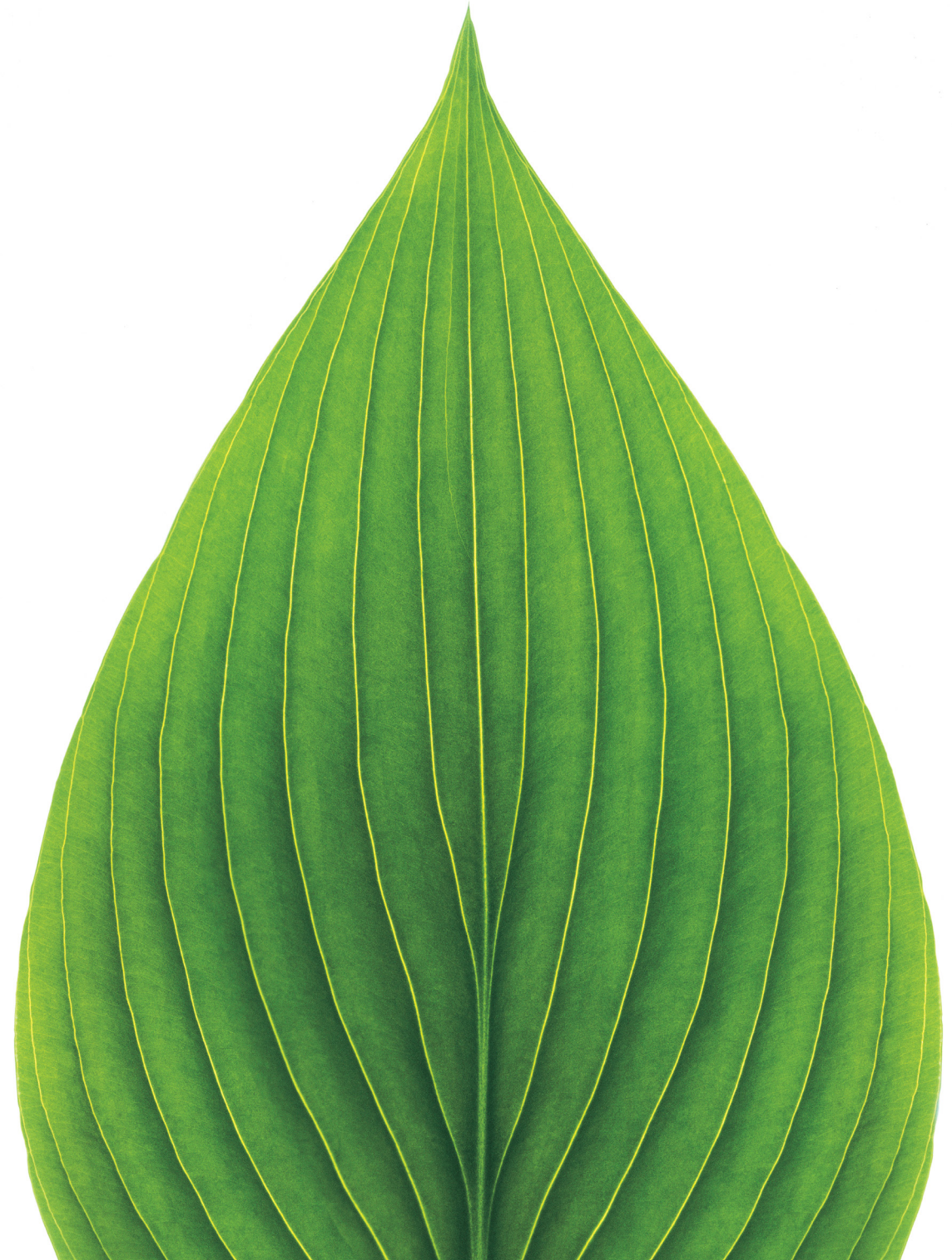




Climate Transition framework

2026 Edition



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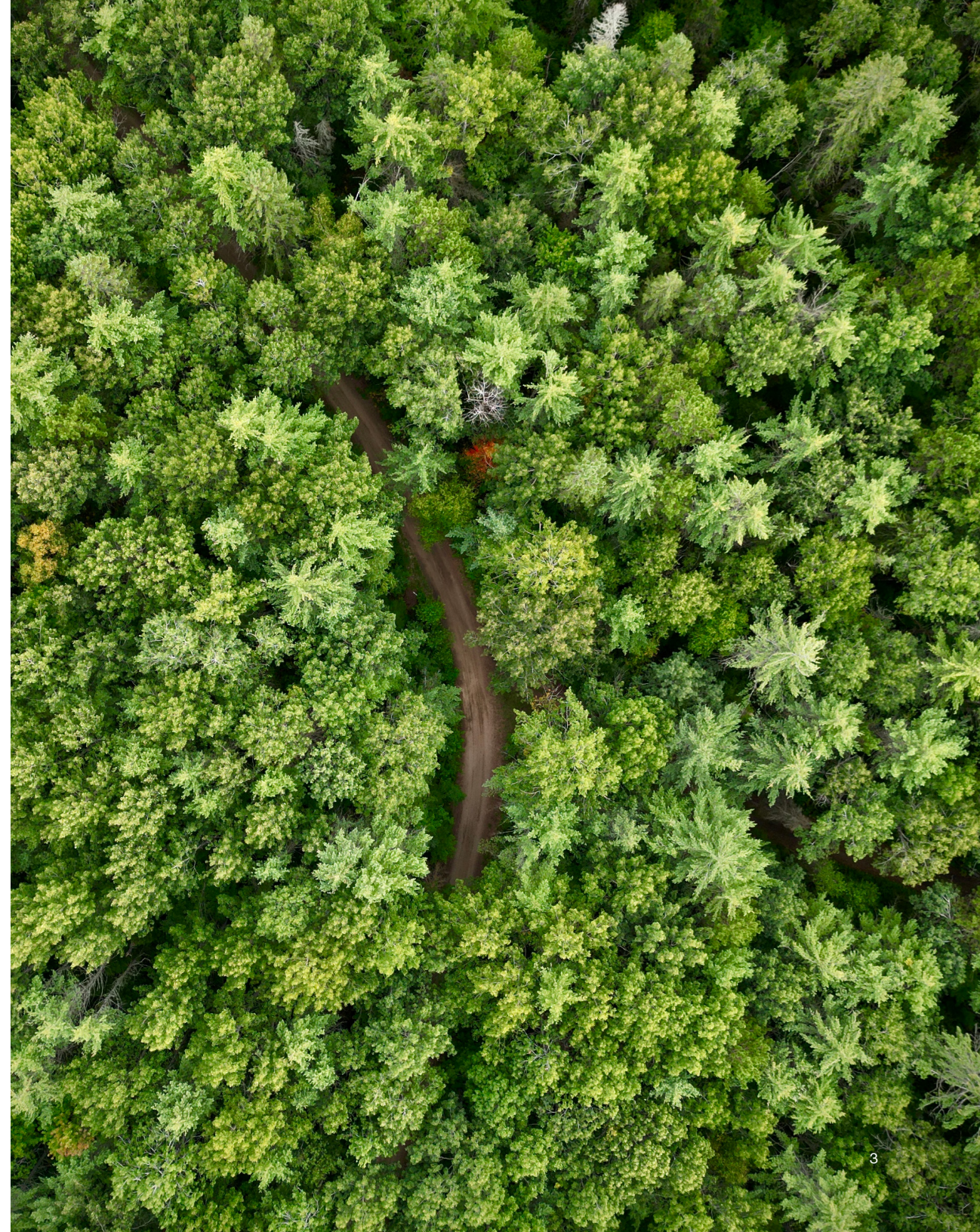
Introduction

TELUS is a world-leading communications technology company, generating over \$20 billion in annual revenue through our advanced suite of broadband services, end-to-end integrated digital solutions, innovative preventive medicine and well-being technologies, and digital technologies and data insights that optimize connections between producers and consumers in the agriculture sector.

We are committed to leveraging these services to enable remarkable human outcomes. We are passionate about putting our customers and communities first, and are continually evolving our technology to create a more connected and sustainable world. We aim to play a pivotal role in enabling Canada's transition to a low-carbon economy by using our technology to significantly reduce greenhouse gas (GHG) emissions across industries and government sectors for the benefit of all Canadians.

In 2025, we took a major step in our commitment to a low-carbon future, by setting a new, ambitious Net-Zero GHG emissions reduction target validated by the Science Based Targets initiative (SBTi) and aligned with limiting global warming to 1.5 degrees celsius.

Over the next year, our journey will continue with the development of a detailed Climate Transition Plan that will outline how we will decarbonize our operations, manage climate-related risks and opportunities, and continue to accelerate the transition to a low carbon economy. This Climate Transition framework is intended to provide an overview of our strategy to achieve our targets and the actions taken to date in support of our strategy. We intend to publish a detailed plan in Q4 2026.



Our business model: Creating value with purpose

Leveraging technology to enable remarkable human outcomes while enabling a low-carbon economy

2024 Inputs

HUMAN CAPITAL
107K team members worldwide
\$5.9B employee benefits

NATURAL CAPITAL
1.1M MWh of energy consumed (60% renewable or low-emitting energy)
1.1M tCO2e GHG emissions emitted
9.9K tonnes of waste generated
686M litres of water consumed

SOCIAL CAPITAL
\$10.8M granted by TELUS Friendly Future Foundation
\$62M contributed to charitable and community organizations
1.5M volunteer hours
\$350K to Indigenous-led community programs;

FINANCIAL CAPITAL
\$3B taxes paid
\$668M invested in R&D
\$7.6B purchased goods and services
\$2.6B capital expenditures

Our business

VIRTUALIZATION OF SERVICES
DATA ANALYTICS TO DRIVE EFFICIENCY AND EFFECTIVENESS

TECHNOLOGY
Telecommunications and digital connectivity
Mobility: Wireless voice/data (5G, LTE), connected devices.
Home Solutions: Internet, TV, residential voice, SmartHome Security.
Business Solutions: Data, IP, voice, IT, and cloud-based services for businesses.

AGRICULTURE & CONSUMER GOODS
Data insights and technology for the food supply chain
Digital solutions for farmers, producers, and the Consumer Packaged Goods industry.

DIGITAL
Advanced technology to drive innovation
Sovereign AI
Generative AI consulting
Global contact centre and Business Process Outsourcing services
Customer experience management

HEALTH
Digital healthcare technology
Electronic Medical Records (EMR) software
Virtual care services
Employer/Employee Wellness and Benefits Management

Value created in 2024

OUR COMMUNITIES: Over 1.3M individuals connected and educated through Connecting for Good and TELUS Wise programs; 278 Indigenous communities connected with TELUS PureFibre and 805 Indigenous lands connected with 5G; 550 Canadian registered charities and over 500 students supported through the TELUS Friendly Future Foundation; 60,000 patient visits through our mobile health clinics; \$1.2M worth of food and meals across Canada through our Community Ambassadors;

OUR PLANET: 8M trees planted (total of 25M trees since program start); Reduced Scope 1 and 2 GHG emissions by 38% from 2019; 71% of waste diverted from landfill; Reduced water consumption intensity per terabyte of data traffic by 49% from 2019; Enhanced ecosystem resilience across 200 million acres through our digital agronomy solutions; 167 MW of generation capacity from 4 VPPAs in AB.

OUR CUSTOMERS: 1.2M new customer connections; 76M lives enhanced through innovative preventive medicine and well-being technologies; 4G LTE covering 99% of the Canadian population and 5G covering more than 87%;

OUR INVESTORS: over \$20B in revenues including \$4B in clean revenue; \$2.3B dividends declared;

The need for action

The consequences of climate change are interconnected and affect nearly every aspect of life, posing an immediate and escalating threat to human health, global security, economic stability, and the natural environment. We are already seeing the risks and costs of climate change through extreme weather events like wildfires burning throughout Canada as well as drought, floods and more severe storms. The frequency and magnitude of extreme weather events continues to rise across the globe, with [recent reports](#) released by the International Energy Agency (IEA) and the United Nations (UN) indicating that though progress has been made, more needs to be done to minimize future damage

Additionally, as outlined in Canada's recently released Climate Competitiveness Strategy, [climate competitiveness has now evolved to become an economic necessity](#). As the global economy transitions towards low-carbon energy and clean technology, businesses need

to ensure consideration of climate impacts in their growth strategies to ensure long-term sustainability from both financial and environmental responsibility perspectives. Reducing emissions will become a key factor in securing access to markets where decarbonization is increasingly seen as a requirement to strengthen competitive advantage.

TELUS recognizes the growing material risks and opportunities associated with climate change, and seeks to proactively manage climate impacts, enhance resilience, and integrate climate considerations into business processes and strategies. While taking action to reduce our own impacts, we are also considering how our world-leading broadband networks and technology enable us to support critical transformation and decarbonization across multiple sectors through the virtualization of services and through data analytics that drive efficiency and effectiveness in areas like agriculture, health and restoring nature.



Our Climate Transition framework

Our purpose

Leveraging our technology to enable remarkable human outcomes

Our climate ambition

Net-Zero by 2040 while simultaneously increasing climate resilience

Strategy

Operations

Decarbonization and energy efficiency initiatives across our network, buildings and fleet;

Climate adaptation and business continuity plans

Supply chain

Decarbonizing our upstream supply chain;

Supply chain due diligence and corrective action plans

Low carbon devices/ equipment

Increasing the energy efficiency of products sold to our customers;

Continuing to evolve the energy efficiency of our network

Stakeholder engagement

Engaging key stakeholders on climate action and resilience including Suppliers, Industry, Government, Communities

Solutions to accelerate the low-carbon transition and mitigate climate impacts

Enabling emissions reductions outside of our value chain and protecting nature

Enabled by

Climate risk management

Governance

Transparency

Our targets

TELUS is committed to doing its part to limit the worst impacts of climate change while also integrating climate considerations into our strategic planning. To that end, we undertook a detailed review of key sources of emissions across our operations and our value chain to enable us to set meaningful targets aligned with climate science requirements to limit global warming to 1.5C. Following guidance provided by the SBTi, we finalized these targets and received SBTi approval of our ambitious 2040 Net-Zero target and supporting interim targets in July 2025. We also set a complementary target tied to clean electricity consumption to further support achieving our goals.

Scope of our ambition: Our targets cover Scope 1, 2 and 3 emissions, with 100% coverage of all three scopes in our Net-Zero target. Targets will be reviewed on an ongoing basis to ensure the scope of our ambition continues to underscore our commitment to leadership in climate action.

2025 - 2028

100%

of electricity requirements effectively procured from renewable or low-emitting sources by 2025 (completed as of December 31, 2025)

65%

of suppliers by spend have science-based targets by 2028*

2030 - 2033

46%

absolute reduction in Scope 1 & 2 emissions by 2030*

85%

absolute reduction in Scope 1 & 2 emissions by 2033*

46%

absolute reduction in Scope 3 emissions from business travel and employee commuting by 2030*

75%

reduction per \$M revenue in Scope 3 emissions from purchased goods & services, capital goods and use of sold products by 2030*

2040

Net-Zero across Scopes 1, 2 and 3*

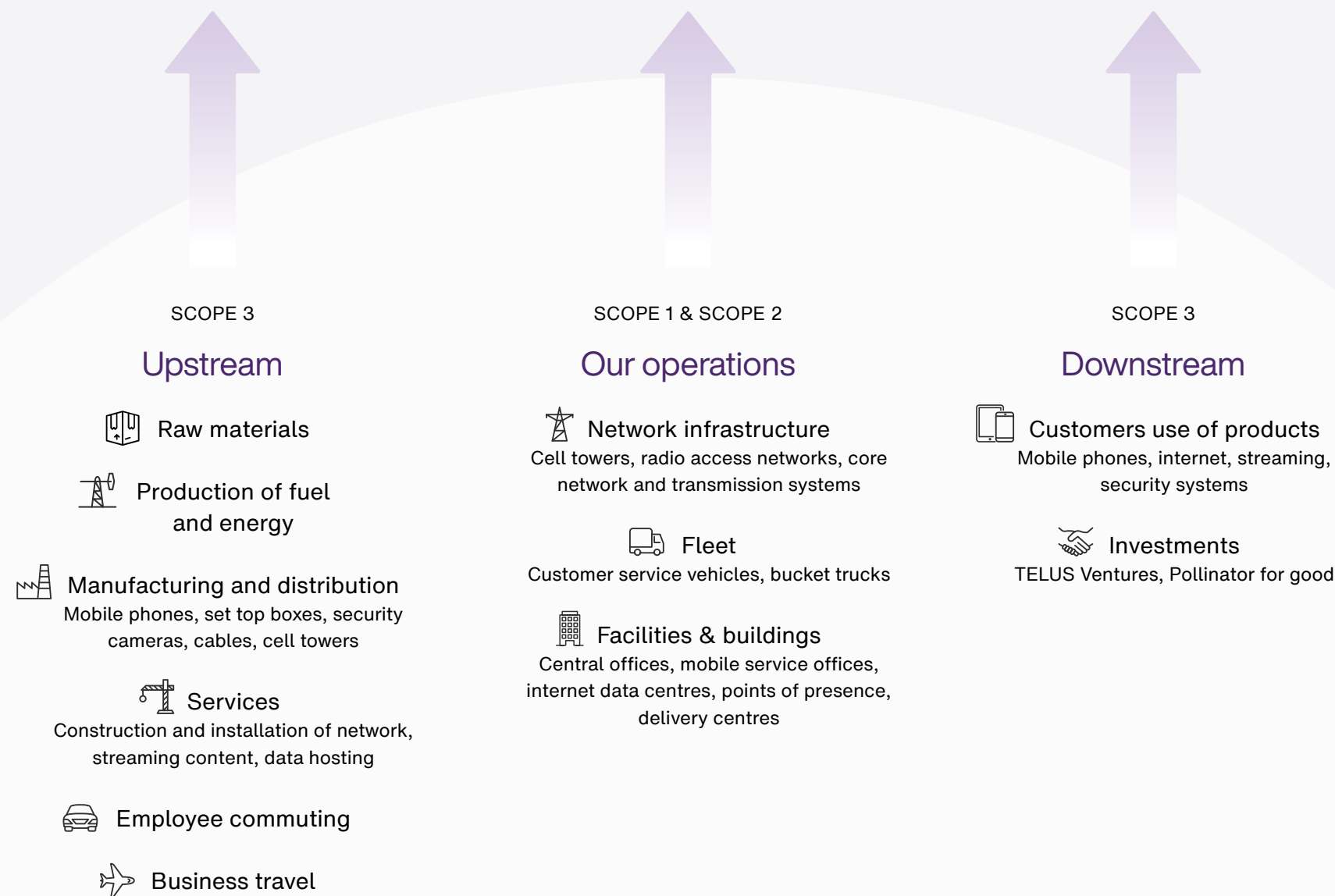
*Science Based Targets initiative (SBTi) validated targets. Emissions reduction and Net-Zero targets are vs a 2019 base year.

GHG emissions

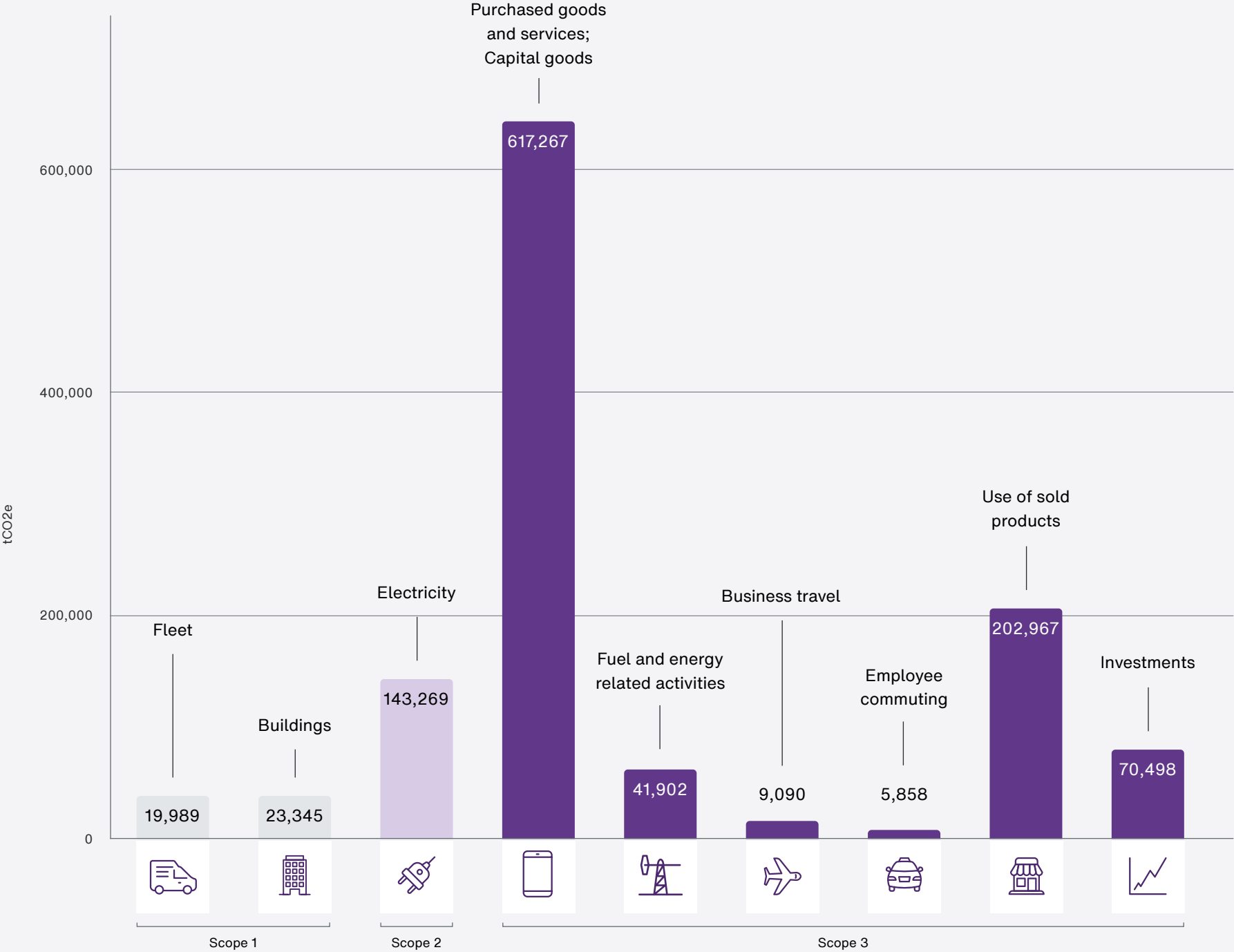
Key sources of emissions for TELUS



Greenhouse gas emissions



TELUS 2024 value chain
emissions footprint



Progress towards our targets in 2024

38%

reduction in Scope 1 and 2 emissions vs 2019 baseline year

60%

of electricity from renewable and low-emitting sources

46%

reduction in Scope 3 emissions from business travel and employee commuting

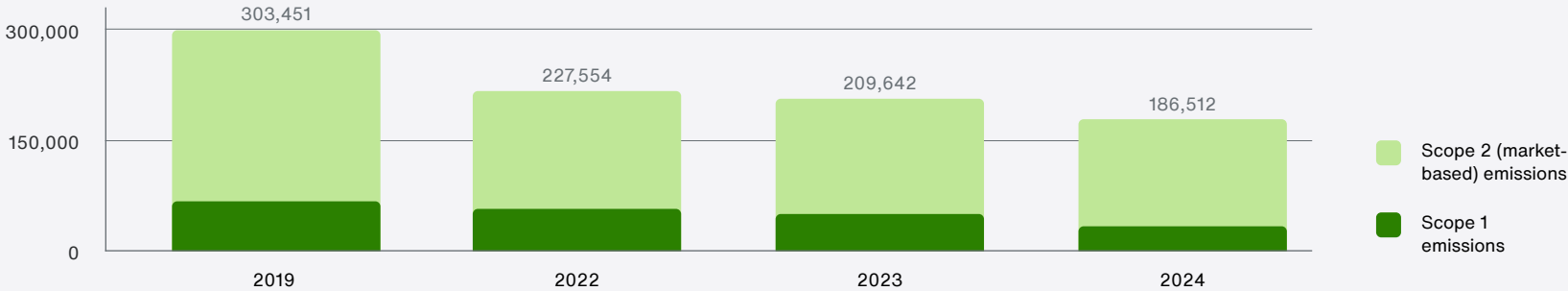
10%

reduction in Scope 3 emissions from purchased goods & services and Capital goods

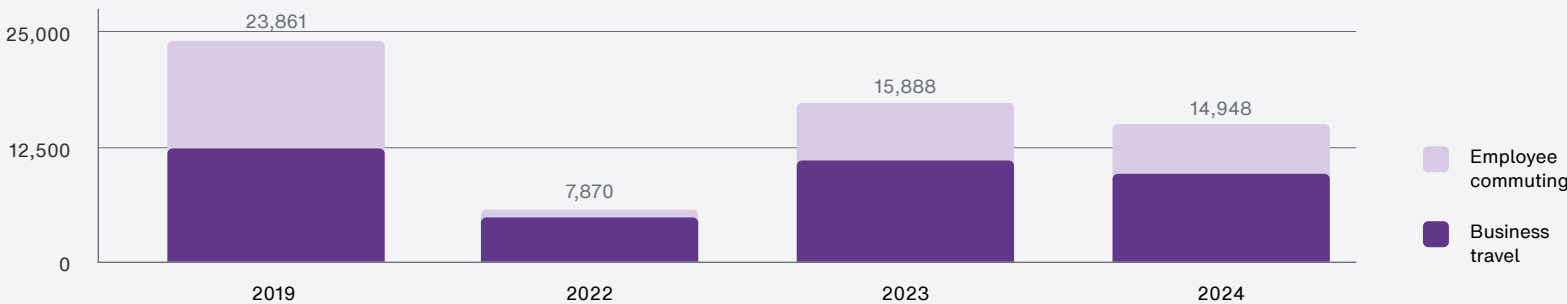
43%

of suppliers by spend have set SBTi validated science-based targets

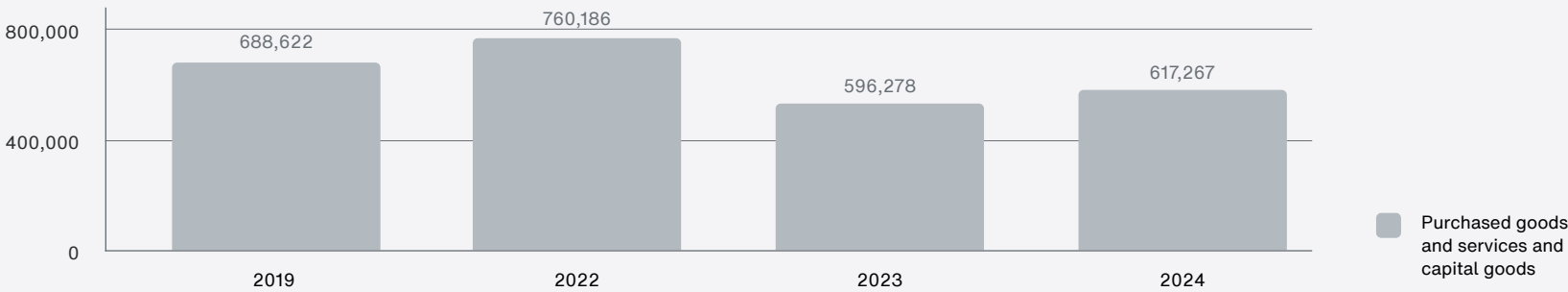
Scope 1 and Scope 2 emissions (tCO2e)



Scope 3 emissions (tCO2e) - Business travel and employee commuting



Scope 3 emissions (tCO2e) - Purchased goods and services and capital goods



Climate-related risks and opportunities

Creating a robust Climate Transition Plan requires identifying and assessing our most material climate-related risks and opportunities under different scenarios over the short-, medium- and long-terms and then developing and implementing mitigation and adaptation strategies to address them. Our previous climate scenario analysis exercise focused on a comprehensive qualitative assessment of our direct operations. In 2026, we will conduct a refreshed scenario analysis exercise that will inform the development of our first full Climate Transition Plan (including quantification of financial impacts of top risks and opportunities under different scenarios and time horizons) to be released in Q4 of 2026.

The table summarizes results of our last climate risk assessment with further details available in our [2024 Sustainability Report](#).

Climate scenario analysis risk ratings

Climate scenario analysis risk ratings		2030		2050	
		Low warming/ Net-Zero policies	High warming/ BAU policies	Low warming/ Net-Zero policies	High warming/ BAU policies
Physical risks	Flood	Medium	Medium	Medium	Medium
	Extreme Heat	Medium	Medium	Medium	Medium
Transition risks	Price and supply shocks in the energy and commodities markets	Medium	Medium	Low	Low
	Carbon pricing	Medium	Medium	High	Medium
	Diminished reputation with investors as a result of lower ESG rating	Low	Low	Medium	Medium
Opportunities	Investment in renewable energy	Medium	Medium	Low	Low
	Shifting consumer preferences for our services as a result of our good reputation in climate performance	Low	Low	Medium	Medium

Our strategy

In developing the strategic roadmap to achieve our climate ambitions, we considered not only our own value chain, but also impacts beyond our value chain to various industries and sectors who can benefit from the TELUS suite of products and services to enable reduced or avoided emissions. We also consider our material climate-related risks and opportunities, implementing actions to adapt our business model, mitigate risks and maximize opportunities.

Key assumptions and external factors

Implementation of our Climate Transition Plan is dependent on several factors, including, but not limited to, those outlined below.



Technology

Continued availability and cost-effectiveness of energy-efficient network equipment and renewable energy technologies.



Policy & Regulation

Stable regulatory support and market mechanisms for procuring renewable energy (e.g., Power Purchase Agreements). Evolving climate policies to support transition (incentives for decarbonization, carbon pricing, EV sales, clean fuel, clean electricity grid, etc.)



Supplier Decarbonization

Assumption of increased engagement and progress from key suppliers on their own decarbonization pathways.



Market





Shifts in client and consumer demand.






Business operations

TELUS is committed to achieving deep emissions reductions across its operations, with science-based targets to reduce our Scope 1 & 2 emissions by 46% by 2030, by 85% by 2033 and by at least 90% (Net-Zero) by 2040. To achieve these goals, we are addressing key sources of emissions from our direct operations including our network, fleet and buildings. At the same time, we are reviewing climate-related risks and establishing programs to increase the climate resilience of our operations.

Key actions

-  Switching to renewable electricity through PPAs and investment in high quality RECs.
-  Accelerating the rollout of **TELUS PureFibre®** and **5G** network infrastructure, which are more energy-efficient than older copper networks. TELUS PureFibre is the most sustainable network technology available (up to 85 per cent more energy efficient than traditional networks).
-  Developing climate adaptation standards to increase resilience of network infrastructure.
-  Conducting audits of critical sites including assessment of exposure to natural hazards and recommendations for risk mitigation.


-  Piloting fleet electrification and right-sizing/ down-sizing; implementing energy efficiency initiatives including anti-idling.
-  Decarbonizing buildings through energy efficiency, fuel switching (away from natural gas to clean electricity), energy management programs and space heating optimization. We are also committed to incorporating leading environmentally conscious design capabilities (e.g., LEED) into construction of new buildings.
-  Implementing business continuity and disaster recovery plans to minimize impacts of climate-related events.





Supply chain


Our dedication to responsible business practices extends beyond our own operations to our value chain. We work collaboratively with our suppliers to reduce environmental impacts of the goods and services we buy. This includes purchases of devices (such as mobile phones, tablets), customer premise equipment (set top boxes, security cameras), network equipment and associated construction and installation services, cable and other subscription programming, data processing, hosting, and related services. We also recognize that long-term resilience requires identifying and addressing risks throughout our supply chain and are implementing due diligence practices to screen and monitor our suppliers for financial stability, social and governance risks, and environmental risks, including those related to climate change.


Key actions


- 


Developing a more accurate view of top sources of emissions within our supply chain through integration of supplier-specific data.
- 

Establishing clear expectations around social and environmental responsibility through our Supplier Code of Conduct.
- 

Outlining expectations on environmental responsibility, including setting science-aligned emissions reduction targets with regular monitoring and reporting in our supplier code of conduct.
- 

Scorecarding of significant suppliers to track metrics on performance, including due diligence assessment.
- 

Integrating scoring tied to social and environmental responsibility into our RFP process.
- 

Conducting ESG audits of key supplier facilities and enforcing corrective action plans for any issues identified.
- 

Developing clauses tied to emissions reductions for eventual inclusion in contracts.





Low carbon products and services

We aim to minimize the environmental impacts of our products and services through responsible product design that incorporates recycled materials and demonstrates exceptional energy efficiency. Our hardware sustainability guidelines shape our comprehensive approach, addressing socially responsible manufacturing, the circular economy, and climate change.

Key actions

-  Becoming a signatory to the Canadian Energy Efficiency Voluntary Agreement program (CEEVA) for both set-top boxes and small network equipment.
-  Partnering with suppliers to reduce carbon emissions throughout the product development process.

-  Conducting deep dives into product life-cycle emissions to identify “hot spots” that could provide opportunities to further reduce emissions from our most used product models.
-  Contributing to grid decarbonization through investment in renewable energy.



Stakeholder engagement

We know that driving meaningful climate action is not something we can do alone. Deep transformational change requires engagement across a wide range of stakeholders, including our value chain, industry peers, government entities and the communities we serve.



SUPPLIERS

We engage strategically with our most impactful suppliers to share our expectations for climate action, including disclosing and setting science-based targets to reduce GHG emissions along our supply chain. Specific engagement activities include email campaigns, 1x1 meetings, site visits, and requests for detailed climate information through the CDP Supply Chain Program.

Key actions

- Requiring completion of an annual self-assessment questionnaire including areas such as sustainability, privacy, ethics, financial and safety performance.
- Engaging key suppliers in a carbon reduction program to identify and act on opportunities to decarbonize equipment across the industry.
- Providing ESG training to key suppliers that includes resources and capacity building to enable suppliers to better understand and act on our expectations for climate action.



INDUSTRY

Collaboration on supply chain decarbonization with industry peers can further enhance progress towards climate goals across the telecommunications sector. TELUS is a member of the Joint Alliance for CSR (JAC), a non-profit association of international telecommunications operators aiming to verify, assess and apply responsible practices across manufacturing sites of key suppliers.

Key actions

- Conducting ESG audits on top suppliers and sharing results along with corrective action plans and associated progress.
- Gathering data to better understand life cycle emissions of products and services provided by the telecommunications industry.
- Identifying product “hot spots” through a third party to inform decarbonization strategies.



GOVERNMENT

Driven by our purpose, TELUS takes an integrated approach with our business units, partners, team members and stakeholders to advocate for legislation, policies and programs that support our commitment to make the future friendly, including the transition to a low-carbon economy. We look forward to collaborating on policies that drive Canada’s climate agenda and economic growth, ensuring a balanced transition to a net-zero future.

Key actions

- Engaging with government officials on TELUS’ sustainability initiatives and how our services can support critical transformational change to enable significant emissions reductions.
- Collaborating with the Alberta and Federal governments in Canada to develop and implement carbon offset protocols for feedlot cattle.



COMMUNITIES

Beyond enabling connections that allow our customers to communicate with family and friends, work remotely, and access educational and health services, TELUS is passionate about making a world of difference in the communities where we live, work and serve. This includes supporting disaster relief when extreme weather events impact these communities. TELUS is committed to assisting our global communities in times of need by providing cash donations and in-kind contributions, volunteer support, crisis support hotlines, waiving long distance calls and text messaging fees, and mobilizing team members and customers.

Key actions

- Contributing to humanitarian and emergency relief efforts across the globe through cash donations and in-kind contributions, including providing support such as disaster kits, deploying portable cell towers to ensure 911 access, and partnering with the Red Cross to establish recovery centers.
- Launching our first volunteer Global Community Response team to serve as TELUS “boots on the ground”, supporting local communities during natural disasters by making supply deliveries and organizing donation drives.



Solutions to accelerate the low-carbon transition and mitigate climate impacts

TELUS has a pivotal role to play in enabling the global transition to a low-carbon economy. Our broadband and technology services support emissions reductions across multiple sectors, while our environmental services provide nature-based solutions to protect and enhance biodiversity. Key areas where TELUS can drive transformative change to reduce emissions include teleconferencing and remote work solutions, virtual healthcare, optimization of fertilizer use and livestock management, extending device lifecycles through refurbishment programs, and enabling Smart infrastructure from home automation



BROADBAND NETWORKS AND TECHNOLOGY SOLUTIONS TO ENABLE EMISSIONS REDUCTIONS

Key actions

- Enabling teleworking to avoid transportation emissions and contribute to increased productivity.
- Providing access to online healthcare, increasing access to vital services and decreasing the need to travel.
- Advancing agriculture efficiency and effectiveness, and food quality production through data analytics.
- Developing cutting-edge smart energy management solutions to drive efficiency, sustainability and cost savings for Canadian homeowners. TELUS SmartEnergy is enabling customers to monitor and manage their home's energy consumption, and save up to 15 per cent on their utility bill through one app.
- Expanding Smart Building and Internet of Things (IoT) solutions (e.g., TELUS Smart Building) to help business customers reduce their own energy consumption and carbon footprint, turning climate action into a competitive advantage.
- Investing in clean transportation infrastructure through our partnership with JOLT where we are deploying up to 5,000 public EV charging stations powered by 100% renewable energy, enabled by TELUS' Wi-Fi network. We also enable more than 1.5 million charging sessions each month by providing world-leading wireless connectivity to FLO EV chargers across Canada. These JOLT and FLO charging stations will accelerate the adoption of EVs and significantly reduce transportation-related GHG emissions across Canada.

to fleet management. In addition to supporting decarbonization, TELUS offers solutions to protect and enhance the health of our planet. Our nature restoration services include land reclamation, site preparation, seed collection, tree sourcing and planting. We are also collaborating with partners to reimagine how nature and technology can work hand in hand to protect our planet through solutions such as leveraging drone technology to enable rapid post-wildfire restoration.



NATURE-BASED SOLUTIONS

Key actions

- Planting over 8M trees in Canada in 2024 and over 25M trees over the course of our restoration program.
- Developing AI technology for natural ecosystem monitoring to enable understanding of potential landscape change due to climate impacts.
- Restoring and protecting ecosystems damaged by wildfires to support habitat recovery, improve connectivity, and conserve biodiversity.
- Restoring riparian ecosystems with native seed collection and targeted planting to protect and improve watershed health.
- Replanting kelp to create underwater forests, which are productive ecosystems that shelter marine life, including salmon, herring, and otters.
- Planting mangroves in coastal ecosystems to reduce soil erosion, sequester carbon and support healthy fisheries.



Financial planning

Climate transition

We are in the process of developing an initial view of financial requirements (capital and operating expenditures) by year to ensure we achieve our short-, medium- and long-term targets. Budget planning to fund our climate strategy will be updated at regular intervals to reflect changing business needs (including regular reviews of material climate-related risks and opportunities), shifting political and regulatory landscape, emerging technologies, and TELUS' financial situation. Further details on integration of climate considerations in our financial planning processes will be provided in the full Climate Transition Plan to be published next year.

Sustainable finance

As we build out our detailed transition plan, TELUS has already taken action that recognizes the value of linking climate targets to financing. In 2021, TELUS became the first Canadian company to issue sustainability-linked bonds, with interest rate consequences for underperformance. TELUS' Sustainability-Linked Bond Framework is aligned with the five core components of the Sustainability-Linked Bond Principles (SLBP) published by the International Capital Markets Association (ICMA) and has been reviewed by Sustainalytics, a leading independent ESG research, ratings and analytics firm, who concluded that it aligns with the SLBP. Under this Framework, TELUS has raised a total of approximately \$4.8 billion through six Sustainability-Linked Bond (SLB) offerings in the fixed income market, reinforcing our position as the largest SLB issuer in Canada. These SLBs underpin our commitment to reduce absolute Scope 1 and 2 GHG emissions by 46 per cent from 2019 levels by 2030. This unique form of investing aligns our fiscal objectives to the achievement of our environmental targets, such as reducing emissions, increasing renewable energy adoption and enhancing digital inclusion.

To further accelerate the climate transition, TELUS is investing in mission-driven companies that are tackling the biggest challenges in health, education, agriculture, and the environment (including advancing climate innovation) through the \$100 million TELUS Pollinator Fund for Good, one of the largest social impact funds in the world. Examples of funding include investment in technology that provides ultra-early forest fire detection, along with health and growth monitoring solutions for both public and private forests. This is achieved through a large-scale IoT network of sensors, enabling the detection of wildfires and providing valuable forest insights and analytics.



Governance

Board

At the highest level, responsibility for our climate strategy and transition plan falls to our Board of Directors who have overall responsibility for stewardship of the Company. More specifically, the Board exercises its oversight related to ESG matters, including those related to climate, through the Corporate Governance Committee (CGC) and the Audit Committee. At quarterly meetings, the CGC (on the Board's behalf) reviews, monitors, reports and engages in discussions on corporate strategies, progress and targets, in addition to emerging risks and opportunities. The CGC also reviews and monitors the Company's approach, planning and reporting on sustainability and ESG matters, including our annual Sustainability and ESG report. Our Sustainability and Environment and Enterprise Risk Management teams provide quarterly reports to the CGC on our environmental and climate related risks and related compliance activities. The Audit Committee's terms of reference include the review of any metrics regarding climate-related risks, sustainability and environmental disclosure in financial reporting.

Senior management

Senior management-level positions accountable for our climate strategy and transition plan include our Chief Executive Officer and Executive Leadership Team (ELT), who are responsible for the execution of the strategic direction of our sustainability programs, which includes assessing and managing climate-related risk and mitigation as well as identifying climate-related opportunities and progressing our Net-Zero strategy. Within the ELT, our Chief Communications & Brand Officer oversees and directs our Sustainability Team who develops our corporate sustainability strategy, including climate transition planning, in collaboration with key stakeholder groups across the company.



Councils

As we develop our climate transition plan, governance structures will be put in place to ensure alignment from stakeholders responsible for implementing various components, monitor progress, report on results, and adjust strategies as required to remain on track.



To that end, we have already established a Council responsible for overseeing progress on our Climate Adaptation Program.

3 KEY PILLARS

Climate change by design.
Future proofing the network through transformational design and planning.

Proactive preparedness to protect and mitigate negative impacts to the network.

Reactive Response measures that get activated after a climate event happens. What can we plan in advance to maintain services and recover from the event?

The program reports to a Core Advisory Council consisting of VP stakeholders from Network Planning, Customer Network Operations & Enablement, Wireless performance & engineering, Platform technology & services, Network technology & services, Field services, Customer Excellence, Customer service delivery, Network engineering & Ops, Supply Chain management, Real Estate, Risk Management and Sustainability.

We have also created a Supplier Risk Council to monitor and mitigate risk across our supply chain.

3 KEY OBJECTIVES

Strengthen supplier risk controls through continuous refinement and alignment with TELUS' risk tolerance parameters.

Establish a unified, company-wide approach to supplier risk management.

Create a response mechanism to emerging global challenges, including climate risk, while maintaining operational excellence.

Overarching climate transition oversight will be put in place over the course of the next year.

Next steps

In 2026, we will conduct a deep dive to validate our most material climate-related risks and opportunities over the short-, medium- and long-terms under different scenarios. This will include quantification of the potential financial impacts of these risks and opportunities. We will also expand on our Net-Zero strategy, with a particular focus on actions to address our Scope 3 emissions. Results of this work will be shared through our Climate Transition Plan to be released in Q4 of 2026.

let's make the future friendly™