

Ethical Performance Comparison

Telephone Companies

Canada's large space and far flung communities require instant and reliable communications. Increasingly, traditional land line telephone utilities are becoming just one element of a massively changing, information technology revolution. Today, telcos are national, rather than provincial, in scope. Demand is more mobile and international. Competition is keener both in wireless, cellular, satellite and internet service, as well as between cable and telephone companies. Table 1 suggests a downturn in numbers of local wired lines for the first time in many years as customers turn to cable, high speed, and cell phone alternatives.

The seven companies profiled here reflect a very different set of industry participants than those profiled ten years ago. Among three dominant players, Bell Canada marches westward, TELUS expands eastward, and MTS in both directions. Sector revenues are down from a high of \$7.3 billion in 2001, with bankruptcies occurring at GT Group, Microcell, and AT&T Canada.

While local service rates are still regulated through the Canadian Radio-television and Telecommunications Commission (CRTC), Canadian consumers could benefit greatly from reform of the CRTC's operations. Today's staged review process sees so much wasted effort put into licence renewals, presentation of thousands of pages of evidence, and resolving disputes between competitors rather than dealing with new and emerging technologies, corporate accountability, or meaningful stakeholder engagement. Less protection of established monopolies, more accountability and fairness, and less regulation are all desirable.

The global trend is toward telephony that integrates voice, data and video communications. Long distance revenue may be drastically cut through the use of the web, including voice over internet protocol (VoIP). This protocol allows phone and cable companies to move into one another's markets, and increased competition from both local and long distance service providers (like Primus, Yak and Vonage) as well as cable companies. Phone companies now offer cable television service – MTS and SaskTel since 2002, followed by Aliant and TELUS (in 2005) and Bell (in 2006).

Management Practices & Consumer Relations

As the accompanying table shows, five companies report having a formal, written ethics code. At Bell Canada and TELUS, these business conduct practice documents have been updated within the last five years. The original ethics codes at Bell Canada, MTS Allstream, and TELUS are at least 25 years old. These three companies not only report ethics training for employees but also mandate that staff regularly review and, typically annually, sign off on the code.

Investment in enhancing ethics guidance, training and reinforcement makes sense for a competitive sector, deregulated in 1999, that confronts customer backlash against business practices such as negative option billing, use of controversial fine print in contracts, and the sale of customer names to third parties. Competition includes battles involving unauthorized use of technology, fair competition lawsuits, and cut-throat competition for

executive employees. Companies face accountability, responsibility, and legacy issues including electronic surveillance and close monitoring of operators, long-time claims by female staff of systematic discrimination in pay and promotion, and companies tapping into over-contribution portions of pension funds.

The gap seems to be growing between companies who report codes and those who don't, like Northwestel and Rogers Wireless. Best practice leaders have instituted whistle blower protection programs, put copies of codes on the corporate web-site, and implemented ethics ombudsman or employee hotline services. TELUS has an ethics office, a toll free line, an e-mail hotline, and formal protection of whistle-blowers embedded in its ethic code. Ethics training – once offered only at an orientation program at the time of hire – is now increasingly linked to ongoing annual performance appraisals, and annual sign-offs on codes. Ethics training, including fair competition content, at Bell involves a sophisticated, e-based, self-guided learning tool.

Telephone companies have much to do. They don't yet commission independent ethics audits. Corporate-level consumer ombudsperson positions that could expedite customer complaints, especially those between poorly integrated business units, need strengthening. Firms don't report that they support exercises where employees update or evaluate their corporate code of business practice. Only two firms report that ethics code compliance is part of an employee's and manager's performance evaluation.

There are some positive stories. Aliant, SaskTel and TELUS as

PROFILES: TELEPHONE COMPANIES

ALIANTE INC

Founded, Headquarters: 1999: Charlottetown, PEI *Ownership:* BCE Inc. and Bell Canada: 53%

Revenues: \$2,046 mil (2004), \$2,630 mil (2002)

Operations: PEI, NS, NB, NF, MN, Maine *Listings:* TSX: AIT

Sister Companies: ActiMedia (87%), DownEast Communications, Innovatia, Stratos (53%)

BELL CANADA

Founded, Headquarters: 1880: Montréal *Operations:* All provinces and territories

Ownership: BCE Inc: 80%, Ameritech Corp (US): 20%

Revenues: \$16,692 mil (2004), \$14,403 mil (2002)

Sister Companies: Aliant, Bell ExpressVu, Bell West, Bell GlobeMedia, Bell Mobility, Bell Sympatico *Listings:* TSX

MTS ALLSTREAM

Founded, Headquarters: 1908: Winnipeg, MN *Ownership:* Widely-held

Revenues: \$1,530 mil (2004), \$927 mil (2002) *Operations:* MN, ON, PQ

Sister Companies: Allstream, AAA Alarm Systems, Delphi Solutions

Listings: TSX: MBT

NORTHWESTEL

Founded, Headquarters: 1947: Whitehorse, YUK *Ownership:* Bell Canada: 100%

Revenues: \$147 mil (2005)

Operations: NWT, YUK, NUN, northern BC *Sister Companies:* Bell Canada

Listings: Not publicly traded

ROGERS WIRELESS

Founded, Headquarters: 1906: Burnaby, BC

Ownership: Rogers Communications: 71%

Revenues: \$2,783 mil (2005)

Sister Companies: Rogers, Fido

Operations: All provinces

Listings: TSX: RCM

SASKTEL

Founded, Headquarters: 1912: Regina

Ownership: Government of Saskatchewan: 100%

Revenues: \$1,067 mil (2005), \$932 mil (2004)

Sister Company: Navigata

Operations: SK

Listings: Not publicly traded

TELUS CORPORATION INC

Founded, Headquarters: 1906: Burnaby, BC

Revenues: \$8,143 mil (2005); \$7,581 mil (2004)

Operations: BC, AB, SA, MN, ON, PQ, NB

Ownership: Widely-held (1)

Sister Companies: Clearnet, Quebec Tel

Listings: TSX: BTS

(1) Verizon sold its stake in 2005

TABLE 1: GENERAL STATISTICAL PROFILE, 2006

Telephone Services Company	# of Customers/ Access Lines			Customer/ Employee Ratio	# of Call Centres	Market Share (est.)
	Individual	Business	Other			
Aliant	1.4 mil	No info	0.1 mil	144	No info	7
Bell Canada	12.0 mil	1.0 mil	3.5 mil	367	No info	57
MTS Allstream	No info	No info	No info	No info	No info	8
Northwestel	No info	0.1 mil	No info	167	No info	1
Rogers Wireless	5.7 mil	No info	No info	2,415	No info	10
Sask Tel	0.4 mil	No info	No info	99	No info	3
TELUS	2.9 mil	1.8 mil	No info	158	28	24

Source: Source: EthicScan, data supplied by companies, CRTC and industry association

well as Bell's parent BCE Inc issue social responsibility reports. TELUS has issued seven annual corporate responsibility reports since 1999, each with an environmental section. Aliant and TELUS report having an employee ethics ombudsperson.

Equity and Family

Executive ranks in the telephone industry remain a man's world. While each corporate Board has at least one female director, only 14 of 71 total directors (20%) across the sector are female. This compares with 8 of 80 (10%) directors in 2002. Outside of TELUS, where 3 of 11 officers are female, only 5 of 34 executive officers are women. Women typically constitute 80 per cent or more of all staff, but less than 25 per cent of middle management ranks, and less than that (18%) among officers.

Bell, MTS and TELUS each report a formal employment equity program, a formal mentoring program, and an anti-harassment policy, including guidelines and awareness sessions. MTS reports diversity training, a policy sign off, and annual auditing to support its anti-harassment policy, as well as an advisory committee on diversity, which issues a public progress report. Amanda Friestadt, CEP Local 1-S, reports that SaskTel has a diversity hiring scheme, diversity training, and a joint employment equity committee. Best practice leadership sector-wide would involve commitments like setting targets for advancement, annual diversity audits, and outlining gender guidelines for the Board's nominating committee.

Communications companies fall within federal contractor compliance reporting programs outlined in the Employment Equity

TABLE 2: EMPLOYMENT EQUITY SCORES, 2004

Telephone Company (1)	Sample Size	Women	Aboriginal Persons	Persons with Disabilities	Visible Minorities
Aliant	6,025	A	B	C	A
Allstream (2)	3,292	B	A	C	B
Bell Canada	28,868	A	B	C	C
Bell West	762	A	B	C	B
Call-Net Enterprises	1,703	A	A	C	A
Manitoba Telecom	3,045	A	B	C	C
Microcell Solutions	2,046	B	A	C	B
Northwestel	564	C	C	A	A
Primus Telecom	675	A	A	C	A
Tele-Mobile	5,328	A	A	C	A
TELUS	14,428	B	A	C	B

Source: Employment Equity Act; grades by HRSDC based on data supplied by companies

Legend: A superior; B: good; C: average to less than average D: poor; Z: no representation

(1) Rogers Wireless and SaskTel not required to report (2) Now part of Manitoba Telephone System (MTS)

Act. As Table 2 documents, no firm receives high grades (B or higher) from Human Resources Services and Development Canada (HRSDC) for hiring and promotion across all four designated groups – women, visible minorities, aboriginal persons, and persons with disabilities. Northwestel, with an A score, is the only firm with a B or higher grade in hiring and promoting persons with disabilities. No telephone company reports a preferential program that procures from minority-owned businesses.

Family-work balance initiatives exist. Aliant and TELUS report corporate-sponsored daycare – at Aliant it is on-site; at TELUS, there is a referral program. Family support at Bell takes the form of six paid days off a year for discretionary leave for union staff, as well as a "reasonable" time off policy. Typically, caring for children and elderly parents in emergencies are reasons given.

Pay equity grievances have dragged on. Between 1998 and 2004, there have been 237 days of hearings in the CTEA *et. al.* suit against Bell Canada. In September 2002, the CTEA union at Bell ratified a pay equity redress settlement that included a cash payout of \$128 million and related pension benefits of \$50 million. A settlement of the CEP union complaint has been announced in May 2006 that could cost Bell \$100 million. Slow-to-resolve discrimi-

TELEPHONE COMPANIES: MODIFIED DELPHI GRADING, APRIL 2006

Company	Equity & Family	Community Responsibilities	Management Practices	Corporate Governance	Environmental Performance	Environmental Management	Employee Relations	Progressive Staff Policies	Sourcing & Trading	Candor
<i>Number of Variables</i>	29	24	21	12	20	26	26	33	24	216
Aliant	D	C	C	C	E	D	B	A+	E	79
Bell Canada	B	A	A	B	B	B	A	A+	C	91
MTS Allstream	B	C	B	B	C	B	A	A	C	95
Northwestel	D	C	D	D	E	E	D	D	E	44
Rogers Wireless	E	E	E	D	E	E	E	E	E	39
SaskTel	B	B	D	C	E	C	D	D	E	41
Telus Corp	B	A	A+	B	B	B	A	A+	D	98

Source: EthicScan Corporate 1500 DataBase: shading indicates sector best performance. The grading in this Table reflects many more variables than what is reported in this Essay, or in the charts on page 26 and 28. The criteria are described in a series of six articles in *The Corporate Ethics Monitor*, vol 12, issues 1-6. The grading scheme was developed in 2000 by a team of 60 businesspersons, social justice advocates, journalists, unionists and others. Grades are as follows: A+: 90% and over; A: 75-89%; B: 60-74%; C: 40-59%; D: 20-39%; and E: 19 or less. More detail is available at www.ethicscan.ca.

ETHICAL PERFORMANCE OF TELEPHONE COMPANIES

	ALIAINT	BELL CANADA	MTS ALLSTREAM	NORTHWESTEL	ROGERS WIRELESS	SASKTEL	TELUS
Management Practices & Consumer Relations							
Written Code of Ethics (Yes/No; Date)	Yes, year n.k.	Yes, 1893	Yes, 1979	No (2)	No info	Yes, no date	Yes, 1967
Code Updated Within Last Five Years	No	Yes, 2003	No, 1998	No info	No info	No info	Yes, 2006
Ethics Training	No	Yes	Yes	No info	No info	No info	Yes
Annual Sign-off	No info	Yes	Yes	No info	No info	No info	Yes
Ethics Ombudsman or Hotline	Yes	No info	No	No	No	No	Yes
Whistle Blower Protection	No info	No info	No info	No info	No info	No info	Yes
Ethics Audit	No	No	No	No	No	No	No
Ethics Code on Web-Site	Yes (1)	Yes	No	No (2)	No	No	Yes
Equity and Family							
Women on Board	2 of 12	2 of 15	1 of 12	3 of 8	No info	5 of 12	1 of 12
Women in Senior Management	1 of 8	No info	2 of 10	0 of 6	No info	2 of 10	3 of 11
Aboriginal Hiring / Contracting Program	No	No	No	No	No	No	No
Formal Mentoring Program	No	Yes	Yes	No info	No info	No info	Yes
Anti-Harassment Policy	No info	Yes	Yes	No info	No info	No info	Yes
Employment Equity Program	No	Yes	Yes	No info	No info	Yes	Yes
Human Rights Cases, Last Decade	No info	Yes, at least 8	No	No info	Yes, at least 3	Yes, at least 1	Yes, # n.k.
Daycare (Referral or Onsite)	Yes, on-site	No	No	No	No	No	Yes, referral
Community Responsibilities							
Total Company Giving (\$)	\$5.0 mil	\$18.1 mil (3)	\$0.6 mil (3)	\$0.37 mil	No info	\$3.6 mil	\$9.02 mil
Total Employee Giving (\$)	No info	\$1.5 mil	\$0.25 mil	\$0.01 mil	No info	\$0.38 mil	\$2.06 mil
Donations as % of Pre-tax Earnings	2.4	1.17	0.53	2.55	No info	3.7	1.35
Imagine Canada Pledge	No	Yes	Yes	Yes	No	No	Yes
In-kind Donations (Yes/No; % of total)	Yes, % n.k.	Yes, % n.k.	Yes, % n.k.	Yes, % n.k.	No info	Yes, % n.k.	Yes, 9%
Matching Gift Program	No	Yes	Yes	No info	No info	No info	Yes
Involvement in Multi-Stakeholder Dialogue	No	Yes	Yes	Yes	Yes	No info	Yes
Donation Guidelines on Web-Site	No	Yes	No	No info	No info	No info	Yes
Annual Community Reports (Yes/No; #)	Yes, 2	Yes, 1 (4)	No	No	No	Yes, 1	Yes, 7 (5)
Charitable Foundation	No	No	No	No	No	No	No
Corporate Governance							
Independent Compensation Committee	No	Yes	Yes	No info	No	No	Yes
Independent Nominating Committee	Yes	Yes	Yes	No info	No	No	Yes
Policy Decisions Made in Canada	All	All	All	All	All	All	All
Limit on Director Tenure	No	Yes	Yes	No	No	No	No
Number of Independent Directors	7 of 12	14 of 15 (3)	10 of 12 (6)	No info	No info (6)	9 of 12	11 of 12
Separate Chairman and CEO	Yes	Yes	Yes	No info	No info	Yes	Yes
Failure to Table Minority Shareholder Resolutions	No	No	No info	No	No info	No info	No
Dual Class Voting Structure	No info	No info	No info	No info	Yes	Not applic	No
Existence of Poison Pill	No	No	No	No info	No info	Not applic	Yes
Environmental Management							
Environmental Policy (Yes/No; Year)	Yes, no date	Yes, 1993	Yes, no date	No info	No info	Yes, no date	Yes, 2001
Policy Updated Last Five Years (Yes/No; Year)	Yes, 2002	Yes, 2003	2001	No info	No info	No info	Yes, 2006
Number of Full-time Environmental Staff	No info	18	1	No info	Nil	Nil	6
Senior Full-Time Official (Rank)	Manager	Director	Manager	No info	Not applic	Not applic	Director
Environmental Training for Employees	No	Yes	Yes	No info	No info	Yes	Yes
Environmental Committee of the Board	No	No	No	No	No	Yes	No
Frequency of Reports to the Board (per year)	Not regular	1 / year	4 / year	Not regular	Not regular	Not regular	4 / year
Policy on Web-Site	No	No	Yes	No	No	No	Yes
Separate EH&S Report	No	Yes, annual	Yes, every 2 years	Yes, annual	No	Yes, not regular	Yes (7)
Signatory to International Principles	No	Yes	No	No	No	No	Yes

nation cases exist at Bell (Virk), SaskTel (Daigle) and NB Tel/Aliant. Human rights cases are noted at four telcos.

Community Responsibilities

The refusal by Rogers Wireless to disclose the amount of its charitable giving is an aberration. Its competitors all do. Bell, TELUS and Aliant reporting total giving on the order of \$18 million, \$9 million, and \$5 million respectively. Northwestel gave \$370,000 in cash and in-kind services, with employees donating \$10,400 more. Absolute dollar giving hasn't increased in each of the last two to three years. There is an increasing share of in-kind support, rather than cash. TELUS, which has pledged to be Canada's premiere corporate citizen, leads in donations per employee and as a percentage of pre-tax earnings. Bell, MTS, Northwestel and TELUS are all pledged to the Imagine Canada program.

Ten and twenty years ago, Telecom Pioneer groups comprised of employees, retirees and their families were a substantial part of the charitable program at provincially-based utilities. These volunteers donated cash, contributed tens of thousands of hours, and ran

fundraising campaigns – typically, this represented up to half of total giving. Today's world is different. Average giving per employee is down from rates of \$90-\$100 per employee, and companies have smaller proportional contributions from these charity trusts.

Bell, MTS and TELUS offer matching gift programs where the employer matches staff donations. In-kind giving includes free phone repair services, loan of office space and expertise, and donation of used computers and other equipment to charities. Some initiatives – such as Victims First, a program that MTS uses to give 40 free cell phones to high risk victims of domestic violence and stalking – are noteworthy. Northwestel lists recipients on-line.

Appreciation of community development or investment, as distinct from philanthropy, is increasing. In addition to TELUS' annual CSR report, Aliant, Bell, and SaskTel have published reports in various formats about charitable giving, environmental, or community relations since 2002. To attain best practice, and match competitors in Europe, these reports of community responsibilities would need to be published annually, incorporate Global Reporting Initiative (GRI) metrics, address more respon-

TABLE 3: ADOPTION OF VOLUNTARY STANDARDS

Telephone Company	ISO 14001 (1)	CEEI (2)	ISO CC VCR Inc (3)	Markets Initiative (4)	GeSI (5)	UN GC (6)
Aliant	No	No	No	No	No	No
Bell Canada	Yes	Yes	No	Yes	Yes	No
MTS Allstream	No	No	No	No	No	No
Northwestel	No	No	No	No	No	No
Rogers Wireless	No	No	No	No	No	No
SaskTel	No	No	No	No	No	No
TELUS	No	Yes	No	No	No	No

Source: Data provided by company. Not all standards are reported, and depending upon the company, some apply to only some operations.

(1) International Standards Organization, ISO 14001 standard

(2) North American Communications Environmental Excellence Initiative

(3) Climate Change Voluntary Challenge and Registry (4) Paper purchases that protect old growth forests

(5) Global e-Sustainability Initiative (6) United Nations Global Compact

sibility- and investment-themed programs, and deal more thoroughly with triple bottom line assessments, as well as demonstrate independent or third party verification.

Corporate Governance

Compensation and nomination committees at Bell, MTS and TELUS would seem to be wholly comprised of independent directors. These same three companies limit the number of management directors to one or two, and place limits on consecutive reappointments of directors to their Boards. In Bell's case, consecutive tenure is limited to ten years. At MTS and TELUS, the retirement ages are 72 and 70 respectively. All firms but Northwestel and Rogers Wireless report different persons holding the positions of chair and CEO.

Although ownership restrictions on large companies are set at 46.7%, breaches occur in practice. Bell has a majority stake in Aliant and Northwestel. There are dual class voting shares at Rogers, which is a subsidiary of Rogers Communications Inc. Bell and its parent BCE Inc combine to have four representatives on Aliant's 12 person board. Questions exist about the reporting of "independent" directors, several of whom are ex-employees, current executives, or related parties to controlling shareholders. While all non-public companies report a majority of independent directors, EthicScan's analysis raises questions about specific directors' independence at MTS and Rogers Wireless.

Environmental Management

While Aliant, Bell, MTS, SaskTel and TELUS each has a written environmental policy, all but SaskTel report that theirs has been updated in the last five years. MTS and TELUS post theirs on the corporate web-site. Aliant, Bell, MTS and TELUS each report having a full time environmental manager or director whose responsibilities include recycling, waste reduction and energy conservation. Numbers of environmental staff range from 18 at Bell and 6 at TELUS to none at Rogers Wireless or crown corporation SaskTel. While staff environmental committees exist, only SaskTel reports that it has an environmental committee of its Board.

Annual separate health, safety and environment reports are issued by Bell, Northwestel, and TELUS. Comparable reports at MTS and SaskTel are less frequent. Environmental progress reports

are made quarterly to Boards at MTS and TELUS. MTS has pioneered in terms of on-line purchasing, electronic alternatives to paper directories, and encouraging large commercial customers to accept electronic billing, rather than continue with paper.

As Table 3 shows, Bell and TELUS are members of standards-setting voluntary groups like the North American Communications Environmental Excellence Initiative, and Bell of the Global e-Sustainability Initiative. Bell reports it is aligned to the GRI. TELUS appears on the DJSI and FTSE indices, and Bell Canada on the FTSE. Bell, MTS and TELUS have taken steps to mature their environmental policies and commitments into more of an environmental management system (EMS). Bell maintains a toll free 1-800 enviroline to answer customer and employee questions. Aliant contributes to a range of local environmental initiatives including a nature park and a green spaces program.

Environmental auditing and reporting is maturing. Audits are differentiated for construction, building and underground structures. Those at Bell, MTS and TELUS use a mix of internal staff and independent outside consultants. Bell and TELUS demonstrate increasing transparency in reporting details of spills and releases, fuel tanks in use, halon inventory, chemical product use, telephone directory recovery rates, and equipment wastes. Best practice across the sector would require reporting of all charges and convictions, numbers of hours of staff training, and setting waste reduction, CO₂ emission, and recycling targets. TELUS reports five fines, and \$94,601 in penalties.

Environmental Performance

Challenges are many. They include storage tank maintenance, decontamination of sites used to store creosote-treated utility poles, and reduction in inventories of hazardous wastes. SaskTel, for example, stores hazardous wastes in Regina. Companies need to deal with disposal of equipment (computers, phones, and modems), recycling post-consumer waste (directories are a particular challenge), and recycling of what are called accumulator wastes like lead and acid.

Bell and TELUS set the standard here. Each reports five or more environmental awards. Each has committed to voluntary environmental sustainability protocols. Together with MTS, each recycles ten or more different commodities. Recycling can include waste oil, oil filters, used cables, paint, paper, batteries, telephone directories, cable wires, cans, solvents, cardboard, scrap plastics, fluorescent bulbs, scrap metal, and telephone poles. All three companies have widespread waste reduction programs.

Responsible practices include waste reduction programs, commodity recycling, and replacement of leak-vulnerable storage tanks. Progressive action includes collecting and refurbishing things like splicing closures and aerial terminals. Energy consumption savings flow from using more energy-efficient devices, installing payphones with photocells and sodium lighting, employing an alternative energy vehicle fleet, and issuing electronic directories.

Other progressive practices include donation of a wide range of used goods (binders, chairs, computers, office equipment, and software) to schools and other not-for-profit agencies. Individual companies are experimenting with setting 2% per year energy reduction targets, increasing staff transit ridership by 20% by

ETHICAL PERFORMANCE OF TELEPHONE COMPANIES (CONT'D)

	ALIAINT	BELL CANADA	MTS ALLSTREAM	NORTHWESTEL	ROGERS WIRELESS	SASKTEL	TELUS
Environmental Performance							
Independent Environmental Audit	No, internal	Yes (7)	Yes (7)	No, internal	No info	No info	Yes, external
Commodity Types Recycled (#)	No info	Yes, 10	Yes, 10	No info	No info	Yes, 7	Yes, 10
Disclosure of Quantities Recycled	No	Yes	Partial	No	No	Partial	Partial
Workplace Recycling Program	No info	Yes	Yes	No info	Yes	No info	Yes
Environmental Awards	No	Yes, 9	Yes, 2	No info	No info	No info	Yes, 8
Convictions, Last Ten Years (Yes/No; \$)	Nil	No info	Nil	No info	No info	No info	5, \$94,601
Waste Reduction Program	Yes	Yes	Yes	Yes	No info	No info	Yes
Environmental Demands Made of Suppliers	No	Yes	Yes	No info	No info	No info	Yes
Giving to Environmental Organizations	Yes	Yes	Yes	No info	No info	No info	Yes
Employee Relations							
Employment This Year, Canada	No info	45,000	6,600	515	2,360	3,800	29,815
Employment This Year, Worldwide	10,400 (3)	45,000 (3)	6,600	600	No info	4,050	29,815
Employment Change in Canada, Last Five Years	No info	-4,300	190	No info	No info	No info	3,050
Percentage of Workforce Unionized	Yes, 68%	Yes, 80%	Yes, 88%	Yes, % n.k.	No info	Yes, % n.k.	Yes, 47%
Strikes Last Ten Years (Number, Year)	3	4	3	No info	No info	No info	3
Training Budget (\$ Average per person)	\$1,000	\$819	\$926	No info	No info	No info	\$1,350
Profit Sharing with Employees	No	Yes	No	No info	No info	No	No
Retraining/Relocation in Case of Layoffs	Yes	Yes	Yes	No info	No	No info	Yes
Gainsharing Programs (Yes/No; #)	Yes, 2	Yes, 3	Yes, 2	No info	No info	No info	Yes, 2
Company Contribution to ESOP	No info	33%	25%	No info	No info	No info	40-45%
Progressive Staff Policies							
Employee Assistance Programs (#)	Yes, 4	Yes, 5	Yes, 3	No info	No info	No info	Yes, 5
Health Promotion Programs (#)	Yes, 5	Yes, 4	Yes, 7	No info	No info	No info	Yes, 5
Internal Communications Programs	Yes, 3	Yes, 4	Yes, 2	Yes, 2	Yes, 3	Yes, 2	Yes, 5
Employee Newsletter	Yes	Yes	Yes	No info	No info	No info	Yes
Child/Elder Care Support	Yes	No	No	No info	No info	No info	Yes
Same Sex Benefits	No info	Yes	Yes	No info	No info	No info	Yes
Refund on Book & Tuition ≥ 75%	Yes, 100%	Yes, 75+ % (9)	Yes, 100%	No info	No info	No info	Yes, 100%
Scholarship for Employees	Yes	Yes	No	No info	No info	No info	Yes
Scholarship For Employees' Children	Yes	Yes	Yes	No info	No info	No info	Yes
Health & Safety							
Disclose H&S Statistics	No	Partial	No	No	No	No	Partial
Policy on Web-Site	No	Yes	Yes	No	No	No	Yes
Accidents Per 200,000 Hrs Worked	Not reported	Not reported	Not reported	Not reported	Not reported	Not reported	Not reported
Sourcing and Trading							
Policy on Canadian Sourcing	No	No	No	No	No	No	No
Foreign Sourcing Code	No	No	No	No	No	No	No
Policy Against Sourcing in Repressive Regimes	No	No	No	No	No	No	No
Signatory to International Labour Standards	No	No	No	No	No	No	No
Disclose % of Canadian Sourcing	No	No	Yes, 80%	No	No	No	Yes, 95%
Active in Repressive Regimes	No	Parent, Yes	No	No	No info	No info	No
Independent Monitoring of Policy and/or Code	No	No	No	No	No	No	No
Sensitive Business Activities							
Commercial Pornography, Est. Income	No	Yes, 2%	No	Yes, % n.k.	No info	No info	No
Defence, Est. Income	Yes, 4%	Yes, 1%	Yes, 1%	No info	No info	No info	Yes, 1%
Notes:							
(1) Two codes on web-sites	(2) Four page mission statement on web-site						
(3) 2004	(4) Parent company						
(5) Community report at TELUS Quebec also; seven issued to date							
(6) EthicScan figure diverges from one presented by the company							
(7) Part of CSR report	(8) Internal and external team						
(9) Tuition, but not books or materials							

Information for this comparison is drawn from year 2006 reports prepared by EthicScan Canada. Where the performance of an institution is described as "No info," the company may have a salary record, but the facts are not known to EthicScan researchers. The regular fact checking process involves corporate database reviews, interviews, and two requests that the company review, update and validate the major findings on file.

Research Prepared by Andrea Roberts

offering price reductions on transit passes (MTS in Winnipeg), and smart scheduling of maintenance and repair activities.

Employee Relations

Employment ranges from 600 at Northwestel to 45,000 at Bell. As Table 4 suggests, most firms have grown in employment in the last ten years, but this masks takeovers and acquisitions, and increased outsourcing of maintenance, as well as the spin-off of for-profit, unregulated or non-utility business units. Direct phone store retail jobs and call centre activity have grown.

Except at Rogers Wireless, unions have a strong presence at these firms. This includes a range of independent (CEP, USW, CAW, and IBEW) and company (Aliant, Bell, MTS and TELUS) bargaining units. Over the last few years, streamlining has been occurring, including merging six unions into one (at TELUS) and combining nine separate labour contracts into one (Aliant in

2005). Relocation to call centres typically involves loss of seniority rights, a pay cut, and no collective bargaining agreement.

Three to four strikes per company over ten years isn't unusual. Recent lengthy labour actions include TELUS (2005), Aliant (2004), a rolling strike at Bell (2005), and Entourage, 100% owned by Bell. Volatility is exacerbated by intra-union friction at the same company (TELUS), tensions between union leaders and management (Aliant), and alleged use of pension plan surpluses in order to take a contributions holiday (Aliant in 2005 and BCE and MTS in 2006). Union spokespersons describe only a handful of grievances at MTS. By contrast, at other companies, annual grievances are in the dozens (Aliant, Bell, and TELUS) or more. Complaints typically involve contracting out, high levels of workplace stress, ineffective health and safety programs, or understaffed work groups. Other concerns include mandatory overtime during summer months, excessive and intrusive elec-

TABLE 4: EMPLOYMENT CHANGES, 2006 VERSUS 1996

Telephone Company	Employment		
	1996	2001	2006
Aliant	8,487 (1)	10,400	No info
Bell Canada	48,231	42,000	45,000
MTS Allstream	4,257	3,565	6,600 (2)
Northwestel	No info	No info	600
Rogers Wireless	No info	No info	No info
SaskTel	No info	4,110	3,995
TELUS	21,060 (1)	27,765	29,815 (2)

Source: EthicScan Corporate 1500 DataBase

(1) 1996 data includes separate companies later merged. (2) 2006 data includes companies now merged.

tronic surveillance, and the awarding of lavish pay hikes to executives while wages for hourly staff remain stagnant.

Stock options are common for executives and key officers. Profit sharing, which was once more widespread, is now only reported at Bell. Employee share ownership purchase (ESOP) plans are usually limited to 6% of an employee's annual salary or wages – Bell contributes 33%, MTS 25%, and TELUS 40% below director ranks and 40% at director levels and higher. TELUS's ESOP is open to all staff, including temporary and part-timers.

Progressive Staff Policies

Employee assistance programs (EAPs) are reported at all firms but Northwestel, Rogers Wireless and SaskTel. An EAP is a confidential counseling program, delivered through a third party provider. Bell and TELUS each report the widest ranging EAPs. The program at Bell applies to all full and part-time staff. The EAP at TELUS includes family members, and offers counseling for alcohol, drug, retirement, stress, elder-care and family concerns.

MTS reports the most sophisticated health promotion plan (HPP). It includes smoking cessation, diverse wellness education courses, drugs coverage, a head office on-site fitness facility, and a fitness subsidy. TELUS' HPP includes on-site fitness facilities at five sites, corporate marathons, and workplace wellness classes.

Diversified and sophisticated internal communications programs like that at TELUS include an e-letter, employee feedback through surveys and meetings, a rewards program, an open door policy, and an orientation program. Aliant's internal communications includes a voice mail message every Friday from the president, a newsletter, and the opportunity for staff to ask questions of the CEO. Leading edge companies in other jurisdictions report decentralized decision-making, regular staff-CEO dialogue, and regularly scheduled social audits.

Northwestel, Rogers Wireless, and SaskTel do not report workplace practices. At the others, staff policies are progressive. Employers provide same sex benefits, offer scholarships for employees and their children, and provide voluntary exit opportunity packages. Staff newsletters, both paper and electronic, are commonplace. Companies typically refund 100% of tuition and book expenses at outside courses. TELUS reports the highest average investment in staff training.

Health and Safety

Workers face stress-related and physical challenges. Risks include disability and death in outdoor or aerial work for technicians; and stress, muscular injuries, and degenerative back pain for operators and office staff. Fatalities are rare. Only Bell, MTS and TELUS put their health and safety code on the corporate website. Today, accident statistics are reported only at TELUS, whereas they were reported more widely in 2002. The Canadian Labour Code requires corporate as well as local health and safety committees at larger, federally regulated, business units.

Sourcing and Trading

While these companies are not a major direct presence in overseas repressive regimes, they don't restrict doing business in such countries. Consulting contracts with foreign telcoms and countries are common at Bell and SaskTel. Pledges to voluntary international standards – including human rights or fair wage standards – are not reported.

Supply chain relationships are in transition. Visits aren't routinely conducted to audit practices of suppliers of hardware or software. Bell and TELUS report that they send an environmental questionnaire to suppliers to fill in, using the results to help select preferred vendors. Firms rely upon up-to-date telephony switching equipment, service vehicles, and equipment like cable, telephone poles, and paper. While no firm has a formal preferential sourcing in Canada policy, two report that they do source 80% or more of goods and services in Canada.

Sensitive Business Practices

Telephone services are routinely offered to legal enterprises like weapons makers, commercial sex escort services, and other sensitive product or service businesses. For example, Aliant provides telecom services to peace keepers, the RCMP, the U.S. Navy and Coast Guard, and the U.K. Ministry of Defence. As the law requires, most firms routinely provide telecommunications services to Canada's Department of National Defence, police forces, and related defence industry clients. Aliant had reported a non-core subsidiary that made control panels for light armoured vehicles, accounting for 0.4% of total revenues. Dual (military and civilian) application telecommunications products are a sensitive issue.

Grading & Candor

Bell, MTS and TELUS lead the sector across various social and environmental responsibility topics, as the Grading Summary on page 25 shows. Candor quotients are quite high, with TELUS, Bell and MTS each at over 90%. Publicly-owned SaskTel has a surprisingly low candor quotient.

Conclusion

These companies could benefit from targeted efforts to enhance reputations and management practices. Priority attention would include such areas as labour relations, more effective treatment of consumer complaints, and targets for advancement of disadvantaged groups. Overall, more accountability and transparency is possible.