of the information that is currently available, the calculation of income taxes and the applicability of commodity taxes in many cases require significant judgment in interpreting tax rules and regulations. Our tax filings are subject to government audits that could result in material changes to the amount of current and deferred income tax assets and liabilities and other liabilities and could, in certain circumstances, result in an assessment of interest and penalties.

A number of factors could impact our financial statements and estimates

We base our estimates on a number of factors, including but not limited to historical experience, current events, and actions that the company may undertake in the future, as well as other assumptions that we believe are reasonable under the circumstances. A change in these assumptions may have an impact on our financial statements including but not limited to impairment testing, fair value determination, expected credit losses and discount rates used for the present value of cash flows. By their nature, these estimates and judgments are subject to measurement uncertainty and actual results could differ.

The economic environment, pension rules or ineffective governance could have an adverse effect on our pension obligations, and we may be required to increase contributions to our post-employment benefit plans

With a large pension plan membership and DB pension plans that are subject to the pressures of the global economic environment and changing regulatory and reporting requirements, our pension obligations are exposed to potential volatility. Failure to recognize and manage economic exposure and pension rule changes, or to ensure that effective governance is in place for the management and funding of pension plan assets and obligations, could have an adverse impact on our liquidity and financial performance.

The funding requirements of our post-employment benefit plans, based on valuations of plan assets and obligations, depend on a number of factors, including actual returns on post-employment benefit plan assets, long-term interest rates, inflation, plan demographics including longevity, and applicable regulations and actuarial standards. Changes in these factors, including changes caused by the current global economic environment and recent geopolitical events, could cause future contributions to significantly differ from our current estimates, require us to increase contributions to our post-employment benefit plans in the future and, therefore, have a negative effect on our liquidity and financial performance.

There is no assurance that the assets of our post-employment benefit plans will earn their assumed rate of return. A substantial portion of our post-employment benefit plans' assets is invested in public and private equity and debt securities. As a result, the ability of our post-employment benefit plans' assets to earn the rate of return that we have assumed depends significantly on the performance of capital markets. Market conditions also impact the discount rate used to calculate our pension plan solvency obligations and could therefore also significantly affect our cash funding requirements.

The expected timing and completion of the proposed dispositions of Northwestel and BCE's ownership stake in MLSE, as well as the planned access by Bell Media to content rights for the Toronto Maple Leafs and Toronto Raptors for the next 20 years, are subject to closing conditions and other risks and uncertainties

Proposed disposition of Northwestel

The expected timing and completion of the proposed disposition of Northwestel are subject to closing conditions, termination rights and other risks and uncertainties including, without limitation, the purchaser securing financing and the completion of confirmatory due diligence, which may affect its completion, terms or timing. Accordingly, there can be no assurance that the proposed disposition will occur, or that it will occur on the terms and conditions, or at the time, currently contemplated. The proposed disposition could be modified, restructured or terminated. There can also be no assurance that the potential benefits expected to result from the proposed disposition will be realized.

Proposed disposition of BCE's ownership stake in MLSE and the planned access by Bell Media to content rights for the Toronto Maple Leafs and Toronto Raptors for the next 20 years

The expected timing and completion of the proposed disposition of BCE's ownership stake in MLSE, and the planned access by Bell Media to content rights for the Toronto Maple Leafs and Toronto Raptors for the next 20 years through a long-term agreement with Rogers, are subject to closing conditions, termination rights and other risks and uncertainties including, without limitation, relevant sports league and other customary approvals, which may affect their completion, terms or timing. The proposed disposition could be modified, restructured or terminated, and the intended use of proceeds by BCE from the proposed disposition may vary based on timing of closing of the disposition and other factors. Accordingly, there can be no assurance that the proposed disposition, the anticipated use of proceeds and the potential benefits expected to result from the proposed disposition will occur or be realized, or that they will occur or be realized on the terms and conditions, or at the time, currently contemplated.

The expected timing and completion of the proposed acquisition of Ziply Fiber are subject to closing conditions, including relevant regulatory approvals, and other risks and uncertainties

The expected timing and completion of the proposed acquisition by Bell Canada of Ziply Fiber are subject to customary closing conditions, termination rights and other risks and uncertainties including, without limitation, relevant regulatory approvals, such as approval by the Federal Communications Commission and approvals by state Public Utilities Commissions, which may affect its completion, terms or timing. Accordingly, there can be no assurance that the proposed acquisition will occur, or that it will occur on the terms and conditions, or at the time, currently contemplated. The proposed acquisition could be modified, restructured or terminated. There can also be no assurance that the potential benefits expected to result from the proposed acquisition will be realized.

Brand reputation and ESG practices

Our networks | Our customers and relationships | Our products and services | Our environment | Our people

Our ability to maintain positive customer relationships is significantly influenced by our reputation

Many customers' choice to purchase our products and services is directly related to their perception of our company. Accordingly, our ability to maintain positive customer relationships and acquire or retain customers is significantly influenced by our reputation. The company faces many sources of reputational risks, as discussed in this MD&A. Should our perceived or actual outlook, plans, priorities or actions, or those of our employees or suppliers, fail to align with stakeholders' expectations, our reputation could be impacted, which could have an adverse effect on our brand, our ability to retain or attract customers, and more generally on our business, financial condition, liquidity and financial results.

There is no assurance that we will succeed in meaningfully integrating ESG considerations into our business strategy, operations and governance to generate a positive outcome for stakeholders

While we seek to understand the evolving ESG environment and identify topics and activities that may expose us to ESG risks, there is no assurance that we will succeed in meaningfully integrating ESG considerations into our business strategy, operations and governance to generate positive outcomes for stakeholders. Good ESG practices are an important measure of corporate performance and value creation. As such, we are increasingly under scrutiny to address ESG matters of importance to our stakeholders. A wide range of ESG topics have progressively become important elements of corporate culture and seeking to embrace them reinforces our value proposition to drive employee attraction and retention. Customers now factor broader considerations into purchase decisions and look for alignment of personal values with corporate behaviour. Investors increasingly link investment decisions to the quality of ESG practices and related disclosed metrics. Moreover, we have directly linked some pricing elements in certain financing agreements to our performance on key ESG targets. Legal and regulatory pressures have further intensified in the ESG sphere, including, without limitation, in the areas of privacy, accessibility, data governance and climate change. Accordingly, failure to integrate ESG considerations into our governance activities and effectively manage ESG risks and opportunities could harm our brand and reputation, and lead to negative business, financial, legal and regulatory consequences for the company. Perceived misalignment of our actions with stakeholder expectations could also harm our brand and reputation and lead to further financial and other consequences. Finally, enhanced ESG-related disclosures could increase the company's exposure to claims for misrepresentation in the primary or secondary market.

Various factors could negatively impact our ability to achieve our ESG targets

We have set a number of ambitious ESG targets to monitor our ESG performance and align to our strategic imperatives. However, our ability to achieve these targets depends on many factors and is subject to many risks that could cause our assumptions or estimates to be inaccurate and cause actual results or events to differ materially from those expressed in, or implied by, these targets. Failure to sufficiently address evolving employee, customer, investor and other stakeholder expectations through achievement of our ESG targets could harm our brand, reputation and competitiveness, as well as lead to other negative business, financial, legal and regulatory consequences for the company.

Important risk factors that could affect certain of our key ESG targets are set out below.

GHG emissions reduction and supplier engagement targets

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. Should a sufficient quantity of high-quality credible carbon credits be unavailable, should their cost of acquisition be considered too onerous, should sufficient funds be unavailable, should laws, regulations, applicable standards, public perception or other factors limit the number of carbon credits that we can purchase, should any purchased carbon credits be subject to reversal, in whole or in part, or should the carbon offsets not materialize, the achievement of our 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 RECs. To achieve this science-based target, only RECs 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) RECs be unavailable, should their cost of acquisition be considered too onerous, should sufficient funds be unavailable, or should laws, regulations, applicable standards, public perception or other factors limit the number of RECs 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.

Our scope 2 and 3 GHG emissions reduction targets depend on the emissions intensity originating from the electricity grid in the jurisdictions where we operate and over which we have no control. Should a significant increase in such emissions intensity be recorded in one or more jurisdictions where we conduct our operations, the achievement of our science-based targets related to our scope 2 and 3 GHG emissions could be negatively impacted.

A portion of our GHG emissions reduction targets also depends 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 business dispositions, including the previously announced pending acquisition of Ziply Fiber and pending dispositions of Northwestel and our ownership stake in MLSE, 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 significantly change 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.

Failure to take appropriate actions to adapt to current and emerging environmental impacts, including climate change, could have an adverse effect on our business

We face risks related to environmental events, including climate-related events, which could impact our operations, service performance, reputation and business continuity, and cost of insurance, and more generally have an adverse effect on our business, financial performance and reputation. In particular, climate change poses potential risks to our business, our employees, our customers, our suppliers and outsourcers, and the communities we operate in. Inadequate management of environmental issues associated with our company and our business, as well as our suppliers and other stakeholders, could also adversely affect our business, financial condition, liquidity, financial results and reputation given the implications for the company as well as various stakeholders.

Consistent with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which have now been integrated into the International Sustainability Standards Board (ISSB) standards, we categorize climate-related risks into physical and transition risks:

- Physical risks are associated with the physical impacts from a changing climate and can either be event-driven (acute) or longer-term (chronic) shifts in climate patterns. Global scientific evidence suggests that climate change will increase both the frequency and severity of extreme weather events. This will include such events as floods, wildfires and heatwaves, among others. These could have a destructive impact on our communications network infrastructure and facilities 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 capital expenditures from rebuilding and reinforcing infrastructure, as well as 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. In addition, if average temperatures where we are operating are warmer or cooler year over year for longer periods of time, there will be an increasing need for cooling or heating capacity in our facilities. This will increase our energy consumption and associated operational costs. Furthermore, in order to remain resilient to these increasing or decreasing temperatures, we would need to increase our investments in our infrastructure to address its accelerated degradation, again leading to increased capital expenditures and operational costs.
- Transition risks are associated with a transition to a lower-carbon economy, which may include extensive regulatory, technology and market changes to address mitigation and adaptation requirements related to climate change. These risks may include increased capital expenditures required for equipment upgrades to comply with new energy efficiency standards and climate resilience regulations, increased operational costs driven by the rising price of energy due to carbon pricing regulations, energy market volatility and the shifting supply and demand for energy, increased operational costs related to outdated equipment and e-waste treatment programs and management systems, potential shortages or price increases for materials essential to low-carbon technologies that could affect service offerings and product development, and reputational risks related to our management of climate-related issues as well as to our level of disclosure related to such matters. There is also a reputational risk of not demonstrating our proactive behaviour towards climate change, which could affect customer perception and the cost and availability of funding that has the potential to be increasingly tied to the quality of our ESG practices and related disclosed metrics, all of which could have negative financial outcomes.

Furthermore, climate-related events could also impact our suppliers and outsourcers, which in turn could impact our business. Given that some of our third-party suppliers and outsourcers are located in foreign countries that are more at risk of experiencing weather-related events, localized natural disasters in such countries could further negatively impact our business.

In addition, several areas of our operations raise other environmental considerations, such as fuel storage, GHG emissions and energy consumption reduction, waste management, disposal of hazardous residual materials, recovery and recycling of end-of-life electronic products we sell or lease, and other network associated impacts (e.g., treated wood poles, manhole effluents, lead cables, etc.).

Our team members, customers, investors and governments expect that we regard environmental protection as an integral part of doing business and that we seek to minimize the negative environmental impacts of our operations and create positive impacts where possible. Failure to recognize and adequately respond to their evolving expectations, to take action to reduce our negative impacts on the environment, to achieve our environmental objectives and to effectively report on environmental matters, could result in fines, and could harm our brand, reputation and competitiveness, as well as lead to other negative business, financial, legal and regulatory consequences for the company.

There can be no assurance that our corporate governance practices will be sufficient to prevent violations of legal and ethical standards

Our employees, officers, Board members, suppliers, agents and other business partners are expected, in Canada and abroad, to comply with applicable legal and ethical standards including, without limitation, anti-bribery laws, as well as with our governance policies and contractual obligations. Failure to comply with such laws, policies, standards and contractual obligations could expose us to investigations or litigation and significant fines and penalties, and result in reputational harm or disqualification from bidding on contracts. While we have developed and implemented corporate governance practices, including through our Code of Business Conduct, which is updated regularly and subject to an annual review by our team members, there can be no assurance that such practices and measures will be sufficient to prevent violations of legal and ethical standards. Any such failure or violation could have an adverse effect on our business, financial performance and reputation.

Various social issues, if not adequately managed, could have an adverse effect on our business

Effective management of social risk is a component of good ESG practices. Inadequate management of social issues associated with our company and our business, as well as our suppliers and other stakeholders, could adversely affect our business, financial condition, liquidity, financial results and reputation. This may include social issues discussed elsewhere in this MD&A such as employees' well-being, health and safety, responsible procurement, as well as other social issues such as human rights, including Indigenous peoples' rights, consultation and accommodation, and community acceptance and engagement. Failure to sufficiently address and report on our management of social issues and to achieve our social objectives could harm our brand and reputation, and could lead to negative business, financial, legal and regulatory consequences for the company.

Health risks, including pandemics, epidemics and other health concerns, such as radiofrequency emissions from wireless communications devices and equipment, could have an adverse effect on our business

Health risks, including pandemics and epidemics, could occur, any of which could adversely affect our ability to maintain operational networks and provide products and services to our customers, as well as the ability of our suppliers to provide us with products and services we need to operate our business. Any such pandemics, epidemics and other health risks could have an adverse effect on the economy and financial markets, causing retail and commercial activity to decline, which could have a negative impact on the demand for, and prices of, our products and services.

Many studies have been performed or are ongoing to assess whether mobile communications devices, such as smartphones, as well as wireless networks and towers pose a potential health risk. While some studies suggest links to certain conditions, others conclude there is no established causation between mobile phone usage and adverse health effects. The International Agency for Research on Cancer (IARC) of the World Health Organization classified radiofrequency electromagnetic fields from wireless phones as possibly carcinogenic to humans, but also indicated that chance, bias or confounding could not be ruled out with reasonable confidence. The IARC also called for additional research into long-term heavy use of mobile phones.

ISED is responsible for approving radiofrequency equipment and performing compliance assessments and has chosen Health Canada's Safety Code 6, which sets the limits for safe exposure to radiofrequency emissions at home or at work, as its exposure standard. This code also outlines safety requirements for the installation and operation of devices that emit radiofrequency fields such as mobile communications devices, Wi-Fi technologies and base station antennas. ISED has made compliance to Safety Code 6 mandatory for all proponents and operators of radio installations.

The following challenges, among others, could arise since our business is being heavily dependent on radiofrequency technologies:

- We may face lawsuits relating to alleged adverse health effects on customers, as well as relating to our marketing and disclosure practices in connection therewith, and the likely outcome of such potential lawsuits is unpredictable and could change over time
- Changes in scientific evidence and/or public perceptions could lead to additional government regulations and costs for retrofitting infrastructure and handsets to achieve compliance
- Public concerns could result in a slower deployment of, or in our inability to deploy, infrastructure necessary to maintain and/or expand our wireless network as required by market evolution

Any of these events could have an adverse effect on our business and financial performance.

Third-party vendor management

Our networks | Our customers and relationships | Our products and services | Our environment | Our financial resources

We depend on third-party suppliers, outsourcers and consultants, some of which are critical, to provide an uninterrupted supply of the products and services we need, as well as comply with various obligations

We depend on key third-party suppliers and outsourcers, over which we have no operational or financial control, for products and services, some of which are critical to our operations. If there are gaps in our vendor selection, governance or oversight processes established to seek to ensure full risk transparency at point of purchase and throughout the relationship, including any contract renegotiations, there is the potential for a breakdown in supply, which could impact our ability to make sales, service customers and achieve our business and financial objectives. In addition, any such gaps could result in suboptimal management of our vendor base, increased costs and missed opportunities. Ongoing relationships must further be adequately managed in order to address existing and new operational and compliance requirements. Some of our third-party suppliers and outsourcers are located in foreign countries, which increases the potential for a breakdown in supply due to the risks of operating in foreign jurisdictions with different laws, geopolitical environments and cultures, as well as the potential for localized natural disasters. Concerns related to geopolitical events, such as conflicts, could put pressure on our supply chain and require increased focus on supply chain diversification to support continuity.

We may have to select different third-party suppliers for equipment or other products and services, or different outsourcers, in order to meet evolving internal company policies and guidelines as well as legal and regulatory requirements. Should we decide, or be required by a governmental authority or otherwise, to terminate our relationship with an existing supplier or outsourcer, this would decrease the number of available suppliers or outsourcers and could result in significant increased costs, as well as transitional, support, service, quality or continuity issues; delay our ability to deploy new network and other technologies and offer new products and services; and adversely affect our business and financial results.

The use of third-party suppliers and the outsourcing of services generally involve transfer of risks, and we must take appropriate steps to ensure that our suppliers' and outsourcers' approach to risk management is aligned with our own standards in order to maintain continuity of supply and brand strength. Increased focus on supplier risks in areas of security, data governance, responsible procurement and broader ESG factors requires increased attention given that supplier actions or omissions could have significant impacts on our business, financial results, brand and reputation. Furthermore, cloud-based supplier models have continued to evolve and grow and, while they offer many potential benefits, cloud-based services can also change the level or types of risks. Accordingly, our procurement and vendor management practices must also continue to evolve to fully take into account the potential risks of cloud-based services.

In addition, certain company initiatives rely heavily on professional consulting services provided by third parties, and a failure of such third-party services may not be reasonably evident until their work is delivered or delayed. Difficulties in implementing remedial strategies in respect of professional consulting services provided by third parties that are not performed in a proper or timely fashion could have an adverse effect on our ability to comply with various obligations, including applicable legal and accounting requirements.

Other examples of risks associated with third-party suppliers and outsourcers include the following:

- We rely upon the successful implementation and execution of business continuity plans by our product and service suppliers. To the extent that such plans do not successfully mitigate the impacts of the current global economic environment, geopolitical events or other events, and our suppliers or vendors experience operational failures or inventory constraints, such failures or constraints could result in, or amplify existing, supply chain disruptions that could adversely affect our business. Incremental costs, delays or unavailability of equipment, materials, products or services, as well as unavailability of our suppliers' or contractors' employees due to strikes, workforce reduction initiatives or other factors, could impact sales and execution of our strategic imperatives and adversely affect our business and financial results.
- The current global economic environment and recent geopolitical events have given rise to inflationary pressures and sharp increases in prices, which could put increased pressure on the global supply chain and purchasing costs
- The insolvency of one or more of our suppliers could cause a breakdown in supply and have an adverse effect on our operations, including our ability to make sales or service customers, as well as on our financial results
- Demand for products and services available from only a limited number of suppliers, some of which dominate their global market, may lead to decreased availability, increased costs or delays in the delivery of such products and services, since suppliers may choose to favour global competitors that are larger than we are and, accordingly, purchase a larger volume of products and services. In addition, production issues or geopolitical events affecting any such suppliers, or other suppliers, could result in decreased quantities or a total lack of supply of products or services. Any of these events could adversely impact our ability to meet customer commitments and demand.
- Dependence on sole source technological vendors that are new to evolving technology can create uncertainties and challenges due to unproven track record and lack of alternate vendors, which could have an adverse effect on our operations
- A suboptimal outsourcing model could result in the loss of key corporate knowledge, reduced efficiency and effectiveness, and impede agile delivery of new products or technology
- Cloud-based solutions may increase the risk of security and data leakage exposure if security control protocols and configurations implemented by our cloud-based partners or suppliers, or by us where we retain responsibility for such protocols, are inadequate
- If existing suppliers do not have appropriate alternative cloud-based products or services, our ability to complete desired migrations to the cloud could be limited or delayed
- Failure to maintain strong discipline around vendor administration (especially around initial account setup) may mask potential financial or operational risks and complicate future problem resolutions
- If products and services important to our operations have manufacturing defects or do not comply with applicable government regulations and standards (including product safety practices), our ability to sell products and provide services on a timely basis may be negatively impacted. We work with our suppliers to seek to identify serious product defects (including safety incidents) and develop appropriate remedial strategies, which may include a recall of products. To the extent that a supplier does not actively participate in, and/or bear primary financial responsibility for, a recall of its products, our ability to perform such recall programs at a reasonable cost and/or in a timely fashion may be negatively impacted. Any of the events referred to above could have an adverse effect on our business, reputation and financial results.
- Products (including software) and services supplied to us may contain security issues including, but not limited to, latent security issues that would not be apparent upon an inspection. Should we or a supplier fail to correct a security issue in a timely fashion, there could be an adverse effect on our business, reputation and financial results.
- We rely on other telecommunications carriers from time to time to deliver services. Should these carriers fail to roll out new networks or fail to upgrade existing networks, or should their networks be affected by operational failures or service interruptions, such issues could adversely affect our ability to provide services using such carriers' networks and could, consequently, have an adverse effect on our business, reputation and financial results.
- BCE depends on call centre and technical support services provided by a number of external suppliers and outsourcers, some of which are located in foreign countries. These vendors have access to customer and internal BCE information necessary for the support services that they provide. Information access and service delivery issues that are not managed appropriately may have an adverse impact on our business, reputation, the quality and speed of services provided to customers, or our ability to address technical issues.

10 Accounting policies

This section discusses key estimates and assumptions that management has made and how they affect the amounts reported in the financial statements and notes. It also describes key changes in accounting standards and our accounting policies, and how they affect our financial statements.

We have prepared our consolidated financial statements using IFRS Accounting Standards. Other significant accounting policies, not involving the same level of measurement uncertainty as those discussed in this section, are nevertheless important to an understanding of our financial statements. See Note 2, *Material accounting policies*, in BCE's 2024 consolidated financial statements for more information about the accounting principles we used to prepare our consolidated financial statements.

Critical accounting estimates and key judgments

When preparing the financial statements, management makes estimates and judgments relating to:

- reported amounts of revenues and expenses
- reported amounts of assets and liabilities
- disclosure of contingent assets and liabilities

We base our estimates on a number of factors, including but not limited to historical experience, current events, economic and financial market conditions such as interest rates, inflation and the risk of recession, geopolitical events and supply chain disruptions, and actions that the company may undertake in the future, as well as other assumptions that we believe are reasonable under the circumstances. A change in these assumptions may have an impact on our financial statements including but not limited to impairment testing, fair value determination, expected credit losses and discount rates used for the present value of cash flows. By their nature, these estimates and judgments are subject to measurement uncertainty and actual results could differ.

We consider the estimates and judgments described in this section to be an important part of understanding our financial statements because they require management to make assumptions about matters that were highly uncertain at the time the estimates and judgments were made, and changes to these estimates and judgments could have a material impact on our financial statements and our segments.

Our senior management has reviewed the development and selection of the critical accounting estimates and judgments described in this section with the Audit Committee of the BCE Board.

Any sensitivity analysis included in this section should be used with caution as the changes are hypothetical and the impact of changes in each key assumption may not be linear.

Our more significant estimates and judgments are described below.

Estimates

Useful lives of property, plant and equipment and finite-life intangible assets

We review our estimates of the useful lives of property, plant and equipment and finite-life intangible assets on an annual basis and adjust depreciation or amortization on a prospective basis, as required.

Property, plant and equipment and finite-life intangible assets represent a significant proportion of our total assets. Changes in technology or our intended use of these assets, climate change and our ESG initiatives as well as changes in business prospects or economic and industry factors, may cause the estimated useful lives of these assets to change.

The estimated useful lives of property, plant and equipment and finite-life intangible assets are determined by internal asset life studies, which take into account actual and expected future usage, physical wear and tear, replacement history and assumptions about technology evolution. When factors indicate that assets' useful lives are different from the prior assessment, we depreciate or amortize the remaining carrying value prospectively over the adjusted estimated useful lives.

Post-employment benefit plans

The amounts reported in the financial statements relating to DB pension plans and OPEBs are determined using actuarial calculations that are based on several assumptions.

Our actuaries perform a valuation at least every three years to determine the actuarial present value of the accrued DB pension plan and OPEB obligations. The actuarial valuation uses management's assumptions for, among other things, the discount rate, life expectancy, the rate of compensation increase, cost of living indexation rate, trends in healthcare costs and expected average remaining years of service of employees.

While we believe that these assumptions are reasonable, differences in actual results or changes in assumptions could materially affect post-employment benefit obligations and future net post-employment benefit plans cost.

We account for differences between actual and expected results in benefit obligations and plan performance in OCI, which are then recognized immediately in the deficit.

The most significant assumptions used to calculate the net post-employment benefit plans cost are the discount rate and life expectancy.

A discount rate is used to determine the present value of the future cash flows that we expect will be needed to settle post-employment benefit obligations.

The discount rate is based on the yield on long-term, high-quality corporate fixed income investments, with maturities matching the estimated cash flows of the post-employment benefit plans. Life expectancy is based on publicly available Canadian mortality tables and is adjusted for the company's specific experience.

A lower discount rate and a higher life expectancy result in a higher net post-employment benefit obligation and a higher current service cost.

Sensitivity analysis

The following table shows a sensitivity analysis of key assumptions used to measure the net post-employment benefit obligations and the net post-employment benefit plans cost for our DB pension plans and OPEB plans.

		Impact on net post-employment benefit plans cost for 2024 – increase/(decrease)		Impact on post-employment benefit obligations at December 31, 2024 – increase/(decrease)	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.5%	(79)	72	(1,102)	1,208
Cost of living indexation rate	0.5%	53	(41)	987	(805)
Life expectancy at age 65	1 year	36	(37)	720	(721)

Revenue from contracts with customers

We are required to make estimates that affect the amount of revenue from contracts with customers, including estimating the stand-alone selling prices of products and services.

For bundled arrangements, we account for individual products and services when they are separately identifiable and the customer can benefit from the product or service on its own or with other readily available resources. The total arrangement consideration is allocated to each product or service included in the contract with the customer based on its stand-alone selling price. We generally determine stand-alone selling prices based on the observable prices at which we sell products separately without a service contract and prices for non-bundled service offers with the same range of services, adjusted for market conditions and other factors, as appropriate. When similar products and services are not sold separately, we use the expected cost plus margin approach to determine stand-alone selling prices. Products and services purchased by a customer in excess of those included in the bundled arrangement are accounted for separately.

Impairment of non-financial assets

Goodwill and indefinite-life intangible assets are tested for impairment annually or when there is an indication that the asset may be impaired. Property, plant and equipment and finite-life intangible assets are tested for impairment if events or changes in circumstances, assessed at each reporting period, indicate that their carrying amount may not be recoverable. For the purpose of impairment testing, assets other than goodwill are grouped at the lowest level for which there are separately identifiable cash inflows.

Impairment losses are recognized and measured as the excess of the carrying value of the assets over their recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use. Previously recognized impairment losses, other than those attributable to goodwill, are reviewed for possible reversal at each reporting date and, if the asset's recoverable amount has increased, all or a portion of the impairment is reversed.

We make a number of estimates when calculating recoverable amounts using discounted future cash flows or other valuation methods to test for impairment. These estimates include the assumed growth rates for future cash flows, the number of years used in the cash flow model and the discount rate. When impairment charges occur they are recorded in *Impairment of assets*.

During the third quarter of 2024, we recognized $958 million of impairment charges for English and French TV services and radio markets within our Bell Media segment. These charges included $627 million allocated to indefinite-life intangible assets for broadcast licences and brands, $144 million allocated to program and feature film rights, $85 million allocated to property, plant and equipment for network and infrastructure and equipment, $85 million allocated to software, $10 million allocated to finite-life intangible assets mainly for trademarks, and $7 million allocated to prepaid expenses. The impairment was determined by comparing the carrying value of the CGUs to their fair value less cost of disposal. We estimated the fair value of the CGUs using both discounted cash flows and market-based valuation models, which include five-year cash flow projections derived from business plans reviewed by senior management for the period of September 1, 2024 to December 31, 2029, using discount rates of 9% to 11% and perpetuity growth rates of (2%) to 0%, as well as market multiple data from public companies and market transactions. After impairments, the carrying value of the impacted CGUs was $811 million.

Additionally in 2024, we recorded impairment charges of $100 million related mainly to right-of-use assets for certain office spaces we ceased using as part of our real estate optimization strategy as a result of our hybrid work policy.

During the fourth quarter of 2023, we recognized $86 million of impairment charges for French TV channels within our Bell Media segment. The impairment charges were the result of a reduction in advertising demand in the industry resulting from economic uncertainties and unfavourable impacts to market-based valuation assumptions. These charges included $41 million allocated to indefinite-life intangible assets for broadcast licences and brands, and $45 million to finite-life intangible assets for program and feature film rights. The impairment was determined by comparing the carrying value of the CGUs to their fair value less cost of disposal. We estimated the fair value of the CGUs using both discounted cash flows and market-based valuation models, which include five-year cash flow projections derived from business plans reviewed by senior management for the period of October 1, 2023 to December 31, 2028, using a discount rate of 9.5% and a perpetuity growth rate of 0.0%. After impairments, the carrying value of our impacted CGU was $62 million.

Additionally in 2023, we recorded impairment charges of $57 million related mainly to right-of-use assets for certain office spaces we ceased using as part of our real estate optimization strategy as a result of our hybrid work policy.

Goodwill impairment testing

We perform an annual test for goodwill impairment in the fourth quarter for each of our CGUs or groups of CGUs to which goodwill is allocated, and whenever there is an indication that goodwill might be impaired.

A CGU is the smallest identifiable group of assets that generates cash inflows that are independent of the cash inflows from other assets or groups of assets.

We identify any potential impairment by comparing the carrying value of a CGU or group of CGUs to its recoverable amount. The recoverable amount of a CGU or group of CGUs is the higher of its fair value less costs of disposal and its value in use. Both fair value less costs of disposal and value in use are based on estimates of discounted future cash flows or other valuation methods. Cash flows are projected based on past experience, actual operating results and business plans, including any impact from changes in interest rates and inflation. When the recoverable amount of a CGU or group of CGUs is less than its carrying value, the recoverable amount is determined for its identifiable assets and liabilities. The excess of the recoverable amount of the CGU or group of CGUs over the total of the amounts assigned to its assets and liabilities is the recoverable amount of goodwill.

An impairment charge is recognized in *Impairment of assets* in the income statements for any excess of the carrying value of goodwill over its recoverable amount. For purposes of impairment testing of goodwill, our CGUs or groups of CGUs correspond to our reporting segments as disclosed in Note 3, *Segmented information*, in BCE's 2024 consolidated financial statements.

Any significant change in each of the estimates used could have a material impact on the calculation of the recoverable amount and resulting impairment charge. As a result, we are unable to reasonably quantify the changes in our overall financial performance if we had used different assumptions.

We cannot predict whether an event that triggers impairment will occur, when it will occur or how it will affect the asset values we have reported.

We believe that any reasonable possible change in the key assumptions on which the estimate of recoverable amount of the Bell CTS group of CGUs is based would not cause its carrying amount to exceed its recoverable amount.

We have made certain assumptions as to the perpetuity and discount rates used to estimate the fair value of the Bell Media group of CGUs as well as in the five-year cash flow projections derived from business plans reviewed by management. These assumptions and projections may differ or change quickly given that the Canadian traditional TV and radio advertising market is expected to be impacted by audience declines as the advertising market growth continues to shift towards digital. A negative change to any of these assumptions and projections may result in a further impairment of goodwill for the Bell Media group of CGUs.

In Q3 2024, due to a continued decline in advertising demand and spending in the linear advertising market for Bell Media TV services and radio markets, there was an indicator that goodwill might be impaired for the Bell Media group of CGUs. Consequently, an impairment charge of $1,132 million was recognized in *Impairment of assets* in the income statements.

In Q4 2024, we completed the required annual goodwill impairment test for each of our CGUs or groups of CGUs to which goodwill is allocated. There was no further impairment of goodwill for the Bell Media group of CGUs.

There were no goodwill impairment charges in 2023.

Deferred taxes

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply when the asset or liability is recovered or settled. Both our current and deferred tax assets and liabilities are calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred taxes are provided on temporary differences arising from investments in subsidiaries, joint arrangements and associates, except where we control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The amounts of deferred tax assets and liabilities are estimated with consideration given to the timing, sources and amounts of future taxable income.

As required by IFRS Accounting Standards, we do not recognize or disclose information about deferred tax assets and liabilities related to the Pillar Two model rules published by the Organisation for Economic Co-operation and Development, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

Leases

The application of IFRS 16 requires us to make estimates that affect the measurement of right-of-use assets and liabilities, including determining the appropriate discount rate used to measure lease liabilities. Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using our incremental borrowing rate, unless the rate implicit in the lease is readily determinable. Our incremental borrowing rate is derived from publicly available risk-free interest rates, adjusted for applicable credit spreads and lease terms. We apply a single incremental borrowing rate to a portfolio of leases with similar characteristics.

Fair value of financial instruments

Certain financial instruments, such as investments in equity securities, derivative financial instruments and certain elements of borrowings, are carried in the statements of financial position at fair value, with changes in fair value reflected in the income statements and the statements of comprehensive income. Fair values are estimated by reference to published price quotations or by using other valuation techniques that may include inputs that are not based on observable market data, such as discounted cash flows and earnings multiples.

Contingencies

In the ordinary course of business, we become involved in various claims and legal proceedings seeking monetary damages and other relief. Pending claims and legal proceedings represent a potential cost to our business. We estimate the amount of a loss by analyzing potential outcomes and assuming various litigation and settlement strategies, based on information that is available at the time.

If the final resolution of a legal or regulatory matter results in a judgment against us or requires us to pay a large settlement, it could have a material adverse effect on our consolidated financial statements in the period in which the judgment or settlement occurs.

Onerous contracts

A provision for onerous contracts is recognized when the unavoidable costs of meeting our obligations under a contract exceed the expected benefits to be received under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of completing the contract.

Judgments

Post-employment benefit plans

The determination of the discount rate used to value our post-employment benefit obligations requires judgment. The rate is set by reference to market yields of long-term, high-quality corporate fixed income investments at the beginning of each fiscal year. Significant judgment is required when setting the criteria for fixed income investments to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of investments include the size of the issue and credit quality, along with the identification of outliers, which are excluded.

Income taxes

The calculation of income taxes requires judgment in interpreting tax rules and regulations. There are transactions and calculations for which the ultimate tax determination is uncertain. Our tax filings are also subject to audits, the outcome of which could change the amount of current and deferred tax assets and liabilities. Management believes that it has sufficient amounts accrued for outstanding tax matters based on information that currently is available.

Management judgment is used to determine the amounts of deferred tax assets and liabilities to be recognized. In particular, judgment is required when assessing the timing of the reversal of temporary differences to which future income tax rates are applied.

Leases

The application of IFRS 16 requires us to make judgments that affect the measurement of right-of-use assets and liabilities. A lease contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception of the contract, we assess whether the contract contains an identified asset, whether we have the right to obtain substantially all of the economic benefits from use of the asset and whether we have the right to direct how and for what purpose the asset is used. In determining the lease term, we include periods covered by renewal options when we are reasonably certain to exercise those options. Similarly, we include periods covered by termination options when we are reasonably certain not to exercise those options. To assess if we are reasonably certain to exercise an option, we consider all facts and circumstances that create an economic incentive to exercise renewal options (or not exercise termination options). Economic incentives include the costs related to the termination of the lease, the significance of any leasehold improvements and the importance of the underlying assets to our operations.

Revenue from contracts with customers

The identification of performance obligations within a contract and the timing of satisfaction of performance obligations under long-term contracts requires judgment. For bundled arrangements, we account for individual products and services when they are separately identifiable and the customer can benefit from the product or service on its own or with other readily available resources. When our right to consideration from a customer corresponds directly with the value to the customer of the products and services transferred to date, we recognize revenue in the amount to which we have a right to invoice. We recognize product revenues from the sale of wireless handsets and devices and wireline equipment when a customer takes possession of the product. We recognize service revenues over time, as the services are provided. Revenues on certain long-term contracts are recognized using output methods based on products delivered, performance completed to date, time elapsed or milestones met.

Additionally, the determination of costs to obtain a contract, including the identification of incremental costs, also requires judgment. Incremental costs of obtaining a contract with a customer, principally comprised of sales commissions, and prepaid contract fulfillment costs are included in *Contract costs* in the statements of financial position, except where the amortization period is one year or less, in which case costs of obtaining a contract are immediately expensed. Capitalized costs are amortized on a systematic basis that is consistent with the period and pattern of transfer to the customer of the related products or services.

CGUs

The determination of CGUs or groups of CGUs for the purpose of impairment testing requires judgment.

Contingencies

The determination of whether a loss is probable from claims and legal proceedings and whether an outflow of resources is likely requires judgment.

We accrue a potential loss if we believe a loss is probable and an outflow of resources is likely and can be reasonably estimated, based on information that is available at the time. Any accrual would be charged to earnings and included in *Trade payables and other liabilities* or *Other non-current liabilities*. Any payment as a result of a judgment or cash settlement would be deducted from cash from operating activities. We estimate the amount of a loss by analyzing potential outcomes and assuming various litigation and settlement strategies.

Future changes to accounting standards

The following accounting standard and amendments to accounting standards issued by the IASB have not yet been adopted by BCE.

Standard	Description	Impact	Effective date
IFRS 18 – Presentation and Disclosure in Financial Statements	Sets out requirements and guidance on presentation and disclosure in financial statements, including: • presentation in the income statements of income and expenses within defined categories – operating, investing, financing, income taxes and discontinued operations • presentation in the income statements of new defined subtotals – operating profit and profit before financing and income taxes • disclosure of explanations of management-defined performance measures that are related to the income statements • enhanced guidance on aggregation and disaggregation of information and whether to provide information in the financial statements or in the notes • disclosure of specified expenses by nature IFRS 18 replaces IAS 1 – Presentation of Financial Statements but carries forward many of the requirements from IAS 1 unchanged.	We are currently assessing the impact of this standard.	Annual reporting periods beginning on or after January 1, 2027. Early application is permitted.
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	In particular, the amendments clarify: • the classification of financial assets with ESG and similar features • the derecognition date for financial liabilities and introduce an accounting policy option for financial liabilities settled using an electronic payment system if certain conditions are met The amendments also require additional disclosures for financial instruments with contractual terms that reference a contingent event and equity instruments classified at fair value through other comprehensive income.	We are currently assessing the impact of these amendments.	Annual reporting periods beginning on or after January 1, 2026. Early application is permitted.

11 Non-GAAP financial measures, other financial measures and key performance indicators (KPIs)

BCE uses various financial measures to assess its business performance. Certain of these measures are calculated in accordance with IFRS Accounting Standards or GAAP while certain other measures do not have a standardized meaning under GAAP. We believe that our GAAP financial measures, read together with adjusted non-GAAP and other financial measures, provide readers with a better understanding of how management assesses BCE's performance.

National Instrument 52-112, *Non-GAAP and Other Financial Measures Disclosure* (NI 52-112), prescribes disclosure requirements that apply to the following specified financial measures:

- Non-GAAP financial measures;
- Non-GAAP ratios;
- Total of segments measures;
- Capital management measures; and
- Supplementary financial measures.

This section provides a description and classification of the specified financial measures contemplated by NI 52-112 that we use to explain our financial results except that, for supplementary financial measures, an explanation of such measures is provided where they are first referred to in this MD&A if the supplementary financial measures' labelling is not sufficiently descriptive.

11.1 Non-GAAP financial measures

A non-GAAP financial measure is a financial measure used to depict our historical or expected future financial performance, financial position or cash flow and, with respect to its composition, either excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measure disclosed in BCE's consolidated primary financial statements. We believe that non-GAAP financial measures are reflective of our ongoing operating results and provide readers with an understanding of management's perspective on and analysis of our performance.

Below are descriptions of the non-GAAP financial measures that we use to explain our results as well as reconciliations to the most directly comparable financial measures under IFRS Accounting Standards.

Adjusted net earnings

The term adjusted net earnings does not have any standardized meaning under IFRS Accounting Standards. Therefore, it is unlikely to be comparable to similar measures presented by other issuers.

We define adjusted net earnings as net earnings (loss) attributable to common shareholders before severance, acquisition and other costs, net mark-to-market losses (gains) on derivatives used to economically hedge equity settled share-based compensation plans, net equity losses (gains) on investments in associates and joint ventures, net losses (gains) on investments, early debt redemption costs, impairment of assets and discontinued operations, net of tax and NCI.

We use adjusted net earnings and we believe that certain investors and analysts use this measure, among other ones, to assess the performance of our businesses without the effects of severance, acquisition and other costs, net mark-to-market losses (gains) on derivatives used to economically hedge equity settled share-based compensation plans, net equity losses (gains) on investments in associates and joint ventures, net losses (gains) on investments, early debt redemption costs, impairment of assets and discontinued operations, net of tax and NCI. We exclude these items because they affect the comparability of our financial results and could potentially distort the analysis of trends in business performance. Excluding these items does not imply they are non-recurring.

The most directly comparable financial measure under IFRS Accounting Standards is net earnings (loss) attributable to common shareholders.

The following table is a reconciliation of net earnings attributable to common shareholders to adjusted net earnings on a consolidated basis.

	Q4 2024	Q4 2023	2024	2023
Net earnings attributable to common shareholders	**461**	382	**163**	2,076
Reconciling items:				
Severance, acquisition and other costs	**154**	41	**454**	200
Net mark-to-market losses (gains) on derivatives used to economically hedge equity settled share-based compensation plans	**198**	(6)	**269**	103
Net equity losses on investments in associates and joint ventures	**–**	204	**247**	581
Net losses (gains) on investments	**1**	(2)	**(57)**	(80)
Early debt redemption costs	**–**	–	**–**	1
Impairment of assets	**4**	109	**2,190**	143
Income taxes for the above reconciling items	**(99)**	(39)	**(467)**	(100)
NCI for the above reconciling items	**–**	2	**(26)**	2
Adjusted net earnings	**719**	691	**2,773**	2,926

Available liquidity

The term available liquidity does not have any standardized meaning under IFRS Accounting Standards. Therefore, it is unlikely to be comparable to similar measures presented by other issuers.

We define available liquidity as cash, cash equivalents, short-term investments and amounts available under our securitized receivables program and our committed bank credit facilities, excluding credit facilities that are available exclusively for a pre-determined purpose.

We consider available liquidity to be an important indicator of the financial strength and performance of our businesses because it shows the funds available to meet our cash requirements, including for, but not limited to, capital expenditures, post-employment benefit plans funding, dividend payments, the payment of contractual obligations, maturing debt, ongoing operations, the acquisition of spectrum, and other cash requirements. We believe that certain investors and analysts use available liquidity to evaluate the financial strength and performance of our businesses. The most directly comparable financial measure under IFRS Accounting Standards is cash.

The following table is a reconciliation of cash to available liquidity on a consolidated basis.

	December 31, 2024	December 31, 2023
Cash	**1,572**	547
Cash equivalents	**–**	225
Short-term investments	**400**	1,000
Amounts available under our securitized receivables program [1]	**700**	700
Amounts available under our committed bank credit facilities [2]	**1,810**	3,303
Available liquidity	**4,482**	5,775

(1) *At December 31, 2024 and December 31, 2023, $700 million was available under our securitized receivables program, under which we borrowed $1,112 million in U.S. dollars ($1,600 million in Canadian dollars) and $1,200 million in U.S. dollars ($1,588 million in Canadian dollars) as at December 31, 2024 and December 31, 2023, respectively. Loans secured by receivables are included in* Debt due within one year *in our consolidated financial statements.*

(2) *At December 31, 2024 and December 31, 2023, respectively, $1,810 million and $3,303 million were available under our committed bank credit facilities, given outstanding commercial paper of $1,522 million in U.S. dollars ($2,190 million in Canadian dollars) and $149 million in U.S. dollars ($197 million in Canadian dollars) as at December 31, 2024 and December 31, 2023, respectively. Commercial paper outstanding is included in* Debt due within one year *in our consolidated financial statements.*

Free cash flow and excess free cash flow

The terms free cash flow and excess free cash flow do not have any standardized meaning under IFRS Accounting Standards. Therefore, they are unlikely to be comparable to similar measures presented by other issuers.

We define free cash flow as cash flows from operating activities, excluding cash from discontinued operations, acquisition and other costs paid (which include significant litigation costs) and voluntary pension funding, less capital expenditures, preferred share dividends and dividends paid by subsidiaries to NCI. We exclude cash from discontinued operations, acquisition and other costs paid and voluntary pension funding because they affect the comparability of our financial results and could potentially distort the analysis of trends in business performance. Excluding these items does not imply they are non-recurring.

We define excess free cash flow as free cash flow less dividends paid on common shares.

We consider free cash flow and excess free cash flow to be important indicators of the financial strength and performance of our businesses. Free cash flow shows how much cash is available to pay dividends on common shares, repay debt and reinvest in our company. Excess free cash flow shows how much cash is available to repay debt and reinvest in our company, after the payment of dividends on common shares. We believe that certain investors and analysts use free cash flow and excess free cash flow to value a business and its underlying assets and to evaluate the financial strength and performance of our businesses. The most directly comparable financial measure under IFRS Accounting Standards is cash flows from operating activities.

The following tables provide reconciliations of cash flows from operating activities to free cash flow and excess free cash flow on a consolidated basis.

	2024	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Cash flows from operating activities	**6,988**	1,877	1,842	2,137	1,132
Capital expenditures	**(3,897)**	(963)	(954)	(978)	(1,002)
Cash dividends paid on preferred shares	**(187)**	(53)	(43)	(45)	(46)
Cash dividends paid by subsidiaries to NCI	**(68)**	(12)	(14)	(28)	(14)
Acquisition and other costs paid	**52**	25	1	11	15
Free cash flow	**2,888**	874	832	1,097	85
Dividends paid on common shares	**(3,613)**	(910)	(910)	(910)	(883)
Excess free cash flow	**(725)**	(36)	(78)	187	(798)

	2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023	2022
Cash flows from operating activities	**7,946**	2,373	1,961	2,365	1,247	8,365
Capital expenditures	**(4,581)**	(1,029)	(1,159)	(1,307)	(1,086)	(5,133)
Cash dividends paid on preferred shares	**(182)**	(46)	(35)	(46)	(55)	(136)
Cash dividends paid by subsidiaries to NCI	**(47)**	(12)	(13)	(1)	(21)	(39)
Acquisition and other costs paid	**8**	3	–	5	–	10
Free cash flow	**3,144**	1,289	754	1,016	85	3,067
Dividends paid on common shares	**(3,486)**	(882)	(883)	(882)	(839)	(3,312)
Excess free cash flow	**(342)**	407	(129)	134	(754)	(245)

Net debt

The term net debt does not have any standardized meaning under IFRS Accounting Standards. Therefore, it is unlikely to be comparable to similar measures presented by other issuers.

We define net debt as debt due within one year plus long-term debt and 50% of preferred shares, less cash, cash equivalents and short-term investments, as shown in BCE's consolidated statements of financial position. We include 50% of outstanding preferred shares in our net debt as it is consistent with the treatment by certain credit rating agencies.

We consider net debt to be an important indicator of the company's financial leverage because it represents the amount of debt that is not covered by available cash, cash equivalents and short-term investments. We believe that certain investors and analysts use net debt to determine a company's financial leverage.

Net debt is calculated using several asset and liability categories from the statements of financial position. The most directly comparable financial measure under IFRS Accounting Standards is long-term debt. The following table is a reconciliation of long-term debt to net debt on a consolidated basis.

	December 31, 2024	December 31, 2023
Long-term debt	**32,835**	31,135
Debt due within one year	**7,669**	5,042
50% of preferred shares	**1,767**	1,834
Cash	**(1,572)**	(547)
Cash equivalents	**–**	(225)
Short-term investments	**(400)**	(1,000)
Net debt	**40,299**	36,239

11.2 Non-GAAP ratios

A non-GAAP ratio is a financial measure disclosed in the form of a ratio, fraction, percentage or similar representation and that has a non-GAAP financial measure as one or more of its components.

Adjusted EPS

The term adjusted EPS does not have any standardized meaning under IFRS Accounting Standards. Therefore, it is unlikely to be comparable to similar measures presented by other issuers.

We define adjusted EPS as adjusted net earnings per BCE common share. Adjusted net earnings is a non-GAAP financial measure. For further details on adjusted net earnings, see section 11.1, *Non-GAAP financial measures*.

We use adjusted EPS, and we believe that certain investors and analysts use this measure, among other ones, to assess the performance of our businesses without the effects of severance, acquisition and other costs, net mark-to-market losses (gains) on derivatives used to economically hedge equity settled share-based compensation plans, net equity losses (gains) on investments in associates and joint ventures, net losses (gains) on investments, early debt redemption costs, impairment of assets and discontinued operations, net of tax and NCI. We exclude these items because they affect the comparability of our financial results and could potentially distort the analysis of trends in business performance. Excluding these items does not imply they are non-recurring.

Dividend payout ratio

The term dividend payout ratio does not have any standardized meaning under IFRS Accounting Standards. Therefore, it is unlikely to be comparable to similar measures presented by other issuers.

We define dividend payout ratio as dividends paid on common shares divided by free cash flow. Free cash flow is a non-GAAP financial measure. For further details on free cash flow, see section 11.1, *Non-GAAP financial measures*.

We consider dividend payout ratio to be an important indicator of the financial strength and performance of our businesses because it shows the sustainability of the company's dividend payments.

11.3 Total of segments measures

A total of segments measure is a financial measure that is a subtotal or total of 2 or more reportable segments and is disclosed within the Notes to BCE's consolidated primary financial statements.

Adjusted EBITDA

We define adjusted EBITDA as operating revenues less operating costs as shown in BCE's consolidated income statements.

The most directly comparable financial measure under IFRS Accounting Standards is net earnings (loss). The following tables provide reconciliations of net earnings (loss) to adjusted EBITDA on a consolidated basis.

	2024	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Net earnings (loss)	**375**	505	(1,191)	604	457
Severance, acquisition and other costs	**454**	154	49	22	229
Depreciation	**3,758**	933	934	945	946
Amortization	**1,283**	317	325	325	316
Finance costs					
Interest expense	**1,713**	431	440	426	416
Net return on post-employment benefit plans	**(66)**	(17)	(16)	(17)	(16)
Impairment of assets	**2,190**	4	2,113	60	13
Other expense	**305**	103	63	101	38
Income taxes	**577**	175	5	231	166
Adjusted EBITDA	**10,589**	2,605	2,722	2,697	2,565

	2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023	2022
Net earnings	**2,327**	435	707	397	788	2,926
Severance, acquisition and other costs	**200**	41	10	100	49	94
Depreciation	**3,745**	954	937	936	918	3,660
Amortization	**1,173**	299	295	296	283	1,063
Finance costs						
Interest expense	**1,475**	399	373	359	344	1,146
Net return on post-employment benefit plans	**(108)**	(27)	(27)	(27)	(27)	(51)
Impairment of assets	**143**	109	–	–	34	279
Other expense (income)	**466**	147	129	311	(121)	115
Income taxes	**996**	210	243	273	270	967
Adjusted EBITDA	**10,417**	2,567	2,667	2,645	2,538	10,199

11.4 Capital management measures

A capital management measure is a financial measure that is intended to enable a reader to evaluate our objectives, policies and processes for managing our capital and is disclosed within the Notes to BCE's consolidated financial statements.

The financial reporting framework used to prepare the financial statements requires disclosure that helps readers assess the company's capital management objectives, policies, and processes, as set out in IFRS Accounting Standards in IAS 1 – *Presentation of Financial Statements*. BCE has its own methods for managing capital and liquidity, and IFRS Accounting Standards do not prescribe any particular calculation method.

Net debt leverage ratio

The net debt leverage ratio represents net debt divided by adjusted EBITDA. Net debt used in the calculation of the net debt leverage ratio is a non-GAAP financial measure. For further details on net debt, see section 11.1, *Non-GAAP financial measures*. For the purposes of calculating our net debt leverage ratio, adjusted EBITDA is twelve-month trailing adjusted EBITDA.

We use, and believe that certain investors and analysts use, the net debt leverage ratio as a measure of financial leverage.

11.5 Supplementary financial measures

A supplementary financial measure is a financial measure that is not reported in BCE's consolidated financial statements, and is, or is intended to be, reported periodically to represent historical or expected future financial performance, financial position, or cash flows.

An explanation of such measures is provided where they are first referred to in this MD&A if the supplementary financial measures' labelling is not sufficiently descriptive.

11.6 KPIs

In addition to the non-GAAP financial measures and other financial measures described previously, we use the following KPIs to measure the success of our strategic imperatives. These KPIs are not accounting measures and may not be comparable to similar measures presented by other issuers.

KPI	Definition
Adjusted EBITDA margin	Adjusted EBITDA margin is defined as adjusted EBITDA divided by operating revenues.
ARPU	ARPU is defined as Bell CTS wireless external services revenues divided by the average mobile phone subscriber base for the specified period, expressed as a dollar unit per month.
Capital intensity	Capital intensity is defined as capital expenditures divided by operating revenues.
Churn	Mobile phone churn is the rate at which existing mobile phone subscribers cancel their services. It is a measure of our ability to retain our customers. Mobile phone churn is calculated by dividing the number of mobile phone deactivations during a given period by the average number of mobile phone subscribers in the base for the specified period and is expressed as a percentage per month.
Subscriber unit (1)	Mobile phone subscriber unit is comprised of a recurring revenue generating portable unit (e.g. smartphones and feature phones) on an active service plan, that has access to our wireless networks and includes voice, text and/or data connectivity. We report mobile phone subscriber units in two categories: postpaid and prepaid. Prepaid mobile phone subscriber units are considered active for a period of 90 days following the expiry of the subscriber's prepaid balance. Mobile connected device subscriber unit is comprised of a recurring revenue generating portable unit (e.g. tablets, wearables, mobile Internet devices and IoT) on an active service plan, that has access to our wireless networks and is intended for limited or no cellular voice capability. Wireline subscriber unit consists of an active revenue-generating unit with access to our services, including retail Internet, IPTV, and/or residential NAS. A subscriber is included in our subscriber base when the service has been installed and is operational at the customer premise and a billing relationship has been established. • Retail Internet and IPTV subscribers have access to stand-alone services, and are primarily represented by a dwelling unit or a business location • Retail residential NAS subscribers are based on a line count and are represented by a unique telephone number

(1) *As of Q1 2024, we are no longer reporting retail satellite TV subscribers as this no longer represents a significant proportion of our revenues. As a result, satellite TV subscribers have been removed from our retail TV subscriber base, and we now report exclusively retail IPTV subscribers.*

12 Effectiveness of internal controls

Disclosure controls and procedures

Our disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us in reports filed or submitted under Canadian and U.S. securities laws is recorded, processed, summarized and reported within the time periods specified under those laws, and include controls and procedures that are designed to ensure that the information is accumulated and communicated to management, including BCE's President and CEO and Executive Vice-President and Chief Financial Officer (CFO), to allow timely decisions regarding required disclosure.

As at December 31, 2024, management evaluated, under the supervision of and with the participation of the CEO and the CFO, the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) under the U.S. *Securities Exchange Act of 1934*, as amended, and under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*.

Based on that evaluation, the CEO and CFO concluded that our disclosure controls and procedures were effective as at December 31, 2024.

Internal control over financial reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the U.S. *Securities Exchange Act of 1934*, as amended, and under National Instrument 52-109. Our internal control over financial reporting is a process designed under the supervision of the CEO and CFO, and effected by the Board, management and other personnel of BCE, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards as issued by the IASB. However, because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis.

Management evaluated, under the supervision of and with the participation of the CEO and the CFO, the effectiveness of our internal control over financial reporting as at December 31, 2024, based on the criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Based on that evaluation, the CEO and CFO concluded that our internal control over financial reporting was effective as at December 31, 2024.

Changes in internal control over financial reporting

No changes were made in our internal control over financial reporting during the year ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Reports on internal controls

Management's report on internal control over financial reporting

The management of BCE Inc. (BCE) is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process designed under the supervision of the President and Chief Executive Officer and the Executive Vice-President and Chief Financial Officer and effected by the board of directors, management and other personnel of BCE, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB).

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management evaluated, under the supervision of and with the participation of the President and Chief Executive Officer and the Executive Vice-President and Chief Financial Officer, the effectiveness of our internal control over financial reporting as at December 31, 2024, based on the criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Based on that evaluation, the President and Chief Executive Officer and the Executive Vice-President and Chief Financial Officer concluded that our internal control over financial reporting was effective as at December 31, 2024. There were no material weaknesses that have been identified by BCE's management in internal control over financial reporting as at December 31, 2024.

Our internal control over financial reporting as at December 31, 2024 has been audited by Deloitte LLP, independent registered public accounting firm, who also audited our consolidated financial statements for the year ended December 31, 2024. Deloitte LLP issued an unqualified opinion on the effectiveness of our internal control over financial reporting as at December 31, 2024.

(signed) Mirko Bibic
President and Chief Executive Officer

(signed) Curtis Millen
Executive Vice-President and Chief Financial Officer

(signed) Thierry Chaumont
Senior Vice-President, Controller and Tax

March 6, 2025

Report of independent registered public accounting firm

To the shareholders and the Board of Directors of BCE Inc.

Opinion on internal control over financial reporting

We have audited the internal control over financial reporting of BCE Inc. and subsidiaries (the "Company") as of December 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as at and for the year ended December 31, 2024, of the Company and our report dated March 6, 2025, expressed an unqualified opinion on those financial statements.

Basis for opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and limitations of internal control over financial reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte LLP
Chartered Professional Accountants

Montréal, Canada
March 6, 2025

Consolidated financial statements

Table of contents

Management's responsibility for financial reporting

These financial statements form the basis for all of the financial information that appears in this report.

The financial statements and all of the information in this report are the responsibility of the management of BCE Inc. (BCE) and have been reviewed and approved by the board of directors. The board of directors is responsible for ensuring that management fulfills its financial reporting responsibilities. Deloitte LLP, Independent Registered Public Accounting Firm, have audited the financial statements.

Management has prepared the financial statements in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board. Under these principles, management has made certain estimates and assumptions that are reflected in the financial statements and notes. Management believes that these financial statements fairly present BCE's consolidated financial position, results of operations and cash flows.

Management has a system of internal controls designed to provide reasonable assurance that the financial statements are accurate and complete in all material respects. This is supported by an internal audit group that reports to the Audit Committee, and includes communication with employees about policies for ethical business conduct. Management believes that the internal controls provide reasonable assurance that our financial records are reliable and form a proper basis for preparing the financial statements, and that our assets are properly accounted for and safeguarded.

The board of directors has appointed an Audit Committee, which is made up of unrelated and independent directors. The Audit Committee's responsibilities include reviewing the financial statements and other information in this report, and recommending them to the board of directors for approval. You will find a description of the Audit Committee's other responsibilities in this report. The internal auditors and the shareholders' auditors have free and independent access to the Audit Committee.

(signed) Mirko Bibic
President and Chief Executive Officer

(signed) Curtis Millen
Executive Vice-President and Chief Financial Officer

(signed) Thierry Chaumont
Senior Vice-President, Controller and Tax

March 6, 2025

Report of independent registered public accounting firm

To the Shareholders and the Board of Directors of BCE Inc.

Opinion on the financial statements

We have audited the accompanying consolidated statements of financial position of BCE Inc. and subsidiaries (the "Company") as at December 31, 2024 and 2023, the related consolidated income statements, statements of comprehensive income, changes in equity, and cash flows, for each of the two years in the period ended December 31, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for each of the two years in the period ended December 31, 2024, in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB).

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 6, 2025, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill and intangible assets – Bell Media group – refer to notes 2N, 8, 19 and 22 to the financial statements

Critical Audit Matter Description

Goodwill and indefinite-life intangible assets for the Bell Media group of cash generating units ("Bell Media") are tested annually or when there is an indication that the assets may be impaired. In the third quarter of 2024, a further decline in advertising demand and spending in the linear advertising market led management to identify impairment indicators for Bell Media's TV services and radio markets. Consequently, following the impairment assessment, management recognized impairment charges for goodwill, as well as for the English and French TV services and radio markets intangible assets within the Bell Media segment.

When testing goodwill and intangible assets for Bell Media, while there are several assumptions that are required to determine the recoverable amount, the judgments with the highest degree of subjectivity and impact are the operating cash flow projections, and the determination of earnings before interest, taxes, depreciation and amortization ("EBITDA") multiples, discount rates and perpetuity growth rates ("significant assumptions"). Changes in these significant assumptions could have a significant impact on either the recoverable amount of Bell Media, the amount of impairment charge to goodwill and/or intangible assets as required, or both. Auditing the significant assumptions required a high degree of auditor judgment and an increased extent of audit effort, which included the involvement of fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the significant assumptions used by management to determine the recoverable amount for Bell Media included the following, among others:

- Evaluated the effectiveness of controls over the assessment of goodwill and intangible assets for impairment, including those over the significant assumptions.
- Evaluated management's ability to accurately project operating cash flows by comparing actual results to management's historical projections.
- Evaluated the reasonableness of management's operating cash flow projections by giving consideration to:
  - Historical operating cash flows;
  - Analyst and industry reports for the Company and certain of its peer companies, and other relevant publicly available information;
  - Changes in Bell Media's operations and the industry that are expected to impact operating cash flow projections, including the advertising market, which continues to be adversely affected by economic uncertainty; and
  - Internal communications to management and the Board of Directors.
- With the assistance of fair value specialists, evaluated the reasonableness of the (1) EBITDA multiples, (2) discount rates, and (3) perpetuity growth rates by:
  - Testing the source information underlying the determination of the discount rates;
  - Reviewing relevant internal and external information, including third-party information and industry reports, to assess the reasonability of the selected EBITDA multiples, discount rates and perpetuity growth rates; and
  - Developing ranges of independent estimates and comparing those to the EBITDA multiples, discount rates and perpetuity growth rates selected by management.

/s/ Deloitte LLP
Chartered Professional Accountants

Montréal, Canada
March 6, 2025

We have served as the Company's auditor since 1880.

Consolidated income statements

For the year ended December 31 (in millions of Canadian dollars, except share amounts)	Note	2024	2023
Operating revenues	3	**24,409**	24,673
Operating costs	3, 5	**(13,820)**	(14,256)
Severance, acquisition and other costs	6	**(454)**	(200)
Depreciation	17	**(3,758)**	(3,745)
Amortization	19	**(1,283)**	(1,173)
Finance costs			
Interest expense	7	**(1,713)**	(1,475)
Net return on post-employment benefit plans	27	**66**	108
Impairment of assets	8, 17, 19	**(2,190)**	(143)
Other expense	9	**(305)**	(466)
Income taxes	10	**(577)**	(996)
Net earnings		**375**	2,327
Net earnings attributable to:			
Common shareholders		**163**	2,076
Preferred shareholders		**181**	187
Non-controlling interest	36	**31**	64
Net earnings		**375**	2,327
Net earnings per common share – basic and diluted	11	**0.18**	2.28
Weighted average number of common shares outstanding – basic (millions)		**912.3**	912.2

Consolidated statements of comprehensive income

For the year ended December 31 (in millions of Canadian dollars)	Note	2024	2023
Net earnings		**375**	2,327
Other comprehensive income (loss), net of income taxes			
Items that will be subsequently reclassified to net earnings			
Net change in value of derivatives designated as cash flow hedges, net of income taxes of $144 million and $93 million for 2024 and 2023, respectively		**(393)**	(257)
Items that will not be reclassified to net earnings			
Actuarial gains (losses) on post-employment benefit plans, net of income taxes of ($213) million and $149 million for 2024 and 2023, respectively	27	**583**	(404)
Net change in value of publicly-traded and privately-held investments, net of income taxes of ($38) million and ($50) million for 2024 and 2023, respectively		**239**	325
Net change in value of derivatives designated as cash flow hedges, net of income taxes of ($21) million and $5 million for 2024 and 2023, respectively		**59**	(12)
Other comprehensive income (loss)		**488**	(348)
Total comprehensive income		**863**	1,979
Total comprehensive income attributable to:			
Common shareholders		**648**	1,731
Preferred shareholders		**181**	187
Non-controlling interest	36	**34**	61
Total comprehensive income		**863**	1,979

Consolidated statements of financial position

(in millions of Canadian dollars)	Note	December 31, 2024	December 31, 2023
ASSETS			
Current assets			
Cash		**1,572**	547
Cash equivalents		**–**	225
Short-term investments		**400**	1,000
Trade and other receivables	12	**4,489**	4,031
Inventory	13	**420**	465
Contract assets	14	**477**	443
Contract costs	15	**702**	633
Prepaid expenses		**259**	230
Other current assets		**524**	264
Assets held for sale	4, 16	**80**	60
Total current assets		**8,923**	7,898
Non-current assets			
Contract assets	14	**282**	292
Contract costs	15	**888**	779
Property, plant and equipment	17	**30,001**	30,352
Intangible assets	19	**16,786**	16,609
Deferred tax assets	10	**136**	96
Investments in associates and joint ventures	20	**341**	323
Post-employment benefit assets	27	**3,578**	2,935
Other non-current assets	21	**2,289**	1,714
Goodwill	4, 22	**10,261**	10,942
Total non-current assets		**64,562**	64,042
Total assets		**73,485**	71,940
LIABILITIES			
Current liabilities			
Trade payables and other liabilities	23	**4,507**	4,729
Contract liabilities	14	**774**	811
Interest payable		**392**	332
Dividends payable		**933**	910
Current tax liabilities		**42**	268
Debt due within one year	24	**7,669**	5,042
Liabilities held for sale	4, 16	**529**	15
Total current liabilities		**14,846**	12,107
Non-current liabilities			
Contract liabilities	14	**350**	277
Long-term debt	25	**32,835**	31,135
Deferred tax liabilities	10	**5,244**	4,869
Post-employment benefit obligations	27	**1,204**	1,278
Other non-current liabilities	28	**1,646**	1,717
Total non-current liabilities		**41,279**	39,276
Total liabilities		**56,125**	51,383
Commitments and contingencies	34		
EQUITY			
Equity attributable to BCE shareholders			
Preferred shares	30	**3,533**	3,667
Common shares	30	**20,860**	20,859
Contributed surplus	30	**1,278**	1,258
Accumulated other comprehensive loss		**(159)**	(42)
Deficit		**(8,441)**	(5,513)
Total equity attributable to BCE shareholders		**17,071**	20,229
Non-controlling interest	36	**289**	328
Total equity		**17,360**	20,557
Total liabilities and equity		**73,485**	71,940

Consolidated statements of changes in equity

For the year ended December 31, 2024 (in millions of Canadian dollars)	Note	Attributable to BCE shareholders							
		Preferred shares	Common shares	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total	Non-controlling interest	Total equity
Balance at December 31, 2023		**3,667**	**20,859**	**1,258**	**(42)**	**(5,513)**	**20,229**	**328**	**20,557**
Net earnings		**–**	**–**	**–**	**–**	**344**	**344**	**31**	**375**
Other comprehensive (loss) income		**–**	**–**	**–**	**(98)**	**583**	**485**	**3**	**488**
Total comprehensive (loss) income		**–**	**–**	**–**	**(98)**	**927**	**829**	**34**	**863**
Other share-based compensation	30	**–**	**1**	**(22)**	**–**	**(33)**	**(54)**	**–**	**(54)**
Repurchase of preferred shares	30	**(134)**	**–**	**42**	**–**	**–**	**(92)**	**–**	**(92)**
Dividends declared on BCE common and preferred shares		**–**	**–**	**–**	**–**	**(3,827)**	**(3,827)**	**–**	**(3,827)**
Dividends declared by subsidiaries to non-controlling interest		**–**	**–**	**–**	**–**	**–**	**–**	**(68)**	**(68)**
Settlement of cash flow hedges transferred to the cost basis of hedged items		**–**	**–**	**–**	**(19)**	**–**	**(19)**	**–**	**(19)**
Acquisition of minority interest		**–**	**–**	**–**	**–**	**5**	**5**	**(5)**	**–**
Balance at December 31, 2024		**3,533**	**20,860**	**1,278**	**(159)**	**(8,441)**	**17,071**	**289**	**17,360**

For the year ended December 31, 2023 (in millions of Canadian dollars)	Note	Attributable to BCE shareholders							
		Preferred shares	Common shares	Contributed surplus	Accumulated other comprehensive (loss) income	Deficit	Total	Non-controlling interest	Total equity
Balance at December 31, 2022		3,870	20,840	1,172	(55)	(3,649)	22,178	337	22,515
Net earnings		–	–	–	–	2,263	2,263	64	2,327
Other comprehensive income (loss)		–	–	–	59	(404)	(345)	(3)	(348)
Total comprehensive income		–	–	–	59	1,859	1,918	61	1,979
Common shares issued under employee stock option plan	30	–	19	(1)	–	–	18	–	18
Other share-based compensation	30	–	–	24	–	(23)	1	–	1
Repurchase of preferred shares	30	(203)	–	63	–	–	(140)	–	(140)
Dividends declared on BCE common and preferred shares		–	–	–	–	(3,717)	(3,717)	–	(3,717)
Dividends declared by subsidiaries to non-controlling interest		–	–	–	–	–	–	(47)	(47)
Settlement of cash flow hedges transferred to the cost basis of hedged items		–	–	–	(29)	–	(29)	–	(29)
Disposition of production studios	4	–	–	–	–	–	–	(23)	(23)
Other		–	–	–	(17)	17	–	–	–
Balance at December 31, 2023		3,667	20,859	1,258	(42)	(5,513)	20,229	328	20,557

Consolidated statements of cash flows

For the year ended December 31 (in millions of Canadian dollars)	Note	2024	2023
Cash flows from operating activities			
Net earnings		**375**	2,327
Adjustments to reconcile net earnings to cash flows from operating activities			
Severance, acquisition and other costs	6	**454**	200
Depreciation and amortization	17, 19	**5,041**	4,918
Post-employment benefit plans cost	27	**142**	98
Net interest expense		**1,590**	1,408
Impairment of assets	8	**2,190**	143
Gains on investments	9	**(57)**	(80)
Net equity losses from investments in associates and joint ventures	9	**247**	581
Income taxes	10	**577**	996
Contributions to post-employment benefit plans	27	**(52)**	(52)
Payments under other post-employment benefit plans	27	**(61)**	(64)
Severance and other costs paid		**(330)**	(178)
Interest paid		**(1,759)**	(1,486)
Income taxes paid (net of refunds)		**(783)**	(700)
Acquisition and other costs paid		**(52)**	(8)
Net change in operating assets and liabilities		**(534)**	(157)
Cash flows from operating activities		**6,988**	7,946
Cash flows used in investing activities			
Capital expenditures	3	**(3,897)**	(4,581)
Decrease (increase) in short-term investments		**600**	(1,000)
Business acquisitions	4	**(624)**	(222)
Business disposition	4, 9	**–**	209
Spectrum licences	19	**(531)**	(183)
Other investing activities		**14**	(4)
Cash flows used in investing activities		**(4,438)**	(5,781)
Cash flow used in financing activities			
Increase (decrease) in notes payable		**1,945**	(646)
Issue of long-term debt	25	**3,834**	5,195
Repayment of long-term debt	25	**(3,303)**	(1,858)
Repurchase of financial liability		**–**	(149)
Issue of common shares	30	**–**	18
Purchase of shares for settlement of share-based payments	31	**(235)**	(223)
Repurchase of preferred shares	30	**(92)**	(140)
Cash dividends paid on common shares		**(3,613)**	(3,486)
Cash dividends paid on preferred shares		**(187)**	(182)
Cash dividends paid by subsidiaries to non-controlling interest		**(68)**	(47)
Other financing activities		**(31)**	(24)
Cash flow used in financing activities		**(1,750)**	(1,542)
Net increase in cash		**1,025**	448
Cash at beginning of year		**547**	99
Cash at end of year		**1,572**	547
Net (decrease) increase in cash equivalents		**(225)**	175
Cash equivalents at beginning of year		**225**	50
Cash equivalents at end of year		**–**	225

Notes to consolidated financial statements

***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.**

NOTE 1 Corporate information

BCE is incorporated and domiciled in Canada. BCE's head office is located at 1, Carrefour Alexander-Graham-Bell, Verdun, Québec, Canada. BCE is a communications company providing wireless, wireline, Internet, streaming services, and television (TV) services to residential, business and wholesale customers in Canada through our Bell Bell Communication and Technology Services (CTS) segment. Our Bell Media segment provides a portfolio of assets in premium video, audio, out-of-home (OOH) advertising, and digital media to customers nationally across Canada. The consolidated financial statements (financial statements) were approved by BCE's board of directors on March 6, 2025.

NOTE 2 Material accounting policies

A) Basis of presentation

The financial statements were prepared in accordance with IFRS® Accounting Standards, as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value as described in our accounting policies.

All amounts are in millions of Canadian dollars, except where noted.

Functional currency

The financial statements are presented in Canadian dollars, the company's functional currency.

B) Basis of consolidation

We consolidate the financial statements of all of our subsidiaries.

The results of subsidiaries acquired during the year are consolidated from the date of acquisition and the results of subsidiaries sold during the year are deconsolidated from the date of disposal. Intercompany transactions, balances, income and expenses are eliminated on consolidation.

C) Revenue from contracts with customers

Revenue is measured based on the value of the expected consideration in a contract with a customer and excludes sales taxes and other amounts we collect on behalf of third parties. We recognize revenue when control of a product or service is transferred to a customer. When our right to consideration from a customer corresponds directly with the value to the customer of the products and services transferred to date, we recognize revenue in the amount to which we have a right to invoice.

For bundled arrangements, we account for individual products and services when they are separately identifiable and the customer can benefit from the product or service on its own or with other readily available resources. The total arrangement consideration is allocated to each product or service included in the contract with the customer based on its stand-alone selling price. We generally determine stand-alone selling prices based on the observable prices at which we sell products separately without a service contract and prices for non-bundled service offers with the same range of services, adjusted for market conditions and other factors, as appropriate. When similar products and services are not sold separately, we use the expected cost plus margin approach to determine stand-alone selling prices. Products and services purchased by a customer in excess of those included in the bundled arrangement are accounted for separately.

We may enter into arrangements with subcontractors and others who provide services to our customers. When we act as the principal in these arrangements, we recognize revenues based on the amounts billed to our customers. Otherwise, we recognize the net amount that we retain as revenues.

A contract asset is recognized in the consolidated statements of financial position (statements of financial position) when our right to consideration from the transfer of products or services to a customer is conditional on our obligation to transfer other products or services. Contract assets are transferred to trade receivables when our right to consideration becomes conditional only as to the passage of time. A contract liability is recognized in the statements of financial position when we receive consideration in advance of the transfer of products or services to the customer. Contract assets and liabilities relating to the same contract are presented on a net basis.

Incremental costs of obtaining a contract with a customer, principally comprised of sales commissions, and prepaid contract fulfillment costs are included in *Contract costs* in the statements of financial position, except where the amortization period is one year or less, in which case costs of obtaining a contract are immediately expensed. Capitalized costs are amortized on a systematic basis that is consistent with the period and pattern of transfer to the customer of the related products or services.

Bell CTS segment revenues

We recognize product revenues from the sale of equipment when a customer takes possession of the product. We recognize service revenues over time, as the services are provided. Revenues on certain long-term contracts are recognized using output methods based on products delivered, performance completed to date, time elapsed or milestones met.

For wireless products and services that are sold separately, customers usually pay in full at the time of sale for products and on a monthly basis for services. For wireless products and services sold in bundled arrangements, including device financing plans, customers pay monthly over a contract term of up to 24 months for residential customers and up to 36 months for business customers. If they include a significant financing component, device financing plan receivables are discounted at market rates and interest revenue is accreted over the contractual repayment period.

For wireline customers, products are usually paid in full at the time of sale. Services are paid for on a monthly basis except where a billing schedule has been established with certain business customers under long-term contracts that can generally extend up to seven years.

Bell Media segment revenues

We recognize advertising revenue when advertisements are aired on the radio or TV, posted on our websites or applications or appear on our advertising panels and street furniture. Revenues relating to subscriber fees are recorded on a monthly basis as the services are provided. Advertising customer payments and subscriber fees earned from distributors are usually due monthly as the services are provided. Customer payments for direct-to-consumer subscriber fees are paid in full at the time of the sale.

See Note 3, *Segmented information*, for additional details.

D) Share-based payments

Our share-based payment arrangements include an employee savings plan (ESP), restricted share units (RSUs) and performance share units (PSUs), deferred share units (DSUs) and stock options.

ESP

We recognize our ESP contributions as compensation expense in *Operating costs* in the consolidated income statements (income statements) over the two-year vesting period, with a corresponding credit to contributed surplus. The value of an ESP at the grant date is equal to the value of one BCE common share. Additional ESPs are issued to reflect dividends declared on the common shares. Upon settlement of shares under the ESP, any difference between the cost of shares purchased on the open market and the amount credited to contributed surplus is reflected in the deficit.

RSUs/PSUs

For each RSU/PSU granted, we recognize compensation expense in *Operating costs* in the income statements over the three-year vesting period, with a corresponding credit to contributed surplus. The value of a RSU/PSU at the grant date is equal to the value of one BCE common share or the value estimated using a Monte Carlo simulation for PSUs that include relative total shareholder return as a performance condition. Additional RSUs/PSUs are issued to reflect dividends declared on the common shares.

Upon settlement of the RSUs/PSUs, any difference between the cost of shares purchased on the open market and the amount credited to contributed surplus is reflected in the deficit. Vested RSUs/PSUs are settled in BCE common shares, DSUs, or a combination thereof.

DSUs

If compensation is elected to be taken in DSUs, we issue DSUs equal to the fair value of the services received, with a corresponding credit to contributed surplus. Additional DSUs are issued to reflect dividends declared on the common shares. DSUs are settled in BCE common shares purchased on the open market following the cessation of employment or when a director leaves the board. Upon settlement of the DSUs, any difference between the cost of shares purchased on the open market and the amount credited to contributed surplus is reflected in the deficit.

Stock options

The fair value of options granted is determined using a variation of a binomial option pricing model that takes into account factors specific to the stock option plan. We recognize compensation expense in *Operating costs* in the income statements over the three-year vesting period, with a corresponding credit to contributed surplus.

When stock options are exercised, we credit share capital for the amount received and the amounts previously credited to contributed surplus.

E) Income and other taxes

Current and deferred income tax expense is recognized in the income statements, except to the extent that the expense relates to items recognized in Other comprehensive income (loss) or directly in equity.

We use the liability method to account for deferred tax assets and liabilities, which arise from:

- temporary differences between the carrying amount of assets and liabilities recognized in the statements of financial position and their corresponding tax bases
- the carryforward of unused tax losses and credits, to the extent they can be used in the future

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply when the asset or liability is recovered or settled. Both our current and deferred tax assets and liabilities are calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred taxes are provided on temporary differences arising from investments in subsidiaries, joint arrangements and associates, except where we control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Tax liabilities are, where permitted, offset against tax assets within the same taxable entity and tax jurisdiction.

As required by IFRS Accounting Standards, we do not recognize or disclose information about deferred tax assets and liabilities related to the Pillar Two model rules published by the Organisation for Economic Co-operation and Development, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

Investment tax credits (ITCs), other tax credits and government grants

We recognize ITCs, other tax credits and government grants given on eligible expenditures when it is reasonably assured that they will be realized. We use the cost reduction method to account for ITCs and government grants, under which the credits are applied against the expense or asset to which the ITCs or government grants relate.

F) Cash equivalents and other short-term deposits

Cash equivalents are comprised of highly liquid investments with original maturities of three months or less from the date of purchase and are measured at amortized cost. Short-term deposits with original maturities of more than three months are included in *Short-term investments* in the statements of financial position and are measured at amortized cost.

G) Securitization of receivables

Proceeds on the securitization of receivables are recognized as a collateralized borrowing as we do not transfer substantially all the risks and rewards of ownership to another entity.

H) Inventory

We measure inventory at the lower of cost and net realizable value. Inventory includes all costs to purchase, convert and bring the inventories to their present location and condition. We determine cost using specific identification for major equipment held for resale and the weighted average cost formula for all other inventory. We maintain inventory valuation reserves for inventory that is slow-moving or potentially obsolete, calculated using an inventory aging analysis.

I) Property, plant and equipment

We record property, plant and equipment at cost. Cost includes expenditures that are directly attributable to the acquisition or construction of the asset, including the purchase cost and labour.

Borrowing costs are capitalized for qualifying assets if the time to build or develop the asset is in excess of one year, at a rate that is based on the weighted average interest rate on our outstanding long-term debt. Gains or losses on the sale or retirement of property, plant and equipment are recorded in *Other expense* in the income statements.

Leases

We enter into leases for network infrastructure and equipment, land and buildings in the normal course of business. Lease contracts are typically made for fixed periods but may include purchase, renewal or termination options. Leases are negotiated on an individual basis and contain a wide range of different terms and conditions.

We adopted IFRS 16 – *Leases* as of January 1, 2019. Certain finance leases entered into prior to 2019 were initially measured under IAS 17 – *Leases*, as permitted by the transition provisions of IFRS 16.

IFRS 16

We assess whether a contract contains a lease at inception of the contract. A lease contract conveys the right to control the use of an identified asset for a period in exchange for consideration. We recognize lease liabilities with corresponding right-of-use assets for all lease agreements, except for short-term leases and leases of low value assets, which are expensed on a straight-line basis over the lease term. Consideration in a contract is allocated to lease and non-lease components on a relative stand-alone value basis. We generally account for lease components and any associated non-lease components as a single lease component.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using our incremental borrowing rate, unless the rate implicit in the lease is readily determinable. We apply a single incremental borrowing rate to a portfolio of leases with similar characteristics. Lease payments included in the measurement of the lease liability comprise:

- fixed (and in-substance fixed) lease payments, less any lease incentives
- variable lease payments that depend on an index or rate
- payments expected under residual value guarantees and payments relating to purchase options and renewal option periods that are reasonably certain to be exercised (or periods subject to termination options that are not reasonably certain to be exercised)

Lease liabilities are subsequently measured at amortized cost using the effective interest method. Lease liabilities are remeasured, with a corresponding adjustment to the related right-of-use assets, when there is a change in variable lease payments arising from a change in an index or rate, or when we change our assessment of whether purchase, renewal or termination options will be exercised.

Right-of-use assets are measured at cost and are comprised of the initial measurement of the corresponding lease liabilities, lease payments made at or before the commencement date and any initial direct costs. They are subsequently depreciated on a straight-line basis and reduced by impairment losses, if any. Right-of-use assets may also be adjusted to reflect the remeasurement of related lease liabilities. If we obtain ownership of the leased asset by the end of the lease term or the cost of the right-of-use asset reflects the exercise of a purchase option, we depreciate the right-of-use asset from the lease commencement date to the end of the useful life of the underlying asset. Otherwise, we depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the underlying asset or the end of the lease term.

Variable lease payments that do not depend on an index or rate are not included in the measurement of lease liabilities and right-of-use assets. The related payments are expensed in operating costs in the period in which the event or condition that triggers those payments occurs.

IAS 17

Prior to 2019, under IAS 17, leases of property, plant and equipment were recognized as finance leases when we obtained substantially all the risks and rewards of ownership of the underlying assets. At the inception of the lease, we recorded an asset together with a corresponding long-term lease liability, at the lower of the fair value of the leased asset or the present value of the minimum future lease payments, excluding non-lease components.

Asset retirement obligations (AROs)

We initially measure and record AROs at management's best estimate using a present value methodology, adjusted subsequently for any changes in the timing or amount of cash flows and changes in discount rates. We capitalize asset retirement costs as part of the related assets and amortize them into earnings over time. We also increase the ARO and record a corresponding amount in interest expense to reflect the passage of time.

J) Intangible assets

Finite-life intangible assets

Finite-life intangible assets are recorded at cost less accumulated amortization and accumulated impairment losses, if any.

Software

We record internal-use software at cost. Cost includes expenditures that are directly attributable to the acquisition or development of the software, including the purchase cost and labour.

Software development costs are capitalized when all the following conditions are met:

- technical feasibility can be demonstrated
- management has the intent and the ability to complete the asset for use or sale
- it is probable that economic benefits will be generated
- costs attributable to the asset can be measured reliably

Customer relationships

Customer relationship assets are acquired through business acquisitions and are recorded at fair value at the date of acquisition.

Program and feature film rights

We account for program and feature film rights as intangible assets when these assets are acquired for the purpose of distribution through broadcasting, digital media and streaming services. Program and feature film rights, which include producer advances and licence fees paid in advance of receipt of the program or film, are stated at acquisition cost less accumulated amortization and accumulated impairment losses, if any. Programs and feature films under licence agreements are recorded as assets for rights acquired and liabilities for obligations incurred when:

- we receive a broadcast master and the cost is known or reasonably determinable for new program and feature film licences; or
- the licence term commences for licence period extensions or syndicated programs

Related liabilities of programs and feature films are classified as current or non-current, based on the payment terms. Amortization of program and feature film rights is recorded in *Operating costs* in the income statements.

Indefinite-life intangible assets

Brand assets, mainly comprised of the Bell, Bell Media and Bell MTS brands, and broadcast licences are acquired through business acquisitions and are recorded at fair value at the date of acquisition, less accumulated impairment losses, if any. Wireless spectrum licences are recorded at acquisition cost, including borrowing costs when the time to build or develop the related network is in excess of one year. Borrowing costs are calculated at a rate that is based on the weighted average interest rate on our outstanding long-term debt.

Currently, there are no legal, regulatory, competitive or other factors that limit the useful lives of our indefinite-life intangible assets.

K) Depreciation and amortization

We depreciate property, plant and equipment and amortize finite-life intangible assets on a straight-line basis over their estimated useful lives. We review our estimates of useful lives on an annual basis and adjust depreciation and amortization on a prospective basis, as required. Land and assets under construction or development are not depreciated.

	Estimated useful life
Property, plant and equipment	
Network infrastructure and equipment	2 to 40 years
Buildings	5 to 50 years
Finite-life intangible assets	
Software	2 to 12 years
Customer relationships	2 to 26 years
Program and feature film rights	Up to 5 years

L) Investments in associates and joint arrangements

Our financial statements incorporate our share of the results of our associates and joint ventures using the equity method of accounting, except when the investment is classified as held for sale. Equity income from investments is recorded in *Other expense* in the income statements.

Investments in associates and joint ventures are recognized initially at cost and adjusted thereafter to include the company's share of income or loss and comprehensive income or loss on an after-tax basis.

Investments are reviewed for impairment at each reporting period and we compare their recoverable amount to their carrying amount when there is an indication of impairment.

We recognize our share of the assets, liabilities, revenues and expenses of joint operations in accordance with the related contractual agreements.

M) Business acquisitions and goodwill

Business acquisitions are accounted for using the acquisition method. The consideration transferred in a business acquisition is measured at fair value at the date of acquisition. Acquisition-related transaction costs are expensed as incurred and recorded in *Severance, acquisition and other costs* in the income statements.

Identifiable assets and liabilities, including intangible assets, of acquired businesses are recorded at their fair values at the date of acquisition. When we acquire control of a business, any previously-held equity interest is remeasured to fair value and any gain or loss on remeasurement is recognized in *Other expense* in the income statements. The excess of the purchase consideration and any previously-held equity interest over the fair value of identifiable net assets acquired is recorded as *Goodwill* in the statements of financial position. If the fair value of identifiable net assets acquired exceeds the purchase consideration and any previously-held equity interest, the difference is recognized in *Other expense* in the income statements immediately as a bargain purchase gain.

N) Impairment of non-financial assets

Goodwill and indefinite-life intangible assets are tested for impairment annually or when there is an indication that the asset may be impaired. Property, plant and equipment and finite-life intangible assets are tested for impairment if events or changes in circumstances, assessed at each reporting period, indicate that their carrying amount may not be recoverable. For the purpose of impairment testing, assets other than goodwill are grouped at the lowest level for which there are separately identifiable cash inflows.

Impairment losses are recognized and measured as the excess of the carrying value of the assets over their recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use. Previously recognized impairment losses, other than those attributable to goodwill, are reviewed for possible reversal at each reporting date and, if the asset's recoverable amount has increased, all or a portion of the impairment is reversed.

Goodwill impairment testing

We perform an annual test for goodwill impairment in the fourth quarter for each of our cash-generating units (CGUs) or groups of CGUs to which goodwill is allocated, and whenever there is an indication that goodwill might be impaired.

A CGU is the smallest identifiable group of assets that generates cash inflows that are independent of the cash inflows from other assets or groups of assets.

We identify any potential impairment by comparing the carrying value of a CGU or group of CGUs to its recoverable amount. The recoverable amount of a CGU or group of CGUs is the higher of its fair value less costs of disposal and its value in use. Both fair value less costs of disposal and value in use are based on estimates of discounted future cash flows or other valuation methods. Cash flows are projected based on past experience, actual operating results and business plans, including any impact from changes in interest rates and inflation. When the recoverable amount of a CGU or group of CGUs is less than its carrying value, the recoverable amount is determined for its identifiable assets and liabilities. The excess of the recoverable amount of the CGU or group of CGUs over the total of the amounts assigned to its assets and liabilities is the recoverable amount of goodwill.

An impairment charge is recognized in the income statements for any excess of the carrying value of goodwill over its recoverable amount. For purposes of impairment testing of goodwill, our CGUs or groups of CGUs correspond to our reporting segments as disclosed in Note 3, *Segmented information*.

O) Financial instruments and contract assets

We measure trade and other receivables, including wireless device financing plan receivables, at amortized cost using the effective interest method, net of any allowance for doubtful accounts.

Our portfolio investments in equity securities are classified as fair value through other comprehensive income and are presented in our statements of financial position as *Other non-current assets*. These securities are recorded at fair value on the date of acquisition, including related transaction costs, and are adjusted to fair value at each reporting date. The corresponding unrealized gains and losses are recorded in *Other comprehensive income (loss)* in the consolidated statements of comprehensive income (statements of comprehensive income) and are reclassified from *Accumulated other comprehensive loss* to the *Deficit* in the statements of financial position when realized.

Other financial liabilities, which include trade payables and accruals, compensation payable, interest payable and long-term debt, are recorded at amortized cost using the effective interest method.

We measure the allowance for doubtful accounts and impairment of contract assets based on an expected credit loss (ECL) model, which takes into account current economic conditions, historical information, and forward-looking information, including interest rates and inflation. We use the simplified approach for measuring losses based on the lifetime ECL for trade and other receivables and contract assets. Amounts considered uncollectible are written off and recognized in *Operating costs* in the income statements.

The cost of issuing debt is included as part of long-term debt and is accounted for at amortized cost using the effective interest method. The cost of issuing equity is reflected in the consolidated statements of changes in equity as a charge to the deficit.

P) Derivative financial instruments

We use derivative financial instruments principally to manage risks related to changes in interest rates and foreign currency rates and cash flow exposures related to share-based payment plans, capital expenditures, long-term debt instruments and operating expenses. We do not use derivative financial instruments for speculative or trading purposes.

Derivatives that mature within one year are included in *Other current assets* or *Trade payables and other liabilities* in the statements of financial position, whereas derivatives that have a maturity of more than one year are included in *Other non-current assets* or *Other non-current liabilities*.

Hedge accounting

Fair value hedges

We use cross currency interest rate swaps to manage foreign currency and interest rate risk on certain U.S. dollar long-term debt. We use interest rate swaps, including forward starting interest rate swaps, to manage the interest rate risk on certain long-term debt. Changes in the fair value of these derivatives and the related debt are recognized in *Other expense* in the income statements and offset each other, except for any ineffective portion of the hedging relationship.

Cash flow hedges

We use foreign currency forward contracts and options to manage foreign currency risk relating to anticipated purchases denominated in foreign currencies. Changes in the fair value of these derivatives are recognized in our statements of comprehensive income, except for any ineffective portion of the hedging relationship, which is recognized in *Other expense* in the income statements. Realized gains and losses in accumulated other comprehensive loss are reclassified to the income statements or to the initial cost of the related non-financial asset in the same periods as the corresponding hedged transactions are recognized.

We use foreign currency forward contracts to manage foreign currency risk relating to our U.S. dollar debt under our commercial paper program and securitization of receivables program. Changes in the fair value of these derivatives are recognized in *Other expense* in the income statements and offset the foreign currency translation adjustment on the related debt, except for any portion of the hedging relationship which is ineffective.

We use cross currency interest rate swaps to manage foreign currency and interest rate risk related to certain U.S. dollar long-term debt. We also use interest rate swaps, including forward starting interest rate swaps, to manage the interest rate risk related to certain Canadian dollar long-term debt. Changes in the fair value of these derivatives are recognized in our statements of comprehensive income, except for amounts recorded in *Other expense* in the income statements to offset the foreign currency translation adjustment on the related debt and any portion of the hedging relationship which is ineffective.

We use forward starting interest rate swaps to manage interest rate risk related to certain future debt issuances. Changes in the fair value of these derivatives are recognized in our statements of comprehensive income, except for any ineffective portion of the hedging relationship, which is recognized in *Other expense* in the income statements. Realized gains and losses in accumulated other comprehensive loss are reclassified to *Interest expense* in the income statements over the term of the related debt, once issued.

Derivatives used as economic hedges

We use derivatives to manage cash flow exposures related to our equity settled share-based payment plans and anticipated purchases in foreign currencies, interest rate risk related to preferred share dividend rate resets and interest rate risk related to existing and anticipated debt issuances. As these derivatives do not qualify for hedge accounting, the changes in their fair value are recorded in the income statements in *Other expense*.

Q) Post-employment benefit plans

Defined benefit (DB) and other post-employment benefit (OPEB) plans

We maintain DB pension plans that provide pension benefits for certain employees and retirees. Benefits are based on the employee's length of service and average rate of pay during the highest paid consecutive five years of service. Most employees are not required to contribute to the plans. Certain plans provide cost of living adjustments to help protect the income of retired employees against inflation.

We are responsible for adequately funding our DB pension plans. We make contributions to them based on various actuarial cost methods permitted by pension regulatory bodies. Contributions reflect actuarial assumptions about future investment returns, salary projections, future service and life expectancy.

We provide OPEBs to some of our employees, including:

- health care and life insurance benefits during retirement, which have been phased out for new retirees since December 31, 2016. Most of these OPEB plans are unfunded and benefits are paid when incurred.
- other benefits, including workers' compensation and medical benefits to former or inactive employees, their beneficiaries and dependants, from the time their employment ends until their retirement starts, under certain circumstances

We accrue our obligations and related costs under post-employment benefit plans, net of the fair value of the benefit plan assets. Pension and OPEB costs are determined using:

- the projected unit credit method, prorated on years of service, which takes into account future pay levels
- a discount rate based on market interest rates of high-quality corporate fixed income investments with maturities that match the timing of benefits expected to be paid under the plans
- management's best estimate of pay increases, retirement ages of employees, expected healthcare costs and life expectancy

We value post-employment benefit plan assets at fair value using current market values.

Post-employment benefit plans current service cost is included in *Operating costs* in the income statements. Interest on our post-employment benefit plan assets and obligations is recognized in *Finance costs* in the income statements and represents the accretion of interest on the assets and obligations under our post-employment benefit plans. The interest rate is based on market conditions that existed at the beginning of the year. Actuarial gains and losses for all post-employment benefit plans are recorded in *Other comprehensive income (loss)* in the statements of comprehensive income in the period in which they occur and are recognized immediately in the deficit.

December 31 is the measurement date for our significant post-employment benefit plans. Our actuaries perform a valuation based on management's assumptions at least every three years to determine the actuarial present value of the accrued DB pension plans and OPEB obligations. The most recent actuarial valuation of our significant pension plans was as at December 31, 2023.

Defined contribution (DC) pension plans

We maintain DC pension plans that provide certain employees with benefits. Under these plans, we are responsible for contributing a predetermined amount to an employee's retirement savings, based on a percentage of the employee's salary.

We recognize a post-employment benefit plans service cost for DC pension plans when the employee provides service to the company, essentially coinciding with our cash contributions.

When eligible, new employees can only participate in the DC pension plans.

R) Provisions

Provisions are recognized when all the following conditions are met:

- the company has a present legal or constructive obligation based on past events
- it is probable that an outflow of economic resources will be required to settle the obligation
- the amount can be reasonably estimated

Provisions are measured at the present value of the estimated expenditures expected to settle the obligation, if the effect of the time value of money is material. The present value is determined using current market assessments of the discount rate and risks specific to the obligation. The obligation increases as a result of the passage of time, resulting in interest expense which is recognized in *Finance costs* in the income statements.

S) Estimates and key judgments

When preparing the financial statements, management makes estimates and judgments relating to:

- reported amounts of revenues and expenses
- reported amounts of assets and liabilities
- disclosure of contingent assets and liabilities

We base our estimates on a number of factors, including but not limited to historical experience, current events, economic and financial market conditions such as interest rates, inflation and the risk of recession, geopolitical events and supply chain disruptions, and actions that the company may undertake in the future, as well as other assumptions that we believe are reasonable under the circumstances. A change in these assumptions may have an impact on our financial statements including but not limited to impairment testing, fair value determination, expected credit losses and discount rates used for the present value of cash flows. By their nature, these estimates and judgments are subject to measurement uncertainty and actual results could differ. Our more significant estimates and judgments are described below.

Estimates

Useful lives of property, plant and equipment and finite-life intangible assets

Property, plant and equipment and finite-life intangible assets represent a significant proportion of our total assets. Changes in technology or our intended use of these assets, climate change and our environmental, social and corporate governance (ESG) initiatives as well as changes in business prospects or economic and industry factors, may cause the estimated useful lives of these assets to change.

Post-employment benefit plans

The amounts reported in the financial statements relating to DB pension plans and OPEBs are determined using actuarial calculations that are based on several assumptions.

The actuarial valuation uses management's assumptions for, among other things, the discount rate, life expectancy, the rate of compensation increase, cost of living indexation rate, trends in healthcare costs and expected average remaining years of service of employees.

The most significant assumptions used to calculate the net post-employment benefit plans cost are the discount rate and life expectancy.

The discount rate is based on the yield on long-term, high-quality corporate fixed income investments, with maturities matching the estimated cash flows of the post-employment benefit plans. Life expectancy is based on publicly available Canadian mortality tables and is adjusted for the company's specific experience.

Revenue from contracts with customers

We are required to make estimates that affect the amount of revenue from contracts with customers, including estimating the stand-alone selling prices of products and services.

Impairment of non-financial assets

We make a number of estimates when calculating recoverable amounts using discounted future cash flows or other valuation methods to test for impairment. These estimates include the assumed growth rates for future cash flows, the number of years used in the cash flow model and the discount rate.

Deferred taxes

The amounts of deferred tax assets and liabilities are estimated with consideration given to the timing, sources and amounts of future taxable income.

Leases

The application of IFRS 16 requires us to make estimates that affect the measurement of right-of-use assets and liabilities, including determining the appropriate discount rate used to measure lease liabilities. Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using our incremental borrowing rate, unless the rate implicit in the lease is readily determinable. Our incremental borrowing rate is derived from publicly available risk-free interest rates, adjusted for applicable credit spreads and lease terms. We apply a single incremental borrowing rate to a portfolio of leases with similar characteristics.

Fair value of financial instruments

Certain financial instruments, such as investments in equity securities, derivative financial instruments and certain elements of borrowings, are carried in the statements of financial position at fair value, with changes in fair value reflected in the income statements and the statements of comprehensive income. Fair values are estimated by reference to published price quotations or by using other valuation techniques that may include inputs that are not based on observable market data, such as discounted cash flows and earnings multiples.

Contingencies

In the ordinary course of business, we become involved in various claims and legal proceedings seeking monetary damages and other relief. Pending claims and legal proceedings represent a potential cost to our business. We estimate the amount of a loss by analyzing potential outcomes and assuming various litigation and settlement strategies, based on information that is available at the time.

Onerous contracts

A provision for onerous contracts is recognized when the unavoidable costs of meeting our obligations under a contract exceed the expected benefits to be received under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of completing the contract.

Judgments

Post-employment benefit plans

The determination of the discount rate used to value our post-employment benefit obligations requires judgment. The rate is set by reference to market yields of long-term, high-quality corporate fixed income investments at the beginning of each fiscal year. Significant judgment is required when setting the criteria for fixed income investments to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of investments include the size of the issue and credit quality, along with the identification of outliers, which are excluded.

Income taxes

The calculation of income taxes requires judgment in interpreting tax rules and regulations. There are transactions and calculations for which the ultimate tax determination is uncertain. Our tax filings are also subject to audits, the outcome of which could change the amount of current and deferred tax assets and liabilities.

Management judgment is used to determine the amounts of deferred tax assets and liabilities to be recognized. In particular, judgment is required when assessing the timing of the reversal of temporary differences to which future income tax rates are applied.

Leases

The application of IFRS 16 requires us to make judgments that affect the measurement of right-of-use assets and liabilities. A lease contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception of the contract, we assess whether the contract contains an identified asset, whether we have the right to obtain substantially all of the economic benefits from use of the asset and whether we have the right to direct how and for what purpose the asset is used. In determining the lease term, we include periods covered by renewal options when we are reasonably certain to exercise those options. Similarly, we include periods covered by termination options when we are reasonably certain not to exercise those options. To assess if we are reasonably certain to exercise an option, we consider all facts and circumstances that create an economic incentive to exercise renewal options (or not exercise termination options). Economic incentives include the costs related to the termination of the lease, the significance of any leasehold improvements and the importance of the underlying assets to our operations.

Revenue from contracts with customers

The identification of performance obligations within a contract and the timing of satisfaction of performance obligations under long-term contracts requires judgment. Additionally, the determination of costs to obtain a contract, including the identification of incremental costs, also requires judgment.

CGUs

The determination of CGUs or groups of CGUs for the purpose of impairment testing requires judgment.

Contingencies

The determination of whether a loss is probable from claims and legal proceedings and whether an outflow of resources is likely requires judgment.

T) Future changes to accounting standards

The following accounting standard and amendments to accounting standards issued by the IASB have not yet been adopted by BCE.

Standard	Description	Impact	Effective date
IFRS 18 – *Presentation and Disclosure in Financial Statements*	Sets out requirements and guidance on presentation and disclosure in financial statements, including: • presentation in the income statements of income and expenses within defined categories – operating, investing, financing, income taxes and discontinued operations • presentation in the income statements of new defined subtotals – operating profit and profit before financing and income taxes • disclosure of explanations of management-defined performance measures that are related to the income statements • enhanced guidance on aggregation and disaggregation of information and whether to provide information in the financial statements or in the notes • disclosure of specified expenses by nature IFRS 18 replaces IAS 1 – *Presentation of Financial Statements* but carries forward many of the requirements from IAS 1 unchanged.	We are currently assessing the impact of this standard.	Annual reporting periods beginning on or after January 1, 2027. Early application is permitted.
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	In particular, the amendments clarify: • the classification of financial assets with ESG and similar features • the derecognition date for financial liabilities and introduce an accounting policy option for financial liabilities settled using an electronic payment system if certain conditions are met The amendments also require additional disclosures for financial instruments with contractual terms that reference a contingent event and equity instruments classified at fair value through other comprehensive income.	We are currently assessing the impact of these amendments.	Annual reporting periods beginning on or after January 1, 2026. Early application is permitted.

NOTE 3 Segmented information

The accounting policies used in our segment reporting are the same as those we describe in Note 2, *Material accounting policies*. Our segments reflect how we manage our business and how we classify our operations for planning and measuring performance. Accordingly, we operate and manage our segments as strategic business units organized by products and services. Segments negotiate sales with each other as if they were unrelated parties.

We measure the performance of each segment based on adjusted EBITDA, which is equal to operating revenues less operating costs for the segment. Substantially all of our severance, acquisition and other costs, depreciation and amortization, finance costs and other (expense) income are managed on a corporate basis and, accordingly, are not reflected in segment results.

Substantially all of our operations and assets are located in Canada.

Our Bell CTS segment provides a wide range of communication products and services to consumer, business and government customers across Canada. Wireless products and services include mobile data and voice plans, streaming services, and devices and are available nationally. Wireline products and services comprise data (including Internet access, Internet protocol television (IPTV), cloud-based services and business solutions), voice, and other communication services and products, which are available to our residential, small and medium-sized business and large enterprise customers primarily in Ontario, Québec, the Atlantic provinces and Manitoba, while satellite TV service and connectivity to business customers are available nationally across Canada. In addition, this segment includes our wholesale business, which buys and sells local telephone, long distance, data and other services from or to resellers and other carriers as well as the results of operations of our national consumer electronics retailer, The Source (Bell) Electronics Inc. (The Source). In 2024, Bell Canada announced a strategic partnership with Best Buy Canada to operate 167 The Source consumer electronics retail stores in Canada, which have been rebranded as Best Buy Express and offer the latest in consumer electronics from Best Buy along with exclusive telecommunications services from Bell. In addition in 2024, Bell wound down The Source head office and back office operations, as well as closed 107 The Source stores.

Our Bell Media segment provides a portfolio of assets in premium video, audio, OOH advertising, and digital media to customers nationally across Canada.

Segmented information

For the year ended December 31, 2024	Note	Bell CTS	Bell Media	Inter-segment eliminations	BCE
Operating revenues					
External service revenues		18,256	2,817	–	21,073
Inter-segment service revenues		27	334	(361)	–
Operating service revenues		18,283	3,151	(361)	21,073
External/Operating product revenues		3,336	–	–	3,336
Total external revenues		21,592	2,817	–	24,409
Total inter-segment revenues		27	334	(361)	–
Total operating revenues		21,619	3,151	(361)	24,409
Operating costs	5	(11,788)	(2,393)	361	(13,820)
Adjusted EBITDA (1)		9,831	758	–	10,589
Severance, acquisition and other costs	6				(454)
Depreciation and amortization	17, 19				(5,041)
Finance costs					
Interest expense	7				(1,713)
Net return on post-employment benefit plans	27				66
Impairment of assets	8				(2,190)
Other expense	9				(305)
Income taxes	10				(577)
Net earnings					375
Goodwill	22	8,266	1,995	–	10,261
Indefinite-life intangible assets	19	8,611	1,131	–	9,742
Capital expenditures		3,746	151	–	3,897

(1) *The chief operating decision maker uses primarily one measure of profit to make decisions and assess performance, being operating revenues less operating costs.*

For the year ended December 31, 2023	Note	Bell CTS	Bell Media	Inter-segment eliminations	BCE
Operating revenues					
External service revenues		18,378	2,776	–	21,154
Inter-segment service revenues		29	341	(370)	–
Operating service revenues		18,407	3,117	(370)	21,154
External/Operating product revenues		3,519	–	–	3,519
Total external revenues		21,897	2,776	–	24,673
Total inter-segment revenues		29	341	(370)	–
Total operating revenues		21,926	3,117	(370)	24,673
Operating costs	5	(12,206)	(2,420)	370	(14,256)
Adjusted EBITDA (1)		9,720	697	–	10,417
Severance, acquisition and other costs	6				(200)
Depreciation and amortization	17, 19				(4,918)
Finance costs					
Interest expense	7				(1,475)
Net return on post-employment benefit plans	27				108
Impairment of assets	8				(143)
Other expense	9				(466)
Income taxes	10				(996)
Net earnings					2,327
Goodwill	22	8,099	2,843	–	10,942
Indefinite-life intangible assets	19	8,052	1,763	–	9,815
Capital expenditures		4,421	160	–	4,581

(1) *The chief operating decision maker uses primarily one measure of profit to make decisions and assess performance, being operating revenues less operating costs.*

Revenues by services and products

The following table presents our revenues disaggregated by type of services and products.

For the year ended December 31	2024	2023
Services [1]		
Wireless voice and data	**7,136**	7,120
Wireline data	**8,117**	8,084
Wireline voice	**2,672**	2,862
Media [2]	**2,830**	2,776
Other wireline services	**318**	312
Total services	**21,073**	21,154
Products [3]		
Wireless	**2,715**	2,885
Wireline	**621**	634
Total products	**3,336**	3,519
Total operating revenues	**24,409**	24,673

(1) *Our service revenues are generally recognized over time.*
(2) *Includes Crave direct-to-consumer revenues.*
(3) *Our product revenues are generally recognized at a point in time.*

NOTE 4 Business acquisitions and dispositions

2024

Acquisition of OUTFRONT Media's Canadian out-of-home media business

On June 7, 2024, Bell Media completed the acquisition of OUTFRONT Media Inc.'s Canadian out-of-home media business, OUTEDGE Media Canada (OUTEDGE), for cash consideration of $429 million ($418 million net of cash acquired). The acquisition of OUTEDGE is expected to support Bell Media's digital media strategy and to deliver multi-channel marketing solutions across Canada. The results of OUTEDGE are included in our Bell Media segment.

Pursuant to a consent agreement negotiated with the Competition Bureau, Bell Media must dispose of 669 advertising displays in Québec and Ontario. On October 4, 2024, we entered into an agreement to dispose of these advertising displays for estimated proceeds of $14 million, subject to adjustments. Completion of the sale is expected in the first quarter of 2025, subject to receipt of the Competition Bureau's approval and other customary closing conditions.

The allocation of the purchase price of OUTEDGE includes provisional estimates, in particular for finite-life intangible assets.

The following table summarizes the fair value of the consideration paid and the fair value assigned to each major class of assets and liabilities.

	2024
Cash consideration paid	**429**
Total cost to be allocated	**429**
Trade and other receivables	**40**
Other non-cash working capital	**6**
Assets held for sale	**11**
Property, plant and equipment	**263**
Finite-life intangible assets	**17**
Other non-current assets	**34**
Trade payables and other liabilities	**(12)**
Contract liabilities	**(1)**
Debt due within one year	**(20)**
Liabilities held for sale	**(10)**
Long-term debt	**(100)**
Deferred tax liabilities	**(87)**
Other non-current liabilities	**(7)**
	134
Cash and cash equivalents	**11**
Fair value of net assets acquired	**145**
Goodwill [1]	**284**

(1) *Goodwill arises principally from expected synergies and future growth and is not deductible for tax purposes. Goodwill was allocated to our Bell Media group of CGUs.*

Operating revenues of $65 million from OUTEDGE are included in the income statements for the year ended December 31, 2024, from the date of acquisition. BCE's operating revenues for the year ended December 31, 2024 would have been $24,457 million had the acquisition of OUTEDGE occurred on January 1, 2024. This proforma amount reflects the elimination of intercompany transactions and the purchase price allocation. The transaction did not have a significant impact on our net earnings for the year ended December 31, 2024 and the impact on our net earnings would not have been significant had the acquisition occurred on January 1, 2024.

Acquisition of Stratejm

On July 2, 2024, Bell Canada acquired Stratejm Inc. (Stratejm) for cash consideration of $78 million ($73 million net of cash acquired) and $11 million of estimated additional cash consideration contingent on the achievement of certain performance objectives. This contingent consideration is expected to be settled by 2027 and the maximum amount payable is $20 million. Contingent consideration is estimated to be $11 million at December 31, 2024. Stratejm leverages artificial intelligence through end-to-end Security-as-a-Service solutions, real-time threat detection and response, and streamlining incident management processes. The results of Stratejm are included in our Bell CTS segment.

The allocation of the purchase price of Stratejm includes provisional estimates.

The following table summarizes the fair value of the consideration paid and the fair value assigned to each major class of assets and liabilities.

	2024
Cash consideration paid	78
Contingent consideration	11
Total cost to be allocated	**89**
Trade and other receivables	5
Other non-cash working capital	2
Other non-current assets	1
Trade payables and other liabilities	(3)
Contract liabilities	(7)
Deferred tax liabilities	(1)
	(3)
Cash and cash equivalents	5
Fair value of net assets acquired	**2**
Goodwill [(1)]	**87**

(1) *Goodwill arises principally from expected synergies and future growth and is not deductible for tax purposes. Goodwill was allocated to our Bell CTS group of CGUs.*

Operating revenues of $10 million from Stratejm are included in the income statements for the year ended December 31, 2024, from the date of acquisition. BCE's operating revenues for the year ended December 31, 2024 would have been $24,421 million had the acquisition of Stratejm occurred on January 1, 2024. This proforma amount reflects the elimination of intercompany transactions and the purchase price allocation. The transaction did not have a significant impact on our net earnings for the year ended December 31, 2024 and the impact on our net earnings would not have been significant had the acquisition occurred on January 1, 2024.

Proposed acquisition of Ziply Fiber

On November 4, 2024, BCE announced that Bell Canada had entered into an agreement to acquire Northwest Fiber Holdco LLP (doing business as Ziply Fiber), the leading fibre Internet provider in the Pacific Northwest of the United States, for approximately $3.65 billion in U.S. dollars (approximately $5 billion in Canadian dollars) in cash and the assumption of outstanding net debt of approximately $1.45 billion in U.S. dollars (approximately $2 billion in Canadian dollars) to be rolled over at transaction close, representing a transaction value of approximately $5.1 billion in U.S. dollars (approximately $7 billion in Canadian dollars). The transaction is subject to certain customary closing conditions and the receipt of certain regulatory approvals, including the Federal Communications Commission, and approvals by state Public Utilities Commissions and, as such, there can be no assurance that the transaction will ultimately be consummated. The proposed acquisition is expected to close in the second half of 2025. This transaction will enhance Bell Canada's growth profile and strategic position by giving it a foothold in the large, underpenetrated United States fibre market, while increasing its scale, diversifying its operating footprint and unlocking significant growth opportunities.

Proposed disposition of Northwestel

On June 10, 2024, Bell Canada entered into an agreement with Sixty North Unity, a consortium of Indigenous communities from the Yukon, the Northwest Territories and Nunavut, to dispose of Northwestel Inc. (Northwestel), the largest telecommunications provider in Canada's North, for up to $1 billion, subject to adjustments. The transaction is expected to close in 2025 subject to certain closing conditions, including securing financing by Sixty North Unity, the completion of confirmatory due diligence, and receipt of the Competition Bureau's approval and, as such, there can be no assurance that the transaction will ultimately be consummated. The results of Northwestel are included in our Bell CTS segment. In Q4 2024, we received approval from the Competition Bureau.

2023

Acquisition of FX Innovation

On June 1, 2023, Bell acquired FX Innovation, a Montréal-based provider of cloud-focused managed and professional services and workflow automation solutions for business clients, for cash consideration of $157 million ($156 million net of cash acquired), of which $12 million is payable within two years, and an estimated $6 million of additional cash consideration contingent on the achievement of certain performance objectives. This contingent consideration is expected to be settled by 2027 and the maximum amount payable is $7 million. Contingent consideration is estimated to be $2 million at December 31, 2024. The acquisition of FX Innovation aims to position Bell as a technology services leader for our enterprise customers. The results of FX Innovation are included in our Bell CTS segment.

The following table summarizes the fair value of the consideration paid and the fair value assigned to each major class of assets and liabilities.

	2023
Cash consideration paid	145
Cash consideration payable	12
Contingent consideration	6
Total cost to be allocated	163
Trade and other receivables	23
Other non-cash working capital	4
Indefinite-life intangible assets (1)	29
Finite-life intangible assets (2)	23
Other non-current assets	4
Trade payables and other liabilities	(15)
Contract liabilities	(3)
Debt due within one year	(5)
Deferred tax liabilities	(13)
	47
Cash and cash equivalents	1
Fair value of net assets acquired	48
Goodwill (3)	115

(1) *Consists of brand assets.*
(2) *Consists mainly of customer relationship assets and software.*
(3) *Goodwill arises principally from expected synergies and future growth and is not deductible for tax purposes. Goodwill was allocated to our Bell CTS group of CGUs.*

Operating revenues of $50 million from FX Innovation are included in the income statements for the year ended December 31, 2023, from the date of acquisition. BCE's operating revenues for the year ended December 31, 2023 would have been $24,715 million had the acquisition of FX Innovation occurred on January 1, 2023. This proforma amount reflects the elimination of intercompany transactions and the purchase price allocation. The transaction did not have a significant impact on our net earnings for 2023 and the impact on our net earnings would not have been significant had the acquisition occurred on January 1, 2023.

Disposition of production studios

On May 3, 2023, we completed the sale of our 63% ownership in certain production studios, which were included in our Bell Media segment. We received net cash proceeds of $211 million and recorded a gain on investment of $79 million (before tax expense of $17 million). See Note 9, *Other expense*, for additional details.

The results of operations of the production studios up to the date of disposition on May 3, 2023 did not have a significant impact on our revenue or net earnings for 2023.

The following table summarizes the carrying value of the assets and liabilities sold:

	2023
Trade and other receivables	1
Prepaid expenses	1
Property, plant and equipment	179
Intangible assets	4
Goodwill	76
Total assets	261
Trade payables and other liabilities	10
Contract liabilities	3
Debt due within one year	11
Long-term debt	82
Deferred tax liabilities	3
Total liabilities	109
Non-controlling interest	23
Net assets sold	129

NOTE 5 Operating costs

For the year ended December 31	Note	2024	2023
Labour costs			
Wages, salaries and related taxes and benefits		**(4,134)**	(4,354)
Post-employment benefit plans service cost (net of capitalized amounts)	27	**(208)**	(206)
Other labour costs [1]		**(987)**	(1,063)
Less:			
Capitalized labour		**1,130**	1,217
Total labour costs		**(4,199)**	(4,406)
Cost of revenues [2]		**(7,705)**	(7,926)
Other operating costs [3]		**(1,916)**	(1,924)
Total operating costs		**(13,820)**	(14,256)

(1) *Other labour costs include contractor and outsourcing costs.*

(2) *Cost of revenues includes costs of wireless devices and other equipment sold, network and content costs, and payments to other carriers.*

(3) *Other operating costs include marketing, advertising and sales commission costs, bad debt expense, taxes other than income taxes, information technology costs, professional service fees and rent.*

Research and development expenses of $66 million and $90 million are included in operating costs for 2024 and 2023, respectively.

NOTE 6 Severance, acquisition and other costs

For the year ended December 31	2024	2023
Severance	**(383)**	(134)
Acquisition and other	**(71)**	(66)
Total severance, acquisition and other costs	**(454)**	(200)

Severance costs

Severance costs consist of charges related to involuntary and voluntary employee terminations.

Acquisition and other costs

Acquisition and other costs consist of transaction costs, such as legal and financial advisory fees, related to completed or potential acquisitions, employee severance costs related to the purchase of a business, the costs to integrate acquired companies into our operations, costs relating to litigation and regulatory decisions, when they are significant, and other costs.

NOTE 7 Interest expense

For the year ended December 31	2024	2023
Interest expense on long-term debt	**(1,623)**	(1,391)
Interest expense on other debt	**(233)**	(219)
Capitalized interest	**143**	135
Total interest expense	**(1,713)**	(1,475)

Included in interest expense on long-term debt is interest on lease liabilities of $218 million and $193 million for 2024 and 2023, respectively.

Capitalized interest was calculated using an average rate of 4.50% and 4.31% for 2024 and 2023, respectively, which represents the weighted average interest rate on our outstanding long-term debt.

NOTE 8 Impairment of assets

2024

During the third quarter of 2024, we identified indicators of impairment for our Bell Media TV services and radio markets, due to a further decline in advertising demand and spending in the linear advertising market. Accordingly, impairment testing was required for certain groups of CGUs as well as for goodwill for the Bell Media group of CGUs.

We recognized $958 million of impairment charges for English and French TV services and radio markets within our Bell Media segment. These charges included $627 million allocated to indefinite-life intangible assets for broadcast licences and brands, $144 million allocated to program and feature film rights, $85 million allocated to property, plant and equipment for network and infrastructure and equipment, $85 million allocated to software, $10 million allocated to finite-life intangible assets mainly for trademarks, and $7 million allocated to prepaid expenses. The impairment was determined by comparing the carrying value of the CGUs to their fair value less cost of disposal.

We estimated the fair value of the CGUs using both discounted cash flows and market-based valuation models, which include five-year cash flow projections derived from business plans reviewed by senior management for the period of September 1, 2024 to December 31, 2029, using discount rates of 9% to 11% and perpetuity growth rates of (2%) to 0%, as well as market multiple data from public companies and market transactions. After impairments, the carrying value of the impacted CGUs was $811 million.

In Q3 2024, we recorded $1,132 million of impairment charges for goodwill. See Note 22, *Goodwill*, for further details.

Additionally in 2024, we recorded impairment charges of $100 million related mainly to right-of-use assets for certain office spaces we ceased using as part of our real estate optimization strategy as a result of our hybrid work policy.

2023

During the fourth quarter of 2023, we recognized $86 million of impairment charges for French TV channels within our Bell Media segment. The impairment charges were the result of a reduction in advertising demand in the industry resulting from economic uncertainties and unfavourable impacts to market-based valuation assumptions. These charges included $41 million allocated to indefinite-life intangible assets for broadcast licences and brands, and $45 million to finite-life intangible assets for program and feature film rights. The impairment was determined by comparing the carrying value of the CGUs to their fair value less cost of disposal. We estimated the fair value of the CGUs using both discounted cash flows and market-based valuation models, which include five-year cash flow projections derived from business plans reviewed by senior management for the period of October 1, 2023 to December 31, 2028, using a discount rate of 9.5% and a perpetuity growth rate of 0.0%. After impairments, the carrying value of our impacted CGU was $62 million.

There was no impairment of Bell Media goodwill. See Note 22, *Goodwill*, for further details.

Additionally in 2023, we recorded impairment charges of $57 million related mainly to right-of-use assets for certain office spaces we ceased using as part of our real estate optimization strategy as a result of our hybrid work policy.

NOTE 9 Other expense

For the year ended December 31	Note	2024	2023
Net mark-to-market losses on derivatives used to economically hedge equity settled share-based compensation plans	29	**(269)**	(103)
Equity (losses) income from investments in associates and joint ventures	20		
Loss on investment		**(247)**	(581)
Operations		**10**	28
(Losses) gains on retirements and disposals of property, plant and equipment and intangible assets		**(38)**	11
Interest income		**123**	67
Gains on investments		**57**	80
Early debt redemption costs	25	**–**	(1)
Other		**59**	33
Total other expense		**(305)**	(466)

Equity (losses) income from investments in associates and joint ventures

We recorded a loss on investment of $247 million and $581 million in 2024 and 2023, respectively, related to equity losses on our share of an obligation to repurchase at fair value the minority interest in Maple Leaf Sports and Entertainment Ltd. (MLSE). See Note 16, *Assets and liabilities held for sale*, for additional details.

Gains on investments

In 2024, we recorded a gain on investment of $69 million related to an obligation to repurchase at fair value the minority interest in one of our subsidiaries.

In 2023, we completed the sale of our 63% ownership in certain production studios. We recorded net cash proceeds of $211 million and a gain on investment of $79 million. See Note 4, *Business acquisitions and dispositions*, for additional details.

(Losses) gains on disposals of property, plant and equipment

In 2023, in addition to losses recorded on retirements of property, plant and equipment, we sold land for total proceeds of $54 million and recorded a gain of $53 million as part of our real estate optimization strategy.

NOTE 10 Income taxes

The following table shows the significant components of income taxes deducted from net earnings.

For the year ended December 31	2024	2023
Current taxes		
Current taxes	**(494)**	(923)
Uncertain tax positions	**4**	8
Change in estimate relating to prior periods	**8**	9
Deferred taxes		
Deferred taxes relating to the origination and reversal of temporary differences	**(120)**	(75)
Change in estimate relating to prior periods	**(7)**	1
Recognition and utilization of loss carryforwards	**29**	(24)
Previously unrecognized tax benefits	**3**	–
Uncertain tax positions	**–**	8
Total income taxes	**(577)**	(996)

The following table reconciles the amount of reported income taxes in the income statements with income taxes calculated at a statutory income tax rate of 26.8% for both 2024 and 2023.

For the year ended December 31	2024	2023
Net earnings	**375**	2,327
Add back income taxes	**577**	996
Earnings before income taxes	**952**	3,323
Applicable statutory tax rate	**26.8%**	26.8%
Income taxes computed at applicable statutory rates	**(255)**	(891)
Non-taxable portion of gains on investments	**18**	5
Uncertain tax positions	**4**	16
Impairment of goodwill	**(303)**	–
Change in estimate relating to prior periods	**1**	10
Non-taxable portion of equity losses	**(66)**	(149)
Previously unrecognized tax benefits	**3**	–
Other	**21**	13
Total income taxes	**(577)**	(996)
Average effective tax rate	**60.6%**	30.0%

The following table shows aggregate current and deferred taxes relating to items recognized outside the income statements.

	2024		2023	
For the year ended December 31	Other comprehensive (loss)/income	Deficit	Other comprehensive (loss)/income	Deficit
Current taxes	**–**	**–**	(2)	1
Deferred taxes	**(128)**	**(26)**	199	(8)
Total income taxes (expense) recovery	**(128)**	**(26)**	197	(7)

The following table shows deferred taxes resulting from temporary differences between the carrying amounts of assets and liabilities recognized in the statements of financial position and their corresponding tax basis, as well as tax loss carryforwards.

Net deferred tax liability	Non-capital loss carry-forwards	Post-employment benefit plans	Indefinite-life intangible assets	Property, plant and equipment and finite-life intangible assets	Other	Total
January 1, 2023	60	(602)	(1,767)	(2,745)	185	(4,869)
Income statements	(23)	10	(35)	(36)	(6)	(90)
Business acquisitions/business dispositions	(1)	–	(10)	(4)	(3)	(18)
Other comprehensive income	–	149	–	–	50	199
Deficit	–	–	–	–	(8)	(8)
Reclassified to liabilities held for sale	–	–	7	(1)	–	6
Other	–	–	–	5	2	7
December 31, 2023	36	(443)	(1,805)	(2,781)	220	(4,773)
Income statements	**31**	**25**	**148**	**(315)**	**16**	**(95)**
Business acquisitions	**–**	**(3)**	**(5)**	**(84)**	**(2)**	**(94)**
Other comprehensive (loss) income	**–**	**(213)**	**–**	**–**	**85**	**(128)**
Deficit	**–**	**–**	**–**	**–**	**(26)**	**(26)**
Other	**6**	**–**	**–**	**2**	**–**	**8**
December 31, 2024	**73**	**(634)**	**(1,662)**	**(3,178)**	**293**	**(5,108)**

At December 31, 2024, BCE had $281 million of non-capital loss carryforwards. We:

- recognized a deferred tax asset of $73 million for $277 million of the non-capital loss carryforwards. These non-capital loss carryforwards expire in varying annual amounts from 2036 to 2044.
- did not recognize a deferred tax asset for $4 million of non-capital loss carryforwards. This balance expires in varying annual amounts from 2036 to 2044.

At December 31, 2024, BCE had $55 million of unrecognized capital loss carryforwards, which can be carried forward indefinitely.

At December 31, 2023, BCE had $156 million of non-capital loss carryforwards. We:

- recognized a deferred tax asset of $36 million for $143 million of the non-capital loss carryforwards. These non-capital loss carryforwards expire in varying annual amounts from 2028 to 2043.
- did not recognize a deferred tax asset for $13 million of non-capital loss carryforwards. This balance expires in varying annual amounts from 2031 to 2043.

At December 31, 2023, BCE had $55 million of unrecognized capital loss carryforwards, which can be carried forward indefinitely.

NOTE 11 Earnings per share

The following table shows the components used in the calculation of basic and diluted net earnings per common share for earnings attributable to common shareholders.

For the year ended December 31	2024	2023
Net earnings attributable to common shareholders – basic	**163**	2,076
Dividends declared per common share (in dollars)	**3.99**	3.87
Weighted average number of common shares outstanding (in millions)		
Weighted average number of common shares outstanding – basic	**912.3**	912.2
Assumed exercise of stock options [1]	**–**	–
Weighted average number of common shares outstanding – diluted (in millions)	**912.3**	912.2

(1) *The calculation of the assumed exercise of stock options includes the effect of the average unrecognized future compensation cost of dilutive options. It excludes options for which the exercise price is higher than the average market value of a BCE common share. The number of excluded options was 6,545,819 in 2024 and 6,395,513 in 2023.*

NOTE 12 Trade and other receivables

For the year ended December 31	Note	2024	2023
Trade receivables [1]		**4,305**	3,959
Allowance for revenue adjustments		**(191)**	(145)
Allowance for doubtful accounts	29	**(120)**	(118)
Current tax receivable		**112**	12
Commodity taxes receivable		**7**	12
Other accounts receivable		**376**	311
Total trade and other receivables		**4,489**	4,031

(1) *The details of securitized receivables are set out in Note 24,* Debt due within one year.

Wireless device financing plan receivables

Wireless device financing plan receivables represent amounts owed to us under financing agreements that have not yet been billed. The billed portion of these balances is included in *Trade receivables* within the *Trade and other receivables* line item on our statements of financial position and the long-term portion is included within the *Other non-current assets* line item on our statements of financial position.

The following table summarizes our wireless device financing plan receivables.

For the year ended December 31	Note	2024	2023
Current		**1,063**	1,052
Non-current	21	**410**	401
Total wireless device financing plan receivables [1]		**1,473**	1,453

(1) *Excludes allowance for doubtful accounts and allowance for revenue adjustments on the current portion of $45 million at December 31, 2024 and December 31, 2023, and allowance for doubtful accounts and allowance for revenue adjustments on the non-current portion of $12 million and $15 million at December 31, 2024 and December 31, 2023, respectively.*

NOTE 13 Inventory

For the year ended December 31	2024	2023
Wireless devices and accessories	**239**	190
Merchandise and other	**181**	275
Total inventory	**420**	465

The total amount of inventory subsequently recognized as an expense in cost of revenues was $3,133 million and $3,334 million for 2024 and 2023, respectively.

NOTE 14 Contract assets and liabilities

The table below provides a reconciliation of the significant changes in the contract assets and the contract liabilities balances.

		Contract assets [1]		Contract liabilities [2]	
For the year ended December 31	Note	2024	2023	2024	2023
Opening balance, January 1		**735**	724	**1,088**	1,085
Revenue recognized included in contract liabilities at the beginning of the year		**–**	–	**(834)**	(812)
Revenue recognized from contract liabilities included in contract assets at the beginning of the year		**102**	84	**–**	–
Increase in contract liabilities during the year		**–**	–	**895**	863
Increase in contract liabilities included in contract assets during the year		**(108)**	(88)	**–**	–
Increase in contract assets from revenue recognized during the year		**789**	713	**–**	–
Contract assets transferred to trade receivables		**(635)**	(613)	**20**	8
Acquisitions	4	**1**	–	**13**	–
Contract terminations transferred to trade receivables		**(62)**	(60)	**2**	(1)
Other		**(63)**	(25)	**(60)**	(55)
Ending balance, December 31		**759**	735	**1,124**	1,088

(1) *Net of allowance for doubtful accounts of $18 million at December 31, 2024 and December 31, 2023. See Note 29,* Financial and capital management, *for additional details.*
(2) *We have reclassified amounts from the previous period to make them consistent with the presentation for the current period.*

NOTE 15 Contract costs

The table below provides a reconciliation of the contract costs balance.

For the year ended December 31	2024	2023
Opening balance, January 1	**1,412**	1,143
Incremental costs of obtaining a contract and contract fulfillment costs	**969**	892
Amortization included in operating costs	**(791)**	(623)
Ending balance, December 31	**1,590**	1,412

Contract costs are amortized over periods ranging from 12 to 84 months.

NOTE 16 Assets and liabilities held for sale

On February 8, 2024, Bell Media announced the sale of 45 radio stations within the Bell Media segment. Completion of the sale is expected in the first half of 2025, subject to regulatory approvals and other closing conditions. Estimated proceeds for the stations and other radio related assets being sold are expected to be $54 million, resulting in an estimated gain of $9 million to be recorded in other income (expense) upon completion of the sale.

The assets and liabilities of these radio stations were presented as held for sale in our statements of financial position at December 31, 2024 and December 31, 2023. They were measured at the lower of their carrying amount and the estimated fair value less costs to sell. Property, plant and equipment and leased assets included in assets held for sale were no longer depreciated or amortized effective December 2023.

Our results for the years ended December 31, 2024 and 2023 included revenues for these radio stations of $35 million and $39 million and are recorded in the Bell Media segment. The transaction did not have a significant impact on our net earnings for 2024 and 2023.

On June 7, 2024, Bell Media completed the acquisition of OUTEDGE. Pursuant to a consent agreement negotiated with the Competition Bureau, Bell Media must dispose of 669 advertising displays in Québec and Ontario. On October 4, 2024, we entered into an agreement to dispose of these advertising displays for estimated proceeds of $14 million, subject to adjustments. Completion of the sale is expected in the first quarter of 2025, subject to receipt of the Competition Bureau's approval and other customary closing conditions.

On September 18, 2024, BCE announced that it had reached an agreement to dispose of its minority stake in MLSE for estimated gross proceeds of $4.7 billion. Completion of this disposition is expected mid-2025, subject to relevant sports league and other customary approvals, and will result in an estimated gain of $5.2 billion.

Included in liabilities held for sale in our statements of financial position at December 31, 2024 is a net liability of $493 million which reflects BCE's share of an obligation to repurchase at fair value the minority interest in MLSE. BCE no longer records equity income or losses from the investment or any changes to the fair value of the obligation to repurchase the minority interest in MLSE.

Our results for the year ended December 31, 2024 included equity income of $6 million, recorded in *Other expense* in the income statements. Our results for the year ended December 31, 2023 included equity income of $25 million, recorded in *Other expense* in the income statements.

The following table summarizes the carrying value of the assets and liabilities that are classified as held for sale at December 31, 2024 and December 31, 2023.

	Note	2024	2023
Assets held for sale:			
Bell Media radio stations			
Property, plant and equipment	17	**12**	12
Intangible assets	19	**26**	26
Goodwill	22	**17**	22
OUTEDGE advertising displays			
Property, plant and equipment	4, 17	**22**	–
Intangible assets	4, 19	**3**	–
Total assets held for sale		**80**	60
Liabilities held for sale:			
Minority stake in MLSE		**493**	–
Bell Media radio stations			
Long-term debt		**7**	7
Deferred tax liabilities		**6**	6
Other non-current liabilities		**2**	2
OUTEDGE advertising displays			
Debt due within one year		**3**	–
Long-term debt		**18**	–
Total liabilities held for sale		**529**	15
Net assets held for sale		**(449)**	45

NOTE 17 Property, plant and equipment

For the year ended December 31, 2024	Note	Network infrastructure and equipment [1]	Land and buildings [1]	Assets under construction	Total
Cost					
January 1, 2024		74,676	9,805	2,355	86,836
Additions		2,092	430	2,107	4,629
Business acquisitions	4	72	184	10	266
Transfers		881	79	(2,239)	(1,279)
Retirements and disposals		(1,484)	(232)	(8)	(1,724)
Impairment losses recognized in earnings	8	(85)	(95)	–	(180)
Reclassified to assets held for sale	16	(1)	(10)	–	(11)
December 31, 2024		76,151	10,161	2,225	88,537
Accumulated depreciation					
January 1, 2024		50,926	5,558	–	56,484
Depreciation		3,245	513	–	3,758
Retirements and disposals		(1,447)	(214)	–	(1,661)
Other		(43)	(2)	–	(45)
December 31, 2024		52,681	5,855	–	58,536
Net carrying amount					
January 1, 2024		23,750	4,247	2,355	30,352
December 31, 2024		23,470	4,306	2,225	30,001

(1) *Includes right-of-use assets. See Note 18,* Leases, *for additional details.*

For the year ended December 31, 2023	Note	Network infrastructure and equipment [1]	Land and buildings [1]	Assets under construction	Total
Cost					
January 1, 2023		71,875	9,139	2,598	83,612
Additions		2,990	795	2,176	5,961
Business acquisitions/(business disposition)	4	8	(103)	(100)	(195)
Transfers		1,368	79	(2,317)	(870)
Retirements and disposals		(1,557)	(53)	(2)	(1,612)
Impairment losses recognized in earnings	8	–	(42)	–	(42)
Reclassified to assets held for sale	16	(8)	(10)	–	(18)
December 31, 2023		74,676	9,805	2,355	86,836
Accumulated depreciation					
January 1, 2023		49,236	5,120	–	54,356
Depreciation		3,254	491	–	3,745
Business disposition		(1)	(17)	–	(18)
Retirements and disposals		(1,508)	(37)	–	(1,545)
Transfers		23	2	–	25
Reclassified to assets held for sale	16	(6)	–	–	(6)
Other		(72)	(1)	–	(73)
December 31, 2023		50,926	5,558	–	56,484
Net carrying amount					
January 1, 2023		22,639	4,019	2,598	29,256
December 31, 2023		23,750	4,247	2,355	30,352

(1) *Includes right-of-use assets. See Note 18,* Leases, *for additional details.*

NOTE 18 Leases

Right-of-use assets

BCE's significant right-of-use assets under leases are satellites, office premises, land, cellular tower sites, retail outlets and OOH advertising spaces. Right-of-use assets are presented in *Property, plant and equipment* in the statements of financial position.

For the year ended December 31, 2024	Note	Network infrastructure and equipment	Land and buildings	Total
Cost				
January 1, 2024		**4,271**	**4,774**	**9,045**
Additions		**444**	**327**	**771**
Transfers		**(245)**	**(5)**	**(250)**
Business acquisitions		**–**	**140**	**140**
Lease terminations		**(49)**	**(141)**	**(190)**
Impairment losses recognized in earnings	8	**–**	**(86)**	**(86)**
Reclassified to assets held for sale	16	**–**	**(10)**	**(10)**
December 31, 2024		**4,421**	**4,999**	**9,420**
Accumulated depreciation				
January 1, 2024		**2,103**	**2,216**	**4,319**
Depreciation		**464**	**384**	**848**
Transfers		**(135)**	**2**	**(133)**
Lease terminations		**(35)**	**(132)**	**(167)**
December 31, 2024		**2,397**	**2,470**	**4,867**
Net carrying amount				
January 1, 2024		**2,168**	**2,558**	**4,726**
December 31, 2024		**2,024**	**2,529**	**4,553**

For the year ended December 31, 2023	Note	Network infrastructure and equipment	Land and buildings	Total
Cost				
January 1, 2023		3,693	4,119	7,812
Additions		832	729	1,561
Transfers		(215)	(4)	(219)
Business disposition		–	(20)	(20)
Lease terminations		(37)	(15)	(52)
Impairment losses recognized in earnings	8	–	(30)	(30)
Reclassified to assets held for sale	16	(2)	(5)	(7)
December 31, 2023		4,271	4,774	9,045
Accumulated depreciation				
January 1, 2023		1,804	1,858	3,662
Depreciation		425	364	789
Transfers		(113)	(1)	(114)
Business disposition		–	(3)	(3)
Lease terminations		(13)	(2)	(15)
December 31, 2023		2,103	2,216	4,319
Net carrying amount				
January 1, 2023		1,889	2,261	4,150
December 31, 2023		2,168	2,558	4,726

Leases in net earnings

The following table provides the expenses related to leases recognized in net earnings.

For the year ended December 31	2024	2023
Interest expense on lease liabilities	**218**	193
Variable lease payment expenses not included in the measurement of lease liabilities	**116**	126
Expenses for leases of low value assets	**69**	63
Expenses for short-term leases	**31**	29

Leases in the statements of cash flows

Total cash outflow related to leases was $1,567 million and $1,455 million for the year ended December 31, 2024 and December 31, 2023, respectively.

Additional disclosures

See Note 24, *Debt due within one year*, and Note 25, *Long-term debt*, for lease liabilities balances included in the statements of financial position.

See Note 29, *Financial and capital management*, for a maturity analysis of lease liabilities.

See Note 34, *Commitments and contingencies*, for leases committed but not yet commenced as at December 31, 2024.

NOTE 19 Intangible assets

For the year ended December 31, 2024	Note	Finite-life Software	Finite-life Customer relation-ships	Finite-life Program and feature film rights	Finite-life Other	Finite-life Total	Indefinite-life Brands	Indefinite-life Spectrum and other licences	Indefinite-life Broadcast licences	Indefinite-life Total	Total intangible assets
Cost											
January 1, 2024		11,345	1,778	651	521	14,295	2,432	5,949	1,434	9,815	24,110
Additions		317	–	1,328	4	1,649	–	553	–	553	2,202
Business acquisitions	4	4	40	–	–	44	4	1	–	5	49
Transfers		1,279	–	–	–	1,279	–	–	–	–	1,279
Retirements and disposals		(860)	–	–	(1)	(861)	–	–	(1)	(1)	(862)
Impairment losses recognized in earnings	8	(85)	–	(144)	(10)	(239)	(49)	–	(578)	(627)	(866)
Amortization included in operating costs		–	–	(1,158)	–	(1,158)	–	–	–	–	(1,158)
Reclassified to assets held for sale	16	–	–	–	–	–	–	(3)	–	(3)	(3)
December 31, 2024		12,000	1,818	677	514	15,009	2,387	6,500	855	9,742	24,751
Accumulated amortization											
January 1, 2024		6,193	1,089	–	219	7,501	–	–	–	–	7,501
Amortization		1,142	96	–	45	1,283	–	–	–	–	1,283
Retirements and disposals		(818)	–	–	(1)	(819)	–	–	–	–	(819)
December 31, 2024		6,517	1,185	–	263	7,965	–	–	–	–	7,965
Net carrying amount											
January 1, 2024		5,152	689	651	302	6,794	2,432	5,949	1,434	9,815	16,609
December 31, 2024		5,483	633	677	251	7,044	2,387	6,500	855	9,742	16,786

For the year ended December 31, 2023	Note	Finite-life Software	Finite-life Customer relation-ships	Finite-life Program and feature film rights	Finite-life Other	Finite-life Total	Indefinite-life Brands	Indefinite-life Spectrum and other licences	Indefinite-life Broadcast licences	Indefinite-life Total	Total intangible assets
Cost											
January 1, 2023		10,543	1,802	603	407	13,355	2,435	5,905	1,486	9,826	23,181
Additions		471	–	1,260	149	1,880	–	53	–	53	1,933
Business acquisitions/ (business disposition)	4	10	45	–	(4)	51	31	(7)	–	24	75
Transfers		897	–	–	(27)	870	–	–	–	–	870
Retirements and disposals		(576)	(69)	(2)	(4)	(651)	–	(2)	(9)	(11)	(662)
Impairment losses recognized in earnings	8	–	–	(45)	–	(45)	(34)	–	(17)	(51)	(96)
Amortization included in operating costs		–	–	(1,165)	–	(1,165)	–	–	–	–	(1,165)
Reclassified to assets held for sale	16	–	–	–	–	–	–	–	(26)	(26)	(26)
December 31, 2023		11,345	1,778	651	521	14,295	2,432	5,949	1,434	9,815	24,110
Accumulated amortization											
January 1, 2023		5,734	1,060	–	204	6,998	–	–	–	–	6,998
Amortization		1,033	98	–	42	1,173	–	–	–	–	1,173
Retirements and disposals		(574)	(69)	–	(2)	(645)	–	–	–	–	(645)
Transfers		–	–	–	(25)	(25)	–	–	–	–	(25)
December 31, 2023		6,193	1,089	–	219	7,501	–	–	–	–	7,501
Net carrying amount											
January 1, 2023		4,809	742	603	203	6,357	2,435	5,905	1,486	9,826	16,183
December 31, 2023		5,152	689	651	302	6,794	2,432	5,949	1,434	9,815	16,609

NOTE 20 Investments in associates and joint ventures

The following tables provide summarized financial information with respect to BCE's associates and joint ventures. For more details on our associates and joint ventures, see Note 35, *Related party transactions*.

Statements of financial position

For the year ended December 31	Note	2024	2023
Assets		**1,531**	4,050
Liabilities		**(796)**	(3,875)
Total net assets		**735**	175
BCE's share of net assets		**341**	323
BCE's share of net liabilities	28	**–**	(252)

Income statements

For the year ended December 31	Note	2024	2023
Revenues		**2,426**	2,722
Expenses		**(2,906)**	(3,832)
Total net losses		**(480)**	(1,110)
BCE's share of net losses	9	**(237)**	(553)

NOTE 21 Other non-current assets

For the year ended December 31	Note	2024	2023
Long-term wireless device financing plan receivables	12	**410**	401
Long-term receivables		**430**	331
Derivative assets	29	**224**	116
Publicly-traded and privately-held investments	29	**877**	587
Investments [(1)]	29	**225**	216
Other		**123**	63
Total other non-current assets		**2,289**	1,714

(1) *These amounts have been pledged as security related to obligations for certain employee benefits and are not available for general use.*

NOTE 22 Goodwill

The following table provides details about the changes in the carrying amounts of goodwill for the years ended December 31, 2024 and 2023. BCE's groups of CGUs for purposes of goodwill impairment testing correspond to our reporting segments.

	Note	Bell CTS	Bell Media	BCE
Balance at January 1, 2023		7,960	2,946	10,906
Acquisitions, disposition and other	4	139	(81)	58
Reclassified to assets held for sale	16	–	(22)	(22)
Balance at December 31, 2023		8,099	2,843	10,942
Acquisitions	4	**167**	**284**	**451**
Impairment losses	8	**–**	**(1,132)**	**(1,132)**
Balance at December 31, 2024		**8,266**	**1,995**	**10,261**

Impairment testing

Goodwill is tested annually for impairment or when there is an indication that goodwill might be impaired, by comparing the carrying value of a CGU or group of CGUs to its recoverable amount, where the recoverable amount is the higher of fair value less costs of disposal and value in use.

In Q3 2024, due to a continued decline in advertising demand and spending in the linear advertising market for Bell Media TV services and radio markets, there was an indicator that goodwill might be impaired for the Bell Media group of CGUs. Consequently, an impairment charge of $1,132 million was recognized in *Impairment of assets* in the income statements.

In Q4 2024, we completed the required annual goodwill impairment test for each of our CGUs or groups of CGUs to which goodwill is allocated. There was no further impairment of goodwill for the Bell Media group of CGUs.

Recoverable amount

The recoverable amount for the Bell CTS group of CGUs is its value in use. The recoverable amount for the Bell Media group of CGUs is its fair value less cost of disposal.

The recoverable amount for our groups of CGUs is determined by discounting five-year cash flow projections derived from business plans reviewed by senior management. The projections reflect management's expectations of revenue, adjusted EBITDA, capital expenditures, working capital and operating cash flows, based on past experience and future expectations of operating performance, including any impact from changes in interest rates and inflation.

Cash flows beyond the five-year period are extrapolated using perpetuity growth rates. None of the perpetuity growth rates exceed the long-term historical growth rates for the markets in which we operate.

The discount rates are applied to the cash flow projections and are derived from the weighted average cost of capital for each group of CGUs.

The following table shows the key assumptions used to estimate the recoverable amounts of our groups of CGUs.

	Assumptions used	
Groups of CGUs	Perpetuity growth rate	Discount rate
Bell CTS	1.5%	7.0%
Bell Media	0.5%	10.5%

We believe that any reasonable possible change in the key assumptions on which the estimate of recoverable amount of the Bell CTS group of CGUs is based would not cause its carrying amount to exceed its recoverable amount.

We have made certain assumptions as to the perpetuity and discount rates used to estimate the fair value of the Bell Media group of CGUs as well as in the five-year cash flow projections derived from business plans reviewed by management. These assumptions and projections may differ or change quickly given that the Canadian traditional TV and radio advertising market is expected to be impacted by audience declines as the advertising market growth continues to shift towards digital. A negative change to any of these assumptions and projections may result in a further impairment of goodwill for the Bell Media group of CGUs.

NOTE 23 Trade payables and other liabilities

For the year ended December 31	Note	2024	2023
Trade payables and accruals		**2,961**	3,308
Compensation payable		**543**	599
Severance and other costs payable		**157**	34
Commodity taxes payable		**146**	143
Derivative liabilities	29	**41**	107
Provisions	26	**65**	65
Other current liabilities		**594**	473
Total trade payables and other liabilities		**4,507**	4,729

NOTE 24 Debt due within one year

For the year ended December 31	Note	Weighted average interest rate at December 31, 2024	2024	2023
Notes payable (1)	29	3.51%	**2,203**	207
Loans secured by receivables (2)	29	4.62%	**1,600**	1,588
Supplier finance arrangements due within one year	25	6.42%	**73**	74
Long-term debt due within one year (3)	25	3.82%	**3,793**	3,173
Total debt due within one year			**7,669**	5,042

(1) *Includes commercial paper of $1,522 million in U.S. dollars ($2,190 million in Canadian dollars) and $149 million in U.S. dollars ($197 million in Canadian dollars) as at December 31, 2024 and December 31, 2023, respectively, which were issued under our U.S. commercial paper program and have been hedged for foreign currency fluctuations with forward currency contracts. See Note 29,* Financial and capital management, *for additional details.*

(2) *Loans secured by receivables totaled $1,112 million in U.S. dollars ($1,600 million in Canadian dollars) and $1,200 million in U.S. dollars ($1,588 million in Canadian dollars) as at December 31, 2024 and December 31, 2023, respectively, and have been hedged for foreign currency fluctuations with forward currency contracts. See Note 29,* Financial and capital management, *for additional details.*

(3) *Included in long-term debt due within one year is the current portion of lease liabilities of $1,088 million and $1,074 million as at December 31, 2024 and December 31, 2023, respectively.*

Securitized receivables

In 2023, we amended our securitization program to add sustainability-linked pricing. The amendment introduces a financing cost that varies based on our performance of certain sustainability performance targets.

The following table provides further details on our securitized receivables programs during 2024 and 2023.

For the year ended December 31	2024	2023
Average interest rate throughout the year	**5.50%**	5.72%
Securitized receivables	**3,405**	3,320
Maximum amount still available under our securitization program	**2,300**	2,300

The securitization program is recorded as a floating rate revolving loan secured by certain receivables. We continue to service trade receivables and wireless device financing plan receivables under the securitization program, which matures in June 2027 unless previously terminated. The lenders' interest in the collection of these receivables ranks ahead of our interests, which means that we are exposed to certain risks of default on the amounts securitized.

We have provided various credit enhancements in the form of overcollateralization and subordination of our retained interests.

The lenders have no further claim on our other assets if customers do not pay the amounts owed.

Credit facilities

Bell Canada may issue notes under its Canadian and U.S. commercial paper programs up to the maximum aggregate principal amount of $3.0 billion in either Canadian or U.S. currency provided that at no time shall such maximum amount of notes exceed $3.5 billion in Canadian currency.

Effective November 22, 2024, the maximum amount of Bell Canada's committed unsecured revolving and expansion credit facilities was increased in the aggregate by $500 million as compared to December 31, 2023. The total amount of the net available committed revolving and expansion credit facilities may be drawn at any time.

On November 1, 2024, Bell Canada entered into a commitment letter (Commitment Letter) for a $3,700 million unsecured term loan facility (Ziply Term Facility) denominated in U.S. dollars ($5,324 million in Canadian dollars) that can be drawn to finance the acquisition of Ziply Fiber. Subsequent to year end and pursuant to the terms and conditions of the Commitment Letter, Bell Canada made reductions of $965 million in U.S. dollars ($1,375 million in Canadian dollars) in the aggregate amount of the Commitment Letter, decreasing the commitment thereunder to $2,735 million in U.S. dollars ($3,949 million in Canadian dollars).

In 2023, Bell Mobility Inc. (Bell Mobility) entered into a $600 million U.S. dollar uncommitted trade loan agreement to finance certain purchase obligations. Loan requests were made until April 30, 2024, with each loan having a term of up to 24 months. The loan agreement has been hedged for foreign currency fluctuations. See Note 29, *Financial and capital management*, for additional details.

The table below is a summary of our total bank credit facilities at December 31, 2024.

	Total available	Drawn	Letters of credit	Commercial paper outstanding	Net available
Committed credit facilities					
Unsecured revolving and expansion credit facilities (1) (2)	4,000	–	–	2,190	1,810
Unsecured term loan facility	5,324	–	–	–	5,324
Unsecured non-revolving credit facilities	641	52	–	–	589
Other	106	–	71	–	35
Total committed credit facilities	10,071	52	71	2,190	7,758
Non-committed credit facilities					
Bell Canada	1,810	–	512	–	1,298
Bell Mobility	863	863	–	–	–
Total non-committed credit facilities	2,673	863	512	–	1,298
Total committed and non-committed credit facilities	12,744	915	583	2,190	9,056

(1) *Bell Canada's $2.7 billion committed revolving credit facility expires in November 2029 and its $1.3 billion committed expansion credit facility expires in November 2027.*

(2) *As of December 31, 2024, Bell Canada's outstanding commercial paper included $1,522 million in U.S. dollars ($2,190 million in Canadian dollars). All of Bell Canada's commercial paper outstanding is included in* Debt due within one year.

Restrictions

Some of our credit agreements:

- require us to meet specific financial ratios
- require us to offer to repay and cancel the credit agreement upon a change of control of BCE or Bell Canada

We are in compliance with all conditions and restrictions under such credit agreements.

NOTE 25 Long-term debt

For the year ended December 31	Note	Weighted average interest rate at December 31, 2024	Maturity	2024	2023
Debt securities					
1997 trust indenture (1)		4.18%	2025–2053	**20,273**	19,768
1976 trust indenture		9.38%	2027–2054	**975**	975
2011 trust indenture (2)				**–**	225
2016 U.S. trust indenture (3)		4.24%	2032–2054	**9,445**	7,529
1996 trust indenture (subordinated)		8.21%	2026–2031	**275**	275
Lease liabilities		4.35%	2025–2069	**4,591**	4,857
Bell Mobility trade loan (4)		4.87%	2025–2026	**863**	476
Supplier finance arrangements		6.42%	2025–2029	**197**	218
Other				**243**	204
Total debt				**36,862**	34,527
Net unamortized discount				**(29)**	(33)
Unamortized debt issuance costs				**(132)**	(112)
Less amounts due within one year:					
Supplier finance arrangements	24			**(73)**	(74)
Long-term debt	24			**(3,793)**	(3,173)
Total long-term debt				**32,835**	31,135

(1) *At December 31, 2024 and 2023, $1,300 million and $1,625 million, respectively, have been swapped from fixed to floating using interest rate swaps. As at December 31, 2024, $525 million have been swapped from fixed to floating with forward interest rate swaps starting in 2028. See Note 29,* Financial and capital management, *for additional details.*

(2) *On December 12, 2024, the trust indenture dated August 10, 2011 between Manitoba Telecom Services Inc. (now Bell MTS Inc.) and Computershare Trust Company of Canada, as supplemented from time to time, was canceled and discharged given that no more debt securities were outstanding thereunder.*

(3) *At December 31, 2024 and 2023, notes issued under the 2016 U.S. trust indenture totaled $6,550 million and $5,700 million in U.S. dollars, respectively, and have been hedged for foreign currency fluctuations with cross currency interest rate swaps, including $600 million in U.S. dollars which was swapped from fixed to floating at December 31, 2023. See Note 29,* Financial and capital management, *for additional details.*

(4) *At December 31, 2024 and 2023, loans incurred under the Bell Mobility trade loan agreement totaled $600 million in U.S. dollars and $360 million in U.S. dollars, respectively, and have been hedged for foreign currency fluctuations with cross currency interest rate swaps. See Note 29,* Financial and capital management, *for additional details.*

Bell Canada's debt securities have been issued in Canadian dollars with the exception of debt securities issued under the 2016 U.S. trust indenture, which have been issued in U.S. dollars. All debt securities were issued at a fixed interest rate. We have entered into interest rate and cross currency interest rate derivatives to manage interest rate risk as disclosed in Note 29, *Financial and capital management*.

Supplier finance arrangements

Supplier finance arrangements are agreements whereby a finance provider pays amounts to a participating supplier in respect of invoices owed by BCE and receives the settlement from BCE at a later date. These arrangements have an average term of 5 years, whereas comparable trade payables would have payment terms between 30 and 60 days.

Restrictions

Some of our debt agreements:

- impose covenants and new issue tests
- require us to make an offer to repurchase certain series of debt securities upon the occurrence of a change of control event as defined in the relevant debt agreements

We are in compliance with all conditions and restrictions under such debt agreements.

All outstanding debt securities have been issued under trust indentures, are unsecured and have been guaranteed by BCE. All debt securities have been issued in series and certain series are redeemable at Bell Canada's option prior to maturity at the prices, times and conditions specified for each series.

2024

On May 24, 2024, Bell Canada issued, under its 1997 trust indenture, 5.60% Series M-61 medium-term note (MTN) debentures, with a principal amount of $400 million, which mature on August 11, 2053. The Series M-61 debentures were issued pursuant to a re-opening of an existing series of MTN debentures. Additionally, on the same date, Bell Canada issued, under its 1997 trust indenture, 5.15% Series M-63 MTN debentures, with a principal amount of $1.1 billion, which mature on August 24, 2034.

On February 15, 2024, Bell Canada issued, under its 2016 trust indenture, 5.200% Series US-9 Notes, with a principal amount of $700 million in U.S. dollars ($942 million in Canadian dollars), which mature on February 15, 2034. The Series US-9 Notes have been hedged for foreign currency fluctuations through cross currency interest rate swaps. Additionally, on the same date, Bell Canada issued, under its 2016 trust indenture, 5.550% Series US-10 Notes, with a principal amount of $750 million in U.S. dollars ($1,009 million in Canadian dollars), which mature on February 15, 2054. The Series US-10 Notes have been hedged for foreign currency fluctuations with cross currency interest rate swaps. See Note 29, *Financial and capital management*, for additional details.

The Series M-61 and M-63 MTN debentures and the Series US-9 and US-10 Notes are fully and unconditionally guaranteed by BCE.

Subsequent to year end, on February 18, 2025, Bell Canada completed an offering of $2,250 million in U.S. dollars ($3,187 million in Canadian dollars) aggregate principal amount of Fixed-to-Fixed Rate Junior Subordinated Notes in two series (A and B).

The $1,000 million in U.S. dollars ($1,416 million in Canadian dollars) Fixed-to-Fixed Rate Junior Subordinated Notes, Series A due 2055 initially bear interest at an annual rate of 6.875% and reset every five years starting on September 15, 2030 at an annual rate equal to the five-year U.S. Treasury rate plus a spread of 2.390%, provided that the interest rate during any five-year interest period will not reset below 6.875%. The $1,250 million in U.S. dollars ($1,771 million in Canadian dollars) Fixed-to-Fixed Rate Junior Subordinated Notes, Series B due 2055 initially bear interest at an annual rate of 7.000% and reset every five years starting on September 15, 2035 at an annual rate equal to the five-year U.S. Treasury rate plus a spread of 2.363%, provided that the interest rate during any five-year interest period will not reset below 7.000%. Bell Canada may redeem either series of the Junior Subordinated Notes, in whole or in part, at a redemption price equal to 100% of the principal amount commencing on the applicable first reset dates. The Series A and B Notes have been hedged for foreign currency fluctuations with foreign exchange swaps having a settlement date in 2025.

2023

On November 14, 2023, Bell Canada issued, under its 1997 trust indenture, 5.85% Series M-57 MTN debentures, with a principal amount of $300 million, which mature on November 10, 2032. The Series M-57 debentures were issued pursuant to a re-opening of an existing series of MTN debentures. Additionally on the same date, Bell Canada issued under its 1997 trust indenture, 5.25% Series M-62 MTN debentures, with a principal amount of $700 million, which mature on March 15, 2029.

On August 11, 2023, Bell Canada issued, under its 1997 trust indenture, 5.15% Series M-60 MTN debentures, with a principal amount of $600 million, which mature on November 14, 2028. Additionally, on the same date, Bell Canada issued under its 1997 trust indenture, 5.60% Series M-61 MTN debentures, with a principal amount of $400 million, which mature on August 11, 2053.

On May 11, 2023, Bell Canada issued, under its 2016 trust indenture, 5.100% Series US-8 Notes, with a principal amount of $850 million in U.S. dollars ($1,138 million in Canadian dollars), which mature on May 11, 2033. The Series US-8 Notes have been hedged for foreign currency fluctuations with cross currency interest rate swaps. See Note 29, *Financial and capital management*, for additional details.

On February 9, 2023, Bell Canada issued, under its 1997 trust indenture, 4.55% Series M-58 MTN debentures, with a principal amount of $1,050 million, which mature on February 9, 2030. Additionally, on the same date, Bell Canada issued, under its 1997 trust indenture, 5.15% Series M-59 MTN debentures, with a principal amount of $450 million, which mature on February 9, 2053.

NOTE 26 Provisions

For the year ended December 31	Note	AROs	Other [(1)]	Total
January 1, 2024		**163**	**188**	**351**
Additions		**–**	**52**	**52**
Usage		**(9)**	**(36)**	**(45)**
Reversals		**–**	**(12)**	**(12)**
Acquisition		**7**	**–**	**7**
December 31, 2024		**161**	**192**	**353**
Current	23	**32**	**33**	**65**
Non-current	28	**129**	**159**	**288**
December 31, 2024		**161**	**192**	**353**

(1) *Other includes environmental, legal, vacant space and other provisions.*

AROs reflect management's best estimates of expected future costs to restore current leased premises to their original condition prior to lease inception. Cash outflows associated with our ARO liabilities are generally expected to occur at the restoration dates of the assets to which they relate, which are long-term in nature. The timing and extent of restoration work that will be ultimately required for these sites is uncertain.

NOTE 27 Post-employment benefit plans

Post-employment benefit plans cost

We provide pension and other benefits for most of our employees. These include DB pension plans, DC pension plans and OPEBs.

We operate our DB and DC pension plans under applicable Canadian and provincial pension legislation, which prescribes minimum and maximum DB funding requirements. Plan assets are held in trust, and the oversight of governance of the plans, including investment decisions, contributions to DB plans and the selection of the DC plans investment options offered to plan participants, lies with the Risk and Pension Fund Committee, a committee of our board of directors.

The interest rate risk is managed using a liability matching approach, which reduces the exposure of the DB plans to a mismatch between investment growth and obligation growth.

The longevity risk is managed using a longevity swap, which reduces the exposure of the DB plans to an increase in life expectancy.

Components of post-employment benefit plans service cost

For the year ended December 31	2024	2023
DB pension	**(134)**	(128)
DC pension	**(136)**	(133)
OPEBs	**(1)**	(1)
Less:		
Capitalized benefit plans cost	**63**	56
Total post-employment benefit plans service cost	**(208)**	(206)

Components of post-employment benefit plans financing income

For the year ended December 31	2024	2023
DB pension	**99**	149
OPEBs	**(33)**	(41)
Total net return on post-employment benefit plans	**66**	108

The statements of comprehensive income include the following amounts before income taxes.

	2024	2023
Cumulative gains recognized directly in equity, January 1	**432**	985
Actuarial gains (losses) in other comprehensive income (loss) (1)	**984**	(835)
(Increase) decrease in the effect of the asset limit in other comprehensive income (loss) (2)	**(188)**	282
Cumulative gains recognized directly in equity, December 31	**1,228**	432

(1) *The cumulative actuarial gains recognized in the statements of comprehensive income are $1,848 million at December 31, 2024.*
(2) *The cumulative increase in the effect of the asset limit recognized in the statements of comprehensive income is $620 million at December 31, 2024.*

Components of post-employment benefit assets (obligations)

The following table shows the change in post-employment benefit obligations and the fair value of plan assets.

	DB pension plans		OPEB plans		Total	
	2024	2023	2024	2023	2024	2023
Post-employment benefit obligations, January 1	**(20,595)**	(19,295)	**(1,074)**	(1,138)	**(21,669)**	(20,433)
Current service cost	**(134)**	(128)	**(1)**	(1)	**(135)**	(129)
Interest on obligations	**(927)**	(993)	**(49)**	(58)	**(976)**	(1,051)
Actuarial gains (losses) [(1)]	**214**	(1,572)	**–**	51	**214**	(1,521)
Benefit payments	**1,349**	1,401	**70**	72	**1,419**	1,473
Employee contributions	**(8)**	(8)	**–**	–	**(8)**	(8)
Business combinations	**(33)**	–	**–**	–	**(33)**	–
Post-employment benefit obligations, December 31	**(20,134)**	(20,595)	**(1,054)**	(1,074)	**(21,188)**	(21,669)
Fair value of plan assets, January 1	**23,768**	23,355	**330**	327	**24,098**	23,682
Expected return on plan assets [(2)]	**1,062**	1,195	**16**	17	**1,078**	1,212
Actuarial gains (losses) [(1)]	**737**	692	**33**	(6)	**770**	686
Benefit payments	**(1,349)**	(1,401)	**(70)**	(72)	**(1,419)**	(1,473)
Employer contributions	**48**	41	**61**	64	**109**	105
Employee contributions	**8**	8	**–**	–	**8**	8
Transfers to DC plans	**(132)**	(124)	**–**	–	**(132)**	(124)
Business combinations	**47**	–	**–**	–	**47**	–
Other	**(1)**	2	**–**	–	**(1)**	2
Fair value of plan assets, December 31	**24,188**	23,768	**370**	330	**24,558**	24,098
Plan asset (deficit)	**4,054**	3,173	**(684)**	(744)	**3,370**	2,429
Effect of asset limit	**(960)**	(719)	**–**	–	**(960)**	(719)
Interest on effect of asset limit	**(36)**	(53)	**–**	–	**(36)**	(53)
Post-employment benefit asset (liability), December 31	**3,058**	2,401	**(684)**	(744)	**2,374**	1,657
Post-employment benefit assets	**3,578**	2,935	**–**	–	**3,578**	2,935
Post-employment benefit obligations	**(520)**	(534)	**(684)**	(744)	**(1,204)**	(1,278)

(1) *Actuarial gains (losses) include experience gains of $809 million in 2024 and $734 million in 2023.*

(2) *The actual return on plan assets was $1,848 million or 8.1% in 2024 and $1,898 million or 8.8% in 2023.*

Funded status of post-employment benefit plans

The following table shows the funded status of our post-employment benefit obligations.

	Funded		Partially funded [(1)]		Unfunded [(2)]		Total	
For the year ended December 31	2024	2023	2024	2023	2024	2023	2024	2023
Present value of post-employment benefit obligations	**(19,558)**	(20,004)	**(1,425)**	(1,453)	**(205)**	(212)	**(21,188)**	(21,669)
Fair value of plan assets	**24,123**	23,703	**435**	395	**–**	–	**24,558**	24,098
Plan surplus (deficit)	**4,565**	3,699	**(990)**	(1,058)	**(205)**	(212)	**3,370**	2,429
Effect of asset limit	**(996)**	(772)	**–**	–	**–**	–	**(996)**	(772)
Post-employment benefit asset (liability)	**3,569**	2,927	**(990)**	(1,058)	**(205)**	(212)	**2,374**	1,657

(1) *The partially funded plans consist of supplementary executive retirement plans (SERPs) for eligible employees and certain OPEBs. The company partially funds the SERPs through letters of credit and a retirement compensation arrangement account with Canada Revenue Agency. Certain paid-up life insurance benefits are funded through life insurance contracts.*

(2) *Our unfunded plans consist of certain OPEBs, which are paid as claims are incurred.*

Significant assumptions

We used the following key assumptions to measure the post-employment benefit obligations and the net benefit plans cost for the DB pension plans and OPEB plans. These assumptions are long-term, which is consistent with the nature of post-employment benefit plans.

	DB pension plans and OPEB plans	
For the year ended December 31	2024	2023
Post-employment benefit obligations		
Discount rate	**4.7%**	4.6%
Rate of compensation increase	**2.25%**	2.25%
Cost of living indexation rate (1)	**1.6%**	1.6%
Life expectancy at age 65 (years)	**23.4**	23.4

(1) *Cost of living indexation rate is only applicable to DB pension plans.*

	DB pension plans and OPEB plans	
For the year ended December 31	2024	2023
Net post-employment benefit plans cost		
Discount rate	**4.7%**	5.3%
Rate of compensation increase	**2.25%**	2.25%
Cost of living indexation rate (1)	**1.6%**	1.6%
Life expectancy at age 65 (years)	**23.4**	23.3

(1) *Cost of living indexation rate is only applicable to DB pension plans.*

The weighted average duration of the post-employment benefit obligation is 11 years.

We assumed the following trend rates in healthcare costs:

- an annual increase in the cost of medication of 6.5% for 2024 decreasing to 4.0% over 20 years
- an annual increase in the cost of covered dental benefits of 4.5%
- an annual increase in the cost of covered hospital benefits of 3.7%
- an annual increase in the cost of other covered healthcare benefits of 4.5%

Assumed trend rates in healthcare costs have a significant effect on the amounts reported for the healthcare plans.

The following table shows the effect of a 1% change in the assumed trend rates in healthcare costs.

Effect on post-employment benefits – increase/(decrease)	1% increase	1% decrease
Total service and interest cost	2	(3)
Post-employment benefit obligations	55	(49)

Sensitivity analysis

The following table shows a sensitivity analysis of key assumptions used to measure the net post-employment benefit obligations and the net post-employment benefit plans cost for our DB pension plans and OPEB plans.

		Impact on net post-employment benefit plans cost for 2024 – increase/(decrease)		Impact on post-employment benefit obligations at December 31, 2024 – increase/(decrease)	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.5%	(79)	72	(1,102)	1,208
Cost of living indexation rate	0.5%	53	(41)	987	(805)
Life expectancy at age 65	1 year	36	(37)	720	(721)

Post-employment benefit plan assets

The investment strategy for the post-employment benefit plan assets is to maintain a diversified portfolio of assets invested in a prudent manner to maintain the security of benefits.

The following table shows the target allocations for 2024 and the allocation of our post-employment benefit plan assets at December 31, 2024 and 2023.

	Weighted average target allocation	Total plan assets fair value	
Asset category	2024	December 31, 2024	December 31, 2023
Equity securities	0%–40%	13%	13%
Debt securities	40%–100%	53%	55%
Alternative investments	0%–50%	34%	32%
Total		**100%**	100%

The following table shows the fair value of the DB pension plan assets for each category.

For the year ended December 31	2024	2023
Observable markets data		
Equity securities		
Canadian	**862**	858
Foreign	**2,344**	2,265
Debt securities		
Canadian	**11,117**	10,284
Foreign	**1,426**	1,550
Money market	**257**	1,222
Non-observable markets inputs		
Alternative investments		
Private equities	**1,066**	831
Hedge funds	**1,301**	1,268
Real estate and infrastructure	**4,341**	4,221
Private debt	**1,451**	1,237
Other	**23**	32
Total	**24,188**	23,768

Equity securities included less than $0.1 million of BCE common shares, less than 0.1% of total plan assets, at December 31, 2024 and approximately $9 million of BCE common shares, or less than 0.1% of total plan assets, at December 31, 2023.

Debt securities included approximately $41 million of Bell Canada debentures, or 0.2% of total plan assets, at December 31, 2024 and approximately $92 million of Bell Canada debentures, or 0.4% of total plan assets, at December 31, 2023.

The Bell Canada Pension Plan has an investment arrangement which hedges part of its exposure to potential increases in longevity, which covers approximately $3 billion of post-employment benefit obligations. The fair value of the arrangement is included within other alternative investments.

Cash flows

We are responsible for adequately funding our DB pension plans. We make contributions to them based on various actuarial cost methods that are permitted by pension regulatory authorities. Contributions reflect actuarial assumptions about future investment returns, salary projections and future service benefits. Changes in these factors could cause actual future contributions to differ from our current estimates and could require us to increase contributions to our post-employment benefit plans in the future, which could have a negative effect on our liquidity and financial performance.

We contribute to the DC pension plans as employees provide service.

The following table shows the amounts we contributed to the DB and DC pension plans and the payments made to beneficiaries under OPEB plans.

	DB plans		DC plans		OPEB plans	
For the year ended December 31	2024	2023	2024	2023	2024	2023
Contributions/payments	**(48)**	(41)	**(4)**	(11)	**(61)**	(64)

We expect to contribute approximately $30 million to our DB pension plans in 2025, subject to actuarial valuations being completed. We expect to contribute approximately $10 million to the DC pension plans and to pay approximately $60 million to beneficiaries under OPEB plans in 2025.

NOTE 28 Other non-current liabilities

For the year ended December 31	Note	2024	2023
Provisions	26	**288**	286
Long-term disability benefits obligation		**271**	269
Derivative liabilities	29	**863**	607
Joint venture obligation	9, 20	**–**	252
Other		**224**	303
Total other non-current liabilities		**1,646**	1,717

NOTE 29 Financial and capital management

Financial management

Management's objectives are to protect BCE and its subsidiaries on a consolidated basis against material economic exposures and variability of results from various financial risks, including credit risk, liquidity risk, foreign currency risk, interest rate risk and equity price risk.

Derivatives

We use derivative instruments to manage our exposure to foreign currency risk, interest rate risk and changes in the price of BCE common shares.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Certain fair value estimates are affected by assumptions we make about the amount and timing of future cash flows and discount rates, all of which reflect varying degrees of risk. Income taxes and other expenses that may be incurred on disposition of financial instruments are not reflected in the fair values. As a result, the fair values may not be the net amounts that would be realized if these instruments were settled.

The carrying values of our cash, cash equivalents, short-term investments, trade and other receivables, trade payables and other liabilities, interest payable, dividends payable, notes payable and loans secured by receivables approximate fair value as they are short-term. The carrying value of wireless device financing plan receivables approximates fair value given that their average remaining duration is short and the carrying value is reduced by an allowance for doubtful accounts and an allowance for revenue adjustments. The carrying value of the Bell Mobility trade loans approximates fair value given their average remaining duration is short and they bear interest at a variable rate.

The following table provides the fair value details of other financial instruments measured at amortized cost in the statements of financial position.

				December 31, 2024		December 31, 2023	
	Classification	Fair value methodology	Note	Carrying value	Fair value	Carrying value	Fair value
Debt securities and other debt	Debt due within one year and long-term debt	Quoted market price of debt	24, 25	**31,247**	**30,885**	29,049	28,225

The following table provides the fair value details of financial instruments measured at fair value in the statements of financial position.

	Classification	Note	Fair value			
			Carrying value of asset (liability)	Quoted prices in active markets for identical assets (level 1)	Observable market data (level 2)[1]	Non-observable market inputs (level 3)[2]
December 31, 2024						
Publicly-traded and privately-held investments[3]	Other non-current assets	21	**877**	**35**	**–**	**842**
Derivative financial instruments	Other current assets, trade payables and other liabilities, other non-current assets and liabilities		**(368)**	**–**	**(368)**	**–**
Other	Other non-current assets		**225**	**–**	**225**	**–**
December 31, 2023						
Publicly-traded and privately-held investments[3]	Other non-current assets	21	587	10	–	577
Derivative financial instruments	Other current assets, trade payables and other liabilities, other non-current assets and liabilities		(488)	–	(488)	–
Other	Other non-current assets and liabilities		147	–	216	(69)

(1) *Observable market data such as equity prices, interest rates, swap rate curves and foreign currency exchange rates.*

(2) *Non-observable market inputs such as discounted cash flows and revenue and earnings multiples. For certain privately-held investments, changes in our valuation assumptions may result in a significant change in the fair value of our level 3 financial instruments.*

(3) *Unrealized gains and losses are recorded in* Other comprehensive income (loss) *in the statements of comprehensive income and are reclassified from* Accumulated other comprehensive loss *to the* Deficit *in the statements of financial position when realized.*

Credit risk

We are exposed to credit risk from operating activities and certain customer financing activities, the maximum exposure of which is represented by the carrying amounts reported in the statements of financial position.

We are exposed to credit risk if counterparties to our trade receivables, including wireless device financing plan receivables, and derivative instruments are unable to meet their obligations. The concentration of credit risk from our customers is minimized because we have a large and diverse customer base. There was minimal credit risk relating to derivative instruments at December 31, 2024 and 2023. We deal with institutions that have investment-grade credit ratings and we expect that they will be able to meet their obligations. We regularly monitor our credit risk and credit exposure, and consider, among other factors, the effects of changes in interest rates and inflation.

The following table provides the change in allowance for doubtful accounts for trade receivables.

	Note	2024	2023
Balance, January 1		**(118)**	(129)
Additions		**(169)**	(126)
Usage and reversals		**167**	137
Balance, December 31	12	**(120)**	(118)

In many instances, trade receivables are written off directly to bad debt expense if the account has not been collected after a predetermined period of time.

The following table provides further details on trade receivables, net of allowance for doubtful accounts.

At December 31	2024	2023
Trade receivables not past due	**3,346**	3,158
Trade receivables past due		
Under 60 days	**484**	421
60 to 120 days	**240**	209
Over 120 days	**115**	53
Trade receivables, net of allowance for doubtful accounts	**4,185**	3,841

The following table provides the change in allowance for doubtful accounts for contract assets.

	Note	2024	2023
Balance, January 1		**(18)**	(19)
Additions		**(20)**	(40)
Usage and reversals		**20**	41
Balance, December 31		**(18)**	(18)
Current		**(6)**	(6)
Non-current		**(12)**	(12)
Balance, December 31	14	**(18)**	(18)

Liquidity risk

Our cash, cash equivalents, short-term investments, amounts available under our securitized receivables program, cash flows from operations and possible capital markets financing are expected to be sufficient to fund our operations and fulfill our obligations as they become due. Should our cash requirements exceed the above sources of cash, we would expect to cover such a shortfall by drawing on existing committed bank facilities and new ones, to the extent available.

The following table is a maturity analysis for recognized financial liabilities at December 31, 2024 for each of the next five years and thereafter.

At December 31, 2024	Note	2025	2026	2027	2028	2029	Thereafter	Total
Total debt, excluding lease liabilities	25	2,769	1,988	1,771	2,139	1,490	22,114	32,271
Lease liabilities [1]	25	1,258	991	493	392	332	2,047	5,513
Notes payable	24	2,203	–	–	–	–	–	2,203
Loan secured by receivables	24	1,600	–	–	–	–	–	1,600
Interest payable on long-term debt, notes payable and loan secured by receivables		1,491	1,255	1,213	1,155	1,055	12,037	18,206
Net receipts on cross currency interest rate swaps and interest rate swaps		(64)	(61)	(40)	(40)	(39)	(1,322)	(1,566)
Total		**9,257**	**4,173**	**3,437**	**3,646**	**2,838**	**34,876**	**58,227**

(1) *Includes imputed interest of $922 million.*

We are also exposed to liquidity risk for financial liabilities due within one year as shown in the statements of financial position.

Market risk

Currency exposures

In 2024, we entered into cross currency interest rate swaps with a notional amount of $700 million in U.S. dollars ($942 million in Canadian dollars) to hedge the U.S. currency exposure of our US-9 Notes maturing in 2034. The fair value of the cross currency interest rate swaps at December 31, 2024 was a net asset of $5 million recognized in *Other current assets* and *Other non-current liabilities* in the statements of financial position.

In 2024, we entered into cross currency interest rate swaps with a notional amount of $750 million in U.S. dollars ($1,009 million in Canadian dollars) to hedge the U.S. currency exposure of our US-10 Notes maturing in 2054. In connection with these swaps, cross currency basis rate swaps outstanding at December 31, 2023 with a notional amount of $644 million were settled. The fair value of the cross currency interest rate swaps at December 31, 2024 was a net liability of $44 million recognized in *Other current assets* and *Other non-current liabilities* in the statements of financial position.

In 2024, we entered into cross currency interest rate swaps with a notional amount of $240 million in U.S. dollars ($324 million in Canadian dollars) to hedge the U.S. currency exposure of outstanding loans maturing in 2026 under our Bell Mobility trade loan agreement. The fair value of the cross currency interest rate swaps at December 31, 2024 was an asset of $21 million recognized in *Other current assets* and *Other non-current assets* in the statements of financial position.

In 2023, we entered into cross currency interest rate swaps with a notional amount of $360 million in U.S. dollars ($491 million in Canadian dollars) to hedge the U.S. currency exposure of outstanding loans maturing in 2025 under our Bell Mobility trade loan agreement. The fair value of the cross currency interest rate swaps at December 31, 2024 and 2023 was an asset of $28 million recognized in *Other current assets* and a net liability of $15 million recognized in *Other current assets* and *Other non-current liabilities*, respectively, in the statements of financial position.

In 2023, we entered into cross currency interest rate swaps with a notional amount of $850 million in U.S. dollars ($1,138 million in Canadian dollars) to hedge the U.S. currency exposure of our US-8 Notes maturing in 2033. The fair value of the cross currency interest rate swaps at December 31, 2024 and 2023 was an asset of $11 million recognized in *Other current assets* and *Other non-current assets* and a net liability of $37 million recognized in *Other current assets*, *Trade payables and other liabilities* and *Other non-current liabilities*, respectively, in the statements of financial position.

See Note 24, *Debt due within one year* and Note 25, *Long-term debt*, for additional details.

The following table provides further details on our outstanding foreign currency forward contracts and options as at December 31, 2024.

Type of hedge	Buy currency	Amount to receive	Sell currency	Amount to pay	Maturity	Hedged item
Cash flow (1)	**USD**	**1,117**	**CAD**	**1,606**	**2025**	**Loans**
Cash flow	**USD**	**1,533**	**CAD**	**2,154**	**2025**	**Commercial paper**
Cash flow	**USD**	**671**	**CAD**	**873**	**2025**	**Anticipated purchases**
Cash flow	**PHP**	**3,193**	**CAD**	**75**	**2025**	**Anticipated purchases**
Cash flow	**USD**	**509**	**CAD**	**677**	**2026**	**Anticipated purchases**
Economic	**USD**	**280**	**CAD**	**375**	**2025**	**Anticipated purchases**
Economic – swaps	**CAD**	**423**	**USD**	**302**	**2025**	**Anticipated purchases**
Economic – options (2)	**USD**	**270**	**CAD**	**353**	**2025**	**Anticipated purchases**
Economic – call options	**USD**	**500**	**CAD**	**675**	**2025**	**Anticipated purchases**
Economic – put options	**USD**	**780**	**CAD**	**1,044**	**2025**	**Anticipated purchases**
Economic – swaps	**USD**	**102**	**CAD**	**140**	**2026**	**Anticipated purchases**
Economic – call options	**USD**	**120**	**CAD**	**158**	**2026**	**Anticipated purchases**
Economic – call options	**CAD**	**348**	**USD**	**240**	**2026**	**Anticipated purchases**
Economic – put options	**USD**	**150**	**CAD**	**197**	**2026**	**Anticipated purchases**
Economic – swaps	**USD**	**200**	**CAD**	**275**	**2027**	**Anticipated purchases**

(1) *Forward contracts to hedge loans secured by receivables under our securitization program. See Note 24,* Debt due within one year, *for additional information.*
(2) *Foreign currency options with a leverage provision and a profit cap limitation.*

A 10% depreciation (appreciation) in the value of the Canadian dollar relative to the U.S. dollar would result in a gain of $1 million (loss of $73 million) recognized in net earnings at December 31, 2024 and a gain of $119 million (loss of $107 million) recognized in *Other comprehensive income (loss)* at December 31, 2024, with all other variables held constant.

Interest rate exposures

In 2024, we terminated interest rate swaps with a notional amount of $625 million entered into in 2023 and 2022 used to hedge the fair value of our Series M-53 MTN debentures maturing in 2027. The fair value of the interest rate swaps at the date of termination was an asset of $6 million.

In 2024, we entered into, and subsequently terminated, forward starting interest rate swaps effective from 2026 with a notional amount of $336 million to hedge the fair value of our US-10 Notes maturing in 2054. The fair value of the forward starting interest rate swaps at the date of termination was an asset of $20 million.

In 2024, we terminated interest rate swaps entered into in 2023 with a notional amount of $250 million used to hedge the fair value of our Series M-52 MTN debentures maturing in 2030. The fair value of the interest rate swaps at the date of termination was an asset of $6 million.

In 2024, we terminated a series of interest rate swaps entered into in 2023 with a notional amount of $50 million maturing in 2025 and $150 million used to hedge the fair value of our Series M-57 MTN debentures maturing in 2032. The fair value of the interest rate swaps at the date of termination was an asset of $6 million.

In 2024, we entered into forward starting interest rate swaps, effective from 2025, with a notional amount of $800 million in U.S. dollars ($1,080 million in Canadian dollars), of which $400 million in U.S. dollars matures in each of 2030 and 2035, to hedge the interest rate exposure on future U.S. dollar debt issuances. Also in 2024, we terminated a portion of these forward starting interest rate swaps with a notional amount of $250 million in U.S. dollars ($338 million in Canadian dollars). The fair value of the forward starting interest rate swaps at the date of termination was an asset of $7 million. The fair value of the remaining forward starting interest rate swaps with a notional amount of $550 million in U.S. dollars ($742 million in Canadian dollars), of which $275 million in U.S. dollars matures in each of 2030 and 2035, at December 31, 2024 was an asset of $38 million recognized in *Other non-current assets* in the statements of financial position.

In 2024, we sold U.S. dollar interest rate swaptions with a notional amount of $214 million in U.S. dollars ($289 million in Canadian dollars), expiring in 2024, to hedge economically the fair value of future U.S. dollar debt issuances. The interest rate swaptions were terminated or expired unexercised.

In 2024, we sold interest rate swaptions, expiring in 2024, with a notional amount of $300 million to hedge economically the fair value of our M-17 MTN debentures maturing in 2035. The interest rate swaptions expired unexercised.

In 2024, we sold interest rate swaptions, expiring in 2024, with a notional amount of $750 million to hedge economically the fair value of our M-53 MTN debentures maturing in 2027. Interest rate swaptions with a notional amount of $625 million were settled. The fair value of the interest rate swaptions at the date of settlement was a liability of $6 million. The remaining interest rate swaptions expired unexercised.

In 2024, we sold interest rate floors, expiring in 2029, with a notional amount of $350 million. Also in 2024, we purchased, and subsequently terminated, interest rate options, expiring in 2026, with a notional amount of $440 million to hedge economically the interest cost of our M-62 MTN debentures maturing in 2029. The fair value of the interest rate options at the date of termination was an asset of $1 million. The fair value of the interest rate floors at December 31, 2024 was a liability of $2 million recognized in *Trade payables and other liabilities* and *Other non-current liabilities* in the statements of financial position.

In 2023, we sold interest rate swaptions with a notional amount of $250 million to hedge economically the fair value of our Series M-53 MTN debentures and we sold interest rate swaptions with a notional amount of $425 million to hedge economically the floating interest rate exposure relating to these debentures. These swaptions matured unexercised.

In 2023, we entered into forward starting interest rate swaps, effective from 2024, with a notional amount of $700 million to hedge the fair value of our series M-62 MTN debentures maturing in 2029. The fair value of the interest rate swaps at December 31, 2024 and 2023 was an asset of $27 million and $22 million, respectively, recognized in *Other current assets* and *Other non-current assets* in the statements of financial position.

In 2023, we sold interest rate swaptions with a notional amount of $375 million to hedge economically the fair value of our Series M-52 MTN debentures. These swaptions were exercised in 2023, giving rise to a loss of $1 million recognized in *Other expense* in the income statements. The resulting interest rate swaps with a notional amount of $375 million hedge the fair value of our Series M-52 MTN debentures maturing in 2030. In 2023, we also entered into additional interest rate swaps with a notional amount of $125 million to hedge the fair value of our Series M-52 MTN debentures. The fair value of the interest rate swaps at December 31, 2024 and 2023 was an asset of $11 million recognized in *Other current assets* and *Other non-current assets* and a net asset of $12 million recognized in *Other current assets*, *Trade payables and other liabilities* and *Other non-current assets*, respectively, in the statements of financial position.

In 2023, we sold interest rate swaptions with a notional amount of $125 million to hedge economically the fair value of our Series M-57 MTN debentures. These swaptions were exercised in 2023, giving rise to a loss of $2 million recognized in *Other expense* in the income statements. The resulting interest rate swaps with a notional amount of $125 million hedge the fair value of our Series M-57 MTN debentures maturing in 2032. In 2023, we also entered into additional interest rate swaps with a notional amount of $375 million to hedge the fair value of our Series M-57 MTN debentures. The fair value of the interest rate swaps at December 31, 2024 and 2023 was a net asset of $19 million recognized in *Other current assets*, *Trade payables and other liabilities* and *Other non-current assets* and a net asset of $24 million recognized in *Other current assets*, *Trade payables and other liabilities*, *Other non-current assets* and *Other non-current liabilities* in the statements of financial position.

In 2023, we entered into forward starting interest rate swaps, effective from 2028, with a notional amount of $125 million to hedge the fair value of our series M-59 MTN debentures maturing in 2053. In 2023, we also entered into forward starting interest rate swaps, effective from 2028, with a notional amount of $400 million to hedge the fair value of our series M-61 MTN debentures maturing in 2053. The fair value of the interest rate swaps at December 31, 2024 and 2023 was an asset of $35 million and $48 million, respectively, recognized in *Other non-current assets* in the statements of financial position.

In 2023, we entered into an amortizing interest rate swap with an initial notional amount of $197 million, to hedge the interest rate exposure on other debt maturing in 2028. The notional amount of the outstanding amortizing interest rate swap at December 31, 2024 was $123 million. The fair value of the amortizing interest rate swap at December 31, 2024 and 2023 was a liability of $4 million recognized in *Trade payables and other liabilities* and *Other non-current liabilities* and a net liability of $2 million recognized in *Other current assets* and *Other non-current liabilities*, respectively, in the statements of financial position.

See Note 24, *Debt due within one year* and Note 25, *Long-term debt*, for additional details.

A 1% increase (decrease) in interest rates would result in a loss (gain) of $28 million recognized in net earnings at December 31, 2024, with all other variables held constant.

Equity price exposures

We use equity forward contracts on BCE's common shares to hedge economically the cash flow exposure related to the settlement of equity settled share-based compensation plans. The fair value of our equity forward contracts at December 31, 2024 and December 31, 2023 was a net liability of $429 million and $162 million, respectively, recognized in *Other current assets*, *Trade payables and other liabilities*, and *Other non-current liabilities* in the statements of financial position. A loss of $269 million and $103 million for the year ended December 31, 2024 and 2023, respectively, relating to the equity forward contracts is recognized in *Other expense* in the income statements. See Note 31, *Share-based payments*, for additional details.

A 5% increase (decrease) in the market price of BCE's common shares would result in a gain (loss) of $18 million recognized in net earnings at December 31, 2024, with all other variables held constant.

Capital management

We have various capital policies, procedures and processes which are utilized to seek to achieve our objectives for capital management. These include optimizing our cost of capital and maximizing shareholder return while balancing the interests of our stakeholders.

Our definition of capital includes equity attributable to BCE shareholders, debt, cash, cash equivalents and short-term investments.

In 2024, the key ratio that we used to monitor and manage our capital structure was a net debt leverage ratio.(1) In 2024, we increased our net debt leverage ratio target range to 3.0 times adjusted EBITDA from 2.0 to 2.5 times adjusted EBITDA in 2023. At December 31, 2024, and December 31, 2023, we had exceeded the limit of our internal net debt leverage ratio target range by 0.81 and 0.98, respectively.

We believe that certain investors and analysts use our net debt leverage ratio as a measure of financial leverage and health of the company.

The following table provides a summary of our key ratio.

At December 31	2024	2023
Net debt leverage ratio	**3.81**	3.48

On February 6, 2025, the board of directors of BCE declared a quarterly dividend of $0.9975 per common share, payable on April 15, 2025.

On February 7, 2024, the board of directors of BCE approved an increase of 3.1% in the annual dividend on BCE's common shares, from $3.87 to $3.99 per common share.

In both Q4 2023 and Q4 2024, BCE renewed its normal course issuer bid program (NCIB) with respect to its First Preferred Shares. See Note 30, *Share capital*, for additional details.

In Q4 2024, BCE amended its Shareholder Dividend Reinvestment and Stock Purchase Plan (DRP) to provide, at the BCE board of directors' discretion, for the issuance of new common shares from treasury at a discount to the average market price of the common shares preceding the applicable dividend payment date (the Average Market Price). See Note 30, *Share capital*, for additional details.

(1) *Our net debt leverage ratio represents net debt divided by adjusted EBITDA. As of December 31, 2024, we define net debt as debt due within one year plus long-term debt and 50% of preferred shares, less cash, cash equivalents and short-term investments, as shown in our statements of financial position. For the purposes of calculating our net debt leverage ratio, adjusted EBITDA is twelve-month trailing adjusted EBITDA.*

NOTE 30 Share capital

Preferred shares

BCE's articles of amalgamation, as amended, provide for an unlimited number of First Preferred Shares and Second Preferred Shares, all without par value. The terms set out in the articles authorize BCE's directors to issue the shares in one or more series and to set the number of shares and the conditions for each series.

The following table provides a summary of the principal terms of BCE's First Preferred Shares as at December 31, 2024. There were no Second Preferred Shares issued and outstanding at December 31, 2024. BCE's articles of amalgamation, as amended, describe the terms and conditions of these shares in detail.

Series	Annual dividend rate	Convertible into	Conversion date	Redemption date	Redemption price	Number of shares issued and outstanding	Stated capital December 31, 2024	Stated capital December 31, 2023
Q	floating	Series R	December 1, 2030	At any time	$25.50	–	**–**	–
R (1)	3.018%	Series Q	December 1, 2025	December 1, 2025	$25.00	7,610,500	**190**	194
S	floating	Series T	November 1, 2026	At any time	$25.50	2,001,167	**50**	51
T (1)	4.99%	Series S	November 1, 2026	November 1, 2026	$25.00	5,175,533	**129**	132
Y	floating	Series Z	December 1, 2027	At any time	$25.50	5,958,652	**149**	161
Z (1)	5.346%	Series Y	December 1, 2027	December 1, 2027	$25.00	2,658,031	**66**	68
AA (1)	4.94%	Series AB	September 1, 2027	September 1, 2027	$25.00	11,171,231	**285**	293
AB	floating	Series AA	September 1, 2027	At any time	$25.50	6,399,439	**163**	176
AC (1)	5.08%	Series AD	March 1, 2028	March 1, 2028	$25.00	6,312,874	**161**	165
AD	floating	Series AC	March 1, 2028	At any time	$25.50	11,722,138	**299**	319
AE	floating	Series AF	February 1, 2025	At any time	$25.50	5,827,613	**146**	151
AF (1)	3.865%	Series AE	February 1, 2025	February 1, 2025	$25.00	8,820,587	**221**	227
AG (1)	3.37%	Series AH	May 1, 2026	May 1, 2026	$25.00	8,316,930	**208**	211
AH	floating	Series AG	May 1, 2026	At any time	$25.50	4,655,070	**116**	120
AI (1)	3.39%	Series AJ	August 1, 2026	August 1, 2026	$25.00	8,972,840	**224**	231
AJ	floating	Series AI	August 1, 2026	At any time	$25.50	3,827,260	**96**	103
AK (1)	3.306%	Series AL	December 31, 2026	December 31, 2026	$25.00	21,391,312	**535**	558
AL (2)	floating	Series AK	December 31, 2026	At any time		1,724,288	**43**	44
AM (1)	2.939%	Series AN	March 31, 2026	March 31, 2026	$25.00	9,951,978	**228**	233
AN (2)	floating	Series AM	March 31, 2026	At any time		1,004,422	**23**	24
AO	fixed	Series AP				–	**–**	–
AP	floating	Series AO				–	**–**	–
AQ (1)	6.538%	Series AR	September 30, 2028	September 30, 2028	$25.00	8,102,214	**201**	206
AR (3)	floating	Series AQ	September 30, 2033	At any time		–	**–**	–
							3,533	3,667

(1) *BCE may redeem each of these series of First Preferred Shares on the applicable redemption date and every five years thereafter.*

(2) *BCE may redeem Series AL and AN First Preferred Shares at $25.00 per share on December 31, 2026 and March 31, 2026, respectively, and every five years thereafter (each, a Series conversion date). Alternatively, BCE may redeem Series AL or AN First Preferred Shares at $25.50 per share on any date which is not a Series conversion date for the applicable series of First Preferred Shares.*

(3) *If Series AR First Preferred Shares are issued on September 30, 2028, BCE may redeem such shares at $25.00 per share on September 30, 2033 and every five years thereafter (each, a Series conversion date). Alternatively, BCE may redeem Series AR Preferred Shares at $25.50 per share on any date which is not a Series conversion date for such series of First Preferred Shares.*

Normal course issuer bid for BCE First Preferred Shares

On November 7, 2024, BCE announced the renewal of its NCIB to purchase for cancellation up to 10% of the public float of each series of BCE's outstanding First Preferred Shares that are listed on the Toronto Stock Exchange (TSX). The NCIB will extend from November 11, 2024 to November 10, 2025, or an earlier date should BCE complete its purchases under the NCIB.

In 2024, BCE repurchased and canceled 5,346,488 First Preferred Shares under its NCIB with a stated capital of $134 million for a total cost of $92 million. The remaining $42 million was recorded to contributed surplus.

Subsequent to year end, BCE repurchased and canceled 1,413,405 First Preferred Shares under its NCIB with a stated capital of $35 million for a total cost of $25 million. The remaining $10 million was recorded to contributed surplus.

On November 2, 2023, BCE announced the renewal of its NCIB to purchase for cancellation up to 10% of the public float of each series of BCE's outstanding First Preferred Shares that are listed on the TSX. The NCIB extended from November 9, 2023 to November 8, 2024.

In 2023, BCE repurchased and canceled 8,124,533 First Preferred Shares under its NCIB with a stated capital of $203 million for a total cost of $140 million. The remaining $63 million was recorded to contributed surplus.

Voting rights

All of the issued and outstanding First Preferred Shares at December 31, 2024 are non-voting, except under special circumstances when the holders are entitled to one vote per share.

Priority and entitlement to dividends

The First Preferred Shares of all series rank at parity with each other and in priority to all other shares of BCE with respect to payment of dividends and with respect to distribution of assets in the event of liquidation, dissolution or winding up of BCE.

Holders of Series R, T, Z, AA, AC, AF, AG, AI, AK, AM and AQ First Preferred Shares are entitled to fixed cumulative quarterly dividends. The dividend rate on these shares is reset every five years, as set out in BCE's articles of amalgamation, as amended.

Holders of Series S, Y, AB, AD, AE, AH and AJ First Preferred Shares are entitled to floating adjustable cumulative monthly dividends. The floating dividend rate on these shares is calculated every month, as set out in BCE's articles of amalgamation, as amended.

Holders of Series AL and AN First Preferred Shares are entitled to floating cumulative quarterly dividends. The floating dividend rate on these shares is calculated every quarter, as set out in BCE's articles of amalgamation, as amended.

Dividends on all series of First Preferred Shares are paid as and when declared by the board of directors of BCE.

Conversion features

All of the issued and outstanding First Preferred Shares at December 31, 2024 are convertible at the holder's option into another associated series of First Preferred Shares on a one-for-one basis according to the terms set out in BCE's articles of amalgamation, as amended.

Conversion of First Preferred Shares

Subsequent to year end, on February 1, 2025, 8,050 of BCE's fixed-rate Cumulative Redeemable First Preferred Shares, Series AF (Series AF Preferred Shares) were converted, on a one-for-one basis, into floating-rate Cumulative Redeemable First Preferred Shares, Series AE (Series AE Preferred Shares). In addition, on February 1, 2025, 2,479,334 of BCE's Series AE Preferred Shares were converted, on a one-for-one basis, into Series AF Preferred Shares.

Common shares and Class B shares

BCE's articles of amalgamation provide for an unlimited number of voting common shares and non-voting Class B shares, all without par value. The common shares and the Class B shares rank equally in the payment of dividends and in the distribution of assets if BCE is liquidated, dissolved or wound up, after payments due to the holders of preferred shares. No Class B shares were outstanding at December 31, 2024 and 2023.

The following table provides details about the outstanding common shares of BCE.

		2024		2023	
	Note	Number of shares	Stated capital	Number of shares	Stated capital
Outstanding, January 1		**912,274,545**	**20,859**	911,982,866	20,840
Shares issued under deferred share plan		**8,558**	**1**	843	–
Shares issued under employee stock option plan	31	**–**	**–**	306,139	19
Unclaimed shares [(1)]		**–**	**–**	(15,303)	–
Outstanding, December 31		**912,283,103**	**20,860**	912,274,545	20,859

(1) *Represents unclaimed shares following the expiry of former Manitoba Telecom Services Inc. (MTS) shareholders' rights to receive BCE common shares in connection with the acquisition of MTS.*

Discounted Treasury Dividend Reinvestment Plan

In Q4 2024, BCE amended its DRP to provide, at the BCE board of directors' discretion, for the issuance of new common shares from treasury at a discount to the Average Market Price. Commencing with the dividend payable on January 15, 2025 to eligible shareholders as of the December 16, 2024 record date, and subsequently until further notice, common shares will be issued from treasury at a discount of 2% to the Average Market Price.

Subsequent to year end, on January 15, 2025, 9,540,786 common shares were issued from treasury under the DRP to shareholders of record on December 16, 2024 holding 308,654,258 common shares, for $314 million.

Contributed surplus

Contributed surplus in 2024 and 2023 includes premiums in excess of par value upon the issuance of BCE common shares and share-based compensation expense net of settlements.

NOTE 31 Share-based payments

The following share-based payment amounts are included in *Operating costs* in the income statements.

For the year ended December 31	2024	2023
RSUs and PSUs	**(52)**	(62)
ESP and DSUs	**(32)**	(33)
Total share-based payments	**(84)**	(95)

Description of the plans

ESP

The ESP is designed to encourage employees of BCE and its participating subsidiaries to own shares of BCE. Employees can choose to have up to 12% of their eligible annual earnings withheld through regular payroll deductions for the purchase of BCE common shares. In some cases, the employer also contributes up to 2% of the employee's eligible annual earnings to the plan. Dividends are credited to the participant's account on each dividend payment date and are equivalent in value to the dividends paid on BCE common shares. Employer contributions to the ESP and related dividends are subject to employees holding their shares for a two-year vesting period.

The trustee of the ESP buys BCE common shares for the participants on the open market, by private purchase or from treasury. BCE determines the method the trustee uses to buy the shares.

At December 31, 2024, 4,360,087 common shares were authorized for issuance from treasury under the ESP. At December 31, 2024 and 2023, there were 1,239,411 and 1,077,613 unvested employer ESP contributions, respectively.

RSUs/PSUs

RSUs/PSUs are granted to executives and other eligible employees. Dividends in the form of additional RSUs/PSUs are credited to the participant's account on each dividend payment date and are equivalent in value to the dividends paid on BCE common shares. Executives and other eligible employees are granted a specific number of RSUs/PSUs for a given performance period based mainly on their level and position. RSUs/PSUs vest fully after three years of continuous employment from the date of grant and if performance objectives are met for PSUs, as determined by the board of directors.

The following table summarizes RSUs/PSUs outstanding at December 31, 2024 and 2023.

Number of RSUs/PSUs	2024	2023
Outstanding, January 1	**3,412,812**	3,124,187
Granted [(1)]	**1,236,690**	1,125,502
Dividends credited	**284,530**	213,427
Settled	**(1,296,656)**	(957,402)
Forfeited	**(58,476)**	(92,902)
Outstanding, December 31	**3,578,900**	3,412,812
Vested, December 31 [(2)]	**1,090,574**	1,225,815

(1) *The weighted average fair value of the RSUs/PSUs granted was $50 in 2024 and $61 in 2023.*
(2) *The RSUs/PSUs vested on December 31, 2024 were fully settled in February 2025 with BCE common shares and/or DSUs.*

DSUs

Eligible bonuses and RSUs may be paid in the form of DSUs when executives or other eligible employees elect or are required to participate in the plan. The value of a DSU at the issuance date is equal to the value of one BCE common share. For non-management directors, compensation is paid in DSUs until the minimum share ownership requirement is met; thereafter, at least 50% of their compensation is paid in DSUs. There are no vesting requirements relating to DSUs. Dividends in the form of additional DSUs are credited to the participant's account on each dividend payment date and are equivalent in value to the dividends paid on BCE common shares. DSUs are settled when the holder leaves the company.

At December 31, 2024 and 2023, there were 3,560,305 and 3,573,182 DSUs outstanding, respectively.

Stock options

Under BCE's long-term incentive plans, BCE may grant options to executives to buy BCE common shares. The subscription price of a grant is based on the higher of:

- the volume-weighted average of the trading price on the trading day immediately prior to the effective date of the grant
- the volume-weighted average of the trading price for the last five consecutive trading days ending on the trading day immediately prior to the effective date of the grant

At December 31, 2024, in addition to the stock options outstanding, 5,434,793 common shares were authorized for issuance under these plans. Options vest fully after three years of continuous employment from the date of grant. All options become exercisable when they vest and can be exercised for a period of seven years from the date of grant for options granted prior to 2019 and ten years from the date of grant for options granted since 2019.

The following table summarizes stock options outstanding at December 31, 2024 and 2023.

		2024		2023	
	Note	Number of options	Weighted average exercise price ($)	Number of options	Weighted average exercise price ($)
Outstanding, January 1		**7,484,561**	**61**	7,802,108	61
Exercised (1)	30	**–**	**n.a.**	(306,139)	60
Forfeited or expired		**(938,742)**	**59**	(11,408)	63
Outstanding and exercisable, December 31		**6,545,819**	**61**	7,484,561	61

(1) *There were no stock options exercised in 2024. The weighted average market share price for stock options exercised in 2023 was $63.*

The following table provides additional information about BCE's stock option plans at December 31, 2024 and 2023.

	Stock options outstanding					
	2024			2023		
Range of exercise prices	Number	Weighted average remaining life (years)	Weighted average exercise price ($)	Number	Weighted average remaining life (years)	Weighted average exercise price ($)
\$50–\$59	**3,390,928**	**3**	**58**	4,291,180	3	58
\$60 & above	**3,154,891**	**5**	**65**	3,193,381	6	65
	6,545,819	**4**	**61**	7,484,561	4	61

NOTE 32 Additional cash flow information

The following table provides a reconciliation of changes in assets and liabilities arising from financing activities.

	Note	Debt due within one year and long-term debt	Derivative to hedge foreign currency on debt (1)	Dividends payable	Other liabilities (2)	Total
January 1, 2024		**36,177**	**(153)**	**910**	**78**	**37,012**
Cash flows from (used in) financing activities						
Increase in notes payable		**1,817**	**128**	**–**	**–**	**1,945**
Issue of long-term debt		**3,834**	**–**	**–**	**–**	**3,834**
Repayment of supplier finance arrangements (2)		**(78)**	**–**	**–**	**–**	**(78)**
Repayment of long-term debt		**(3,289)**	**64**	**–**	**–**	**(3,225)**
Cash dividends paid on common and preferred shares		**–**	**–**	**(3,800)**	**–**	**(3,800)**
Cash dividends paid by subsidiaries to non-controlling interests	36	**–**	**–**	**(68)**	**–**	**(68)**
Other financing activities		**(27)**	**–**	**–**	**(4)**	**(31)**
Total cash flows from (used in) financing activities excluding equity		**2,257**	**192**	**(3,868)**	**(4)**	**(1,423)**
Non-cash changes arising from						
Increase in lease liabilities		**774**	**–**	**–**	**–**	**774**
Dividends declared on common and preferred shares		**–**	**–**	**3,827**	**–**	**3,827**
Dividends declared by subsidiaries to non-controlling interests		**–**	**–**	**68**	**–**	**68**
Effect of changes in foreign exchange rates		**987**	**(987)**	**–**	**–**	**–**
Business acquisitions	4	**120**	**–**	**–**	**–**	**120**
Reclassification to liabilities held for sale	16	**(10)**	**–**	**–**	**–**	**(10)**
Additions to supplier finance arrangements		**58**	**–**	**–**	**–**	**58**
Other		**141**	**(27)**	**(4)**	**(69)**	**41**
Total non-cash changes		**2,070**	**(1,014)**	**3,891**	**(69)**	**4,878**
December 31, 2024		**40,504**	**(975)**	**933**	**5**	**40,467**

(1) *Included in* Other current assets, Other non-current assets, Trade payables and other liabilities *and* Other non-current liabilities *in the statements of financial position.*
(2) *Included in* Repayment of long-term debt *in the statements of cash flows.*

	Note	Debt due within one year and long-term debt [1]	Derivative to hedge foreign currency on debt [2]	Dividends payable	Other liabilities	Total
January 1, 2023		31,920	(307)	867	253	32,733
Cash flows from (used in) financing activities						
Decrease in notes payable		(646)	–	–	–	(646)
Issue of long-term debt		5,195	–	–	–	5,195
Repayment of supplier finance arrangements [3]		(81)	–	–	–	(81)
Repayment of long-term debt		(1,777)	–	–	–	(1,777)
Repurchase of financial liability		–	–	–	(149)	(149)
Cash dividends paid on common and preferred shares		–	–	(3,668)	–	(3,668)
Cash dividends paid by subsidiaries to non-controlling interests	36	–	–	(47)	–	(47)
Other financing activities		(24)	–	–	–	(24)
Total cash flows from (used in) financing activities excluding equity		2,667	–	(3,715)	(149)	(1,197)
Non-cash changes arising from						
Increase in lease liabilities		1,562	–	–	–	1,562
Dividends declared on common and preferred shares		–	–	3,717	–	3,717
Dividends declared by subsidiaries to non-controlling interests		–	–	47	–	47
Effect of changes in foreign exchange rates		(169)	169	–	–	–
Business acquisitions	4	5	–	–	–	5
Business disposition	4	(93)	–	–	–	(93)
Reclassification to liabilities held for sale	16	(7)	–	–	–	(7)
Additions to supplier finance arrangements		68	–	–	–	68
Other		224	(15)	(6)	(26)	177
Total non-cash changes		1,590	154	3,758	(26)	5,476
December 31, 2023		36,177	(153)	910	78	37,012

(1) *We have reclassified amounts from the previous period to make them consistent with the presentation for the current period.*

(2) *Included in* Other current assets, Other non-current assets *and* Trade payables and other liabilities *in the statements of financial position.*

(3) *Included in* Repayment of long-term debt *in the statements of cash flows.*

NOTE 33 Remaining performance obligations

The following table shows revenues expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as at December 31, 2024.

	2025	2026	2027	2028	2029	Thereafter	Total
Bell CTS	**2,944**	**1,663**	**657**	**314**	**132**	**425**	**6,135**

When estimating minimum transaction prices allocated to the remaining unfulfilled, or partially unfulfilled, performance obligations, BCE applied the practical expedient to not disclose information about remaining performance obligations that have an original expected duration of one year or less and for those contracts where we bill the same value as that which is transferred to the customer.

NOTE 34 Commitments and contingencies

Commitments

The following table is a summary of our contractual obligations at December 31, 2024 that are due in each of the next five years and thereafter.

	2025	2026	2027	2028	2029	Thereafter	Total
Commitments for property, plant and equipment and intangible assets	1,747	1,133	589	304	307	1,109	5,189
Purchase obligations	711	617	381	257	240	612	2,818
Planned acquisition of Ziply Fiber	7,000	–	–	–	–	–	7,000
Leases committed not yet commenced	6	1	–	–	–	–	7
Total	**9,464**	**1,751**	**970**	**561**	**547**	**1,721**	**15,014**

Our commitments for property, plant and equipment and intangible assets include program and feature film rights and investments to expand and update our networks to meet customer demand.

Purchase obligations consist of contractual obligations under service and product contracts for operating expenditures and other purchase obligations.

On November 4, 2024, BCE announced that Bell Canada had entered into an agreement to acquire Ziply Fiber, the leading fibre Internet provider in the Pacific Northwest of the United States, for approximately $3.65 billion in U.S. dollars (approximately $5 billion in Canadian dollars) in cash and the assumption of outstanding net debt of approximately $1.45 billion in U.S. dollars (approximately $2 billion in Canadian dollars) to be rolled over at transaction close, representing a transaction value of approximately $5.1 billion in U.S. dollars (approximately $7 billion in Canadian dollars). The transaction is subject to certain customary closing conditions and the receipt of certain regulatory approvals including the Federal Communications Commission and approvals by state Public Utilities Commissions and, as such, there can be no assurance that the transaction will ultimately be consummated. The proposed acquisition is expected to close in the second half of 2025.

Our commitments for leases not yet commenced include real estate, OOH advertising spaces and fibre use. These leases are non-cancellable.

Contingencies

As part of its ongoing review of wholesale Internet rates, on October 6, 2016, the Canadian Radiotelevision and Telecommunications Commission (CRTC) significantly reduced, on an interim basis, some of the wholesale rates that Bell Canada and other major providers charge for access by third-party Internet resellers to fibre-to-the-node (FTTN) or cable networks, as applicable. On August 15, 2019, the CRTC further reduced the wholesale rates that Internet resellers pay to access network infrastructure built by facilities-based providers like Bell Canada, with retroactive effect back to March 2016.

The August 2019 decision was stayed, first by the Federal Court of Appeal and then by the CRTC, with the result that it never came into effect. In response to review and vary applications filed by each of Bell Canada, five major cable carriers (Cogeco Communications Inc., Bragg Communications Inc. (Eastlink), Rogers Communications Canada Inc., Shaw Communications Inc. and Videotron Ltée) and Telus Communications Inc., the CRTC issued Decision 2021-181 on May 27, 2021, which mostly reinstated the rates prevailing prior to August 2019 with some reductions to the Bell Canada rates with retroactive effect to March 2016. As a result, in Q2 2021, we recorded a reduction in revenue of $44 million in our income statements.

While there remains a requirement to refund monies to third-party Internet resellers, the establishment of final wholesale rates that are similar to those prevailing since 2019 reduces the impact of the CRTC's long-running review of wholesale Internet rates. The largest reseller, TekSavvy Solutions Inc. (TekSavvy), obtained leave to appeal the CRTC's decision of May 27, 2021 before the Federal Court of Appeal. On July 22, 2024, the Federal Court of Appeal issued a decision rejecting TekSavvy's appeal of Decision 2021-181 pursuant to which the CRTC had, in May 2021, mostly reinstated wholesale Internet rates prevailing prior to August 2019. On September 30, 2024, TekSavvy sought leave to appeal that decision to the Supreme Court of Canada. The decision was also challenged in three petitions brought by TekSavvy, the Canadian Network Operators Consortium Inc. and National Capital Freenet before Cabinet, but on May 26, 2022, Cabinet announced it would not alter the decision.

In the ordinary course of business, we become involved in various claims and legal proceedings seeking monetary damages and other relief. In particular, because of the nature of our consumer-facing business, we are exposed to class actions pursuant to which substantial monetary damages may be claimed. Due to the inherent risks and uncertainties of the litigation process, we cannot predict the final outcome or timing of claims and legal proceedings. Subject to the foregoing, and based on information currently available and management's assessment of the merits of the claims and legal proceedings pending at March 6, 2025, management believes that the ultimate resolution of these claims and legal proceedings is unlikely to have a material and negative effect on our financial statements. We believe that we have strong defences and we intend to vigorously defend our positions.

NOTE 35 Related party transactions

Subsidiaries

The following table shows BCE's significant subsidiaries at December 31, 2024. BCE has other subsidiaries which have not been included in the table as each represents less than 10% individually and less than 20% in aggregate of total consolidated revenues.

All of these significant subsidiaries are incorporated in Canada and provide services to each other in the normal course of operations. The value of these transactions is eliminated on consolidation.

	Ownership percentage	
Subsidiary	2024	2023
Bell Canada	**100%**	100%
Bell Mobility Inc.	**100%**	100%
Bell Media Inc.	**100%**	100%

Transactions with joint arrangements and associates

During 2024 and 2023, BCE provided communication services and received programming content and other services in the normal course of business on an arm's length basis to and from its joint arrangements and associates. Our joint arrangements and associates include MLSE, Glentel Inc. and Dome Productions Partnership. From time to time, BCE may be required to make capital contributions in its investments.

In 2024, BCE recognized revenues and incurred expenses with our joint arrangements and associates of $9 million (2023 – $12 million) and $150 million (2023 – $200 million), respectively.

BCE Master Trust Fund

Bimcor Inc. (Bimcor), a wholly-owned subsidiary of Bell Canada, is the administrator of the Master Trust Fund. Bimcor recognized management fees of $14 million for 2024 and $15 million for 2023 from the Master Trust Fund. The details of BCE's post-employment benefit plans are set out in Note 27, *Post-employment benefit plans*.

Compensation of key management personnel

The following table includes compensation of key management personnel for the years ended December 31, 2024 and 2023 included in our income statements. Key management personnel have the authority and responsibility for overseeing, planning, directing and controlling our business activities and consists of our Board of Directors and our Executive Leadership Team.

For the year ended December 31	2024	2023
Wages, salaries, fees and related taxes and benefits	**(19)**	(28)
Post-employment benefit plans and OPEBs cost	**(3)**	(3)
Share-based compensation	**(26)**	(30)
Key management personnel compensation expense	**(48)**	(61)

NOTE 36 Significant partly-owned subsidiary

The following tables show summarized financial information for our subsidiary with significant non-controlling interest (NCI).

Summarized statements of financial position

	CTV Specialty [1] [2]	
For the year ended December 31	2024	2023
Current assets	**423**	466
Non-current assets	**733**	941
Total assets	**1,156**	1,407
Current liabilities	**164**	153
Non-current liabilities	**92**	239
Total liabilities	**256**	392
Total equity attributable to BCE shareholders	**631**	707
NCI	**269**	308

(1) *At December 31, 2024 and 2023, the ownership interest held by NCI in CTV Specialty Television Inc. (CTV Specialty) was 29.9%. CTV Specialty was incorporated and operated in Canada as at such dates.*

(2) *CTV Specialty's net assets at December 31, 2024 and 2023 include nil and $7 million, respectively, directly attributable to NCI.*

Selected income and cash flow information

	CTV Specialty [1]	
For the year ended December 31	2024	2023
Operating revenues	**991**	969
Net earnings	**100**	209
Net earnings attributable to NCI	**31**	65
Total comprehensive income	**108**	196
Total comprehensive income attributable to NCI	**34**	61
Cash dividends paid to NCI	**68**	47

(1) *CTV Specialty's net earnings and total comprehensive income include $2 million and $3 million directly attributable to NCI for 2024 and 2023, respectively.*

Board of directors

As of March 6, 2025

Gordon M. Nixon,
C.M., O.Ont.
ONTARIO, CANADA
Corporate Director
Chair of the Board,
BCE Inc. and Bell Canada
Director since November 2014

Mirko Bibic
ONTARIO, CANADA
President and
Chief Executive Officer,
BCE Inc. and Bell Canada
Director since January 2020

Robert P. Dexter
NOVA SCOTIA, CANADA
Chair and
Chief Executive Officer,
Maritime Travel Inc.
Director since November 2014

Katherine Lee
ONTARIO, CANADA
Corporate Director
Director since August 2015

Monique F. Leroux,
C.M., O.Q., FCPA, FCA
QUÉBEC, CANADA
Corporate Director
Director since April 2016

Sheila A. Murray
ONTARIO, CANADA
Corporate Director
Director since May 2020

Louis P. Pagnutti,
FCPA, FCA
ONTARIO, CANADA
Corporate Director
Director since November 2020

Calin Rovinescu,
C.M.
ONTARIO, CANADA
Corporate Director
Director since April 2016

Karen Sheriff
ONTARIO, CANADA
Corporate Director
Director since April 2017

Jennifer Tory,
C.M.
ONTARIO, CANADA
Corporate Director
Director since April 2021

Louis Vachon,
C.M., O.Q.
QUÉBEC, CANADA
Operating Partner,
J.C. Flowers & Co.
Director since October 2022

Johan Wibergh
BARBADOS
Corporate Director
Director since November 2023

Cornell Wright
ONTARIO, CANADA
President,
Wittington Investments, Limited
Director since April 2021

Committees of the Board

Audit committee

L.P. Pagnutti *(Chair)*, K. Lee, M.F. Leroux, J. Tory, J. Wibergh, C. Wright

The audit committee assists the Board in the oversight of:

- the integrity of BCE's financial statements and related information
- BCE's compliance with applicable legal and regulatory requirements
- the independence, qualifications and appointment of the external auditors
- the performance of both the external and internal auditors
- management's responsibility for assessing and reporting on the effectiveness of internal controls
- BCE's risks as they relate to financial reporting and management.

Corporate governance committee

M.F. Leroux *(Chair)*, K. Lee, S.A. Murray, K. Sheriff, C. Wright

The CGC assists the Board to:

- develop and implement BCE's corporate governance policies and guidelines
- identify individuals qualified to become members of the Board
- determine the composition of the Board and its committees
- determine the directors' compensation for Board and committee service
- develop and oversee a process to assess the Board, committees of the Board, the Chair of the Board, Chairs of committees, and individual directors
- oversee BCE's policies concerning business conduct, ethics, public disclosure of material information, AI governance and other matters
- oversee BCE's ESG strategy (including climate change strategy and climate-related matters, and supply chain labour issues) and strategies to protect or enhance the Corporation's reputation, and their integration within BCE's overall business strategy, as well as disclosure regarding ESG matters.

Management resources and compensation committee

S.A. Murray *(Chair)*, R.P. Dexter, C. Rovinescu, J. Tory, L. Vachon

The MRCC assists the Board in the oversight of:

- compensation, nomination, evaluation and succession of officers and other management personnel
- BCE's workplace policies and practices – including health and safety policies, policies ensuring a respectful workplace free from harassment, and policies ensuring a diverse and inclusive workplace
- BCE's exposure to risk associated with its executive compensation and policies, and identification of practices and policies to mitigate such risk.

Risk and pension fund committee

C. Rovinescu *(Chair)*, R.P. Dexter, L.P. Pagnutti, K. Sheriff, L. Vachon, J. Wibergh

The RPFC assists the Board in the oversight of:

- BCE's enterprise risk governance framework and the policies, procedures and controls management uses to evaluate and manage key risks to which BCE is exposed
- BCE's exposure to key risks, except for risks that remain the primary responsibility of another committee of the Board
- the administration, funding and investment of BCE's pension plans and funds
- the unitized pooled funds sponsored by BCE for the collective investment of the pension plans and the BCE master trust fund.

Executives

As of March 6, 2025

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

Sean Cohan
President, Bell Media
Bell Canada

Hadeer Hassaan
Executive Vice President,
Chief Customer Experience Officer
Bell Canada

Stephen Howe
Chief Technology and Information Officer
Bell Canada

Blaik Kirby
Group President, Consumer and
Small & Medium Business (SMB)
Bell Canada

Devorah Lithwick
Senior Vice President and Chief Brand Officer
Bell Canada

Robert Malcolmson
Executive Vice President and
Chief Legal & Regulatory Officer
BCE Inc. and Bell Canada

Curtis Millen
Executive Vice President and
Chief Financial Officer
BCE Inc. and Bell Canada

Nikki Moffat
Executive Vice President, Corporate Services and
Chief Human Resources Officer
BCE Inc. and Bell Canada

Karine Moses
Senior Vice President, Sales
and Vice Chair, Québec
Bell Canada

John Watson
Group President, Business Markets, AI and FX Innovation
Bell Canada

Investor information

Share facts

Symbol

BCE

Listings

TSX and NYSE stock exchanges

You will find a summary of the differences between our governance practices and the NYSE corporate governance rules in the Governance section of our website at BCE.ca.

Common shares outstanding

December 31, 2024 – 912,283,103

2025 dividend schedule*

Record date	Payment date*
March 14, 2025	April 15, 2025
June 16, 2025	July 15, 2025
September 15, 2025	October 15, 2025
December 15, 2025	January 15, 2026

* *Subject to dividends being declared by the board of directors. When a dividend payment date falls on a date that is not a business day, the payment is made on the following business day.*

2025 quarterly earnings release dates

First quarter	May 8, 2025
Second quarter	August 7, 2025
Third quarter	November 6, 2025
Fourth quarter	February 5, 2026

Quarterly and annual reports as well as other corporate documents can be found on our website. Copies of annual and quarterly reports and proxy management circulars can be requested by completing the form available on our website at https://www.bce.ca/investors/shareholder-info/document-request-form.

Tax aspects

Shareholders are required to pay tax on dividends received as well as on capital gains they realize, if any, when they sell their shares or are deemed to have sold them.

The sale or disposition of your shares could trigger a capital gain

IMPORTANT: If you received Nortel Networks common shares in May 2000 and/or Bell Aliant Regional Communications Income Fund units in July 2006, you should consult the Investors section of BCE.ca to learn more about the tax implications of these plans of arrangement and the impact on the calculation of your adjusted cost base at https://www.bce.ca/investors/shareholder-info/corporate-actions.

Dividends

Since January 1, 2006 and unless stated otherwise, dividends paid by BCE Inc. to Canadian residents are eligible dividends as per the *Canadian Income Tax Act*. Since March 24, 2006 and unless stated otherwise, dividends paid by BCE Inc. to Québec residents also qualify as eligible dividends.

Non-residents of Canada

Dividends paid or credited to non-residents of Canada are subject to a 25% withholding tax unless reduced by a tax treaty. Under current tax treaties, U.S. and U.K. residents are subject to a 15% withholding tax.

Beginning in 2012, the Canada Revenue Agency introduced new rules requiring residents of any country with which Canada has a tax treaty to certify that they reside in that country and are eligible to have Canadian non-resident tax withheld on the payment of their dividends at the tax treaty rate. Registered shareholders should have completed the Declaration of Eligibility for Benefits under a Tax Treaty for a Non-Resident Taxpayer and returned it to the transfer agent.

U.S. Residents

In addition to the Declaration of Eligibility for Benefits under a Tax Treaty for a Non-Resident Taxpayer mentioned above, we are required to solicit taxpayer identification numbers and Internal Revenue Service (IRS) Form W-9 certifications of residency from certain U.S. residents. If these have not been received, we may be required to deduct the IRS's specified backup withholding tax. For more information, please contact the transfer agent or the Investor Relations group.

Shareholder services

Dividend reinvestment and stock purchase plan (DRP)

The DRP is a convenient method for eligible shareholders to reinvest their dividends and make optional cash contributions to purchase additional common shares without brokerage costs. In November 2024, BCE announced changes to its DRP to enable new common shares to be issued at a discount. The discount does not apply to purchases made pursuant to optional cash payments. For more information, consult our website at https://www.bce.ca/investors/shareholder-info/dividend-reinvestment-plan or contact the transfer agent.

Dividend direct deposit service

Avoid postal delays and trips to the bank by subscribing to the dividend direct deposit service.

Direct registration (DRS)

Holding your shares electronically in lieu of share certificates

Holdings are represented by a statement issued when establishing or subsequently modifying your DRS balance. This option removes the risks of holding share certificates, including their safekeeping, and most importantly, eases the replacement process. Note that there is a cost to replace lost or stolen certificates as well as certificates mailed and never received by the shareholder (if claimed later than one year after mailing). Generally, this cost is a percentage of the value of the shares represented.

E-delivery service

Enrol in the e-delivery service to receive the proxy material, the annual financial report and/or quarterly reports by e-mail. By doing so, you will receive your documents faster and in an environmentally friendly manner while helping your company reduce its costs.

Duplicate mailings

Eliminate duplicate mailings by consolidating your accounts.

Manage your shareholder account

Enrol in *Investor Central* at https://tsxtrust.com/issuer-investor-login and benefit from a wide variety of self-service tools to help track and manage your shares.

For further details on any of these services, registered shareholders (shares are registered under your name) must contact the transfer agent. Non-registered shareholders must contact their brokers.

Contact information

Transfer agent and registrar

For information on shareholder services or any other inquiries regarding your account (such as stock transfers including transfers to estates, address changes, lost certificates and tax forms), contact:

TSX Trust Company
301 – 100 Adelaide St. West
Toronto, Ontario M5H 4H1

e-mail bce@tmx.com

tel 416 682-3861 or 1 800 561-0934 (toll free in Canada and the U.S.)

fax 514 985-8843 or 1 888 249-6189 (toll free in Canada and the U.S.)

website tsxtrust.com

Investor relations

For financial inquiries:

1 Carrefour Alexander-Graham-Bell
Building A, 8th Floor
Verdun, Québec H3E 3B3

e-mail investor.relations@bce.ca

tel 1 800 339-6353

fax 514 786-3970

or visit the Investors section of our website at BCE.ca