UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 40-F

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: **December 31, 2021** Commission File Number: **1-8481**

BCE INC.
(Exact name of Registrant as specified in its charter)

Canada
(Province or other jurisdiction of incorporation or organization)

4813
(Primary Standard Industrial Classification Code Number (if applicable))

98-0134477
(I.R.S. Employer Identification Number (if applicable))

1, carrefour Alexander-Graham-Bell, Building A, 7th Floor,
Verdun, Québec, Canada H3E 3B3, (514) 870-8777
(Address and telephone number of Registrant's principal executive offices)

CT Corporation System, 28 Liberty St., New York, New York 10005, (212) 894-8940
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Copies of all correspondence should be sent to:

Martin Cossette
Vice-President, Legal and Corporate Secretary
BCE Inc.
1, carrefour Alexander-Graham-Bell
Building A, 7th Floor
Verdun, Québec H3E 3B3
Canada
Tel: (514) 786-8424

Donald R. Crawshaw
Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004-2498
Tel: (212) 558-4000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Common shares	**BCE**	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:**None**

For annual reports, indicate by check mark the information filed with this form:

☒ Annual Information Form ☒ Audited Annual Financial Statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

Common Shares	909,018,871
First Preferred Shares	
Series R	7,998,900
Series S	2,128,267
Series T	5,870,133
Series Y	8,079,291
Series Z	1,918,509
Series AA	11,397,196
Series AB	8,599,204
Series AC	10,027,991
Series AD	9,963,209
Series AE	6,512,913
Series AF	9,481,487
Series AG	8,979,530
Series AH	5,017,570
Series AI	9,535,040
Series AJ	4,464,960
Series AK	23,190,312
Series AL	1,799,388
Series AM	10,439,978
Series AN	1,054,722
Series AO	4,600,000
Series AQ	9,200,000
Total First Preferred Shares	160,258,600

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days.

Yes: ☒ No: ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes: ☒ No: ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging Growth Company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

PRIOR FILINGS MODIFIED AND SUPERSEDED

The annual report on Form 40-F of BCE Inc. ("BCE") for the year ended December 31, 2021, at the time of filing with the U.S. Securities and Exchange Commission (the "SEC" or "Commission"), modifies and supersedes all prior documents filed pursuant to Sections 13, 14 and 15(d) of the Exchange Act for purposes of any offers or sales of any securities after the date of such filing pursuant to any registration statement or prospectus filed pursuant to the *Securities Act of 1933* which incorporates by reference such annual report on Form 40-F.

ANNUAL AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

A. Annual Audited Consolidated Financial Statements

The BCE annual audited consolidated financial statements for the year ended December 31, 2021 (the "BCE 2021 Financial Statements") are contained in Exhibit 99.3 and are incorporated herein by reference.

B. Management's Discussion and Analysis

For the BCE management's discussion and analysis for the year ended December 31, 2021 (the "BCE 2021 MD&A"), see pages 30 to 126 of the BCE 2021 Annual Report, which BCE 2021 MD&A is contained in Exhibit 99.2 and is incorporated herein by reference.

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 or 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 Chief Executive Officer ("CEO") and Executive Vice-President and Chief Financial Officer ("CFO"), to allow timely decisions regarding required disclosure.

As at December 31, 2021, 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 Exchange Act, 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, 2021.

INTERNAL CONTROL OVER FINANCIAL REPORTING

A. Management's report on internal control over financial reporting

The report of BCE's management entitled "Management's report on internal control over financial reporting" appearing at page 127 of the BCE 2021 Annual Report, which report is contained in Exhibit 99.4, is incorporated herein by reference.

B. Auditors' report on internal control over financial reporting

The report of independent registered public accounting firm concerning the effectiveness of BCE's internal control over financial reporting appearing at page 128 of the BCE 2021 Annual Report, which report is contained in Exhibit 99.4, is incorporated herein by reference.

C. Changes in internal control over financial reporting

There have been no changes during the year ended December 31, 2021 in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

STATEMENT REGARDING CONTROLS AND PROCEDURES

There can be no assurance that our disclosure controls and procedures will detect or uncover all failures to disclose all material information otherwise required to be set forth in our disclosure. Furthermore, a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. Accordingly, BCE does not expect that BCE's internal control over financial reporting will prevent or detect all errors and all fraud. BCE will continue to periodically review its disclosure controls and procedures and internal control over financial reporting and may make modifications from time to time as considered necessary or desirable.

AUDIT COMMITTEE FINANCIAL EXPERT

In respect of the current members of BCE's Audit Committee ("Audit Committee"), the board of directors of BCE determined that the current Chair of the Audit Committee, Mr. L.P. Pagnutti, as well as Ms. K. Lee and Ms. M.F. Leroux are qualified as "audit committee financial experts", and that all members of the Audit Committee are independent under the listing standards of the New York Stock Exchange.

CODE OF ETHICS

All employees, directors and officers must follow Bell Canada's Code of Business Conduct (the "Code of Conduct"), which provides guidelines for ethical behaviour. The Code of Conduct includes additional guidelines for executive officers and management, including the CEO, CFO, Controller and Treasurer. The Code of Conduct is available in the governance section of BCE's website at BCE.ca and will be provided in print at no charge to any person who sends a written request by mail to BCE Inc. addressed to the Corporate Secretary, at 1, carrefour Alexander-Graham-Bell, Building A, 7th Floor, Verdun, Québec, Canada H3E 3B3.

In 2021, amendments were made to the Code of Conduct in order to:

- rename and update the section entitled *Protecting Confidential Information* to update references to corporate policies and related directives;
- update the section entitled *Dealing with Customers* to clarify obligations relating to respecting customers' uniqueness;
- rename and update the section entitled *Workplace* to clarify obligations relating to BCE's flexible work arrangements and profiles;
- combine and update the sections entitled *Respect and Professionalism in the Workplace* and *Diversity, Inclusion and Employment Equity* into a new section entitled *Respect, Diversity, Inclusion and Employment Equity* to clarify and update certain of its content, including obligations relating to fostering a respectful and inclusive workplace;
- rename and update the section entitled *Preventing Workplace Harassment and Violence* to clarify employees' and leaders' obligations, including reporting requirements;
- update the section entitled *Alcohol, Drugs and Other Substances* to clarify and update certain of its content, including instructions for employees working remotely; and
- update the section entitled *Journalistic Independence* to include the Noovo News division and applicable reporting requirements.

In addition to these changes, certain other technical, administrative and non-substantive amendments were made to the Code of Conduct.

A copy of the Code of Conduct, as amended, has been posted on BCE's website at BCE.ca.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

A brief description of our pre-approval policies and procedures and information about fees and services billed to us by our principal accountant, Deloitte LLP (PCAOB ID No. 1208) can be found under the sections entitled "Pre-approval policies and procedures" and "External auditors' fees" on page 38 of our Annual Information Form contained in Exhibit 99.1, which sections are incorporated by reference in this annual report on Form 40-F.

In 2021 and 2020, no audit-related, tax or other services were submitted to BCE's Audit Committee for approval pursuant to the pre-approval requirement waiver provision set out in paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

OFF-BALANCE SHEET ARRANGEMENTS

Please see the sections entitled "Contractual obligations" and "Indemnifications and guarantees (off-balance sheet)" at page 96 of the BCE 2021 MD&A contained in Exhibit 99.2 (which sections are incorporated by reference in this annual report on Form 40-F) for a discussion of certain off-balance sheet arrangements.

IDENTIFICATION OF THE AUDIT COMMITTEE

BCE has a separately designated standing Audit Committee established in accordance with section 3(a)(58)(A) of the Exchange Act. BCE's Audit Committee is comprised of six independent members: Mr. L.P. Pagnutti (Chair), Ms. K. Lee, Ms. M.F. Leroux, Ms. J. Tory and Mr. C. Wright.

MINE SAFETY DISCLOSURE

Not applicable.

UNDERTAKING

BCE undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities in relation to which the obligation to file this annual report on Form 40-F arises or transactions in said securities.

WEBSITE INFORMATION

Notwithstanding any reference to BCE's website or other websites on the World Wide Web in this annual report on Form 40-F or in the documents attached as Exhibits hereto, the information contained in BCE's website or any other site on the World Wide Web referred to in this annual report on Form 40-F or in the documents attached as Exhibits hereto, or referred to in BCE's website, is not a part of this annual report on Form 40-F and, therefore, is not filed with the Commission.

SUMMARY OF SIGNIFICANT DIFFERENCES FROM NYSE CORPORATE GOVERNANCE RULES

A summary of significant differences between corporate governance practices followed by BCE and corporate governance practices required to be followed by U.S. domestic companies under the New York Stock Exchange's Listing Standards (disclosure required by section 303A.11 of the NYSE Listed Company Manual) is available in the governance section of BCE's website at BCE.ca.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

BCE Inc.

By: *(signed) Glen LeBlanc*
Glen LeBlanc
Executive Vice-President and Chief Financial Officer

Date: March 4, 2022

	LIST OF EXHIBITS TO FORM 40-F
Annual Information Form of BCE Inc. for the year ended December 31, 2021	Exhibit 99.1
Management's Discussion and Analysis of BCE Inc. for the year ended December 31, 2021	Exhibit 99.2
Annual audited consolidated financial statements of BCE Inc. for the year ended December 31, 2021	Exhibit 99.3
Management’s report on internal control over financial reporting and the Report of Independent Registered Public Accounting Firm thereon	Exhibit 99.4
Consent of Independent Registered Public Accounting Firm	Exhibit 99.5
Bell Canada Unaudited Selected Summary Financial Information	Exhibit 99.6
Exhibit to 2021 Annual Financial Statements – Earnings Coverage	Exhibit 99.7
Certifications of the Chief Executive Officer and the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Exhibit 99.31
Certification of the Chief Executive Officer and the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Exhibit 99.32
Interactive Data File	Exhibit 101
Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	Exhibit 104

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Exhibit 99.1

ADVANCING HOW CANADIANS CONNECT WITH EACH OTHER AND THE WORLD



BCE

ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2021
MARCH 3, 2022

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In this Annual Information Form, *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.

Each section of BCE's 2019, 2020 and 2021 management's discussion and analysis (BCE 2019 MD&A, BCE 2020 MD&A and BCE 2021 MD&A, respectively) and each section of BCE's 2021 consolidated financial statements referred to in this Annual Information Form is incorporated by reference herein. No other document shall be considered to be incorporated by reference in this Annual Information Form. The BCE 2019 MD&A, BCE 2020 MD&A, BCE 2021 MD&A and BCE 2021 consolidated financial statements have been filed with the Canadian provincial securities regulatory authorities (available at **sedar.com**) and with the United States (U.S.) Securities and Exchange Commission (SEC) as exhibits to BCE's annual reports on Form 40-F (available at **sec.gov**). They are also available on BCE's website at **BCE.ca**.

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

All dollar figures are in Canadian dollars, unless stated otherwise. The information in this Annual Information Form is as of March 3, 2022, unless stated otherwise, and except for information in documents incorporated by reference that have a different date.

Trademarks in this Annual Information Form which are owned or used under licence by BCE Inc., Bell Canada or their subsidiaries include, without limitation, BCE, BELL Design, BELL MOBILITY and BELL MEDIA. This Annual Information Form also includes trademarks of other parties. The trademarks referred to in this Annual Information Form may be listed without the ® and TM symbols.

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(1) References to parts of the BCE 2020 MD&A contained in BCE's annual report for the year ended December 31, 2020 (BCE 2020 Annual Report).

(2) References to parts of the BCE 2019 MD&A contained in BCE's annual report for the year ended December 31, 2019 (BCE 2019 Annual Report).

1 Caution regarding forward-looking statements

Certain statements made in this Annual Information Form are forward-looking statements. These statements include, without limitation, statements relating to BCE's dividend growth objective and 2022 annualized common share dividend, BCE's network deployment and capital investment plans and the benefits expected to result therefrom, including its two-year increased capital expenditure acceleration program for the accelerated deployment of our fibre, Wireless Home Internet and Fifth Generation (5G) networks, our objectives concerning carbon abatement enablement and reductions in the level of our greenhouse gas (GHG) emissions including our objective for carbon neutral operations starting in 2025 and to achieve science-based targets (SBTs) by 2030, our 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* 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 U.S. *Private Securities Litigation Reform Act of 1995.*

Unless otherwise indicated by us, forward-looking statements in this Annual Information Form describe our expectations as at March 3, 2022 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 Annual Information Form 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.

Subject to various factors including, without limitation, the future impacts of the COVID-19 pandemic, which are difficult to predict, we believe that the assumptions on which the forward-looking statements made in this Annual Information Form are based were reasonable at March 3, 2022. Refer in particular to the sub-sections of the BCE 2021 MD&A entitled *Assumptions* on pages 50, 57, 75, 81 and 86, of BCE's annual report for the year ended December 31, 2021 (BCE 2021 Annual Report) for a discussion of certain key economic, market, operational and other assumptions including assumptions relating to our GHG emissions reduction targets we have made in preparing forward-looking statements. 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 Annual Information Form include, but are not limited to: the adverse effects of the COVID-19 pandemic including from the restrictive measures implemented or to be implemented as a result thereof and supply chain disruptions; adverse economic and financial market conditions, a declining level of retail and commercial activity, and the resulting negative impact on the demand for, and prices of, our products and services; the intensity of competitive activity including from new and emerging competitors; 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 over-the-top (OTT) television (TV) and other alternative service providers, as well as the fragmentation of, and changes in, the advertising market; rising content costs and challenges in our ability to acquire or develop key content; the proliferation of content piracy; higher Canadian smartphone penetration and reduced or slower immigration flow; regulatory initiatives, proceedings and decisions, government consultations and government positions that affect us and influence our business including, without limitation, concerning the conditions and prices at which access to our networks may be mandated and spectrum may be acquired in auctions; 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 effective data governance; the failure to evolve and transform our networks, systems and operations using next-generation technologies while lowering our cost structure; the inability to drive a positive customer experience; the failure to attract, develop and retain a diverse and talented team capable of furthering our strategic imperatives; labour disruptions and shortages; the failure to maintain operational networks; the risk that we may need to incur significant unplanned capital expenditures to provide additional capacity

1 Caution regarding forward-looking statements

and reduce network congestion; the complexity of our operations; the failure to implement or maintain highly effective processes and information technology (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; in-orbit and other operational risks to which the satellites used to provide our satellite TV services are subject; 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; 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 dividends will be declared by BCE's board of directors or whether the dividend on common shares will be increased; the inability to manage various credit, liquidity and market risks; 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 failure to reduce costs, as well as unexpected increases in costs, and the inability to generate anticipated benefits from acquisitions and corporate restructurings; the failure to evolve practices to effectively monitor and control fraudulent activities; pension obligation volatility and increased contributions to post-employment benefit plans; unfavourable resolution of legal proceedings and, in particular, class actions; the failure to develop and implement strong corporate governance practices and compliance frameworks and to comply with legal and regulatory obligations; the failure to recognize and adequately respond to climate change and other environmental concerns and expectations; pandemics, epidemics and other health risks, including health concerns about radio frequency emissions from wireless communications devices and equipment; the inability to adequately manage social issues; and internal factors, such as the failure to implement sufficient corporate and business initiatives, as well as various external factors which could challenge our ability to achieve our environmental, social and governance (ESG) targets including, without limitation, those related to GHG emissions reduction and diversity, equity and inclusion.

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 Annual Information Form and the BCE 2021 MD&A and, in particular, in section 9, *Business risks* of the BCE 2021 MD&A, on pages 107 to 116 of the BCE 2021 Annual Report.

Forward-looking statements contained in this Annual Information Form for periods beyond 2022 involve longer-term assumptions and estimates than forward-looking statements for 2022 and are consequently subject to greater uncertainty. In particular, our GHG emissions reduction targets are based on a number of assumptions including, without limitation, the following principal assumptions: implementation of various corporate and business initiatives to reduce our electricity and fuel consumption, as well as reduce other direct and indirect GHG emissions enablers; no new corporate initiatives, business acquisitions or technologies that would materially increase our anticipated levels of GHG emissions; our ability to purchase sufficient credible carbon credits and renewable energy certificates to offset or further reduce our GHG emissions, if and when required; 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 SBTs pursuant to the Science Based Targets initiative (SBTi) methodology that would make the achievement of our updated SBTs more onerous; and sufficient supplier engagement and collaboration in setting their own SBTs and sufficient collaboration with partners in reducing their own GHG emissions.

Forward-looking statements for periods beyond 2022 further assume, unless otherwise indicated, that the competitive, regulatory, security, technological, operational, financial and other risks described above and in section 9, *Business risks* of the BCE 2021 MD&A will remain substantially unchanged during such periods, except for an assumed improvement in the risks related to the COVID-19 pandemic and general economic conditions in future years.

We caution readers that the risks described above 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. From time to time, we consider potential acquisitions, dispositions, mergers, business combinations, investments, monetizations, joint ventures and other transactions, some of which may be significant. Except as otherwise indicated by 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 3, 2022. 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.

2 Corporate structure

2.1 Incorporation and registered office

BCE Inc. was incorporated in 1970 and was continued under the *Canada Business Corporations Act* in 1979. It is governed by a certificate and articles of amalgamation dated August 1, 2004, as amended by: (a) a certificate and articles of arrangement dated July 10, 2006 to implement a plan of arrangement providing for the distribution by BCE Inc. to its shareholders of units in the Bell Aliant Regional Communications Income Fund and to consolidate outstanding BCE Inc. common shares; (b) a certificate and articles of amendment dated January 25, 2007 to implement a plan of arrangement providing for the exchange of Bell Canada preferred shares for BCE Inc. preferred shares; (c) a certificate and articles of amendment dated June 29, 2011 to create two additional series of BCE Inc. Cumulative Redeemable First Preferred Shares (first preferred shares or Preferred Shares); and (d) certificates and articles of amendment dated September 22, 2014 and November 11, 2014 to create six additional series of BCE Inc. first preferred shares. BCE Inc.'s head and registered offices are located at 1, Carrefour Alexander-Graham-Bell, Building A, Verdun, Québec H3E 3B3.

2.2 Subsidiaries

The table below shows BCE Inc.'s main subsidiaries at December 31, 2021, which are all incorporated in Canada, and the percentage of voting securities that BCE Inc. directly or indirectly held in such subsidiaries on that date. BCE Inc. has other subsidiaries that have not been included in the table since each represented 10% or less of our total consolidated assets and 10% or less of our total consolidated operating revenues at December 31, 2021. These other subsidiaries together represented 20% or less of our total consolidated assets and 20% or less of our total consolidated operating revenues at December 31, 2021.

SUBSIDIARY	PERCENTAGE OF VOTING SECURITIES HELD BY BCE INC. AT DECEMBER 31, 2021 (1)
Bell Canada	100%
Bell Mobility Inc.	100%
Bell Media Inc.	100%

(1) *At December 31, 2021, BCE Inc. directly held 94.1% of the voting securities of Bell Canada and indirectly held the remaining 5.9% through its wholly-owned subsidiary, Bell MTS Inc. BCE Inc. indirectly held all the voting securities of: (i) Bell Mobility Inc. (Bell Mobility) through Bell Canada, which in turn indirectly held all the voting securities of Bell Mobility through its wholly-owned subsidiary, BellMobility Holdings Inc.; and (ii) Bell Media Inc. (Bell Media) through Bell Canada.*

3 Description of our business

This section contains forward-looking statements, including relating to our network deployment and capital investment plans, and our business outlook, objectives, plans and strategic priorities. Refer to section 1, *Caution regarding forward-looking statements* in this Annual Information Form.

COVID-19

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. Through our Bell for Better initiative, we are investing to create a better today and a better tomorrow by supporting the social and economic prosperity of our communities. With our connectivity initiatives from the smallest rural communities to the largest cities, investments in mental health initiatives, environmental sustainability and an engaged workplace, we look to create a thriving, prosperous and more connected world for Canadians across the country, especially as we recover from the unprecedented challenges of the COVID-19 pandemic. Through our capital expenditure acceleration program, we are delivering more connections to help Canada's social and economic recovery from the COVID-19 pandemic.

Our financial and operating performance saw a steady improvement in 2021 despite the continued adverse impacts of the COVID-19 pandemic experienced throughout the year, due to our strong operational execution and the easing of government restrictions in the second half of the year. It has been almost two years since the pandemic began affecting our performance and we have since adapted many aspects of our business to better operate in this environment. Additionally, compared to 2020, the effects of the pandemic on our year-over-year performance were considerably reduced, with Q2 2020 being the quarter most significantly affected by the pandemic. The impacts of the COVID-19 pandemic, although moderated, continued to unfavourably impact Bell Wireless product and roaming revenues, Bell Media advertising revenues, as well as Bell Wireline business market equipment revenues, due to reduced commercial activity as a result of the government restrictions put in place to combat the pandemic, particularly in the first half of the year, and the global supply chain challenges experienced in the second half of the year.

Due to uncertainties relating to the severity and duration of the COVID-19 pandemic and possible resurgences in the number of COVID-19 cases, including as a result of the potential emergence of other variants, and various potential outcomes, it is difficult at this time to estimate the impacts of the COVID-19 pandemic on our business or future financial results and related assumptions. Our business and financial results could continue to be unfavourably impacted, and could again become more significantly and negatively impacted, in future periods including, among others, as a result of global supply chain challenges adversely affecting our wireless and wireline product revenues.

In addition, the extent to which the COVID-19 pandemic will continue to adversely impact us will depend on future developments that are difficult to predict, including the prevalence of COVID-19 variants that are more contagious and may lead to increased health risks, the timely distribution of effective vaccines and treatments, the potential development and distribution of new vaccines and treatments, vaccination hesitancy and the number of individuals who choose to remain unvaccinated, the time required to achieve broad immunity, as well as new information which may emerge concerning the severity and duration of the COVID-19 pandemic, including the number and intensity of resurgences in COVID-19 cases, and the actions required to contain the coronavirus or remedy its impacts, among others. Any of the risks referred to in this Annual Information Form, including, in particular, in the section *Caution regarding forward-looking statements* at the beginning of this Annual Information Form, and others arising from the COVID-19 pandemic, could have a material adverse effect on our business, financial condition, liquidity, financial results or reputation.

3.1 General summary

BCE is Canada's largest communications company, providing residential, business and wholesale customers with a wide range of solutions for all their communications needs. Our results are reported in three segments: *Bell Wireless, Bell Wireline* and *Bell Media*.

Bell Wireless provides wireless voice and data communication products and services to our residential, small and medium-sized business and large enterprise customers as well as consumer electronics products across Canada.

Bell Wireline provides data, including Internet access and Internet protocol television (IPTV), local telephone, long distance, as well as other communication services and products 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.

Bell Media provides conventional TV, specialty TV, pay TV, streaming services, digital media services, radio broadcasting services and out-of-home (OOH) advertising services to customers nationally across Canada.

Additional information regarding our business operations and the products and services we provide can be found in section 1.2, *About BCE* of the BCE 2021 MD&A, on pages 35 to 38 of the BCE 2021 Annual Report.

In addition to our operating segments, we also hold investments in a number of other assets, including:

- a 28% indirect equity interest in Maple Leaf Sports & Entertainment Ltd., 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
- a 50% indirect equity interest in Glentel Inc. (Glentel), a Canadian-based connected services retailer

- an 18.4% indirect equity interest in entities that operate the Montreal 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

A discussion of the key transactions completed by BCE in the last three financial years can be found in section 4.1, *Transactions* of this Annual Information Form.

For the years ended December 31, 2021 and 2020, we generated consolidated operating revenues of $23,449 million and $22,883 million, respectively, and consolidated net earnings of $2,892 million and $2,699 million, respectively. Consolidated net earnings for the year ended December 31, 2020 included $226 million of net earnings from discontinued operations. For the year ended December 31, 2021, Bell Wireless' operating revenues totalled $8,999 million ($8,948 million external revenues), Bell Wireline's operating revenues totalled $12,178 million ($11,820 million external revenues) and Bell Media's operating revenues totalled $3,036 million ($2,681 million external revenues). For the year ended December 31, 2020, Bell Wireless' operating revenues totalled $8,683 million ($8,630 million external revenues), Bell Wireline's operating revenues totalled $12,206 million ($11,884 million external revenues) and Bell Media's operating revenues totalled $2,750 million ($2,369 million external revenues). A table showing the operating revenues that each segment contributed to total operating revenues for the years ended December 31, 2021 and 2020 can be found in section 4.3, *Operating revenues* of the BCE 2021 MD&A, on pages 64 and 65 of the BCE 2021 Annual Report. A table showing the operating revenues of our Bell Wireless and Bell Wireline segments by category of products and services can be found in section 5.1, *Bell Wireless* and section 5.2, *Bell Wireline* of the BCE 2021 MD&A, on pages 72 and 77, respectively, of the BCE 2021 Annual Report.

Some of our segments' revenues vary slightly by season. For more information, refer to section 7.2, *Quarterly financial information – Seasonality considerations* of the BCE 2021 MD&A, on page 102 of the BCE 2021 Annual Report.

Additional information regarding the business outlook of our Bell Wireless, Bell Wireline and Bell Media segments can be found in the sections entitled *Business outlook and assumptions* of the BCE 2021 MD&A, on pages 56, 57, 75, 80, 81 and 86 of the BCE 2021 Annual Report.

3.2 Strategic imperatives

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 content creation 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 both 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. In 2022, we embedded our focus on creating a more sustainable future directly into our six strategic imperatives, reflecting our longstanding commitment to the highest ESG standards. The six strategic imperatives that underlie BCE's business plan are:

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

Additional information regarding our strategic imperatives can be found in section 2, *Strategic imperatives* of the BCE 2021 MD&A, on pages 51 to 54 of the BCE 2021 Annual Report.

3.3 Competitive strengths

CANADA'S LARGEST COMMUNICATIONS COMPANY

We are Canada's largest communications company, offering a wide range of telecommunications products and services, as described below:

- We are the largest local exchange carrier in Canada. BCE operates an extensive local access network in Ontario, Québec, the Atlantic provinces and Manitoba, as well as in Canada's Northern Territories. We provide a complete suite of wireless communications, wireline voice and data, including Internet access and TV, product and service offerings to residential, business and wholesale customers. We also own Bell Media, Canada's leading content creation company with premier assets in TV, radio, and OOH advertising, monetized through traditional and digital platforms.
- We also offer competitive local exchange carrier (CLEC) services in Alberta and British Columbia
- At December 31, 2021, BCE was one of the largest wireless operators in Canada based on number of subscribers, providing approximately 9.5 million mobile phone subscribers with nationwide mobile voice and data services. We also had approximately 2.2 million mobile connected device subscribers at December 31, 2021.
- BCE is the largest Internet service provider in Canada based on number of subscribers, providing approximately 3.9 million retail customers at December 31, 2021 with high-speed Internet access through fibre-optic, wireless-to-the-premise (WTTP) and digital subscriber line (DSL) technology
- BCE is the largest TV provider in Canada based on number of subscribers, nationally broadcasting a wide range of domestic and international programming to approximately 2.7 million retail subscribers at December 31, 2021 through its IPTV services, namely Fibe TV, the Fibe TV app and Virgin Plus TV, as well as its satellite TV service
- BCE operated approximately 2.3 million retail residential network access service (NAS) voice lines at December 31, 2021

3 Description of our business

Our large customer base, our wireline and wireless network reach, and our ability to sell through a variety of distribution channels, as discussed in more detail in section 3.4, *Marketing and distribution channels* in this Annual Information Form, give us scale that supports the execution of our six strategic imperatives. With a wireless network service footprint that encompasses more than 99% of the Canadian population, a coast-to-coast national fibre transport network and a local exchange carrier footprint from Manitoba to the Atlantic provinces, BCE is well positioned to take advantage of integrated wireless and wireline solutions in the future.

On May 31, 2021, we announced that our capital expenditure acceleration program, initially announced on February 4, 2021, of $1 billion to $1.2 billion in additional network funding for 2021 and 2022, would increase to up to $1.7 billion in response to the support for infrastructure investment reflected in federal regulatory and policy decisions rendered earlier in the year. This $1.7 billion in accelerated capital expenditures to advance the rollout of our broadband fibre, 5G wireless and rural networks and help drive Canada's recovery from the COVID-19 crisis is in addition to the approximately $4 billion in capital expenditures that Bell has typically spent each year on network expansion and enhancement over the past decade.

TECHNOLOGICALLY ADVANCED WIRELESS NETWORKS AND SERVICES

Our Bell Wireless segment provides wireless services over technologically advanced wireless networks that are available to virtually all of the Canadian population. We offer a broad range of wireless voice and data communication products and services to residential and business customers through our Bell brand, as well as our Virgin Plus (formerly Virgin Mobile Canada) and Lucky Mobile brands which enhance our competitive market position by allowing us to compete more effectively with the Canadian industry's other discount brands as well as regional facilities-based wireless service providers.

Wireless is a key growth segment for us, and we have established strategic priorities seeking to further enhance our offerings. We are focused on growing our market share of national operators' postpaid mobile phone net customer activations, growing our prepaid mobile phone subscriber base, improving sales execution and customer retention, and introducing new devices and data services. We also believe our priorities for improved customer experience at all touch points, enhanced network quality and performance driven by effective spectrum deployment and carrier aggregation that support bandwidth and speeds, as well as a broad device offering, should continue to improve our ability to attract and retain wireless customers. With our national high-speed packet access plus (HSPA+) network, our fourth-generation (4G) long-term evolution (LTE) wireless network, our Dual-band, Tri-band and Quad band LTE Advanced (LTE-A) network, and our 5G wireless network, we are able to offer one of the broadest ranges of choice in wireless smartphones in Canada, along with extensive North American and international coverage. In addition, Bell's enhanced Gigabit LTE-A network, initially rolled out in 2018 to core locations in Toronto and Kingston, has since expanded to more areas as smartphones that support these advanced speeds have come to market, and is available in select cities across Canada. Bell also launched in 2018 a new 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 lower costs for IoT devices connecting to Bell's national network.

In June 2020, Bell launched its 5G wireless network, offering enhanced mobile data speeds and the latest 5G-capable smartphones. As with previous wireless and wireline network deployments, Bell is working with multiple equipment suppliers for its 5G rollout, including Nokia Corporation (Nokia) and Telefonaktiebolaget LM Ericsson (Ericsson). In 2021, Bell acquired significant additional mid-band, flexible-use 3500 megahertz (MHz) wireless spectrum in the auction by Innovation, Science and Economic Development Canada (ISED). Essential to Canada's ongoing transition to 5G communications, these high-capacity airwaves extend Bell's leadership in delivering enhanced 5G digital experiences to Canadian consumers and businesses in urban, rural and remote communities. Refer to section 4.1, *Transactions – Acquisition of 3500 MHz wireless spectrum* in this Annual Information Form for more details.

Bell's 5G network covered over 70% of Canada's population at December 31, 2021, a significant increase from the 26% of the Canadian population covered at the end of 2020, attributable to our capital expenditure acceleration program described above. Refer to section 3.6, *Networks – Wireless* in this Annual Information Form for more details concerning our wireless networks.

Bell's wireless networks received several awards in 2021. Bell's 5G mobile network ranked as Canada's fastest 5G network twice in a row in Ookla's 2021 Speedtest Awards based on Speedtest results independently collected and analyzed by Ookla for Q1-Q2 and Q3-Q4 and calculated using median 5G download and upload speeds. In October 2021, Bell's wireless networks (4G and 5G) were further ranked Canada's fastest in PCMag's Fastest Mobile Networks Canada 2021, its annual study of mobile network performance across the country. PCMag's testers drove around more than 40 Canadian cities and towns, as well as rural areas in eight provinces. Testing both 5G and 4G networks, PCMag's analysis took place in September and October 2021 and ranked providers based on a weighted average of download speeds, upload speeds and latency. In November 2021, Bell's 5G network was ranked as Canada's best 5G network by analyst company Global Wireless Solutions (GWS), which determined that Bell's 5G network offers the fastest data speeds of any mobile network in the country, and is also the top national network for gaming and video applications. The GWS 5G performance rankings are based on data independently analyzed by GWS in Q2-Q3 2021.

5G INNOVATION AND LEADERSHIP

Bell is working with a range of leading global and domestic 5G partners, including Ericsson and Nokia, to accelerate Canada's 5G innovation ecosystem. This includes continued investment in research and development at Canadian institutions, such as a partnership between Western University and Bell to create a new academic centre for research into 5G applications across health (including mental health), transportation, manufacturing and other sectors, and a partnership with Université de Sherbrooke through the Interdisciplinary Institute for Technological Innovation (3IT) to drive broadband technology research in a broad range of sectors including IoT, Smart Campus / Smart City, innovative manufacturing and smart energy management. The latter partnership enabled the installation in 2021 of new remote cell sites to improve cellular coverage in Québec's Abitibi-Témiscamingue region as part of a research project to maximize the use of solar energy to minimize generator use in remote locations without access to electricity. On the international stage, Bell is involved in the setting of global 5G standards with our participation in the Next Generation Mobile Networks (NGMN) consortium and Third Generation Partnership Program (3GPP).

The high capacity and near instant connections offered by mobile 5G will support a virtually unlimited range of new consumer and business applications in coming years, including virtual and augmented reality, artificial intelligence (AI) and machine learning, immersive entertainment services, connected vehicles, smart cities and enhanced rural access, and unprecedented IoT opportunities for business and government enterprises. In 2021, our 5G network enabled the following innovative applications:

- TSN and RDS launched TSN 5G View / Vision 5G RDS, an exclusive in-app feature that leverages Bell's 5G network to offer fans interactive new ways to watch sports. It was initially introduced with Montreal Canadiens and Toronto Maple Leafs regional home game broadcasts, enabling fans to control the viewing angle of the game on their smartphones, getting up close to every goal, pass, hit and penalty with zoom, pause, rewind and slow-motion capabilities. This feature was later expanded to Toronto Raptors home games.
- Bell also announced a collaboration with TikTok Canada that lets TikTok users with Bell 5G co-create with friends in real time while physically apart with Paint Portal, a new 5G multi-user augmented reality experience.

In 2021, we further announced a number of strategic cloud and technology partnerships. We entered into an agreement with Amazon Web Services, Inc. (AWS) to modernize the digital experience for Bell customers and support 5G innovation across Canada. Bell will use the breadth and depth of AWS technologies to create and scale new consumer and business applications faster, as well as enhance how its voice, wireless, television and Internet subscribers engage with Bell services and content such as streaming video. In addition, AWS and Bell are teaming up to bring AWS Wavelength to Canada, deploying it at the edge of Bell's 5G network to allow developers to build ultra-low-latency applications for mobile devices and users. With this rollout, Bell will become the first Canadian communications company to offer AWS-powered multi-access edge computing (MEC) to business and government users. In addition, we announced a strategic partnership with Google Cloud to help power Bell's company-wide digital transformation, enhance its network and IT infrastructure, and enable a more sustainable future. This new, multi-year partnership will combine Bell's 5G network leadership with Google's expertise in multicloud, data analytics and AI, to deliver next-generation experiences for Bell customers across Canada. As demands on mobile networks evolve and increase, Bell and Google Cloud will collaborate throughout the next decade on new innovations, including cloud solutions for enterprise customers and consumers powered by Google edge solutions, and enhanced customer service through automation and AI.

PROVIDING SOLUTIONS IN GROWING INTERNET OF THINGS SECTOR

Bell provides a number of solutions in the fast-growing IoT sector, which enables the interconnection of a range of devices and applications that send and receive data. Bell further offers global connectivity solutions for our IoT platforms and applications, which offer customers worldwide network access and the ability to manage all of their international devices remotely from a single web platform. Bell's lineup of innovative IoT applications includes connected telematics services, including security, safety, diagnostics and infotainment, for vehicles; fuel tank monitoring and water management solutions; fleet management solutions connecting commercial vehicles to the Internet to provide web-based analytics to manage the fleet; connected laptop solutions, enabling LTE connectivity directly from select LTE enabled laptops; managed IoT security services that offer businesses, smart cities and other organizations employing IoT solutions a fully managed solution to detect and protect organizations from evolving cyber threats; and new solutions made available in the context of the COVID-19 pandemic, such as real-time occupancy monitoring, digital signage and sanitizer kiosks.

A number of announcements related to IoT applications or transactions were announced in 2021:

- Bell and Honda Canada announced that new Honda and Acura vehicles are now equipped with built-in Wi-Fi hotspots over 4G LTE that enable drivers and their passengers to stay fully connected online, safely and hands-free, while on the open road with Bell Connected Car. This is in addition to built-in Wi-Fi hotspots already enabled in supported Ford and Lincoln vehicles since 2018.
- Bell announced the launch of Smart Supply Chain powered by Bell IoT Smart Connect, an "as-a-service" IoT aggregation solution designed for fleet and supply chain operators which aggregates multiple IoT data sources and operational data sets into a single dashboard, reducing business complexity by offering a unified view of a company's entire fleet, including trucks, trailers, drivers and the temperature of cargo, to optimize and automate tracking and management
- Bell announced an agreement with geographic information system provider Esri Canada to create the Bell Integrated Smart City Ecosystem, enabling Canadian communities to accelerate their digital transformation, enhancing decision-making and streamlining collaboration across municipal or regional departments with a platform that collects, integrates and displays data in one seamless end-to-end experience
- Bell was announced as a founding partner of "The PIER", a global showcase for sector innovation in transportation, supply chain and logistics in Halifax, Nova Scotia, where Bell will deploy its 5G-ready managed wireless private network, and its 5G network will enable IoT solutions at the port to support business-critical functions with real-time data monitoring and reporting to reduce complexity and derive deeper insights

NEXT-GENERATION HIGH-SPEED INTERNET AND TV SERVICES

Our strategic imperative to build the best networks is focused on the expansion of our all-fibre network to more homes and business locations. At December 31, 2021, our fibre-to-the-premise (FTTP) broadband fibre network covered approximately 6.2 million premises (homes and business locations), and our combined FTTP and fibre-to-the-node (FTTN) broadband fibre network covered approximately 10 million premises in Ontario, Québec, the Atlantic provinces and Manitoba. It enables the delivery of Bell's next-generation fibre-optic high-speed Internet service marketed as Fibe Internet, offering total download access speeds of up to 1.5 gigabits per second (Gbps) with FTTP through our Gigabit Fibe 1.5 service, or download speeds of up to 100 megabits per second (Mbps) with FTTN. It also enables the delivery of our Internet service marketed as Virgin Plus Internet, offering download speeds of up to 100 Mbps. Refer to section 3.6, *Networks – Wireline – High-speed fibre deployment* in this Annual Information Form for more details concerning the deployment of our fibre-optic high-speed Internet services.

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As Bell quickly extends its direct fibre links in urban and suburban centres, we are also delivering broadband speeds to smaller towns and rural locations with our innovative Wireless Home Internet fixed wireless service, which is based on 5G-capable WTTP technology. With the expansion of wireless cell site coverage, deep fibre backhaul and advancements in technology, the cost to provide a fixed wireless solution has become viable in rural areas where it is uneconomical to deploy FTTP. In 2021, we completed the buildout of our Wireless Home Internet service in smaller towns and rural communities across Ontario, Québec, the Atlantic provinces and Manitoba, reaching our target of 1 million locations one year ahead of schedule. Already delivering download speeds of up to 25 Mbps, Bell increased its Wireless Home Internet service's Internet download speeds to up to 50 Mbps and uploads to 10 Mbps (50/10) in the fall of 2020, which enhanced speeds are now available to a majority of customers. In August 2021, an agreement with Casa Systems, Inc. was announced for the upgrade of Bell's WTTP network to 5G to further boost speed and capacity for Wireless Home Internet customers.

Our FTTP and FTTN broadband fibre network also enables the delivery of Bell's next-generation IPTV services, namely Fibe TV, the Fibe TV app and Virgin Plus TV. Bell's IPTV services target areas where cable providers had long been dominant, providing us with the opportunity to gain significant market share through offering a comprehensive multi-product bundle of communications services to customers.

Bell's Fibe TV service, built on a next-generation IPTV platform, offers a wide range of flexible programming options and innovative features to customers in Ontario, Québec, the Atlantic provinces and Manitoba, such as: the Fibe TV wireless receiver, which enables customers to enjoy the Fibe experience on up to five additional TVs anywhere in the home without the hassle of running cable through the house; the Restart and Look Back features, enabling customers to rewind and watch TV shows already in progress from the beginning and up to 30 hours after they started; and the Trending feature, which lists the five most-watched shows in both English and French among Fibe TV customers at any given time and allows customers to switch to watch live or Restart from the beginning. Fibe TV further allows access to Crave, Netflix, Prime Video and YouTube directly from customer TV receivers, providing a seamless experience. The Fibe TV app brings the rich Fibe TV viewing experience to laptops, smartphones, tablets, Bell Streamer, Apple TV, Amazon Fire TV, Google Chromecast and a variety of Android TV devices, with access to more than 500 live and on-demand channels at home or on the go, which allows customers to seamlessly transfer a channel being viewed from a mobile device to a TV, or resume what is being watched on TV on a mobile device, and allows customers to control their TVs with their mobile devices. In addition, Fibe customers can download their personal video recordings with the Fibe TV app to watch on iOS and Android mobile devices without Wi-Fi network access, and customers can pause and rewind live TV on any device with the Fibe TV app. In 2021, the availability of the Fibe TV app was extended to customers in the Atlantic provinces and Manitoba.

In addition, we offer the Fibe TV app service in Ontario and Québec as a standalone app-based live TV streaming service that offers live andon-demand programming. With no traditional TV set-top box required, the Fibe TV app offers up to 500 live and on-demand channels on laptops, smartphones, tablets, Bell Streamer, Apple TV, Amazon Fire TV, Google Chromecast and a variety of Android TV devices. The standalone Fibe TV app offers access to two TV streams at a time and customers can add individual channels to build their own packages. Like Bell's Fibe TV service, the standalone Fibe TV app operates as a licensed broadcast service on the privately managed Bell Fibe broadband network for in-home viewing, and on mobile or Wi-Fi networks outside the home.

In 2020, we launched Virgin TV (now Virgin Plus TV), a completely new way for Virgin Plus Internet members in Ontario and Québec to watch live and on-demand TV shows and live sports on any screen they want. Virgin Plus TV is an app-based service that does not require a traditional TV set-top box or installation, and it works on virtually all devices – iOS and Android smartphones and tablets, laptops, Amazon Fire TV, Android TV, Apple TV and Google Chromecast. The Virgin Plus TV app lets members watch two streams at once, pause and rewind live TV, resume on-demand programs where they left off, and track all the top trending shows.

In 2020, Bell launched the Bell Streamer, an all-in-one 4K High Dynamic Range (HDR) streaming device powered by Android TV that offers customers in Ontario and Québec all-in-one access to the Fibe TV app, support for all major streaming services and access to thousands of apps on Google Play.

NATIONAL WIRELINE SERVICE PROVIDER WITH MARKET LEADERSHIP POSITION

Our leadership position in broadband Internet and TV and our broad suite of product offerings serve as a foundation for the other products and services we offer. This provides us with a significant number of established customer connections to drive uptake of new products and services, either through bundled offerings or on a standalone basis, and allows us to improve customer retention.

Our business markets team maintains a leadership position, having established relationships with a majority of Canada's largest 100 corporations. Our team continues to deliver network-centric business service solutions to large business and public sector clients, and we introduced the following new services in 2021:

- Bell announced it is working with VMware and AWS to help organizations across Canada plan, simplify and manage their hybrid cloud transformations. The Bell Cloud Professional Services team will work with organizations to assess their current structures, workloads and goals, and develop the optimal cloud strategy for their business in conjunction with VMware and AWS. Bell manages the migration to ensure a seamless and agile transition with cloud infrastructure and security support, all on Bell's networks. This relationship builds on Bell's agreement with AWS, announced in 2021, to support 5G innovation and accelerate cloud adoption across Canada. Bell was the first Canadian communications company to offer AWS-powered 5G MEC for business and government customers.
- Bell launched the Bell Security Unified Response Environment (BSURE), a new service that combines Bell's national security operations with industry-leading security technologies from Fortinet, Inc. (Fortinet), a U.S. based network security company, to provide Bell customers with a robust 24/7 managed cyber security solution.
- Bell entered into an agreement with NICE to provide advanced cloud contact centre services to Canadian businesses with NICE's industry-leading contact centre as a service (CCaaS) platform. With this platform, Bell can help Canadian businesses implement a digital-first omni-channel strategy so that they can stay connected with their customers anywhere, anytime and on any device.

OUR SIGNIFICANT MEDIA ASSETS

Bell Media's range of video content enhances the execution of our strategic imperatives by leveraging our significant network investments, delivering compelling content across all screens and platforms, and enabling us to maximize strategic and operating synergies, including the efficiency of our content and advertising spend.

Bell Media's assets in TV, radio, OOH and digital platforms are a key competitive advantage, as described below:

- We own and operate 35 conventional TV stations, including CTV, Canada's #1 network for 20 consecutive years, #1 advertising-based video on demand (AVOD) platform and leading digital news destination ctvnews.ca, and the French-language Noovo network in Québec, including its popular AVOD platform and recently launched digital news destination Noovo.info
- We own and operate 27 specialty channels, including TSN, Canada's most-watched sports channel, and RDS, the top French-language sports network
- We own and operate four pay TV services, as well as four direct-to-consumer streaming services, including Crave, the exclusive home of HBO in Canada, TSN Direct and RDS Direct
- We own 109 licensed radio stations in 58 markets across Canada, all available through the iHeartRadio app alongside an extensive catalogue of podcasts
- We lead the Canadian digital media landscape in unique visitors, page views and total page minutes among Canadian TV media competitors
- We own Astral, one of Canada's leading OOH advertising businesses with a network of more than 50,000 advertising faces strategically located across the country. It offers a portfolio of six innovative product lines: outdoor, street furniture, airport, large digital format, transit and lifestyle advertising.
- We own Crave, a subscription-based video-on-demand streaming service providing premium content and a robust lineup of video programming. Crave features a broad catalogue of sought-after content and Emmy Award-winning programming. With Crave, HBO, HBO Max originals and SHOWTIME programming, as well as box-office hits, are available directly to all Canadians with access to the Internet. Crave, also a bilingual service, offers English and French-language content through participating TV providers and streaming platforms. Bell Media's Super Écran is also available OTT as part of all Crave subscriptions. In October 2021, we launched a mobile-only Crave product, available directly to consumers and through participating wireless carriers. STARZ remains available through participating service providers and directly to consumers as a separate add-on.
- In 2021, Noovo expanded its digital offering available on the Noovo. ca website and via the new Noovo app, showcasing our extensive catalogue of French-language programming, including from the conventional channel Noovo as well as from Canal D, Canal Vie, Investigation, VRAK and Z. Noovo also debuted its news service on March 29, 2021, as well as the Noovo.ca website, which includes all episodes of the Noovo Le Fil news show. On January 17, 2022, the noovo.info website was unveiled, which offers exclusive original features dedicated entirely to news, which represents the final piece to Noovo's multi-platform news division.
- Through CTV's all-in-one digital video platform and streaming from CTV.ca and the CTV app on smartphones, Smart TVs and other connected devices, audiences can get even more value from their TV subscriptions all in one place, with livestreams and on-demand viewing of programming from CTV Comedy Channel, CTV Drama Channel, CTV Sci-Fi Channel, CTV Life Channel, CTV2, Discovery, E! and MTV, as well as Canada's #1 lineup from CTV. The platform provides access for subscribers of CTV-branded entertainment channels to stream premium content from those channels, as well as CTV Throwback and CTV Movies, all at no additional cost and with one simple login.
- We continue to provide live and on-demand access to content from our specialty networks, BNN Bloomberg, TSN, RDS and other brands in news, sports and entertainment. As discussed under 5G *Innovation and Leadership* above, in 2021, TSN and RDS launched TSN 5G View/Vision 5G RDS, an exclusive in-app feature that leverages Bell's 5G network to offer fans interactive new ways to watch sports.

Our competitive strengths also include our broad reach across Canada, our ability to deliver top programming for conventional, specialty and pay TV and streaming services, our constant drive to provide the most engaging and interactive experience for viewers, and our ability to serve the needs of advertisers across multiple platforms.

Refer to section 2.3, *Deliver the most compelling content* of the BCE 2021 MD&A, on pages 52 and 53 of the BCE 2021 Annual Report, for a description of certain agreements entered into and initiatives launched in 2021 by Bell Media.

3.4 Marketing and distribution channels

BELL WIRELESS AND BELL WIRELINE

The guiding principle driving our marketing strategy is to offer our clients the ultimate in reliable, simple and accessible telecommunications services. In doing so, our objective is to increase customer acquisition, retention and loyalty through multiple service offerings.

Through the bundling of services, which combines wireline local voice and long distance, high-speed Internet, TV and smart home, as well as wireless services, our goal is to use a multi-product offering to achieve competitive differentiation by offering a premium, integrated set of services that provides customers with more freedom, flexibility and choice. We also make use of limited-time promotional offers featuring discounted rate plans, special rates on wireless handsets and TV receivers, as well as other incentives, to stimulate new customer acquisition and retain existing customers or to respond to competitive actions in our markets.

We focus our marketing efforts on a coordinated program of TV, print, radio, Internet, outdoor signage, direct mail and point-of-sale media promotions. We engage in mass market advertising in order to maintain our brand and support direct and indirect distribution channels. Coordinated marketing efforts throughout our service area ensure that our marketing message is presented consistently across all our markets. Promoting the Bell brand is complemented by our other brand marketing efforts, reinforcing awareness of all our services and capitalizing on the size and breadth of our customer base across all product lines.

The Bell brands play a key role in product positioning. Our branding is straightforward and directly supports our strategy of delivering a better customer experience at every level. In July 2021, Virgin Mobile Canada officially rebranded to Virgin Plus, a new name and a new identity that reflects the company's evolving service offerings beyond mobility.

3 Description of our business

Specifically for Bell Wireless, acquiring and retaining subscribers is a key marketing objective that we seek to achieve through our networks and suite of leading-edge devices and services to drive higher usage and increased adoption of data services. Since June 2019, we offer unlimited plans featuring unlimited data access with no overage charges. In July 2019, we also introduced SmartPay device financing plans that let Bell Mobility customers buy their new smartphones with 24 interest-free installments separate from their service plan. In May 2020, we similarly introduced Sweet Pay device financing plans for Virgin Plus customers. In addition, we offer Connect Everything plans that provide a way to link all of a customer's Bell devices with a pool of data to share across smartphones, tablets, smartwatches and other devices, such as wireless trackers, security cameras and vehicles with Bell Connected Car. In January 2022, we introduced new mobile unlimited Ultimate plans to make the most of 5G with more data at max speeds, international messaging, HD video quality and hotspot capability. We also continue to offer discounts on the price of wireless handsets in exchange for a contractual commitment from a subscriber, a practice also used by other Canadian wireless operators. Research has shown that a key driver of customer acquisition is handset selection and style. Our current wireless device portfolio includes many leading-edge devices, some launched as exclusive to Bell in the Canadian market. As the Canadian wireless market further matures and competition intensifies, customer retention is increasingly important. Accordingly, we employ customer retention initiatives aimed at increasing our customers' level of satisfaction and loyalty.

We deliver our products and services to residential wireless and wireline customers through:

- approximately 1,100 Bell, Virgin Plus, Lucky Mobile and The Source retail locations
- national retailers such as Best Buy, Walmart, Loblaws and Glentel's WIRELESSWAVE, Tbooth wireless and WIRELESS etc., as well as a network of regional and independent retailers in all regions
- call centre representatives
- our websites, including **bell.ca**, **virginplus.ca**, **luckymobile.ca** and **thesource.ca**
- door-to-door sales representatives

We also offer customers the convenience of One Bill for Internet, TV, home phone, wireless and smart home services.

For small business customers, our residential and small business team offers a wide range of wireline services, including Business Fibe Internet, Bell Total Connect, Business Phone and TV, along with many other communications solutions, all designed for companies that typically have fewer than 20 employees. Small business solutions are sold through dedicated call centre representatives and our **bell.ca** website, as well as our retail network and door-to-door sales representatives. Our wireless products and services are delivered to small business customers through the same channels as those previously described for services to residential customers.

Communications solutions for medium-sized business and large enterprise customers, including since 2021 our wireless services, are delivered by our business markets team, and our products and services are sold through dedicated sales representatives, call centres, certified resellers and competitive bids. Prior to 2021, our wireless products and services were delivered to these business customers through the same channels as those previously described for services to residential customers and were also served by our nationwide sales team responsible for the sale of wireless products and services to business customers, as well as the execution of sales contracts. By combining products and services, including professional services, into fully managed, end-to-end information and technology solutions, we have been successful in providing both medium-sized business and large enterprise customers with complex communications products and services. We continue to differentiate ourselves in the marketplace by enhancing our customer service levels and offering solutions designed to provide superior service, performance, availability and security. We deliver expertise in key solution areas, including Internet, private networks and broadcasts, voice and unified communications, customer contact centre and security solutions.

Our wholesale business communications products and services are delivered by our wholesale team. They are sold through our dedicated sales representatives, web portals and call centres.

Restrictive measures taken by Canadian governments starting in March 2020 to combat the COVID-19 pandemic have included the temporary closure of non-essential businesses, including most locations in our retail distribution channels. While the subsequent easing of certain of these measures allowed the reopening of our retail distribution channels, resurgences in new COVID-19 cases have caused governments to strengthen or reintroduce restrictive measures, which were eventually eased again. However, traffic to our retail locations did not reach pre-pandemic levels. In response to the COVID-19 pandemic, we enhanced online and phone sales and support, equipped 12,000 call centre agents to work from home, retrained thousands of team members as service agents and introduced innovative remote installation practices. We also encouraged customers to take advantage of MyBell online and mobile self-serve options and launched enhanced online and appointment-based sales options. The sales team further moved to virtual meetings for business customers and handled sales remotely to minimize or eliminate, as applicable, contact with customers in accordance with government guidelines.

BELL MEDIA

Bell Media's TV and OOH advertising customer base is comprised primarily of large advertising agencies, which place advertisements with Bell Media on behalf of their customers. Bell Media also has contracts with a variety of broadcasting distribution undertakings (BDUs), under which monthly subscription fees for specialty TV, pay TV and streaming services are earned. Bell Media's radio broadcast customer base is comprised of both advertising agencies and businesses in local markets.

Bell Media's conventional TV networks are delivered to Canadians through over-the-air broadcast transmission and through distribution by BDUs. Bell Media's specialty TV, pay TV channels and streaming services are delivered through distribution arrangements with BDUs, and its radio programming is distributed through over-the-air transmission. In addition to these primary distribution channels, Bell Media also distributes its video and radio programming through a variety of non-traditional means, such as mobile and Internet streaming (iHeartRadio). Crave is available through participating TV providers across Canada, which provide the added opportunity to access the Crave linear channels on traditional set-top boxes, as well as via on demand channels, through the Crave app and online at **Crave.ca**. Crave is also available directly via the Internet at **Crave.ca** and via the Crave app. Crave can be streamed on the web and partner platforms such as iOS and Android mobile devices, Apple TV, Android TV, Amazon Fire TV, Bell Streamer, Chromecast, Roku, Smart TVs, Sony PlayStation and Xbox One. Finally, Bell Media's OOH business delivers its services through an inventory of OOH faces and street furniture equipment in key urban cities across the country.

3.5 Transformation of our networks, systems and processes

We are transforming our networks, systems and processes with three main objectives: (a) to become more agile in our service delivery and operations, including self-serve and instant-on capabilities for our customers; (b) to ensure best quality and best customer experience; and (c) to develop a new network infrastructure that enables a competitive cost structure with rapidly growing capacity needs, and enabling new revenue opportunities. We are leveraging new technologies, such as software-defined networks, big data and artificial intelligence/machine learning, and cloud technologies, focusing primarily on automating our processes. These technologies offer unprecedented levels of flexibility, automation and elastic capacity, enabling 5G, IoT, enhanced Internet, communication and video services, as well as the next generation of enterprise cloud applications, which all depend heavily on these capabilities. In 2021, we announced partnership agreements with AWS and Google Cloud with the objective of accelerating our transformation to a hybrid cloud environment. These various transformation initiatives have produced tangible business benefits in multiple technology domains, resulting in increased agility in development and operations while reducing costs.

3.6 Networks

The telecommunications industry is evolving rapidly as it continues to move from multiple service-specific networks to Internet protocol (IP)-based integrated communications networks that can carry voice, data and video traffic. We continue to work with key vendor partners to expand our national multi-service IP-enabled networks.

Our communications networks provide wireless and wireline voice, data and video services to customers across Canada. Our infrastructure includes:

- national transport networks for voice, data and video traffic, including Internet traffic
- urban and rural access networks and infrastructure for delivering services to customers
- national wireless networks that provide voice, data and video services

WIRELESS

To provide wireless connectivity, we have deployed and operate a number of nationwide wireless broadband networks compatible with global standards that deliver high-quality and reliable voice and high-speed data services. With our high-speed data network, we are able to offer Canadian consumers a broad range of choice in wireless smartphones, as well as touch screen tablets, IoT devices and other devices designed for data services such as video and audio streaming, IoT communications, e-mail, messaging, Internet access and social networking.

HSPA+ NETWORK

Our wireless HSPA+ network offered high-speed mobile access to 99% of the Canadian population at December 31, 2021, covering thousands of cities and towns in both urban and rural locations. The HSPA+ network supports global roaming, as well as a wide range of smartphones, data cards, universal serial bus (USB) sticks, tablets and other leading-edge mobile devices. Bell supports international roaming to over 230 outbound destinations (208 of them also supporting 4G LTE). The vast majority of the site connectivity for the HSPA+ network was built with high-speed fibre and an all-IP architecture for enhanced reliability.

4G LTE NETWORK

With Bell's 4G LTE wireless network coverage, customers have data access speeds similar to those of broadband connections and significantly faster than our HSPA+ network, making it easier for users to download applications, stream high-definition videos and music, play online games or videoconference and chat with virtually no delays or buffering. The HSPA+ and LTE networks work together such that all Bell LTE devices support both networks.

Our LTE wireless network reached more than 99% of the Canadian population coast-to-coast at December 31, 2021 with theoretical peak download speeds of up to 150 Mbps, with expected average download speeds of 18 to 40 Mbps. LTE currently accounts for over 95% of our total wireless data traffic.

On April 30, 2019, Bell completed the previously announced shutdown of its legacy 3G code division multiple access (CDMA) network, and customers in CDMA coverage areas were transitioned to Bell's 4G LTE network. The shutdown of Bell's CDMA network enabled Bell to "re-farm" additional low-band spectrum for 5G services and to repurpose existing structures, fibre connections and power systems to further enhance its next-generation LTE networks.

LTE-A NETWORK

With Dual-band LTE-A technology, Bell generally delivers theoretical peak download speeds of up to 260 Mbps (expected average download speeds of 18 to 74 Mbps). By assigning three radio channels or carriers to one user, we generally deliver, with Tri-band LTE-A technology, theoretical mobile data peak download speeds of up to 335 Mbps (expected average download speeds of 25 to 100 Mbps). With the addition of MIMO technologies and quadrature amplitude modulation (QAM), we can deliver in certain areas theoretical peak download speeds of up to 800 Mbps with Dual-band LTE-A technology and 1.2 Gbps with Tri-band LTE-A technology.

Bell's LTE network is also capable of delivering Quad-band LTE-A service. Quad-band technology leverages four bands of wireless spectrum to boost LTE-A speeds to the gigabit level. In addition to employing a combination of carrier aggregation, Bell also uses 256 QAM and 4X4 MIMO technologies to increase spectrum efficiency and multiply capacity. In 2018, Bell rolled out its enhanced Gigabit LTE-A network to core locations in Toronto and Kingston, and has since expanded to more areas as smartphones that support these advanced speeds have come to market. Gigabit LTE-A is available in select cities across Canada. Quad-band LTE-A now offers theoretical mobile data peak download speeds of up to 1.5 Gbps in markets across Canada (expected average download speeds of 25 to 325 Mbps).

At December 31, 2021, Bell's LTE-A network provided service to approximately 96% of the population in Canada. In addition, our Quad-band LTE-A service had expanded to over 60% of Canadians at December 31, 2021.

LTE-M NETWORK

In 2018, Bell launched a new LTE-M network, which is a subset of our LTE network supporting low-power IoT applications with enhanced coverage, longer device battery life and lower costs for IoT devices connecting to Bell's national network. In 2019, Bell announced an expanded reciprocal roaming partnership with AT&T Inc. (AT&T) to provide Canadian business customers with access to AT&T's LTE-M network across the United States. The reciprocal agreement also enables AT&T's customers to roam on Bell's national LTE-M network in Canada. Our LTE-M network is available in most Canadian provinces.

5G NETWORK

In June 2020, Bell launched its 5G wireless network, offering enhanced mobile data speeds and the latest 5G-capable smartphones. The high capacity and near instant connections offered by mobile 5G will support a virtually unlimited range of new consumer and business applications in coming years, including virtual and augmented reality, artificial intelligence and machine learning, immersive entertainment services, connected vehicles, smart cities and enhanced rural access, and unprecedented IoT opportunities for business and government enterprises. In 2021, Bell acquired significant additional mid-band, flexible-use 3500 MHz wireless spectrum in the auction by ISED. Essential to Canada's ongoing transition to 5G communications, these high-capacity airwaves extend Bell's leadership in delivering enhanced 5G digital experiences to Canadian consumers and businesses in urban, rural and remote communities. In addition, Bell expanded its 5G network to new markets across Québec, Ontario, the Atlantic provinces and Manitoba. Bell's 5G network covered over 70% of Canada's population at December 31, 2021, a significant increase from the 26% of the Canadian population covered at the end of 2020, attributable to our capital expenditure acceleration program announced on February 4, 2021 and further enhanced on May 31, 2021.

WIRELINE

VOICE AND DATA NETWORK

Our national voice and data network consists of an optical fibre network with the latest technologies to provide redundancy and fault protection. It reaches all major Canadian metropolitan centres, as well as New York, Chicago, Boston, Buffalo, Detroit, Minneapolis, Ashburn (Virginia) and Seattle in the United States.

Our network in major Canadian cities provides state-of-the-art high-speed access at gigabit speeds based on IP technology. We operate a national IP multi-protocol label switching network with international gateways to the rest of the world. This network delivers next-generation, business-grade IP virtual private network (IP VPN) services that connect our customers' offices throughout Canada and around the world. The IP VPN service is the foundation platform required for the delivery of business service solutions that add value and efficiencies to customers' businesses. These technology solutions include voice over IP/IP telephony, IP videoconferencing, IP call centre applications and other future IP-based applications. In addition, we maintain extensive copper and voice-switching networks that provide traditional local and interexchange voice and data services to all business and residential customers in Ontario, Québec, the Atlantic provinces and Manitoba.

To improve reliability and increase network capacity to support the rapidly growing volumes of wireless and Internet usage carried on our networks, for several years we had been upgrading all of our fibre-based national backbone network with the deployment of 100 gigabit technologies. To satisfy continued traffic growth, in 2018 Bell started the next phase of the national backbone network upgrade with the deployment of 200 gigabit dense wavelength division multiplexing (DWDM) technologies. In April 2021, Bell announced commercial 400 gigabit wavelength service deployed across major spans of Bell's fibre infrastructure to deliver significantly increased connectivity speed and capacity while optimizing network performance and energy efficiency. 400 gigabit technology increases fibre capacity using less network hardware and more automation to deliver four times the data speed and 50% more capacity per wavelength.

Key traffic routes span more than 25,000 kilometres across Canada and into the United States.

On November 16, 2021, Bell and Nokia announced the first successful test of 25G PON fibre broadband technology in North America, which validates that current GPON and XGS-PON broadband technology and future 25G PON can work seamlessly together on the same fibre hardware, which is being deployed throughout the network. 25G PON delivers significant symmetrical bandwidth capacity that will support new use cases such as premium service and 5G transport.

HIGH-SPEED FIBRE DEPLOYMENT

Our strategic imperative to build the best networks is focused on the expansion of our all-fibre network to more homes and business locations. Over the past few years, we have upgraded our access infrastructure by deploying fibre closer to our customers using FTTN with pair bonding technology, and overlaying legacy copper and FTTN with FTTP. In addition, Bell continues to deploy FTTP to all new urban and suburban housing developments in Ontario, Québec, the Atlantic provinces and Manitoba, in addition to Bell's ongoing deployment of FTTP to multi-dwelling units and business locations. In our view, FTTP, in which optical fibre cables are used to connect each and every location, is the best available network architecture to support future bandwidth-demanding IP services and applications. Our residential fibre-optic Internet service, marketed as Fibe Internet and Virgin Plus Internet, is enabled by our FTTP and FTTN networks, offering total download access speeds of up to 1.5 Gbps with FTTP through our Gigabit Fibe 1.5 service, or download speeds of up to 100 Mbps with FTTN.

In addition to the significant deployments of FTTP direct fibre connections announced in prior years which continued throughout the Greater Toronto Area/905 region surrounding Toronto and on the island of Montréal, we have announced a number of new direct fibre expansions in the past few years, in line with our strategic imperative to build the best networks. In January 2020, we announced an investment of approximately $400 million to expand broadband Internet access in urban and rural areas of Hamilton, including a plan to bring direct fibre network connections to more than 200,000 homes and business locations throughout the city. In March 2020, we announced an investment of approximately $400 million to bring FTTP technology to Winnipeg, with direct fibre connections to approximately 275,000 homes and businesses throughout the city.

3 Description of our business

In addition to several direct fibre deployment projects announced in a number of smaller communities over the past few years, on March 22, 2021, Bell announced that it will roll out high-speed Internet service to several unserved areas of Québec in partnership with the governments of Canada and Québec as part of their "Operation High Speed" initiative to connect all Québecers by September 2022. The Bell project will provide 100% fibre Internet connections to approximately 31,000 homes and businesses in nearly 100 Québec communities. In 2021, Bell subsidiary Northwestel Inc. also began offering all-fibre service to customers in Dawson City, Watson Lake and Upper Liard in Yukon as part of a three-year initiative to provide high-speed Internet to 10,000 homes and businesses across Yukon and the Northwest Territories. This follows the rollout of all-fibre connections to Hay River and Inuvik in the Northwest Territories in 2020 and 2021.

Bell further announced multiple projects in the summer and fall of 2021 to bring pure fibre Internet service to additional homes and businesses in Ontario, Québec, the Atlantic provinces and Manitoba. These projects form part of Bell's accelerated capital expenditures in national next-generation network infrastructure announced on February 4, 2021 and further enhanced on May 31, 2021.

As at December 31, 2021, approximately 6.2 million homes and businesses across Ontario, Québec, the Atlantic provinces and Manitoba had the capability of receiving up to 1.5 Gigabit Fibe service. In addition, our combined FTTP and FTTN broadband fibre network covered approximately 10 million premises in Ontario, Québec, the Atlantic provinces and Manitoba.

In addition to our Fibe Internet service, we offer Internet under the Virgin Plus brand for customers in Ontario and Québec. This high-speed Internet service offers existing Virgin Plus customers download speeds of up to 100 Mbps and upload speeds of up to 10 Mbps.

Additionally, we continue to deploy our next-generation IPTV services in areas in Ontario, Québec, the Atlantic provinces and Manitoba where cable providers had long been dominant. As of December 31, 2021, our IPTV services had the capacity to service approximately 9.1 million homes in major cities and municipalities across Ontario, Québec, the Atlantic provinces and Manitoba.

WTTP

Following successful WTTP trials in the 3.5 GHz band using 8T8R and MIMO radio technologies, Bell began the buildout of WTTP to rural locations in Ontario and Québec in the second quarter of 2018. Bell's WTTP footprint enables its Wireless Home Internet broadband service and complements its FTTP network.

In April 2020, as part of its response to the COVID-19 crisis, Bell announced the acceleration of its Wireless Home Internet rollout in rural Canada to approximately 137,000 additional homes by the end of April 2020. In addition, Bell expanded its Wireless Home Internet rollout to rural communities throughout the Atlantic provinces starting in the fall of 2020. In June 2021, Bell launched its Wireless Home Internet service in Manitoba with rollouts to eligible locations in 12 communities.

In 2021, Bell completed the buildout of its Wireless Home Internet service in smaller towns and rural communities across Ontario, Québec, the Atlantic provinces and Manitoba, reaching its target of 1 million locations one year ahead of schedule. The accelerated rollout of its Wireless Home Internet service forms part of Bell's accelerated capital expenditures in national next-generation network infrastructure announced on February 4, 2021 and further enhanced on May 31, 2021.

WTTP is 5G-capable fixed wireless technology delivered over Bell's wireless network using 3500 MHz spectrum to deliver high-speed Internet service to residents in smaller and underserved communities. Already delivering download speeds of up to 25 Mbps, Bell increased its Wireless Home Internet service's Internet download speeds to up to 50 Mbps and uploads to 10 Mbps (50/10) in the fall of 2020, which enhanced speeds are now available to a majority of customers. Innovation in WTTP complements Bell's extensive broadband fibre buildout in urban markets, and our deployment of WTTP in rural locations underscores our focus on the full utilization of Bell's assigned wireless spectrum resources.

DSL

We also offer DSL-based Internet service in areas where Fibe Internet and Wireless Home Internet are not available, with download speeds of up to 5 Mbps.

SATELLITE TV SERVICE

We provide satellite TV service nationwide under the Bell TV brand using satellites operated by Telesat Canada (Telesat). Pursuant to a set of commercial arrangements between Bell ExpressVu Limited Partnership (Bell ExpressVu) and Telesat, Bell ExpressVu currently has two satellites under contract with Telesat. Telesat operates or directs the operation of these satellites, which are used by Bell ExpressVu to provide its satellite TV service.

3.7 Employees

The table below shows the number of BCE employees at December 31, 2021 and 2020.

NUMBER OF EMPLOYEES AT DECEMBER 31	2021	2020
Bell Wireless	**8,415**	8,926
Bell Wireline	**35,691**	35,559
Bell Media	**5,675**	6,219
Total (1)	**49,781**	50,704

(1) *The total number of BCE employees at the end of 2021 was 49,781, down from 50,704 at December31, 2020 due to natural attrition, retirements and workforce reductions, partly offset by call centre hiring.*

Approximately 39% of BCE employees were represented by unions and were covered by collective agreements at December 31, 2021.

The following collective agreements covering 250 or more employees were ratified in 2021 or early 2022:

- the collective agreement between Unifor and Bell Canada (Craft) covering approximately 2,950 craft employees expired on November 30, 2020. A new collective agreement was ratified on August 13, 2021.
- the collective agreement between Unifor and Bell Media (CTV Agincourt) covering approximately 465 employees expired on December 31, 2020. A new collective agreement was ratified on July 21, 2021.
- the collective agreement between International Brotherhood of Electrical Workers (IBEW) and Bell MTS covering approximately 420 craft employees expired on January 31, 2021. A new collective agreement was ratified on March 19, 2021.
- the collective agreement between International Brotherhood of Electrical Workers (IBEW) and Northwestel Inc. covering approximately 315 craft and clerical employees expired on December 31, 2021. A new collective agreement was ratified on December 10, 2021.

The following collective agreements covering 250 or more employees will expire in 2022:

- the collective agreement between Unifor and BTS (Ontario, Craft) covering approximately 2,990 craft employees will expire on May 6, 2022. Negotiations are ongoing.
- the collective agreement between Unifor and BTS (Quebec, Craft) covering approximately 1,815 craft employees will expire on May 6, 2022.
- the collective agreement between Unifor and Bell Media (CTV Toronto Specialties) covering approximately 575 employees will expire on May 31, 2022.
- the collective agreement between Unifor and Bell MTS covering approximately 535 clerical employees will expire on December 19, 2022.

The following describes the status of collective agreements covering 250 or more employees that have already expired:

- the collective agreement between Unifor and Bell Canada (Clerical) covering approximately 4,175 clerical employees expired on November 30, 2021. Negotiations are ongoing.
- the collective agreement between Unifor and Bell Canada (Atlantic, Craft and Clerical) covering approximately 1,575 craft and clerical employees expired on December 31, 2021. Negotiations are ongoing.
- the collective agreement between TEAM and Bell MTS covering approximately 600 employees expired on February 19, 2022. Negotiations are ongoing.

3.8 Corporate responsibility

GENERAL

ESG practices form an integral part of BCE's corporate responsibility approach. Since our founding in 1880, Bell has been enabling Canadians to connect with each other and the world around them. Our approach to corporate responsibility is to manage the company in ways that support the social and economic prosperity of our communities while safeguarding the environment, with a commitment to the highest ESG standards.

BCE has implemented a range of ESG policies that are supported by various programs and initiatives. These policies address issues of importance to our many stakeholders, including: preventing conflicts of interest; protecting company assets; safeguarding privacy and confidentiality; treating clients, business partners, team members and competitors with respect and honesty; fostering a diverse and safe workplace; and protecting the environment.

These BCE policies include, among others, the following:

- Code of Business Conduct
- Data Governance Policy
- Information Security Policy
- Privacy Policy
- Environmental Policy
- Supplier Code of Conduct
- Procurement Policy
- Political Contributions Policy
- Journalistic Independence Policy
- Mandatory Reporting of Internet Child Pornography
- Health & Safety Policy
- Employee Privacy Policy
- Mental Health Policy Statement
- Workplace Violence and Harassment Prevention Policy
- Community Investment Policy

We report annually on our corporate responsibility performance and our ESG practices in our Corporate Responsibility Report, available at **BCE.ca**. The report, together with the information and documents available in the Responsibility section of BCE's website, presents Bell's corporate responsibility performance. We report on the ESG topics that are of greatest importance to our stakeholders and which could have a relevant impact on our business. These include diversity, equity and inclusion, employees' wellbeing and mental health in the workplace and the community through our Bell Let's Talk mental health initiative, climate change, circular economy, and data governance and information security. In our Corporate Responsibility Report, we describe how we manage these topics and we also report on our performance against targets we have set for ourselves. It has been prepared in accordance with the Global Reporting Initiative (GRI) Standards-Core option and adheres to the principles of the United Nations Global Compact (UNGC). It describes actions we have taken to implement these guidelines and principles, and serves as our Communication on Progress (COP), as required for all companies that endorse the UNGC. In addition, we report

on select Sustainability Accounting Standards Board (SASB) indicators, Sustainable Development Goals (SDGs) and World Economic Forum (WEF) standard indicators. Furthermore, BCE supports and reports based on the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD).

Additional information regarding our corporate governance and risk management practices, as well as our corporate responsibility strategy, including our contribution to community, society, economy, team members and the environment, can be found in section 1.5, *Corporate governance and risk management* and section 1.6, *Environmental, social and governance practices* of the BCE 2021 MD&A, on pages 45 to 50 of the BCE 2021 Annual Report.

ENVIRONMENT

Environmental protection is core to our corporate responsibility approach. Our Environmental Policy, which is reviewed annually, contains principles that support our goals, ranging from exercising due diligence to meet or exceed the environmental legislation that applies to us, to preventing pollution and promoting cost-effective initiatives that minimize use of resources and waste. We have instructed subsidiaries subject to this policy to support these principles, and have established an executive-level committee to oversee the implementation of the policy.

We monitor our operations to seek to ensure that we comply with environmental requirements and standards, and take action seeking to prevent and correct problems when needed. We have an environmental management system in place that:

- seeks to provide early warning of potential problems
- identifies management accountability
- enables systematic environmental risks and opportunities management, including cost savings
- establishes a course of action
- seeks to ensure ongoing improvement through regular monitoring and reporting

Since 2009, Bell Canada maintains an environmental management system certified to the ISO 14001 standard. This certification covers Bell Canada's oversight of the environmental management system associated with the development of policies and procedures for the delivery of landline, wireless, TV and Internet services, broadband and connectivity services, data hosting, cloud computing, radio broadcasting and digital media services, along with related administrative functions. In addition, in 2020, our energy management system was certified to be ISO 50001-compliant, making us the first North American communications company to be so designated. This certification covers the corporate level administrative management activities related to Bell Canada's energy management program associated with the activities of real estate management services, fleet services, radio broadcasting and digital media services, landline, wireless, TV, Internet services, connectivity, broadband services, data hosting and cloud computing, in addition to related general administrative functions.

One of our key tools is our Corporate Environmental Action Plan, which outlines the environmental activities of our various business units. The plan identifies funding requirements, accountabilities and deliverables, and monitors our progress in meeting our objectives.

For the year ended December 31, 2021, we spent $13.7 million as expenses and $14.9 million as capital expenditures for environmental activities. For 2022, we have budgeted $15.3 million of expenses and $17.5 million of capital expenditures to seek to ensure that our Environmental Policy is applied properly and that our environmental risks are minimized.

Additional information regarding our environmental protection activities can be found in section 1.6, *Environmental, social and governance practices* of the BCE 2021 MD&A, on pages 45 to 50 of the BCE 2021 Annual Report.

SUMMARY OF TCFD DISCLOSURES ON CLIMATE-RELATED RISKS AND OPPORTUNITIES

ALIGNMENT WITH RECOMMENDATIONS OF THE TCFD

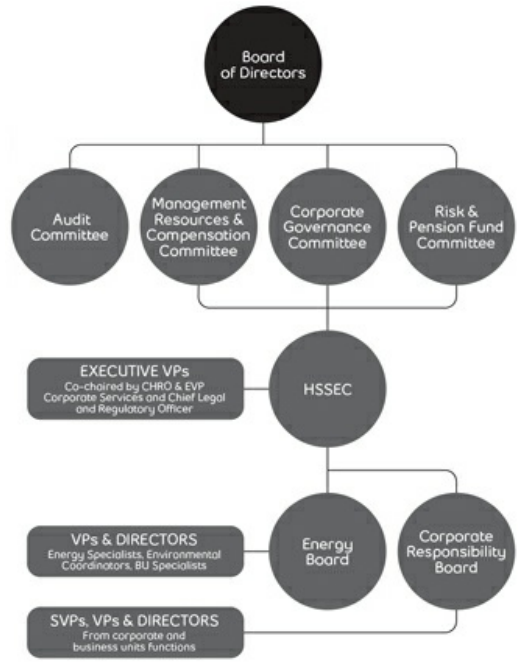
BCE recognizes that maintaining transparency regarding the climate-related risks and opportunities affecting its business and disclosing its performance and initiatives on climate-related matters is critical to our stakeholders, and enables our investors to better understand the impacts of climate change on our business. As a result, we report annually on our support for the recommendations from the TCFD in our TCFD Report on Climate-Related Risks and Opportunities, available a t **BCE.ca**. This summary illustrates our alignment with the eleven TCFD recommendations.

GOVERNANCE

The BCE Board has established clear oversight of the assessment and management of climate-related risks and opportunities, with primary accountability at the committee level. In particular:

- Risk and Pension Fund Committee (RPFC): Environmental risks and business continuity risks, including those related to climate change, and trends are under the RPFC's risk oversight responsibilities
- Corporate Governance Committee (CGC): Oversight of our ESG strategy and annual review of our disclosure, including regarding climate change
- Management Resources and Compensation Committee (MRCC): Oversight of human resources issues, including respectful workplace practices, health and safety, and tracks corporate performance against our ESG targets

While the BCE Board is responsible for BCE's risk oversight program, management has established a governance framework through the Health, Safety, Security, Environment and Compliance Oversight Committee (HSSEC), to which the Energy Board and the Corporate Responsibility (CR) Board report, supporting the BCE Board mandate to oversee health and safety, security, environmental and compliance risks, and to ensure they are addressed through efficient programs implemented within the various business units.



The following internal working groups have further been created to foster innovation, develop action plans and monitor progress: Carbon Reduction Task Force, Carbon Innovation Working Group and Climate Resiliency Task Force. Furthermore, all Executive Vice-Presidents (EVPs) have 30% of their variable pay tied to personal objectives that cover a variety of ESG topics, including for some EVPs key performance metrics related to GHG emissions reduction.

STRATEGY

We have identified the following main climate-related risks and opportunities that could impact BCE. Although the TCFD recommends disclosure on this matter only where such information is material, we voluntarily report without limiting our disclosure to what is material to BCE.

CLIMATE-RELATED RISKS

We categorize climate-related risks into transition and physical risks. Transition risks are risks 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. Physical risks are associated with the physical impacts from a changing climate and can either be event-driven (acute) or longer-term shifts (chronic) in climate patterns.

CLIMATE-RELATED RISKS	
TRANSITION	**PHYSICAL**
• Carbon pricing **regulations**, which could increase operational costs due to rising price of energy	• **Acute** risks through the increased severity and frequency of extreme weather events (e.g., flooding, ice storms, wildfires and extreme temperatures), which could increase operating costs, impair assets and impact insurance requirements
• End-of-life treatment of our **technologies**, which could increase operational costs due to increase in e-waste treatment programs and management systems	
• **Market** shifting supply and demand for energy, which could increase operational costs due to rising price of energy	• **Chronic** risks linked to rising mean temperatures, which could impact operating costs and increase capital investments required in new resilient technology and construction
• **Reputation** risks through public perception on accountability and managing climate-related issues, and climate-related disclosures and ESG rankings, which could impact demand for our products and services and cost of capital.	

CLIMATE-RELATED OPPORTUNITIES

The effects of climate change can also create opportunities for BCE, including in the following areas:

CLIMATE-RELATED OPPORTUNITIES	
REPUTATION	**PRODUCTS & SERVICES**
• **Enhanced public perception** on accountability and managing climate-related issues, which could increase demand for our products and services	• **Development and increased growth** of our digital products and services, which could help customers to reduce their carbon footprint and adapt to climate change by improving business resiliency
• Climate-related disclosures and **ESG rankings**, as improved disclosures and rankings could lead to decrease in cost of capital	

CLIMATE SCENARIO ANALYSIS

In 2020, we initiated our first climate scenario analysis exercise in order to identify the potential financial impacts from relevant climate-related risks and opportunities to ultimately enhance our resilience to climate-related risks and influence our strategic planning. In 2021, we updated the climate-related scenario analysis to reflect the latest Intergovernmental Panel on Climate Change (IPCC) conclusions. The qualitative and quantitative climate scenario analysis studied a number of future emissions pathways scenarios. The analysis took into consideration low and high temperature warming scenarios for both physical and transition risks over a short (5-year), medium (10-year), and long (20-year) term time horizon. A total of six distinct scenarios were selected and used in our analysis.

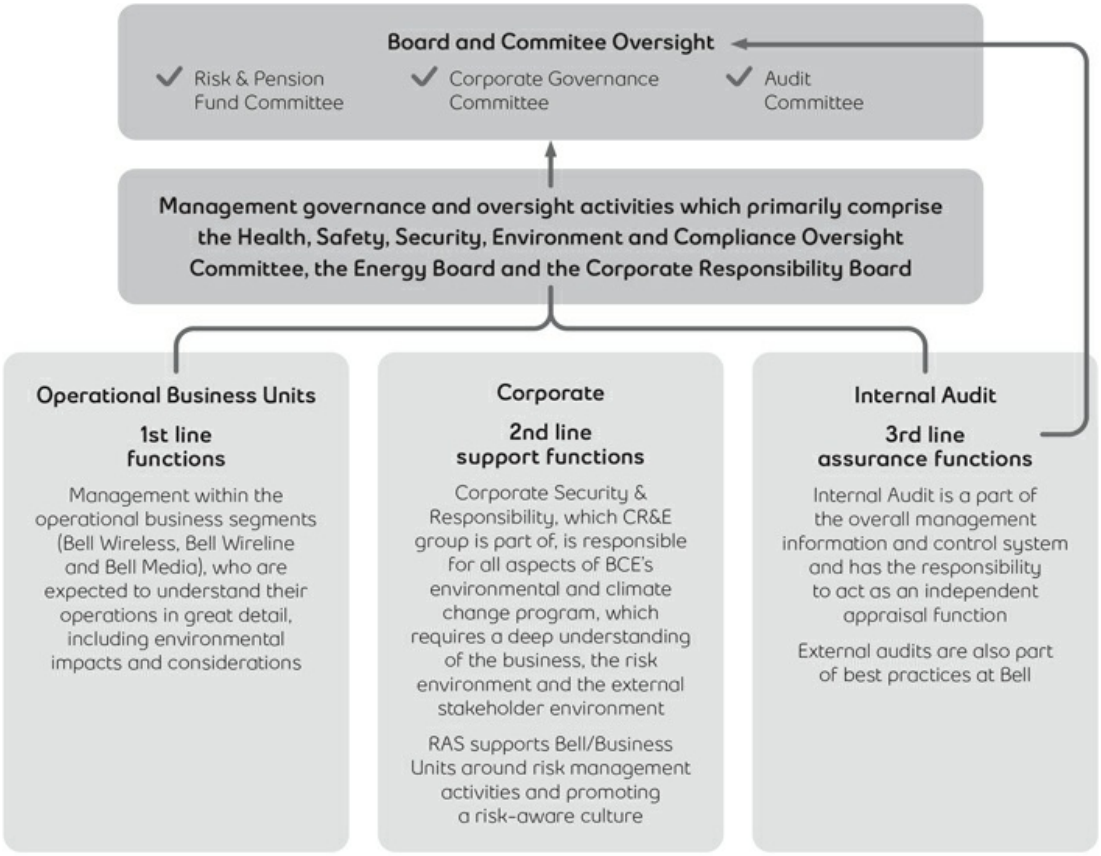
Our scenario analysis included the following climate-related risks, which we identified as having a potential financial impact on our business:

- Physical risks: Flooding, wildfires, ice storms and temperature
- Transition risks: Regulation and reputation

The results of the scenario analysis were provided to the HSSEC Committee, as well as the CGC and the RPFC, to review the potential financial impacts from climate change and enable them to incorporate climate-related risks and opportunities into future decision-making and strategic planning.

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.



3 Description of our business

Identification and assessment of climate-related risks: The Corporate Responsibility and Environment (CR&E) team monitors industry trends and publications, consults with subject matter experts and works collaboratively with BCE's Risk Advisory Services (RAS) team to ensure that risks are appropriately documented and profiled within the organization. Identified risks are assessed based on the potential nature, scale and scope of impact if the risk were to occur, and the likelihood of occurrence, considering a combination of the level of threat posed to the organization by the risk and the organization's vulnerability to a related risk event.

Reporting of climate-related risks: Risk exposures for climate-related risks are communicated by the CR&E team internally as part of standard management practices with regular oversight review at HSSEC Committee meetings and quarterly at the RPFC. Reporting on climate-related risk exposures is determined based on the magnitude of potential exposure to support the appropriate focus of effort and engagement at different levels of management up to the BCE Board level. The RPFC has primary oversight responsibility for BCE's enterprise risk governance framework, including oversight of the risk management report presented annually to the BCE Board, which covers BCE's most prominent risks.

Assessment of climate-related opportunities: We seek to prioritize initiatives with the highest potential for carbon reduction either for the company or for our customers. Opportunities are assessed based on a cost-benefit approach by the Energy Board and findings are reported to the HSSEC Committee, the RFPC and the Corporate Governance Committee, and evaluated for potential benefit to Bell.

METRICS AND TARGETS

BCE assesses climate-related risks and opportunities in line with its strategy and risk management processes. Although the TCFD recommends disclosure on key metrics and targets only where such information is material, we voluntarily report without limiting our disclosure to what is material to BCE. Our key metrics used to monitor our performance are:

- *Opportunity metrics:* Our products and services used by our external customers and within our own operations help fight climate change and adapt to its impacts. To understand our net impact on the planet's carbon load, we have developed a methodology that quantifies the carbon reduction capacity of our products and services. Our analysis concluded that Bell technologies have enabled carbon abatement, both for our external customers and within our own operations, of more than 1,375 kilotonnes of CO_2 equivalent (CO_2 e) in 2020. This is equal to 4.5 times our operational carbon footprint (1).

  Our vision for the future is to continually increase Bell technologies' carbon abatement ratio (2) by developing and providing carbon-reducing products and services. Therefore, we set a new target in order to further help our external customers and our own operations reduce carbon footprints by using our technologies: increase carbon savings enabled by the use of Bell's technology.
- *Risk metrics:* The Climate Resiliency Task Force has the mandate to identify new risk metrics that will allow us to monitor our performance on managing our climate-related risks, for each business unit that is directly impacted by climate change.
- *Emissions targets and performance:* We seek to reduce our GHG emissions, both within our operations as well as up and down the value chain, in order to manage performance against our climate-related goals and to monitor current and future climate-related risks. We set GHG emissions reduction targets to signal the importance of doing our part for climate change, ignite innovation in projects that may reduce emissions and drive results to progress in the right direction.

While we continue developing and implementing action plans to achieve our ambitious GHG targets for 2025 and beyond, we set an interim GHG intensity target to reduce the ratio of our operational GHG emissions (3) (tonnes of CO_2 e) to our network usage (petabytes) (4) by 40% of our 2019 level by the end of 2021 (5). We surpassed this target by 15%, with our GHG emissions per network usage showing a 55% improvement since 2019 (6).

We target to be carbon neutral for our operational GHG emissions beginning in 2025. We have set the following SBTs that are consistent with limiting temperature rise to 1.5°C (7):

- Reduce our absolute scope 1 and scope 2 GHG emissions 57% by 2030 from a 2020 base year
- Reach 64% of our suppliers by spend covering purchased goods and services having SBTs by 2026
- Reduce our absolute scope 3 GHG emissions from categories other than purchased goods and services (8) 42% by 2030 from a 2020 base year

We report our performance against these targets in our Corporate Responsibility Report, available at **BCE.ca**.

(1) *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.*

(2) *Our carbon abatement ratio is defined as the number of times by which GHG emissions abated through the use of Bell technologies exceed GHG emitted by Bell's operations.*

(3) *Operational GHG emissions include scope 1 and scope 2 emissions. Scope 1 emissions are direct GHG emissions from sources that are owned or controlled by Bell. Scope 2 emissions are indirect GHG emissions associated with the generation of electricity, heating/cooling or steam purchased for Bell's own consumption.*

(4) *Network usage includes residential and wholesale Internet, business Internet dedicated (BID), VPN, IPTV, Inter-Network Exchange (INX), prepaid and postpaid wireless services, Wireless Home Internet, Voice-over-LTE traffic, IoT and enterprise usage, both in Canada and on international roaming partners' networks.*

(5) *For 2019, performance is based on energy consumption and network usage data from October1 of the previous year to September 30 of the reporting year. Starting in 2020, performance is based on energy consumption and network usage data from July 1 of the previous year to June 30 of the reporting year.*

(6) *Network usage includes residential and wholesale Internet, business Internet dedicated (BID), VPN, IPTV, Inter-Network Exchange (INX), prepaid and postpaid wireless services, Wireless Home Internet, Voice-over-LTE traffic, IoT and enterprise usage, both in Canada and on international roaming partners' networks. As the methodology for gathering network usage differs from one carrier to the next, and because a company's business model directly impacts the amount of GHG it emits and how those GHG emissions are calculated and classified, the ratio itself cannot be used to directly compare carrier performance. This metric excludes our Bell MTS division. For 2019, performance is based on energy consumption and network usage data from October 1 of the previous year to September 30 of the reporting year. Starting in 2020, performance is based on energy consumption and network usage data from July 1 of the previous year to June 30 of the reporting year. PwC provided limited assurance over the 2021 value and year-over-year change of this indicator.*

(7) *Pending approval by the SBTi. Our SBTs may need to 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 changes occur (e.g., business acquisitions/divestitures).*

(8) *Scope 3 categories covered by this target 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.*

3.9 Competitive environment

A discussion of our competitive environment can be found in section 3.3, *Principal business risks* and the various subsections entitled *Competitive landscape and industry trends* and *Principal business risks* of the BCE 2021 MD&A, on pages 57 to 61, 74 and 75, 79 and 80, 82, 84 and 85, and 87 of the BCE 2021 Annual Report.

See also section 3.3, *Competitive strengths* in this Annual Information Form for more information concerning our competitive position.

3.10 Regulatory environment

A discussion of certain legislation that governs our businesses, as well as government consultations and recent regulatory initiatives and proceedings affecting us, can be found in section 8, *Regulatory environment* of the BCE 2021 MD&A, on pages 103 to 106 of the BCE 2021 Annual Report.

More information about the Canadian ownership restrictions on BCE's common shares can be found in section 5.1, *BCE securities* in this Annual Information Form.

3.11 Intangible properties

We use various works protected by intellectual property rights (IP Assets), which we own or for which we have been granted rights of use. These IP Assets include, without limitation: brand names; trademarks such as names, designs and logos; copyrights of content, programs and musical works; broadcast signals, software and applications; domain names; patents or patent applications for inventions owned or produced by us and our employees; and various other copyright materials, trademarks, patents and other intellectual property owned or licensed by us. We derive value through the use of these IP Assets in various business activities, and they are important to our operations and our success. To protect these IP Assets, we rely on a combination of legal protections afforded under copyright, trademark, patent and other intellectual property laws, as well as contractual provisions under licensing arrangements.

In particular, the Bell brand plays a key role in product positioning. Our branding is straightforward and directly supports our strategy of delivering a better customer experience at every level. Our trademark rights are perpetual, provided that their registrations are renewed on a timely basis when applicable and that the trademarks are used in commerce by us or our licensees. Other types of intangible proprietary information are also important to our operations, such as customer lists.

We believe that we take reasonable and appropriate measures to protect, renew and defend our IP Assets, including prosecuting infringers, and we take great care not to infringe on the intellectual property rights of others. However, we cannot provide any assurance that the laws protecting intellectual property in various jurisdictions are, or will continue to be, adequate to protect our IP Assets or that we will be successful in preventing or defending claims by others asserting rights in or to our IP Assets.

4 General development of our business – three-year history

In line with our strategic imperatives, during the last three completed financial years we have entered into transactions and implemented various business strategies and corporate initiatives that have influenced the general development of our business. During this period, our regulatory environment has also influenced the general development of our business. The principal transactions, regulatory developments, business strategies and corporate initiatives that have influenced the general development of our business during the last three completed financial years are discussed below.

4.1 Transactions

KEY COMPLETED TRANSACTIONS

On February 24, 2022, Bell announced its acquisition of EBOX, an independent Internet, telephone and television service provider based in Longueuil, Québec. Bell will maintain the EBOX brand and operations, and EBOX will continue providing telecommunications options for consumers and businesses in Québec and parts of Ontario. As part of its commitment to provide Québec residents with fast and reliable telecommunications services now and in the future, Bell invests heavily in network infrastructure and expansion throughout urban and rural Québec. Under Bell, EBOX will benefit from the resources, scale and access to the technology needed to support the growth of the business and continue delivering improvements to the great services at competitive prices that have earned EBOX loyal customers over the past 25 years. The acquisition is expected to accelerate growth in Bell's residential and small business customers. The results of the acquired business will be included in our Bell Wireline segment.

On June 1, 2020, BCE announced that it had entered into a definitive agreement to sell 25 data centres at 13 sites, representing substantially all of its data centre operations, to global interconnection and data centre company Equinix, Inc. (Equinix) in an all-cash transaction valued at $1.04 billion. In the fourth quarter of 2020, we completed the sale for proceeds of $933 million, net of debt and other items. The transaction reinforces Bell's strategy to focus investment on network infrastructure, content and service innovation. As part of the transaction, Bell Business Markets became the first Equinix Platinum Partner in Canada.

In addition, we have concluded a number of smaller transactions, including acquisitions, partnerships and investments, from 2019 to 2021 to support our strategic imperatives and our purpose to advance how Canadians connect with each other and the world.

ACQUISITION OF 3500 MHZ WIRELESS SPECTRUM

In 2021, Bell acquired significant additional mid-band, flexible-use 3500 MHz wireless spectrum in the auction by ISED. Essential to Canada's ongoing transition to 5G communications, these high-capacity airwaves extend Bell's leadership in delivering enhanced 5G digital experiences to Canadian consumers and businesses in urban, rural and remote communities. Bell acquired 271 licences for 678 million MHz per Population (MHz-Pop) of 3500 MHz spectrum – critical to enabling the full potential of 5G – for $2.07 billion. This acquisition increased Bell's total 3500 MHz spectrum holdings to 1,690 million MHz-Pop, or 37% of this high-value spectrum available to national wireless carriers, acquired at an average cost of $1.25 per MHz-Pop.

NORMAL COURSE ISSUER BID FOR BCE FIRST PREFERRED SHARES

On November 5, 2020, BCE announced a normal course issuer bid (2020 NCIB) to purchase for cancellation up to 10% of the public float of each series of BCE's outstanding First Preferred Shares (Preferred Shares) that are listed on the Toronto Stock Exchange (TSX). The 2020 NCIB extended from November 9, 2020 to November 8, 2021, and BCE repurchased and cancelled an aggregate of 41,400 Preferred Shares under the 2020 NCIB. On November 4, 2021, BCE announced the renewal of its normal course issuer bid (2021 NCIB), which will extend from November 9, 2021 to November 8, 2022, or an earlier date should BCE complete its purchases under the 2021 NCIB. BCE initiated the 2021 NCIB because it believes that, from time to time, the Preferred Shares may trade in price ranges that do not fully reflect their value. BCE believes that, in such circumstances, the repurchase of its Preferred Shares represents an appropriate use of its available funds.

The actual number of Preferred Shares to be repurchased under the 2021 NCIB and the timing of such repurchases will be at BCE's discretion and shall be subject to the limitations set out by the TSX. The 2021 NCIB may be conducted through the facilities of the TSX as well as alternative trading systems in Canada, if eligible, or by such other means as may be permitted by securities regulatory authorities. At December 31, 2021, BCE had repurchased no Preferred Shares under the 2021 NCIB.

4.2 Corporate developments

Refer to the sections of the BCE 2019 MD&A and BCE 2020 MD&A, contained in the BCE 2019 Annual Report and BCE 2020 Annual Report, respectively, indicated in the adjacent table for a discussion of various business strategies and corporate initiatives implemented, and other actions taken, in the financial years ended December 31, 2019 and December 31, 2020 that have influenced the general development of our business in 2019 and 2020. Refer to the sections of the BCE 2021 MD&A, contained in the BCE 2021 Annual Report, indicated in the adjacent table for a discussion of various business strategies and corporate initiatives implemented, and other actions taken, in the financial year ended December 31, 2021 that have influenced the general development of our business in 2021, and the priorities we intend to focus on in 2022.

MD&A	SECTION REFERENCES	
BCE 2019 MD&A	Section 1.3,	*Key corporate developments*
	Section 1.4,	*Capital markets strategy*
	Section 2,	*Strategic imperatives – 2019 progress* for each strategic imperative
BCE 2020 MD&A	Section 1.3,	*Key corporate developments*
	Section 1.4,	*Capital markets strategy*
	Section 2,	*Strategic imperatives – 2020 progress* for each strategic imperative
BCE 2021 MD&A	Section 1.3,	*Key corporate developments*
	Section 1.4,	*Capital markets strategy*
	Section 2,	*Strategic imperatives – 2021 progress* for each strategic imperative
	Section 2,	*Strategic imperatives – 2022 focus* for each strategic imperative

4.3 Regulatory environment

During the past three financial years, the general development of our business has been affected, and will continue to be affected, by decisions made by the Government of Canada and its relevant departments and agencies, including the Canadian Radio-television and Telecommunications Commission (CRTC), ISED, Canadian Heritage and the Competition Bureau. Although most of our retail services are not price-regulated, government agencies and departments such as those mentioned above continue to play a significant role in regulatory matters such as mandatory access to networks, spectrum auctions, the imposition of consumer-related codes of conduct, approval of acquisitions, broadcast and spectrum licensing, foreign ownership requirements and control of copyright piracy. Refer to section 8, *Regulatory environment* of the BCE 2019 MD&A, BCE 2020 MD&A and BCE 2021 MD&A contained in the BCE 2019 Annual Report, BCE 2020 Annual Report and BCE 2021 Annual Report, respectively, for a discussion of the regulatory initiatives and proceedings that influenced, in the financial years ended December 31, 2019, 2020 and 2021, and may in the future influence, the general development of our business.

5 Our capital structure

This section describes BCE's and Bell Canada's securities, the trading of certain of such securities on the TSX and the ratings that certain rating agencies have attributed to BCE's preferred shares and Bell Canada's debt securities that are issued and outstanding.

5.1 BCE securities

BCE's articles of amalgamation, as amended, provide for an unlimited number of common shares, an unlimited number of first preferred shares issuable in series, an unlimited number of second preferred shares also issuable in series and an unlimited number of Class B shares. As at March 3, 2022, BCE had no Class B shares or second preferred shares outstanding.

Each common share entitles its holder to one vote at any meeting of shareholders. Additional information about the terms and conditions of the BCE preferred shares, common shares and Class B shares can be found in Note 30, *Share capital* of the BCE 2021 consolidated financial statements, on pages 170 and 171 of the BCE 2021 Annual Report.

Since 1993, the *Telecommunications Act* and associated regulations (Telecom Regulations) have governed Canadian ownership and control of Canadian telecommunications carriers. Bell Canada and other affiliates of BCE that are Canadian carriers are subject to this Act. In 2012, amendments to the *Telecommunications Act* largely eliminated the foreign ownership restrictions for any carrier that, with its affiliates, has annual revenues from the provision of telecommunications services in Canada that represent less than 10% of the total annual revenues from the provision of these services in Canada, as determined by the CRTC. However, given that Bell Canada and its affiliates exceed this 10% threshold, they remain subject to the pre-existing Canadian ownership and control restrictions, which are detailed below.

Under the *Telecommunications Act,* in order for a corporation to operate as a Canadian common carrier, the following conditions have to be met:

- Canadians own at least 80% of its voting shares
- at least 80% of the members of the carrier company's board of directors are Canadian
- the carrier company is not controlled by non-Canadians

In addition, where a parent company (Carrier holding company) owns at least 66 2/3% of the voting shares of the carrier company, the Carrier holding company must have at least 66 2/3% of its voting shares owned by Canadians and must not be controlled by non-Canadians. BCE is a Carrier holding company. The Telecom Regulations give certain powers to the CRTC and to Canadian carriers and Carrier holding companies to monitor and control the level of non-Canadian ownership of voting shares to ensure compliance with the *Telecommunications Act*. Accordingly, BCE, which controls Bell Canada and other Canadian carriers, must satisfy the following conditions:

- Canadians own at least 66 2/3% of its voting shares, and
- it is not controlled by non-Canadians

The powers under the Telecom Regulations include the right to:

- suspend the voting rights attached to shares considered to be owned or controlled by non-Canadians
- refuse to register a transfer of voting shares to a non-Canadian, and
- force a non-Canadian to sell his or her voting shares

However, in our case, there is an additional control restriction under the *Bell Canada Act*. Prior approval by the CRTC is necessary for any sale or other disposal of Bell Canada's voting shares unless BCE retains at least 80% of all Bell Canada voting shares.

Similarly, the Canadian ownership rules under the *Broadcasting Act* for broadcasting licensees, such as Bell Media and Bell Canada, generally mirror the rules for Canadian-owned and -controlled common carriers under the *Telecommunications Act* by restricting allowable foreign investments in voting shares at the licensee operating company level to a maximum of 20% and at the holding company level to a maximum of 33 1/3%. An additional requirement under these Canadian broadcasting ownership rules is that the chief executive officer of a company that is a licensed broadcasting undertaking must be a Canadian citizen or permanent resident of Canada. The CRTC is precluded under a direction issued under the *Broadcasting Act* from issuing, amending or renewing a broadcasting licence of an applicant that does not satisfy these Canadian ownership and control criteria.

Cultural concerns over increased foreign control of broadcasting activities also require broadcasting licensees to establish programming committees when foreign investment in their holding company, while within permissible limits, exceeds 20%. In line with CRTC practice, programming committees have been established within the relevant subsidiary licensees, thereby allowing foreign investment in voting shares of BCE to reach the maximum of 33 1/3%.

We monitor the level of non-Canadian ownership of BCE's common shares by obtaining data on: (i) registered shareholders from our transfer agent and registrar, TSX Trust Company, and (ii) beneficial shareholders from the Canadian Depository for Securities (CDS) and the Depository Trust Company (DTC) in the United States. We also provide periodic reports to the CRTC.

As of March 3, 2022, BCE had no debt securities outstanding.

Subsequent to year end, on February 24, 2022, BCE announced its intention to redeem all of its outstanding Cumulative Redeemable First Preferred Shares, Series AO (Series AO Preferred Shares) on March 31, 2022, at a redemption price of $25.00 per Series AO Preferred Share, for a total amount of $115 million.

5.2 Bell Canada debt securities

BELL CANADA LONG-TERM DEBT SECURITIES

As at December 31, 2021, Bell Canada had issued or assumed long-term debt securities as summarized in the table below.

DEBT SECURITIES	WEIGHTED AVERAGE INTEREST RATE	MATURITY	AT DECEMBER 31, 2021 (IN $ MILLIONS)
1997 trust indenture	3.67%	2023-2051	16,750
1976 trust indenture	9.38%	2027-2054	975
1996 trust indenture (subordinated)	8.21%	2026-2031	275
2016 U.S. trust indenture (1)	3.26%	2024-2052	5,188
2011 trust indenture (2)	4.00%	2024	225
Total			23,423

(1) *As at December 31, 2021, Bell Canada had issued notes under the 2016 U.S. trust indenture for an aggregate amount of $4.1billion in U.S. dollars, which have been hedged for foreign currency fluctuations through cross currency interest rate swaps.*

(2) *As part of the acquisition of Manitoba Telecom Services Inc. (MTS), on March 17, 2017, Bell Canada assumed all of MTS' debt issued under its 2011 trust indenture.*

The Bell Canada long-term debt securities are unsecured and have been guaranteed by BCE. Additional information about the terms and conditions of the Bell Canada long-term debt securities can be found in Note 25, *Long-term debt* of the BCE 2021 consolidated financial statements on pages 161 and 162 of the BCE 2021 Annual Report.

On April 19, 2021, Bell Canada redeemed, prior to maturity, all of its outstanding $1.7 billion principal amount of 3.00% Debentures, Series M-40, due October 3, 2022, at a price equal to $1,030.544 per $1,000 of principal amount of debentures plus $1.315 for accrued and unpaid interest (the M-40 Redemption).

Under its shelf prospectus dated November 16, 2020 (2020 Shelf Prospectus), Bell Canada could issue, over a 25-month period, up to $6 billion of unsecured debt securities. In addition, under its prospectus supplement dated March 12, 2021 (2021 Prospectus Supplement), Bell Canada could issue, over the same period, up to $6 billion of unsecured Medium Term Notes (MTN) Debentures.

- On March 17, 2021, Bell Canada issued, under the 2020 Shelf Prospectus and 2021 Prospectus Supplement, $1.55 billion aggregate principal amount of MTN Debentures in two series. The $1 billion 3.00% MTN Debentures, Series M-54, were issued at a price of $99.914 per $100 principal amount, to mature on March 17, 2031. The $550 million 4.05% MTN Debentures, Series M-55, were issued at a price of $99.690 per $100 principal amount, to mature on March 17, 2051. Also on March 17, 2021, Bell Canada issued, under the 2020 Shelf Prospectus and a prospectus supplement dated March 12, 2021, US$1.1 billion (C$1.37 billion) aggregate principal amount of notes in two series. The US$600 million (C$747 million) 0.750% Series US-3 Notes were issued at a price of US$99.953 per US$100 principal amount, to mature on March 17, 2024. The US$500 million (C$623 million) 3.650% Series US-4 Notes were issued at a price of US$99.728 per US$100 principal amount, to mature on March 17, 2051. The net proceeds of the offerings were used to fund the M-40 Redemption and to repay short-term debt.
- On May 28, 2021, Bell Canada issued, under the 2020 Shelf Prospectus and 2021 Prospectus Supplement, $500 million of 2.20% MTN Debentures, Series M-56, at a price of $99.877 per $100 principal amount, to mature on May 29, 2028. This offering constituted Bell Canada's first sustainability bond offering pursuant to BCE's Sustainable Financing Framework announced on April 29, 2021. Under the Framework, Bell Canada will provide ongoing reporting and transparency to investors and other stakeholders, including annual updates on allocation and impact metrics until an amount equal to the net proceeds of a sustainable financing are fully allocated to eligible green and/or social projects. Bell Canada allocated an amount equal to the proceeds from this offering to finance or re-finance, in whole or in part, eligible investments set out in the "energy efficiency" green category and the "affordable basic infrastructure" social category of the Framework.
- On August 12, 2021, Bell Canada issued, under the 2020 Shelf Prospectus and a prospectus supplement dated August 9, 2021, US$1.25 billion (C$1.573 billion) aggregate principal amount of notes in two series. The US$600 million (C$755 million) 2.150% Series US-5 Notes were issued at a price of US$99.561 per US$100 principal amount, to mature on February 15, 2032. The US$650 million (C$818 million) 3.200% Series US-6 Notes were issued at a price of US$99.961 per US$100 principal amount, to mature on February 15, 2052. A portion of the net proceeds of the offerings was applied towards the $2.07 billion cost of 3500 megahertz spectrum licences Bell secured pursuant to the ISED spectrum auction completed in July 2021 and the balance was used for the repayment of short-term debt and general corporate purposes.
- On February 11, 2022, Bell Canada issued, under the 2020 Shelf Prospectus and a prospectus supplement dated February 8, 2022, US$750 million (C$954 million) principal amount of 3.65% Series US-7 Notes, at a price of US$99.144 per US$100 principal amount, to mature on August 15, 2052. The net proceeds of the offering are intended to be used towards the cost of funding the redemption, prior to maturity, of all of Bell Canada's outstanding C$1 billion principal amount of 3.35% Series M-26 MTN debentures, due March 22, 2023. On February 14, 2022, Bell Canada announced the redemption of the Series M-26 MTN debentures, to be redeemed on March 16, 2022 at a price equal to $1,017.396 per $1,000 of principal amount of debentures plus $16.062 per $1,000 of principal amount for accrued and unpaid interest up to but excluding the date of redemption.

5 Our capital structure

As at March 3, 2022, Bell Canada had issued almost $6 billion principal amount of debt securities under its 2020 Shelf Prospectus.

Bell Canada is required, under certain conditions, to make an offer to repurchase all or, at the option of the holder thereof, any part of certain series of its debt securities upon the occurrence of both a "Change of Control" of BCE or Bell Canada and a "Rating Event" relating to the relevant series of debt securities, as defined in the terms and conditions of the relevant series of debt securities or in the relevant trust indenture, as applicable (the Repurchase upon Change of Control Triggering Event). In addition, MTS' 2011 trust indenture assumed by Bell Canada imposes covenants that place limitations on the issuance of additional debt with a maturity date exceeding one year based on certain tests related to interest and asset coverage. Bell Canada is in compliance with all conditions and restrictions of its debt securities.

On November 12, 2021, Bell Canada successfully completed the proxy solicitation announced on October 7, 2021 with respect to proposed amendments to its 1976 trust indenture (1976 Indenture) under which five series of debentures are currently outstanding. The amendments were implemented shortly thereafter and were designed to: (a) align the 1976 Indenture more closely with current and generally accepted market practice in Canada for investment-grade senior unsecured debt, including the deletion of certain of the covenants of the 1976 Indenture that required Bell Canada to meet certain financial ratio tests when issuing long-term debt; (b) conform certain terms of the 1976 Indenture more closely to Bell Canada's more recent Canadian 1997 trust indenture and 2016 U.S. trust indenture; (c) include a requirement for Bell Canada to make an offer to repurchase all or, at the option of the holder thereof, any part of the debentures outstanding under the 1976 Indenture pursuant to a Repurchase upon Change of Control Triggering Event; (d) reduce administrative and governance processes; and (e) provide Bell Canada with more flexibility with respect to raising capital to finance its business and operations, including enabling us to maintain Bell Canada as the sole public debt issuer in BCE's corporate structure.

BELL CANADA COMMERCIAL PAPER

Bell Canada may issue short-term notes (CP 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 aggregate principal amount of CP Notes exceed $3.5 billion in Canadian currency, which equals the aggregate amount available under Bell Canada's committed supporting revolving and expansion credit facilities as of March 3, 2022. The sale of CP Notes pursuant to Bell Canada's separate Canadian or U.S. program decreases the Canadian or U.S. $3.0 billion maximum principal amount of CP Notes authorized to be outstanding at any time under both programs, with one Canadian dollar being treated as equal to one U.S. dollar for purposes of this limitation. At March 3, 2022, Bell Canada had CP Notes outstanding under its U.S. program in the principal amount of US$994 million (C$1,266 million when taking into account hedges with forward currency contracts against foreign currency fluctuations). As at the same date, no CP Notes were outstanding under Bell Canada's Canadian program.

5.3 Credit ratings

Ratings generally address the ability of a company to repay principal and pay interest or dividends on issued and outstanding securities.

Our ability to raise financing depends on our ability to access the public equity and debt capital markets as well as the bank credit market. Our ability to access such markets and the cost and amount of funding available depend partly on our assigned credit ratings at the time capital is raised. Investment grade ratings usually mean that when we borrow money, we qualify for lower interest rates than companies that have ratings below investment grade. Credit ratings are subject to change based on a number of factors including, but not limited to, our financial strength, competitive position, liquidity and other factors that are not completely within our control. A ratings downgrade could result in adverse consequences for our funding capacity or our ability to access the capital markets.

As of March 3, 2022, BCE's preferred shares are rated by DBRS Limited (DBRS) and S&P Global Ratings Canada, a business unit of S&P Global Canada Corp. (S&P), and Bell Canada's debt securities are rated by DBRS, Moody's Investors Service, Inc. (Moody's) and S&P.

This section describes the credit ratings, as of March 3, 2022, for certain of the issued and outstanding securities of BCE and Bell Canada. These ratings provide investors with an independent measure of the credit quality of an issue of securities. However, they are not recommendations to buy, sell or hold any of the securities referred to below, 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.

In the past two years, we have paid rating agencies to assign ratings to BCE's preferred shares, as well as to Bell Canada's short-term and long-term debt securities. The fees paid to DBRS and S&P include access to their websites. In addition, we paid DBRS and Moody's for services provided relating to ratings assigned in connection with Bell Canada's securitized trade receivable programs.

5 Our capital structure

RATINGS FOR BCE AND BELL CANADA SECURITIES

RATINGS FOR BELL CANADA SHORT-TERM DEBT SECURITIES

SHORT-TERM DEBT SECURITIES	RATING AGENCY	RATING	RANK
Bell Canada commercial paper	DBRS	R-2 (high)	4 out of 10
	Moody's	P-2	2 out of 4
	S&P	A-1 (Low) (Canadian scale)	3 out of 8
		A-2 (Global scale)	3 out of 7

RATINGS FOR BELL CANADA LONG-TERM DEBT SECURITIES

LONG-TERM DEBT SECURITIES	RATING AGENCY	RATING	RANK
Bell Canada unsubordinated long-term debt securities	DBRS	BBB (high)	8 out of 26
	Moody's	Baa1	8 out of 21
	S&P	BBB+	8 out of 22
Bell Canada subordinated long-term debt securities	DBRS	BBB (low)	10 out of 26
	Moody's	Baa2	9 out of 21
	S&P	BBB	9 out of 22

RATINGS FOR BCE PREFERRED SHARES

PREFERRED SHARES	RATING AGENCY	RATING	RANK
BCE preferred shares	DBRS	Pfd-3	8 out of 16
	S&P	P-2 (Low) (Canadian scale)	6 out of 18
		BBB- (Global scale)	8 out of 20

As of March 3, 2022, BCE and Bell Canada's credit ratings have stable outlooks from DBRS, Moody's and S&P.

GENERAL EXPLANATION

SHORT-TERM DEBT SECURITIES

The table below shows the range of credit ratings that each rating agency assigns to short-term debt instruments and is based upon public statements from the respective rating agencies as of March 3, 2022.

	HIGHEST QUALITY OF SECURITIES RATED	LOWEST QUALITY OF SECURITIES RATED
DBRS	R-1 (high)	D
Moody's	P-1	NP
S&P (Canadian scale)	A-1 (High)	D
S&P (Global scale)	A-1+	D

The DBRS short-term debt rating scale provides an opinion on the risk that a borrower will not meet its short-term financial obligations in a timely manner. Ratings are based on quantitative and qualitative considerations relevant to the issuer and the relative ranking of claims.

Moody's short-term ratings are assigned to obligations with an original maturity of 13 months or less and reflect both on the likelihood of a default or impairment on contractual financial obligations and the expected financial loss suffered in the event of default or impairment.

An S&P Canadian commercial paper rating is a forward-looking opinion about the capacity of an obligor to meet financial commitments associated with a specific commercial paper program or other short-term financial instrument, relative to the debt servicing and repayment capacity of other obligors active in the Canadian domestic financial markets with respect to their own financial obligations.

An S&P Global rating is a forward-looking opinion about the creditworthiness of an obligor with respect to a specific financial obligation, a specific class of financial obligations or a specific financial program, and about the obligor's capacity and willingness to meet its financial commitments.

LONG-TERM DEBT SECURITIES

The table below shows the range of credit ratings that each rating agency assigns to long-term debt instruments and is based upon public statements from the respective rating agencies as of March 3, 2022.

	HIGHEST QUALITY OF SECURITIES RATED	LOWEST QUALITY OF SECURITIES RATED
DBRS	AAA	D
Moody's	Aaa	C
S&P	AAA	D

The DBRS long-term debt rating scale provides an opinion on the risk of default; that is, the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligation has been issued. Ratings are based on quantitative and qualitative considerations relevant to the issuer and the relative ranking of claims.

Moody's long-term debt ratings are assigned to issuers or obligations with an original maturity of eleven months or more and reflect both on the likelihood of a default or impairment on contractual financial obligations and the expected financial loss suffered in the event of default or impairment.

S&P's long-term debt credit rating scale provides a forward-looking opinion of the creditworthiness of a company in meeting a specific financial obligation, a specific class of financial obligations or a specific financial program. It takes into consideration the likelihood of payment; that is, the capacity and willingness of the company to meet its financial commitment on an obligation according to the terms of the obligation, among other factors.

5 Our capital structure

PREFERRED SHARES

The table below describes the range of credit ratings that each rating agency assigns to preferred shares and is based upon public statements from the respective rating agencies as of March 3, 2022.

	HIGHEST QUALITY OF SECURITIES RATED	LOWEST QUALITY OF SECURITIES RATED
DBRS	Pfd-1 (high)	D
S&P (Canadian scale)	P-1 (High)	D
S&P (Global scale)	AA	D

The DBRS preferred share rating scale reflects an opinion of the risk that an issuer will not fulfill its obligations with respect to both dividends and principal commitments. Every DBRS rating is based on quantitative and qualitative considerations relevant to the issuing entity.

S&P's Canadian preferred share rating is a forward-looking opinion about the creditworthiness of an obligor in meeting a specific preferred share obligation issued in the Canadian market, compared to preferred shares issued by other issuers in the Canadian market.

An S&P Global rating is a forward-looking opinion about the creditworthiness of an obligor with respect to a specific financial obligation, a specific class of financial obligations or a specific financial program, and about the obligor's capacity and willingness to meet its financial commitments.

EXPLANATION OF RATING CATEGORIES RECEIVED FOR OUR SECURITIES

The following explanations of the rating categories received for our securities have been published by the applicable rating agencies. The explanations and corresponding rating categories provided below are subject to change by the applicable rating agencies.

RATING AGENCY	DESCRIPTION OF SECURITIES	RATING CATEGORY	EXPLANATION OF RATING CATEGORY RECEIVED
DBRS	Short-term debt	R-2 (high)	upper end of adequate credit quality
			capacity for the payment of short-term financial obligations as they fall due is acceptable
			may be vulnerable to future events
	Long-term debt	BBB (high)	adequate credit quality
			capacity for the payment of financial obligations is considered acceptable
			may be vulnerable to future events
	Long-term subordinated debt	BBB (low)	adequate credit quality
			capacity for the payment of financial obligations is considered acceptable
			may be vulnerable to future events
	Preferred shares	Pfd-3	adequate credit quality
			protection of dividends and principal is still considered acceptable, but the company is more susceptible to adverse changes in financial and economic conditions, and there may be other adverse conditions present which detract from debt protection. Generally, companies with Pfd-3 ratings correspond with companies with a BBB category or higher reference point
Moody's	Short-term debt	P-2	a strong ability to repay short-term debt obligations
	Long-term debt	Baa	subject to moderate credit risk
			considered medium-grade and may have certain speculative characteristics
S&P	Short-term debt	A-1 (Low) (Canadian scale)	satisfactory capacity of the company to fulfill its financial commitment on the obligation
		A-2 (Global scale)	somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than obligations rated higher
	Long-term debt	BBB	adequate protection parameters
			adverse economic conditions or changing circumstances are more likely to weaken the obligor's ability to meet its financial commitments
	Preferred shares	P-2 (Low) (Canadian scale)	adequate protection parameters
		BBB- (Global scale)	adverse economic conditions or changing circumstances are more likely to weaken the obligor's ability to meet its financial commitments

5.4 Trading of our securities

The common and first preferred shares of BCE are listed on the TSX under the respective symbols set out in the tables below. BCE's common shares are also listed on the New York Stock Exchange (NYSE) under the symbol BCE.

The tables below and on the next page show the range in share price per month and volume traded on the TSX in 2021 for BCE's common shares and each series of BCE's first preferred shares.

		FIRST PREFERRED SHARES									
	COMMON SHARES (BCE)	SERIES R (BCE.PR.R)	SERIES S (BCE.PR.S)	SERIES T (BCE.PR.T)	SERIES Y (BCE.PR.Y)	SERIES Z (BCE.PR.Z)	SERIES AA (BCE.PR.A)	SERIES AB (BCE.PR.B)	SERIES AC (BCE.PR.C)	SERIES AD (BCE.PR.D)	SERIES AE (BCE.PR.E)
January 2021											
High	$56.100	$15.000	$14.600	$14.620	$14.700	$15.500	$15.400	$14.610	$16.850	$14.640	$14.660
Low	$54.180	$14.710	$13.910	$14.020	$14.020	$14.600	$14.610	$13.970	$15.750	$14.000	$13.960
Volume	49,649,784	205,104	89,235	12,456	253,722	63,245	157,038	256,945	559,051	245,486	48,410
February 2021											
High	$56.160	$15.710	$15.500	$15.830	$15.650	$15.980	$16.000	$15.450	$17.900	$15.610	$15.580
Low	$54.200	$14.720	$14.500	$14.550	$14.800	$15.210	$15.010	$14.640	$16.500	$14.520	$14.730
Volume	70,214,621	133,096	86,660	20,550	128,559	75,236	339,186	292,767	141,237	299,300	103,110
March 2021											
High	$58.440	$17.630	$16.400	$17.050	$16.620	$17.200	$17.400	$16.410	$18.750	$16.500	$16.510
Low	$54.630	$15.520	$15.500	$15.480	$15.510	$15.790	$15.550	$15.400	$17.560	$15.500	$15.370
Volume	151,120,204	223,283	48,294	61,748	75,360	42,248	339,789	234,021	196,016	262,847	211,843
April 2021											
High	$58.800	$17.280	$17.060	$17.280	$17.230	$17.550	$17.550	$17.230	$18.910	$17.240	$16.990
Low	$56.610	$16.600	$15.950	$16.250	$16.200	$16.630	$16.450	$16.200	$18.300	$16.150	$16.170
Volume	48,341,703	209,299	91,656	58,811	74,523	34,546	133,512	179,119	244,351	249,851	54,150
May 2021											
High	$60.440	$17.990	$18.120	$18.140	$18.160	$18.470	$18.490	$18.160	$19.290	$18.250	$18.140
Low	$58.100	$17.200	$17.300	$17.430	$17.200	$17.500	$17.400	$17.270	$18.640	$17.150	$17.000
Volume	63,883,803	318,156	158,072	20,657	295,010	48,324	156,569	596,608	121,316	322,928	325,995
June 2021											
High	$61.780	$18.570	$18.290	$18.510	$18.480	$18.900	$18.840	$18.390	$19.710	$18.360	$18.340
Low	$60.050	$18.000	$18.080	$18.100	$18.060	$18.170	$18.180	$18.060	$19.270	$18.040	$18.080
Volume	118,802,757	277,083	81,175	12,152	293,464	31,833	167,503	375,957	91,957	449,014	289,381
July 2021											
High	$62.700	$19.090	$18.350	$18.500	$18.270	$18.820	$18.820	$18.300	$20.050	$18.370	$18.770
Low	$61.040	$18.250	$18.060	$17.960	$18.030	$18.410	$18.320	$18.000	$19.560	$18.010	$18.010
Volume	45,337,273	352,301	126,528	39,975	137,234	12,730	76,585	168,996	198,290	180,905	429,158
August 2021											
High	$66.540	$18.680	$18.250	$18.250	$18.180	$18.750	$18.590	$18.190	$19.980	$18.190	$18.190
Low	$62.370	$18.160	$18.010	$18.050	$17.950	$18.420	$18.270	$17.940	$19.540	$17.810	$17.760
Volume	47,224,022	125,117	51,473	48,070	40,250	15,688	88,588	105,678	63,311	189,913	272,984
September 2021											
High	$67.080	$18.500	$19.250	$19.390	$18.700	$18.760	$19.190	$18.600	$20.160	$18.710	$18.590
Low	$63.150	$18.180	$17.970	$18.150	$17.920	$18.310	$18.120	$17.870	$19.600	$17.990	$17.770
Volume	97,532,021	77,964	295,781	147,970	98,346	24,732	137,413	83,493	53,761	135,686	55,191
October 2021											
High	$64.170	$20.410	$22.020	$24.190	$20.650	$21.080	$21.095	$20.890	$21.480	$20.710	$20.600
Low	$62.710	$18.500	$19.160	$19.400	$18.690	$19.250	$19.020	$18.760	$19.870	$18.790	$18.690
Volume	36,754,862	145,403	99,312	877,679	112,511	106,825	193,859	153,732	218,514	219,202	64,088
November 2021											
High	$65.430	$20.510	$21.600	$24.450	$21.230	$21.630	$21.790	$20.990	$22.890	$20.980	$20.880
Low	$63.050	$20.000	$20.550	$23.800	$20.300	$20.930	$20.750	$20.390	$21.480	$20.120	$20.150
Volume	49,043,069	242,748	18,300	465,763	108,361	38,173	327,783	197,794	390,842	264,857	140,796
December 2021											
High	$66.410	$20.200	$20.550	$24.440	$21.280	$21.000	$20.900	$20.670	$22.120	$20.570	$20.500
Low	$64.120	$19.110	$19.270	$23.550	$19.870	$20.060	$19.970	$19.850	$20.370	$19.800	$19.740
Volume	98,544,412	79,850	11,811	599,148	106,691	23,416	300,501	90,969	120,556	132,061	98,677

5 Our capital structure

	FIRST PREFERRED SHARES										
	SERIES AF (BCE.PR.F)	SERIES AG (BCE.PR.G)	SERIES AH (BCE.PR.H)	SERIES AI (BCE.PR.I)	SERIES AJ (BCE.PR.J)	SERIES AK (BCE.PR.K)	SERIES AL (BCE.PR.L)	SERIES AM (BCE.PR.M)	SERIES AN (BCE.PR.N)	SERIES AO (BCE.PR.O)	SERIES AQ (BCE.PR.Q)
January 2021											
High	$16.100	$14.690	$14.550	$14.640	$14.510	$14.030	$13.350	$14.650	$14.300	$21.750	$20.520
Low	$15.330	$13.950	$14.000	$14.020	$13.990	$13.130	$11.960	$13.800	$13.400	$19.600	$18.450
Volume	107,272	14,615	266,534	17,651	285,612	1,538,456	21,640	655,289	114,533	79,127	354,473
February 2021											
High	$16.910	$15.500	$15.750	$15.520	$15.500	$15.890	$15.030	$16.340	$16.170	$23.270	$21.390
Low	$16.170	$14.460	$14.640	$14.540	$14.720	$13.930	$13.270	$14.580	$14.560	$21.500	$20.220
Volume	149,404	41,068	209,458	142,988	258,561	944,570	36,325	476,799	68,510	148,279	274,152
March 2021											
High	$18.440	$16.660	$16.500	$16.440	$16.400	$16.340	$15.840	$16.900	$16.650	$23.400	$21.830
Low	$16.410	$15.520	$15.550	$15.280	$15.500	$15.670	$15.200	$15.940	$15.500	$22.310	$20.900
Volume	250,753	154,422	275,358	78,633	104,825	801,870	6,409	338,045	159,050	249,613	296,662
April 2021											
High	$18.880	$17.710	$17.460	$17.680	$17.270	$16.550	$16.030	$17.270	$16.250	$24.370	$23.300
Low	$17.850	$16.230	$16.260	$16.110	$16.040	$15.890	$15.450	$16.340	$15.510	$23.220	$21.600
Volume	289,108	233,382	312,309	69,520	159,054	736,716	35,158	236,000	15,742	206,757	97,749
May 2021											
High	$19.700	$18.250	$18.200	$18.250	$18.280	$17.740	$17.210	$18.330	$17.750	$25.010	$23.950
Low	$18.690	$17.550	$17.350	$17.340	$17.290	$16.440	$16.000	$17.240	$16.400	$24.010	$23.200
Volume	130,189	129,999	50,585	48,309	216,107	723,922	23,283	127,325	18,000	89,049	187,701
June 2021											
High	$20.040	$18.950	$18.460	$18.500	$18.430	$18.200	$17.680	$18.640	$17.970	$25.150	$24.430
Low	$19.420	$18.140	$18.150	$18.160	$18.160	$17.600	$17.000	$18.070	$17.430	$24.470	$23.500
Volume	136,926	149,364	56,483	36,967	170,700	795,509	46,125	299,015	15,355	204,926	94,894
July 2021											
High	$19.880	$19.650	$18.360	$18.990	$18.740	$18.000	$17.500	$18.500	$17.610	$25.320	$23.990
Low	$19.010	$18.530	$17.870	$18.080	$18.000	$17.090	$16.760	$18.050	$17.260	$24.880	$23.550
Volume	155,255	534,832	175,800	130,870	175,596	787,186	6,770	139,461	10,050	64,339	70,068
August 2021											
High	$19.930	$19.200	$18.180	$18.950	$18.170	$18.000	$17.340	$18.970	$17.500	$25.440	$24.500
Low	$19.350	$18.570	$17.970	$18.590	$17.800	$16.940	$16.600	$18.240	$17.000	$24.660	$23.730
Volume	113,166	125,493	29,757	499,500	102,356	490,150	12,756	422,191	10,800	115,438	145,696
September 2021											
High	$19.990	$19.000	$18.730	$19.320	$18.740	$18.250	$17.850	$19.600	$18.250	$25.140	$24.420
Low	$19.300	$18.350	$17.880	$18.780	$17.940	$17.610	$17.250	$18.660	$17.430	$24.980	$24.010
Volume	89,744	52,813	39,551	160,585	16,746	605,317	11,892	250,567	24,650	175,035	58,370
October 2021											
High	$21.760	$21.050	$20.590	$21.050	$20.610	$19.400	$19.270	$20.000	$19.800	$25.340	$24.500
Low	$19.900	$19.210	$18.730	$19.100	$18.610	$18.280	$17.930	$19.480	$18.210	$25.000	$24.040
Volume	89,759	96,532	77,736	519,627	226,374	774,574	33,157	358,096	12,725	61,494	68,511
November 2021											
High	$21.780	$21.330	$20.980	$21.350	$20.950	$20.220	$19.990	$20.540	$20.000	$25.390	$24.690
Low	$21.100	$20.610	$20.370	$20.660	$20.400	$19.270	$19.000	$19.230	$19.110	$25.070	$24.210
Volume	58,819	59,666	126,029	48,732	29,554	767,335	12,666	356,727	43,631	85,823	77,905
December 2021											
High	$21.500	$20.840	$20.700	$20.740	$21.000	$19.620	$19.120	$20.150	$19.500	$25.470	$24.550
Low	$20.290	$20.120	$19.700	$19.520	$19.710	$18.360	$17.900	$19.150	$18.600	$25.000	$23.640
Volume	84,472	60,289	76,331	67,704	50,032	583,901	18,760	226,467	18,820	44,117	86,663

6 Dividends and dividend payout policy

The BCE Board reviews from time to time the adequacy of BCE's common share dividend payout policy. BCE's common share dividend payout policy is currently set to a target dividend payout ratio (1) of 65% to 75% of free cash flow (1). Our objective is to seek to achieve dividend growth while maintaining our dividend payout ratio within the target range and balancing our strategic business priorities, including continuing to invest in strategic wireline and wireless network infrastructure and maintaining investment-grade credit ratings. In 2021, our dividend payout ratio was 105%, which is higher than our policy range due to a planned acceleration in capital expenditures and the financial impacts of the COVID-19 pandemic. BCE's dividend payout ratio is expected to remain above our target policy range in 2022 mainly as a result of another planned acceleration in capital expenditures this year. For additional information, refer to section 1.4, *Capital markets strategy* of the BCE 2021 MD&A, on pages 39 to 42 of the BCE 2021 Annual Report.

BCE's dividend payout policy, increases in the common share dividend 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, that the dividend on common shares will be increased, or that dividends will be declared. Dividend increases 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 section 1, *Caution regarding forward-looking statements* of this Annual Information Form.

The table below describes the increases in BCE's annualized common share dividend starting with the quarterly dividend payable on April 15, 2019.

DATE OF ANNOUNCEMENT	AMOUNT OF INCREASE	EFFECTIVE DATE
February 7, 2019	5.0% (from $3.02 per share to $3.17 per share)	Quarterly dividend payable on April 15, 2019
February 6, 2020	5.0% (from $3.17 per share to $3.33 per share)	Quarterly dividend payable on April 15, 2020
February 4, 2021	5.1% (from $3.33 per share to $3.50 per share)	Quarterly dividend payable on April 15, 2021
February 3, 2022	5.1% (from $3.50 per share to $3.68 per share)	Quarterly dividend payable on April 15, 2022

Dividends on BCE's first preferred shares are, if declared, payable quarterly, except for dividends on Series S, Series Y, Series AB, Series AD, Series AE, Series AH and Series AJ first preferred shares, which, if declared, are payable monthly.

The table below shows the amount of cash dividends declared per BCE common share and per Series R, Series S, Series T, Series Y, Series Z, Series AA, Series AB, Series AC, Series AD, Series AE, Series AF, Series AG, Series AH, Series AI, Series AJ, Series AK, Series AL, Series AM, Series AN, Series AO and Series AQ first preferred share for 2021, 2020 and 2019.

	2021	2020	2019
Common shares	**$3.50**	$3.33	$3.17
First preferred shares			
Series R	**$0.75450**	$0.96300	$1.03250
Series S	**$0.67884**	$0.66019	$0.98748
Series T	**$0.87794**	$0.75475	$0.75475
Series Y	**$0.58530**	$0.66019	$0.98748
Series Z	**$0.97600**	$0.97600	$0.97600
Series AA	**$0.90252**	$0.90252	$0.90252
Series AB	**$0.61248**	$0.66019	$0.98748
Series AC	**$1.09500**	$1.09500	$1.09500
Series AD	**$0.61248**	$0.66019	$0.98748
Series AE	**$0.61248**	$0.66019	$0.98748
Series AF	**$0.96625**	$0.96625	$0.77750
Series AG	**$0.80688**	$0.70000	$0.70000
Series AH	**$0.61248**	$0.66019	$0.98748
Series AI	**$0.76751**	$0.68750	$0.68750
Series AJ	**$0.61248**	$0.66019	$0.98748
Series AK	**$0.73850**	$0.73850	$0.73850
Series AL	**$0.49935**	$0.70180	$0.88996
Series AM	**$0.72382**	$0.69100	$0.69100
Series AN	**$0.55186**	$0.75445	$0.94245
Series AO	**$1.06500**	$1.06500	$1.06500
Series AQ	**$1.20300**	$1.20300	$1.20300

(1) *Free cash flow is a non-GAAP financial measure and dividend payout ratio is a non-GAAP ratio. These financial measures do not have any standardized meaning under International Financial Reporting Standards (IFRS). Therefore, they are unlikely to be comparable to similar measures presented by other issuers. Dividend payout ratio is calculated by dividing dividends paid on common shares by free cash flow. Refer to section 11,* Non-GAAP financial measures, other financial measures and key performance indicators (KPIs) *of the BCE 2021 MD&A, on pages 121 to 125 of the BCE 2021 Annual Report for more information on these measures including, in the case of free cash flow, a reconciliation to cash flows from operating activities, being the most comparable IFRS financial measure.*

7 Our directors and executive officers

7.1 Directors

On January 10, 2022, director Ian Greenberg passed away. Mr. Greenberg had been a member of the BCE Board since July 2013 and was a member of the Audit Committee and the Management Resources and Compensation Committee.

The table below lists BCE's directors, where they lived, the date they were elected or appointed and their principal occupation on March 3, 2022.

Under BCE's by-laws, each director holds office until the earlier of the next annual shareholder meeting or his or her resignation.

NAME, PROVINCE/STATE AND COUNTRY OF RESIDENCE	DATE ELECTED OR APPOINTED TO THE BCE BOARD	PRINCIPAL OCCUPATION ON MARCH 3, 2022
Mirko Bibic, Ontario, Canada (1)	January 2020	President and Chief Executive Officer, BCE and Bell Canada, since January 2020
David F. Denison, FCPA, FCA, Ontario, Canada	October 2012	Corporate director, since June 2012, and Chartered Professional Accountant
Robert P. Dexter, Nova Scotia, Canada	November 2014	Chair and Chief Executive Officer of Maritime Travel Inc. (an integrated travel company), since July 1979
Katherine Lee, Ontario, Canada	August 2015	Corporate director, since March 2018, and Chartered Professional Accountant
Monique F. Leroux, C.M., O.Q., FCPA, FCA, Québec, Canada	April 2016	Corporate director, since April 2016, and Chartered Professional Accountant
Sheila A. Murray, Ontario, Canada	May 2020	Corporate director, since April 2019
Gordon M. Nixon, Ontario, Canada	November 2014	Chair of the board of directors, BCE and Bell Canada, since April 2016, and corporate director, since September 2014
Louis P. Pagnutti, FCPA, FCA, Ontario, Canada	November 2020	Corporate director, since September 2020, and Chartered Professional Accountant
Calin Rovinescu, C.M., Ontario, Canada (1)	April 2016	Corporate director, since February 2021
Karen Sheriff, Ontario, Canada	April 2017	Corporate director, since October 2016
Robert C. Simmonds, Ontario, Canada	May 2011	Chair, Lenbrook Corporation (a national distributor of electronics components and radio products), since April 2002
Jennifer Tory, Ontario, Canada	April 2021	Corporate director, since December 2019
Cornell Wright Ontario, Canada	April 2021	President, Wittington Investments, Limited (the principal holding company of the Weston-Loblaw-Choice Properties group), since May 2021

(1) *Mr. Bibic and Mr. Rovinescu each also maintain a residence in the province of Québec.*

PAST OCCUPATION

All of BCE's directors have held the positions listed above or other senior management positions with the same or associated firms or organizations during the past five years or longer, except for the directors listed below.

NAME	PAST OCCUPATION
Katherine Lee	Chief Executive Officer of 3 Angels Holdings Limited (a real estate holding company), from 2016 to March 2018
Sheila A. Murray	President of CI Financial Corp. (an investment fund company), from 2016 to March 2019
Louis P. Pagnutti, FCPA, FCA	Global Managing Partner of Ernst & Young (EY) (a professional services firm), from 2013 to September 2020
Calin Rovinescu, C.M.	President and Chief Executive Officer of Air Canada (an airline company), from April 2009 to February 2021
Jennifer Tory	Chief Administrative Officer of Royal Bank of Canada (a chartered bank), from 2017 to December 2019; Group Head, Personal & Commercial Banking of Royal Bank of Canada, from 2014 to 2017
Cornell Wright	Partner of Torys LLP (a law firm), from 2009 to April 2021

7 Our directors and executive officers

COMMITTEES OF THE BCE BOARD

The table below lists the committees of the BCE Board and their members on March 3, 2022.

COMMITTEE	MEMBERS
Audit	Louis P. Pagnutti (Chair) Katherine Lee, Monique F. Leroux, Jennifer Tory, Cornell Wright
Corporate Governance	Monique F. Leroux (Chair) David F. Denison, Katherine Lee, Karen Sheriff, Robert C. Simmonds, Cornell Wright
Management Resources and Compensation	David F. Denison (Chair) Robert P. Dexter, Sheila A. Murray, Calin Rovinescu, Jennifer Tory
Risk and Pension Fund	Calin Rovinescu (Chair) Robert P. Dexter, Sheila A. Murray, Louis P. Pagnutti, Karen Sheriff, Robert C. Simmonds

7.2 Executive officers

Effective in January 2022, Nikki Moffat was appointed Chief Human Resources Officer and Executive Vice-President, Corporate Services of BCE and Bell Canada following Bernard le Duc's retirement.

Following certain organizational changes in February 2022, Blaik Kirby is now Group President, Consumer and Small & Medium Business (SMB) of Bell Canada, Claire Gillies is now Executive Vice-President and President, Consumer Marketing of Bell Canada, and Stephen Howe is now Executive Vice-President and Chief Technology and Information Officer of Bell Canada. Rizwan Jamal, formerly President, Bell Residential & Small Business of Bell Canada, has left the company, and Michael Cole, Executive Vice-President and Chief Information Officer of Bell Canada will be leaving the company effective April 1, 2022.

The table below lists BCE's and Bell Canada's executive officers, where they lived and the office they held at BCE and/or Bell Canada on March 3, 2022.

NAME	PROVINCE AND COUNTRY OF RESIDENCE	OFFICE HELD AT BCE/BELL CANADA
Mirko Bibic	Ontario, Canada (1)	President and Chief Executive Officer (BCE and Bell Canada)
Michael Cole	Ontario, Canada	Executive Vice-President and Chief Information Officer (Bell Canada)
Claire Gillies	Ontario, Canada	Executive Vice-President and President, Consumer Marketing (Bell Canada)
Stephen Howe	Ontario, Canada	Executive Vice-President and Chief Technology and Information Officer (Bell Canada)
Blaik Kirby	Ontario, Canada	Group President, Consumer and Small & Medium Business (SMB) (Bell Canada)
Glen LeBlanc	Nova Scotia, Canada	Executive Vice-President and Chief Financial Officer (BCE and Bell Canada)
Devorah Lithwick	Ontario, Canada	Senior Vice-President and Chief Brand Officer (Bell Canada)
Thomas Little	Ontario, Canada	President, Bell Business Markets (Bell Canada)
Robert Malcolmson	Ontario, Canada	Executive Vice-President and Chief Legal & Regulatory Officer (BCE and Bell Canada)
Nikki Moffat	Ontario, Canada	Chief Human Resources Officer and Executive Vice-President, Corporate Services (BCE and Bell Canada)
Karine Moses	Québec, Canada	Senior Vice-President, Content Development and News and Vice Chair, Québec (Bell Canada)
Wade Oosterman	Ontario, Canada	President, Bell Media and Vice Chair (BCE and Bell Canada)
John Watson	Ontario, Canada	Group President, Customer Experience (Bell Canada)

(1) *Mr. Bibic also maintains a residence in the province of Québec.*

All of our executive officers have held their present positions or other senior management positions with BCE or Bell Canada during the past five years or longer.

7.3 Directors' and executive officers' share ownership

As at December 31, 2021, BCE's directors and executive officers elected or appointed at such date as a group beneficially owned, or exercised control or direction over, directly or indirectly, 558,483 common shares (or less than 0.1%) of BCE.

8 Legal proceedings

In the ordinary course of our 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. This section describes important legal proceedings in which we were involved as at March 3, 2022 or which were concluded in 2021. This list is not comprehensive and we are involved in a number of other legal proceedings. 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 3, 2022, 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.

PURPORTED CLASS ACTION AND LAWSUITS CONCERNING NEIGHBOURHOOD MARKETING PRACTICES

On November 24, 2021, an application for authorization to institute a class action was filed in the Québec Superior Court against Bell Canada on behalf of all customers in Québec who subscribed or renewed a services contract with Bell Canada at their homes through a neighbourhood marketing agent or outside a permanent Bell Canada retail location from June 23, 2018 to the date of final judgment. The plaintiff alleges that Bell Canada's neighbourhood marketing process violates the Québec *Consumer Protection Act* (QPCA) and the *Civil Code of Québec.* The plaintiff further alleges that Bell Canada conducts these practices in bad faith. The action seeks payment of punitive damages of $1,000 per class member. The action has not yet been authorized as a class action.

On September 21, 2018, Videotron Ltée (Videotron) filed a claim for damages and for injunctive relief against Bell Canada in the Québec Superior Court. The claim alleges that Bell Canada pursues itinerant merchant activities in Québec without complying with the requirements of the QPCA. Videotron alleges that Bell Canada is required to obtain a permit from the Office de la protection du consommateur and follow specific rules related to contract form when service contracts are entered into at the customers' home. These alleged violations of the QCPA would constitute unfair competition and a civil fault causing purported damages to Videotron, who claims that it carries out itinerant merchant activities in accordance with the QCPA's requirements. The claim estimates damages at $78.5 million. Videotron is also seeking an injunction ordering Bell Canada to obtain a permit and comply with the provisions of the QCPA governing itinerant merchants. On January 8, 2019, Cogeco Connexion Inc. (Cogeco) filed a claim in damages and for injunctive relief against Bell Canada in the Québec Superior Court, which is similar to the Videotron claim referred to above. Cogeco makes similar allegations to Videotron as regards its compliance with the QCPA and Bell Canada's non-compliance with the QCPA. The claim estimates damages at $9.2 million.

IP INFRINGEMENT LAWSUITS CONCERNING IPTV, SATELLITE TV AND/OR CRAVE SYSTEMS

On January 19, 2018, a claim was filed in the Federal Court against BCE Inc., Bell Canada, Bell Aliant Regional Communications Inc., Bell MTS Inc. and NorthernTel, Limited Partnership by Rovi Guides, Inc. and Tivo Solutions Inc. Separate and similar actions have been filed by the same plaintiffs against other Canadian telecommunications and cable companies. The claim alleges that the defendants, through their manufacture, distribution, sale and use of certain features of their IPTV systems, have infringed on six patents variously owned by the plaintiffs. The claim also alleges that the defendants have, through their marketing and customer support activities, induced users to infringe on the patents. In addition to declaratory and injunctive relief, the plaintiffs seek damages in the form of unpaid royalties in relation to the defendants' revenues from their IPTV services or an accounting of the defendants' profits. On May 25, 2018, the plaintiffs discontinued the claim with respect to two of the six patents on which they asserted infringement. With the action bifurcated into separate liability and remedies phases, trial on the merits for the liability phase was completed in January 2021. The court's decision is pending. Bell Canada intends to exercise all available indemnity recourses from third parties that provide the intellectual property upon which its IPTV services are based.

On July 27, 2021, a claim was filed in the Federal Court by Rovi Guides, Inc. against BCE Inc., Bell Canada, Bell Media Inc., Bell ExpressVu Limited Partnership, NorthernTel, Limited Partnership and certain third party suppliers alleging infringement of a different set of four patents from the action noted above. The claim alleges that the defendants, through their manufacture, distribution, sale and use of certain features of their IPTV, satellite TV and OTT Crave systems, have infringed four patents owned by the plaintiff. The claim also alleges that the defendants have, through their marketing and customer support activities, induced users to infringe the patents. In addition to declaratory and injunctive relief, the plaintiff seeks damages in the form of unpaid royalties in relation to the defendants' revenues from their TV services or an accounting of the defendants' profits. Bell Canada intends to exercise all available indemnity recourses from third parties that provide intellectual property upon which its IPTV, satellite TV and OTT Crave systems are based.

CLAIM UNDER THE COPYRIGHT ACT

On July 5, 2021, a statement of claim was filed in the Federal Court against Bell Canada (and the former Bell Aliant) by certain copyright owners including Millennium Funding Inc. The claim alleges breach of the *Copyright Act* for failing to forward certain copyright infringement notices to Bell customers. The claim seeks $10,000 for each alleged failure, for a total of $397,910,000.

8 Legal proceedings

CLASS ACTION CONCERNING INDEXATION RATE OF PENSION PAYMENTS

On January 16, 2018, a statement of claim was filed pursuant to the *Class Proceedings Act* (Ontario) in the Ontario Superior Court against Bell Canada, Bell Mobility, Bell Media and Expertech alleging that the indexation rate under the Bell Canada Pension Plan was not properly calculated for the year 2017. The action sought to certify a class action consisting of all persons, wherever resident, who are or were members of the Bell Canada Pension Plan, or otherwise entitled to benefits thereunder, and were entitled to receive indexed pension payments as of January 1, 2017, together with the spouses, estates, heirs, beneficiaries and representatives of those who died. The action sought damages in the amount of $150 million or any greater amount determined by the court, for breach of contract under the Bell Canada Pension Plan, as well as for breach of fiduciary and trust duties under the *Pension Benefits Standards Act* of 1985. On August 12, 2019, the Ontario Superior Court delivered its decision certifying the class action, but simultaneously dismissed the action on the merits. On February 21, 2020, the Ontario Court of Appeal reversed the Ontario Superior Court's decision on the merits, and granted summary judgment in favour of the plaintiff, sending the proceeding back to the Ontario Superior Court for a decision on damages and other ancillary issues. On July 20, 2021, the Ontario Superior Court resolved ancillary issues, and approved the amounts payable to the class for damages and by the class for legal fees. Distribution to the class took place between October 2021 and January 2022 and, accordingly, this legal proceeding is now concluded.

CLASS ACTIONS CONCERNING SERVICE FEE MODIFICATIONS

On November 27, 2015, an application for authorization to institute a class action was filed in the Québec Superior Court against Bell Canada, Bell ExpressVu and Bell Mobility on behalf of all consumers whose monthly fees for wireline telephone services, Internet services, Fibe TV services, satellite TV services or wireless postpaid services were unilaterally modified at any time since November 2012. The plaintiff alleges that the notices provided by the defendants of the price increases or reductions of the bundle discount were not compliant under the Québec *Consumer Protection Act*. The action seeks the reimbursement, since November 2012, of the monthly price increases and/or reductions of the bundle discount, and payment of punitive damages in the amount of $100 per class member. On July 10, 2017, the court authorized the action to proceed as a class action.

On December 12, 2018, another application for authorization to institute a class action was filed in the Québec Superior Court against regional subsidiaries Télébec, Limited Partnership and Cablevision du Nord de Québec Inc. on behalf of all consumers and business entities whose monthly fees for wireline telephone services, Internet services, TV services or wireless postpaid services were unilaterally modified at any time since December 2015. The plaintiff alleges that the notices provided by the defendants of the price increases or reductions of the bundle discount were not compliant under the Québec *Consumer Protection Act*. The action seeks the reimbursement, since December 2015, of the monthly price increases and/or reductions of the bundle discount, and payment of punitive damages in the amount of $100 per class member. In a decision dated February 3, 2022, the court authorized the action to proceed as a class action for the price increases that occurred between December 12, 2015 and the authorization notice to the class.

CLASS ACTION AND PURPORTED CLASS ACTION CONCERNING RELEVANT ADVERTISEMENTS INITIATIVE

On April 14 and 16, 2015, respectively, an application for authorization to institute a class action was filed against Bell Canada and Bell Mobility in the Québec Superior Court and a statement of claim was filed against Bell Canada and Bell Mobility pursuant to the *Class Proceedings Act* (Ontario) in the Ontario Superior Court (collectively, the Actions). Together, the Actions seek to certify a national class consisting of Bell Mobility customers who subscribed to mobile data services between November 16, 2013 and April 13, 2015. The plaintiffs seek damages for breach of contract, breach of applicable consumer protection legislation, breach of the *Civil Code of Québec*, intrusion upon seclusion, negligence, breach of confidence, unjust enrichment and waiver of tort resulting from Bell Canada's and Bell Mobility's alleged unauthorized use and disclosure of personal information pursuant to the Relevant Advertisements Initiative. Unspecified punitive damages are also sought in both actions. On November 16, 2017, the court stayed the Québec action. On May 13, 2019, the Ontario Superior Court certified the Ontario action as a national class action against Bell Mobility for the period between November 16, 2013 and April 14, 2015.

CLASS ACTIONS CONCERNING INCREASE TO LATE PAYMENT CHARGES

On October 28, 2010, an application for authorization to institute a class action was filed in the Québec Superior Court against Bell Canada and Bell Mobility on behalf of all physical persons and companies of 50 employees or less in Canada who were billed late payment charges since June 2010. The plaintiffs allege that the increase by Bell Canada and Bell Mobility of the late payment charge imposed on customers who fail to pay their invoices by the due date from 2% to 3% per month is invalid. The action seeks an order requiring Bell Canada and Bell Mobility to repay all late payment charges in excess of 2% per month to the members of the class. In addition to the reimbursement of such amounts, the action also seeks payment of general and punitive damages. On December 16, 2011, the court authorized the action but limited the class members to residents of the province of Québec with respect to home phone, wireless and Internet services.

On January 10, 2012, another application for the authorization to institute an identical class action was filed in the Québec Superior Court against Bell ExpressVu with respect to TV services, later amended to add Bell Canada as defendant. On December 19, 2014, the court authorized this action to proceed as a class action.

8 Legal proceedings

CLASS ACTION AND PURPORTED CLASS ACTION CONCERNING ROUNDING-UP OF MINUTES

On July 25, 2008, a statement of claim was filed pursuant to the *Class Proceedings Act* (Ontario) in the Ontario Superior Court against BCE Inc. on behalf of all its residential long distance customers in Canada who, since July 2002, have had their call times rounded up to the next full minute for billing purposes (the First Rounding-Up Action). On August 18, 2008, a similar statement of claim (the Second Rounding-Up Action) was filed against Bell Mobility in the same court on behalf of all Canadian Bell Mobility customers who, since July 2002, have had their wireless airtime rounded up to the next full minute. The actions allege that BCE Inc. and Bell Mobility, respectively, misrepresented and did not disclose that they round up to the next full minute when calculating long distance call time or wireless airtime. The class actions seek reimbursement of all amounts received by BCE Inc. and Bell Mobility as a result of the rounded-up portion of per minute charges for residential long distance calls and wireless airtime. Each action originally claimed general damages of $20 million, costs of $1 million for administering the distribution of damages and $5 million in punitive damages. On January 15, 2014, the Second Rounding-Up Action was amended to include an allegation of breach of contract and to increase claimed general damages to $500 million and claimed punitive damages to $20 million. The Second Rounding-Up Action was certified as a class action on November 25, 2014, for the period between August 18, 2006 and October 1, 2009. The First Rounding-Up Action has not yet been certified as a class action.

PURPORTED CLASS ACTION CONCERNING "911 FEES"

On June 26, 2008, a statement of claim was filed under *The Class Actions Act* (Saskatchewan) in the Saskatchewan Court of Queen's Bench against a number of communications service providers, including Bell Mobility, Bell MTS Inc. and Bell Aliant LP (now Bell Mobility as successor to the Bell Aliant LP wireless business), on behalf of certain alleged customers. The action also named BCE Inc. and Bell Canada as defendants. The statement of claim alleges, among other things, breach of contract and duty to inform, deceit, misrepresentation and collusion in connection with certain "911 fees" invoiced by communications service providers to their customers. The plaintiffs seek unspecified damages, punitive damages and an accounting and constructive trust of the "911 fees" collected. The action seeks certification of a national class encompassing all customers of communications service providers, wherever resident in Canada. On July 22, 2013, the plaintiffs delivered an amended statement of claim which removed BCE Inc. and Bell Canada as defendants, and added claims for unjust enrichment and breaches of provincial consumer protection legislation and the *Competition Act*. The action has not yet been certified as a class action.

CLASS ACTION CONCERNING WIRELESS SYSTEM ACCESS FEES

On August 9, 2004, a statement of claim was filed under *The Class Actions Act* (Saskatchewan) in the Saskatchewan Court of Queen's Bench against a number of wireless communications service providers, including Bell Mobility and Bell Aliant LP (now Bell Mobility as successor to the Bell Aliant LP wireless business), on behalf of certain alleged customers. This statement of claim alleges, among other things, breach of contract and duty to inform, deceit, misrepresentation, unjust enrichment and collusion in connection with certain system access fees and system licensing charges invoiced by wireless communications service providers to their customers. The plaintiffs are seeking unspecified general and punitive damages. On September 17, 2007, the court granted certification, on the grounds of unjust enrichment only, of a national class encompassing all customers of the defendant wireless communications service providers, wherever resident in Canada, on the basis of an opt-out class in Saskatchewan and an opt-in class elsewhere in Canada.

OTHER

We are subject to other claims and legal proceedings in the ordinary course of our current and past operations, including class actions, employment-related disputes, contract disputes, competitor disputes and customer disputes. In some claims and legal proceedings, the claimant seeks damages as well as other relief which, if granted, could require substantial expenditures on our part or could result in changes to our business practices.

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9 Interest of management and others in material transactions

To the best of our knowledge, there have been no current or nominated directors or executive officers or any associate or affiliate of a current or nominated director or executive officer with a material interest in any transaction within the three most recently completed financial years or during the current financial year that has materially affected us or is reasonably expected to materially affect us.

10 Interest of experts

Deloitte LLP prepared the Report of independent registered public accounting firm in respect of our audited consolidated financial statements and the Report of independent registered public accounting firm in respect of our internal control over financial reporting. Deloitte LLP is independent of BCE within the meaning of the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec* and within the meaning of the U.S. *Securities Act of 1933,* as amended, and the applicable rules and regulations thereunder adopted by the SEC and the Public Company Accounting Oversight Board (U.S.) (PCAOB).

11 Transfer agent and registrar

The transfer agent and registrar for the common shares and preferred shares of BCE in Canada is TSX Trust Company at its principal offices in Montréal, Québec; Toronto, Ontario; Calgary, Alberta; and Vancouver, British Columbia; and in the U.S. is American Stock Transfer & Trust Company, LLC at its principal office in Brooklyn, New York.

The register for Bell Canada's Canadian unsubordinated debentures is kept at the principal office of BNY Trust Company of Canada (BNY) in Montréal, and facilities for registration, exchange and transfer of the Canadian unsubordinated debentures are maintained at the principal offices of BNY in Montréal and Toronto.

The register for Bell Canada's Canadian subordinated debentures is kept at the principal office of BNY in Montréal, and facilities for registration, exchange and transfer of the Canadian subordinated debentures are maintained at the principal offices of BNY in Montréal and Toronto.

The register for Bell MTS Inc.'s notes assumed by Bell Canada is kept at the principal office of Computershare Trust Company of Canada (Computershare) in Montréal, and facilities for registration, exchange and transfer of the notes are maintained at Computershare's offices in Montréal, Toronto and Calgary.

The register for Bell Canada's U.S. notes, issued pursuant to its 2016 U.S. trust indenture, is kept at the principal office of The Bank of New York Mellon in New York, and facilities for registration, exchange and transfer of such U.S. notes are also maintained at the principal office of The Bank of New York Mellon in New York.

12 For more information

This Annual Information Form as well as BCE's annual and quarterly shareholder reports and news releases are available on BCE's website at **BCE.ca.**

Additional information, including information about directors' and officers' remuneration and securities authorized for issuance under equity compensation plans, is contained in BCE's management proxy circular for its most recent annual meeting of security holders that involved the election of directors.

Additional information relating to BCE is available on SEDAR at **sedar.com** and on EDGAR at **sec.gov**. Additional financial information is provided in BCE's audited consolidated financial statements and the related management's discussion and analysis for BCE's most recently completed financial year, contained in the BCE 2021 Annual Report. You may ask for a copy of the annual and quarterly management's discussion and analysis of BCE by contacting the Investor Relations group of BCE at Building A, 8th Floor, 1, Carrefour Alexander-Graham-Bell, Verdun, Québec H3E 3B3 or by sending an e-mail to **investor.relations@bce.ca.**

Shareholder inquiries 1-800-561-0934

Investor relations 1-800-339-6353

13 Schedule 1 – Audit Committee information

The purpose of BCE's Audit Committee (Audit Committee) is to assist the BCE Board in its 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 risk processes as they relate to financial reporting

MEMBERS' FINANCIAL LITERACY, EXPERTISE AND SIMULTANEOUS SERVICE

Under the *Sarbanes-Oxley Act of 2002* and related SEC rules, BCE is required to disclose whether its Audit Committee members include at least one "audit committee financial expert" as defined by these rules. In addition, National Instrument 52-110 – *Audit Committees* and the NYSE governance rules followed by BCE require that all audit committee members be "financially literate" and "independent".

The BCE Board has determined that all the members of the Audit Committee during 2021 were, and all current members of the Audit Committee are, financially literate and independent, and that the current Chair of the Audit Committee, Mr. L.P. Pagnutti, as well as Ms. K. Lee and Ms. M.F. Leroux are qualified as "audit committee financial experts". The table below outlines the relevant education and experience of all members of the Audit Committee, whether during 2021 or currently.

RELEVANT EDUCATION AND EXPERIENCE

L.P. Pagnutti, FCPA, FCA (Chair)	Mr. Pagnutti has been a director of BCE since November 2020 and is Chair of the Audit Committee since January 2021. Mr. Pagnutti is a corporate director and was Global Managing Partner – Business Enablement of EY (a professional services firm) and a member of EY's Global Executive Board until his retirement in September 2020. As Global Managing Partner, he was responsible for EY's business functions across the globe. He oversaw EY's strategy and its execution for all functions, including technology, finance, risk management, legal affairs, shared services, and procurement. Mr. Pagnutti joined EY Assurance in 1981, before moving to EY Tax in 1986. From 2004 until 2010, he was Chairman and Chief Executive Officer of EY Canada and a member of the EY Americas Executive Board. He was EY Asia-Pacific Area Managing Partner from 2010 to 2013. Mr. Pagnutti is also a non-executive director of DLA Piper International LLP and DLA Piper Global (a law firm). He holds an Honours Bachelor of Commerce degree from Laurentian University. He earned his Chartered Professional Accountant designation in 1983 and was honoured with a Fellow Chartered Accountant designation in 2006. He has served on the Sunnybrook Hospital Foundation and Pathways to Education boards. Mr. Pagnutti initiated EY Canada's role as National Volunteer Partner of Pathways to Education, a program dedicated to helping high school students from low-income and under-represented groups complete high school and pursue post-secondary education.
I. Greenberg (until January 2022)	Mr. Greenberg was a director of BCE since July 2013, until his passing in January 2022. He was a corporate director and one of four brothers who founded Astral Media Inc. (a media company). From 1995 until July 2013, Mr. Greenberg was President and Chief Executive Officer of Astral Media Inc. He was past Chair of Cineplex Inc., and was a member of the Broadcasting Hall of Fame and a recipient of the prestigious Ted Rogers and Velma Rogers Graham Award for his unique contribution to the Canadian broadcasting system. With his brothers, he also received the Eleanor Roosevelt Humanities Award for their active support of numerous industry and charitable organizations. Mr. Greenberg was a member of the Canadian Council of Chief Executives and a governor of Montréal's Jewish General Hospital. In 2013, he was inducted in the Canadian Business Hall of Fame.
K. Lee	Ms. Lee has been a director of BCE since August 2015 and a corporate director and, from 2010 to February 2015, served as President and Chief Executive Officer of GE Capital Canada (a leading global provider of financial and fleet management solutions to mid-market companies operating in a broad range of economic sectors). Prior to this role, Ms. Lee served as Chief Executive Officer of GE Capital Real Estate in Canada from 2002 to 2010, building it to a full debt and equity operating company. Ms. Lee joined GE in 1994, where she held a number of positions, including Director, Mergers & Acquisitions, for GE Capital's Pension Fund Advisory Services, based in San Francisco, and Managing Director of GE Capital Real Estate Korea, based in Seoul and Tokyo. Ms. Lee earned a Bachelor of Commerce degree from the University of Toronto. She is a Chartered Professional Accountant and Chartered Accountant. She is active in the community, championing women's networks and Asia-Pacific forums. Ms. Lee is also a director of Public Sector Pension Investments.
M.F. Leroux, C.M., O.Q., FCPA, FCA	Ms. Leroux has been a director of BCE since April 2016. Companion of the Canadian Business Hall of Fame and the Investment Industry Hall of Fame, Ms. Leroux is a corporate director. She serves as an independent director of Michelin Group, S&P Global Inc. and Alimentation Couche-Tard Inc., and she is a senior advisor (non executive) of Fiera Capital. As such, she brings to these boards her diverse experience, among others as Partner at EY and Chair of the Board and Chief Executive Officer of Desjardins Group from 2008 to 2016. In May 2020, she was appointed Chair of the Industry Strategy council by the Minister of Innovation, Science and Industry Canada. From 2016 to 2020, she was Chair of the Board of Investissement Québec. She is also vice-chair of the Montreal Symphony Orchestra (OSM). Ms. Leroux is a Member of the Order of Canada, an Officer of the Ordre national du Québec, a Chevalier of the Légion d'honneur (France) and a recipient of the Woodrow Wilson Award (United States). She has been awarded Fellowship by the Ordre des comptables professionnels agréés du Québec and the Institute of Corporate Directors and holds honourary doctorates from eight Canadian universities in recognition of her contribution to the business sector and to the community.

13 Schedule 1 – Audit Committee information

J. Tory (since April 2021)	Ms. Tory has been a director of BCE since April 2021. She is a corporate director who was, until her retirement in December 2019, the Chief Administrative Officer of RBC (a chartered bank) where she held responsibility for Brand, Marketing, Citizenship & Communications, Procurement and Real Estate functions globally. Prior to this role, she was Group Head, Personal & Commercial Banking, leading RBC's retail and commercial customer businesses and operations in Canada and the Caribbean from 2014 to 2017. Throughout her 42 year career, Ms. Tory held a number of key senior operating positions across retail distribution and operations including overseeing digital & cost transformation of the business. An acknowledged community leader and fundraiser, she currently sits on the board of the Sunnybrook Hospital Foundation Board and recently completed her term on the board of the Toronto International Film Festival, the past 5 years as Chair. A champion of diversity, Ms. Tory is the recipient of numerous awards recognizing her work related to the advancement of women and advocacy for BIPOC and LGBTQ+ communities.
C. Wright (since April 2021)	Mr. Wright has been a director of BCE since April 2021. Mr. Wright is President of Wittington Investments, Limited (the principal holding company of the Weston group of companies which includes George Weston, Loblaw and Choice Properties). Mr. Wright joined Wittington in 2021 following a 20 year career at Torys LLP (a law firm), where he was a leading corporate lawyer. Mr. Wright served as Chair of the firm's Corporate Department and former co-head of the firm's M&A Practice. As a lawyer, his practice focused on M&A transactions, both public and private, and other critical situations. He played a lead role acting for some of Canada's largest public and private companies in their most significant strategic matters. Mr. Wright has a broad range of experience in complex transactional, securities, family-controlled business, private equity, regulatory, governance, activism and compliance matters. He has counselled boards of directors and board committees on corporate governance matters, crisis management and shareholder engagement issues. Mr. Wright is a Fellow of The American College of Governance Counsel. Mr. Wright is Chair of the Board of Directors of the National Ballet of Canada, a Trustee of University Health Network and Executive in Residence at the Rotman School of Management. He holds a Bachelor of Arts degree from McGill University and JD and MBA degrees from the University of Toronto.

The NYSE rules followed by BCE require that if an audit committee member serves simultaneously on the audit committee of more than three public companies, the board of directors must determine and disclose that this simultaneous service does not impair the ability of the member to effectively serve on the Audit Committee. In addition to serving on BCE's Audit Committee, Ms. M. F. Leroux currently serves on the audit committees of three public companies, Alimentation Couche-Tard Inc., Michelin Group and S&P Global Inc. The BCE Board has reviewed the Audit Committee service of Ms. Leroux and has concluded that these other activities do not impair her ability to effectively serve on the Audit Committee. This conclusion is based on the following considerations, among others:

- she is not involved in full-time professional activities other than serving on various boards of directors and not-for-profit organizations and acting as strategic advisor;
- she has extensive accounting and financial knowledge and experience, which serves the best interests of BCE and assists the Audit Committee in the discharge of its duties;
- she makes valuable contributions to BCE's Audit Committee; and
- she attended 100% of BCE Board and committee meetings, including the Audit Committee, in 2021.

PRE-APPROVAL POLICIES AND PROCEDURES

BCE's Auditor Independence Policy is a comprehensive policy governing all aspects of our relationship with the external auditors, including:

- establishing a process for determining whether various audit and other services provided by the external auditors affect their independence
- identifying the services that the external auditors may and may not provide to BCE and its subsidiaries
- pre-approving all services to be provided by the external auditors of BCE and its subsidiaries
- establishing a process outlining procedures when hiring current or former personnel of the external auditors in a financial oversight role to ensure auditor independence is maintained

In particular, the policy specifies that:

- the external auditors cannot be hired to provide any services falling within the prohibited services category, such as bookkeeping, financial information system design and implementation, or legal services
- for all audit and non-audit services falling within the permitted services category (such as prospectus, due diligence and non-statutory audits), a request for approval must be submitted to the Audit Committee prior to engaging the external auditors
- specific permitted services, however, are pre-approved annually and quarterly by the Audit Committee and consequently only require approval by the Executive Vice-President and Chief Financial Officer prior to engaging the external auditors
- at each regularly scheduled Audit Committee meeting, a summary of all fees billed by the external auditors by type of service is presented. This summary includes the details of fees incurred within the pre-approval amounts.

The Auditor Independence Policy is available in the governance section of BCE's website at **BCE.ca**.

EXTERNAL AUDITORS' FEES

The table below shows the fees that BCE's external auditors, Deloitte LLP, billed to BCE and its subsidiaries for various services in each of the past two fiscal years.

	2021 (IN $ MILLIONS)	2020 (IN $ MILLIONS)
Audit fees (1)	**8.6**	9.1
Audit-related fees (2)	**2.9**	3.3
Tax fees (3)	**0.4**	0.4
All other fees (4)	**0.1**	0.4
Total (5)	**12.0**	13.2

(1) *These fees include professional services provided by the external auditors for statutory audits of the annual financial statements, the audit of the effectiveness of internal control overfinancial reporting, the review of interim financial reports, the review offinancial accounting and reporting matters, the review of securities offering documents and translation services.*

(2) *These fees relate to non-statutory audits and due diligence procedures, and other regulatory audits and filings.*

(3) *These fees include professional services for tax compliance, tax advice and assistance with tax audits.*

(4) *These fees include any other fees for permitted services not included in any of the above-stated categories.*

(5) *The amounts of $12.0 million for 2021 and $13.2 million for 2020 reflect fees billed in those fiscal years without taking into account the year to which those services relate. Total fees for services provided for each fiscal year amounted to $9.6 million in 2021 and $9.9 million in 2020.*

14 Schedule 2 – Audit Committee charter

I. Purpose

The purpose of the Audit Committee is to assist the Board of Directors in its oversight of:

A. the integrity of the Corporation's financial statements and related information;

B. the Corporation's compliance with applicable legal and regulatory requirements;

C. the independence, qualifications and appointment of the shareholders' auditor;

D. the performance of the Corporation's shareholders' auditor and internal audit;

E. management responsibility for assessing and reporting on the effectiveness of internal controls; and

F. the Corporation's risks as it relates to financial reporting.

II. Duties and Responsibilities

The Audit Committee shall perform the functions customarily performed by audit committees and any other functions assigned by the Board of Directors. In particular, the Audit Committee shall have the following duties and responsibilities:

A. Financial Reporting and Control

1. On a quarterly and annual basis, review and discuss with management and the shareholders' auditor the following:

   a. major issues regarding accounting principles and financial statement presentation, including any significant changes in the Corporation's selection or application of accounting principles or material related party transactions, and issues as to the adequacy of the Corporation's internal controls and any special audit steps adopted in light of material control deficiencies;

   b. analyses prepared by management and/or the shareholders' auditor setting forth significant financial reporting issues and judgements made in connection with the preparation of the financial statements, including the impact of selecting one of several International Financial Reporting Standards (IFRS) and/ or non IFRS measures on the financial statements when such a selection has been made in the current reporting period;

   c. the effect of regulatory and accounting developments, as well as off-balance sheet arrangements, on the financial statements of the Corporation; and

   d. the type and presentation of information to be included in earnings press releases (including any use of pro-forma or non-IFRS information).

2. Meet to review and discuss with management and the shareholders' auditor, report and, where appropriate, provide recommendations to the Board of Directors on the following prior to its public disclosure:

   a. the Corporation's annual and interim consolidated financial statements and the related "Management's Discussion and Analysis", Annual Information Forms, earnings press releases and earnings guidance provided to analysts and rating agencies and the integrity of the financial reporting of the Corporation;

      – In addition to the role of the Audit Committee to make recommendations to the Board of Directors, where the members of the Audit Committee consider that it is appropriate and in the best interest of the Corporation, the Corporation's interim consolidated financial statements and the related "Management's Discussion and Analysis", the interim earnings press releases and the earnings guidance, may also be approved on behalf of the Board of Directors by the Audit Committee, provided that such approval is subsequently reported to the Board of Directors at its next meeting;

   b. any audit issues raised by the shareholders' auditor and management's response thereto, including any restrictions on the scope of the activities of the shareholders' auditor or access to requested information and any significant disagreements with management.

3. Review and discuss reports from the shareholders' auditor on:

   a. all critical accounting policies and practices used by the Corporation;

   b. all material selections of accounting policies when there is a choice of policies available under IFRS that have been discussed with management, including the ramifications of the use of such alternative treatment and the alternative preferred by the shareholders' auditor; and

   c. other material written communications between the shareholders' auditor and management, and discuss such communication with the shareholders' auditor.

14 Schedule 2 – Audit Committee charter

B. Oversight of the Shareholders' Auditor

1. Be directly responsible for the appointment, compensation, retention and oversight of the work of the shareholders' auditor, who shall report directly to the Audit Committee, and any other auditor preparing or issuing an audit report or performing other audit services or attest services for the Corporation or any consolidated subsidiary of the Corporation, where required, and review, report and, where appropriate, provide recommendations to the Board of Directors on the appointment, terms and review of engagement, removal, independence and proposed fees of the shareholders' auditor.

2. Approve in advance all audit, review or attest engagement fees and terms for all audit, review or attest services to be provided by the shareholders' auditor to the Corporation and any consolidated subsidiary and any other auditor preparing or issuing an audit report or performing other audit services or attest services for the Corporation or any consolidated subsidiary of the Corporation, where required.

3. Pre-approve all engagements for permitted audit and non-audit services to be provided by the shareholders' auditor to the Corporation and any consolidated subsidiary and to this effect may establish policies and procedures for the engagement of the shareholders' auditor to provide to the Corporation and any consolidated subsidiary permitted non-audit services, which shall include approval in advance by the Audit Committee of all audit/review and permitted non-audit services to be provided by the shareholders' auditor to the Corporation and any consolidated subsidiary.

4. Delegate, if deemed appropriate, authority to the Chief Financial Officer to grant pre-approvals of audit, review and permitted non-audit services, provided that any such approvals shall be presented to the Audit Committee at its next scheduled meeting.

5. Establish policies for the hiring of partners, employees and former partners and employees of the shareholders' auditor.

6. At least annually, consider, assess, and report to the Board of Directors on:

   a. the independence, objectivity and professional skepticism of the shareholders' auditor, including that the shareholders' auditor's performance of permitted non-audit services does not impair the shareholders' auditor's independence;

   b. obtaining from the shareholders' auditor a written statement (i) delineating all relationships between the shareholders' auditor and the Corporation; (ii) assuring that lead audit partner rotation is carried out, as required by law; and (iii) delineating any other relationships that may adversely affect the independence of the shareholders' auditor;

   c. the quality of the engagement team including the evaluation of the lead audit partner, taking into account the opinions of management and internal audit; and

   d. the quality of the communications and interactions with the external auditor.

7. At least annually, obtain and review a report by the shareholders' auditor describing:

   a. the shareholders' auditor's internal quality-control procedures;

   b. any material issues raised by the most recent internal quality-control review, or peer review of the shareholders' auditor firm, or by any inquiry or investigation by governmental or professional authorities, issued in the reporting year, respecting one or more independent audits carried out by the shareholders' auditor firm in Canada and the United States, limited to the Public Company Accounting Oversight Board, and any steps taken to deal with any such issues.

8. At least every 5 years, unless the annual assessment indicates otherwise, conduct a comprehensive review of the shareholders' auditor focussing on the firm and report to the Board of Directors on:

   a. the independence, objectivity and professional skepticism of the shareholders' auditor;

   b. the quality of the engagement team; and

   c. the quality of communications and interactions with the shareholders' auditor.

9. Resolve any disagreement between management and the shareholders' auditor regarding financial reporting.

10. Review the annual audit plan with the shareholders' auditor.

11. Meet periodically with the shareholders' auditor in the absence of management and internal audit.

C. Oversight of Internal Audit

1. Review and discuss with the head of internal audit, report and, where appropriate, provide recommendations to the Board of Directors on the following:

   a. the appointment and mandate of internal audit, including the responsibilities, budget and staffing of internal audit;

   b. discuss with the head of internal audit the scope and performance of internal audit, including a review of the annual internal audit plan, and whether there are any restrictions or limitations on internal audit; and

   c. obtain periodic reports from the head of internal audit regarding internal audit findings, including those related to the Corporation's internal controls, and the Corporation's progress in remedying any audit findings.

2. Meet periodically with the head of internal audit in the absence of management and the shareholders' auditor.

D. Oversight of the Corporation's Internal Control System

1. Review and discuss with management, the shareholders' auditor and internal audit, monitor, report and, where appropriate, provide recommendations to the Board of Directors on the following:
   a. the Corporation's systems of internal controls over financial reporting;
   b. the existence of any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal controls over financial reporting;
   c. compliance with the policies and practices of the Corporation relating to business ethics and code of conduct;
   d. compliance by Directors, Officers and other management personnel with the Corporation's Disclosure Policy; and
   e. the relationship of the Audit Committee with other committees of the Board of Directors, management and the Corporation's consolidated subsidiaries' audit committees.
2. Review and discuss with the Chief Executive Officer and Chief Financial Officer of the Corporation the process for the certifications to be provided in the Corporation's public disclosure documents.
3. Review, monitor, report, and, where appropriate, provide recommendations to the Board of Directors on the Corporation's disclosure controls and procedures.
4. Establish procedures for the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, including procedures for confidential, anonymous submissions by employees regarding questionable accounting or auditing matters.
5. Meet periodically with management in the absence of the shareholders' auditor and internal audit.

E. Oversight of the Corporation's Financial Reporting Risks

1. Review, monitor, report and, where appropriate, provide recommendations to the Board of Directors on the Corporation's processes for identifying, assessing, mitigating, remedying and, where required, reporting major risk exposures as it relates to financial reporting.

F. Journalistic Independence

1. Consider and approve, on recommendation from the Chief Executive Officer, the appointment and termination of the Vice President responsible for CTV News and the Vice President responsible for Noovo News.
2. At least annually, obtain and review reports regarding compliance with the Corporation's Journalistic Independence Policy by each of the Vice President responsible for CTV News and the Vice President responsible for Noovo News.

G. Compliance with Legal Requirements

1. Review and discuss with management, the shareholders' auditor and internal audit, monitor, report and, when appropriate, provide recommendation to the Board of Directors on the adequacy of the Corporation's process for complying with laws and regulations.
2. Receive, on a periodic basis, reports from the Corporation's Chief Legal Officer, with respect to the Corporation's pending or threatened material litigation.

III. Evaluation of the Audit Committee and Report to Board of Directors

A. The Audit Committee shall evaluate and review with the Corporate Governance Committee of the Board of Directors, on an annual basis, the performance of the Audit Committee.

B. The Audit Committee shall review and discuss with the Corporate Governance Committee of the Board of Directors, on an annual basis, the adequacy of the Audit Committee charter.

C. The Audit Committee shall report to the Board of Directors periodically on the Audit Committee's activities.

IV. Outside Advisors

The Audit Committee shall have the authority to engage outside counsel and other outside advisors as it deems appropriate to assist the Audit Committee in the performance of its functions. The Corporation shall provide appropriate funding for such advisors as determined by the Audit Committee.

V. Membership

The Audit Committee shall consist of such number of directors, in no event to be less than three, as the Board of Directors may from time to time by resolution determine. The members of the Audit Committee shall meet the independence, experience and other membership requirements under applicable laws, rules and regulations as determined by the Board of Directors.

VI. Audit Committee Chair

The Chair of the Audit Committee shall be appointed by the Board of Directors. The Chair of the Audit Committee leads the Audit Committee in all aspects of its work and is responsible to effectively manage the affairs of the Audit Committee and ensure that it is properly organized and functions efficiently. More specifically, the Chair of the Audit Committee shall:

A. Provide leadership to enable the Audit Committee to act effectively in carrying out its duties and responsibilities as described elsewhere in this charter and as otherwise may be appropriate;

B. In consultation with the Board Chair and the Chief Executive Officer, ensure that there is an effective relationship between management and the members of the Audit Committee;

C. Chair meetings of the Audit Committee;

D. In consultation with the Chief Executive Officer, the Corporate Secretary's Office and the Board Chair, determine the frequency, dates and locations of meetings of the Audit Committee;

E. In consultation with the Chief Executive Officer, the Chief Financial Officer, the Corporate Secretary's Office and, as required, other Officers, review the annual work plan and the meeting agendas to ensure all required business is brought before the Audit Committee to enable it to efficiently carry out its duties and responsibilities;

F. Ensure, in consultation with the Board Chair, that all items requiring the Audit Committee's approval are appropriately tabled;

14 Schedule 2 – Audit Committee charter

G. Ensure the proper flow of information to the Audit Committee and review, with the Chief Executive Officer, the Chief Financial Officer, the Corporate Secretary's Office and, as required, other Officers, the adequacy and timing of materials in support of management's proposals;

H. Report to the Board of Directors on the matters reviewed by, and on any decisions or recommendations of, the Audit Committee at the next meeting of the Board of Directors following any meeting of the Audit Committee; and

I. Carry out any special assignments or any functions as requested by the Board of Directors.

VII. Term

The members of the Audit Committee shall be appointed or changed by resolution of the Board of Directors to hold office from the time of their appointment until the next annual general meeting of the shareholders or until their successors are so appointed.

VIII. Procedures for Meetings

The Audit Committee shall fix its own procedure at meetings and for the calling of meetings. The Audit Committee shall meet separately in executive session in the absence of management, internal audit and the shareholders' auditor, at each regularly scheduled meeting.

IX. Quorum and Voting

Unless otherwise determined from time to time by resolution of the Board of Directors, two members of the Audit Committee shall constitute a quorum for the transaction of business at a meeting. For any meeting(s) at which the Audit Committee Chair is absent, the Chair of the meeting shall be the person present who shall be decided upon by all members present. At a meeting, any question shall be decided by a majority of the votes cast by members of the Audit Committee, except where only two members are present, in which case any question shall be decided unanimously.

X. Secretary

Unless otherwise determined by resolution of the Board of Directors, the Corporate Secretary of the Corporation or his/her delegate shall be the Secretary of the Audit Committee.

XI. Vacancies

Vacancies at any time occurring shall be filled by resolution of the Board of Directors.

XII. Records

The Audit Committee shall keep such records as it may deem necessary of its proceedings and shall report regularly its activities and recommendations to the Board of Directors as appropriate.

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BCE.CA

Exhibit 99.2

Management's discussion and analysis

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)* on pages 121 to 125 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, 2021 when reading this MD&A.

In preparing this MD&A, we have taken into account information available to us up to March 3, 2022, 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, 2021, BCE's annual information form for the year ended December 31, 2021, dated March 3, 2022 (BCE 2021 AIF) and recent financial reports, on BCE's website at **BCE.ca**, on SEDAR at **sedar.com** 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, 2021 and 2020.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

BCE's 2021 annual report, including this MD&A and, in particular, but without limitation, section 1.3, Key corporate developments, section 1.4, Capital markets strategy, section 1.6, *Environmental, social and governance practices*, section 2, *Strategic imperatives*, section 3.2, *Business outlook and assumptions*, section 5, *Business segment analysis* and section 6.7, *Liquidity* of this MD&A, contains forward-looking statements. These forward-looking statements include, without limitation, statements relating to our projected financial performance for 2022, BCE's dividend growth objective and 2022 annualized common share dividend and dividend payout ratio level, BCE's anticipated capital expenditures, network deployment plans and the benefits expected to result therefrom, including our two-year increased capital expenditure acceleration program for the accelerated expansion of our fibre, Wireless Home Internet (WHI) and Fifth Generation (5G) networks, BCE's financial policy targets, the sources of liquidity we expect to use to meet our anticipated 2022 cash requirements, our expected post-employment benefit plans funding including an anticipated reduction in contributions to our defined benefit (DB) pension plans in 2022, our environmental, social and governance (ESG) objectives which include, without limitation, our objectives concerning diversity, equity and inclusion (DEI), our targeted reductions in the level of our greenhouse gas (GHG) emissions including, without limitation, our plans to be carbon neutral for our operational GHG emissions starting in 2025 and to achieve science-based targets (SBTs) by 2030, our objectives concerning reductions in waste to landfill, e-waste recovery, community investment, privacy and information security, corporate governance and ethical business conduct leadership, 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* 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 BCE's 2021 annual report, including in this MD&A, describe our expectations as at March 3, 2022 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 BCE's 2021 annual report, including 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 BCE's 2021 annual report, including 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 including, without limitation, the future impacts of the COVID-19 pandemic, which are difficult to predict, we believe that our assumptions were reasonable at March 3, 2022. 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 BCE's 2021 annual report, and in particular in this MD&A, include, but are not limited to: the adverse effects of the COVID-19 pandemic including from the restrictive measures implemented or to be implemented as a result thereof and supply chain disruptions; adverse economic and financial market conditions, a declining level of retail and commercial activity, and the resulting negative impact on the demand for, and prices of, our products and services; the intensity of competitive activity including from new and emerging competitors; 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 over-the-top (OTT) television (TV) and other alternative service providers, as well as the fragmentation of, and changes in, the advertising market; rising content costs and challenges in our ability to acquire or develop key content; the proliferation of content piracy; higher Canadian smartphone penetration and reduced or slower immigration flow; regulatory initiatives, proceedings and decisions, government consultations and government positions that affect us and influence our business including, without limitation, concerning the conditions and prices at which access to our networks may be mandated and spectrum may be acquired in auctions; 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 effective data governance; the failure to evolve and transform our networks, systems and operations using next-generation technologies while lowering our cost structure; the inability to drive a positive customer experience; the failure to attract, develop and retain a diverse and talented team capable of furthering our strategic imperatives; labour disruptions and shortages; the failure to maintain operational networks; the risk that we may need to incur significant unplanned capital expenditures to provide additional capacity and reduce network congestion; the complexity of our operations; the failure to implement or maintain highly effective processes and information technology (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; in-orbit and other operational risks to which the satellites used to provide our satellite TV services are subject; 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; 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 dividends will be declared by BCE's board of directors (BCE Board) or whether the dividend on common shares will be increased; the inability to manage various credit, liquidity and market risks; 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 failure to reduce costs, as well as unexpected increases in costs, and the inability to generate anticipated benefits from acquisitions and corporate restructurings; the failure to evolve practices to effectively monitor and control fraudulent activities; pension obligation volatility and increased contributions to post-employment benefit plans; unfavourable resolution of legal proceedings and, in particular, class actions; the failure to develop and implement strong corporate governance practices and compliance frameworks and to comply with legal and regulatory obligations; the failure to recognize and adequately respond to climate change and other environmental concerns and expectations; pandemics, epidemics and other health risks, including health concerns about radio frequency emissions from wireless communications devices and equipment; the inability to adequately manage social issues; and internal factors, such as the failure to implement sufficient corporate and business initiatives, as well as various external factors which could challenge our ability to achieve our ESG targets including, without limitation, those related to GHG emissions reduction and DEI.

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 BCE's 2021 annual report, including in this MD&A, for periods beyond 2022 involve longer-term assumptions and estimates than forward-looking statements for 2022 and are consequently subject to greater uncertainty. In particular, our GHG emissions reduction targets are based on a number of assumptions including, without limitation, the following principal assumptions: implementation of various corporate and business initiatives to reduce our electricity and fuel consumption, as well as reduce other direct and indirect GHG emissions enablers; no new corporate initiatives, business acquisitions or technologies that would materially increase our anticipated levels of GHG emissions; our ability to purchase sufficient credible carbon credits and renewable energy certificates to offset or further reduce our GHG emissions, if and when required; 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 SBTs pursuant to the Science Based Targets initiative (SBTi) methodology that would make the achievement of our updated SBTs more onerous; and sufficient supplier engagement and collaboration in setting their own SBTs and sufficient collaboration with partners in reducing their own GHG emissions.

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. From time to time, we consider potential acquisitions, dispositions, mergers, business combinations, investments, monetizations, joint ventures and other transactions, some of which may be significant. Except as otherwise indicated by 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 3, 2022. 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

COVID-19

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. Through our Bell for Better initiative, we are investing to create a better today and a better tomorrow by supporting the social and economic prosperity of our communities. With our connectivity initiatives from the smallest rural communities to the largest cities, investments in mental health initiatives, environmental sustainability and an engaged workplace, we look to create a thriving, prosperous and more connected world for Canadians across the country, especially as we recover from the unprecedented challenges of the COVID-19 pandemic. Through our capital expenditure acceleration program, we are delivering more connections to help Canada's social and economic recovery from the COVID-19 pandemic.

Our financial and operating performance saw a steady improvement in 2021 despite the continued adverse impacts of the COVID-19 pandemic experienced throughout the year, due to our strong operational execution and the easing of government restrictions in the second half of the year. It has been almost two years since the pandemic began affecting our performance and we have since adapted many aspects of our business to better operate in this environment. Additionally, compared to 2020, the effects of the pandemic on our year-over-year performance were considerably reduced, with Q2 2020 being the quarter most significantly affected by the pandemic. The impacts of the COVID-19 pandemic, although moderated, continued to unfavourably affect Bell Wireless product and roaming revenues, Bell Media advertising revenues, as well as Bell Wireline business market equipment revenues, due to reduced commercial activity as a result of the government restrictions put in place to combat the pandemic, particularly in the first half of the year, and the global supply chain challenges experienced in the second half of the year.

Due to uncertainties relating to the severity and duration of the COVID-19 pandemic and possible resurgences in the number of COVID-19 cases, including as a result of the potential emergence of other variants, and various potential outcomes, it is difficult at this time to estimate the impacts of the COVID-19 pandemic on our business or future financial results and related assumptions. Our business and financial results could continue to be unfavourably impacted, and could again become more significantly and negatively impacted, in future periods, including, among others, as a result of global supply chain challenges adversely affecting our wireless and wireline product revenues.

In addition, the extent to which the COVID-19 pandemic will continue to adversely impact us will depend on future developments that are difficult to predict, including the prevalence of COVID-19 variants that are more contagious and may lead to increased health risks, the timely distribution of effective vaccines and treatments, the potential development and distribution of new vaccines and treatments, vaccination hesitancy and the number of individuals who choose to remain unvaccinated, the time required to achieve broad immunity, as well as new information which may emerge concerning the severity and duration of the COVID-19 pandemic, including the number and intensity of resurgences in COVID-19 cases, and the actions required to contain the coronavirus or remedy its impacts, among others. Any of the risks referred to in this MD&A, and others arising from the COVID-19 pandemic, could have a material adverse effect on our business, financial condition, liquidity, financial results or reputation.

1.1 Introduction

AT A GLANCE

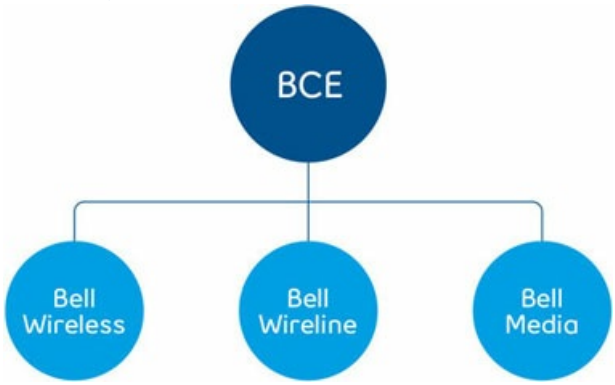
BCE is Canada's largest communications company, providing residential, business and wholesale customers with a wide range of solutions for all their communications needs. BCE's shares are publicly traded on the Toronto Stock Exchange and on the New York Stock Exchange (TSX, NYSE: BCE).

Our results are reported in three segments: Bell Wireless, Bell Wireline and Bell Media.

Bell Wireless provides wireless voice and data communication products and services to our residential, small and medium-sized business and large enterprise customers as well as consumer electronics products across Canada.

BCE is Canada's largest communications company

BCE's business segments
At December 31, 2021



Bell Wireline provides data, including Internet access and Internet protocol television (IPTV), local telephone, long distance, as well as other communication services and products 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.

Bell Media provides conventional TV, specialty TV, pay TV, streaming services, digital media services, radio broadcasting services and out-of-home (OOH) advertising services to customers nationally across Canada.

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

- a 28% indirect equity interest in Maple Leaf Sports & Entertainment Ltd. (MLSE)
- a 50% indirect equity interest in Glentel Inc. (Glentel)
- an 18.4% 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 2021 CONSOLIDATED RESULTS

Operating revenues
$23,449
million
+2.5% vs. 2020

Net earnings
$2,892
million
+7.2% vs. 2020

Adjusted EBITDA (1)
$9,893
million
+3.0% vs. 2020

Net earnings attributable to common shareholders
$2,709
million
+8.4% vs. 2020

Adjusted net earnings (1)
$2,895
million
+6.0% vs. 2020

Cash flows from operating activities
$8,008
million
+3.3% vs. 2020

Free cash flow (1)
$2,995
million
(10.5%) vs. 2020

BCE CUSTOMER CONNECTIONS

Wireless
Total mobile phones (2)
+3.2%
9.5 million subscribers
at the end of 2021

Retail high-speed Internet (3)
+4.2%
3.9 million subscribers
at the end of 2021

Retail TV (4)
(0.1%)
2.7 million subscribers
at the end of 2021

Retail residential network access services (NAS) lines
(7.5%)
2.3 million subscribers
at the end of 2021

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 content creation 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

In 2022, we embedded our focus on creating a more sustainable future directly into our six strategic imperatives, reflecting our long-standing commitment to the highest ESG standards. As one of Canada's largest companies, we are driven to continually improve our impact and our contribution to society with our connectivity commitments, investments in mental health initiatives, environmental sustainability and an engaged workplace.

(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) *Effective January 1, 2021, we changed our wireless operating metrics to reflect our revised approach to reporting wireless subscriber units. Consequently, we are now reporting in two categories, mobile phone subscriber units and mobile connected device subscriber units (e.g. tablets, wearables and mobile Internet devices). Additionally, mobile connected device subscribers now include previously undisclosed Internet of Things (IoT) units (e.g. connected telematics services, monitoring devices, connected cars and fleet management solutions). These changes are consistent with the way we manage our business, reflect our focus on mobile phone subscribers and align to industry peers. As a result, previously reported 2020 subscribers and associated operating metrics (gross and net activations (losses) and churn) have been restated for comparability. See section 11.6* KPIs, *in this MD&A for more details.*

(3) *At the beginning of Q1 2021, our retail high-speed Internet subscriber base was increased by 4,778 subscribers due to the transfer of fixed wireless Internet subscribers from our mobile connected devices subscriber base.*

(4) *At the beginning of Q1 2021, we adjusted our satellite TV subscriber base to remove 6,125 non-revenue generating units.*

1.2 About BCE

We report the results of our operations in three segments: Bell Wireless, Bell Wireline and Bell Media. We describe our product lines by segment below, to provide further insight into our operations.

OUR PRODUCTS AND SERVICES

Bell Wireless

SEGMENT DESCRIPTION

- Provides integrated digital wireless voice and data communication products and services to residential and business customers across Canada
- Includes the results of operations of Bell Mobility Inc. (Bell Mobility) and our national consumer electronics retailer, The Source (Bell) Electronics Inc. (The Source)

OUR BRANDS INCLUDE

Bell, Virgin plus, lucky mobile, The SOURCE

OUR NETWORKS AND REACH

We hold wireless spectrum licences, with holdings across various spectrum bands and regions across Canada, totalling more than 6.4 billion megahertz per population (MHz-Pop), corresponding to an average of approximately 182 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) and LTE Advanced (LTE-A) nationwide wireless broadband networks are compatible with global standards and deliver high-quality and reliable voice and high-speed data services to virtually all of the Canadian population. Our 5G network, the next generation of wireless technology, is available in cities, towns and communities across Canada, with full deployment over the next few years. 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 coast to coast, with LTE-A covering approximately 96% of Canada's population and 5G covering over 70% of Canada's population at December 31, 2021
- Peak theoretical mobile data access download speeds: 5G, up to 1.7 gigabit(s) per second (Gbps) (average expected speeds of 69 to 385 megabits per second (Mbps) in the Greater Toronto Area (GTA)); LTE-A, up to 1.5 Gbps [1] (average expected speeds of 25 to 325 Mbps); 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 coverage areas
- Bell also operates a LTE-category M1 (LTE-M) network, which is a subset of our LTE network, supporting low-power IoT applications with enhanced coverage, longer device battery life and lower costs for IoT devices connecting to Bell's national network. Our LTE-M network is available in most Canadian provinces.

We have more than 6,000 retail points of distribution across Canada, including approximately 1,100 Bell, Virgin Plus, Lucky Mobile (Lucky) and The Source locations, as well as Glentel-operated locations (WIRELESSWAVE, Tbooth wireless and WIRELESS etc.) and other third-party dealer and retail locations.

OUR 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, trackers, laptops, security cameras and mobile Internet
- **Extensive selection of devices:** the latest 5G, 4G LTE and LTE-A smartphones, tablets, smartwatches, mobile Internet hubs and sticks, mobile Internet devices and connected things (Bell Connected Car, trackers, connected home, lifestyle products and virtual reality)
- **Travel:** roaming services with other wireless service providers in more than 230 outbound destinations worldwide with LTE roaming in 208 outbound destinations and 5G roaming in several international destinations, Roam Better feature and Travel Passes
- **Mobile business solutions:** push-to-talk, field service management, worker safety and mobility management
- **IoT solutions:** asset management, smart buildings, smart cities, fleet management and other IoT services

(1) *Peak theoretical download speeds of up to 1.5 Gbps on LTE-A are currently available in Kingston, Waterloo, Toronto, Mississauga, Vaughan, Richmond Hill, Markham, Brampton, North Bay, Niagara-on-the-Lake, Cambridge, Pickering, Ajax, Burlington, Guelph, London, Niagara Falls, Oakville, St. Catharines, Thorold, Thunder Bay, Welland and Ottawa. Compatible device required.*

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

Bell Wireline

SEGMENT DESCRIPTION

- Provides data, including Internet access and IPTV, voice, comprising local telephone and long distance, as well as other communication services and products to 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. We also offer competitive local exchange carrier (CLEC) services in Alberta and British Columbia.
- Includes the results of 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 Inc. (Northwestel), which provides telecommunications services in Canada's Northern Territories

OUR NETWORKS AND REACH

- Extensive local access network in Ontario, Québec, the Atlantic provinces and Manitoba, as well as in Canada's Northern Territories
- Broadband fibre network, consisting of fibre-to-the-premise (FTTP) and fibre-to-the-node (FTTN) locations, covering approximately 10 million homes and businesses in Ontario, Québec, the Atlantic provinces and Manitoba. Our FTTP direct fibre footprint encompassed approximately 6.2 million homes and commercial locations at the end of 2021, representing the largest FTTP footprint in Canada.
- 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
- Approximately 700 Bell and Virgin Plus locations

OUR 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 total download access speeds of up to 1.5 Gbps with FTTP or download speeds of up to 100 Mbps with FTTN, while our WHI fixed wireless service currently 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 100 Mbps.

OUR BRANDS INCLUDE

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

- **TV:** IPTV services (Fibe TV, Fibe TV app and Virgin Plus TV) and satellite TV service. Bell Fibe TV provides extensive content options with full high-definition (HD) and 4K resolution (4K) Whole Home personal video recorder (PVR), 4K Ultra HD programming, on-demand content and innovative features including wireless receivers, the Fibe TV app, Restart and access to Crave, Netflix, Prime Video and YouTube. The Fibe TV app live TV streaming service offers live and on-demand programming on Bell Streamer, Apple TV, Amazon Fire TV, Google Chromecast, smartphones, tablets, computers and other devices with no traditional TV set-top box (STB) required. Bell Streamer is a 4K high dynamic range (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 thousands of apps on 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
- **Smart Home:** home security, monitoring and automation services from Bell Smart Home
- **Bundles:** multi-product bundles of Internet, TV, home phone and smart home services with monthly discounts

BUSINESS

- **Internet and private networks:** business Internet, Ethernet, IP VPN, Wavelength, global network solutions, software-defined solutions
- **Communications:** IP telephony, local and long distance, audio, video and web conferencing and webcasting, contact centre solutions
- **Cloud:** cloud computing, cloud connect, cloud backup and disaster recovery, cloud managed services
- **Other:** security, managed services, professional services

Bell Media

SEGMENT DESCRIPTION

- Canada's leading content creation company with premier assets in TV, radio and OOH, 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
  - Specialty TV revenue is generated from subscription fees and advertising
  - Pay TV revenue is derived from subscription fees

OUR BRANDS INCLUDE

OUR ASSETS AND REACH

TV

- 35 conventional TV stations including **CTV**, Canada's #1 network for 20 consecutive years, #1 Canadian AVOD platform and leading digital news destination ctvnews.ca, and the French-language **Noovo** network in Québec, including its popular advertising-based video on demand (AVOD) platform and recently launched digital news destination Noovo.info
- 27 specialty TV channels, including **TSN**, Canada's most-watched sports channel and **RDS**, the top French-language sports network
- 4 pay TV services and 4 direct-to-consumer (DTC) streaming services, including **Crave**, the exclusive home of HBO in Canada, **TSN Direct** and **RDS Direct**

RADIO

- 109 licensed radio stations in 58 markets across Canada, all available through the iHeartRadio app alongside an extensive catalogue of podcasts

OOH ADVERTISING

- Network of more than 50,000 advertising faces in key urban markets across Canada

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), 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 Cup Series, Formula 1 (F1), Grand Slam Tennis, Ultimate Fighting Championship (UFC), National Collegiate Athletic Association (NCAA), March Madness and more.
- **HBO:** long-term agreement to deliver all current-season, past-season and library HBO programming in Canada exclusively on our linear, on-demand and OTT platforms
- **HBO Max:** long-term exclusive agreement to deliver original, non-children's programming produced by Warner Bros. Television Group for HBO Max
- **SHOWTIME:** content licensing and trademark agreement for past, present and future SHOWTIME-owned programming
- **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

- Majority stake in Pinewood Toronto Studios, the largest purpose-built production studio in Canada
- Partnership in Just for Laughs, the live comedy event and TV producer
- Equity interest in Dome Productions Partnership, one of North America's leading providers of sports and other event production and broadcast facilities
- 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
- Operations of Montréal's Octane Racing Group Inc., promoter of the F1 Canadian Grand Prix, the largest annual sports and tourism event in the country

OUR PRODUCTS AND SERVICES

- Varied and extensive array of video content to broadcast distributors across Canada
- **Advertising** on our TV, radio and OOH properties to both local and national advertisers across a wide range of industry sectors
- **Crave** bilingual subscription-based on-demand TV streaming service offering a large collection of premium content in one place, including HBO, HBO Max, SHOWTIME, STARZ and Super Écran programming, on 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 Direct and RDS Direct** streaming services offering live and on-demand TSN and RDS content directly to consumers through an annual, monthly or single-day 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:

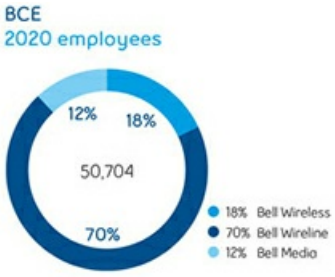
- a 28% indirect equity interest in MLSE, a sports and entertainment company that owns several sports teams, including the Toronto Maple Leafs, the Toronto Raptors, Toronto FC and the Toronto Argonauts, as well as real estate and entertainment assets in Toronto
- a 50% indirect equity interest in Glentel, a Canadian-based connected services retailer
- an 18.4% 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

EMPLOYEES

At the end of 2021, our team consisted of 49,781 employees, a decrease of 923 employees compared to the end of 2020, attributable to natural attrition, retirements and workforce reductions, offset in part by call centre hiring.

Approximately 39% of total BCE employees were represented by labour unions at December 31, 2021.





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

This section contains forward-looking statements, including relating to our capital expenditure acceleration program and certain of our ESG objectives. Refer to the section *Caution regarding forward-looking statements* at the beginning of this MD&A.

CAPITAL EXPENDITURE ACCELERATION PROGRAM

In 2021, Bell commenced its program to accelerate the rollout of its broadband fibre and wireless networks with a $1.7 billion acceleration in capital expenditures over the next two years to help drive Canada's recovery from the COVID-19 crisis. Enabled by a positive investment climate reflecting government support for infrastructure development, this $1.7 billion capital expenditure acceleration is in addition to the approximately $4 billion in capital expenditures that Bell has typically spent each year on network infrastructure and expansion over the last decade, and will significantly increase the connections in localities across Canada. Bell spent approximately $800 million of this additional capital expenditure in 2021 to deliver approximately 1.1 million new direct fibre and WHI locations and expand mobile 5G coverage to more than 70% of Canadians. In 2022, our capital expenditures will include $900 million in accelerated capital expenditures to reach up to 900,000 more homes and businesses with direct fibre connections, expand the reach of our national 5G network to more than 80% of the national population, further densify our wireless network with new 5G sites to meet growing customer usage requirements, and enable the launch of a 5G standalone core leveraging 3500 MHz spectrum that will drive enhanced speeds, lower latency and enable next-generation services.

ACQUISITION OF ADDITIONAL HIGH-VALUE 3500 MHZ WIRELESS SPECTRUM

Bell acquired significant additional mid-band, flexible-use 3500 MHz wireless spectrum – critical to enabling the full potential of 5G – in ISED's Canadian spectrum auction completed in July 2021. Bell acquired 271 licences in a number of urban and rural markets for 678 million MHz-Pop of 3500 MHz spectrum for $2.07 billion. Essential to Canada's ongoing transition to 5G communications, these high-capacity airwaves extend Bell's leadership in delivering enhanced 5G digital experiences to Canadian consumers and businesses in urban, rural and remote communities. This acquisition increases Bell's total 3500 MHz spectrum holdings to 1,690 million MHz-Pop.

LAUNCH OF BELL FOR BETTER INITIATIVE

In June 2021, Bell launched Bell for Better, our long-term commitment to create better outcomes for all stakeholders, including Canadian communities everywhere, employees, customers and shareholders. With our connectivity initiatives from the smallest rural communities to the largest cities, investments in mental health initiatives, environmental sustainability and an engaged workplace, Bell looks to create a thriving, prosperous and more connected world for Canadians across the country, especially as we recover from the unprecedented challenges of the COVID-19 crisis. With Bell for Better, Bell is underscoring its objective to achieve the highest ESG standards based on three pillars:

Better world

- Target to reduce GHG emissions by 2030 in line with the Paris Climate Agreement and the SBTi, and to achieve carbon neutral operations by 2025. Bell is the first communications company in North America to receive ISO 50001 certification for energy management and has been named one of Canada's Greenest Employers for five straight years.
- Continue to lead the industry and corporate Canada in mental health with $155 million committed to mental health initiatives by 2025 through Bell Let's Talk, Canada's largest-ever corporate commitment to mental health
- Bell was the first Canadian telecom company to launch a sustainability bond offering, part of a new Sustainable Financing Framework that builds ESG considerations into our investment decisions

Better communities

- Target to invest up to $14 billion in capital expenditures from 2020 to 2022 to deliver faster and better connectivity to more Canadians
- Connect rural and underserved communities by making fast and reliable WHI available to 1 million households in rural communities
- Invest in Canadian innovation with a historical industry-leading amount of approximately $500 million in research and development capital expenditures annually
- Donate refurbished company computers, printers and other electronic devices to schools through the national Computers for Success Plus program

Better workplace

- Foster an inclusive culture, building on its recognition as one of the largest and Best Employers in Canada, including one of the Best Diversity Employers, Greenest Employers, Top Family-Friendly Employers and a Montréal Top Employer
- Enable the next generation of Bell leaders through our Graduate Leadership Programs, building on its recognition as a Top Employer for Young People
- Encourage diversity at the top, targeting at least 35% gender diverse representation in executive positions (vice-president and above) by the end of 2023, and Black, Indigenous and People of Colour (BIPOC) representation on our senior management team of at least 25% by 2025

ACQUISITION OF INTERNET PROVIDER EBOX

On February 24, 2022, Bell announced its acquisition of EBOX, an independent Internet, telephone and television service provider based in Longueuil, Québec. Bell will maintain the EBOX brand and operations, and EBOX will continue providing telecommunications options for consumers and businesses in Québec and parts of Ontario. As part of its commitment to provide Québec residents with fast and reliable telecommunications services now and in the future, Bell invests heavily in network infrastructure and expansion throughout urban and rural Québec. Under Bell, EBOX will benefit from the resources, scale and access to the technology needed to support the growth of the business and continue delivering improvements to the great services at competitive prices that have earned EBOX loyal customers over the past 25 years. The acquisition is expected to accelerate growth in Bell's residential and small business customers. The results of the acquired business will be included in our Bell Wireline segment.

1.4 Capital markets strategy

This section contains forward-looking statements, including relating to BCE's dividend growth objective, 2022 annualized common share dividend, dividend payout ratio level and financial policy targets, and our business outlook, objectives and plans. Refer to the section *Caution regarding forward-looking statements* at the beginning of this MD&A.

We seek to deliver sustainable shareholder returns through consistent dividend growth. This objective is underpinned by substantial free cash flow generation and a strong balance sheet, supporting a significant ongoing capital investment on advanced broadband networks and services that are essential to driving the long-term growth of our business.

DIVIDEND GROWTH AND PAYOUT POLICY

Dividend yield (1)

5.3%

in 2021

2022 dividend increase

+5.1%

to $3.68 per common share

Dividend payout (2) policy

65%–75%

of free cash flow

On February 3, 2022, we announced a 5.1%, or 18 cents, increase in the annualized dividend payable on BCE's common shares for 2022 to $3.68 per share from $3.50 per share in 2021, starting with the quarterly dividend payable on April 15, 2022. This is BCE's 14th consecutive year of 5% or better dividend growth.

Our objective is to seek to achieve dividend growth while maintaining our dividend payout ratio within the target policy range of 65% to 75% of free cash flow and balancing our strategic business priorities. BCE's dividend payout policy, increases in the common share dividend 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 policy will be maintained, that the dividend on common shares will be increased or that dividends will be declared. In 2021, our dividend payout ratio was 105%, which is higher than our policy range due to a planned acceleration in capital expenditures and the financial impacts of the COVID-19 pandemic. Due mainly to another planned acceleration in capital expenditures this year, BCE's dividend payout ratio is expected to remain above our target policy range in 2022.

EXECUTIVE COMPENSATION ALIGNMENT

BCE's management equity-based incentive plans are structured to maximize shareholder value, share price and capital returns, as well as 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 a strong alignment of interest between shareholders and our management's 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 mid-term and long-term incentive grants
- Vesting criteria fully aligned to shareholder interests

USE OF LIQUIDITY

Consistent with our capital markets objective to deliver sustainable shareholder returns through dividend growth, while maintaining planned levels of capital investment, investment-grade credit ratings and considerable overall financial flexibility, we deploy excess free cash flow (3) 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
- Voluntary contributions to BCE's DB pension plans to improve the funded position of the plans and reduce the use of letters of credit for funding deficits
- Share buybacks through normal course issuer bid programs

In 2021, excess free cash flow was negative $137 million, down from $373 million in 2020. The year-over-year decrease was primarily attributable to higher capital expenditures consistent with our 2-year capital expenditure acceleration program to accelerate the rollout of Bell's 5G, fibre and rural WHI networks. This increase in capital expenditures compared to 2020 more than offset cash flows from operating activities of $8,008 million, which increased by $254 million year-over-year.

(1) *Annualized dividend per BCE common share divided by BCE's share price at the end of the year.*

(2) *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.*

(3) *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.*

TOTAL SHAREHOLDER RETURN PERFORMANCE

Five-year total shareholder return (1)

+48.5%

2017–2021

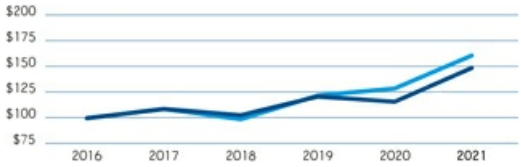
One-year total shareholder return (1)

+27.9%

2021

FIVE-YEAR CUMULATIVE TOTAL VALUE OF A $100 INVESTMENT (2)

DECEMBER 31, 2016 – DECEMBER 31, 2021



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/TSX Composite Index (3), for the five-year period ending December 31, 2021, assuming an initial investment of $100 on December 31, 2016 and the quarterly reinvestment of all dividends.

● BCE common shares ● S&P/TSX Composite Index

STRONG CAPITAL STRUCTURE

BCE's balance sheet is underpinned by a healthy available liquidity (4) position of approximately $3.4 billion at the end of 2021, comprised of $207 million in cash, $400 million available under our securitized trade receivable program and $2.8 billion available under our $3.5 billion committed bank credit facilities, and an investment-grade credit profile, providing the company with a solid financial foundation and a high level of overall financial flexibility. BCE has an attractive long-term debt maturity profile with no material maturities until the first quarter of 2023. 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 with stable outlooks.

ATTRACTIVE LONG-TERM PUBLIC DEBT MATURITY PROFILE (5)

- Average term of Bell Canada's publicly issued debt securities: approximately 12.8 years
- Average after-tax cost of publicly issued debt securities: 2.8%
- No material publicly issued debt securities maturing until Q1 2023

STRONG LIQUIDITY POSITION (5)

- $2,789 million available under our $3.5 billion multi-year committed credit facilities
- $400 million accounts receivable securitization available capacity
- $207 million cash

INVESTMENT GRADE CREDIT PROFILE (5) (6)

- Long-term debt credit rating of BBB (high) by DBRS Limited (DBRS), Baa 1 by Moody's Investors Service, Inc. (Moody's) and BBB+ by S&P, all with stable outlooks

(1) *Shareholder return is defined as the change in BCE's common share price for a specified period plus BCE common share dividends reinvested, divided by BCE's common share price at the beginning of the period.*

(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.*

(4) *Available liquidity 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.*

(5) *As at December 31, 2021*

(6) *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.

We monitor our capital structure by utilizing a number of measures, including net debt leverage ratio (1), adjusted EBITDA to adjusted net interest expense ratio (1), and dividend payout ratio.

As a result of financing a number of strategic acquisitions made since 2010, including CTV Inc. (CTV), Astral Media Inc. (Astral), MLSE, Bell Aliant Inc. and Manitoba Telecom Services Inc. (MTS); voluntary pension plan funding contributions to reduce our pension solvency deficit; wireless spectrum purchases; as well as a one-time unfavourable impact in 2019 due to the adoption of IFRS 16 that added $2.3 billion of lease liabilities to net debt (1) on our balance sheet on January 1, 2019, our net debt leverage ratio has increased above our internal target range. At December 31, 2021, our net debt leverage ratio was 3.18 times adjusted EBITDA, which exceeded the upper end of our internal target range by 0.68.

BCE's adjusted EBITDA to adjusted net interest expense ratio at the end of 2021 remained above our internal target range of greater than 7.5 times adjusted EBITDA at 8.77, providing good predictability in our debt service costs and protection from interest rate volatility.

BCE CREDIT RATIOS	INTERNAL TARGET	DECEMBER 31, 2021
Net debt leverage ratio	2.0–2.5	3.18
Adjusted EBITDA to adjusted net interest expense ratio	>7.5	8.77

In 2021, Bell Canada successfully completed a proxy solicitation with respect to proposed amendments to its trust indenture dated July 1, 1976. The amendments, which were approved at a special meeting of holders of debentures on November 12, 2021, align the 1976 Indenture more closely with current and generally accepted market practice in Canada for investment-grade senior unsecured debt and provide Bell Canada with more flexibility with respect to raising capital to finance its business and operations, including enabling us to maintain Bell Canada as the sole public debt issuer in BCE's corporate structure.

Bell Canada successfully accessed the debt capital markets in March 2021, May 2021 and August 2021, raising a total of $2.05 billion in gross proceeds from the issuance in Canada of medium-term note (MTN) debentures, and $2.35 billion in U.S. dollars ($2.94 billion in Canadian dollars) in gross proceeds from the issuance of notes in the U.S. Both the Canadian-dollar and U.S.-dollar issuances contributed to modestly lowering our after-tax cost of outstanding publicly issued debt securities to approximately 2.8% (3.8% on a pre-tax basis), and increasing the average term to maturity to 12.8 years. The net proceeds of the 2021 offerings were used to fund the early redemption of $1.7 billion of Bell Canada MTN debentures maturing in 2022, to fund part of the $2.07 billion cost of 3500 MHz spectrum licences Bell secured pursuant to the Canadian spectrum auction completed in July 2021, to finance or re-finance, in whole or in part, new and/or existing green and social eligible investments as set out in BCE's Sustainable Financing Framework, to repay short-term debt and for general corporate purposes.

Subsequent to year end, on February 11, 2022, Bell Canada issued 3.65% Series US-7 Notes with a principal amount of $750 million in U.S. dollars ($954 million in Canadian dollars), which mature on August 15, 2052. The net proceeds of the offering are intended to be used towards the cost of funding, on March 16, 2022, the redemption, prior to maturity, of Bell Canada's 3.35% Series M-26 MTN debentures, with early debt redemption charges of $18 million. The M-26 MTN debentures have an outstanding principal amount of $1 billion and were due on March 22, 2023.

In addition, subsequent to year end, on February 24, 2022, BCE announced its intention to redeem all of its outstanding Cumulative Redeemable First Preferred Shares, Series AO (Series AO Preferred Shares) on March 31, 2022 at a redemption price of $25.00 per Series AO Preferred Share, for a total amount of $115 million.

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 leadership in corporate governance 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)	✓ Directors' Tenure Guidelines
99% 2021 Board and Committee Director Attendance Record for Director Nominees	✓ Board Renewal: 8 Non-Executive Director Nominees ≤ 6 Years Tenure
✓ Board Committee Members are All Independent	✓ Share Ownership Guidelines for Directors and Executives
✓ Board Diversity Policy and Target for Gender Representation	✓ Code of Business Conduct and Ethics Program
✓ Annual Election of All Directors	✓ Annual Advisory Vote on Executive Compensation
✓ Directors Elected Individually	✓ Formal Board Evaluation Process
✓ Majority Voting Policy for Directors	✓ Board Risk Oversight Practices
✓ Separate Chair and CEO	✓ ESG Strategy Reviewed by Board
✓ Board Interlocks Guidelines	✓ Robust Succession Planning

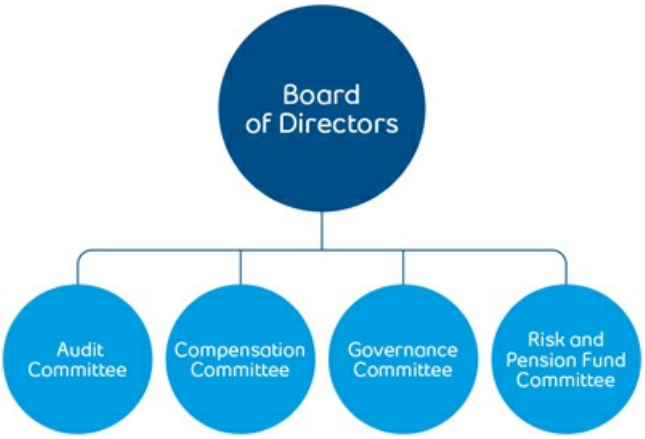
For more information, please refer to BCE's most recent notice of annual general shareholder meeting and management proxy circular (the Proxy Circular) filed with the Canadian provincial securities regulatory authorities (available at **sedar.com**) and furnished to the U.S. Securities and Exchange Commission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

(1) *Net debt leverage ratio and adjusted EBITDA to adjusted net interest expense ratio are capital management measures and net debt is a non-GAAP financial measure. See section 11.4,* Capital management measures *and section 11.1,* Non-GAAP financial measures *in this MD&A for more information on these measures.*

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 business continuity plans, work stoppage and disaster recovery plans, regulatory and public policy, information management and privacy, information and physical security, fraud, vendor and supply chain management, the environment, the pension fund, and other risks as required. The Risk and Pension Fund Committee receives a report on security matters, including information security, at each of its meetings.
- The Audit Committee is responsible for overseeing financial reporting and disclosure, as well as the organization's internal control systems and compliance with legal requirements
- 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 guidelines and determining the composition of the Board and its committees. The Governance Committee is also responsible for oversight of our corporate purpose and our ESG matters, including climate-related risks and the organization's policies concerning business conduct, ethics and public disclosure of material information.

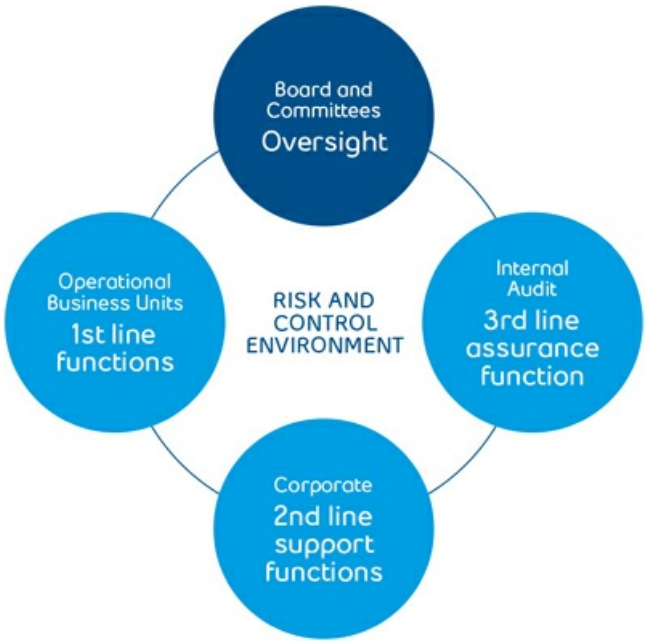
RISK MANAGEMENT CULTURE

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, 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 segments (Bell Wireless, Bell Wireline and Bell Media), 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 49,781 employees as at December 31, 2021, 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.

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 will maintain, an enhanced Data Governance Policy that encompasses the protection and appropriate use of data across its lifecycle. 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 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, *Environmental, social and governance practices*, 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* of 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 policy definitions and monitors the organization's performance against these policies. In high and emerging risk areas such as information security, Corporate Security leverages its experience and competence and, through collaboration with the operational business units, develops strategies intended to seek to mitigate the organization's risks. For instance, we have implemented security awareness training and policies and procedures that seek to mitigate information security threats. We further rely on security assessments to identify risks, projects and implementation controls with the objective of ensuring that systems are deployed with the appropriate level of control based on risk and technical capabilities, including access management, vulnerability management, security monitoring and testing, to help identify and respond to attempts to gain unauthorized access to our information systems and networks. We evaluate and seek to adapt our security policies and procedures designed to protect our information and assets in light of the continuously evolving nature and sophistication of information security threats. However, given in particular the complexity and scale of our business, network infrastructure, technology and IT supporting systems, there can be no assurance that the security policies and procedures 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 also mandates the company's Energy Board, a working group composed of business unit employees, including vice-presidents and directors, to ensure oversight of our overall energy consumption and costs with the objective of minimizing financial and reputational risks while maximizing business opportunities.

In addition, in order to support the evolution of our corporate responsibility strategy, in 2021 we created a Corporate Responsibility (CR) Board composed of a significant number of employees at the senior vice-president, vice-president and director levels. The CR Board is responsible, among others, to embed corporate responsibility considerations into corporate and business unit strategies, assist in identifying corporate responsibility areas for further improvement, establish relevant ESG KPIs, respond to stakeholders' concerns and support various corporate responsibility initiatives. The CR Board reports on progress to the HSSEC Committee, the co-chairs of which report to the Risk and Pension Fund Committee, Governance Committee and Compensation Committee of the Board of Directors.

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, 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 Environmental, social and governance practices

This section contains forward-looking statements, including relating to our ESG objectives and network deployment plans. Refer to the section *Caution regarding forward-looking statements* at the beginning of this MD&A.

ESG practices form an integral part of BCE's corporate responsibility approach. 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 support the social and economic prosperity of our communities while safeguarding the environment, with a commitment to the highest ESG standards.

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. Reflecting our long-standing commitment to the highest ESG standards, our focus is on creating a more sustainable future by embedding it directly into our six strategic imperatives. As one of Canada's largest companies, we are driven to continually improve our impact and our contribution to society with our connectivity commitments, investments in mental health initiatives, environmental sustainability and engaged workplace. This approach also supports our purpose to advance how Canadians connect with each other and the world.

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 corporate purpose and our ESG strategy and disclosure, which includes oversight and related disclosure of climate-related risks. It is also responsible for our governance practices and policies, including those concerning business conduct and ethics. In addition, the Risk and Pension Fund Committee oversees environmental, safety and security risks, including data governance and cybersecurity, while the Compensation Committee has oversight of human resource issues, including respectful workplace practices, health and safety, and tracks corporate performance against our ESG targets. In 2020, the Compensation Committee formally added ESG targets to corporate performance metrics, establishing a link to compensation. Furthermore, as of 2022, additional ESG related metrics were added and are embedded into each of the strategic imperatives, which is reflective of how ESG is embedded into the overall strategy of the business. ESG is targeted to represent, in aggregate, at least 30% of the total strategic imperatives score in 2022. The Compensation Committee reviews the detailed metrics and targets and approves them early in the year, tracking progress throughout the year.

We report annually on our corporate responsibility performance and our ESG practices in our Corporate Responsibility Report, available at **BCE.ca**. We report on the ESG topics that are of greatest importance to our stakeholders and which could have a relevant impact on our business.

BCE is recognized around the world for the effectiveness of its corporate responsibility and ESG programs, as reflected in its inclusion in various sustainability indices and its receipt of sustainability awards. In 2021, BCE continued to be listed on socially responsible investment indices such as the FTSE4Good Index, the Jantzi Social Index, the Ethibel Sustainability Index (ESI) Excellence Global, and the Euronext Vigeo World 120 index.

COMMUNITY

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 – and is a driver of Bell for Better. Over the last 12 years, Canadians and people worldwide have taken action to create positive change by engaging in the mental health conversation, working hard to help create a Canada where everyone can get the culturally-appropriate mental health support they need. To date, Bell Let's Talk has committed over $129.5 million in funding to mental health initiatives and has partnered with more than 1,300 organizations providing mental health support and services throughout Canada.

WHY MENTAL HEALTH MATTERS

The current COVID-19 situation has affected our mental health. Two-thirds of Canadians are feeling more isolated, with young people experiencing the greatest decline since the pandemic began. As well, the mental health challenges of BIPOC communities have underscored the need to address mental illness in culturally appropriate and barrier-free ways. Practising physical distancing makes it even more important that we make an extra effort to remain emotionally connected. Finding ways to stay connected with friends, family and loved ones will support good mental health and well-being and will help ensure Canadians get through this together.

WHAT WE ARE DOING

In the lead up to Bell Let's Talk Day 2022, almost $8 million in funding for mental health was awarded to projects across the country. This included:

- $4 million for research projects from the Bell Let's Talk/Brain Canada Mental Health Research Program
- $1.5 million from the Bell-Graham Boeckh Foundation for Foundry to transform youth mental health
- $1 million from the Bell Let's Talk Post-Secondary Fund to support 16 colleges, universities and cégeps
- $600,000 from the Bell Let's Talk Diversity Fund to six organizations supporting the mental health and well-being of BIPOC communities in Canada
- $370,000 to Strongest Families Institute, in partnership with the Government of Yukon and Northwestel
- $250,000 to Canadian Red Cross to expand the Friendly Calls program to Indigenous communities
- $250,000 to Fondation CERVO to purchase a second neuromodulation device

In January 2022, more than 180 communities and organizations across Canada and around the world showed their support for mental health by raising the Bell Let's Talk flag at city and town halls, military bases and schools. Students at 217 Canadian universities, colleges and cégeps across the country also engaged in a variety of initiatives in their learning environments to promote student mental health.

On January 26, 2022 – the 12th annual Bell Let's Talk Day – Canadians and people around the world set all-new records for engagement in the mental health conversation, sharing 164,298,820 messages of support and driving $8,214,941 in new mental health funding by Bell.

KEY METRIC

Adding the funding amount of the latest Bell Let's Talk Day to the original Bell Let's Talk commitment of $50 million in 2010, along with the results of the first 11 Bell Let's Talk Days and the additional $5 million funding committed in response to the COVID-19 pandemic, Bell has now committed $129,588,747.75 to improving Canadian mental health.

SOCIETY AND ECONOMY

Being an engaged corporate citizen has been central to our identity for over 140 years. Our networks and services are fundamental to the success of the communities we serve, the nation's economy and Canadian society as a whole. We work closely with governments, regulators and our customers to maximize these societal benefits.

WHY DIGITAL ACCESS MATTERS

Canadians are increasingly dependent on digital technologies and require access to the digital ecosystem to learn, work, socialize and access essential services. Access to high-speed, reliable and affordable Internet has become an essential service and a key driver of improved societal well-being as we help bridge the digital divide and provide accessibility to everyone.

WHAT WE ARE DOING

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, as we continue to close the digital divides that separate communities, we are also supporting growth among suppliers and partners as we help build and drive innovation across the Canadian digital ecosystem.

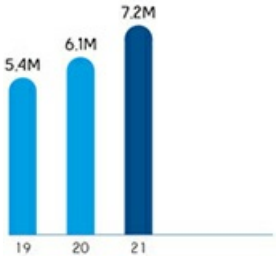
As a result of Bell's capital expenditure acceleration program, Bell increased its combined FTTP all-fibre and rural WHI broadband footprint to reach approximately 7.2 million homes and business locations in Atlantic Canada, Québec, Ontario and Manitoba at the end of 2021, including the deployment of pure fibre services in major urban centres and more than 50 additional smaller communities.

Bell continues to deliver wireless technology that is among the most advanced in the world. Bell's LTE wireless network is available to over 99% of the national population, with Bell 5G accessible to more than 70% of Canadians at the end of 2021 with coverage expected to increase to more than 80% of the national population by the end of 2022.

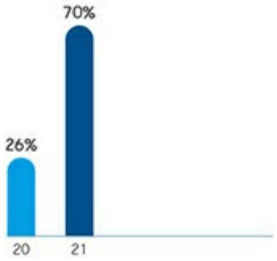
In May 2021, Bell completed a Canadian public offering of $500 million of MTN debentures which was Bell's first sustainability bond offering pursuant to BCE's new Sustainable Financing Framework (Framework) and which constituted the first sustainability bond offering by a Canadian telecommunications company. The net proceeds of this offering were allocated to finance or re-finance, in whole or in part, new or existing green and social eligible investments as set out in the Framework including, without limitation, investments for the deployment of networks in underserved or unconnected areas.

KEY METRICS

FTTP and WTTP footprint
at December 31
(homes and businesses passed)



5G network coverage
at December 31



TEAM MEMBERS

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 that drives effectiveness, high performance and agility in our evolving business environment. Through workplace wellness initiatives and by celebrating diversity in the workplace, we reinforce our goal of creating a safe and inclusive atmosphere for all team members.

WHY EMPLOYEE WELL-BEING MATTERS

We believe that everyone deserves a respectful, positive, professional and rewarding work environment. Engaging and investing in our people and creating a sustainable future is a strategic imperative which recognizes that our success requires a dynamic and engaged team that is committed to the highest ESG standards. The Bell team is critical to our company's success, enabling our purpose of advancing how Canadians connect with each other and the world, while also making a difference in communities across the country.

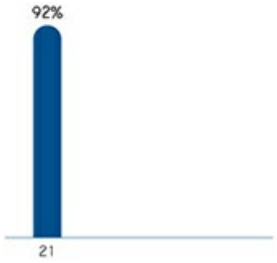
At Bell, we believe that taking care of the well-being of our team members is essential to their personal success and to our organization's ongoing progress.

WHAT WE ARE DOING

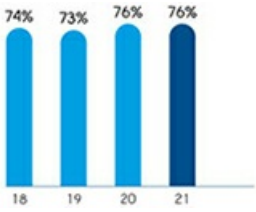
To foster the well-being of our team members, we believe that engaging our members as well as nurturing an inclusive environment are both essential. We are proud to be ranked as one of Canada's Top Employers. Bell has been recognized by Mediacorp as one of Canada's Best Diversity Employers, Top Employers for Young People, Top Family-Friendly Employers and one of Canada's Greenest Employers. We are focused on developing and retaining the best talent in the country by providing a workplace that is positive, professional and rewarding, and which enables creativity and innovation. We also continue to develop, implement and share world-leading mental health practices in the workplace, and to broaden our approach to emphasize total-health support. We educate team members through our best-in-class training programs and campaigns, support them through an extensive range of mental health services and supports and adapt workplace policies and practices to foster a psychologically safe workplace. Since 2010, over 90 KPIs 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 (1)



(1) *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 five 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.*

WHY DIVERSITY, EQUITY AND INCLUSION MATTERS

Bell is committed to an inclusive, equitable and accessible workplace where all team members feel valued, respected, supported and have the opportunity to reach their full potential. A truly diverse team and inclusive workplace fosters innovation and creativity, better reflects the customers we serve and increases team member engagement.

WHAT WE ARE DOING

Our diversity, equity and inclusion strategy is supported by a strong governance framework that includes the Diversity Leadership Council, business unit committees and employee-led networks, including Black Professionals at Bell, Pride at Bell and Women at Bell.

In step with our overarching corporate commitment to improve gender diversity, we are strategically focused on increasing the diversity of our senior leadership. Bell is a signatory to the Catalyst Accord 2022 and member of the 30% Club. Exceeding the Catalyst Accord and 30% Club target, Bell leads with more ambitious targets: we aim for a minimum 35% gender diverse representation among directors on the BCE Board moving forward, and at least 35% of Bell leaders at the VP level and above by the end of 2023.

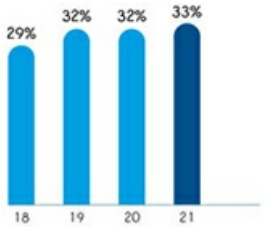
In 2021, Bell continued its commitment to taking meaningful actions to address the impacts of systemic racism on team members and others in BIPOC communities. This includes:

- Targets for BIPOC representation on our senior management team of at least 25% by 2025 and 40% of new graduate and intern hires
- Partnerships with the Onyx Initiative and the Black Professionals in Tech Network that are helping drive the recruitment of Black college and university students and promote Black talent in technology
- Promoting greater diversity in Canadian media with the launch of the HireBIPOC website and the Bell Media Content Diversity Task Force in partnership with BIPOC TV & Film
- $5 million Bell Let's Talk Diversity Fund to support the mental health and well-being of Canada's BIPOC communities
- Reinforcing our culture of inclusion with review of internal policies and practices, and successful launch of the Inclusive Leadership Development Program to people leaders, exceeding our goal of over 30% completion within the first year

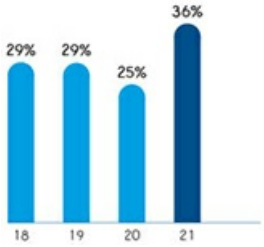
Looking ahead, we plan to continue building momentum for our diversity, equity and inclusion strategy based on concrete objective-setting and the integration of inclusive leadership practices.

KEY METRICS

Gender diverse (1) representation in executive positions
(vice-president level and above)



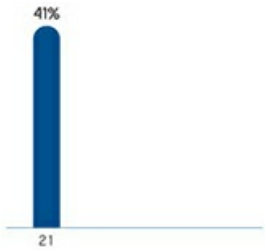
Gender diverse (1) representation among directors on the BCE Board



BIPOC representation in Bell senior management



BIPOC representation among new graduates and interns



ENVIRONMENT

We believe that it is our responsibility 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 will likely lose 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 25 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 (EMS) to help with this continuous improvement, and it has been certified ISO 14001 (2) since 2009, making us the first North American communications company to be so designated. We have continuously maintained this certification since then. In addition, Bell Canada's energy management system was certified ISO 50001 (3) in 2020, making us the first North American communications company to be so designated.

WHY CLIMATE CHANGE MATTERS

The changing climate can lead to increased risks for any business – including financial, operational and reputational risks. Moreover, public health and supply chains could suffer major negative impacts from climate change. We believe that we have an important role to play in doing our fair share by reducing our GHG emissions, and in providing our customers with technologies that help them address climate change and adapt to related impacts on their businesses.

WHAT WE ARE DOING

We are taking action both to help fight climate change and adapt to its consequences. We adapt by taking action 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 customers' and Bell's carbon footprint is part of our culture. On an annual basis, we calculate, monitor and publicly report on our energy performance and associated GHG emissions as part of our rigorous environmental and energy management systems. Since 2003, we report on our climate change mitigation and adaptation efforts through the CDP, a not-for-profit organization that gathers information on climate-related risk and opportunities from organizations worldwide. In 2021, we obtained an

(1) *Defined as women, and directors and executives who identify with a gender other than a man or woman.*

(2) *Our ISO 14001 certification covers Bell Canada's oversight of the EMS associated with the development of policies and procedures for the delivery of landline, wireless, TV and Internet services, broadband and connectivity services, data hosting, cloud computing, radio broadcasting and digital media services, along with related administrative functions.*

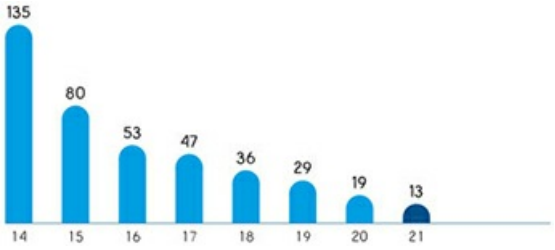
(3) *Our ISO 50001 certification covers Bell Canada's energy management program associated with the activities of real estate management services, fleet services, radio broadcasting and digital media services, landline, wireless, TV, Internet services, connectivity, broadband services, data hosting and cloud computing, in addition to related general administrative functions.*

A- score, ranking us in the "Leadership Band" for the sixth consecutive year, recognizing our leadership on climate action, our alignment with current best practices and the transparency of our climate-related disclosures. Furthermore, we disclose annually on our risks and opportunities related to climate change following the 11 recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). In 2021, we surpassed our GHG emissions intensity reduction objective by 15%. Going forward, our target is to be carbon neutral for our operational GHG emissions (1) starting in 2025. For 2030, we have set science-based GHG emissions reduction targets that are consistent with limiting global warming to 1.5°C (2), in line with the most ambitious temperature goal of the Paris Agreement.

KEY METRIC

Reduce the ratio of our operational GHG emissions to our network usage

Operational emissions (tonnes) divided by network usage (petabytes)



WHY CIRCULAR ECONOMY MATTERS

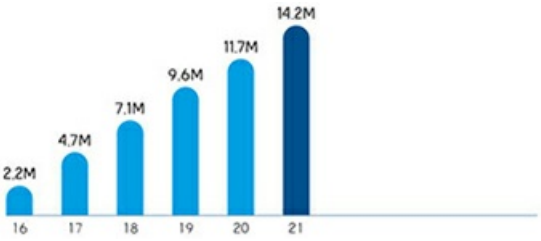
The circular economy model enables organizations to rethink the traditional linear business model of "take, make, waste" and encourages them to implement solutions that detach growth from accelerating raw material consumption in an effort to reduce the environmental impact of their operations. The traditional linear model, where it has been deployed in Bell's business operations, generates waste. Reducing waste is an essential part of our commitment to improve on our operational efficiency and aligns with the values and expectations of our employees, customers and investors. The circular economy model provides Bell with a framework for repositioning waste as a resource, for both environmental and economic benefit.

WHAT WE ARE DOING

Bell has managed waste reduction, reuse and recycling programs for more than 30 years. We have ambitious waste reduction goals and strong monitoring processes in place that enable us to track and report on our waste-generating activities. 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 have set a goal of collecting 7 million used TV receivers, modems, mobile phones and Wi-Fi pods from January 2021 to the end of 2023. 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 adopted a new target to reach and maintain a 15% reduction of total waste sent to landfill by 2025, with a reference year of 2019. Through setting ambitious waste reduction targets such as the ones listed above, we are striving to build a resilient path to circularity with the ambition of sending zero waste to landfill and are investing in research and development of products where current technology does not provide responsible waste diversion methods.

KEY METRIC

Cumulative recovery of used TV receivers, modems, Wi-Fi pods (3) and mobile phones



PRIVACY AND INFORMATION SECURITY

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 in 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.

WHY DATA GOVERNANCE MATTERS

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.

(1) *Operational GHG emissions include scope 1and scope 2 emissions. Scope 1 GHG emissions are direct emissions from sources that are owned or controlled by Bell. Scope 2GHG emissions are indirect emissions associated with the consumption of purchased electricity, heat, steam and cooling.*

(2) *Pending approval by the SBTi.*

(3) *Wi-Fi pods have been included in the scope starting in 2021.*

WHAT WE ARE DOING

Our approach to data governance encompasses the protection and appropriate use of data across its lifecycle, and we are incorporating data governance proactively as a core consideration in all our business initiatives and technology decisions. The BCE Board adopted an enhanced data governance policy in 2020, bringing together multiple existing policies and programs in the interrelated areas of privacy, information security, data access management and records management. In 2021, we implemented mandatory data governance training for all employees as part of our biannual code of conduct training program.

WHY INFORMATION SECURITY MATTERS

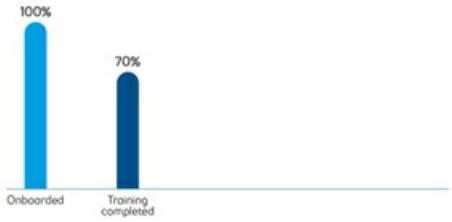
Cybersecurity threats give rise to new and emerging standards and regulations. We need to be able to identify and address information security risks in a timely manner in order to be in a better position to protect our market share and reputation, and these efforts align with our strategic imperative 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.

WHAT WE ARE DOING

We are focused on maintaining the trust that our customers have in us to protect their data. To do this, we implement prevention, detection, and response programs related to security threats. In addition, we are helping define industry security and risk management practices, and we train our team members on data protection. To that end, in 2021, we onboarded 100% of our selected team members to Bell's Be Cyber Savvy information security training program and 70% completed the full program. This training program involves our specialized Be Cyber Savvy platform, and includes phishing simulations and four courses that team members must complete in one year. Additionally, we set a new target to improve, year over year, the phishing simulation report rate for our team members. These initiatives enable a stronger cybersecurity culture and greater awareness of cybersecurity risks. We also aim to align our information security management to the ISO 27001 standard by the end of 2023.

KEY METRIC

Be Cyber Savvy information security training for all applicable team members across Bell



ASSUMPTIONS

GHG EMISSIONS REDUCTION TARGETS

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

- Implementation of various corporate and business initiatives to reduce our electricity and fuel consumption, as well as reduce other direct and indirect GHG emissions enablers
- No new corporate initiatives, business acquisitions or technologies that would materially increase our anticipated levels of GHG emissions
- Ability to purchase sufficient credible carbon credits and renewable energy certificates to offset or further reduce our GHG emissions, if and when required
- 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 SBTs pursuant to the SBTi methodology that would make the achievement of our updated SBTs more onerous
- Sufficient supplier engagement and collaboration in setting their own SBTs and sufficient collaboration with partners in reducing their own GHG emissions

DIVERSITY, EQUITY AND INCLUSION TARGETS

Our diversity, equity and inclusion (DEI) targets are based on a number of assumptions including, without limitation, the following principal assumptions:

- Ability to leverage DEI partnerships and recruitment agencies to help identify qualified diverse talent for vacant positions
- Sufficient diverse labour market availability
- Implementation of corporate and business initiatives to increase awareness, education and engagement in support of our DEI targets
- Propensity of existing employees and job-seekers to self-identify to enable a diverse workforce representation

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 our network deployment plans and our 2022 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 the leading broadband fibre and wireless networks in locations large and small.

2021 PROGRESS

- Continued to expand our FTTP direct fibre footprint, reaching approximately 6.2 million homes and businesses in Ontario, Québec, the Atlantic provinces and Manitoba. FTTP delivers total broadband access speeds of up to 1.5 Gbps currently, with faster speeds expected in the future as equipment evolves to support these higher speeds.
- Completed the buildout of our WHI service in smaller towns and rural communities across Ontario, Québec, the Atlantic provinces and Manitoba, reaching our target of 1 million locations one year ahead of schedule. WHI delivers access speeds of up to 50/10 (50 Mbps download/10 Mbps upload).
- Acquired 271 licences for 678 million MHz-Pop of 3500 MHz spectrum in a number of urban and rural markets for $2.07 billion following ISED's wireless spectrum auction, extending Bell's leadership in delivering enhanced 5G digital experiences to Canadian consumers and businesses
- Expanded our 5G wireless network to reach more than 70% of Canada's population
- Bell remained Canada's fastest and most awarded 5G network
  - Ranked as Canada's fastest 5G network for the second time in a row in Ookla's 2021 Speedtest Awards
  - Recognized as Canada's best 5G network by Global Wireless Solutions (GWS). GWS determined that Bell 5G offers the fastest data speeds of any mobile network in the country, and is also the top national network for gaming and video applications.
  - Bell's 4G and 5G networks were ranked Canada's fastest for the second year in a row in PCMag's Fastest Mobile Networks Canada 2021
- Worked closely with federal and provincial governments on projects to bring broadband access to remote and other hard to serve areas, including Québec's Operation High Speed project, the federal Universal Broadband Fund and multiple initiatives in Atlantic Canada
- Became a Founding Partner and exclusive telecommunications provider of The PIER at the Halifax Seaport, deploying a 5G-ready wireless private network to enable a living lab that will shape the future of the transportation, supply chain and logistics industries in Canada
- Collaborated with Nokia to conduct the first successful test of 25G passive optical network (PON) fibre broadband technology in North America, validating that current GPON and XGS-PON broadband technology and future 25G PON can work seamlessly together on the same fibre hardware, which is being deployed throughout the network today

2022 FOCUS

- Further deployment of direct fibre to more homes and businesses within our wireline footprint
  - Increase the number of customer locations covered with direct fibre connections by as many as 900,000, bringing our total broadband footprint to approximately 8.1 million homes and businesses by the end of 2022
- Continued deployment of 5G wireless network offering coverage that is competitive with other national operators
  - Expand mobile 5G coverage to more than 80% of the Canadian population
  - Launch 5G standalone core leveraging 3500 MHz spectrum that will drive enhanced speeds, lower latency and enable next-generation services

2.2 Drive growth with innovative services

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

2021 PROGRESS

- Added 294,842 total net postpaid and prepaid mobile phone subscribers, up 54.6% over 2020
- Expanded our lineup of 5G, 4G LTE and LTE-A devices, including Apple's iPhone 13 Series, the Samsung Galaxy S21 5G series and Google's Pixel 6 and Pixel 6 Pro
- Entered into an agreement with Amazon Web Services, Inc. (AWS) to support 5G innovation and accelerate cloud adoption across Canada. Bell is the first Canadian communications company to offer AWS-powered 5G MEC (multi-access edge computing) for business and government customers.
- Formed a strategic partnership with Google Cloud to help power Bell's company-wide digital transformation, enhance its network and IT infrastructure, and enable a more sustainable future. The multi-year partnership will combine Bell's 5G network leadership with Google's expertise in multicloud, data analytics, and artificial intelligence (AI), to deliver next-generation experiences for Bell customers across Canada.

- Launched TSN 5G View/Vision 5G RDS, an exclusive in-app feature that leverages Bell's mobile 5G network to offer fans interactive new ways to watch sports, including the ability to control their viewing angle on every play from their mobile device. TSN 5G View/Vision 5G RDS is available for Montréal Canadiens, Toronto Maple Leafs and Toronto Raptors home game broadcasts on TSN and RDS, and will expand to more sports events, teams and venues over time.
- Collaborated with TikTok Canada on Paint Portal, a 5G multi-user augmented reality (AR) experience that lets the TikTok community paint together while physically apart, powered by Bell's 5G network
- Partnered with VMware and AWS to help organizations across Canada plan, simplify and manage their hybrid cloud transformations
- Entered into an agreement with Esri Canada, the nation's leading geographic information system (GIS) provider, to create the Bell Integrated Smart City Ecosystem, an integrated solution combining Bell's award-winning 5G network and IoT solutions with Esri's real-time analytics and location intelligence capabilities to help cities of all sizes across Canada become connected communities, empowering them to realize their smart city ambitions
- Launched Smart Supply Chain powered by Bell IoT Smart Connect, an "as-a-service" IoT aggregation solution designed for fleet and supply chain operators. The new platform aggregates multiple IoT data sources and operational data sets into a single dashboard accessible through Bell's Self Serve Centre.
- Formed a connected car partnership with Honda Canada equipping Honda and Acura vehicles with built-in Wi-Fi hotspots that enable drivers and their passengers to stay fully connected online, safely and hands-free, while on the open road
- Built on our position as the leading Internet service provider (ISP) in Canada with a retail high-speed Internet subscriber base of 3,861,653 at December 31, 2021, up 4.2% over 2020, including approximately 2 million FTTP customers at December 31, 2021
- Bell was named Best Gaming Internet provider among Canada's major providers in PCMag's Best Gaming ISPs 2022 report
- Launched Home Hub 4000 featuring powerful Wi-Fi 6 technology for fibre customers in Ontario and Québec
- Virgin Mobile Canada officially rebranded to Virgin Plus, a new name and identity that reflects the company's evolving service offerings beyond mobility, including Internet and app-based TV service
- Launched the Bell Security Unified Response Environment (BSURE), a new service that combines Bell's national security operations with industry-leading security technologies from Fortinet, Inc. (Fortinet), a U.S. based network security company, to provide Bell Business Markets customers with a robust 24/7 managed cyber security solution
- Partnered with SCALE AI, a Montréal-based investment and innovation hub, to reduce installation time for new fibre connections using AI

2022 FOCUS

- Maintain our market share of national operators' postpaid mobile phone net additions
- Growth of our prepaid mobile phone subscriber base
- Introduction of more 5G devices
- Increased adoption of unlimited data plans and device financing plans
  - In January 2022, Bell introduced new mobile unlimited Ultimate plans to make the most of 5G with more data at max speeds, international messaging, HD video quality and hotspot capability
- Accelerated business customer adoption of advanced 5G and IoT solutions
- Continued diversification of Bell's distribution strategy with a focus on expanding DTC and online transactions
- Cross sell to customers who do not have all their telecommunication services with Bell
- Continued growth in retail Internet subscribers
- Enhance Internet product superiority through new service offerings with next generation speeds and hardware to provide an enhanced customer experience in the home
- Invest in direct fibre expansion, 5G and new solutions in key portfolios such as Internet and private networks, cloud services, unified communications, security and IoT to improve the business client experience and increase overall business customer spending on telecommunications products and services
- Continue to deliver network-centric managed and professional services solutions to large and medium-sized businesses that increase the value of connectivity services

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.

2021 PROGRESS

- Maintained our position as Canada's largest TV provider with 2,735,010 retail subscribers at December 31, 2021, and increased our total number of IPTV subscribers by 4.2% to 1,882,441
- Grew our Crave subscriber base to more than 2.9 million, up 6% over 2020
- Launched Crave Mobile, offering access to the streaming service's unparalleled content library on a single mobile device, and Crave Total for multiple user access across a full range of screens
- Maintained CTV's #1 ranking as the most-watched TV network in Canada for the 20th year in a row
- Bell Media had 5 of the top 10 English entertainment specialty channels among Adults 25-54 (A25-54), comprising CTV Comedy, Discovery, CTV Drama, CTV Sci-Fi and Much. CTV Comedy was the #1 entertainment specialty channel in 2021.
- TSN remained Canada's sports leader and RDS remained the top French-language sports network
- Noovo had the largest primetime viewership growth among adults Adults 25-54 versus its two main French-language competitors
- Noovo expanded its digital offering available on the Noovo.ca website and via the Noovo app, showcasing its extensive catalogue of French-language programming and launched the Noovo Info news service (including original French-language news program Noovo Le Fil), featuring a strong team of journalists covering current affairs and subjects of interest for viewers across Québec

- MuchMusic was revitalized as a digital-first network available across major social media platforms
- Launched Bell demand-side platform (DSP), a new ad tech platform for Canadian advertisers and agencies, delivering a world class programmatic marketplace to facilitate new and easier media buying capabilities. Bell DSP allows the advertising community to leverage Bell's privacy compliant first party data to discover and activate on Bell Media's premium digital inventory, as well as the inventory on the open market across multiple formats including digital video, connected TV, and audio. Bell DSP is the result of a strategic alliance announced in 2021 between Bell and advanced advertising technology company Xandr.
- Acquired the operations of Montréal's Octane Racing Group Inc., promoter of the F1 Canadian Grand Prix, the largest annual sports and tourism event in the country

2022 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, pay TV, streaming and sports services
- Continued scaling of Crave through broader content offering, user experience improvements and Crave Mobile
- Continued investment in Noovo originals to increase market share and bolster our position in news through continued audience growth
  - In January 2022, Bell Media launched the new digital platform noovo.info, which expands the reach of our Noovo Info French-language news division, offering breaking news coverage, original broadcasts and podcasts, and exclusive multimedia content
- Grow ad revenue and maximize market share as demand continues to return across all platforms
- Scale our Strategic Audience Management (SAM) TV and Bell DSP buying platforms
- Increase inventory for CTV and Noovo AVOD platforms with the addition of connected TV platforms
- Optimize unique partnerships and strategic content investments to monetize content rights and Bell Media properties across all platforms

2.4 Champion customer experience

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

2021 PROGRESS

- Led all national providers in reducing customer complaints for the 6th straight year according to the 2020–21 Annual Report from the Commission for Complaints for Telecom-television Services (CCTS). The CCTS reported that while complaints across the industry increased by 9%, Bell had a decline of 8%. Overall, Bell's share of complaints continued its declining trend, dropping 4% from the previous year.
- MyBell was named Best Telecommunication Mobile Application of the Year at the 2021 Mobile Web Awards
- MyBell and Virgin Plus My Account won the 2021 Platinum and Gold MarCom Awards as the top service apps
- Improved blended mobile phone churn by 0.03 pts over 2020 to 1.23%
- Improved customer churn rates across all wireline residential services over 2020
- Expanded Bell Move Valet, a service that ensures the seamless transfer of Internet, TV and phone services from one residential address to another, to Atlantic Canada
- Launched self-serve Virtual Repair tool online and through the MyBell and Virgin Plus apps, enabling Bell and Virgin Plus residential customers in Ontario and Québec to troubleshoot and resolve common Internet, TV and phone issues at home
- Leveraged AI and machine learning to improve our digital capabilities with new features including personalized messages, in-app chat and data management controls
- Integrated our innovative Manage Your Appointment tool directly into the Virgin Plus My Account app, enabling customers to easily add or modify a service appointment, send information to a technician such as entry codes and parking instructions, receive advance notifications and rate their service experience directly on the app
- Introduced a complete self-installation option for Bell and Virgin Plus customers in Ontario and Québec who are already connected to our fibre network

2022 FOCUS

- Improve customer experience with continued scaling of digital sales capabilities and functionality
- Further improve and expand self-installation capabilities
- Further improve customer satisfaction scores
- Further evolve our self-serve tools
- Further reduce the total number of customer calls to our call centres as well as the number of truck rolls
- Continue to invest in AI and machine learning to resolve customer issues faster

2.5 Operate with agility and cost efficiency

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

2021 PROGRESS

- Improved BCE consolidated adjusted EBITDA margin [1] by 0.2 pts over 2020
- Reduced wireline operating costs by 1.4%, contributing to Bell Wireline adjusted EBITDA margin improvement of 0.6 pts over 2020
- 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
- Lowered Bell Canada's average after-tax cost of publicly issued debt securities to 2.8%

2022 FOCUS

- Continued sharp focus on our cost structure
- Realize cost savings from:
  - operating efficiencies enabled by a growing direct fibre footprint
  - changes in consumer behaviour and digital adoption
  - product and service enhancements and innovation
  - new call centre technology and digital investments that are enabling self-serve capabilities
  - other improvements to the customer service experience
  - management workforce reductions including attrition and retirements
  - lower contracted rates from our suppliers
  - rationalization of real estate footprint

2.6 Engage and invest in our people and create a sustainable future

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

2021 PROGRESS

- Recognized as one of Canada's Top 100 Employers for the seventh consecutive year in Mediacorp's annual review of the best workplaces across the country, reflecting our company's broad range of learning opportunities, commitment to workplace mental health and focus on diversity
- Named one of Canada's Best Diversity Employers for the fifth year in a row in Mediacorp's 2021 report on workplace diversity and inclusion in recognition of Bell's commitment to an inclusive, equitable and accessible workplace that reflects Canada's diversity and our ongoing action to combat systemic racism
- Named one of Canada's Top Employers for Young People for the fourth consecutive year by Mediacorp in recognition of our industry-leading recruitment and career development programs for students
- Named one of Canada's Top Family-Friendly Employers by Mediacorp in recognition of a wide range of employee benefits that support families
- Named one of Canada's Greenest Employers for the fifth straight year
- Reached our 40% target for BIPOC representation among new graduate and intern hires, 4 years ahead of our 2025 goal
- Continued our initiatives to support BIPOC team members and communities, working with our employee-led Black Professionals at Bell Network, which supports professional development for Black team members, and partnerships with groups like the Onyx Initiative and the Black Professionals in Tech Network to promote the recruitment of Black talent and initiatives such as HireBIPOC and the Bell Let's Talk Diversity Fund
- Launched a company-wide Accessibility Program to make our products and services more accessible and ensure people with disabilities have equal opportunities through the use of advanced communication technologies
- Introduced Bell Workways, a hybrid work model that provides our team members with more flexibility, collaboration and support in how and where they work
- Launched our new company-wide employee recognition program Better Together, offering more engaging opportunities to highlight outstanding work and accomplishments
- Provided multiple resources to help team members deal with the change and adversity resulting from the COVID crisis, supporting a healthy work-life balance while working from home
- Continued to reinforce our COVID-19 operating principles and align with all government protocols, with a focus on protecting the health and safety of our customers, colleagues and communities.
- Implemented a vaccination policy that prioritizes the health of our employees, customers and communities as well as reflects government and public health guidance
- Launched Bell for Better, our long-term commitment to create better outcomes for all stakeholders

2022 FOCUS

- In 2022, we embedded our focus on creating a more sustainable future directly into our six strategic imperatives, reflecting our long-standing commitment to the highest ESG standards
- In January 2022, we rolled out unlimited mental health benefit coverage for team members and their eligible family members to support their mental health and well-being
- In January 2022, we introduced a flexible holiday policy, including the ability to substitute days, reflecting our support for flexibility and diversity in the workplace
- In February 2022, we enhanced Bell's Employee and Family Assistance Program with the launch of a new website and mobile app with improved support and wellness resources
- Launch an Employee Value Proposition, capturing Bell's promise to current and future employees as well as the values and experiences that make Bell unique
- Launch a unified mentorship program to support the development of leaders
- Deliver on diversity, equity and inclusion commitments
- Build Bell's talent advantage by expanding critical skills and upskilling program, Bell U
- Move forward with ESG initiatives and Bell for Better commitments

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

3 Performance targets, outlook, assumptions and risks

This section provides information pertaining to our performance against 2021 targets, our consolidated business outlook and operating assumptions for 2022 and our principal business risks.

3.1 BCE 2021 performance vs. guidance targets

FINANCIAL MEASURE	2021 TARGET	2021 PERFORMANCE AND RESULTS	
Revenue growth	**2%–5%**	2.5%	BCE revenues increased by 2.5% in 2021 compared to last year, reflecting our strong operational execution as we continued to recover from the impact of the COVID-19 pandemic. The growth was driven by our Bell Wireless and Bell Media segments, offset in part by a decline in Bell Wireline. Service and product revenue were both up year over year, 2.6% and 1.6%, respectively.
Adjusted EBITDA growth	**2%–5%**	3.0%	BCE adjusted EBITDA increased by 3.0% in 2021, compared to 2020, attributable to growth across all three of our segments, driven by higher revenues, offset in part by greater operating expenses.
Net earnings growth	**Not applicable**	7.2%	In 2021, net earnings increased by 7.2%, compared to 2020, mainly due to higher adjusted EBITDA, higher other income and lower impairment of assets primarily at our Bell Media segment, partly offset by higher income taxes, lower net earnings from discontinued operations as a result of a gain on sale, net of taxes, of $211 million in Q4 2020 from the completion of the sale of substantially all of our data centre operations, higher depreciation and amortization, and higher severance, acquisition and other costs.
Capital intensity (1)	**18%–20%**	20.6%	2021 capital expenditures increased by 15.1% over last year to $4,837 million, with a corresponding capital intensity of 20.6%, up 2.2 pts over 2020. Capital intensity came in higher than our target range, consistent with our two-year plan to accelerate the rollout of our mobile 5G, fibre and rural WHI networks.
Net earnings per share (EPS) growth	**Not applicable**	8.3%	Net earnings attributable to common shareholders in 2021 increased by $211 million, or $0.23 per common share, compared to 2020, mainly due to higher adjusted EBITDA, higher other income and lower impairment of assets primarily at our Bell Media segment, partly offset by higher income taxes, lower net earnings from discontinued operations as a result of a gain on sale, net of taxes, of $211 million in Q4 2020 from the completion of the sale of substantially all of our data centre operations, higher depreciation and amortization, and higher severance, acquisition and other costs.
Adjusted net earnings per share (adjusted EPS) (2) growth	**1%–6%**	5.6%	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, impairment of assets and discontinued operations, net of tax and non-controlling interest (NCI), adjusted net earnings in 2021 was $2,895 million, or $3.19 per common share, compared to $2,730 million, or $3.02 per common share, in 2020.
Cash flows from operating activities	**Not applicable**	$8,008 million	In 2021, BCE's cash flows from operating activities increased by $254 million, compared to 2020, mainly due to higher adjusted EBITDA and higher cash from working capital due mainly to the timing of supplier payments, partly offset by higher severance and other costs paid and higher income taxes paid. Additionally, there was lower cash from discontinued operations in 2021 as the sale of substantially all of our data centre operations was completed in Q4 2020.
Free cash flow	**$2,850 million – $3,200 million**	$2,995 million	Free cash flow decreased by $353 million in 2021, compared to 2020, mainly due to higher capital expenditures, partly offset by higher cash flows from operating activities, excluding cash from discontinued operations and acquisition and other costs paid.
Annualized common dividend per share	**$3.50 per share**	$3.50 per share	Annualized BCE common dividend per share for 2021 increased by 17 cents, or 5.1%, to $3.50 compared to $3.33 per share in 2020.

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

(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 and expected contribution levels to our DB pension plans in 2022, our network deployment plans and our 2022 annualized common share dividend and business outlook, objectives, plans and strategic priorities. Refer to the section Caution regarding forward-looking statements at the beginning of this MD&A.

We expect that our financial performance in 2022 will surpass pre-COVID-19 achieved in 2019 levels as we build on the favourable financial performance, significant broadband investments and operating momentum we delivered in 2021. Due to uncertainties relating to the severity and duration of the COVID-19 pandemic and possible resurgences in the number of COVID-19 cases and the potential emergence of other variants, and various potential outcomes, it is difficult at this time to estimate the impacts of the COVID-19 pandemic on our business or future financial results and related assumptions. Our business and financial results could continue to be unfavourably impacted, and could again become more significantly and negatively impacted, in future periods. In addition, the extent to which the COVID-19 pandemic will continue to adversely impact us will depend on future developments that are difficult to predict, including the prevalence of COVID-19 variants that are more contagious and may lead to increased health risks, the timely distribution of effective vaccines and treatments, the potential development and distribution of new vaccines and treatments, vaccination hesitancy and the population level that chooses to remain unvaccinated, the time required to achieve broad immunity, as well as new information which may emerge concerning the severity and duration of the COVID-19 pandemic, including the number and intensity of resurgences in COVID-19 cases, and the actions required to contain the coronavirus or remedy its impacts, among others.

Our strategic priorities in 2022 centre on:

- Achieving our accelerated network expansion targets
- Deploying growth capital to: drive higher Internet penetration and win share; maintain momentum on our higher-value mobile phone and 5G strategy; and continue development on converged fibre and 5G IoT, MEC and other advanced services to drive future growth
- Accelerating our digital-first media strategy
- Improving the customer experience with scaling of digital sales and support capabilities and functionality
- Maintaining a sharp focus on our cost structure

Underpinning our outlook for 2022 is a positive financial profile for all three Bell operating segments that reflects sound industry fundamentals and our consistent execution in a competitive marketplace. Wireless, retail Internet and TV subscriber base growth, together with pricing discipline and the flow-through of operating cost savings from fibre-related operating efficiencies and continued service improvement, are projected to drive year-over-year growth in revenue and adjusted EBITDA. This, together with an expected reduction in contributions to our DB pension plans and lower cash income taxes, is expected to drive higher free cash flow, providing support for the higher BCE common share dividend for 2022, as well as increased capital expenditures to forge ahead even more aggressively with our largest-ever annual fibre buildout and expand the reach of our 5G network.

The key 2022 operational priorities for BCE are:

- Maintain our market share of national operators' postpaid mobile phone net additions
- Growth of our prepaid mobile phone subscriber base
- Continued deployment of 5G wireless network offering coverage that is competitive with other national operators
- Increased adoption of unlimited data plans and device financing plans
- Accelerated business customer adoption of advanced 5G and IoT solutions
- Continued growth in retail Internet and IPTV subscribers
- Further deployment of direct fibre to more homes and businesses within our wireline footprint
- Enhance Internet and TV product superiority through new service offerings and innovation to provide an enhanced customer experience in the home
- Cross sell to customers who do not have all their telecommunication services with Bell
- Realization of cost savings enabled by a growing direct fibre footprint, changes in consumer behaviour, digital adoption, product innovation, expanding self-serve capabilities, other improvements to the customer service experience, management workforce reductions including attrition and retirements, and lower contracted rates from our suppliers
- Media revenue growth from expected continued strong demand in TV advertising, including scaling of SAM TV and Bell DSP buying platforms, and a gradual recovery in radio and OOH advertising combined with DTC subscriber growth, while seeking to control TV programming and premium content cost escalation.
- Continued scaling of Crave through broader content offering, user experience improvements and Crave Mobile
- Continued investment in Noovo original programming to better serve our French-language customers with a wider array of content, in the language of their choice, on their preferred platforms
- Optimize unique partnerships and strategic content investments to monetize content rights and Bell Media properties across all platforms

Our projected financial performance for 2022 enabled us to increase the annualized BCE common share dividend for 2022 by 18 cents, or 5.1%, to $3.68 per share.

ASSUMPTIONS

ASSUMPTIONS ABOUT THE CANADIAN ECONOMY

We have made certain assumptions concerning the Canadian economy, which in turn depend on important assumptions about the evolution of the COVID-19 pandemic, including the progress of the vaccination rollout. Notably, it is assumed that most public health restrictions in Canada are eased in the first quarter of 2022 and pandemic-related effects on demand diminish gradually over time. In particular, we have assumed:

- Strong economic growth as demand remains robust and supply recovers from the effects of the pandemic, given the Bank of Canada's most recent estimated growth in Canadian gross domestic product of around 4% on average in 2022
- Strong household consumption growth supported by improving confidence and some spending of accumulated savings
- Robust business investment outside the oil and gas sector due to growing demand, improving business confidence and the gradual easing of supply constraints
- Strong labour market
- Higher immigration levels
- Interest rates expected to increase in 2022
- Elevated consumer price index (CPI) inflation from strong demand, supply shortages and high energy prices over the first half of 2022. Inflation is anticipated to decline by the end of 2022 as these pandemic-related pressures dissipate.
- Canadian dollar expected to remain at or 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 consistently high 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
- While the advertising market continues to be adversely impacted by cancelled or delayed advertising campaigns from many sectors due to the economic downturn during the COVID-19 pandemic, we do expect gradual recovery in 2022
- Declines in broadcasting distribution undertakings (BDU) subscribers driven by increasing competition from the continued rollout of subscription video-on-demand streaming services together with further scaling of OTT aggregators

ASSUMPTIONS UNDERLYING EXPECTED REDUCTIONS IN CONTRIBUTIONS TO OUR DB PENSION PLANS

- At the relevant time, our 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
- No significant declines in investment returns or interest rates
- No material experience losses from other unforeseen 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 a description 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.

COVID-19 PANDEMIC AND ASSOCIATED GENERAL ECONOMIC CONDITIONS

Since the COVID-19 pandemic's inception, governments and businesses worldwide have adopted restrictive measures to combat the spread of the coronavirus, such as physical distancing, the wearing of masks or face coverings and capacity restrictions in public settings, the temporary closure of non-essential businesses and schools, stay-at-home and work-from-home policies, quarantine periods, border closures, travel bans and advisories, vaccine passports, testing requirements, curfews and other restrictions. These measures have significantly disrupted retail and commercial activities in most sectors of the economy. While the subsequent easing of certain of these measures across Canada allowed many businesses to resume or increase some level of activities, often with certain operational adjustments, amid the uncertainty caused by the COVID-19 pandemic, resurgences in new COVID-19 cases and the emergence and progression of new variants have caused and could again cause governments to strengthen or re-introduce restrictive measures including, depending on a resurgence's intensity, certain or all of the strict confinement measures and business closures previously mandated or, potentially, additional measures. The strengthening or re-introduction of restrictive measures, or a more prolonged duration of the pandemic, could result in increased adverse economic disruption and financial market volatility. The uncertainty brought about by the COVID-19 pandemic could result in increased insolvencies, bankruptcies, permanent store closures and decreased consumer and corporate spending in Canada and around the world. Economic uncertainty could continue or worsen for as long as measures taken to contain the spread of COVID-19 persist and certain of such economic conditions could continue even upon the gradual or complete removal of such measures and thereafter. While government programs supporting workers and certain businesses, coupled with low interest rates, have sustained some level of consumer and business activities, it is unknown for what period of time such government programs will be maintained. In addition, it is difficult to predict the speed and magnitude of travel and economic recovery, or the associated impact on our business, once government programs and health restrictions limiting movement of people are withdrawn.

Restrictive measures adopted or encouraged to combat the spread of the coronavirus and the resulting adverse economic conditions are expected to continue to adversely affect our business, financial condition, liquidity and financial results for as long as such measures remain in place or are re-introduced and potentially upon and after their gradual or complete removal and such adverse effect could be material. Should the COVID-19 pandemic continue for a more prolonged period of time or worsen, it could result in more financial hardship adversely affecting spending by our customers, both businesses and consumers, which could continue or accelerate the decrease in the purchase of certain of our products and services. It may also result in continued suppression by customers of mobile phone data and offloading onto Wi-Fi networks as customers work from home, as well as influence customer adoption of new services including, without limitation, 5G and IoT.

A more prolonged COVID-19 pandemic could continue to result in lower business customer activity, which could continue to lead to further reduction or cancellation of our services due to economic uncertainty. These adverse results would be exacerbated should the temporary closure of certain businesses continue or be reintroduced as a result of resurgences in the number of COVID-19 cases. Business customers may continue to postpone purchases of hardware products, downgrade data connectivity speeds, or re-prioritize various business projects with a focus on business continuity instead of growth. We may be unable to perform work and render services on the premises of certain business customers due to existing, new or reintroduced government guidelines and health and safety measures. Finally, a certain number of our business customers could become insolvent or otherwise cease to carry on business as a result of the COVID-19 pandemic.

Measures adopted to combat the spread of COVID-19 have resulted in the suspension, delay or cancellation of some live programming and other productions, resulting in reduced audience levels in certain Bell Media market segments. In addition, measures such as social distancing and stay-at-home and work-from-home policies have adversely impacted Bell Media's radio audience levels and OOH business, while economic pressures on advertisers have led to the cancellation or deferral of advertising campaigns. These events have adversely affected, and could continue to adversely affect, for as long as they persist, Bell Media's revenues.

In addition, risk factors including, without limitation, those described in section 9, *Business risks*, have been and/or could be exacerbated, or become more likely to materialize, as a result of the COVID-19 pandemic. While we have implemented business continuity plans and taken additional steps where required, including various preventive measures and precautions, there can be no assurance that these actions in response to the COVID-19 pandemic will succeed in preventing or mitigating, in whole or in part, the negative impacts of the pandemic on our company, employees or customers, and these actions may have adverse effects on our business, that may continue following the COVID-19 pandemic.

As a result of the COVID-19 pandemic, there is a higher degree of uncertainty in determining forward-looking information, including BCE's 2022 financial guidance. The extent to which the COVID-19 pandemic will continue to adversely impact our business and financial results will depend on future developments that are difficult to predict, including the prevalence of COVID-19 variants that are more contagious and may lead to increased health risks, the timely distribution of vaccines and treatments and their long-term effectiveness, the potential development and distribution of new vaccines and treatments, vaccination hesitancy and the number of individuals who choose to remain unvaccinated, the time required to achieve broad immunity, as well as new information which may emerge concerning the severity and duration of the COVID-19 pandemic, including the number and intensity of resurgences in COVID-19 cases, and the actions required to contain the coronavirus or remedy its impacts, among others. Any of the developments and risks referred to above and elsewhere in this MD&A, and others arising from the COVID-19 pandemic, could have a material adverse effect on our business, financial condition, liquidity, financial results or reputation.

COMPETITIVE ENVIRONMENT

Competitive activity in our industry, including from technological substitution and the expansion of alternative service providers, is intense and contributes to disruptions in each of our business segments

As the scope of our businesses increases and evolving technologies drive new services, delivery models and strategic partnerships, our competitive landscape intensifies and expands 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, voice over IP (VoIP) providers and other web-based players that are penetrating the telecommunications 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 material positions, which has accelerated during the COVID-19 pandemic. 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 reserving spectrum at favourable pricing for regional facilities-based wireless service providers continue to impact market dynamics. Together, 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, some competitors 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. Such lower required 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.

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), is expected to accelerate growth opportunities as well as competition in these areas. If we are unable to develop and deploy new solutions in advance of or concurrently with our competitors, or if the market does not adopt these new technologies in pace with our deployment of new solutions, our business and financial results could be adversely affected.

We expect these trends, some of which have intensified during the COVID-19 pandemic, 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:

- The acceleration of disruptions and disintermediation in each of our business segments could adversely affect our business and financial results
- The COVID-19 pandemic and the restrictive measures mandated or recommended to contain the spread of the coronavirus have changed consumer behaviour and activity and the way businesses operate, and such changes could continue or further evolve for as long as such measures persist, and potentially thereafter, which could adversely affect the sale of our products and services, as well as our revenues and cash flows
- Adverse economic conditions, such as economic downturns or recessions, increasing interest rates and inflation, adverse conditions in the financial markets 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
- Competitors' aggressive market offers, combined with heightened customer sensitivity around pricing, could result in 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
- The proposed combination of Rogers Communications Inc. (Rogers) and Shaw Communications Inc. (Shaw) could create a Canadian competitor with larger scale, which could have implications for each of our business segments
- 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
- The shift to online transactions during the COVID-19 pandemic amid store closures and reduced store traffic could continue, thereby adversely impacting 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 accelerate product substitution in favour of lower-margin products as well as accelerate churn, which trends are expected to increase with the introduction of 5G
- Regulatory decisions regarding wholesale access to our wireless and fibre networks could facilitate entry of new competitors, including OTT players, or strengthen the market position of current competitors, 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 timely rollout of 5G mobile service may be adversely impacted by government decisions, constraints on access to network equipment, the limited availability of 5G-compatible handsets due to supply chain disruptions and inventory constraints, labour shortages and potential operational challenges in delivering new technology
- The accelerated 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
- Spending rationalization by business customers could lead to further reductions in sales of traditional connectivity value-added services and margin erosion, driven by technology substitution, economic factors and customers' operational efficiencies
- Multinational business consumers' desire to consolidate global network service supply with one supplier could accelerate the disruptions in our wireline segment
- 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
- Subscriber and viewer growth is challenged by changing viewer habits, the expansion and accelerated market penetration of global scale low-cost OTT content providers, OTT aggregators and other alternative service providers, some of which may offer content as loss leaders to support their core business, as well as account stacking, Canadian Radio-television and Telecommunications Commission (CRTC) arbitration and a fragmentation of audience due to an abundance of choices
- Competition with global competitors such as Netflix, Amazon and Disney, in addition to 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
- 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, which has been exacerbated by the COVID-19 pandemic due to a decline in radio audience driven by reduced travel needs and altered daily routines
- The launch by Canadian and international competitors of low earth orbit (LEO) satellites to provide connectivity, primarily 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.

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

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 mandatory access to networks, spectrum auctions, the imposition of consumer-related codes of conduct, approval of acquisitions, broadcast and spectrum licensing, foreign ownership requirements 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. As a result of the COVID-19 pandemic, additional legislation or regulations, regulatory initiatives or proceedings, or government consultations or positions, may be adopted or instituted, as the case may be, that impose additional constraints on our operations and may adversely impact our ability to compete in the marketplace.

For a discussion of our regulatory environment and the principal risks related thereto, refer to section 8, *Regulatory environment* as well as the applicable segment discussions under *Principal business risks* in section 5, *Business segment analysis*.

SECURITY MANAGEMENT AND DATA GOVERNANCE

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 also 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 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 of emerging technologies such as AI, robotics and smart contracts leveraging blockchain for digital certification, have significantly increased the threat surface of our network 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.

The COVID-19 pandemic has 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, the COVID-19 pandemic has 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 proprietary or sensitive information about our business, which could result in diminished competitive advantages and loss of future business opportunities
- Theft, loss, unauthorized disclosure, destruction, encryption or corruption 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, extortion threats due to ransomware and difficulty in accessing materials to defend legal actions
- Lost revenue resulting from the unauthorized use of proprietary information or the failure to retain or attract customers after an incident
- 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 effective data governance could harm our brand and reputation, expose us to regulatory pressure and 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' 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 can 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 those of 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 federally and in a number of Canadian provincial jurisdictions with significant obligations, limitations on the use of personal information, 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 effective data governance 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 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.

4 Consolidated financial analysis

This section provides detailed information and analysis about BCE's performance in 2021 compared with 2020. It focuses on BCE's consolidated operating results and provides financial information for our Bell Wireless, Bell Wireline 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

	2021	2020	$ CHANGE	% CHANGE
Operating revenues				
Service	**20,350**	19,832	518	2.6%
Product	**3,099**	3,051	48	1.6%
Total operating revenues	**23,449**	22,883	566	2.5%
Operating costs	**(13,556)**	(13,276)	(280)	(2.1%)
Adjusted EBITDA	**9,893**	9,607	286	3.0%
Adjusted EBITDA margin	***42.2%***	*42.0%*		*0.2 pts*
Severance, acquisition and other costs	**(209)**	(116)	(93)	(80.2%)
Depreciation	**(3,627)**	(3,475)	(152)	(4.4%)
Amortization	**(982)**	(929)	(53)	(5.7%)
Finance costs				
Interest expense	**(1,082)**	(1,110)	28	2.5%
Interest on post-employment benefit obligations	**(20)**	(46)	26	56.5%
Impairment of assets	**(197)**	(472)	275	58.3%
Other income (expense)	**160**	(194)	354	n.m.
Income taxes	**(1,044)**	(792)	(252)	(31.8%)
Net earnings from continuing operations	**2,892**	2,473	419	16.9%
Net earnings from discontinued operations	**–**	226	(226)	(100.0%)
Net earnings	**2,892**	2,699	193	7.2%
Net earnings from continuing operations attributable to:				
Common shareholders	**2,709**	2,272	437	19.2%
Preferred shareholders	**131**	136	(5)	(3.7%)
Non-controlling interest	**52**	65	(13)	(20.0%)
Net earnings from continuing operations	**2,892**	2,473	419	16.9%
Net earnings attributable to:				
Common shareholders	**2,709**	2,498	211	8.4%
Preferred shareholders	**131**	136	(5)	(3.7%)
Non-controlling interest	**52**	65	(13)	(20.0%)
Net earnings	**2,892**	2,699	193	7.2%
Adjusted net earnings	**2,895**	2,730	165	6.0%
Net earnings per common share (EPS)				
Continuing operations	**2.99**	2.51	0.48	19.1%
Discontinued operations	**–**	0.25	(0.25)	(100.0%)
Net earnings per common share	**2.99**	2.76	0.23	8.3%
Adjusted EPS	**3.19**	3.02	0.17	5.6%

n.m.: not meaningful

BCE STATEMENTS OF CASH FLOWS – SELECTED INFORMATION

	2021	2020	$ CHANGE	% CHANGE
Cash flows from operating activities	**8,008**	7,754	254	3.3%
Capital expenditures	**(4,837)**	(4,202)	(635)	(15.1%)
Free cash flow	**2,995**	3,348	(353)	(10.5%)

BCE operating revenues grew 2.5%, over last year, reflecting our strong operational execution as we continued to recover from the effects of the COVID-19 pandemic and includes the unfavourable retroactive impact of the Q2 2021 CRTC decision on wholesale high-speed Internet access services of $44 million. The increase in operating revenues was driven by higher year-over-year service revenues of 2.6% from continued growth in our mobile phones, retail Internet and IPTV subscriber bases combined with rate increases, as well as higher media advertising and subscriber revenues. This growth was moderated by ongoing erosion in our voice, satellite TV and legacy data revenues. Product revenues were also up year over year, increasing by 1.6%, primarily due to a higher sales mix of premium mobile phones in Bell Wireless, offset in part by reduced equipment sales in our large business market.

In 2021, net earnings increased by 7.2%, compared to 2020, mainly due to higher adjusted EBITDA, higher other income and lower impairment of assets primarily at our Bell Media segment, partly offset by higher income taxes, lower net earnings from discontinued operations as a result of a gain on sale, net of taxes, of $211 million in Q4 2020 from the completion of the sale of substantially all of our data centre operations, higher depreciation and amortization, and higher severance, acquisition and other costs.

BCE's adjusted EBITDA grew by 3.0% in 2021, compared to 2020, attributable to growth across all three segments and includes the unfavourable retroactive impact of the Q2 2021 CRTC decision on wholesale high-speed Internet access services of $44 million. The growth was due to higher revenues, offset in part by greater operating costs in Bell Media and Bell Wireless, moderated by lower costs in Bell Wireline. This resulted in an adjusted EBITDA margin of 42.2% in 2021, which represented a 0.2 pts increase over last year, driven by greater service revenue flow-through and the non-recurrence of a number of COVID-19 related expenses incurred last year.

In 2021, BCE's cash flows from operating activities increased by $254 million, compared to 2020, mainly due to higher adjusted EBITDA and higher cash from working capital due mainly to the timing of supplier payments, partly offset by higher severance and other costs paid and higher income taxes paid. Additionally, there was lower cash from discontinued operations in 2021 as the sale of substantially all of our data centre operations was completed in Q4 2020.

Free cash flow decreased by $353 million in 2021, compared to 2020, mainly due to higher capital expenditures, partly offset by higher cash flows from operating activities, excluding cash from discontinued operations and acquisition and other costs paid.

4.2 Customer connections

BCE NET ACTIVATIONS (LOSSES)

	2021	2020	% CHANGE
Wireless mobile phone net subscriber activation (losses) (1)	**294,842**	190,675	54.6%
Postpaid	***301,706***	*152,693*	*97.6%*
Prepaid	***(6,864)***	*37,982*	*n.m.*
Wireless mobile connected devices net subscriber activations (1)	**193,641**	227,981	(15.1%)
Wireline retail high-speed Internet net subscriber activations	**152,285**	148,989	2.2%
Wireline retail TV net subscriber activations (losses)	**2,530**	(33,859)	n.m.
IPTV	***76,068***	*39,191*	*94.1%*
Satellite	***(73,538)***	*(73,050)*	*(0.7%)*
Wireline retail residential NAS lines net losses	**(185,327)**	(213,551)	13.2%
Total services net activations	**457,971**	320,235	43.0%

n.m.: not meaningful

(1) *Effective January 1, 2021, we changed our wireless operating metrics to reflect our revised approach to reporting wireless subscriber units. Consequently, we are now reporting in two categories, mobile phone subscriber units and mobile connected device subscriber units (e.g. tablets, wearables and mobile Internet devices). Additionally, mobile connected device subscribers now include previously undisclosed IoT units (e.g. connected telematics services, monitoring devices, connected cars and fleet management solutions). These changes are consistent with the way we manage our business, reflect our focus on mobile phone subscribers and align to industry peers. As a result, previously reported 2020 subscribers and associated operating metrics (gross and net activations (losses) and churn) have been restated for comparability. See section 11.6, KPIs, in this MD&A for more details.*

TOTAL BCE CUSTOMER CONNECTIONS

	2021	2020	% CHANGE
Wireless mobile phone subscribers (1)	**9,459,185**	9,164,343	3.2%
Postpaid	***8,630,045***	*8,328,339*	*3.6%*
Prepaid	***829,140***	*836,004*	*(0.8%)*
Wireless mobile connected devices subscribers (1)	**2,249,794**	2,056,153	9.4%
Wireline retail high-speed Internet subscribers (2)	**3,861,653**	3,704,590	4.2%
Wireline retail TV subscribers (3)	**2,735,010**	2,738,605	(0.1%)
IPTV	***1,882,441***	*1,806,373*	*4.2%*
Satellite (3)	***852,569***	*932,232*	*(8.5%)*
Wireline retail residential NAS lines	**2,298,605**	2,483,932	(7.5%)
Total services subscribers	**20,604,247**	20,147,623	2.3%

(1) *Effective January 1, 2021, we changed our wireless operating metrics to reflect our revised approach to reporting wireless subscriber units. Consequently, we are now reporting in two categories, mobile phone subscriber units and mobile connected device subscriber units (e.g. tablets, wearables and mobile Internet devices). Additionally, mobile connected device subscribers now include previously undisclosed IoT units (e.g. connected telematics services, monitoring devices, connected cars and fleet management solutions). These changes are consistent with the way we manage our business, reflect our focus on mobile phone subscribers and align to industry peers. As a result, previously reported 2020 subscribers and associated operating metrics (gross and net activations (losses) and churn) have been restated for comparability. See section 11.6 KPIs, in this MD&A for more details.*

(2) *At the beginning of Q1 2021, our retail high-speed Internet subscriber base was increased by 4,778 subscribers due to the transfer of fixed wireless Internet subscribers from our mobile connected devices subscriber base.*

(3) *At the beginning of Q1 2021, we adjusted our satellite TV subscriber base to remove 6,125 non-revenue generating units.*

BCE added 457,971 net retail subscriber activations in 2021, increasing by 43.0% compared to last year. The net retail subscriber activations in 2021 consisted of:

- 294,842 wireless mobile phone net subscriber activations, along with 193,641 wireless mobile connected devices net subscriber activations
- 152,285 retail high-speed Internet net subscriber activations
- 2,530 retail TV net subscriber activations comprised of 76,068 retail IPTV net subscriber activations, offset in part by 73,538 retail satellite TV net subscriber losses
- 185,327 retail residential NAS lines net losses

At December 31, 2021, BCE's retail subscriber connections totaled 20,604,247, up 2.3% year over year, and consisted of:

- 9,459,185 wireless mobile phone subscribers, up 3.2% year over year, and 2,249,794 wireless mobile connected devices subscribers, up 9.4% year over year
- 3,861,653 retail high-speed Internet subscribers, 4.2% higher than last year
- 2,735,010 total retail TV subscribers, down 0.1% compared to last year, comprised of 852,569 retail satellite TV subscribers, down 8.5% year over year, and 1,882,441 retail IPTV subscribers, up 4.2% year over year
- 2,298,605 retail residential NAS lines, down 7.5% over last year

4.3 Operating revenues

BCE
Revenues
(in $ millions)



	2021	2020	$ CHANGE	% CHANGE
Bell Wireless	**8,999**	8,683	316	3.6%
Bell Wireline	**12,178**	12,206	(28)	(0.2%)
Bell Media	**3,036**	2,750	286	10.4%
Inter-segment eliminations	**(764)**	(756)	(8)	(1.1%)
Total BCE operating revenues	**23,449**	22,883	566	2.5%

BCE

Total operating revenues at BCE increased by 2.5% in 2021, compared to last year, as we continued to recover from the impacts of the COVID-19 pandemic and includes the unfavourable retroactive impact of the Q2 2021 CRTC decision on wholesale high-speed Internet access services of $44 million. BCE service revenues of $20,350 million and product revenues of $3,099 million in 2021, grew by 2.6% and 1.6%, respectively, over last year.

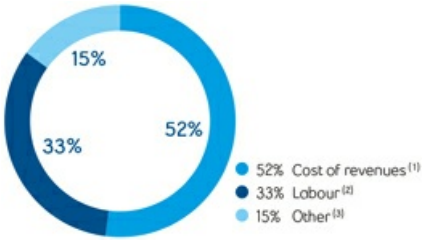
The year-over-year increase in 2021 operating revenues was driven by growth in our Bell Wireless and Bell Media segments, offset in part by a decline in our Bell Wireline segment. Bell Wireless operating revenues increased by 3.6% compared to last year due to both higher service revenues of 3.7% and higher product revenues of 3.4%. Bell Media operating revenues grew by 10.4% in 2021, from higher advertising and subscriber revenues. Bell Wireline operating revenues declined by 0.2% in 2021, due to lower product revenues of 7.0%, offset in part by service revenue growth of 0.1%, from higher data and other services revenues, offset in part by ongoing voice erosion.

4.4 Operating costs

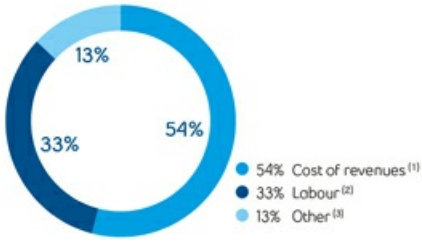
BCE
Operating costs
(in $ millions)



BCE
Operating cost profile
2020



BCE
Operating cost profile
2021



	2021	2020	$ CHANGE	% CHANGE
Bell Wireless	**(5,146)**	(5,017)	(129)	(2.6%)
Bell Wireline	**(6,863)**	(6,960)	97	1.4%
Bell Media	**(2,311)**	(2,055)	(256)	(12.5%)
Inter-segment eliminations	**764**	756	8	1.1%
Total BCE operating costs	**(13,556)**	(13,276)	(280)	(2.1%)

(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 increased by 2.1% compared to 2020, due to greater expenses in Bell Media of 12.5% and Bell Wireless of 2.6%, offset in part by reduced expenses in Bell Wireline of 1.4%. The increase in operating expenses was mainly driven by higher wireless cost of goods sold and increased media programming and production costs.

4.5 Net earnings

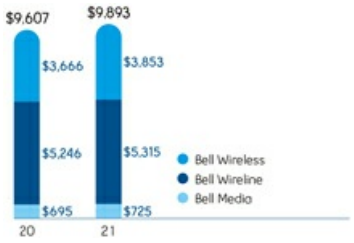
BCE
Net earnings
(in $ millions)



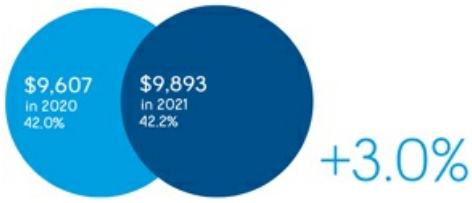
In 2021, net earnings increased by 7.2%, compared to 2020, mainly due to higher adjusted EBITDA, higher other income and lower impairment of assets primarily at our Bell Media segment, partly offset by higher income taxes, lower net earnings from discontinued operations as a result of a gain on sale, net of taxes, of $211 million in Q4 2020 from the completion of the sale of substantially all of our data centre operations, higher depreciation and amortization, and higher severance, acquisition and other costs.

4.6 Adjusted EBITDA

BCE
Adjusted EBITDA
(in $ millions)



BCE
Adjusted EBITDA
(in $ millions)
(% adjusted EBITDA margin)



	2021	2020	$ CHANGE	% CHANGE
Bell Wireless	**3,853**	3,666	187	5.1%
Bell Wireline	**5,315**	5,246	69	1.3%
Bell Media	**725**	695	30	4.3%
Total BCE adjusted EBITDA	**9,893**	9,607	286	3.0%

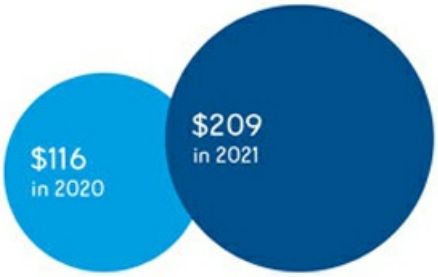
BCE

BCE's adjusted EBITDA grew by 3.0% in 2021, compared to last year, driven by growth across all three of our segments and includes the unfavourable retroactive impact of the Q2 2021 CRTC decision on wholesale high-speed Internet access services of $44 million. The growth was attributable to higher operating revenues, moderated by greater operating costs. Adjusted EBITDA margin of 42.2% in 2021, increased by 0.2 pts over last year, mainly driven by greater service revenue flow-through and the non-recurrence of a number of COVID-19 related expenses incurred last year.

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 relating to litigation and regulatory decisions, when they are significant, and other costs.

BCE
Severance, acquisition and other costs
(in $ millions)



2021

Severance, acquisition and other costs included:

- Severance costs of $171 million related to involuntary and voluntary employee terminations
- Acquisition and other costs of $38 million

2020

Severance, acquisition and other costs included:

- Severance costs of $35 million related to involuntary and voluntary employee terminations
- Acquisition and other costs of $81 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 2021 increased by $152 million, compared to 2020, in part due to a higher asset base as we continued to invest in our broadband and wireless networks as well as our IPTV services and accelerated depreciation of 4G network elements as we transition to 5G.

AMORTIZATION

Amortization in 2021 increased by $53 million, compared to 2020, mainly due to a higher asset base.

4.9 Finance costs

BCE
Interest expense
(in $ millions)



BCE
Interest on post-employment benefit obligations
(in $ millions)



INTEREST EXPENSE

Interest expense in 2021 decreased by $28 million, compared to 2020, mainly due to lower interest rates, partly offset by higher average debt levels.

INTEREST ON POST-EMPLOYMENT BENEFIT OBLIGATIONS

Interest on our post-employment benefit obligations is based on market conditions that existed at the beginning of the year. On January 1, 2021, the discount rate was 2.6% compared to 3.1% on January 1, 2020.

In 2021, interest expense on post-employment benefit obligations decreased by $26 million, compared to last year, due to a lower discount rate and a lower net post-employment benefit obligation at the beginning of the year.

The impacts of changes in market conditions during the year are recognized in other comprehensive income (OCI).

4.10 Impairment of assets

2021

During the second quarter of 2021, we identified indicators of impairment for our Bell Media radio markets, notably a decline in advertising revenue and an increase in the discount rate resulting from the impact of the ongoing COVID-19 pandemic. Accordingly, impairment testing was required for our group of radio cash generating units (CGUs).

During Q2 2021, we recognized $163 million of impairment charges for various radio markets within our Bell Media segment. These charges included $150 million allocated to indefinite-life intangible assets for broadcast licences, and $13 million to property, plant and equipment mainly for buildings and network infrastructure and equipment.

There was no impairment of Bell Media goodwill.

2020

During the second quarter of 2020, we identified indicators of impairment for certain of our Bell Media TV services and radio markets, notably declines in advertising revenues, lower subscriber revenues and overall increases in discount rates resulting from the economic impact of the COVID-19 pandemic. Accordingly, impairment testing was required for certain groups of CGUs as well as for goodwill.

During Q2 2020, we recognized $452 million of impairment charges for our English and French TV services as well as various radio markets within our Bell Media segment. These charges included $291 million allocated to indefinite-life intangible assets for broadcast licences, $146 million allocated to finite-life intangible assets, mainly for program and feature film rights, and $15 million to property, plant and equipment for network and infrastructure and equipment.

There was no impairment of Bell Media goodwill.

BCE
Impairment of assets
(in $ millions)

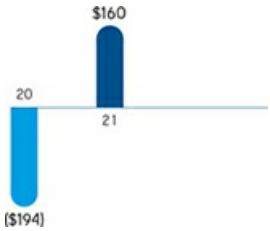


4.11 Other income (expense)

Other income (expense) 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*
- *Early debt redemption costs*
- *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*
- *Net gains or losses on investments, including gains or losses when we dispose of, write down or reduce our ownership in investments*

BCE
Other income (expense)
(in $ millions)



2021

Other income of $160 million included net mark-to-market gains on derivatives used to economically hedge equity settled share-based compensation plans of $278 million, partly offset by early debt redemption costs of $53 million, losses on our equity investments which included a loss of $49 million on BCE's share of an obligation to repurchase at fair value the minority interest in one of BCE's joint ventures and losses on operations from our equity investments of $46 million.

2020

Other expense of $194 million included losses on retirements and disposals of property, plant and equipment and intangible assets of $83 million, which included a loss related to a change in strategic direction of the ongoing development of some of our TV platform assets under construction, net mark-to-market losses on derivatives used to economically hedge equity settled share-based compensation plans of $51 million, early debt redemption costs of $50 million and losses on operations from our equity investments of $38 million. These expenses were partly offset by gains on our equity investments of $43 million, which included gains on BCE's share of an obligation to repurchase at fair value the minority interest in one of BCE's joint ventures.

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 2021 and 26.9% for 2020.

FOR THE YEAR ENDED DECEMBER 31	2021	2020
Net earnings from continuing operations	**2,892**	2,473
Add back income taxes	**1,044**	792
Earnings from continuing operations before income taxes	**3,936**	3,265
Applicable statutory tax rate	**26.8%**	26.9%
Income taxes computed at applicable statutory rates	**(1,055)**	(878)
Non-taxable portion of (losses) gains on investments	**(1)**	1
Uncertain tax positions	**16**	21
Effect of change in provincial corporate tax rate	**–**	9
Change in estimate relating to prior periods	**2**	6
Non-taxable portion of equity (losses) gains	**(26)**	2
Previously unrecognized tax benefits	**15**	47
Other	**5**	–
Total income taxes from continuing operations	**(1,044)**	(792)
Average effective tax rate	**26.5%**	24.3%

Income taxes in 2021 increased by $252 million, compared to 2020, mainly due to higher taxable income, partly offset by a lower value of previously unrecognized tax benefits.

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 $)

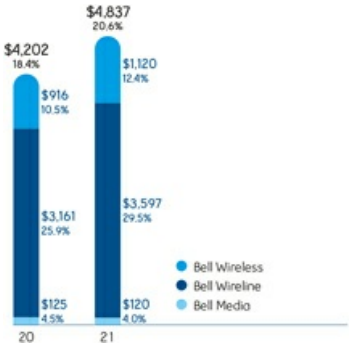


Net earnings attributable to common shareholders in 2021 increased by $211 million, or $0.23 per common share, compared to 2020, mainly due to higher adjusted EBITDA, higher other income and lower impairment of assets primarily at our Bell Media segment, partly offset by higher income taxes, lower net earnings from discontinued operations as a result of a gain on sale, net of taxes, of $211 million in Q4 2020 from the completion of the sale of substantially all of our data centre operations, higher depreciation and amortization, and higher severance, acquisition and other costs.

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, impairment of assets and discontinued operations, net of tax and NCI, adjusted net earnings in 2021 was $2,895 million, or $3.19 per common share, compared to $2,730 million, or $3.02 per common share, in 2020.

4.14 Capital expenditures

BCE
Capital expenditures
(in $ millions)
Capital intensity
(%)



BCE capital expenditures increased by 15.1% in 2021, compared to last year to $4,837 million with a corresponding capital intensity of 20.6%, up 2.2 pts over 2020. The year-over-year growth in capital spending is consistent with our two-year plan to accelerate the rollout of our mobile 5G, fibre and rural WHI networks.

4.15 Cash flows

In 2021, BCE's cash flows from operating activities increased by $254 million, compared to 2020, mainly due to higher adjusted EBITDA and higher cash from working capital due mainly to the timing of supplier payments, partly offset by higher severance and other costs paid and higher income taxes paid. Additionally, there was lower cash from discontinued operations in 2021 as the sale of substantially all of our data centre operations was completed in Q4 2020.

Free cash flow decreased by $353 million in 2021, compared to 2020, mainly due to higher capital expenditures, partly offset by higher cash flows from operating activities, excluding cash from discontinued operations and acquisition and other costs paid.

BCE
Cash flows from operating activities
(in $ millions)



BCE
Free cash flow
(in $ millions)



5 Business segment analysis

5.1 Bell Wireless

We delivered leading wireless financial results in 2021 with service revenue growth of 3.7%, 5.1% higher adjusted EBITDA and a 1.2% increase in mobile phone blended average revenue per user (ARPU) (1) as we welcomed 294,842 total net new postpaid and prepaid mobile phone subscribers, up 54.6%. We remain focused on growing high-value postpaid mobile phone subscribers, managing customer churn and delivering industry-leading service revenue growth and profitability.

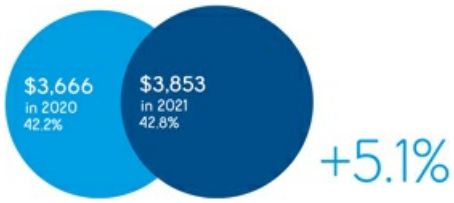
FINANCIAL PERFORMANCE ANALYSIS

2021 PERFORMANCE HIGHLIGHTS

Bell Wireless
Revenues
(in $ millions)



Bell Wireless
Adjusted EBITDA
(in $ millions)
(% adjusted EBITDA margin)



Total mobile phone subscriber (2) growth
+3.2%
in 2021

Mobile phone postpaid net subscriber activations (2) in 2021
301,706
Improved 97.6% vs. 2020

Mobile phone prepaid net subscriber losses (2) in 2021
(6,864)
Declined vs. 2020

Mobile phone postpaid churn (2) in 2021
0.93%
Increased 0.01 pts vs. 2020

Mobile phone blended ARPU
per month
+1.2%
2021: $57.66
2020: $56.97

(1) *Effective Q4 2021, we are no longer reporting mobile phone blended average billing per user (ABPU). Instead, we are reporting mobile phone blended ARPU in order to align with industry peers. Mobile phone blended ARPU is calculated by dividing wireless operating service revenues by the average mobile phone subscriber base for the specified period and is expressed as a dollar unit per month.*

(2) *Effective January 1, 2021, we changed our wireless operating metrics to reflect our revised approach to reporting wireless subscriber units. Consequently, we are now reporting in two categories, mobile phone subscriber units and mobile connected device subscriber units (e.g. tablets, wearables and mobile Internet devices). Additionally, mobile connected device subscribers now include previously undisclosed IoT units (e.g. connected telematics services, monitoring devices, connected cars and fleet management solutions). These changes are consistent with the way we manage our business, reflect our focus on mobile phone subscribers and align to industry peers. As a result, previously reported 2020 subscribers and associated operating metrics (gross and net activations (losses) and churn) have been restated for comparability. See section 11.6 KPIs, in this MD&A for more details.*

BELL WIRELESS RESULTS

REVENUES

	2021	2020	$ CHANGE	% CHANGE
External service revenues	**6,355**	6,122	233	3.8%
Inter-segment service revenues	**45**	47	(2)	(4.3%)
Operating service revenues	**6,400**	6,169	231	3.7%
External product revenues	**2,593**	2,508	85	3.4%
Inter-segment product revenues	**6**	6	–	–
Operating product revenues	**2,599**	2,514	85	3.4%
Bell Wireless operating revenues	**8,999**	8,683	316	3.6%

Bell Wireless operating revenues increased by 3.6% in 2021, compared to last year, due to both higher service and product revenues.

Service revenues increased by 3.7% in 2021, compared to 2020, driven by:

- Continued growth in our mobile phone postpaid subscriber base
- Flow-through of rate increases along with mix shift to higher-value monthly plans, including unlimited data plans
- Higher prepaid revenues driven by greater Lucky mix

These factors were partly offset by:

- Lower data overages driven by greater customer adoption of monthly plans with higher data thresholds, including unlimited and shareable plans, as well as lower voice overages due to increased usage in 2020 driven by the COVID-19 pandemic
- Modest year-over-year decline in outbound roaming revenues due to reduced customer travel as a result of the COVID-19 pandemic. Outbound roaming revenues improved in the second half of the year due to the easing of COVID-related travel restrictions.

Product revenues increased by 3.4% in 2021, compared to last year, driven by greater sales mix of premium mobile phones, higher handset prices, increased mobile phone contracted sales volumes, as the prior year was more significantly impacted by the temporary store closures due to the COVID-19 pandemic, and higher sales through our direct and digital channels. This was moderated by greater discounting and lower data device contracted sales volumes.

OPERATING COSTS AND ADJUSTED EBITDA

	2021	2020	$ CHANGE	% CHANGE
Operating costs	**(5,146)**	(5,017)	(129)	(2.6%)
Adjusted EBITDA	**3,853**	3,666	187	5.1%
Adjusted EBITDA margin	**42.8%**	42.2%		0.6 pts

Bell Wireless operating costs increased by 2.6% in 2021, compared to last year, driven by:

- Higher cost of goods sold due to greater sales mix of premium mobile phones, increased handset costs and higher mobile phone contracted sales volumes
- Increased network operating costs driven by the continued deployment of our mobile 5G network

These factors were partly offset by:

- Lower year-over-year bad debt expense related to the financial difficulty experienced by customers during the COVID-19 pandemic
- Lower labour costs mainly due to retail store closures and reduced operating hours, offset in part by the Canada Emergency Wage Subsidy (CEWS), a wage subsidy program offered by the federal government to eligible employers as a result of the COVID-19 pandemic, recognized last year

Bell Wireless adjusted EBITDA increased by 5.1% in 2021, compared to last year, due to greater operating revenues, moderated by higher operating costs. Adjusted EBITDA margin of 42.8% in 2021, increased by 0.6 pts, compared to last year, primarily driven by the flow-through of the service revenue growth and the lower bad debt expense, offset in part by lower product margins.

BELL WIRELESS OPERATING METRICS

	2021	2020	CHANGE	% CHANGE
Mobile phones (1)				
Blended ARPU ($/month)	**57.66**	56.97	0.69	1.2%
Gross subscriber activations	**1,653,771**	1,545,173	108,598	7.0%
Postpaid	***1,201,659***	*1,025,748*	*175,911*	*17.1%*
Prepaid	***452,112***	*519,425*	*(67,313)*	*(13.0%)*
Net subscriber activations (losses)	**294,842**	190,675	104,167	54.6%
Postpaid	***301,706***	*152,693*	*149,013*	*97.6%*
Prepaid	***(6,864)***	*37,982*	*(44,846)*	*n.m.*
Blended churn % (average per month)	**1.23%**	1.26%		0.03 pts
Postpaid	***0.93%***	*0.92%*		*(0.01) pts*
Prepaid	***4.31%***	*4.60%*		*0.29 pts*
Subscribers	**9,459,185**	9,164,343	294,842	3.2%
Postpaid	***8,630,045***	*8,328,339*	*301,706*	*3.6%*
Prepaid	***829,140***	*836,004*	*(6,864)*	*(0.8%)*
Mobile connected devices (1)				
Net subscriber activations	**193,641**	227,981	(34,340)	(15.1%)
Subscribers	***2,249,794***	*2,056,153*	*193,641*	*9.4%*

n.m.: not meaningful

(1) *Effective January 1, 2021, we changed our wireless operating metrics to reflect our revised approach to reporting wireless subscriber units. Consequently, we are now reporting in two categories, mobile phone subscriber units and mobile connected device subscriber units (e.g. tablets, wearables and mobile Internet devices). Additionally, mobile connected device subscribers now include previously undisclosed IoT units (e.g. connected telematics services, monitoring devices, connected cars and fleet management solutions). These changes are consistent with the way we manage our business, reflect our focus on mobile phone subscribers and align to industry peers. As a result, previously reported 2020 subscribers and associated operating metrics (gross and net activations (losses) and churn) have been restated for comparability. See section 11.6, KPIs, in this MD&A for more details.*

Mobile phone blended ARPU of $57.66 increased by 1.2% in 2021, compared to last year, driven by:

- Flow-through of rate increases along with mix shift to higher-value monthly plans including unlimited data plans
- Higher prepaid revenues driven by greater Lucky mix

These factors were partly offset by:

- Decreased data overages driven by greater customer adoption of monthly plans with higher data thresholds, including unlimited and shareable plans, as well as lower voice overages due to increased usage in 2020 driven by the COVID-19 pandemic
- Modest year-over-year decline in outbound roaming revenues due to reduced customer travel as a result of the COVID-19 pandemic. Outbound roaming revenues improved in the second half of the year due to the easing of COVID-19 related travel restrictions.

Mobile phone gross subscriber activations increased by 7.0% in 2021, compared to last year, due to higher postpaid gross activations, offset in part by lower prepaid gross activations.

- **Mobile phone postpaid gross subscriber activations** increased by 17.1% in 2021, compared to last year, driven by greater activity in the market as we continued to recover from the effects of the COVID-19 pandemic, including greater temporary closure of retail distribution channels in 2020. Additionally, our focus on growing higher-value mobile phone subscribers, leveraging targeted promotional capabilities and greater sales through our direct and digital channels, also contributed to the growth in mobile phone gross activations.
- **Mobile phone prepaid gross subscriber activations** decreased by 13.0% in 2021, compared to last year, driven by continued low market activity from fewer visitors to Canada and reduced immigration as a result of the COVID-19 pandemic

Mobile phone net subscriber activations increased by 54.6% in 2021, compared to last year, due to higher postpaid net activations, offset in part by greater prepaid net losses.

- **Mobile phone postpaid net subscriber activations** increased by 97.6% in 2021, compared to last year, driven by higher gross activations, offset in part by greater subscriber deactivations
- **Mobile phone prepaid net subscriber losses** were 44,846 unfavourable, compared to last year, due to lower gross activations, offset in part by fewer subscriber deactivations

Mobile phone blended churn of 1.23% in 2021 improved by 0.03 pts, compared to last year.

- **Mobile phone postpaid churn** of 0.93% in 2021 remained essentially stable, compared to last year, reflecting our continued investment in customer experience, retention and our mobile networks
- **Mobile phone prepaid churn** of 4.31% in 2021 decreased by 0.29 pts, compared to last year, due to lower market activity as a result of the COVID-19 pandemic and the impact from a maturing Lucky subscriber base

Mobile phone subscribers at December 31, 2021 totaled 9,459,185 an increase of 3.2%, compared to last year. This consisted of 8,630,045 postpaid subscribers, an increase of 3.6% from 8,328,339 subscribers at the end of 2020, and 829,140 prepaid subscribers, a decrease of 0.8% from 836,004 subscribers at the end of 2020.

Mobile connected device net subscriber activations decreased by 15.1% in 2021, compared to last year, due to greater net losses from data devices, primarily lower tablet net activations, offset in part by greater IoT net activations.

Mobile connected device subscribers at December 31, 2021 totaled 2,249,794, an increase of 9.4% from 2,056,153 subscribers at the end of 2020.

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

The Canadian wireless industry has experienced strong subscriber growth in recent years, supported by immigration and population growth; the trend toward multiple devices, including tablets; the expanding functionality of data and related applications; and the adoption of mobile devices and services, including connected devices. Various forms of public health measures during the global COVID-19 crisis in 2020, including the temporary closure of retail stores, led to pent-up demand in 2021. The mobile phone penetration rate increased to approximately 99% in Canada in 2021, with further increases in penetration expected in 2022. By comparison, the mobile phone penetration rate in the U.S. is well over 100%, and even higher in Europe and Asia.

The 2021 wireless market in Canada continued to face challenges from the COVID-19 pandemic. Growth in ARPU had been moderating as carriers migrated their customer bases to unlimited data plans. However, ARPU moderation was exacerbated by the pandemic, as wireless industry roaming revenue significantly declined from customers' reduced travel activity, which has not yet returned to pre-pandemic levels. Additionally, with large numbers of the workforce working from home during the pandemic, there were associated declines in chargeable data usage from workers offloading their mobile device traffic onto Wi-Fi. The Canadian wireless market continued to experience increased levels of competition nationally. This high level of competition has led to continued declines in chargeable data usage and larger allotments of data, in addition to other factors, such as the popularity of data sharing plans and an evolving shift in the customer mix towards non-traditional wireless devices and tools such as video chats. These factors, combined with increases in overall data usage, which is expected to increase dramatically with the ongoing commercialization of 5G, led to widespread adoption and promotion of unlimited data plans and device financing plans by all national carriers. The build-out of 5G network infrastructure accelerated in 2021, with 5G covering approximately 70% of the Canadian population by the national carriers at the end of 2021. For Bell, our accelerated 5G investments are underpinned by our capital expenditure acceleration program, which commenced in 2021 and will continue in 2022. Our long-standing commitment to network excellence is reflected in multiple independent third-party awards and recognition received in 2021, including winning Canada's Fastest 5G Network award for the second time in a row in the Ookla 2021 Speedtest Awards, as well as top honours from GWS for best 5G network and PCMag for fastest mobile network (4G and 5G) overall.

The Canadian wireless industry continues to be highly competitive and capital-intensive, with carriers continuing to expand and enhance their broadband wireless networks, including the ongoing build-out of 5G, as well as material investments in spectrum.

Competitors

- Large facilities-based national wireless service providers Rogers and the Telus Corporation group of companies (Telus)
- Smaller facilities-based wireless service provider Shaw, which currently provides service in Toronto, Calgary, Vancouver, Edmonton and Ottawa, as well as in several communities in southwestern Ontario
- Regional facilities-based wireless service providers Vidéotron Ltée (Vidéotron), which provides service in Montréal and other parts of Québec; Saskatchewan Telecommunications Holding Corporation, which provides service in Saskatchewan; Bragg Communications Inc. (Eastlink), which provides service in Nova Scotia and Prince Edward Island; and Xplornet Communications Inc., which provides service in Manitoba

INDUSTRY TRENDS

ACCELERATING DATA CONSUMPTION

The demand for wireless data services is expected to continue to grow, due to: ongoing investment in faster network technologies, such as 5G, that provide a richer user experience and lower network latency; a larger appetite for mobile connectivity, social networking, content streaming (including Crave Mobile), and other applications; increasing adoption of shared plans with multiple devices by families; and the growth of unlimited data plans. Greater customer adoption of services like 5G, international roaming and resumption of travel post COVID-19, as well as IoT services and applications enabled and developed by 5G networks, should also contribute to the demand for data services. In the consumer market, IoT represents a growth area for the industry as wireless connectivity on everyday devices, from home automation to cameras, becomes ubiquitous. However, data overage revenue will continue to be negatively impacted as customers continue to migrate to unlimited and large allotment data plans.

SIGNIFICANT INVESTMENTS IN WIRELESS NETWORKS

Fast growth in mobile data traffic is increasingly putting a strain on wireless carriers' networks and their ability to manage and service this traffic. Industry Canada's 600 MHz, 700 MHz, advanced wireless services-3 (AWS-3), and 2500 MHz spectrum auctions that occurred since 2014 provided wireless carriers with prime spectrum to roll out faster next-generation wireless networks and build greater capacity. Early 5G wireless networks were deployed by the national operators in 2020 utilizing low-band and mid-band spectrum. In 2021, the national operators acquired additional mid-band, flexible-use 3500 MHz wireless spectrum auctioned by ISED. The high capacity and near instant connections offered by mobile 5G will support a virtually unlimited range of new consumer and business applications in coming years, including virtual and augmented reality, AI and machine learning, immersive entertainment services, connected vehicles, smart cities and enhanced rural access, and unprecedented IoT opportunities for business and government enterprises. We expect 5G technology to provide a significant opportunity for future growth in the industry.

BUSINESS OUTLOOK AND ASSUMPTIONS

This section contains forward-looking statements, including relating to our projected financial performance for 2022 and our 2022 business outlook, objectives, plans and strategic priorities. Refer to the section *Caution regarding forward-looking statements* at the beginning of this MD&A.

2022 OUTLOOK

We expect revenue growth to be driven by postpaid and prepaid mobile phone subscriber base expansion. We expect growth in ARPU driven by increased roaming revenue from the easing of travel restrictions implemented as a result of the COVID-19 pandemic, partly offset by reduced data overage revenue resulting from the continued adoption of unlimited plans. We will seek to achieve higher revenues from the flow-through of pricing changes, as well as IoT services and applications in the areas of retail, business, transportation, and urban city optimization. Our intention is to introduce new services to the market in a way that balances innovation with profitability.

We also remain focused on sustaining our market share of national operators' postpaid mobile phone net additions in a disciplined and cost-conscious manner, while also continuing to grow our prepaid subscriber base.

We plan to deliver adjusted EBITDA growth in 2022 from the flow-through of higher revenue and the realization of cost savings related to operational efficiencies enabled by changes in consumer behaviour, digital adoption, product and service enhancements, new call centre and digital investments, and other improvements to the customer service experience.

ASSUMPTIONS

- Maintain our market share of national operators' wireless postpaid mobile phone net additions and growth of our prepaid subscriber base
- Continued strong competitive intensity and promotional activity across all regions and market segments
- Ongoing expansion and deployment of 5G wireless networks, offering competitive coverage and quality
- Continued diversification of our distribution strategy with a focus on expanding DTC and online transactions
- Growth in mobile phone blended ARPU, driven by growth in 5G subscriptions, and increased roaming revenue from the easing of travel restrictions implemented as a result of the COVID-19 pandemic, partly offset by reduced data overage revenue due to the continued adoption of unlimited plans
- Accelerating business customer adoption of advanced 5G and IoT solutions
- Improving wireless handset device availability in addition to stable device pricing and margins
- Realization of cost savings related to operational efficiencies enabled by changes in consumer behaviour, digital adoption, product and service enhancements, new call centre and digital investments and other improvements to the customer service experience
- No adverse material financial, operational or competitive consequences of changes in or implementation of regulations affecting our wireless business

KEY GROWTH DRIVERS

- Higher, but slowing, Canadian wireless industry penetration
- A greater number of customers on our 5G network
- Increased adoption of unlimited data plans and device financing plans
- Cross sell to customers who do not have all their telecommunication services with Bell

PRINCIPAL BUSINESS RISKS

This section discusses certain principal business risks specifically related to the Bell Wireless segment. For a detailed description of the other principal risks that could have a material adverse effect on our business, including those related to the COVID-19 pandemic, 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

POTENTIAL IMPACT

- Pressure on our revenue, adjusted EBITDA, ARPU and churn would likely result if competitors continue to aggressively pursue new types of price plans, increase discounts, offer shared plans based on sophisticated pricing requirements or offer other incentives, such as multi-product bundles, to attract new customers

REGULATORY ENVIRONMENT

RISK

- Increased regulation of wireless services, pricing and infrastructure (e.g., additional mandated access to wireless networks, and limitations placed on future spectrum bidding)

POTENTIAL IMPACT

- Greater 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 wireless business

MARKET MATURITY

RISK

- Slower subscriber growth due to high Canadian smartphone penetration and reduced or slower immigration flow
- Slower travel recovery due to restrictions implemented as a result of the COVID-19 pandemic

POTENTIAL IMPACT

- A maturing wireless market could challenge subscriber growth and the cost of subscriber acquisition and retention, putting pressure on the financial performance of our wireless business
- A slower travel recovery could result in a slower recovery of roaming revenue

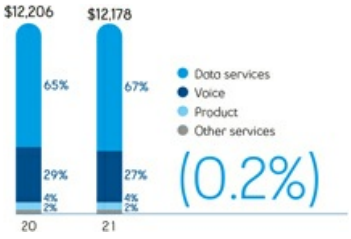
5.2 Bell Wireline

Steady demand for fast, reliable and innovative services to keep residents and businesses connected, informed and productive, drove our best annual retail residential net subscriber performance in 10 years, including an industry-leading 228,353 retail Internet and IPTV subscriber additions, up 21.3%. The broadband footprint advantage that we are building, with our leading fibre network and innovative WHI technology, positions us favourably in both our consumer and business segments over the long term to grow Internet revenue.

FINANCIAL PERFORMANCE ANALYSIS

2021 PERFORMANCE HIGHLIGHTS

Bell Wireline
Revenues
(in $ millions)



Bell Wireline
Adjusted EBITDA
(in $ millions)
(% adjusted EBITDA margin)

Retail high-speed Internet (1)
+4.2%
Subscriber growth
in 2021

Retail high-speed Internet
152,285
Total net subscriber activations
in 2021

Fibre and WTTP footprint
10.8 million
Homes and businesses
at the end of 2021

Retail TV(2)
(0.1%)
Subscriber decline
in 2021

Retail IPTV
76,068
Total net subscriber activations
in 2021

Retail residential NAS lines
(7.5%)
Subscriber decline
in 2021

(1) *At the beginning of Q1 2021, our retail high-speed Internet subscriber base was increased by 4,778subscribers due to the transfer of fixed wireless Internet subscribers from our mobile connected devices subscriber base.*

(2) *At the beginning of Q1 2021, we adjusted our satellite TV subscriber base to remove 6,125non-revenue generating units.*

BELL WIRELINE RESULTS

REVENUES

	2021	2020	$ CHANGE	% CHANGE
Data	**7,871**	7,691	180	2.3%
Voice	**3,154**	3,402	(248)	(7.3%)
Other services	**289**	248	41	16.5%
External service revenues	**11,314**	11,341	(27)	(0.2%)
Inter-segment service revenues	**358**	321	37	11.5%
Operating service revenues	**11,672**	11,662	10	0.1%
Data	**463**	494	(31)	(6.3%)
Equipment and other	**43**	49	(6)	(12.2%)
External product revenues	**506**	543	(37)	(6.8%)
Inter-segment product revenues	**–**	1	(1)	(100.0%)
Operating product revenues	**506**	544	(38)	(7.0%)
Bell Wireline operating revenues	**12,178**	12,206	(28)	(0.2%)

Bell Wireline operating revenues declined by 0.2% in 2021, compared to last year, which includes the unfavourable retroactive impact of the Q2 2021 CRTC decision on wholesale high-speed Internet access services of $44 million. The year-over-year decrease was driven by ongoing voice revenue erosion and lower product sales, moderated by higher data and other services revenue.

Bell Wireline operating service revenues increased by 0.1%, compared to 2020, which includes the unfavourable retroactive impact of the Q2 2021 CRTC decision described above of $44 million.

- **Data revenues** grew by 2.3% in 2021, compared to last year, driven by:
  - Higher retail Internet and IPTV subscriber bases combined with the flow-through of residential rate increases
  - Greater sales of maintenance contracts on data equipment sold to business customers
  - Growth in business solutions services revenue primarily from our managed services business

  These factors were partly offset by:
  - Ongoing decline in our satellite TV subscriber base
  - Q2 2021 CRTC decision on wholesale high-speed Internet access services as described above
  - Continued legacy data erosion
- **Voice revenues** declined by 7.3% in the year, compared to 2020, driven by:
  - Continued retail residential NAS line erosion mainly due to technological substitution to wireless and Internet based services
  - Ongoing business voice erosion across the customer base
  - COVID-19 related strength in 2020 from conferencing and long distance, as customers have adopted cheaper solutions since the onset of the COVID-19 pandemic

  These factors were partly mitigated by the flow-through of residential rate increases.
- **Other services revenues** increased by 16.5% in the year, compared to 2020, attributable to the acquisition in Q4 2020 of Environics Analytics Group Ltd., a Canadian data and analytics company, along with greater revenues from our Smart Home business driven by subscriber growth.

Bell Wireline operating product revenues decreased by 7.0% in 2021, compared to last year, due to strong 2020 equipment sales to large business customers, primarily to the government sector, combined with the impact of global supply chain challenges in the latter part of 2021, driven by the COVID-19 pandemic.

OPERATING COSTS AND ADJUSTED EBITDA

	2021	2020	$ CHANGE	% CHANGE
Operating costs	**(6,863)**	(6,960)	97	1.4%
Adjusted EBITDA	**5,315**	5,246	69	1.3%
Adjusted EBITDA margin	**43.6%**	43.0%		0.6 pts

Bell Wireline operating costs decreased by 1.4% in 2021, compared to last year, due to:

- Lower product cost of goods sold and payments to other carriers driven by lower revenues
- Higher 2020 COVID-19 related costs, including employee redeployment, donations and personal protective equipment costs
- Higher 2020 bad debt expense related to the financial difficulty experienced by customers during the COVID-19 pandemic.

These factors were partly offset by:

- Increased labour costs from greater project requirements, moderated by vendor contract savings
- Higher expenses related to the acquisition of Environics Analytics Group Ltd.

Bell Wireline adjusted EBITDA increased by 1.3% in 2021, compared to last year, driven by operating expense savings, offset in part by lower year-over-year operating revenues and includes the unfavourable retroactive impact of the Q2 2021 CRTC decision on wholesale high-speed Internet access services of $44 million. Adjusted EBITDA margin of 43.6% in 2021, increased by 0.6 points over 2020, attributable to lower operating costs primarily related to the non-recurrence of a number of COVID-19 related expenses incurred last year, the flow-through of service revenue growth, as well as a decreased proportion of low-margin product sales in our total revenue base.

BELL WIRELINE OPERATING METRICS

DATA

Retail high-speed Internet

	2021	2020	CHANGE	% CHANGE
Retail net subscriber activations	**152,285**	148,989	3,296	2.2%
Retail subscribers (1)	**3,861,653**	3,704,590	157,063	4.2%

(1) *At the beginning of Q1 2021, our retail high-speed Internet subscriber base was increased by 4,778subscribers due to the transfer of fixed wireless Internet subscribers from our mobile connected devices subscriber base.*

Retail high-speed Internet net subscriber activations increased by 2.2% in 2021, compared to last year, attributable to greater activations due to increased market activity driven by the ongoing recovery from the effects of the COVID-19 pandemic, reflecting higher activations in our FTTP and WTTP footprints. This was moderated in part by increased year-over-year deactivations from lower 2020 retail residential deactivations due to the COVID-19 pandemic, coupled with greater competitive intensity in 2021.

Retail high-speed Internet subscribers totaled 3,861,653 at December 31, 2021, up 4.2% from 3,704,590 subscribers reported at the end of 2020.

Retail TV

	2021	2020	CHANGE	% CHANGE
Retail net subscriber activations (losses)	**2,530**	(33,859)	36,389	n.m.
IPTV	***76,068***	*39,191*	*36,877*	*94.1%*
Satellite	***(73,538)***	*(73,050)*	*(488)*	*(0.7%)*
Total retail subscribers (1)	**2,735,010**	2,738,605	(3,595)	(0.1%)
IPTV	***1,882,441***	*1,806,373*	*76,068*	*4.2%*
Satellite (1)	***852,569***	*932,232*	*(79,663)*	*(8.5%)*

n.m.: not meaningful

(1) *At the beginning of Q1 2021, we adjusted our satellite TV subscriber base to remove 6,125non-revenue generating units.*

Retail IPTV net subscriber activations increased by 94.1% in 2021, compared to 2020, reflecting the success of our multi-brand strategy and the ongoing recovery from the effects of the COVID-19 pandemic, including more typical sales activity and the favourable impact of increased sports programming in 2021, which was curtailed last year as a result of the pandemic. Additionally, fewer customers coming off of promotional offers also favourably impacted retail IPTV net activations.

Retail satellite TV net subscriber losses were essentially stable year over year, increasing by 0.7% in 2021, compared to last year, as lower gross activations in our retail residential market were offset in part by reduced deactivations as a result of the COVID-19 pandemic.

Total retail TV net subscriber activations (IPTV and satellite TV combined) improved by 36,389 in 2021, compared to 2020, driven by higher IPTV net activations, offset in part by higher satellite TV net subscriber losses.

Retail IPTV subscribers at December 31, 2021 totaled 1,882,441, up 4.2% from 1,806,373 subscribers reported at the end of 2020.

Retail satellite TV subscribers at December 31, 2021 totaled 852,569, down 8.5% from 932,232 subscribers reported at the end of 2020.

Total retail TV subscribers (IPTV and satellite TV combined) at December 31, 2021 were 2,735,010, representing a 0.1% decline from 2,738,605 subscribers at the end of 2020.

VOICE

	2021	2020	CHANGE	% CHANGE
Retail residential NAS lines net losses	**(185,327)**	(213,551)	28,224	13.2%
Retail residential NAS lines	**2,298,605**	2,483,932	(185,327)	(7.5%)

Retail residential NAS lines net losses improved by 13.2% in 2021 compared to 2020, attributable to lower year-over-year deactivations resulting from the COVID-19 pandemic.

Retail residential NAS lines at December 31, 2021 of 2,298,605 declined by 7.5% from 2,483,932 lines reported at the end of 2020. This represented an improvement over the 7.9% rate of erosion experienced in 2020 resulting from fewer deactivations primarily driven by the impact of the COVID-19 pandemic.

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

Similar to the Canadian wireless industry, wireline markets and operations were significantly affected by the COVID-19 pandemic. Physical distancing requirements impacted traditional wireline installations as installers were restricted from entering customers' premises. Conversely, with large numbers of workers and students working and learning from home, demand for wireline services surged, with network traffic levels reaching historic levels during the pandemic. Although the residential high-speed Internet market is maturing, with a penetration rate of approximately 90% across Canada at the end of 2021, subscriber growth is expected to continue over the coming years. An estimated 7.5 million Internet subscribers received their service over the networks of the four largest cable companies at the end of 2021, up 3% from approximately 7.3 million at the end of 2020. Meanwhile, an estimated 6.8 million Internet subscribers received their service over the networks of incumbent local exchange carriers (ILECs) like Bell at the end of 2021, up 4% from approximately 6.6 million at the end of 2020. Bell continues to make gains in market share as a result of the ongoing expansion of our FTTP direct fibre network and our rollout of WHI in rural markets, which was completed one year ahead of schedule in 2021. Similar to our accelerated 5G investments, our investments to expand our fibre footprint are supported by our capital investment acceleration program, which commenced in 2021 and will continue in 2022. Additionally, we received recognition from PCMag as the best gaming Internet provider among Canada's major providers in their Best Gaming ISPs 2022 report.

While Canadians still watch traditional TV, digital platforms are playing an increasingly important role in the broadcasting industry and in respect of content. Popular online video services are providing Canadians with more choice about where, when and how to access video content. In 2021, ILECs offering IPTV service grew their subscriber base by an estimated 4% to reach 3.2 million customers, driven by expanded network coverage, enhanced differentiated service and bundled offerings, and marketing and promotions focused on IPTV. Despite this IPTV growth, the combined cable TV and satellite TV subscriber penetration rate was unchanged. Canada's four largest cable companies had an estimated 4.7 million TV subscribers, or a 48% market share, flat compared to 48% at the end of 2020. The balance of industry subscribers were served by satellite TV and regional providers.

In recent years, three of the largest Canadian cable TV companies have launched new TV services based on the Comcast X1 video platform, including Shaw, Rogers and Québecor's Vidéotron brand. Our IPTV platform (Fibe TV, Fibe TV app and Virgin Plus TV) continues to offer numerous service advantages over this cable platform.

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 ongoing conversion to IP-based data services and networks by large business customers. Canada's four largest cable companies had approximately 3.2 million telephony subscribers at the end of 2021, representing a national residential market share of approximately 43%, relatively flat compared to 2020. Telecommunications companies had an estimated 3.6 million telephony subscribers at the end of 2021, representing approximately 48% market share, relatively flat compared to 2020. Other non-facilities-based competitors also offer local and long distance VoIP services and resell high-speed Internet services.

Competitors

- Cable TV providers offering cable TV, Internet and cable telephony services, including:
  - Rogers in Ontario, New Brunswick, Newfoundland and Labrador
  - Vidéotron in Québec
  - Cogeco Cable Inc. (a subsidiary of Cogeco Inc.) (Cogeco) in Ontario and Québec
  - Shaw in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario
  - 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. provide wholesale products and business services across Canada
- Various others (such as TekSavvy Solutions, Distributel, VMedia, and Vonage Canada (a division of Vonage Holdings Corp.) offer resale or VoIP-based local, long distance and Internet services
- OTT voice and/or video services, such as Skype, Netflix, Amazon Prime Video, Disney+, CBS All Access 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 and IBM
- Wholesale competitors include cable operators, domestic CLECs, 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-Edwards and Stanley Security

INDUSTRY TRENDS

INVESTMENT IN BROADBAND FIBRE DEPLOYMENT

The Canadian ILECs continue to make significant investments in deploying broadband fibre within their territories, with a focus on direct FTTP access to maintain and enhance their ability to support enhanced IP-based services and higher broadband speeds. Cable TV companies continue to invest to get the most out of their existing DOCSIS 3.1 networks while planning strategic overlays using FTTP enabling them to achieve speed parity with ILEC competitors over the long term. However, the DOCSIS 3.1 platform does not offer the same advanced capabilities as FTTP over the longer term in terms of speed, latency or reliability. FTTP delivers total broadband access speeds of up to 1.5 Gbps currently, with bi-directional multi-gigabit speeds enabled by network modernization to XGS PON in the short term, and speeds growing to 25 Gbps and beyond mid to long term.

ALTERNATIVE TV AND OTT SERVICES

The growing popularity of watching TV and on-demand content anywhere, particularly on handheld devices, is expected to continue as customers adopt services that enable them to view content on multiple screens. Streaming media providers, such as Netflix, Amazon Prime Video and Disney+ continue to enhance OTT streaming services in order to compete for share of viewership in response to evolving viewing habits and consumer demand. TV providers are monitoring OTT developments and evolving their content and market strategy to compete with these non-traditional offerings. We view OTT as an opportunity to add increased capabilities to our linear and on-demand assets, provide customers with flexible options to choose the content they want, and drive greater usage of Bell's high-speed Internet and wireless networks. We continue to enhance our Fibe TV service with additional content and capabilities, including the ability to watch recorded content on the go and access Crave, Netflix, Prime Video and YouTube on STBs.

TECHNOLOGY SUBSTITUTION

Technology substitution, enabled by the broad deployment of higher speed Internet; the pervasive use of e-mail, messaging and social media as alternatives to voice services; and the growth of wireless and VoIP services, continue to drive legacy voice revenue declines for telecommunications companies. Additionally, the disconnection of and reduction in spending for traditional TV (cord-cutting and cord-shaving) continues to rise. Although Bell is a key provider of these substitution services, the decline in this legacy business continues as anticipated.

ADOPTION OF IP-BASED SERVICES

The convergence of IT and telecommunications, facilitated by the ubiquity of IP, continues to shape competitive investments for business customers. Telecommunications companies are providing professional and managed services, as well as other IT services and support, while IT service providers are bundling network connectivity with their software as service offerings. In addition, manufacturers continue to bring all-IP and converged (IP plus legacy) equipment to market, enabling ongoing migration to IP-based solutions. 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 services, 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 2022 and our 2022 business outlook, objectives, plans and strategic priorities. Refer to the section *Caution regarding forward-looking statements* at the beginning of this MD&A.

2022 OUTLOOK

Our overall wireline financial growth profile is expected to strengthen progressively in 2022. This is predicated on continued expansion of our retail Internet and TV subscriber bases, supported by a broader FTTP service footprint together with higher household penetration; further penetration of WHI access technology in more rural communities; further scaling of Bell's app-based live TV streaming services Fibe TV App and Virgin TV; the introduction of new TV products and features; improving year-over-year business markets operating profitability; as well as cost reductions to offset competitive pricing pressures and the ongoing decline in voice revenue.

The broadband network advantage that we are building across our urban, suburban and rural service footprint areas positions us extremely well in both our consumer and business markets to continue growing Internet market share and revenue faster than our competitors. We will continue to focus on winning the home by delivering the fastest broadband speeds; the best content on the customer's TV platform of choice; and a superior Wi-Fi experience that leverages Bell's Smart Home automation leadership with services such as Whole Home Wi-Fi, home security, and video and automation, in order to drive higher year-over-year Internet and TV net customer additions.

In business wireline, customers continue to look for opportunities to leverage new technologies to grow and transform the workforce of the future, as well as to lower costs. As a result of these factors, and the unpredictable pace of the economy's recovery from the COVID-19 pandemic, spending by large enterprise customers on telecommunications services and products is expected to be variable. Ongoing customer migrations from traditional technologies to IP-based systems and demand for cheaper bandwidth alternatives will continue to create pressure on overall business markets results in 2022. We intend to offset the revenue decline from traditional legacy telecommunications services by continuing to develop unique services and value enhancements to improve the client experience through new features such as cloud access, and security and collaboration services. Furthermore, we intend to use marketing initiatives and other customer-specific strategies to slow the pace of NAS erosion, while also investing in direct fibre expansion, 5G and new solutions in key portfolios such as Internet and private networks, cloud services, unified communications and security. 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, despite the current COVID-19 situation, 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 expansion and service capabilities to expand our relationships with them. We will maintain a focus on overall profitability by seeking to increase revenue per customer and customer retention, as well as through improving our processes to achieve further operating efficiencies and productivity gains.

We are also maintaining a sharp focus on our operating cost structure to help offset pressures related to the growth and retention of IPTV, Internet, IP broadband and hosted IP voice subscribers, the ongoing erosion of high-margin wireline voice and other legacy revenues, competitive repricing pressures in our residential, business and wholesale markets, as well as the financial impacts of the COVID-19 pandemic. This, combined with further operating efficiencies, enabled by the ongoing deployment of new broadband technologies (fibre and fixed WTTP) and incremental service improvement, is expected to deliver meaningful cost savings and productivity gains across the organization.

ASSUMPTIONS

- Further deployment of direct fibre to more homes and businesses within our wireline footprint
- Continued growth in retail Internet and IPTV subscribers
- Increasing wireless and Internet-based technological substitution
- Continued aggressive residential service bundle offers from cable TV competitors in our local wireline areas, moderated by growing our share of competitive residential service bundles
- Continued large business customer migration to IP-based systems
- Ongoing competitive repricing pressures in our business and wholesale markets
- Continued competitive intensity in our small and medium-sized business markets as cable operators and other telecommunications competitors continue to intensify their focus on business customers
- 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
- Accelerating customer adoption of OTT services resulting in downsizing of TV packages
- Growing consumption of OTT TV services and on-demand streaming video, as well as the proliferation of devices, such as tablets, that consume large quantities of bandwidth, will require ongoing capital investment
- Realization of cost savings related to operating efficiencies enabled by a growing direct fibre footprint, changes in consumer behaviour and product innovation, expanding self-serve capabilities, 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 wireline business

KEY GROWTH DRIVERS

- Expansion of FTTP footprint
- Increasing FTTP and WTTP customer penetration
- Higher market share of industry retail Internet and IPTV subscribers
- Increased business customer spending on connectivity services and managed and professional services solutions
- 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 Wireline segment. For a detailed description of the other principal risks that could have a material adverse effect on our business, including those related to the COVID-19 pandemic, refer to section 9, *Business risks*.

AGGRESSIVE COMPETITION

RISK

- The intensity of competitive activity coupled with new 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

POTENTIAL IMPACT

- An increase in the intensity level of competitive activity could result in lost revenue, higher churn and increased acquisition and retention expenses, all of which would put pressure on Bell Wireline's adjusted EBITDA

REGULATORY ENVIRONMENT

RISK

- The CRTC could mandate rates for the new disaggregated wholesale high-speed access service available on FTTP facilities that are materially different from the rates we proposed, and which do not sufficiently account for the investment required in these facilities, or modify the network configuration of this new service in a way that materially improves the business position of our competitors
- The courts or Cabinet 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

POTENTIAL IMPACT

- In respect of the new disaggregated wholesale high-speed access service available on FTTP facilities, the mandating of rates that are materially different from the rates we proposed or the adoption of a network configuration advantageous for our competitors, or the implementation of the rates reduced by the CRTC in August 2019 for aggregated 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 wireline business

TECHNOLOGICAL ADVANCEMENT AND CHANGING CUSTOMER BEHAVIOUR

RISK

- With technological advancement, the traditional TV viewing model (i.e., the 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

- 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 global 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 from technological substitution challenges our traditional voice revenues and compels us to develop other service offerings

5.3 Bell Media

Operating performance rebounded in 2021 driven by strong TV advertiser demand, which was supported by the return to more normal major league sports and TV programming schedules, while our focus on French-language TV led Noovo to outpace its two main competitors in viewership growth. We are also gaining significant traction from our digital-first strategy to capture a larger share of digital ad spending in Canada, with digital revenues (1) up an impressive 35%.

FINANCIAL PERFORMANCE ANALYSIS

2021 PERFORMANCE HIGHLIGHTS

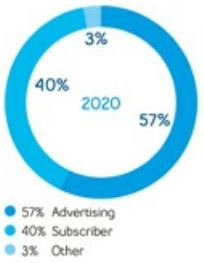
Bell Media
Revenues
(in $ millions)

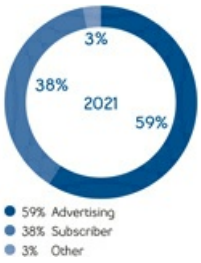


Bell Media
Adjusted EBITDA
(in $ millions)

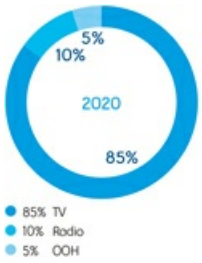


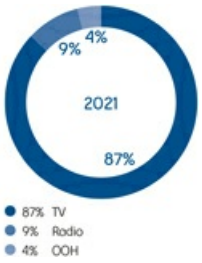
Bell Media
Revenue mix
(product)





Bell Media
Revenue mix
(line of business)





BELL MEDIA RESULTS

REVENUES

	2021	2020	$ CHANGE	% CHANGE
External revenues	**2,681**	2,369	312	13.2%
Inter-segment revenues	**355**	381	(26)	(6.8%)
Bell Media operating revenues	**3,036**	2,750	286	10.4%

(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 direct-to-consumer services and Video on Demand services.*

Bell Media operating revenues increased by 10.4% in 2021, compared to last year, reflecting the ongoing recovery from the effects of the COVID-19 pandemic. The year-over-year growth was driven by higher advertising and subscriber revenues. This includes growth in digital revenues of 35% in 2021, compared to last year.

- **Advertising revenues** increased by 16.3% in 2021, compared to 2020, due to growth in TV, offset in part by declines in OOH and radio. Conventional and specialty TV advertising revenue growth was driven by increased demand by advertisers due to the ongoing recovery from the effects of the COVID-19 pandemic. Conventional TV revenues also reflected the favourability from greater original programming in 2021 and the acquisition of V and Noovo.ca in May of 2020. Specialty TV revenues also benefited from the return of more live sporting events in 2021 compared to last year. Both OOH and radio advertising revenues were moderately down over last year, due to slower recovery from the effects of the pandemic, as OOH was unfavourably impacted by government restrictions imposed on certain non-essential services in the first half of the year and radio reflected changes in audience listening habits, due to the COVID-19 pandemic.
- **Subscriber revenues** increased by 4.8% in 2021, compared to last year, primarily from the continued growth in DTC subscribers from Crave, STARZ, and sports streaming services

OPERATING COSTS AND ADJUSTED EBITDA

	2021	2020	$ CHANGE	% CHANGE
Operating costs	**(2,311)**	(2,055)	(256)	(12.5%)
Adjusted EBITDA	**725**	695	30	4.3%
Adjusted EBITDA margin	**23.9%**	25.3%		(1.4) pts

Bell Media operating costs increased by 12.5% in 2021, compared to 2020, driven by:

- Greater sports rights and broadcast costs due to the return of most of the live sporting events in 2021 compared to cancellations and/or suspension of certain sporting events in 2020 as a result of the COVID-19 pandemic
- Higher TV programming costs from greater programming and TV productions in 2021 while 2020 was impacted by COVID-19 related delays and/or cancellations
- The benefit in 2020 from the CEWS
- Increased costs related to the Noovo acquisition

Bell Media adjusted EBITDA grew by 4.3% in 2021 compared to last year, driven by higher revenues, moderated by higher operating costs.

BELL MEDIA OPERATING METRICS

- CTV maintained its #1 ranking as the most-watched network in Canada for the 20th 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 79% of all Canadian English specialty and pay TV viewers and with its French specialty and pay TV properties reaching 78% of Québec French specialty and pay TV viewers in an average week
- Bell Media continued to rank first in unique visitors, total page views and total page minutes in digital media in 2021 among Canadian broadcast and video network competitors. Bell Media also ranked fifth among online properties in the country in terms of unique visitors and reach, with 24.3 million unique visitors per month, reaching 75% of the digital audience in 2021.
- Bell Media remained Canada's top radio broadcaster in 2021, and it had the #1 radio station in Toronto and Montréal in Fall 2021.
- Astral is one of Canada's leading OOH advertising providers, offering over 50,000 faces across Canada through 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 13.0 million Canadians weekly in 60 markets, and we offer exclusive advertising presence including 6 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 relating to our business outlook. Refer to the section *Caution regarding forward-looking statements* at the beginning of this MD&A.

COMPETITIVE LANDSCAPE

Competition in the Canadian media industry has changed in recent years as content is increasingly being 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 TV, radio, OOH advertising and digital media markets:

- **TV:** The TV 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
- **Radio:** 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:** Consumers continue to shift their media consumption towards digital and online media, mobile devices and on-demand content, requiring industry players to increase their efforts in digital content and capabilities in order to compete. This trend is also causing advertisers to direct more of their spending to digital and online rather than traditional media. In addition, the number of competitors has increased as more digital and online media companies, including large global companies, enter the market.

The media industry steadily recovered in 2021 from the effects of the COVID-19 pandemic. As the year progressed, demand for TV advertising strengthened with the return to more normal major league sports and TV programming schedules, while out of home advertising gradually improved due to increased leisure and travel activity with the easing of COVID restrictions. However, radio has been slow to recover and disproportionately impacted by the pandemic, due to ongoing COVID-related restrictions on local businesses and work-from-home protocols.

Competitors

TV

- 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, Amazon Prime Video, Disney+, Apple TV+, Paramount +, discovery+ and DAZN
- Video-sharing websites such as YouTube, TikTok and Instagram

RADIO

- 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 advertisers, such as Jim Pattison Broadcast Group, Outfront Media, Québecor, Dynamic and Clear Channel Outdoor
- Numerous smaller and local companies operating a limited number of display faces in a few local markets
- Other media such as TV, radio, print media and the Internet

INDUSTRY TRENDS

TECHNOLOGY AND CONSUMER HABITS TRANSFORMING THE WAY TV IS DELIVERED

Technology used in the media industry continues to evolve rapidly, which has led to alternative methods for the distribution, storage and consumption of content. These technological developments have driven and reinforced changes in consumer behaviour as consumers seek more control over when, where and how they consume content. Consumers now have the ability to watch content from a variety of media services on the screen of their choice, including TVs, computers, and mobile devices. In addition, the number of Canadian users who are connected to the Internet through their TVs continues to grow and there are increasingly more access points for content on the TV including connected devices such as Apple TV, Roku and Amazon Fire Stick. Changes in technology and consumer behaviour have resulted in a number of challenges for content aggregators and distributors. Ubiquitous access to content enabled by connected devices introduces risk to traditional distribution platforms by enabling content owners to provide content directly to distributors and consumers, thus bypassing traditional content aggregators.

GROWTH OF ALTERNATIVES TO TRADITIONAL LINEAR TV

Consumers continue to have access to an array of online entertainment and information alternatives that did not previously exist. While traditional linear TV has historically been the only way to access entertainment programming, the increase in alternative entertainment options has led to a fragmentation in consumption habits. Although more time is still spent on traditional linear TV compared to other forms of video consumption, people are increasingly consuming content on their own terms 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 the majority of households use pure OTT services, such as Crave, Netflix, Prime Video, Disney+ and Apple TV+, to complement linear TV consumption, an increasing number are using these services as alternatives to a traditional linear package.

ESCALATING CONTENT COSTS

Premium video content has become increasingly 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+ and DAZN, has already resulted in higher program rights costs and may also make it more difficult to secure content, which is a trend that is expected to continue into the future.

MEDIA COMPANIES ARE EVOLVING TO REMAIN COMPETITIVE

In recognition of changing consumer behaviour, media companies are evolving their content and launching 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, as well as CTV and Noovo, all of which offer streaming on a variety of platforms. Access to live sports and other premium content has become even more important for acquiring and retaining audiences that in turn attract advertisers and subscriber revenue. Therefore, ownership of content and/or long-term agreements with content owners has also become increasingly important to media companies.

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 2022 and our 2022 business outlook, objectives, plans and strategic priorities. Refer to the section *Caution regarding forward-looking statements* at the beginning of this MD&A.

2022 OUTLOOK

Bell Media's financial performance is projected to reflect a continued recovery in 2022, which should result in stronger advertiser demand, as well as strategic pricing on advertising sales and subscriber revenue growth. However, the COVID-19 pandemic is expected to continue to have some negative impact on overall results.

Subscriber revenue performance is projected to reflect the benefits from BDU carriage renewals, and continued scaling of DTC products, including Crave. However, the effects of shifting media consumption towards competing OTT and digital platforms, as well as further TV cord-shaving and cord-cutting, will continue to negatively impact traditional subscriber volumes.

For advertising revenue, we anticipate continued strong demand in TV and a gradual recovery in demand for radio and OOH during the year.

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 TV, we intend to leverage the strength of our market position combined with enhanced audience targeting to continue offering advertisers, both nationally and locally, premium opportunities to reach their target audiences. Success in this area requires that we focus on a number of factors, including: successfully acquiring highly rated programming and differentiated content; building and maintaining strategic supply arrangements for content across all screens and platforms; producing and commissioning high-quality Canadian content, including market-leading news; and scaling Bell Media's SAM TV and Bell DSP buying platforms, Bell Media's ad buying optimization platforms which give customers the ability to plan, activate and measure marketing campaigns using Bell's premium first-party data and TV inventory.

Our sports offerings are expected to continue to deliver premium content and exceptional viewing experiences to our TV and DTC audiences. Our sports 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.

Through Crave, our bilingual TV and streaming service, we will continue to leverage our investments in premium content (including HBO, HBO Max, SHOWTIME and STARZ) in order to attract pay TV and DTC subscribers. We intend to continue expanding platform availability and delivering user experience improvements.

In our French-language TV services, we will continue to optimize our programming with a view to increasing our appeal to audiences, supported in particular by the investment in Noovo and more French language originals.

In radio, we intend to leverage the strength of our market position to continue offering advertisers, both nationally and locally, premium opportunities to reach their target audiences. Additionally, in conjunction with our TV properties, we will continue to pursue opportunities that leverage our promotional capabilities, provide an expanded platform for content sharing, and offer other synergistic efficiencies.

In our OOH operations, we plan to leverage the strength of our products to provide advertisers with premium opportunities in key Canadian markets. We will also continue to seek new opportunities to support the growing demand in digital, including converting certain premium outdoor structures to digital and adding new boards.

ASSUMPTIONS

- Overall revenue expected to reflect continued strong demand in TV advertising revenue including scaling of our SAM TV and Bell DSP buying platforms, a gradual recovery in radio and OOH advertisements, as well as DTC subscriber growth
- Continued escalation of media content costs to secure quality programming, as well as the continued return to normal volumes of entertainment programming
- Continued scaling of Crave through broader content offering, user experience improvements and Crave Mobile
- Continued investment in Noovo original programming to better serve our French-language customers with a wider array of content, in the language of their choice, on their preferred platforms
- Leveraging of first-party data to improve targeting, advertisement delivery and attribution
- 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

- Grow advertising revenue and increase market share as demand continues to return across all platforms
- Scaling of SAM TV and Bell DSP buying platforms
- Ongoing growth in BDU rates
- Build out digital experiences across Crave, CTV, Noovo, TSN and RDS in order to support audience growth and increase advertising inventory
- Grow market share and generate revenue from continued investment in Noovo original programming
- Maintain strength in audience performance across all platforms

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, including those related to the COVID-19 pandemic, refer to section 9, *Business risks*.

AGGRESSIVE COMPETITION, PIRACY AND REGULATORY CONSTRAINTS

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

POTENTIAL IMPACT

- Adverse impact on the level of subscriptions and/or viewership for Bell Media's TV services and on Bell Media's revenue streams

ADVERTISING AND SUBSCRIPTION REVENUE UNCERTAINTY

RISK

- Advertising is heavily dependent on economic conditions and viewership, and conventional media is under increasing pressure for advertising spend against dominant non-traditional/global digital services. Our ability to grow digital and other alternative advertising media, in the context of a changing and fragmented advertising market, is further being challenged by such global-scale players.
- The advertising market could be again impacted by cancelled or delayed advertising campaigns should a prolonged COVID-19 pandemic lead to further economic downturns. Our radio and OOH properties are particularly vulnerable to pandemic-related measures resulting in lower audience levels from circulation and traffic.
- Bell Media has contracts with a variety of BDUs, under which monthly subscription fees for specialty and pay TV services are earned, that expire on a specific date

POTENTIAL IMPACT

- Economic uncertainty could reduce advertisers' spending. Our failure to increase or maintain viewership or capture our share of the changing and fragmented advertising market could result in the loss of advertising revenue.
- The COVID-19 pandemic could again continue to drive a material decline in advertising revenue across all Bell Media platforms
- If we are not successful in obtaining favourable agreements with BDUs, it could result in the loss of subscription revenue

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.
- Additional production delays attributable to the COVID-19 pandemic could further pressure our ability to secure key content in the short term.

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

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

	2021	2020	$ CHANGE	% CHANGE
Long-term debt	**27,048**	23,906	3,142	13.1%
Debt due within one year	**2,625**	2,417	208	8.6%
50% of preferred shares (1)	**2,002**	2,002	–	–
Cash	**(207)**	(224)	17	7.6%
Net debt	**31,468**	28,101	3,367	12.0%

(1) *50% of outstanding preferred shares of $4,003 million in 2021 and 2020 are classified as debt consistent with the treatment by some credit rating agencies.*

The increase of $208 million in debt due within one year and $3,142 million in long-term debt, was due to:

- the issuance by Bell Canada of Series US-3, Series US-4, Series US-5 and Series US-6 Notes, with total principal amounts of $600 million, $500 million, $600 million and $650 million in U.S. dollars, respectively ($747 million, $623 million, $755 million and $818 million in Canadian dollars, respectively). The Notes are fully and unconditionally guaranteed by BCE.
- the issuance by Bell Canada of Series M-54, Series M-55 and Series M-56 MTN debentures, with total principal amounts of $1 billion, $550 million and $500 million in Canadian dollars, respectively. The MTN debentures are fully and unconditionally guaranteed by BCE.
- an increase in our notes payable (net of repayments) of $351 million

Partly offset by:

- the early redemption of Series M-40 MTN debentures with a total principal amount of $1,700 million in Canadian dollars
- a decrease in our securitized trade receivables of $150 million
- a net decrease of $144 million due to lower lease liabilities and other debt

The decrease in cash of $17 million was mainly due to:

- $4,837 million of capital expenditures
- $3,132 million of dividends paid on BCE common shares
- $2,751 million of repayment of long-term debt
- $2,082 million for the acquisition of spectrum licences mainly for the acquisition of 3500 MHz spectrum
- $297 million for the purchase on the open market of BCE common shares for the settlement of share-based payments
- $150 million decrease in securitized trade receivables
- $125 million of dividends paid on BCE preferred shares
- $86 million of cash dividends paid by subsidiaries to NCI
- $78 million of other financing activities which includes the payments for early debt redemption costs
- $72 million of other investing activities

Partly offset by:

- $8,008 million of cash flows from operating activities
- $4,985 million of issuance of long-term debt
- $351 million increase in notes payable
- $261 million from the issuance of common shares under our employee stock option plan

6.2 Outstanding share data

COMMON SHARES OUTSTANDING	NUMBER OF SHARES
Outstanding, January 1, 2021	**904,415,010**
Shares issued under employee stock option plan	**4,603,861**
Outstanding, December 31, 2021	**909,018,871**

STOCK OPTIONS OUTSTANDING	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE ($)
Outstanding, January 1, 2021	**15,650,234**	**59**
Exercised (1)	**(4,603,861)**	**57**
Forfeited or expired	**(267,649)**	**60**
Outstanding, December 31, 2021	**10,778,724**	**60**
Exercisable, December 31, 2021	**4,316,424**	**58**

(1) *The weighted average market share price for options exercised in 2021 was $64.*

At March 3, 2022, 910,920,615 common shares and 8,876,980 stock options were outstanding.

6.3 Cash flows

	2021	2020	$ CHANGE	% CHANGE
Cash flows from operating activities	**8,008**	7,754	254	3.3%
Capital expenditures	**(4,837)**	(4,202)	(635)	(15.1%)
Cash dividends paid on preferred shares	**(125)**	(132)	7	5.3%
Cash dividends paid by subsidiaries to non-controlling interest	**(86)**	(53)	(33)	(62.3%)
Acquisition and other costs paid	**35**	35	–	–
Cash from discontinued operations (included in cash flows from operating activities)	**–**	(54)	54	100.0%
Free cash flow	**2,995**	3,348	(353)	(10.5%)
Cash from discontinued operations (included in cash flows from operating activities)	**–**	54	(54)	(100.0%)
Business acquisitions	**(12)**	(65)	53	81.5%
Acquisition and other costs paid	**(35)**	(35)	–	–
Acquisition of spectrum licences	**(2,082)**	(86)	(1,996)	n.m.
Other investing activities	**(72)**	(79)	7	8.9%
Cash from discontinued operations (included in cash flows from investing activities)	**–**	892	(892)	(100.0%)
Increase (decrease) in notes payable and bank advances	**351**	(1,641)	1,992	n.m.
Decrease in securitized trade receivables	**(150)**	–	(150)	n.m.
Issue of long-term debt	**4,985**	6,006	(1,021)	(17.0%)
Repayment of long-term debt	**(2,751)**	(5,003)	2,252	45.0%
Issue of common shares	**261**	26	235	n.m.
Purchase of shares for settlement of share-based payments	**(297)**	(263)	(34)	(12.9%)
Cash dividends paid on common shares	**(3,132)**	(2,975)	(157)	(5.3%)
Other financing activities	**(78)**	(93)	15	16.1%
Cash used in discontinued operations (included in cash flows from financing activities)	**–**	(7)	7	100.0%
Net (decrease) increase in cash	**(17)**	83	(100)	n.m.
Net decrease in cash equivalents	**–**	(4)	4	100.0%

n.m.: not meaningful

CASH FLOWS FROM OPERATING ACTIVITIES AND FREE CASH FLOW

In 2021, BCE's cash flows from operating activities increased by $254 million, compared to 2020, mainly due to higher adjusted EBITDA and higher cash from working capital due mainly to the timing of supplier payments, partly offset by higher severance and other costs paid and higher income taxes paid. Additionally, there was lower cash from discontinued operations in 2021 as the sale of substantially all of our data centre operations was completed in Q4 2020.

Free cash flow decreased by $353 million in 2021, compared to 2020, mainly due to higher capital expenditures, partly offset by higher cash flows from operating activities, excluding cash from discontinued operations and acquisition and other costs paid.

CAPITAL EXPENDITURES

	2021	2020	$ CHANGE	% CHANGE
Bell Wireless	**1,120**	916	(204)	(22.3%)
Capital intensity	***12.4%***	*10.5%*		*(1.9) pts*
Bell Wireline	**3,597**	3,161	(436)	(13.8%)
Capital intensity	***29.5%***	*25.9%*		*(3.6) pts*
Bell Media	**120**	125	5	4.0%
Capital intensity	***4.0%***	*4.5%*		*0.5 pts*
BCE	**4,837**	4,202	(635)	(15.1%)
Capital intensity	***20.6%***	*18.4%*		*(2.2) pts*

BCE capital expenditures increased by 15.1% or $635 million in 2021 over last year to $4,837 million for a corresponding capital intensity of 20.6%, up 2.2 pts over 2020. The growth in capital spending is consistent with our two-year plan to accelerate network investments. The year-over-year increase was driven by:

- Higher capital spending in our wireless segment of $204 million in 2021, compared to last year, primarily due to the ongoing deployment of our mobile 5G network which at the end of 2021 reached more than 70% of the Canadian population
- Greater capital spending in our wireline segment of $436 million in 2021, compared to last year, mainly from the continued expansion of our FTTP network to more homes and businesses and the rollout of our fixed WTTP network to more rural locations

SPECTRUM PAYMENT

On December 17, 2021, Bell Mobility acquired 271 licences in a number of urban and rural markets for 678 million MHz-Pop of 3500 MHz spectrum for $2.07 billion.

CASH FROM DISCONTINUED OPERATIONS (INCLUDED IN CASH FLOWS FROM INVESTING ACTIVITIES)

In 2020, cash from discontinued operations (included in cash flows from investing activities) was $892 million mainly due to $933 million (net of debt and other items) received in Q4 2020 from the completion of the sale of substantially all of our data centre operations.

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 trade 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, 2021, all of our debt was denominated in Canadian dollars with the exception of our commercial paper, and Series US-1, US-2, US-3, US-4, US-5 and US-6 Notes, which are denominated in U.S. dollars and have been hedged for foreign currency fluctuations through cross currency interest rate swaps.

2021

During 2021, we issued debt, net of repayments. This included:

- $4,985 million issuance of long-term debt comprised of the issuance of Series US-3, Series US-4, Series US-5 and Series US-6 Notes, with total principal amounts of $600 million, $500 million, $600 million and $650 million in U.S. dollars, respectively ($747 million, $623 million, $755 million and $818 million in Canadian dollars, respectively), and the issuance of Series M-54, Series M-55 and Series M-56 MTN debentures, with total principal amounts of $1 billion, $550 million and $500 million in Canadian dollars, respectively, partly offset by $8 million of discounts on our debt issuances
- $351 million issuance (net of repayments) of notes payable

Partly offset by:

- $2,751 million repayment of long-term debt comprised of early redemption of Series M-40 MTN debentures with a total principal amount of $1,700 million in Canadian dollars and net payments of leases and other debt of $1,051 million
- $150 million decrease in securitized trade receivables

2020

During 2020, we repaid debt, net of issuances. This included:

- $1,641 million repayment (net of issuances) of notes payable
- $5,003 million repayment of long-term debt comprised of the repayment by Bell Canada of $1,450 million in U.S. dollars ($2,035 million in Canadian dollars) under its committed credit facilities, the early redemption of Series M-42, Series M-30 and Series M-24 MTN debentures with total principal amounts of $850 million, $750 million and $500 million in Canadian dollars, respectively, and net payments of leases and other debt of $868 million

Partly offset by:

- $6,006 million issuance of long-term debt comprised of the drawdown of $1,450 million in U.S. dollars ($2,035 million in Canadian dollars) under Bell Canada's committed credit facilities and the issuance of Series M-51, Series M-47, Series M-52, and Series M-53 MTN debentures, with total principal amounts of $1,250 million, $1 billion, $1 billion and $750 million in Canadian dollars, respectively, partly offset by $29 million of net discounts on our debt issuances

ISSUANCE OF COMMON SHARES

The issuance of common shares in 2021 increased by $235 million, compared to 2020, mainly due to a higher number of exercised stock options.

CASH DIVIDENDS PAID ON COMMON SHARES

In 2021, cash dividends paid on common shares of $3,132 million increased by $157 million, compared to 2020, due to a higher dividend paid in 2021 of $3.4575 per common share compared to $3.2900 per common share in 2020.

6.4 Post-employment benefit plans

For the year ended December 31, 2021, we recorded an increase in our post-employment benefit plans and a gain, before taxes, in OCI from continuing operations of $2,433 million. This was due to a higher-than-expected return on plan assets in 2021 and a higher actual discount rate of 3.2% at December 31, 2021, compared to 2.6% at December 31, 2020.

For the year ended December 31, 2020, we recorded an increase in our post-employment benefit plans and a gain, before taxes, in OCI from continuing operations of $687 million. This was due to a higher-than-expected return on plan assets in 2020, partly offset by a lower actual discount rate of 2.6% at December 31, 2020, compared to 3.1% at December 31, 2019.

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, commodity price risk, equity price risk and longevity risk. These risks are further described in Note 2, *Significant accounting policies*, Note 8, *Other income (expense)*, Note 27, *Post-employment benefit plans* and Note 29, *Financial and capital management* in BCE's 2021 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 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 • Our trade receivables and allowance for doubtful accounts balances at December 31, 2021, which both include the current portion of wireless device financing plan receivables, were $3,843 million and $136 million, respectively • Our non-current wireless device financing plan receivables and allowance for doubtful accounts balances at December 31, 2021 were $387 million and $15 million, respectively • Our contract assets balances at December 31, 2021 was $665 million, net of an allowance for doubtful accounts balance of $20 million
Liquidity risk	We are exposed to liquidity risk for financial liabilities.	• Sufficient cash from operating activities, possible capital markets financing and committed bank facilities to fund our operations and fulfill our obligations as they become due • 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 loss of $7 million (loss of $20 million) recognized in net earnings from continuing operations at December 31, 2021 and a gain of $241 million (loss of $221 million) recognized in OCI from continuing operations at December 31, 2021, with all other variables held constant.
	A 10% depreciation (appreciation) in the value of the Canadian dollar relative to the Philippine peso would result in a gain (loss) of $4 million recognized in OCI from continuing operations at December 31, 2021, with all other variables held constant.
	Refer to the following *Fair value* section for details on our derivative financial instruments.
		• Foreign currency forward contracts and options maturing in 2022 to 2023 of $2.5 billion in U.S. dollars ($3.1 billion in Canadian dollars) and ₱2.3 billion in Philippine pesos ($58 million in Canadian dollars) at December 31, 2021, to manage foreign currency risk related to anticipated purchases and certain foreign currency debt
		  • For cash flow hedges, changes in the fair value are recognized in OCI from continuing operations, except for any ineffective portion, which is recognized in *Other income (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 non-financial asset in the same periods as the corresponding hedged transactions are recognized.
		  • For economic hedges, changes in the fair value are recognized in *Other income (expense)* in the income statements
		• At December 31, 2021, we had outstanding cross currency interest rate swaps with notional amounts of $3,500 million in U.S. dollars ($4,511 million in Canadian dollars) to hedge the U.S. currency exposure of our U.S. Notes maturing from 2032 and 2052
		  • For 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 income (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 of $4 million (gain of $3 million) in net earnings from continuing operations at December 31, 2021 and a gain of $18 million (loss of $25 million) recognized in OCI from continuing operations at December 31, 2021, with all other variables held constant.
	
	Refer to the following *Fair value* section for details on our derivative financial instruments.
		• We use cross currency interest rate swaps, cross currency basis rate swaps and forward starting interest rate swaps to hedge interest rate exposure on existing and/or future debt issuances. We also use leveraged interest rate options to economically hedge dividend rate resets on preferred shares.
		• In 2021, we entered into cross currency interest rate swaps with a notional amount of $600 million in U.S. dollars ($748 million in Canadian dollars) to hedge the interest exposure of our U.S. Notes maturing in 2024
		  • For cross currency interest rate swaps, changes in the fair value of these derivatives and the related debt are recognized in *Other income (expense)* in the income statements and offset, except for any ineffective portion of the hedging relationship
		• In 2021, we entered into forward starting interest rate swaps with a notional amount of $127 million to hedge the interest rate exposure on future 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 income (expense)* in the income statements. Realized gains and losses in *Accumulated OCI* are reclassified to *Interest expense* in the income statements over the term of the related debt.
		• In 2021, we also entered into cross currency basis rate swaps with a notional amount of $127 million to hedge economically the basis rate exposure on future debt issuances
		  • For cross currency basis rate swaps, changes in the fair value of these derivatives are recognized in the income statements in *Other income (expense)*
		• 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 compensation plans. A 5% increase (decrease) in the market price of BCE's common shares at December 31, 2021 would result in a gain (loss) of $43 million recognized in net earnings from continuing operations, for 2021, with all other variables held constant. Refer to the following *Fair value* section for details on our derivative financial instruments.	• Equity forward contracts with a fair value net asset of $130 million at December 31, 2021 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 income (expense)* for derivatives used to hedge equity settled share-based payment plans
Commodity price risk	We are exposed to risk on the purchase cost of fuel. Refer to the following *Fair value* section for details on our derivative financial instruments.	• As at December 31, 2021, all fuel swaps had matured • Changes in the fair value of these derivatives are recorded in the income statements in *Other income (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 $4 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 and cash equivalents, trade and other receivables, dividends payable, trade payables and accruals, compensation payable, severance and other costs payable, interest payable, notes payable and loans secured by trade 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 following table provides the fair value details of other financial instruments measured at amortized cost in the statements of financial position.

			DECEMBER 31, 2021		DECEMBER 31, 2020	
	CLASSIFICATION	FAIR VALUE METHODOLOGY	CARRYING VALUE	FAIR VALUE	CARRYING VALUE	FAIR VALUE
CRTC deferral account obligation	Trade payables and other liabilities and other non-current liabilities	Present value of estimated future cash flows discounted using observable market interest rates	**66**	**67**	82	86
Debt securities and other debt	Debt due within one year and long-term debt	Quoted market price of debt	**23,729**	**26,354**	20,525	24,366

The following table provides the fair value details of financial instruments measured at fair value in the statements of financial position.

			FAIR VALUE OF ASSET (LIABILITY)			
	CLASSIFICATION	CARRYING VALUE	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	OBSERVABLE MARKET DATA (LEVEL 2) (1)	NON-OBSERVABLE MARKET INPUTS (LEVEL3) (2)
December 31, 2021					
Publicly-traded and privately-held investments (3)	Other non-current assets	**183**	**24**	**–**	**159**
Derivative financial instruments	Other current assets, trade payables and other liabilities, other non-current assets and liabilities	**279**	**–**	**279**	**–**
MLSE financial liability (4)	Trade payables and other liabilities	**(149)**	**–**	**–**	**(149)**
Other	Other non-current assets and liabilities	**122**	**–**	**185**	**(63)**
December 31, 2020					
Publicly-traded and privately-held investments (3)	Other non-current assets	126	3	–	123
Derivative financial instruments	Other current assets, trade payables and other liabilities, other non-current assets and liabilities	(51)	–	(51)	–
MLSE financial liability (4)	Trade payables and other liabilities	(149)	–	–	(149)
Other	Other non-current assets and liabilities	109	–	167	(58)

(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 earnings multiples. A reasonable change in our assumptions would not result in a significant increase (decrease) to our level 3 financial instruments*

(3) *Unrealized gains and losses are recorded in OCI from continuing operations in the statements of comprehensive income and are reclassified from* Accumulated OCI *to the deficit in the statements of financial position when realized*

(4) *Represents BCE's obligation to repurchase the Master Trust Fund's 9% interest in MLSE at a price not less than an agreed minimum price, should the Master Trust Fund exercise its put option. The obligation to repurchase is marked to market each reporting period and the gain or loss is recognized in* Other income (expense) *in the income statements.*

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 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 qualify for lower interest rates than companies that have ratings lower than investment grade. A ratings downgrade could result in adverse consequences for our funding capacity or ability to access the capital markets.

The following table provides BCE's and Bell Canada's credit ratings, which are considered investment grade, as at March 3, 2022 from DBRS, Moody's and S&P.

KEY CREDIT RATINGS

	BELL CANADA [1]		
MARCH 3, 2022	DBRS	MOODY'S	S&P
Commercial paper	R-2 (high)	P-2	A-1 (Low) (Canadian scale)
			A-2 (Global scale)
Long-term debt	BBB (high)	Baa1	BBB+
Subordinated long-term debt	BBB (low)	Baa2	BBB
	BCE [1]		
	DBRS	MOODY'S	S&P
Preferred shares	Pfd-3	–	P-2 (Low) (Canadian scale)
			BBB- (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.*

As of March 3, 2022, BCE's and Bell Canada's credit ratings have stable outlooks from DBRS, Moody's and S&P.

6.7 Liquidity

This section contains forward-looking statements, including relating to the expectation that our available liquidity, which is comprised of cash and cash equivalents and amounts available under our securitized trade receivable program and our committed bank credit facilities, will be sufficient to meet our cash requirements for 2022. Refer to the section *Caution regarding forward-looking statements* at the beginning of this MD&A.

AVAILABLE LIQUIDITY

Total available liquidity at December 31, 2021 was $3.4 billion, comprised of $207 million in cash, $400 million available under our securitized trade receivable program and $2.8 billion available under our $3.5 billion committed bank credit facilities (given $711 million of commercial paper outstanding).

We expect that our available liquidity, 2022 estimated cash flows from operations and capital markets financing will permit us to meet our cash requirements in 2022 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 2022 cash requirements exceed our cash, cash equivalents, cash generated from our operations, and funds raised under capital markets financings and our securitized trade receivable 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 2022, our cash flows from operations, cash, cash equivalents, capital markets financings, securitized trade receivable 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 the rapidly changing COVID-19 pandemic for impacts on operations, capital markets and the Canadian economy with the objective of maintaining adequate liquidity.

The table below is a summary of our total bank credit facilities at December 31, 2021.

DECEMBER 31, 2021	TOTAL AVAILABLE	DRAWN	LETTERS OF CREDIT	COMMERCIAL PAPER OUTSTANDING	NET AVAILABLE
Committed credit facilities					
Unsecured revolving and expansion credit facilities (1) (2)	**3,500**	**–**	**–**	**711**	**2,789**
Other	**106**	**–**	**106**	**–**	**–**
Total committed credit facilities	**3,606**	**–**	**106**	**711**	**2,789**
Total non-committed credit facilities	**1,939**	**–**	**1,060**	**–**	**879**
Total committed and non-committed credit facilities	**5,545**	**–**	**1,166**	**711**	**3,668**

(1) *Bell Canada's $2.5 billion committed revolving credit facility expires in May 2026 and its $1 billion committed expansion credit facility expires in May 2024.*

(2) *As of December 31, 2021, Bell Canada's outstanding commercial paper included $561 million in U.S. dollars ($711 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 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 which equals the aggregate amount available under Bell Canada's committed supporting revolving and expansion credit facilities as at December 31, 2021. The total amount of the net available committed revolving and expansion credit facilities may be drawn at any time.

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 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.

CASH REQUIREMENTS

CAPITAL EXPENDITURES

In 2022, our planned capital spending will be focused on our strategic imperatives, reflecting an appropriate level of investment in our networks and services. Bell will continue its $1.7 billion capital expenditure acceleration program to roll out its direct fibre, WHI and mobile 5G networks under which $800 million was spent in 2021 and the remaining $900 million is expected to be spent in 2022. The 2022 accelerated capital expenditures are expected to be funded through available liquidity, 2022 estimated cash flows from operations and capital markets financing.

POST-EMPLOYMENT BENEFIT PLANS FUNDING

Our post-employment benefit plans include DB pension and defined contribution (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, 2020.

We expect to contribute approximately $90 million to our DB pension plans in 2022, subject to actuarial valuations being completed in mid-2022. We expect to contribute approximately $110 million to the DC pension plans and to pay approximately $75 million to beneficiaries under OPEB plans in 2022.

DIVIDEND PAYMENTS

In 2022, the cash dividends to be paid on BCE's common shares are expected to be higher than in 2021 as BCE's annual common share dividend increased by 5.1% to $3.68 per common share from $3.50 per common share effective with the dividend payable on April 15, 2022. The declaration of dividends is subject to the discretion of the BCE Board.

CONTRACTUAL OBLIGATIONS

The following table is a summary of our contractual obligations at December 31, 2021 that are due in each of the next five years and thereafter.

AT DECEMBER 31, 2021	2022	2023	2024	2025	2026	THERE-AFTER	TOTAL
Recognized financial liabilities							
Long-term debt	156	1,632	2,060	2,153	1,561	16,289	23,851
Notes payable	735	–	–	–	–	–	735
Lease liabilities (1)	1,009	833	541	439	406	1,922	5,150
Loan secured by trade receivables	900	–	–	–	–	–	900
Interest payable on long-term debt, notes payable and loan secured by trade receivables	918	890	825	770	718	9,068	13,189
Net payments (receipts) on cross currency basis swaps	11	12	(2)	12	12	314	359
MLSE financial liability	149	–	–	–	–	–	149
Commitments (off-balance sheet)							
Commitments for property, plant and equipment and intangible assets	1,104	757	461	334	219	161	3,036
Purchase obligations	542	380	245	210	292	221	1,890
Leases committed not yet commenced	7	2	6	1	–	–	16
Total	**5,531**	**4,506**	**4,136**	**3,919**	**3,208**	**27,975**	**49,275**

(1) *Includes imputed interest of $841 million.*

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.

Our commitments for leases not yet commenced include OOH advertising spaces, fibre use and real estate. These leases are non-cancellable.

Subsequent to year end, in February 2022, Bell acquired a business that provides Internet, telephone and television services to consumers and businesses in Québec and parts of Ontario. The acquisition is expected to accelerate growth in Bell's residential and small business customers. The results of the acquired business will be included in our Bell Wireline segment.

Additionally, subsequent to year end, we entered into new commitments for property, plant and equipment and intangible assets totaling approximately $1.4 billion, which is payable between 2022 and 2033.

INDEMNIFICATIONS AND GUARANTEES (OFF-BALANCE SHEET)

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 our 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 3, 2022, 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 3, 2022, please see the section entitled *Legal proceedings* contained in the BCE 2021 AIF.

7 Selected annual and quarterly information

7.1 Annual financial information

The following table shows selected consolidated financial data of BCE for 2021, 2020 and 2019 based on the annual consolidated financial statements, which are prepared in accordance with IFRS 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.

Our financial and operating performance saw a steady improvement in 2021 despite the continued adverse impacts of the COVID-19 pandemic experienced throughout the year, due to our strong operational execution and the easing of government restrictions in the second half of the year. It has been almost two years since the pandemic began affecting our performance and we have since adapted many aspects of our business to better operate in this environment. Additionally, compared to 2020, the effects of the pandemic on our year-over-year performance were considerably reduced, with Q2 2020 being the quarter most significantly affected by the pandemic. The impacts of the COVID-19 pandemic, although moderated, continued to unfavourably affect Bell Wireless product and roaming revenues, Bell Media advertising revenues, as well as Bell Wireline business market equipment revenues, due to reduced commercial activity as a result of the government restrictions put in place to combat the pandemic, particularly in the first half of the year, and the global supply chain challenges experienced in the second half of the year. See section 1, *Overview – COVID-19*, in this MD&A for more details.

On June 1, 2020, BCE announced that it had entered into an agreement to sell substantially all of its data centre operations in an all-cash transaction valued at $1.04 billion. We reclassified amounts related to the sale for the previous years to discontinued operations in our consolidated income statements and consolidated statements of cash flows to make them consistent with the presentation for 2020. Property, plant and equipment and intangible assets that were sold were no longer depreciated or amortized effective June 1, 2020. In Q4 2020, we completed the sale for proceeds of $933 million (net of debt and other items) and recorded a gain on sale, net of taxes, of $211 million. The capital gain as a result of the sale was mainly offset by the recognition of previously unrecognized capital loss carry forwards.

	2021	2020	2019
CONSOLIDATED INCOME STATEMENTS			
Operating revenues			
Service	**20,350**	19,832	20,566
Product	**3,099**	3,051	3,227
Total operating revenues	**23,449**	22,883	23,793
Operating costs	**(13,556)**	(13,276)	(13,787)
Adjusted EBITDA	**9,893**	9,607	10,006
Severance, acquisition and other costs	**(209)**	(116)	(114)
Depreciation	**(3,627)**	(3,475)	(3,458)
Amortization	**(982)**	(929)	(886)
Finance costs			
Interest expense	**(1,082)**	(1,110)	(1,125)
Interest on post-employment benefit obligations	**(20)**	(46)	(63)
Impairment of assets	**(197)**	(472)	(102)
Other income (expense)	**160**	(194)	95
Income taxes	**(1,044)**	(792)	(1,129)
Net earnings from continuing operations	**2,892**	2,473	3,224
Net earnings from discontinued operations	**–**	226	29
Net earnings	**2,892**	2,699	3,253
Net earnings from continuing operations attributable to:			
Common shareholders	**2,709**	2,272	3,011
Preferred shareholders	**131**	136	151
Non-controlling interest	**52**	65	62
Net earnings from continuing operations	**2,892**	2,473	3,224
Net earnings attributable to:			
Common shareholders	**2,709**	2,498	3,040
Preferred shareholders	**131**	136	151
Non-controlling interest	**52**	65	62
Net earnings	**2,892**	2,699	3,253
Net earnings per common share – basic and diluted			
Continuing operations	**2.99**	2.51	3.34
Discontinued operations	**–**	0.25	0.03
Net earnings per common share – basic and diluted	**2.99**	2.76	3.37
RATIOS			
Adjusted EBITDA margin (%)	**42.2%**	42.0%	42.1%

	2021	2020	2019
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION			
Property, plant and equipment	**28,235**	27,513	27,636
Total assets	**66,764**	60,665	60,146
Debt due within one year (including notes payable and loans secured by trade receivables)	**2,625**	2,417	3,881
Long-term debt	**27,048**	23,906	22,415
Total non-current liabilities	**34,710**	31,065	28,961
Equity attributable to BCE shareholders	**22,635**	20,989	21,074
Total equity	**22,941**	21,329	21,408
CONSOLIDATED STATEMENTS OF CASH FLOWS			
Cash flows from operating activities	**8,008**	7,754	7,958
Cash flows used in investing activities	**(7,003)**	(3,540)	(4,036)
Capital expenditures	**(4,837)**	(4,202)	(3,974)
Business acquisitions	**(12)**	(65)	(51)
Cash from (used in) discontinued operations	**–**	892	(18)
Cash flows used in financing activities	**(1,022)**	(4,135)	(4,202)
Issue of common shares	**261**	26	240
Increase (decrease) in notes payable and bank advances	**351**	(1,641)	(1,073)
(Decrease) increase in securitized trade receivables	**(150)**	–	131
Issue of long-term debt	**4,985**	6,006	1,954
Repayment of long-term debt	**(2,751)**	(5,003)	(2,221)
Cash dividends paid on common shares	**(3,132)**	(2,975)	(2,819)
Cash dividends paid on preferred shares	**(125)**	(132)	(147)
Cash dividends paid by subsidiaries to non-controlling interest	**(86)**	(53)	(65)
Free cash flow	**2,995**	3,348	3,738
SHARE INFORMATION			
Weighted average number of common shares (millions)	**906.3**	904.3	900.8
Common shares outstanding at end of year (millions)	**909.0**	904.4	903.9
Market capitalization (1)	**59,821**	49,226	54,379
Dividends declared per common share (dollars)	**3.50**	3.33	3.17
Dividends declared on common shares	**(3,175)**	(3,011)	(2,857)
Dividends declared on preferred shares	**(131)**	(136)	(151)
Closing market price per common share (dollars)	**65.81**	54.43	60.16
Total shareholder return	**27.9%**	(4.1%)	17.5%
RATIOS			
Capital intensity (%)	**20.6%**	18.4%	16.7%
Price to earnings ratio (times) (2)	**22.01**	19.72	17.85
OTHER DATA			
Number of employees (thousands)	**50**	51	52

(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 2021 and 2020. 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. Refer to section 1, *Overview – COVID-19*, in this MD&A for a description of the impacts of the COVID-19 pandemic on our financial results during 2021 and 2020.

	2021				2020			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Operating revenues								
Service	**5,243**	**5,099**	**5,040**	**4,968**	5,090	4,924	4,800	5,018
Product	**966**	**737**	**658**	**738**	1,012	863	554	622
Total operating revenues	**6,209**	**5,836**	**5,698**	**5,706**	6,102	5,787	5,354	5,640
Adjusted EBITDA	**2,430**	**2,558**	**2,476**	**2,429**	2,404	2,454	2,331	2,418
Severance, acquisition and other costs	**(63)**	**(50)**	**(7)**	**(89)**	(52)	(26)	(22)	(16)
Depreciation	**(925)**	**(902)**	**(905)**	**(895)**	(872)	(876)	(869)	(858)
Amortization	**(251)**	**(245)**	**(248)**	**(238)**	(233)	(232)	(234)	(230)
Finance costs								
Interest expense	**(275)**	**(272)**	**(268)**	**(267)**	(274)	(279)	(280)	(277)
Interest on post-employment benefit obligations	**(5)**	**(5)**	**(5)**	**(5)**	(11)	(12)	(11)	(12)
Impairment of assets	**(30)**	**–**	**(164)**	**(3)**	(12)	(4)	(449)	(7)
Other income (expense)	**26**	**35**	**91**	**8**	(38)	(29)	(80)	(47)
Income taxes	**(249)**	**(306)**	**(236)**	**(253)**	(191)	(262)	(96)	(243)
Net earnings from continuing operations	**658**	**813**	**734**	**687**	721	734	290	728
Net earnings from discontinued operations	**–**	**–**	**–**	**–**	211	6	4	5
Net earnings	**658**	**813**	**734**	**687**	932	740	294	733
Net earnings from continuing operations attributable to common shareholders	**625**	**757**	**685**	**642**	678	686	233	675
Net earnings attributable to common shareholders	**625**	**757**	**685**	**642**	889	692	237	680
Net earnings per common share – basic and diluted								
Continuing operations	**0.69**	**0.83**	**0.76**	**0.71**	0.75	0.76	0.26	0.74
Discontinued operations	**–**	**–**	**–**	**–**	0.23	0.01	–	0.01
Net earnings per common share – basic and diluted	**0.69**	**0.83**	**0.76**	**0.71**	0.98	0.77	0.26	0.75
Weighted average number of common shares outstanding – basic (millions)	**908.8**	**906.9**	**905.0**	**904.5**	904.4	904.3	904.3	904.1
OTHER INFORMATION								
Cash flows from operating activities	**1,743**	**1,774**	**2,499**	**1,992**	1,631	2,110	2,562	1,451
Free cash flow	**236**	**571**	**1,248**	**940**	92	1,034	1,611	611
Capital expenditures	**(1,459)**	**(1,159)**	**(1,207)**	**(1,012)**	(1,494)	(1,031)	(900)	(777)

FOURTH QUARTER HIGHLIGHTS

OPERATING REVENUES	Q4 2021	Q4 2020	$ CHANGE	% CHANGE
Bell Wireless	**2,475**	2,408	67	2.8%
Bell Wireline	**3,079**	3,095	(16)	(0.5%)
Bell Media	**849**	791	58	7.3%
Inter-segment eliminations	**(194)**	(192)	(2)	(1.0%)
Total BCE operating revenues	**6,209**	6,102	107	1.8%

ADJUSTED EBITDA	Q4 2021	Q4 2020	$ CHANGE	% CHANGE
Bell Wireless	**951**	903	48	5.3%
Bell Wireline	**1,326**	1,312	14	1.1%
Bell Media	**153**	189	(36)	(19.0%)
Total BCE adjusted EBITDA	**2,430**	2,404	26	1.1%

Total operating revenues at BCE increased by 1.8% in Q4 2021, compared to the same period last year, as we continued to recover from the impact of the COVID-19 pandemic. BCE service revenues of $5,243 million increased by 3.0% year over year, while product revenues of $966 million declined by 4.5% year over year. The increase in operating revenues was driven by growth in our Bell Wireless and Bell Media segments, offset in part by a decline in our Bell Wireline segment. Wireless operating revenues increased by 2.8% in Q4 2021 compared to Q4 2020, due to higher service revenue of 6.3%, offset in part by lower product revenues of 3.6%. Bell Media operating revenues increased by 7.3% in Q4 2021, compared to Q4 2020, driven by both higher advertising and subscriber revenues. Bell Wireline operating revenues declined by 0.5% in Q4 2021, over the same period last year, due to lower product revenues of 10.5%, whereas service revenue remained stable year over year.

BCE net earnings decreased by 29.4% in Q4 2021, compared to Q4 2020, mainly due to lower net earnings from discontinued operations as a result of a gain on sale, net of taxes, of $211 million in Q4 2020 from the completion of the sale of substantially all of our data centre operations, higher depreciation and amortization, higher income taxes and higher impairment of assets, partly offset by higher other income and higher adjusted EBITDA.

BCE's adjusted EBITDA grew by 1.1% in Q4 2021, compared to the same period last year, driven by growth in Bell Wireless of 5.3% and Bell Wireline of 1.1%, moderated by a decline in Bell Media of 19.0%. The growth in adjusted EBITDA was driven by higher operating revenues, offset in part by greater operating costs. Adjusted EBITDA margin of 39.1% in Q4 2021 decreased by 0.3 pts over Q4 2020, due to higher operating costs, offset in part by greater service revenue flow-through and reduced low-margin product sales in our total revenue base.

Bell Wireless operating revenues increased by 2.8% in Q4 2021, compared to the same period last year, due to higher service revenues, offset in part by lower product revenues. Service revenues grew by 6.3% year over year, driven by the continued growth in our mobile phone postpaid subscriber base, greater outbound roaming revenues from higher international roaming due to the easing of COVID-19 travel restrictions, and the flow-through of rate increases, combined with mix shift to higher-value monthly plans. This was moderated by lower data and voice overages, driven by greater customer adoption of monthly plans with higher data and voice minutes thresholds. Product revenues declined by 3.6% year over year, due to lower contracted sales volumes driven by fewer customer device upgrades and a greater mix of bring-your-own device customer activations due in part to global supply chain challenges driven by the COVID-19 pandemic. The decline in consumer electronic sales at The Source was similarly impacted by global supply chain challenges. These factors were moderated by a greater sales mix of premium mobile phones, offset in part by greater discounting during the holiday period.

Bell Wireless adjusted EBITDA increased by 5.3% in Q4 2021, compared to the same period last year, due to higher operating revenues, partly offset by higher operating costs. The increase in operating costs was mainly due to greater network operating costs related to the ongoing deployment of our mobile 5G network, higher cost of goods sold due to the greater sales mix of premium mobile phones and increased handset costs, moderated by lower contracted sales volumes. Greater payments to other carriers associated with the increase in roaming revenues from the easing of COVID-19 travel restrictions also contributed to the increase in operating costs, offset in part by lower labour costs. Adjusted EBITDA margin of 38.4% in Q4 2021 increased by 0.9 pts, compared to the same period last year, primarily driven by the flow-through of the service revenue growth and a lower proportion of low-margin product sales in our total revenue base.

Bell Wireline operating revenues declined by 0.5% in Q4 2021, compared to the same period last year, driven by lower product revenues. Service revenues remained stable year over year as the growth from the continued expansion of our retail Internet and IPTV subscriber bases, flow-through of residential rate increases, and higher business solution services sales, were largely offset by ongoing voice and legacy data erosion, declining satellite TV subscriber base, as well as higher acquisition, retention and bundle discounts on residential services. Product revenues declined by 10.5% in Q4 2021, compared to Q4 2020, mainly due to lower sales in our large business markets driven by global supply chain challenges due to the COVID-19 pandemic.

Bell Wireline adjusted EBITDA increased by 1.1% in Q4 2021 compared to the same period last year, from operating expense savings, moderated by lower year-over-year operating revenues. The decrease in operating costs was mainly driven by lower product cost of goods sold and payments to other carriers relating to the revenue decline, along with greater costs in 2020 attributable to the COVID-19 pandemic, mainly employee redeployment costs, and purchase of PPE. Adjusted EBITDA margin of 43.1% in Q4 2021 increased by 0.7 points over the same period in 2020, due to reduced operating costs, along with a decreased proportion of low-margin product sales in our total revenue base.

Bell Media operating revenues increased by 7.3% in Q4 2021, compared to the same period last year, from higher advertising and subscriber revenues. This includes growth in digital revenues of 36% in Q4 2021 compared to the same period last year. Advertising revenues increased by 11.8% in Q4 2021, compared to the same period in 2020, driven by growth in TV and OOH revenues, offset in part by a modest decline in radio advertising revenues. The growth in TV and OOH revenues reflects the ongoing recovery from the impacts of the COVID-19 pandemic, due to increased demand by advertisers and greater circulation and foot traffic, which favourably impacted OOH. The radio market is experiencing a slower recovery from the effects of the pandemic. Specialty TV advertising revenues benefited from the regular start to the sports season (return of CFL along with National Hockey League (NHL) and NBA regular season starts) compared to delayed starts in 2020 due to the COVID-19 pandemic. Conventional TV also benefited from the return of a full fall 2021 programming schedule. Subscriber revenues increased by 1.9% in Q4 2021, compared to the same period last year, primarily due to the continued growth in DTC subscribers from Crave.

Bell Media adjusted EBITDA decreased by 19.0% in Q4 2021, compared to the same period last year, as the increase in operating costs exceeded the growth in revenues. Operating costs increased in Q4 2021, compared to Q4 2020, from greater programming and production costs related to higher sports rights and broadcasting costs due to the regular start of sports seasons along with a full fall 2021 TV programming schedule compared to delays and/or cancellations in Q4 2020 as a result of the COVID-19 pandemic.

BCE capital expenditures of $1,459 million in Q4 2021 declined by 2.3% or $35 million, compared to Q4 2020. This drove a capital intensity of 23.5% in the quarter, down 1.0 pts over the same period last year. The year-over-year decline in spending was due to a significant ramp-up in construction activity in Q4 2020 following a slower pace of spending earlier in 2020 due to the COVID-19 pandemic. Wireless capital spending decreased by $118 million year over year, mainly due to timing of spend as we continued to roll out our mobile 5G network in the quarter. Wireline capital investments increased by $80 million year over year, from the ongoing deployment of our FTTP and fixed WTTP networks, as well as greater investment in customer service digital enhancements.

BCE severance, acquisition and other costs of $63 million in Q4 2021 increased by $11 million, compared to Q4 2020, mainly due to higher severance costs related to involuntary and voluntary employee terminations, partly offset by lower acquisition and other costs.

BCE depreciation of $925 million in Q4 2021 increased by $53 million, year over year, mainly due to accelerated depreciation of 4G network elements as we transition to 5G, and a higher asset base as we continued to invest in our broadband and wireless networks as well as our IPTV services.

BCE amortization of $251 million in Q4 2021 increased by $18 million, year over year, mainly due to a higher asset base.

BCE interest expense of $275 million in Q4 2021 increased by $1 million, compared to Q4 2020, mainly due to higher average debt levels, partly offset by lower interest rates.

BCE other income of $26 million in Q4 2021 increased by $64 million, year over year, mainly due to higher net mark-to-market gains on derivatives used to economically hedge equity settled share-based compensation plans partly offset by a loss on our equity investments related to BCE's obligation to repurchase at fair value the minority interest in one of BCE's joint ventures.

BCE income taxes of $249 million in Q4 2021 increased by $58 million, compared to Q4 2020, mainly as a result of a lower value of previously unrecognized tax benefits and higher taxable income.

BCE net earnings attributable to common shareholders of $625 million in Q4 2021, or $0.69 per share, were lower than the $889 million, or $0.98 per share, reported in Q4 2020. The year-over-year decrease was mainly due to lower net earnings from discontinued operations as a result of a gain on sale, net of taxes, of $211 million in Q4 2020 from the completion of the sale of substantially all of our data centre operations, higher depreciation and amortization, higher income taxes and higher impairment of assets, partly offset by higher other income and higher adjusted EBITDA. Adjusted net earnings decreased to $692 million in Q4 2021, compared to $731 million in Q4 2020, and adjusted EPS decreased to $0.76, from $0.81 in Q4 2020.

BCE cash flows from operating activities was $1,743 million in Q4 2021 compared to $1,631 million in Q4 2020. The increase is mainly attributed to lower income taxes paid due to timing as well as lower interest paid and higher adjusted EBITDA, partly offset by higher severance and other costs paid.

BCE free cash flow generated in Q4 2021 was $236 million, compared to $92 million in Q4 2020. The increase was mainly attributable to higher cash flows from operating activities, excluding cash from discontinued operations and acquisition and other costs paid, and lower capital expenditures.

SEASONALITY CONSIDERATIONS

Some of our segments' revenues and expenses vary slightly by season, which may impact quarter-to-quarter financial results. The nature of the COVID-19 pandemic has had significant impacts on our business. Due to uncertainties relating to the severity and duration of the COVID-19 pandemic and possible resurgences in the number of COVID-19 cases, including as a result of the potential emergence of other variants, and various potential outcomes, it is difficult at this time to estimate the impacts of the COVID-19 pandemic on our business or future financial results. Therefore, the typical seasonal variations described below may not fully reflect the trends experienced during the COVID-19 pandemic and more recent supply chain disruptions, which affected and continue to affect customer behaviour and spending, as well as the way we operate our business. Accordingly, it is difficult at this time to estimate the impacts of the COVID-19 pandemic on the seasonality trends that normally characterize our business.

Bell Wireless operating results 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 voice and data options have become more prevalent, resulting in less variability in chargeable data usage.

Bell Wireline revenue tends 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 operating results.

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 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, NHL and NBA playoffs and 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) 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. As a result of the COVID-19 pandemic, additional legislation or regulations, regulatory initiatives or proceedings, or government consultations or positions, may be adopted or instituted, as the case may be, that impose additional constraints on our operations and may adversely impact our ability to compete in the marketplace.

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 is implementing a wholesale facilities-based mobile virtual network operator (MVNO) access service. Lower mandated wholesale rates or the imposition of unfavourable terms for mandated services could 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 mandatory access to networks, spectrum auctions, the imposition of consumer-related codes of conduct, approval of acquisitions, broadcast and spectrum licensing, foreign ownership requirements, 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.

REVIEW OF KEY LEGISLATION

On February 2, 2022, the Government of Canada tabled Bill C-11, the Online Streaming Act. Key among the proposed amendments to the Broadcasting Act is that both foreign and domestic online broadcasting undertakings doing business in Canada could be required to contribute to the Canadian broadcasting system in a manner that the CRTC deems appropriate. If enacted, the specifics of such contribution will be determined through the CRTC's public consultation processes and enforced by way of conditions imposed by the CRTC. The impact, if any, of the proposed amendments to the Broadcasting Act on our business and financial results is unclear at this time.

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 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 February 28, 2019, the CRTC launched its planned review of the regulatory framework for mobile wireless services. The main issues in the CRTC's consultation included (i) competition in the retail market; (ii) the current wholesale mobile wireless service regulatory framework, with a focus on wholesale MVNO access; and (iii) the future of mobile wireless services in Canada, with a focus on reducing barriers to infrastructure deployment. On April 15, 2021, the CRTC released its decision, which requires Bell Mobility, Rogers Communications Canada Inc., Telus Communications Inc. (Telus) and Saskatchewan Telecommunications (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. The terms and conditions for MVNO access will be established in tariffs to be approved by the CRTC. The rate for MVNO access will not be subject to the CRTC tariff regime but instead is to be commercially negotiated between the parties with final offer arbitration 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 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, and SaskTel filed proposed tariff terms and conditions for the mandated MVNO access service and Bell Mobility, Rogers and Telus filed proposed amendments to their mandated roaming tariffs to reflect the CRTC's determinations. The CRTC's review process for the proposed tariffs and amendments is ongoing. It is unclear 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. Further to the release of the CRTC's decision, a petition was brought by DOT Mobile before Cabinet to eliminate eligibility requirements for mandated MVNO access and establish tariffed rates for the service.

MANDATED DISAGGREGATED WHOLESALE ACCESS TO FTTP NETWORKS

On July 22, 2015, in Telecom Regulatory Policy CRTC 2015-326, the CRTC mandated the introduction of a new disaggregated wholesale high-speed access service, including over FTTP facilities. The first stage of its implementation took place only in Ontario and Québec. This adverse regulatory decision may impact the specific nature, magnitude, location and timing of our future FTTP investment decisions. In particular, the introduction by the CRTC of mandated wholesale services over FTTP undermines the incentives for facilities-based digital infrastructure providers to invest in next-generation wireline networks, particularly in smaller communities and rural areas.

On August 29, 2017, in Telecom Order CRTC 2017-312, the CRTC set interim rates for the new disaggregated wholesale high-speed access service. The final rates remain to be determined. On June 11, 2020, the CRTC launched a new proceeding (refer to section B. III.2.5 Review of network configuration for disaggregated wholesale access below) to reconsider the network configuration of the disaggregated wholesale high-speed access service it mandated in 2015 and suspended the finalization of the interim rates and terms of tariff that were set in 2017 until further notice. The mandating of final rates that are materially different from the rates we proposed could further impact our investment strategy, improve the business position of our competitors and adversely impact our financial results.

CNOC's APPLICATION ON RETAIL FTTP BROADBAND SERVICES

On January 8, 2021, Canadian Network Operators Consortium Inc. (CNOC) filed an application with the CRTC asking for an order mandating Bell Canada and other large providers to sell retail FTTP broadband services to ISPs, at a mandated discount off the retail price. ISPs would then resell these services under their own brands. CNOC proposed that this mandated access to retail FTTP services would last until the CRTC completes its reviews of all current and near-term proceedings related to wholesale high-speed services. The implementation of CNOC's proposal would undermine the incentives for facilities-based digital infrastructure providers to invest in next-generation wireline networks, particularly in smaller communities and rural areas, as well as improve the business position of our competitors and adversely impact our 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 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 Inc., Shaw Communications Inc. and Vidéotron Ltée) and Telus Communications Inc., the CRTC issued Decision 2021-182 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 and ensures a better climate for much-needed investment in advanced networks. The decision is being challenged by at least one reseller, TekSavvy Solutions Inc. (TekSavvy), before the Federal Court of Appeal, where TekSavvy obtained leave to appeal the decision, and in three petitions brought by TekSavvy, Competitive Network Operators of Canada (CNOC) and National Capital Freenet before Cabinet to overturn the decision.

REVIEW OF NETWORK CONFIGURATION FOR DISAGGREGATED WHOLESALE ACCESS

On June 11, 2020, the CRTC launched a proceeding to reconsider the network configuration of the disaggregated wholesale high-speed access service mandated of Bell Canada and large cable carriers. The consultation aims to adopt a model applicable to wholesale providers across the country. It may also result in the adoption of a different level of disaggregation for Bell Canada than had been mandated in 2015 as discussed under *Mandated disaggregated wholesale access to FTTP networks* above. The launch of this new consultation has suspended the finalization of the rates of Bell Canada's existing disaggregated high-speed access service, which will remain at their current interim level until further notice. Revisions that facilitate reseller access to disaggregated wholesale access and/or the mandating of final rates that are materially different from the rates Bell Canada has proposed could undermine the incentives for facilities-based digital infrastructure providers to invest in next-generation wireline networks, improve the business position of resellers of high-speed access services and adversely impact our financial results.

REVIEW OF THE APPROACH TO RATE SETTING FOR WHOLESALE TELECOMMUNICATIONS SERVICES

On April 24, 2020, the CRTC launched a proceeding to reconsider the current approach used by the CRTC to set rates for mandated wholesale telecommunications services. The proceeding aims to consider the most appropriate methodology for ensuring that such rates are just and reasonable and are established in an efficient manner. This may result in the adoption of a new costing approach that substantially differs from the current Phase II costing methodology. Phase II is a prospective incremental costing methodology currently used by the CRTC to determine rates for regulated wholesale services. If the current Phase II costing methodology is revised or replaced, the impact of such changes may result in more efficient and transparent rate setting, or it may result in a rate-setting process that favours resellers and undermines incentives for facilities-based investment. At this time, it is unclear what impact, if any, the results of the proceeding could have on our business and financial results.

CRTC REVIEW OF ACCESS TO POLES

On October 30, 2020, the CRTC launched a proceeding to request comments on potential regulatory measures to make access to poles owned by TCCs, such as Bell Canada, more efficient. As part of this proceeding, the CRTC requested comments on whether there should be maximum time limits for the completion of make ready work (i.e. work that is required in certain instances to be carried out on a pole prior to network deployment activities to either add capacity or ensure it can safely accommodate the deployment activities); whether all occupants of a pole should be responsible for the costs associated with pole maintenance and make-ready work; whether there should be a limit on the amount of time for which a pole owner can reserve spare capacity on a pole; and whether the CRTC can and should take steps to improve access to electric utility poles, having regard to the limit of its jurisdiction. We have implemented improvements to our pole access procedures and requested CRTC approval for the implementation of a "one touch make ready" process, starting with a trial in Québec. This proceeding may result in other modifications to the current regulatory process for access to poles. At this time, it is unclear what impact, if any, the results of the proceeding could have on our business and financial results.

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 broadcasting 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 broadcasting or broadcasting 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.

8.4 Radiocommunication Act

ISED regulates the use of radio spectrum under the *Radiocommunication Act* to ensure that radiocommunication in Canada is developed and operated efficiently. All companies wishing to operate a wireless system in Canada must hold a spectrum licence to do so. Under the *Radiocommunication Regulations*, companies that are eligible for radio licences, such as Bell Canada and Bell Mobility, must meet the same ownership requirements that apply to companies under the *Telecommunications Act*.

3500 MHZ SPECTRUM AUCTION

On July 29, 2021, provisional spectrum licence winners in the 3500 MHz spectrum auction were announced by ISED. Bell Mobility secured the right to acquire 271 licences in a number of urban and rural markets for 678 million MHz-Pop of 3500 MHz spectrum for $2.07 billion. On August 13, 2021, Bell Mobility made the required deposit of $415 million to ISED. On November 18, 2021, ISED released a Decision on Amendments to SRSP-520, *Technical Requirement for Fixed and/or Mobile Systems, Including Flexible Use Broadband Systems, in the Band 3450–3650 MHz*, in which it amended the technical specifications for use of 3500 MHz spectrum, primarily around major airports. The amended technical specifications will constrain the ability of 3500 MHz licensees to use this spectrum band around major airports and under certain conditions while ISED conducts additional research on the issue. It is unknown at this time how long such constraints will remain in effect. On December 17, 2021, Bell Mobility made the final auction payment for the 3500 MHz spectrum licences acquired in the auction and its spectrum licences were awarded by ISED on the same date.

CONSULTATION ON 3800 MHZ SPECTRUM LICENSING FRAMEWORK

On December 17, 2021, ISED initiated a consultation seeking input regarding a technical, policy and licensing framework to govern the auction and use of spectrum licences in the 3800 MHz band. The consultation paper seeks comments on the use of a spectrum set-aside for certain auction bidders, a cross-band spectrum cap (with the 3500 MHz band), or a combination of both. ISED proposes that the auctioned licences will have a 20-year term and that there will be limits on the transferability of licences for the first five years of the licence term. In addition, ISED proposes that licensees will be required to provide network coverage to a certain percentage of the population in each licence area at 5, 7, 10 and 20 years following licence issuance. ISED has not yet indicated a specific date when the auction will take place. It is unclear what impact the results of this consultation and future related processes could have on our business and financial results.

DECISION ON RELEASING MILLIMETRE WAVE SPECTRUM TO SUPPORT 5G

On June 5, 2019, ISED issued its Decision on *Releasing Millimetre Wave Spectrum to Support 5G*. In this decision, ISED announced that spectrum in the 26 gigahertz (GHz), 28 GHz, and 37-40 GHz bands will transition from satellite use to flexible use (i.e., mobile or fixed use). ISED will designate the 64-71 GHz band for licence-exempt operations on a no-interference, no-protection basis. ISED indicated that it will establish the details and specific rules through one or more future consultations. It is unclear what impact the results of this decision 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

REVIEW OF THE CRTC'S REGULATORY FRAMEWORK FOR NORTHWESTEL

On November 2, 2020, the CRTC launched a proceeding to review the regulatory framework for Northwestel and the state of telecommunications services in Canada's North. This proceeding may result in modifications to the current regulatory framework for Northwestel, including with respect to issues such as rates, wholesale access and subsidies. Modifications to the current regulatory framework may result in additional subsidies and rate flexibility for Northwestel, which would encourage investment, or they may result in rate restrictions or additional wholesale obligations, which would undermine incentives for investment in the North. At this time, it is unclear what impact, if any, the results of the proceeding could have on our business and financial results.

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 the COVID-19 pandemic and general economic conditions 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*
Security management and data governance	Section 3.3, *Principal business risks*
Risks specifically relating to our Bell Wireless, Bell Wireline 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.

TECHNOLOGY/INFRASTRUCTURE TRANSFORMATION

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. The failure to accurately assess the potential of new technologies, or to invest and evolve in the appropriate direction in an environment of changing business models, could have an adverse impact on our business and financial results.

In particular, 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, AI and machine learning. They further seek to transform our network 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. Our evolution activities also focus on building next-generation converged wireline and wireless networks, 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 continue to transform our operations to enable a truly customer-centric service experience may hinder our ability to build customers' trust in our innovation and technological capabilities and to compete on footprint, service experience and cost structure. All 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 the migration process resulting from our transformation activities if it causes poor service performance, which in turn may adversely affect the ability to achieve our operational and financial objectives. Failure to maximize adaptable infrastructures, processes and technologies to quickly and efficiently respond to evolving customer patterns and behaviours and to leverage IP across all facets of our network and product and service portfolio could inhibit a fully customer-centric approach. It 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.

In parallel to our focus on next-generation investments, adverse regulatory or court decisions may impact the specific nature, magnitude, location and timing of investment decisions. In particular, the lowering of rates by the CRTC of mandated wholesale services over FTTP, the imposition of unfavourable terms or the adoption of unfavourable rates in arbitration processes associated with the facilities-based MVNO access service the CRTC is implementing, 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 and strategic manner could limit our ability to compete effectively and achieve desired business and financial results.

Other examples of risks affecting the achievement of our desired technology/infrastructure transformation include the following:

- The ongoing COVID-19 pandemic may bring about further incremental costs, delays, unavailability of equipment and materials or inability to access customer premises, as well as unavailability of our employees, or those of our suppliers or contractors, due to government actions, illness, quarantines, absenteeism, workforce reduction initiatives, or other restrictive measures, which may impact our ability to expand our networks or to start, advance or complete both currently planned network deployment projects and other projects
- The operational adaptation to the COVID-19 pandemic and the new flexible work models we and other stakeholders are implementing require a cultural shift and may bring potential volatility, which could impact transformation activities
- 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
- Suboptimal capital deployment in network build, infrastructure and process upgrades, and customer service improvements, could hinder our ability to compete effectively
- The successful deployment of WTTP and 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 and WTTP 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 lifecycle for existing or developing technologies, which could increase depreciation and amortization expense
- As 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, machine learning, and “big data”. 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.

CUSTOMER EXPERIENCE

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 our ability to deliver high-quality, consistent and simple solutions to customers in an expeditious manner and on mutually agreeable terms. However, complexity in our operations resulting from multiple technology platforms, ordering and billing systems, sales channels, marketing databases and a myriad of rate plans, promotions and product offerings, in the context of a large customer base and a workforce that continuously requires to be trained, monitored and replaced, 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. These challenges may be exacerbated as services become more complex. Media attention to customer complaints could also erode our brand and reputation and adversely affect customer acquisition and retention. In addition, the ongoing COVID-19 pandemic may bring about the unavailability of certain employees, or those of our suppliers or contractors, due to government actions, illness, quarantines, absenteeism or workforce reduction initiatives, 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 in response to the COVID-19 pandemic and the resulting shift to online transactions amid store closures. 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 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 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.

Customers' perception of our products, services, brand and corporate image is also important. 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. In addition, customers increasingly factor broader considerations into purchase decisions and look for alignment of personal values with corporate behaviour. Embracing topics that matter to the stakeholder value proposition, such as increasing our focus on ESG subjects and on the reporting of same, adds an important layer to the customer perception of our company and thus to the overall customer experience.

PEOPLE

Our people are central to our success and attracting, developing and retaining a diverse and talented team capable of furthering our strategic imperatives is essential to driving a winning culture and outstanding performance

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 has recently intensified, as retiring workers, limited 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. Failure to appropriately train, motivate, remunerate or deploy employees on initiatives that further our strategic imperatives, or to efficiently replace retiring employees, could have an adverse impact on our ability to attract and retain talent and drive performance across the organization. Labour shortages 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. Team members and organizations that share values also share a bigger purpose, and this match is critical to creating a long-lasting, successful and motivating place to work. We seek to foster an inclusive, equitable and accessible workplace where team members are valued, respected and supported, reflecting the diversity of the communities we serve and our desire to provide team members with the opportunity to reach their full potential. We further endeavour to establish programs and provide resources to support team members on a wide range of topics, including mental health services and support. Failure to establish robust programs to further these aspirations could adversely affect our ability to attract and retain team members. In addition, a wide range of ESG topics are increasingly important elements of corporate culture and embracing them reinforces our value proposition to drive employee attraction and retention. 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.

The COVID-19 pandemic introduced new, and amplified existing, people-related risks. From the beginning of the COVID-19 pandemic, we prioritized the health and safety of our team, including implementing strict sanitation and safety procedures, accelerated remote work arrangements, and providing enhanced access to workplace mental health services. In September 2021, anticipating our eventual return to the office, we introduced the Bell Workways program to help team members and leaders in managing work, family and other commitments by offering a new approach for our workplace that allows flexibility for team members on how and where they work, depending on their new designated role-based work profiles (remote, mobile or full-time office). We must nonetheless continue to manage health and safety concerns related to the COVID-19 pandemic in relation to our regular daily activities, and a prolongation of the COVID-19 pandemic could necessitate a delayed or more gradual return to the office. A further extended period of full-time remote work arrangements for those currently working from home could strain our business continuity plans and introduce additional operational risks or exacerbate our exposure to existing ones. Potential social or mental fatigue from adjusting to prolonged full-time remote work arrangements could further impact productivity, work/life balance and employees' mental health. In addition, should we fail to establish an optimal post-pandemic work arrangement or develop new leadership skills necessary in the context of a new hybrid model, this could impair our ability to engage and motivate employees, impact productivity, increase the number of employees on disability leave for mental health reasons, and introduce additional operational risks or exacerbate our exposure to existing ones, which could impair our ability to manage our business.

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, retaining and developing 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 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 39% of BCE employees were represented by unions and were covered by collective agreements at December 31, 2021. 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 and improved efficiencies. During the bargaining process there may be project delays and work disruptions, including work stoppages or work slowdowns, which could adversely affect service to our customers and, in turn, our customer relationships and financial performance.

OPERATIONAL PERFORMANCE

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 wireless, wireline and media services to customers in a complex and changing operating environment is crucial for sustained success. 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. Issues relating to network availability, speed, consistency and traffic management on our more current as well as our legacy networks could have an adverse impact on our business and financial performance. Furthermore, we will need to manage the possibility of instability as we transition towards converged wireline and wireless networks and newer technologies, including software-defined networks leveraging open source software and cloud services.

Stay-at-home and work-from-home measures implemented by governments and businesses during the COVID-19 pandemic have impacted the nature of our customers' use of our networks, products and services. This has created unprecedented capacity pressure on certain areas of our wireless, wireline and broadcast media networks in a short period of time. As a result of taking various steps to maintain service continuity, our networks have, in general, adequately sustained such increased usage, but there can be no assurance that this will continue to be the case. Home offices can be anywhere in the country and network performance and/or reliability may vary depending on the location. The recent trend for families to move from urban centres to less urbanized areas also increases the need to develop and/or enhance our network in areas that were not previously served or that were underserved. Network failures and slowdowns could adversely affect our brand and reputation, subscriber acquisition and retention as well as our financial results. We may also need to incur significant capital expenditures in order to provide additional capacity and reduce network congestion during the COVID-19 pandemic and beyond.

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, this may lead to inconsistent performance and dissatisfied customers, which over time could result in higher churn.

Further examples of risks to operational performance that could impact our reputation, business operations and financial performance include the following:

- The ongoing COVID-19 pandemic may bring about further incremental costs, delays or unavailability of equipment and materials as well as unavailability of our employees or those of our suppliers or contractors, due to government actions, illness, quarantines, absenteeism, workforce reduction initiatives or other restrictive measures, which may impact our ability to maintain or upgrade our networks in order to accommodate substantially increased network usage due to stay-at-home and work-at-home measures and to provide the desired levels of customer service
- Failure to maintain required service delivery amid operational challenges (including those related to the COVID-19 pandemic 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
- Corporate restructurings, system replacements and upgrades, process redesigns, staff reductions and the integration of business acquisitions may not deliver the benefits contemplated 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.
- There may be a lack of replacement parts and competent and cost-effective resources to perform the lifecycle management and upgrades necessary to maintain the operational status of legacy networks and IT systems
- Climate change increases the probability 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 and business continuity 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 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. 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 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 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 ongoing COVID-19 pandemic may bring about further incremental costs, delays or unavailability of equipment and materials as well as unavailability of our employees or those of our suppliers or contractors, any of 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.

VENDOR MANAGEMENT/SUPPLY CHAIN

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. 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.

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 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, as cloud-based supplier models continue to evolve and grow, which has accelerated in the context of remote work arrangements implemented in the context of the COVID-19 pandemic, our procurement and vendor management practices must also continue to evolve to fully address associated risk exposures.

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 result in 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 COVID-19 pandemic or other events and our suppliers or vendors experience operational failures or inventory constraints, such failures or

constraints could result in 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, could adversely affect our business. Notably, our wireless product revenues and mobile phone and mobile connected device gross and net additions may be unfavourably impacted due to a global chip shortage attributable to the COVID-19 pandemic that is resulting in supply chain disruptions and inventory constraints for consumer electronics and mobile devices, including smartphones and tablets.

- 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 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.
- A suboptimal outsourcing model could result in the loss of key corporate knowledge and reduced efficiency and effectiveness
- Cloud-based solutions may increase the risk of security and data leakage exposure if security control protocols implemented by our cloud-based partners or suppliers, or by us where we retain responsibility for such protocols, are inadequate
- 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 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.

FINANCIAL MANAGEMENT

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. 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 are no assurances 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 the COVID-19 pandemic. Economic uncertainty could negatively impact equity and debt capital markets, could cause interest rate and currency volatility and movements, and could 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 COVID-19 pandemic 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 trade 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 BCE's securities. A major decline in the capital markets in general, or an adjustment in the market price or 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 dividends will be increased or declared

Increases in the BCE common share dividend and the declaration of dividends on any of BCE's outstanding shares are subject to the discretion of BCE's board of directors (BCE Board) and, consequently, there can be no guarantee that the dividend on common shares will be increased or that dividends will be declared. Dividend increases 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 set out in this MD&A.

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 2021 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.

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.

The failure to reduce costs as well as unexpected increases in costs could adversely affect our ability to achieve our strategic imperatives and financial guidance

Our objectives for targeted cost reductions continue to be aggressive but there is no assurance that we will be successful in reducing costs, especially since incremental cost savings are more difficult to achieve on an ongoing basis. Examples of risks to our ability to reduce costs or limit potential cost increases include the following:

- Increased inflation could result in higher input costs for equipment, products and services, and create increased pressure for wage increases
- Increased costs related to the COVID-19 pandemic could continue for an undetermined period of time
- 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 lifecycles, the cost of seeking to maintain adequate information security 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, footprint expansion, spectrum licences, insurance and content and equipment acquisition could have a negative effect on our financial performance
- Fluctuations in energy prices are 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 result in financial penalties and loss of revenues

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. Fraud events can 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 potentially divert users to unlicensed or otherwise illegitimate platforms, thus impacting our ability to derive distribution and advertising revenues
- Subscription fraud on accounts established with a false identity or paid with a stolen credit card
- Fraudulent (unauthorized) access to, and manipulation of, customer accounts, including through sim-swap and port out fraud
- Network usage fraud such as call/sell operations using our wireline or wireless networks
- 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

Economic conditions and changing customer behaviour could lead to further impairment charges and changes to estimates

As a result of the ongoing COVID-19 pandemic, in the second quarter of 2021, we recorded an impairment charge in our Bell Media segment relating to certain assets for our radio services. It is possible that the estimates currently recorded in our financial results for the year ended December 31, 2021 could change again in the future. This may include valuations and estimates related to allowance for doubtful accounts and impairment of contract assets, both of which take into account current economic conditions, as well as historical and forward-looking information, inventory valuation reserves, impairment of non-financial assets, derivative financial instruments, post-employment benefit plans and other provisions.

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, plan demographics, and applicable regulations and actuarial standards. Changes in these factors, including changes caused by the COVID-19 pandemic, 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.

LITIGATION, LEGAL OBLIGATIONS AND GOVERNANCE

Legal proceedings, changes in applicable laws and the failure to proactively address our legal and regulatory obligations could have an adverse effect on our business, financial performance and reputation

We become involved in various claims and legal proceedings as part of our business. Plaintiffs are able to launch and obtain certification of class actions on behalf of a large group of people with increasing ease, and securities laws facilitate the introduction of class action lawsuits by secondary market investors against public companies for alleged misrepresentations in public disclosure documents and oral statements. 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, including an increase in certified class actions which, by their nature, could result in sizeable damage awards and costs relating to 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 create an environment of complex compliance requirements that must be adequately managed. The failure to comply with legal or regulatory obligations applicable to us could expose us to litigation, significant fines and penalties, 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 areas of privacy, accessibility, data governance and other ESG topics, require enhanced compliance frameworks and could further increase the company's exposure to investigations, litigation, sanctions, fines and reputational harm.

For a description of important legal proceedings involving us, please see the section entitled *Legal proceedings* contained in the BCE 2021 AIF.

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 and other business partners are expected 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 and contractual obligations could expose us to litigation and significant fines and penalties, and result in reputational harm or being disqualified from bidding on contracts. While we have developed and implemented strong 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. Effective ethical business conduct is also a component of good ESG practices, which are considered an increasingly important measure of corporate performance and value creation.

ENVIRONMENTAL AND SOCIAL RISK

Environmental concerns, 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, 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.

In alignment with the recommendations of the TCFD, 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 climate change could exacerbate certain of the threats facing our business, including the frequency and severity of weather-related events such as ice, snow and wind storms, wildfires, flooding, extended heat waves, hurricanes, tornadoes and tsunamis. These events could have a destructive impact on our telecommunications network infrastructure, which could affect our ability to deliver communications services that are critical to our customers and society. In addition, rising mean temperatures and extended heat waves could increase the need for cooling or heating capacity in our network infrastructure, thus increasing our energy consumption and associated costs. In order to enhance our resiliency to these increasing or decreasing temperatures, we may need to increase our investments in our infrastructure, which would lead to increased 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 operational costs driven by the rising price of energy due to carbon pricing regulations and the shifting supply and demand for energy, increased operational costs related to e-waste treatment programs and management systems, reputation 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, which in turn could impact our business. Given that some of our third-party suppliers and outsourcers are located in foreign countries, localized natural disasters in such countries could further negatively impact our business.

In addition, several areas of our operations also raise environmental considerations, such as fuel storage, GHG emissions and energy consumption reduction, waste management, disposal of hazardous residual materials, and recovery and recycling of end-of-life electronic products we sell or lease.

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 commitments 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.

Pandemics, epidemics and other health risks, including health concerns about radiofrequency emissions from wireless communications devices and equipment, could have an adverse effect on our business

In addition to risks related to the COVID-19 pandemic, other pandemics, epidemics and other health risks could occur, 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 also have an adverse effect on the economy and financial markets resulting in a declining level of retail and commercial activity, 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. In 2011, 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.

Our business is heavily dependent on radiofrequency technologies, which could present significant challenges to our business and financial performance, such as the following:

- 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.

Various social issues, if not adequately managed, could have an adverse effect on our business

Inadequate management of social 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 or reputation. This may include social elements discussed elsewhere in this MD&A such as DEI, employees' well-being, health and safety, responsible procurement, as well as other social issues such as human rights, including Indigenous peoples' rights and consultation, and community acceptance and engagement. Effective management of social risk is a component of good ESG practices, which are an important measure of corporate performance and value creation. Failure to sufficiently report on our management of social issues and to achieve our social commitments could harm our brand and reputation, and could lead to negative business, financial, legal and regulatory consequences for the company.

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 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 TARGETS

Our GHG emissions reduction targets rely in large part on our ability to implement sufficient corporate and business initiatives in order to reduce GHG emissions to the desired levels as reflected in such targets. 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 or employees, cost allocations, actual costs exceeding anticipated costs, or other factors, or the failure of such initiatives, including of new technologies, to generate anticipated GHG emissions reductions, could negatively affect our ability to achieve our GHG emissions reduction targets. In addition, future corporate initiatives, such as business acquisitions and organic growth, could negatively affect our ability to achieve our targets, as would the adoption of new technologies that are carbon enablers or do not generate the anticipated energy savings.

The achievement of our target to be carbon neutral for our operational GHG emissions starting in 2025 and of our SBTs may require that we purchase carbon credits and/or renewable energy certificates, as applicable. Should a sufficient quantity of credible credits or certificates be unavailable, should their cost of acquisition be considered too onerous, or should regulations, applicable standards, public perception or other factors limit the number of credits or certificates that we can purchase, the achievement of our GHG emission reduction targets could be negatively impacted.

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 SBTs specifically, the SBTi requires the recalculation of our targets upon the occurrence of certain events, such as business acquisitions, 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 SBTs relating to purchased goods and services could be negatively impacted should we fail to achieve the required level of engagement from our suppliers over which we have no control, despite the engagement measures that we may implement.

In addition, we have much less control 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 partners in reducing their own GHG emissions. Accordingly, failure to obtain our suppliers and partners' engagement and collaboration could adversely affect our ability to meet our scope 3 GHG emissions reduction target.

DIVERSITY, EQUITY AND INCLUSION TARGETS

Failure to attract and retain a certain level of diverse talent across the organization could negatively affect our ability to meet our DEI targets and objectives. In addition, our ability to achieve such targets and objectives could also be challenged by reduced labour market availability or restricted access to a diverse talent pool.

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. 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, *Significant accounting policies*, in BCE's 2021 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 historical experience, current events, including but not limited to the COVID-19 pandemic, and actions that the company may undertake in the future, as well as other assumptions that we believe are reasonable under the circumstances. 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 represent a significant proportion of our total assets. Changes in technology or our intended use of these assets, 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, 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 2021 – INCREASE/(DECREASE)		IMPACT ON POST-EMPLOYMENT BENEFIT OBLIGATIONS AT DECEMBER 31, 2021 – INCREASE/(DECREASE)	
	CHANGE IN ASSUMPTION	INCREASE IN ASSUMPTION	DECREASE IN ASSUMPTION	INCREASE IN ASSUMPTION	DECREASE IN ASSUMPTION
Discount rate	0.5%	(68)	57	(1,612)	1,794
Life expectancy at age 65	1 year	32	(32)	936	(962)

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 second quarter of 2021, we identified indicators of impairment for our Bell Media radio markets, notably a decline in advertising revenue and an increase in the discount rate resulting from the impact of the ongoing COVID-19 pandemic. Accordingly, impairment testing was required for our group of radio CGUs.

During Q2 2021, we recognized $163 million of impairment charges for various radio markets within our Bell Media segment. These charges included $150 million allocated to indefinite-life intangible assets for broadcast licences, and $13 million to property, plant and equipment mainly for buildings and network infrastructure and equipment. They were 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 July 1, 2021 to December 31, 2026, using a discount rate of 8.5% and a perpetuity growth rate of (2.0%) as well as market multiple data from public companies and market transactions. After impairments, the carrying value of our group of radio CGUs was $235 million.

During the second quarter of 2020, we identified indicators of impairment for certain of our Bell Media TV services and radio markets, notably declines in advertising revenues, lower subscriber revenues and overall increases in discount rates resulting from the economic impact of the COVID-19 pandemic. Accordingly, impairment testing was required for certain groups of CGUs as well as for goodwill.

During Q2 2020, we recognized $452 million of impairment charges for our English and French TV services as well as various radio markets within our Bell Media segment. These charges included $291 million allocated to indefinite-life intangible assets for broadcast licences, $146 million allocated to finite-life intangible assets, mainly for program and feature film rights, and $15 million to property, plant and equipment for network and infrastructure and equipment. They were 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 July 1, 2020 to December 31, 2025, using discount rates of 8.0% to 9.5% and a perpetuity growth rate of (1.0%) to nil, as well as market multiple data from public companies and market transactions. After impairments, the carrying value of these CGUs was $942 million.

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. 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 2021 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 estimates of recoverable amounts of our groups of CGUs are based would not cause their carrying amounts to exceed their recoverable amounts.

During the second quarter of 2020, we identified indicators that goodwill for our Bell Media group of CGUs may be impaired as a result of the economic impact of the COVID-19 pandemic, notably declines in advertising revenues, lower subscriber revenues and increases in discount rates. Impairment testing of goodwill during 2020 for the Bell Media group of CGUs did not result in an impairment of goodwill.

There were no goodwill impairment charges in 2021 or 2020.

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.

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 amended accounting standards issued by the IASB have an effective date after December 31, 2021 and have not yet been adopted by BCE.

STANDARD	DESCRIPTION	IMPACT	EFFECTIVE DATE
Onerous Contracts – Cost of Fulfilling a Contract, Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets	These amendments clarify which costs should be included in determining the cost of fulfilling a contract when assessing whether a contract is onerous.	These amendments will not have a significant impact on our financial statements.	Effective for annual reporting periods beginning on or after January 1, 2022.
Disclosure of Accounting Policies – Amendments to IAS 1 – Presentation of Financial Statements	These amendments require that entities disclose material accounting policies, as defined, instead of significant accounting policies.	We are currently assessing the impact of these amendments on the disclosure of our accounting policies.	Effective for annual reporting periods beginning on or after January 1, 2023. 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 International Financial Reporting Standards (IFRS 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 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*, 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 in this MD&A 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 more reflective of our on-going operating results and provide readers with a better understanding of management's perspective on and analysis of our performance.

Below are descriptions of the non-GAAP financial measures that we use in this MD&A to explain our results as well as reconciliations to the most comparable IFRS financial measures.

ADJUSTED NET EARNINGS

The term adjusted net earnings does not have any standardized meaning under IFRS. Therefore, it is unlikely to be comparable to similar measures presented by other issuers.

We define adjusted net earnings as net earnings 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 IFRS financial measure is net earnings 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 2021	Q4 2020	2021	2020
Net earnings attributable to common shareholders	**625**	889	**2,709**	2,498
Reconciling items:				
Severance, acquisition and other costs	**63**	52	**209**	116
Net mark-to-market (gains) losses on derivatives used to economically hedge equity settled share-based compensation plans	**(57)**	1	**(278)**	51
Net equity losses (gains) on investments in associates and joint ventures	**35**	–	**49**	(43)
Net losses (gains) on investments	**6**	(3)	**6**	(3)
Early debt redemption costs	**–**	12	**53**	50
Impairment of assets	**30**	12	**197**	472
Income taxes for the above reconciling items	**(9)**	(21)	**(48)**	(185)
NCI for the above reconciling items	**(1)**	–	**(2)**	–
Net earnings from discontinued operations (net of income taxes)	**–**	(211)	**–**	(226)
Adjusted net earnings	**692**	731	**2,895**	2,730

ADJUSTED NET INTEREST EXPENSE

The term adjusted net interest expense does not have any standardized meaning under IFRS. Therefore, it is unlikely to be comparable to similar measures presented by other issuers.

We define adjusted net interest expense as twelve-month trailing net interest expense as shown in our consolidated statements of cash flows, plus 50% of twelve-month trailing net earnings attributable to preferred shareholders as shown in our consolidated income statements.

We use adjusted net interest expense as a component in the calculation of the adjusted EBITDA to adjusted net interest expense ratio, which is a capital management measure. For further details on the adjusted EBITDA to adjusted net interest expense ratio, see section 11.4 – *Capital management measures*. We use, and believe that certain investors and analysts use, the adjusted EBITDA to adjusted net interest expense ratio, among other measures, to evaluate the financial health of the company.

The most directly comparable IFRS financial measure is net interest expense. The following table is a reconciliation of net interest expense to adjusted net interest expense on a consolidated basis.

	2021	2020
Net interest expense	**1,063**	1,087
50% of net earnings attributable to preferred shareholders	**66**	68
Adjusted net interest expense	**1,129**	1,155

AVAILABLE LIQUIDITY

The term available liquidity does not have any standardized meaning under IFRS. Therefore, it is unlikely to be comparable to similar measures presented by other issuers.

We define available liquidity as cash, cash equivalents and amounts available under our securitized trade receivable program and our committed bank credit facilities.

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, on-going 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 IFRS financial measure is cash.

The following table is a reconciliation of cash to available liquidity on a consolidated basis.

	DECEMBER 31, 2021	DECEMBER 31, 2020
Cash	**207**	224
Cash equivalents	**–**	–
Amounts available under our securitized trade receivables program (1)	**400**	400
Amounts available under our committed bank credit facilities (2)	**2,789**	3,151
Available liquidity	**3,396**	3,775

(1) *At December 31, 2021 and December 31, 2020, respectively, $400 million was available under our securitized trade receivables program, under which we borrowed $900 million and $1,050 million as at December 31, 2021 and December 31, 2020, respectively. Loans secured by trade receivables are included in* Debt due within one year *in our consolidated financial statements.*

(2) *At December 31, 2021 and December 31, 2020, respectively, $2,789 million and $3,151 million were available under our committed bank credit facilities, given outstanding commercial paper of $561 million in U.S. dollars ($711 million in Canadian dollars) and $274 million in U.S. dollars ($349 million in Canadian dollars) as at December 31, 2021 and December 31, 2020, 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. 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 IFRS financial measure is cash flows from operating activities.

The following table is a reconciliation of cash flows from operating activities to free cash flow and excess free cash flow on a consolidated basis.

	Q4 2021	Q4 2020	2021	2020
Cash flows from operating activities	**1,743**	1,631	**8,008**	7,754
Capital expenditures	**(1,459)**	(1,494)	**(4,837)**	(4,202)
Cash dividends paid on preferred shares	**(32)**	(31)	**(125)**	(132)
Cash dividends paid by subsidiaries to NCI	**(45)**	(16)	**(86)**	(53)
Acquisition and other costs paid	**29**	2	**35**	35
Cash from discontinued operations (included in cash flows from operating activities)	**–**	–	**–**	(54)
Free cash flow	**236**	92	**2,995**	3,348
Dividends paid on common shares	**(795)**	(753)	**(3,132)**	(2,975)
Excess free cash flow	**(559)**	(661)	**(137)**	373

NET DEBT

The term net debt does not have any standardized meaning under IFRS. 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 and cash equivalents, 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 and cash equivalents. 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 IFRS financial measure is long-term debt. The following table is a reconciliation of long-term debt to net debt on a consolidated basis.

	DECEMBER 31, 2021	DECEMBER 31, 2020
Long-term debt	**27,048**	23,906
Debt due within one year	**2,625**	2,417
50% of outstanding preferred shares	**2,002**	2,002
Cash	**(207)**	(224)
Cash equivalents	**–**	–
Net debt	**31,468**	28,101

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. 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. 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 IFRS financial measure is net earnings. The following table is a reconciliation of net earnings to adjusted EBITDA on a consolidated basis.

	Q4 2021	Q4 2020	2021	2020
Net earnings	**658**	932	**2,892**	2,699
Severance, acquisition and other costs	**63**	52	**209**	116
Depreciation	**925**	872	**3,627**	3,475
Amortization	**251**	233	**982**	929
Finance costs				
Interest expense	**275**	274	**1,082**	1,110
Interest on post-employment benefit obligations	**5**	11	**20**	46
Impairment of assets	**30**	12	**197**	472
Other (income) expense	**(26)**	38	**(160)**	194
Income taxes	**249**	191	**1,044**	792
Net earnings from discontinued operations (net of income taxes)	**–**	(211)	**–**	(226)
Adjusted EBITDA	**2,430**	2,404	**9,893**	9,607

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 in IAS 1 – *Presentation of Financial Statements*. BCE has its own methods for managing capital and liquidity, and IFRS does not prescribe any particular calculation method.

ADJUSTED EBITDA TO ADJUSTED NET INTEREST EXPENSE RATIO

The adjusted EBITDA to adjusted net interest expense ratio represents adjusted EBITDA divided by adjusted net interest expense. For the purposes of calculating our adjusted EBITDA to adjusted net interest expense ratio, adjusted EBITDA is twelve-month trailing adjusted EBITDA. Adjusted net interest expense used in the calculation of the adjusted EBITDA to adjusted net interest expense ratio is a non-GAAP financial measure defined as twelve-month trailing net interest expense as shown in our consolidated statements of cash flows, plus 50% of twelve-month trailing net earnings attributable to preferred shareholders as shown in our consolidated income statements. For further details on adjusted net interest expense, see section 11.1, *Non-GAAP financial measures*.

We use, and believe that certain investors and analysts use, the adjusted EBITDA to adjusted net interest expense ratio, among other measures, to evaluate the financial health of the company.

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	Mobile phone blended ARPU is calculated by dividing wireless operating service revenues by the average mobile phone subscriber base for the specified period and is 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	Wireless subscriber unit is comprised of an active revenue-generating unit (e.g. mobile device, tablet or wireless Internet products), with a unique identifier (typically International Mobile Equipment Identity (IMEI) number), that has access to our wireless networks. We report wireless subscriber units in two categories: postpaid and prepaid. Prepaid subscriber units are considered active for a period of 90 days following the expiry of the subscriber's prepaid balance. Wireline subscriber unit consists of an active revenue-generating unit with access to our services, including retail Internet, satellite TV, IPTV, and/or 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, IPTV and satellite TV subscribers have access to stand-alone services, and are primarily represented by a dwelling unit • Retail NAS subscribers are based on a line count and are represented by a unique telephone number

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, 2021, 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, 2021.

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 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, 2021, 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, 2021.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

No changes were made in our internal control over financial reporting during the year ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Consolidated financial statements

Management's responsibility for financial reporting

These financial statements form the basis for all of the financial information that appears in this annual report.

The financial statements and all of the information in this annual 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 International Financial Reporting Standards (IFRS) 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 annual report, and recommending them to the board of directors for approval. You will find a description of the Audit Committee's other responsibilities on page 178 of this annual 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) Glen LeBlanc

Executive Vice-President and Chief Financial Officer

(signed) Thierry Chaumont

Senior Vice-President, Controller and Tax

March 3, 2022

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, 2021 and 2020, 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, 2021, 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, 2021 and 2020, and its financial performance and its cash flows for each of the two years in the period ended December 31, 2021, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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, 2021, 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 3, 2022, 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 7, 19 and 22 to the financial statements

Critical Audit Matter Description

Goodwill and indefinite-life intangible assets (specifically broadcast licenses) for the Bell Media group of cash generating units (“Bell Media”) are tested annually or when there is an indication that the asset may be impaired. During the second quarter of 2021, Bell Media identified declines in radio advertising revenue and increase in discount rates as indicators that certain assets may be impaired. As a result of the second quarter and annual assessments of impairment of goodwill and intangible assets for Bell Media, management has determined that there was no impairment of goodwill and there was an impairment for intangible assets.

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 forecasts of future operating performance, and the determination of discount rates and perpetuity growth rates.

Changes in these assumptions could have a significant impact on the recoverable amounts of Bell Media, resulting in an impairment charge to goodwill and/or intangible assets as required. Given the significant judgments made by management, regarding the forecasts of future operating performance, determination of discount rates and perpetuity growth rates, a high degree of auditor judgment was required and resulted in an increased extent of audit effort, which included the need to involve fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to forecasts of future operating performance, the determination of discount rates and perpetuity growth rates used by management to determine the recoverable amounts 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 forecasts of future operating performance and the determination of the discount rates and perpetuity growth rates.
- Evaluated management's ability to accurately forecast future operating performance by comparing actual results to management's historical forecasts.
- Evaluated the reasonableness of management's forecasts of future operating performance by comparing the forecasts to:
    - Historical operating performance;
    - Analyst and industry reports for the Company and certain of its peer companies, and other relevant publicly available information;
    - Known changes in Bell Media's operations or the industry in which it operates, including the impact of the COVID-19 pandemic and anticipated recovery, which are expected to impact future operating performance;
    - Internal communications to management and the Board of Directors.
- With the assistance of fair value specialists, evaluated the reasonableness of the (1) discount rates, and (2) perpetuity growth rates by:
    - Testing the source information underlying the determination of the discount rates;
    - Reviewing relevant internal and external information, including analyst and industry reports, to assess the reasonability of the selected discount rates and perpetuity growth rates;
    - Developing a range of independent estimates and comparing those to the discount rates and perpetuity growth rates selected by management.

/s/ Deloitte LLP

Chartered Professional Accountants
Montréal, Canada
March 3, 2022

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	2021	2020
Operating revenues	3	**23,449**	22,883
Operating costs	3, 4	**(13,556)**	(13,276)
Severance, acquisition and other costs	5	**(209)**	(116)
Depreciation	17	**(3,627)**	(3,475)
Amortization	19	**(982)**	(929)
Finance costs			
Interest expense	6	**(1,082)**	(1,110)
Interest on post-employment benefit obligations	27	**(20)**	(46)
Impairment of assets	7, 17, 19	**(197)**	(472)
Other income (expense)	8	**160**	(194)
Income taxes	9	**(1,044)**	(792)
Net earnings from continuing operations		**2,892**	2,473
Net earnings from discontinued operations	37	**—**	226
Net earnings		**2,892**	2,699
Net earnings from continuing operations attributable to:			
Common shareholders		**2,709**	2,272
Preferred shareholders		**131**	136
Non-controlling interest		**52**	65
Net earnings from continuing operations		**2,892**	2,473
Net earnings attributable to:			
Common shareholders		**2,709**	2,498
Preferred shareholders		**131**	136
Non-controlling interest	36	**52**	65
Net earnings		**2,892**	2,699
Net earnings per common share - basic and diluted	10		
Continuing operations		**2.99**	2.51
Discontinued operations	37	**—**	0.25
Net earnings per common share - basic and diluted		**2.99**	2.76
Weighted average number of common shares outstanding - basic (millions)		**906.3**	904.3

Consolidated statements of comprehensive income

FOR THE YEAR ENDED DECEMBER 31 (IN MILLIONS OF CANADIAN DOLLARS)	NOTE	2021	2020
Net earnings from continuing operations		**2,892**	2,473
Other comprehensive income from continuing operations, net of income taxes			
Items that will be subsequently reclassified to net earnings			
Net change in value of publicly-traded and privately-held investments, net of income taxes of nil for 2021 and 2020		**24**	(15)
Net change in value of derivatives designated as cash flow hedges, net of income taxes of ($23) million and $12 million for 2021 and 2020, respectively		**63**	(33)
Items that will not be reclassified to net earnings			
Actuarial gains on post-employment benefit plans, net of income taxes of ($653) million and ($184) million for 2021 and 2020, respectively	27	**1,780**	503
Net change in value of derivatives designated as cash flow hedges, net of income taxes of ($1) million and nil for 2021 and 2020, respectively		**4**	(1)
Other comprehensive income from continuing operations		**1,871**	454
Net earnings from discontinued operations attributable to common shareholders		**—**	226
Total comprehensive income		**4,763**	3,153
Total comprehensive income attributable to:			
Common shareholders		**4,578**	2,953
Preferred shareholders		**131**	136
Non-controlling interest	36	**54**	64
Total comprehensive income		**4,763**	3,153

Consolidated statements of financial position

(IN MILLIONS OF CANADIAN DOLLARS)	NOTE	December 31, 2021	December 31, 2020
ASSETS			
Current assets			
Cash		**207**	224
Trade and other receivables	11	**3,949**	3,528
Inventory	12	**482**	439
Contract assets	13	**414**	687
Contract costs	14	**507**	402
Prepaid expenses		**254**	209
Other current assets	15	**335**	199
Assets held for sale	16	**50**	—
Total current assets		**6,198**	5,688
Non-current assets			
Contract assets	13	**251**	256
Contract costs	14	**387**	362
Property, plant and equipment	17	**28,235**	27,513
Intangible assets	19	**15,570**	13,102
Deferred tax assets	9	**105**	106
Investments in associates and joint ventures	20	**668**	756
Post-employment benefit assets	27	**3,472**	1,277
Other non-current assets	21	**1,306**	1,001
Goodwill	22	**10,572**	10,604
Total non-current assets		**60,566**	54,977
Total assets		**66,764**	60,665
LIABILITIES			
Current liabilities			
Trade payables and other liabilities	23	**4,455**	3,935
Contract liabilities	13	**799**	717
Interest payable		**247**	222
Dividends payable		**811**	766
Current tax liabilities		**141**	214
Debt due within one year	24	**2,625**	2,417
Liabilities held for sale	16	**35**	—
Total current liabilities		**9,113**	8,271
Non-current liabilities			
Contract liabilities	13	**246**	242
Long-term debt	25	**27,048**	23,906
Deferred tax liabilities	9	**4,679**	3,810
Post-employment benefit obligations	27	**1,734**	1,962
Other non-current liabilities	28	**1,003**	1,145
Total non-current liabilities		**34,710**	31,065
Total liabilities		**43,823**	39,336
Commitments and contingencies	34		
EQUITY			
Equity attributable to BCE shareholders			
Preferred shares	30	**4,003**	4,003
Common shares	30	**20,662**	20,390
Contributed surplus	30	**1,157**	1,174
Accumulated other comprehensive income		**213**	103
Deficit		**(3,400)**	(4,681)
Total equity attributable to BCE shareholders		**22,635**	20,989
Non-controlling interest	36	**306**	340
Total equity		**22,941**	21,329
Total liabilities and equity		**66,764**	60,665

Consolidated statements of changes in equity

FOR THE YEAR ENDED DECEMBER 31, 2021 (IN MILLIONS OF CANADIAN DOLLARS)	NOTE	ATTRIBUTABLE TO BCE SHAREHOLDERS						NON-CONTR-OLLING INTEREST	TOTAL EQUITY
		PREFERRED SHARES	COMMON SHARES	CONTRI-BUTED SURPLUS	ACCUM-ULATED OTHER COMPRE-HENSIVE INCOME	DEFICIT	TOTAL		
Balance at December 31, 2020		4,003	20,390	1,174	103	(4,681)	20,989	340	21,329
Net earnings		—	—	—	—	2,840	2,840	52	2,892
Other comprehensive income from continuing operations		—	—	—	90	1,779	1,869	2	1,871
Total comprehensive income		—	—	—	90	4,619	4,709	54	4,763
Common shares issued under employee stock option plan	30	—	272	(10)	—	—	262	—	262
Other share-based compensation	30	—	—	(7)	—	(32)	(39)	—	(39)
Dividends declared on BCE common and preferred shares		—	—	—	—	(3,306)	(3,306)	—	(3,306)
Dividends declared by subsidiaries to non-controlling interest		—	—	—	—	—	—	(87)	(87)
Settlement of cash flow hedges transferred to the cost basis of hedged items		—	—	—	20	—	20	—	20
Other		—	—	—	—	—	—	(1)	(1)
Balance at December 31, 2021		4,003	20,662	1,157	213	(3,400)	22,635	306	22,941

FOR THE YEAR ENDED DECEMBER 31, 2020 (IN MILLIONS OF CANADIAN DOLLARS)	NOTE	ATTRIBUTABLE TO BCE SHAREHOLDERS						NON-CONTR-OLLING INTEREST	TOTAL EQUITY
		PREFERRED SHARES	COMMON SHARES	CONTRI-BUTED SURPLUS	ACCUMU-LATED OTHER COMPRE-HENSIVE INCOME	DEFICIT	TOTAL		
Balance at December 31, 2019		4,004	20,363	1,178	161	(4,632)	21,074	334	21,408
Net earnings		—	—	—	—	2,634	2,634	65	2,699
Other comprehensive (loss) income from continuing operations		—	—	—	(48)	503	455	(1)	454
Total comprehensive (loss) income		—	—	—	(48)	3,137	3,089	64	3,153
Common shares issued under employee stock option plan	30	—	27	(1)	—	—	26	—	26
Other share-based compensation	30	—	—	(3)	—	(35)	(38)	—	(38)
Repurchase of preferred shares	30	(1)	—	—	—	—	(1)	—	(1)
Dividends declared on BCE common and preferred shares		—	—	—	—	(3,147)	(3,147)	—	(3,147)
Dividends declared by subsidiaries to non-controlling interest		—	—	—	—	—	—	(53)	(53)
Settlement of cash flow hedges transferred to the cost basis of hedged items		—	—	—	(10)	—	(10)	—	(10)
Other		—	—	—	—	(4)	(4)	(5)	(9)
Balance at December 31, 2020		4,003	20,390	1,174	103	(4,681)	20,989	340	21,329

Consolidated statements of cash flows

FOR THE YEAR ENDED DECEMBER 31 (IN MILLIONS OF CANADIAN DOLLARS)	NOTE	2021	2020
Cash flows from operating activities			
Net earnings from continuing operations		**2,892**	2,473
Adjustments to reconcile net earnings from continuing operations to cash flows from operating activities			
Severance, acquisition and other costs	5	**209**	116
Depreciation and amortization	17, 19	**4,609**	4,404
Post-employment benefit plans cost	27	**286**	315
Net interest expense		**1,063**	1,087
Impairment of assets	7	**197**	472
Losses (gains) on investments	8	**6**	(3)
Income taxes	9	**1,044**	792
Contributions to post-employment benefit plans	27	**(282)**	(297)
Payments under other post-employment benefit plans	27	**(65)**	(61)
Severance and other costs paid		**(208)**	(78)
Interest paid		**(1,080)**	(1,112)
Income taxes paid (net of refunds)		**(913)**	(846)
Acquisition and other costs paid		**(35)**	(35)
Change in contract assets	13	**278**	704
Change in wireless device financing plan receivables	11	**(365)**	(867)
Net change in operating assets and liabilities		**372**	636
Cash from discontinued operations	37	**—**	54
Cash flows from operating activities		**8,008**	7,754
Cash flows used in investing activities			
Capital expenditures	3	**(4,837)**	(4,202)
Business acquisitions		**(12)**	(65)
Acquisition of spectrum licences	19	**(2,082)**	(86)
Other investing activities		**(72)**	(79)
Cash from discontinued operations	37	**—**	892
Cash flows used in investing activities		**(7,003)**	(3,540)
Cash flows used in financing activities			
Increase (decrease) in notes payable		**351**	(1,641)
Decrease in securitized trade receivables	24	**(150)**	—
Issue of long-term debt	25	**4,985**	6,006
Repayment of long-term debt	25	**(2,751)**	(5,003)
Issue of common shares	30	**261**	26
Purchase of shares for settlement of share-based payments	31	**(297)**	(263)
Cash dividends paid on common shares		**(3,132)**	(2,975)
Cash dividends paid on preferred shares		**(125)**	(132)
Cash dividends paid by subsidiaries to non-controlling interest		**(86)**	(53)
Other financing activities		**(78)**	(93)
Cash used in discontinued operations	37	**—**	(7)
Cash flows used in financing activities		**(1,022)**	(4,135)
Net (decrease) increase in cash		**(17)**	83
Cash at beginning of year		**224**	141
Cash at end of year		**207**	224
Net decrease in cash equivalents		**—**	(4)
Cash equivalents at beginning of year		**—**	4
Cash equivalents at end of year		**—**	—

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 telecommunications and media company providing wireless, wireline, Internet and television (TV) services to residential, business and wholesale customers in Canada. Our Bell Media segment provides conventional TV, specialty TV, pay TV, streaming services, digital media services, radio broadcasting services and out-of-home (OOH) advertising services to customers in Canada. The consolidated financial statements (financial statements) were approved by BCE's board of directors on March 3, 2022.

Note 2 Significant accounting policies

A) Basis of presentation

The financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), 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. Subsidiaries are entities we control, where control is achieved when the company is exposed or has the right to variable returns from its involvement with the investee and has the current ability to direct the activities of the investee that significantly affect the investee's returns.

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. Where necessary, adjustments are made to the financial statements of acquired subsidiaries to conform their accounting policies to ours. All intercompany transactions, balances, income and expenses are eliminated on consolidation.

Changes in our ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions, with no effect on net earnings or on Other comprehensive income from continuing operations. Any difference between the change in the carrying amount of non-controlling interest (NCI) and the consideration paid or received is attributed to owner's equity.

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.

WIRELESS SEGMENT REVENUES

Our Wireless segment principally generates revenue from providing integrated digital wireless voice and data communications products and services to residential and business customers.

We recognize product revenues from the sale of wireless handsets and devices when a customer takes possession of the product. We recognize wireless service revenues over time, as the services are provided. For bundled arrangements, stand-alone selling prices are determined using observable prices adjusted for market conditions and other factors, as appropriate.

For wireless products and services that are sold separately, customers usually pay in full at the point 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.

WIRELINE SEGMENT REVENUES

Our Wireline segment principally generates revenue from providing data, including Internet access and Internet protocol television (IPTV), local telephone, long distance, satellite TV service and connectivity, as well as other communications services and products to residential and business customers. Our Wireline segment also includes revenues from our wholesale business, which buys and sells local telephone, long distance, data and other services from or to resellers and other carriers.

We recognize product revenues from the sale of 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. For bundled arrangements, stand-alone selling prices are determined using observable

prices adjusted for market conditions and other factors, as appropriate, or the expected cost plus margin approach for customized business arrangements.

For wireline customers, products are usually paid in full at the point 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.

MEDIA SEGMENT REVENUES

Our Media segment principally generates revenue from conventional TV, specialty TV, digital media, radio broadcasting and OOH advertising and subscriber fees from specialty TV, pay TV and streaming services.

We recognize advertising revenue when advertisements are aired on the radio or TV, posted on our websites 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. Customer payments are due monthly as the services are provided.

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). The value of an ESP at the grant date is equal to the value of one BCE common share. We credit contributed surplus for the ESP expense recognized over the two-year vesting period, based on management's estimate of the accrued employer contributions that are expected to vest. 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 based on the number of RSUs/PSUs expected to vest, recognized over the term of the vesting period, with a corresponding credit to contributed surplus. The value of a RSU at the grant date is equal to the value of one BCE common share. The value of a 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.

Compensation expense is adjusted for subsequent changes in management's estimate of the number of RSUs/PSUs that are expected to vest. The effect of these changes is recognized in the period of the change. 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. 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. We credit contributed surplus for the fair value of DSUs at the issue date. 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

We use a fair value-based method to measure the cost of our employee 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, based on the number of stock options that are expected to vest. Compensation expense is adjusted for subsequent changes in management's estimate of the number of stock options that are expected to vest.

We credit contributed surplus for stock option expense recognized over the vesting period. 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 from continuing operations or directly in equity.

A current or non-current tax asset (liability) is the estimated tax receivable (payable) on taxable earnings (loss) for the current or past periods.

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.

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. They are presented as part of *Trade and other receivables* and *Other current assets* in the statements of financial position when they are expected to be utilized in the next year. 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 ITC or government grant relates.

F) Cash equivalents

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.

G) Securitization of trade receivables

Proceeds on the securitization of trade receivables are recognized as a collateralized borrowing as we do not transfer control and 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 historical cost. Historical cost includes expenditures that are attributable directly 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 is in excess of one year, at a rate that is based on our weighted average interest rate on outstanding long-term debt. Gains or losses on the sale or retirement of property, plant and equipment are recorded in *Other income (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

Under IAS 17, leases of property, plant and equipment are recognized as finance leases when we obtain substantially all the risks and rewards of ownership of the underlying assets. At the inception of the lease, we record 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 historical cost. Cost includes expenditures that are attributable directly 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 combinations 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 broadcasting. 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 combinations 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 our weighted average interest rate on outstanding long-term debt.

Currently, there are no legal, regulatory, competitive or other factors that limit the useful lives of our brands or spectrum licences.

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 50 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 income (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 combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination 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 income (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 income (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. 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 from continuing operations* in the consolidated statements of comprehensive income (statements of comprehensive income) and are reclassified from *Accumulated other comprehensive income* to the deficit in the statements of financial position when realized.

Other financial liabilities, which include trade payables and accruals, compensation payable, obligations imposed by the Canadian Radio-television and Telecommunications Commission (CRTC), 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. 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 to manage risks related to changes in interest rates, foreign currency rates, commodity prices and cash flow exposures related to share-based payment plans, capital expenditures, long-term debt instruments and operating revenues and 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

To qualify for hedge accounting, we document the relationship between the derivative and the related identified risk exposure, and our risk management objective and strategy. This includes associating each derivative to a specific asset or liability, commitment, or anticipated transaction.

We assess the effectiveness of a derivative in managing an identified risk exposure when hedge accounting is initially applied, and on an ongoing basis thereafter. If a hedging relationship ceases to meet the qualifying criteria, we discontinue hedge accounting prospectively.

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. Changes in the fair value of these derivatives and the related debt are recognized in *Other income (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 income (expense)* in the income statements. Realized gains and losses in *Accumulated other comprehensive income* are reclassified to the income statements or to the initial cost of the 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 committed credit facilities and commercial paper program. Changes in the fair value of these derivatives are recognized in *Other income (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. Changes in the fair value of these derivatives are recognized in our statements of comprehensive income, except for amounts recorded in *Other income (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 income (expense)* in the income statements. Realized gains and losses in *Accumulated other comprehensive income* are reclassified to *Interest expense* in the income statements over the term of the related debt.

DERIVATIVES USED AS ECONOMIC HEDGES

We use derivatives to manage cash flow exposures related to equity settled share-based payment plans and anticipated purchases in foreign currencies, interest rate risk related to preferred share dividend rate resets, interest rate risk related to anticipated debt issuances and commodity price risk related to the purchase cost of fuel. As these derivatives do not qualify for hedge accounting, the changes in their fair value are recorded in the income statements in *Other income (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 from continuing operations* 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, 2020.

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 historical experience, current events, including but not limited to the COVID-19 pandemic, and actions that the company may undertake in the future, as well as other assumptions that we believe are reasonable under the circumstances. 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 represent a significant proportion of our total assets. Changes in technology or our intended use of these assets, 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, 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 amended accounting standards issued by the IASB have an effective date after December 31, 2021 and have not yet been adopted by BCE.

STANDARD	DESCRIPTION	IMPACT	EFFECTIVE DATE
Onerous Contracts – Cost of Fulfilling a Contract, Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets	These amendments clarify which costs should be included in determining the cost of fulfilling a contract when assessing whether a contract is onerous.	These amendments will not have a significant impact on our financial statements.	Effective for annual reporting periods beginning on or after January 1, 2022.
Disclosure of Accounting Policies - Amendments to IAS 1 - Presentation of Financial Statements	These amendments require that entities disclose material accounting policies, as defined, instead of significant accounting policies.	We are currently assessing the impact of these amendments on the disclosure of our accounting policies.	Effective for annual reporting periods beginning on or after January 1, 2023. 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, *Significant accounting policies*. Our results are reported in three segments: Bell Wireless, Bell Wireline and Bell Media. 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 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 Wireless segment provides wireless voice and data communication products and services to our residential, small and medium-sized business and large enterprise customers as well as consumer electronics products across Canada.

Our Bell Wireline segment provides data, including Internet access and IPTV, local telephone, long distance, as well as other communication services and products 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.

Our Bell Media segment provides conventional TV, specialty TV, pay TV, streaming services, digital media services, radio broadcasting services and OOH advertising services to customers nationally across Canada.

Segmented information

FOR THE YEAR ENDED DECEMBER 31, 2021	NOTE	BELL WIRELESS	BELL WIRELINE	BELL MEDIA	INTER-SEGMENT ELIMINA-TIONS	BCE
Operating revenues						
External service revenues		**6,355**	**11,314**	**2,681**	**—**	**20,350**
Inter-segment service revenues		**45**	**358**	**355**	**(758)**	**—**
Operating service revenues		**6,400**	**11,672**	**3,036**	**(758)**	**20,350**
External product revenues		**2,593**	**506**	**—**	**—**	**3,099**
Inter-segment product revenues		**6**	**—**	**—**	**(6)**	**—**
Operating product revenues		**2,599**	**506**	**—**	**(6)**	**3,099**
Total external revenues		**8,948**	**11,820**	**2,681**	**—**	**23,449**
Total inter-segment revenues		**51**	**358**	**355**	**(764)**	**—**
Total operating revenues		**8,999**	**12,178**	**3,036**	**(764)**	**23,449**
Operating costs	4	**(5,146)**	**(6,863)**	**(2,311)**	**764**	**(13,556)**
Adjusted EBITDA [(1)]		**3,853**	**5,315**	**725**	**—**	**9,893**
Severance, acquisition and other costs	5					**(209)**
Depreciation and amortization	17, 19					**(4,609)**
Finance costs						
Interest expense	6					**(1,082)**
Interest on post-employment benefit obligations	27					**(20)**
Impairment of assets	7					**(197)**
Other income	8					**160**
Income taxes	9					**(1,044)**
Net earnings						**2,892**
Goodwill	22	**3,046**	**4,580**	**2,946**	**—**	**10,572**
Indefinite-life intangible assets	19	**6,148**	**1,692**	**1,935**	**—**	**9,775**
Capital expenditures		**1,120**	**3,597**	**120**	**—**	**4,837**

(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, 2020	NOTE	BELL WIRELESS	BELL WIRELINE	BELL MEDIA	INTER-SEGMENT ELIMINATIONS	BCE
Operating revenues						
External service revenues		6,122	11,341	2,369	—	19,832
Inter-segment service revenues		47	321	381	(749)	—
Operating service revenues		6,169	11,662	2,750	(749)	19,832
External product revenues		2,508	543	—	—	3,051
Inter-segment product revenues		6	1	—	(7)	—
Operating product revenues		2,514	544	—	(7)	3,051
Total external revenues		8,630	11,884	2,369	—	22,883
Total inter-segment revenues		53	322	381	(756)	—
Total operating revenues		8,683	12,206	2,750	(756)	22,883
Operating costs	4	(5,017)	(6,960)	(2,055)	756	(13,276)
Adjusted EBITDA [1]		3,666	5,246	695	—	9,607
Severance, acquisition and other costs	5					(116)
Depreciation and amortization	17, 19					(4,404)
Finance costs						
Interest expense	6					(1,110)
Interest on post-employment benefit obligations	27					(46)
Impairment of assets	7					(472)
Other expense	8					(194)
Income taxes	9					(792)
Net earnings from continuing operations						2,473
Net earnings from discontinued operations	37					226
Net earnings						2,699
Goodwill	22	3,046	4,612	2,946	—	10,604
Indefinite-life intangible assets	19	4,063	1,692	2,085	—	7,840
Capital expenditures		916	3,161	125	—	4,202

(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	2021	2020
Services[1]		
Wireless	**6,355**	6,122
Wireline data	**7,871**	7,691
Wireline voice	**3,154**	3,402
Media	**2,681**	2,369
Other wireline services	**289**	248
Total services	**20,350**	19,832
Products[2]		
Wireless	**2,593**	2,508
Wireline data	**463**	494
Wireline equipment and other	**43**	49
Total products	**3,099**	3,051
Total operating revenues	**23,449**	22,883

(1) *Our service revenues are generally recognized over time.*
(2) *Our product revenues are generally recognized at a point in time.*

Note 4 Operating costs

FOR THE YEAR ENDED DECEMBER 31	NOTE	2021	2020
Labour costs			
Wages, salaries and related taxes and benefits [1]		**(4,236)**	(4,108)
Post-employment benefit plans service cost (net of capitalized amounts)	27	**(266)**	(269)
Other labour costs [2]		**(990)**	(975)
Less:			
Capitalized labour		**1,068**	1,007
Total labour costs		**(4,424)**	(4,345)
Cost of revenues [3]		**(7,290)**	(6,967)
Other operating costs [4]		**(1,842)**	(1,964)
Total operating costs		**(13,556)**	(13,276)

(1) *Costs reported in 2020 are net of amounts from the Canada Emergency Wage Subsidy, a wage subsidy program offered by the federal government to eligible employers as a result of the COVID-19 pandemic.*
(2) *Other labour costs include contractor and outsourcing costs.*
(3) *Cost of revenues includes costs of wireless devices and other equipment sold, network and content costs, and payments to other carriers.*
(4) *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 $ 57 million and $47 million are included in operating costs for 2021 and 2020, respectively.

Note 5 Severance, acquisition and other costs

FOR THE YEAR ENDED DECEMBER 31	2021	2020
Severance	**(171)**	(35)
Acquisition and other	**(38)**	(81)
Total severance, acquisition and other costs	**(209)**	(116)

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 6 Interest expense

FOR THE YEAR ENDED DECEMBER 31	**2021**	2020
Interest expense on long-term debt	**(1,088)**	(1,072)
Interest expense on other debt	**(57)**	(87)
Capitalized interest	**63**	49
Total interest expense	**(1,082)**	(1,110)

Included in interest expense on long-term debt is interest on lease liabilities of $ 177 million and $199 million for 2021 and 2020, respectively.

Capitalized interest was calculated using an average rate of 3.83% and 3.95% for 2021 and 2020, respectively, which represents the weighted average interest rate on our outstanding long-term debt.

Note 7 Impairment of assets

2021

During the second quarter of 2021, we identified indicators of impairment for our Bell Media radio markets, notably a decline in advertising revenue and an increase in the discount rate resulting from the impact of the ongoing COVID-19 pandemic. Accordingly, impairment testing was required for our group of radio CGUs.

During Q2 2021, we recognized $163 million of impairment charges for various radio markets within our Bell Media segment. These charges included $150 million allocated to indefinite-life intangible assets for broadcast licences, and $ 13 million to property, plant and equipment mainly for buildings and network infrastructure and equipment. They were 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 July 1, 2021 to December 31, 2026, using a discount rate of 8.5% and a perpetuity growth rate of (2.0%), as well as market multiple data from public companies and market transactions. After impairments, the carrying value of our group of radio CGUs was $235 million.

There was no impairment of Bell Media goodwill. See Note 22, *Goodwill,* for further details.

2020

During the second quarter of 2020, we identified indicators of impairment for certain of our Bell Media TV services and radio markets, notably declines in advertising revenues, lower subscriber revenues and overall increases in discount rates resulting from the economic impact of the COVID-19 pandemic. Accordingly, impairment testing was required for certain groups of CGUs as well as for goodwill.

During Q2 2020, we recognized $452 million of impairment charges for our English and French TV services as well as various radio markets within our Bell Media segment. These charges included $291 million allocated to indefinite-life intangible assets for broadcast licences, $ 146 million allocated to finite-life intangible assets, mainly for program and feature film rights, and $15 million to property, plant and equipment for network and infrastructure and equipment. They were 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 July 1, 2020 to December 31, 2025, using discount rates of 8.0% to 9.5% and a perpetuity growth rate of (1.0%) to nil, as well as market multiple data from public companies and market transactions. After impairments, the carrying value of these CGUs was $942 million.

There was no impairment of Bell Media goodwill. See Note 22, *Goodwill,* for further details.

Note 8 Other income (expense)

FOR THE YEAR ENDED DECEMBER 31	NOTE	2021	2020
Net mark-to-market gains (losses) on derivatives used to economically hedge equity settled share-based compensation plans		**278**	(51)
Early debt redemption costs	25	**(53)**	(50)
Equity (losses) gains from investments in associates and joint ventures	20		
(Loss) gain on investment		**(49)**	43
Operations		**(46)**	(38)
Losses on retirements and disposals of property, plant and equipment and intangible assets		**(24)**	(83)
(Losses) gains on investments		**(6)**	3
Other		**60**	(18)
Total other income (expense)		**160**	(194)

Equity (losses) gains from investments in associates and joint ventures

We recorded a (loss) gain on investment of ($ 49 million) and $43 million in 2021 and 2020, respectively, related to equity (losses) gains on our share of an obligation to repurchase at fair value the minority interest in one of BCE's joint ventures. The obligation is marked to market each reporting period and the gain or loss on investment is recorded as equity gains or losses from investments in associates and joint ventures.

Losses on retirements and disposals of property, plant and equipment and intangible assets

In 2020, we recorded a loss of $ 45 million due to a change in strategic direction related to the ongoing development of some of our TV platform assets under construction.

Note 9 Income taxes

The following table shows the significant components of income taxes deducted from net earnings from continuing operations.

FOR THE YEAR ENDED DECEMBER 31	2021	2020
Current taxes		
Current taxes	**(872)**	(776)
Uncertain tax positions	**12**	26
Change in estimate relating to prior periods	**42**	32
Previously unrecognized tax benefits	**—**	40
Deferred taxes		
Deferred taxes relating to the origination and reversal of temporary differences	**(184)**	(107)
Change in estimate relating to prior periods	**(40)**	(26)
Recognition and utilization of loss carryforwards	**(21)**	15
Previously unrecognized tax benefits	**15**	—
Effect of change in provincial corporate tax rate	**—**	9
Uncertain tax positions	**4**	(5)
Total income taxes	**(1,044)**	(792)

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 2021 and 26.9% for 2020.

FOR THE YEAR ENDED DECEMBER 31	**2021**	2020
Net earnings from continuing operations	**2,892**	2,473
Add back income taxes	**1,044**	792
Earnings from continuing operations before income taxes	**3,936**	3,265
Applicable statutory tax rate	**26.8 %**	26.9 %
Income taxes computed at applicable statutory rates	**(1,055)**	(878)
Non-taxable portion of (losses) gains on investments	**(1)**	1
Uncertain tax positions	**16**	21
Effect of change in provincial corporate tax rate	**—**	9
Change in estimate relating to prior periods	**2**	6
Non-taxable portion of equity (losses) gains	**(26)**	2
Previously unrecognized tax benefits	**15**	47
Other	**5**	—
Total income taxes from continuing operations	**(1,044)**	(792)
Average effective tax rate	**26.5 %**	24.3 %

The following table shows aggregate current and deferred taxes relating to items recognized outside the income statements.

FOR THE YEAR ENDED DECEMBER 31	**2021**		2020	
	OTHER COMPREHENSIVE INCOME	**DEFICIT**	OTHER COMPREHENSIVE INCOME	DEFICIT
Current taxes	**—**	1	—	14
Deferred taxes	**(677)**	30	(172)	(20)
Total income taxes (expense) recovery	**(677)**	**31**	(172)	(6)

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	CRTC TANGIBLE BENEFITS	OTHER	TOTAL
January 1, 2020	31	364	(1,763)	(1,779)	7	(323)	(3,463)
Income statement	13	5	46	(426)	(7)	255	(114)
Business acquisitions	25	—	—	—	—	1	26
Other comprehensive income	—	(184)	—	—	—	12	(172)
Deficit	—	—	—	—	—	(20)	(20)
Discontinued operations	—	—	—	30	—	—	30
Other	—	—	—	—	—	9	9
December 31, 2020	69	185	(1,717)	(2,175)	—	(66)	(3,704)
Income statement	**(10)**	**2**	**16**	**(253)**	**—**	**19**	**(226)**
Business acquisitions	**4**	**—**	**—**	**(9)**	**—**	**1**	**(4)**
Other comprehensive income	**—**	**(653)**	**—**	**—**	**—**	**(24)**	**(677)**
Deficit	**—**	**—**	**—**	**16**	**—**	**14**	**30**
Reclassified to liabilities held for sale	**—**	**—**	**—**	**4**	**—**	**1**	**5**
Other	**—**	**—**	**—**	**—**	**—**	**2**	**2**
December 31,2021	**63**	**(466)**	**(1,701)**	**(2,417)**	**—**	**(53)**	**(4,574)**

At December 31, 2021, BCE had $266 million of non-capital loss carryforwards. We:

- recognized a deferred tax asset of $63 million for $249 million of the non-capital loss carryforwards. These non-capital loss carryforwards expire in varying annual amounts from 2024 to 2041.
- did not recognize a deferred tax asset for $17 million of non-capital loss carryforwards. This balance expires in varying annual amounts from 2023 to 2041.

At December 31, 2021, BCE had $69 million of unrecognized capital loss carryforwards, which can be carried forward indefinitely.

At December 31, 2020, BCE had $357 million of non-capital loss carryforwards. We:

- recognized a deferred tax asset of $69 million for $263 million of the non-capital loss carryforwards. These non-capital loss carryforwards expire in varying annual amounts from 2025 to 2040.
- did not recognize a deferred tax asset for $94 million of non-capital loss carryforwards. This balance expires in varying annual amounts from 2024 to 2038.

At December 31, 2020, BCE had $64 million of unrecognized capital loss carryforwards, which can be carried forward indefinitely.

Note 10 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	**2021**	2020
Net earnings from continuing operations attributable to common shareholders - basic	**2,709**	2,272
Net earnings from discontinued operations attributable to common shareholders - basic	**—**	226
Net earnings attributable to common shareholders - basic	**2,709**	2,498
Dividends declared per common share (in dollars)	**3.50**	3.33
Weighted average number of common shares outstanding (in millions)		
Weighted average number of common shares outstanding - basic	**906.3**	904.3
Assumed exercise of stock options[1]	**0.4**	0.1
Weighted average number of common shares outstanding - diluted (in millions)	**906.7**	904.4

(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 3,302,850 in 2021 and 10,783,936 in 2020.*

Note 11 Trade and other receivables

FOR THE YEAR ENDED DECEMBER 31	NOTE	2021	2020
Trade receivables [1]		**3,843**	3,414
Allowance for revenue adjustments		**(169)**	(185)
Allowance for doubtful accounts	29	**(136)**	(149)
Current tax receivable		**121**	92
Commodity taxes receivable		**102**	122
Other accounts receivable		**188**	234
Total trade and other receivables		**3,949**	3,528

(1) *The details of securitized trade 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 current 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 at December 31, 2021.

FOR THE YEAR ENDED DECEMBER 31	NOTE	2021	2020
Current		**1,040**	649
Non-current	21	**387**	399
Total wireless device financing plan receivables[1]		**1,427**	1,048

(1) *Excludes allowance for doubtful accounts and allowance for revenue adjustments on the current portion of $44 million and $28 million at December 31, 2021 and December 31, 2020, respectively, and allowance for doubtful accounts and allowance for revenue adjustments on the non-current portion of $15 million and $17 million at December 31, 2021 and December 31, 2020, respectively.*

Note 12 Inventory

FOR THE YEAR ENDED DECEMBER 31	2021	2020
Wireless devices and accessories	**189**	189
Merchandise and other	**293**	250
Total inventory	**482**	439

The total amount of inventory subsequently recognized as an expense in cost of revenues was $ 3,080 million and $2,927 million for 2021 and 2020, respectively.

Note 13 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	
FOR THE YEAR ENDED DECEMBER 31	NOTE	**2021**	2020	**2021**	2020
Opening balance, January 1		**943**	1,644	**959**	890
Revenue recognized included in contract liabilities at the beginning of the year		**—**	—	**(678)**	(643)
Revenue recognized from contract liabilities included in contract assets at the beginning of the year		**141**	188	**—**	—
Increase in contract liabilities during the year		**—**	—	**752**	688
Increase in contract liabilities included in contract assets during the year		**(115)**	(186)	**—**	—
Increase in contract assets from revenue recognized during the year		**664**	834	**—**	—
Contract assets transferred to trade receivables		**(859)**	(1,376)	**50**	51
Acquisitions		**—**	—	**13**	—
Contract terminations transferred to trade receivables		**(89)**	(145)	**4**	19
Discontinued operations	37	**—**	(1)	**—**	—
Reclassified to liabilities held for sale	16	**—**	—	**(7)**	—
Other		**(20)**	(15)	**(48)**	(46)
Ending balance, December 31		**665**	**943**	**1,045**	**959**

(1) *Net of allowance for doubtful accounts of $20 million and $59 million at December 31, 2021 and December 31, 2020, respectively. See Note 29,* Financial and capital management*, for additional details.*

Note 14 Contract costs

The table below provides a reconciliation of the contract costs balance .

FOR THE YEAR ENDED DECEMBER 31	NOTE	**2021**	2020
Opening balance, January 1		**764**	783
Incremental costs of obtaining a contract and contract fulfillment costs		**635**	535
Amortization included in operating costs		**(504)**	(552)
Acquisitions		**3**	—
Reclassified to assets held for sale	16	**(4)**	—
Discontinued operations	37	**—**	(2)
Ending balance, December 31		**894**	**764**

Contract costs are amortized over periods ranging from 12 to 84 months.

Note 15 Restricted cash

In Q1 2021, we entered into a $107 million subsidy agreement with the Government of Québec to facilitate the deployment of high-speed Internet in certain areas of the province of Québec by September 2022. In 2021, we received $97 million of the total committed funding, with the remainder expected upon completion of the project.

As a result, we recorded $82 million in *Other current assets* as restricted cash with a corresponding liability in *Trade payables and other liabilities* on the statement of financial position at December 31, 2021. Additionally, we recorded $15 million as a reduction of capital expenditures on the consolidated statements of cash flows (statements of cash flows).

Note 16 Assets held for sale

On January 13, 2022, the execution of an agreement to sell BCE's wholly-owned subsidiary 6362222 Canada Inc. (Createch) was announced by the purchaser. Createch carries on a consulting business included in our Bell Wireline segment that specializes in the optimization of business processes and implementation of technological solutions. The sale is for cash proceeds of $55 million.

As a result, we have presented the assets and liabilities of Createch as held for sale in our statement of financial position at December 31, 2021, measured at their carrying amount, which is lower than the estimated fair value less costs to sell. Property, plant and equipment and intangible assets included in assets held for sale are no longer depreciated or amortized effective December 2021.

Our results for the years ended December 31, 2021 and 2020 included $ 64 million and $61 million of revenue and $5 million and $2 million of net earnings, respectively, related to the assets held for sale.

The following table summarizes the carrying value of the assets and liabilities that are classified as held for sale at December 31, 2021.

	2021
Trade and other receivables	29
Contract costs	4
Prepaid expenses	1
Property, plant and equipment	2
Intangible assets	1
Other non-current assets	7
Goodwill	6
Total assets held for sale	50
Trade payables and other liabilities	18
Contract liabilities	7
Deferred tax liabilities	5
Other non-current liabilities	5
Total liabilities held for sale	35
Net assets held for sale	15

Subsequent to year end, on March 1, 2022, we completed the sale for cash proceeds of $ 55 million and expect to record a gain on sale of approximately $37 million (net of taxes of $3 million) in Q1 2022.

Note 17 Property, plant and equipment

FOR THE YEAR ENDED DECEMBER 31, 2021	NOTE	NETWORK INFRASTRUCTURE AND EQUIPMENT [1]	LAND AND BUILDINGS [1]	ASSETS UNDER CONSTRUCTION	TOTAL
COST					
January 1, 2021		**69,477**	**7,832**	**1,889**	**79,198**
Additions		**2,643**	**326**	**2,515**	**5,484**
Acquired through business combinations		**2**	**12**	**—**	**14**
Transfers		**358**	**771**	**(2,163)**	**(1,034)**
Retirements and disposals		**(1,550)**	**(37)**	**—**	**(1,587)**
Impairment losses recognized in earnings	7	**(4)**	**(15)**	**—**	**(19)**
Reclassified to assets held for sale	16	**(3)**	**—**	**—**	**(3)**
December 31, 2021		**70,923**	**8,889**	**2,241**	**82,053**
ACCUMULATED DEPRECIATION					
January 1, 2021		**47,563**	**4,122**	**—**	**51,685**
Depreciation		**3,220**	**407**	**—**	**3,627**
Retirements and disposals		**(1,515)**	**(27)**	**—**	**(1,542)**
Transfers		**(95)**	**191**	**—**	**96**
Reclassified to assets held for sale	16	**(1)**	**—**	**—**	**(1)**
Other		**(50)**	**3**	**—**	**(47)**
December 31, 2021		**49,122**	**4,696**	**—**	**53,818**
NET CARRYING AMOUNT					
January 1, 2021		**21,914**	**3,710**	**1,889**	**27,513**
December 31, 2021		**21,801**	**4,193**	**2,241**	**28,235**

(1) *Includes right-of-use assets. See Note 18,* Leases, *for additional details.*

FOR THE YEAR ENDED DECEMBER 31, 2020	NOTE	NETWORK INFRASTRUCTURE AND EQUIPMENT [1]	LAND AND BUILDINGS [1]	ASSETS UNDER CONSTRUCTION	TOTAL
COST					
January 1, 2020		67,597	8,079	1,687	77,363
Additions		2,414	247	2,071	4,732
Acquired through business combinations		2	5	—	7
Transfers		964	49	(1,825)	(812)
Retirements and disposals		(1,348)	(54)	(32)	(1,434)
Impairment losses recognized in earnings	7	(17)	(9)	(1)	(27)
Discontinued operations	37	(135)	(485)	(11)	(631)
December 31, 2020		69,477	7,832	1,889	79,198
ACCUMULATED DEPRECIATION					
January 1, 2020		45,914	3,813	—	49,727
Depreciation		3,035	440	—	3,475
Retirements and disposals		(1,268)	(54)	—	(1,322)
Discontinued operations	37	(70)	(77)	—	(147)
Other		(48)	—	—	(48)
December 31, 2020		47,563	4,122	—	51,685
NET CARRYING AMOUNT					
January 1, 2020		21,683	4,266	1,687	27,636
December 31, 2020		21,914	3,710	1,889	27,513

(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, 2021	NOTE	NETWORK INFRASTRUCTURE AND EQUIPMENT	LAND AND BUILDINGS	TOTAL
COST				
January 1, 2021		**3,690**	**2,995**	**6,685**
Additions		**574**	**214**	**788**
Transfers		**(977)**	**722**	**(255)**
Acquired through business combinations		**—**	**12**	**12**
Lease terminations		**(47)**	**(6)**	**(53)**
Impairment losses recognized in earnings	7	**—**	**(6)**	**(6)**
December 31, 2021		**3,240**	**3,931**	**7,171**
ACCUMULATED DEPRECIATION				
January 1, 2021		**1,473**	**1,086**	**2,559**
Depreciation		**419**	**275**	**694**
Transfers		**(310)**	**177**	**(133)**
Lease terminations		**(28)**	**—**	**(28)**
December 31, 2021		**1,554**	**1,538**	**3,092**
NET CARRYING AMOUNT				
January 1, 2021		**2,217**	**1,909**	**4,126**
December 31, 2021		**1,686**	**2,393**	**4,079**

FOR THE YEAR ENDED DECEMBER 31, 2020	NOTE	NETWORK INFRASTRUCTURE AND EQUIPMENT	LAND AND BUILDINGS	TOTAL
COST				
January 1, 2020		**3,609**	**2,933**	**6,542**
Additions		**470**	**200**	**670**
Transfers		**(360)**	**(2)**	**(362)**
Acquired through business combinations		**—**	**4**	**4**
Lease terminations		**(20)**	**(10)**	**(30)**
Impairment losses recognized in earnings	7	**(1)**	**(9)**	**(10)**
Discontinued operations	37	**(8)**	**(121)**	**(129)**
December 31, 2020		**3,690**	**2,995**	**6,685**
ACCUMULATED DEPRECIATION				
January 1, 2020		**1,301**	**817**	**2,118**
Depreciation		**377**	**294**	**671**
Transfers		**(199)**	**—**	**(199)**
Lease terminations		**(2)**	**(6)**	**(8)**
Discontinued operations	37	**(4)**	**(19)**	**(23)**
December 31, 2020		**1,473**	**1,086**	**2,559**
NET CARRYING AMOUNT				
January 1, 2020		**2,308**	**2,116**	**4,424**
December 31, 2020		**2,217**	**1,909**	**4,126**

Leases in net earnings from continuing operations

The following table provides the expenses related to leases recognized in net earnings from continuing operations.

FOR THE YEAR ENDED DECEMBER 31	2021	2020
Interest expense on lease liabilities	**177**	**199**
Variable lease payment expenses not included in the measurement of lease liabilities	**122**	**150**
Expenses for leases of low value assets	**60**	**60**
Expenses for short-term leases	**31**	**31**

Leases in the statements of cash flows

Total cash outflow related to leases was $ 1,202 million and $1,219 million for the period ended December 31, 2021 and December 31, 2020, 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, 2021.

Note 19 Intangible assets

FOR THE YEAR ENDED DECEMBER 31, 2021	NOTE	FINITE-LIFE					INDEFINITE-LIFE				
		SOFTWARE	CUSTOMER RELATION-SHIPS	PROGRAM AND FEATURE FILM RIGHTS	OTHER	TOTAL	BRANDS	SPECTRUM AND OTHER LICENCES [1]	BROADCAST LICENCES	TOTAL	TOTAL INTANGIBLE ASSETS
COST											
January 1, 2021		**9,169**	**1,736**	**645**	**469**	**12,019**	**2,409**	**3,701**	**1,730**	**7,840**	**19,859**
Additions		**361**	**—**	**1,034**	**19**	**1,414**	**—**	**2,085**	**—**	**2,085**	**3,499**
Acquired through business combinations		**—**	**—**	**—**	**52**	**52**	**—**	**—**	**—**	**—**	**52**
Transfers		**1,154**	**—**	**—**	**(125)**	**1,029**	**—**	**—**	**—**	**—**	**1,029**
Retirements and disposals		**(1,089)**	**—**	**—**	**(11)**	**(1,100)**	**—**	**—**	**—**	**—**	**(1,100)**
Impairment losses recognized in earnings	7	**(28)**	**—**	**—**	**—**	**(28)**	**—**	**—**	**(150)**	**(150)**	**(178)**
Amortization included in operating costs		**—**	**—**	**(1,048)**	**—**	**(1,048)**	**—**	**—**	**—**	**—**	**(1,048)**
Reclassified to assets held for sale	16	**(2)**	**—**	**—**	**—**	**(2)**	**—**	**—**	**—**	**—**	**(2)**
December 31, 2021		**9,565**	**1,736**	**631**	**404**	**12,336**	**2,409**	**5,786**	**1,580**	**9,775**	**22,111**
ACCUMULATED AMORTIZATION											
January 1, 2021		**5,644**	**878**	**—**	**235**	**6,757**	**—**	**—**	**—**	**—**	**6,757**
Amortization		**851**	**91**	**—**	**40**	**982**	**—**	**—**	**—**	**—**	**982**
Retirements and disposals		**(1,087)**	**—**	**—**	**(11)**	**(1,098)**	**—**	**—**	**—**	**—**	**(1,098)**
Transfers		**—**	**—**	**—**	**(99)**	**(99)**	**—**	**—**	**—**	**—**	**(99)**
Reclassified to assets held for sale	16	**(1)**	**—**	**—**	**—**	**(1)**	**—**	**—**	**—**	**—**	**(1)**
December 31, 2021		**5,407**	**969**	**—**	**165**	**6,541**	**—**	**—**	**—**	**—**	**6,541**
NET CARRYING AMOUNT											
January 1, 2021		**3,525**	**858**	**645**	**234**	**5,262**	**2,409**	**3,701**	**1,730**	**7,840**	**13,102**
December 31, 2021		**4,158**	**767**	**631**	**239**	**5,795**	**2,409**	**5,786**	**1,580**	**9,775**	**15,570**

(1) *On December 17, 2021, Bell Mobility Inc. (Bell Mobility) acquired 271 licences in a number of urban and rural markets for 678 million megahertz per population (MHz-Pop) of 3500 MHz spectrum for $2.07 billion.*

		FINITE-LIFE					INDEFINITE-LIFE				
FOR THE YEAR ENDED DECEMBER 31, 2020	NOTE	SOFTWARE	CUSTOMER RELATION-SHIPS	PROGRAM AND FEATURE FILM RIGHTS	OTHER	TOTAL	BRANDS	SPECTRUM AND OTHER LICENCES	BROADCAST LICENCES	TOTAL	TOTAL INTANGIBLE ASSETS
COST											
January 1, 2020		10,522	2,017	716	489	13,744	2,409	3,586	2,026	8,021	21,765
Additions		344	—	874	41	1,259	—	116	—	116	1,375
Acquired through business combinations		1	—	10	—	11	—	—	—	—	11
Transfers		810	—	—	—	810	—	—	—	—	810
Retirements and disposals		(2,479)	—	—	(36)	(2,515)	—	—	—	—	(2,515)
Impairment losses recognized in earnings	7	(13)	—	(110)	(25)	(148)	—	(1)	(296)	(297)	(445)
Amortization included in operating costs		—	—	(845)	—	(845)	—	—	—	—	(845)
Discontinued operations	37	(16)	(281)	—	—	(297)	—	—	—	—	(297)
December 31, 2020		9,169	1,736	645	469	12,019	2,409	3,701	1,730	7,840	19,859
ACCUMULATED AMORTIZATION											
January 1, 2020		7,345	839	—	229	8,413	—	—	—	—	8,413
Amortization		787	99	—	43	929	—	—	—	—	929
Retirements and disposals		(2,480)	—	—	(37)	(2,517)	—	—	—	—	(2,517)
Discontinued operations	37	(8)	(60)	—	—	(68)	—	—	—	—	(68)
December 31, 2020		5,644	878	—	235	6,757	—	—	—	—	6,757
NET CARRYING AMOUNT											
January 1, 2020		3,177	1,178	716	260	5,331	2,409	3,586	2,026	8,021	13,352
December 31, 2020		3,525	858	645	234	5,262	2,409	3,701	1,730	7,840	13,102

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	2021	2020
Assets	**3,852**	3,953
Liabilities	**(2,523)**	(2,448)
Total net assets	**1,329**	1,505
BCE's share of net assets	**668**	756

Income statements

FOR THE YEAR ENDED DECEMBER 31	NOTE	2021	2020
Revenues		**1,855**	1,359
Expenses		**(2,047)**	(1,351)
Total net (losses) income		**(192)**	8
BCE's share of net (losses) income	8	**(95)**	5

Note 21 Other non-current assets

FOR THE YEAR ENDED DECEMBER 31	NOTE	2021	2020
Long-term wireless device financing plan receivables	11	**387**	399
Derivative assets	29	**274**	92
Long-term receivables		**221**	128
Investments[1]	29	**185**	167
Publicly-traded and privately-held investments	29	**183**	126
Other		**56**	89
Total other non-current assets		**1,306**	1,001

(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, 2021 and 2020. BCE's groups of CGUs for purposes of goodwill impairment testing correspond to our reporting segments.

	NOTE	BELL WIRELESS	BELL WIRELINE	BELL MEDIA	BCE
Balance at January 1, 2020		3,046	4,675	2,946	10,667
Acquisitions and other		—	52	—	52
Discontinued operations	37	—	(115)	—	(115)
Balance at December 31, 2020		3,046	4,612	2,946	10,604
Acquisitions and other		**—**	**(26)**	**—**	**(26)**
Reclassified to assets held for sale	16	**—**	**(6)**	**—**	**(6)**
Balance at December 31, 2021		**3,046**	**4,580**	**2,946**	**10,572**

Impairment testing

As described in Note 2, *Significant accounting policies*, goodwill is tested annually for impairment or when there is an indication that goodwill may be impaired, by comparing the carrying value of a CGU or group of CGUs to the recoverable amount, where the recoverable amount is the higher of fair value less costs of disposal or value in use.

During the second quarter of 2020, we identified indicators that goodwill for our Bell Media group of CGUs may be impaired as a result of the economic impact of the COVID-19 pandemic, notably declines in advertising revenues, lower subscriber revenues and increases in discount rates. Impairment testing of goodwill during 2020 for the Bell Media group of CGUs did not result in an impairment of goodwill.

RECOVERABLE AMOUNT

The recoverable amount for each of the Bell Wireless and Bell Wireline groups of CGUs is its value in use. The recoverable amount for the Bell Media group of CGUs is its fair value less costs 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. Revenue and cost projections for the Bell Media group of CGUs also reflect market participant assumptions.

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 CGU or 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 Wireless	0.8 %	9.1 %
Bell Wireline	1.0 %	6.0 %
Bell Media	1.0 %	8.7 %

The recoverable amounts determined in a prior year for the Bell Wireless and Bell Wireline groups of CGUs exceed their corresponding current carrying values by a substantial margin and have been carried forward and used in the impairment test for the current year.

We believe that any reasonable possible change in the key assumptions on which the estimates of recoverable amounts of our groups of CGUs are based would not cause their carrying amounts to exceed their recoverable amounts.

Note 23 Trade payables and other liabilities

FOR THE YEAR ENDED DECEMBER 31	NOTE	2021	2020
Trade payables and accruals		**2,931**	2,595
Compensation payable		**622**	592
Maple Leaf Sports and Entertainment Ltd. (MLSE) financial liability [1]	29	**149**	149
Provisions	26	**81**	53
Derivative liabilities	29	**40**	69
Severance and other costs payable		**32**	23
Commodity taxes payable		**31**	33
CRTC deferral account obligation	29	**23**	13
Other current liabilities [2]		**546**	408
Total trade payables and other liabilities		**4,455**	3,935

(1) *Represents BCE's obligation to repurchase the BCE Master Trust Fund's (Master Trust Fund) 9% interest in MLSE at a price not less than an agreed minimum price should the Master Trust Fund exercise its put option. The obligation to repurchase is marked to market each reporting period and the gain or loss is recorded in* Other income (expense) *in the income statements.*

(2) Includes an $82 million liability related to committed funding from the Government of Québec. See Note 15, Restricted cash, *for additional details.*

Note 24 Debt due within one year

FOR THE YEAR ENDED DECEMBER 31	NOTE	WEIGHTED AVERAGE INTEREST RATE AT DECEMBER 31, 2021	2021	2020
Notes payable[1]	29	0.07 %	**735**	392
Loans secured by trade receivables	29	1.10 %	**900**	1,050
Long-term debt due within one year[2]	25	4.01 %	**990**	975
Total debt due within one year			**2,625**	2,417

(1) *Includes commercial paper of $561 million in U.S. dollars ($711 million in Canadian dollars) and $ 274 million in U.S. dollars ($349 million in Canadian dollars) as at December 31, 2021 and December 31, 2020, respectively, which were issued under our U.S. commercial paper program and have been hedged for foreign currency fluctuations through forward currency contracts. See Note 29,* Financial and capital management, *for additional details.*

(2) *Included in long-term debt due within one year is the current portion of lease liabilities of $ 864 million and $754 million as at December 31, 2021 and December 31, 2020, respectively.*

ecuritized trade receivables

Our securitized trade receivables programs are recorded as floating rate revolving loans secured by certain trade receivables.

The following table provides further details on our securitized trade receivables programs during 2021 and 2020.

FOR THE YEAR ENDED DECEMBER 31	2021	2020
Average interest rate throughout the year	**1.07 %**	1.58 %
Securitized trade receivables	**1,701**	2,007

In 2021, we terminated one of our securitized trade receivables programs and repaid the $ 150 million balance outstanding under the program.

We continue to service trade receivables under our securitized trade receivables program expiring on December 1, 2022. The buyer's interest in the collection of these trade 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 buyer will reinvest the amounts collected by buying additional interests in our trade receivables until the securitized trade receivables agreement expires or is terminated. The buyer and its investors 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 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 which equals the aggregate amount available under Bell Canada's committed supporting revolving and expansion credit facilities as at December 31, 2021. The total amount of the net available committed revolving and expansion credit facilities may be drawn at any time.

The table below is a summary of our total bank credit facilities at December 31, 2021.

	TOTAL AVAILABLE	DRAWN	LETTERS OF CREDIT	COMMERCIAL PAPER OUTSTANDING	NET AVAILABLE
Committed credit facilities					
Unsecured revolving and expansion credit facilities [1][2]	**3,500**	**—**	**—**	**711**	**2,789**
Other	**106**	**—**	**106**	**—**	**—**
Total committed credit facilities	**3,606**	**—**	**106**	**711**	**2,789**
Total non-committed credit facilities	**1,939**	**—**	**1,060**	**—**	**879**
Total committed and non-committed credit facilities	**5,545**	**—**	**1,166**	**711**	**3,668**

(1) *Bell Canada's $2.5 billion committed revolving credit facility expires in May 2026 and its $ 1 billion committed expansion credit facility expires in May 2024.*
(2) *As of December 31, 2021, Bell Canada's outstanding commercial paper included $ 561 million in U.S. dollars ($711 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, 2021	MATURITY	2021	2020
Debt securities					
1997 trust indenture		3.67 %	2023-2051	**16,750**	16,400
1976 trust indenture		9.38 %	2027-2054	**975**	1,100
2011 trust indenture		4.00 %	2024	**225**	225
2016 U.S. trust indenture [1]		3.26 %	2024-2052	**5,188**	2,228
1996 trust indenture (subordinated)		8.21 %	2026-2031	**275**	275
Lease liabilities		4.13 %	2022-2065	**4,309**	4,356
Other				**438**	386
Total debt				**28,160**	24,970
Net unamortized discount				**(26)**	(19)
Unamortized debt issuance costs				**(96)**	(70)
Less:					
Amount due within one year	24			**(990)**	(975)
Total long-term debt				**27,048**	23,906

(1) *At December 31, 2021 and 2020, notes issued under the 2016 U.S. trust indenture totaled $ 4,100 million and $ 1,750 million in U.S. dollars, respectively, and have been hedged for foreign currency fluctuations through 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 bear a fixed interest rate.

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.

In Q4 2021, Bell Canada successfully completed a proxy solicitation and obtained the necessary approval from debenture holders to make certain amendments under its1976 trust indenture, including the deletion of covenants that require Bell Canada to meet certain financial ratio tests when issuing long-term debt.

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.

2021

On August 12, 2021, Bell Canada issued, under its 2016 trust indenture, 2.15% Series US-5 Notes, with a principal amount of $ 600 million in U.S. dollars ($755 million in Canadian dollars), which mature on February 15, 2032, and 3.20% Series US-6 Notes, with a principal amount of $ 650 million in U.S. dollars ($818 million in Canadian dollars), which mature on February 15, 2052.

On May 28, 2021, Bell Canada issued, under its 1997 trust indenture, 2.20% Series M-56 medium term note (MTN) debentures, with a principal amount of $500 million, which mature on May 29, 2028. This issue constitutes Bell Canada's first sustainability bond offering.

On April 19, 2021, Bell Canada redeemed, prior to maturity, its 3.00% Series M-40 MTN debentures, having an outstanding principal amount of $1.7 billion, which were due on October 3, 2022.

On March 17, 2021, Bell Canada issued, under its 1997 trust indenture, 3.00% Series M-54 MTN debentures, with a principal amount of $ 1 billion, which mature on March 17, 2031, and 4.05% Series M-55 MTN debentures, with a principal amount of $ 550 million, which mature on March 17, 2051.

Additionally, on March 17, 2021, Bell Canada issued, under its 2016 trust indenture, 0.75% Series US-3 Notes, with a principal amount of $ 600 million in U.S. dollars ($747 million in Canadian dollars), which mature on March 17, 2024, and 3.65% Series US-4 Notes, with a principal amount of $500 million in U.S. dollars ($623 million in Canadian dollars), which mature on March 17, 2051.

The Series US-3, Series US-4, Series US-5 and Series US-6 Notes (collectively, the Notes) have been hedged for foreign currency fluctuations through cross currency interest rate swaps. See Note 29, *Financial and capital management*, for additional details.

For the year ended December 31, 2021, we recognized early debt redemption costs of $ 53 million, which were recorded in *Other income (expense)* in the income statement.

Subsequent to year end, on February 11, 2022, Bell Canada issued, under its 2016 trust indenture, 3.65% Series US-7 Notes, with a principal amount of $750 million in U.S. dollars ($ 954 million in Canadian dollars), which mature on August 15, 2052. The Series US-7 Notes have been hedged for foreign currency fluctuations through cross currency interest rate swaps.

Additionally, subsequent to year end, on February 14, 2022, Bell Canada announced it will redeem, on March 16, 2022, prior to maturity, its 3.35% Series M-26 MTN debentures, having an outstanding principal amount of $1 billion, which were due on March 22, 2023. We expect to incur early debt redemption charges of $18 million.

2020

On November 6, 2020, Bell Canada redeemed, prior to maturity, its 2.00% Series M-42 MTN debentures, having an outstanding principal amount of $850 million, which were due on October 1, 2021.

On September 14, 2020, Bell Canada redeemed, prior to maturity, its 3.15% Series M-30 MTN debentures, having an outstanding principal amount of $750 million, which were due on September 29, 2021.

On August 14, 2020, Bell Canada issued 1.65% Series M-53 MTN debentures under its 1997 trust indenture, with a principal amount of $ 750 million, which mature on August 16, 2027.

On May 14, 2020, Bell Canada issued 2.50% Series M-52 MTN debentures under its 1997 trust indenture, with a principal amount of $ 1 billion, which mature on May 14, 2030.

On May 14, 2020 and February 13, 2020, Bell Canada issued 3.50% Series M-51 MTN debentures under its 1997 trust indenture, with a principal amount of $500 million and $750 million, respectively, which mature on September 30, 2050.

On March 25, 2020, Bell Canada issued 3.35% Series M-47 MTN debentures under its 1997 trust indenture, with a principal amount of $ 1 billion, which mature on March 12, 2025.

On March 16, 2020, Bell Canada redeemed, prior to maturity, its 4.95% Series M-24 MTN debentures, having an outstanding principal amount of $500 million, which were due on May 19, 2021.

During the first half of 2020, Bell Canada drew $ 1,450 million in U.S. dollars ($2,035 million in Canadian dollars) under its committed credit facilities. In Q2 2020, Bell Canada repaid all of the U.S. dollar borrowings under such facilities. The borrowings, which were included in long-term debt, were hedged for foreign currency fluctuations through foreign exchange forward contracts. Accordingly, in Q2 2020, the forward contracts used to hedge these borrowings were settled. See Note 29, *Financial and capital management,* for additional details.

For the year ended December 31, 2020, we recognized early debt redemption costs of $ 50 million, which were recorded in *Other income (expense)* in the income statement.

Note 26 Provisions

FOR THE YEAR ENDED DECEMBER 31	NOTE	AROs	Other [1]	Total
January 1, 2021		**202**	**206**	**408**
Additions		**7**	**54**	**61**
Usage		**(7)**	**(28)**	**(35)**
Reversals		**(20)**	**(6)**	**(26)**
December 31, 2021		**182**	**226**	**408**
Current	23	**22**	**59**	**81**
Non-current	28	**160**	**167**	**327**
December 31, 2021		**182**	**226**	**408**

(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	**2021**	2020
DB pension	**(223)**	(219)
DC pension	**(113)**	(113)
OPEBs	**(2)**	(2)
Less:		
Capitalized benefit plans cost	**72**	65
Total post-employment benefit plans service cost	**(266)**	(269)

COMPONENTS OF POST-EMPLOYMENT BENEFIT PLANS FINANCING COST

FOR THE YEAR ENDED DECEMBER 31	**2021**	2020
DB pension	**11**	(10)
OPEBs	**(31)**	(36)
Total interest on post-employment benefit obligations	**(20)**	(46)

The statements of comprehensive income include the following amounts before income taxes.

	2021	2020
Cumulative losses recognized directly in equity, January 1	**(2,014)**	(2,701)
Actuarial gains in o*ther comprehensive income from continuing operations*[1]	**3,020**	732
Increase in the effect of the asset limit in o*ther comprehensive income from continuing operations*[2]	**(587)**	(45)
Cumulative gains (losses) recognized directly in equity, December 31	**419**	(2,014)

(1) *The cumulative actuarial gains recognized in the statement of comprehensive income are $ 805 million in 2021.*
(2) *The cumulative increase in the effect of the asset limit recognized in the statement of comprehensive income is $ 386 million in 2021.*

COMPONENTS OF POST-EMPLOYMENT BENEFIT (OBLIGATIONS) ASSETS

The following table shows the change in post-employment benefit obligations and the fair value of plan assets.

	DB PENSION PLANS		OPEB PLANS		TOTAL	
	2021	2020	**2021**	2020	**2021**	2020
Post-employment benefit obligations, January 1	**(27,149)**	(25,650)	**(1,600)**	(1,529)	**(28,749)**	(27,179)
Current service cost	**(223)**	(219)	**(2)**	(2)	**(225)**	(221)
Interest on obligations	**(697)**	(782)	**(39)**	(46)	**(736)**	(828)
Actuarial gains (losses)[1]	**2,137**	(1,830)	**113**	(90)	**2,250**	(1,920)
Benefit payments	**1,396**	1,342	**71**	67	**1,467**	1,409
Employee contributions	**(9)**	(10)	**—**	—	**(9)**	(10)
Other	**1**	—	**—**	—	**1**	—
Post-employment benefit obligations, December 31	**(24,544)**	(27,149)	**(1,457)**	(1,600)	**(26,001)**	(28,749)
Fair value of plan assets, January 1	**27,785**	25,530	**344**	320	**28,129**	25,850
Expected return on plan assets[2]	**708**	772	**8**	10	**716**	782
Actuarial gains[1]	**766**	2,632	**4**	20	**770**	2,652
Benefit payments	**(1,396)**	(1,342)	**(71)**	(67)	**(1,467)**	(1,409)
Employer contributions	**168**	183	**65**	61	**233**	244
Employee contributions	**9**	10	**—**	—	**9**	10
Other	**—**	—	**1**	—	**1**	—
Fair value of plan assets, December 31	**28,040**	27,785	**351**	344	**28,391**	28,129
Plan asset (deficit)	**3,496**	636	**(1,106)**	(1,256)	**2,390**	(620)
Effect of asset limit	**(652)**	(65)	**—**	—	**(652)**	(65)
Post-employment benefit asset (liability), December 31	**2,844**	571	**(1,106)**	(1,256)	**1,738**	(685)
Post-employment benefit assets	**3,472**	1,277	**—**	—	**3,472**	1,277
Post-employment benefit obligations	**(628)**	(706)	**(1,106)**	(1,256)	**(1,734)**	(1,962)

(1) *Actuarial gains (losses) include experience gains of $ 907 million in 2021 and $ 2,613 million in 2020.*
(2) *The actual return on plan assets was $ 1,486 million or 5.7% in 2021 and $ 3,434 million or 13.7% in 2020.*

FUNDED STATUS OF POST-EMPLOYMENT BENEFIT PLANS COST

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	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Present value of post-employment benefit obligations	**(23,872)**	(26,421)	**(1,840)**	(2,011)	**(289)**	(317)	**(26,001)**	(28,749)
Fair value of plan assets	**27,979**	27,727	**412**	402	**—**	—	**28,391**	28,129
Plan surplus (deficit)	**4,107**	1,306	**(1,428)**	(1,609)	**(289)**	(317)	**2,390**	(620)

(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.

FOR THE YEAR ENDED DECEMBER 31	DB PENSION PLANS AND OPEB PLANS 2021	2020
Post-employment benefit obligations		
Discount rate	**3.2 %**	2.6 %
Rate of compensation increase	**2.25 %**	2.25 %
Cost of living indexation rate[1]	**1.6 %**	1.6 %
Life expectancy at age 65 (years)	**23.3**	23.2

(1) *Cost of living indexation rate is only applicable to DB pension plans.*

FOR THE YEAR ENDED DECEMBER 31	DB PENSION PLANS AND OPEB PLANS 2021	2020
Net post-employment benefit plans cost		
Discount rate	**2.9 %**	3.2 %
Rate of compensation increase	**2.25 %**	2.25 %
Cost of living indexation rate[1]	**1.6 %**	1.6 %
Life expectancy at age 65 (years)	**23.2**	23.2

(1) *Cost of living indexation rate is only applicable to DB pension plans.*

The weighted average duration of the post-employment benefit obligation is 14 years.

We assumed the following trend rates in healthcare costs:

- an annual increase in the cost of medication of 6.5% for 2021 decreasing to 4.0% over 20 years
- an annual increase in the cost of covered dental benefits of 4%
- 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%

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	3	(2)
Post-employment benefit obligations	101	(86)

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 2021 – INCREASE/(DECREASE)		IMPACT ON POST-EMPLOYMENT BENEFIT OBLIGATIONS AT DECEMBER 31, 2021 – INCREASE/(DECREASE)	
	CHANGE IN ASSUMPTION	INCREASE IN ASSUMPTION	DECREASE IN ASSUMPTION	INCREASE IN ASSUMPTION	DECREASE IN ASSUMPTION
Discount rate	0.5 %	(68)	57	(1,612)	1,794
Life expectancy at age 65	1 year	32	(32)	936	(962)

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 2021 and the allocation of our post-employment benefit plan assets at December 31, 2021 and 2020.

	WEIGHTED AVERAGE TARGET ALLOCATION	TOTAL PLAN ASSETS FAIR VALUE	
ASSET CATEGORY	**2021**	**December 31, 2021**	December 31, 2020
Equity securities	**0%-40%**	**16 %**	23 %
Debt securities	**60%-100%**	**64 %**	60 %
Alternative investments	**0%-50%**	**20 %**	17 %
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	**2021**	2020
Observable markets data		
Equity securities		
Canadian	**952**	1,027
Foreign	**3,436**	5,242
Debt securities		
Canadian	**13,643**	13,361
Foreign	**2,728**	2,913
Money market	**1,466**	369
Non-observable markets inputs		
Alternative investments		
Private equities	**3,123**	2,564
Hedge funds	**1,208**	1,200
Real estate	**1,429**	1,033
Other	**55**	76
Total	**28,040**	27,785

Equity securities included approximately $3 million of BCE common shares, or 0.01% of total plan assets, at December 31, 2021 and December 31, 2020, respectively.

Debt securities included approximately $85 million of Bell Canada debentures, or 0.30% of total plan assets, at December 31, 2021 and approximately $141 million of Bell Canada debentures, or 0.51% of total plan assets, at December 31, 2020.

Alternative investments included an investment in MLSE of $149 million, or 0.53% of total plan assets, at December 31, 2021 and $ 149 million, or 0.54% of total plan assets, at December 31, 2020.

The Bell Canada pension plan has an investment arrangement which hedges part of its exposure to potential increases in longevity, which covers approximately $4 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	**2021**	2020	**2021**	2020	**2021**	2020
Contributions/payments	**(168)**	(183)	**(114)**	(114)	**(65)**	(61)

We expect to contribute approximately $90 million to our DB pension plans in 2022, subject to actuarial valuations being completed. We expect to contribute approximately $110 million to the DC pension plans and to pay approximately $ 75 million to beneficiaries under OPEB plans in 2022.

Note 28 Other non-current liabilities

FOR THE YEAR ENDED DECEMBER 31	NOTE	**2021**	2020
Long-term disability benefits obligation		**327**	361
Provisions	26	**327**	355
Derivative liabilities	29	**43**	98
CRTC deferral account obligation	29	**43**	69
Other		**263**	262
Total other non-current liabilities		**1,003**	1,145

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, commodity price risk and equity price risk.

DERIVATIVES

We use derivative instruments to manage our exposure to foreign currency risk, interest rate risk, commodity price 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 and cash equivalents, trade and other receivables, dividends payable, trade payables and accruals, compensation payable, severance and other costs payable, interest payable, notes payable and loans secured by trade 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 following table provides the fair value details of other financial instruments measured at amortized cost in the statements of financial position.

	CLASSIFICATION	FAIR VALUE METHODOLOGY	NOTE	December 31, 2021 CARRYING VALUE	December 31, 2021 FAIR VALUE	December 31, 2020 CARRYING VALUE	December 31, 2020 FAIR VALUE
CRTC deferral account obligation	Trade payables and other liabilities and other non-current liabilities	Present value of estimated future cash flows discounted using observable market interest rates	23, 28	**66**	**67**	82	86
Debt securities and other debt	Debt due within one year and long-term debt	Quoted market price of debt	24, 25	**23,729**	**26,354**	20,525	24,366

The following table provides the fair value details of financial instruments measured at fair value in the statements of financial position.

	CLASSIFICATION	NOTE	CARRYING VALUE	FAIR VALUE: QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	FAIR VALUE: OBSERVABLE MARKET DATA (LEVEL 2)[1]	FAIR VALUE: NON-OBSERVABLE MARKET INPUTS (LEVEL 3)[2]
December 31, 2021						
Publicly-traded and privately-held investments[3]	Other non-current assets	21	**183**	**24**	**—**	**159**
Derivative financial instruments	Other current assets, trade payables and other liabilities, other non-current assets and liabilities		**279**	**—**	**279**	**—**
MLSE financial liability[4]	Trade payables and other liabilities	23	**(149)**	**—**	**—**	**(149)**
Other	Other non-current assets and liabilities		**122**	**—**	**185**	**(63)**
December 31, 2020						
Publicly-traded and privately-held investments[3]	Other non-current assets	21	126	3	—	123
Derivative financial instruments	Other current assets, trade payables and other liabilities, other non-current assets and liabilities		(51)	—	(51)	—
MLSE financial liability[4]	Trade payables and other liabilities	23	(149)	—	—	(149)
Other	Other non-current assets and liabilities		109	—	167	(58)

(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 earnings multiples. A reasonable change in our assumptions would not result in a significant increase (decrease) to our level 3 financial instruments.*

(3) Unrealized gains and losses are recorded in Other comprehensive income from continuing operations *in the statements of comprehensive income and are reclassified from* Accumulated other comprehensive income *to the deficit in the statements of financial position when realized.*

(4) *Represents BCE's obligation to repurchase the Master Trust Fund's 9% interest in MLSE at a price not less than an agreed minimum price, should the Master Trust Fund exercise its put option. The obligation to repurchase is marked to market each reporting period and the gain or loss is recognized in* Other income (expense) *in the income statements.*

CREDIT RISK

We are exposed to credit risk from operating activities and certain 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, 2021 and 2020. 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.

The following table provides the change in allowance for doubtful accounts for trade receivables, including the current portion of wireless device financing plan receivables.

	NOTE	**2021**	2020
Balance, January 1		**(149)**	(62)
Additions		**(83)**	(134)
Usage and reversals		**96**	47
Balance, December 31	11	**(136)**	(149)

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	**2021**	2020
Trade receivables not past due	**2,958**	2,574
Trade receivables past due		
Under 60 days	**420**	432
60 to 120 days	**284**	214
Over 120 days	**45**	45
Trade receivables, net of allowance for doubtful accounts	**3,707**	3,265

The following table provides the change in allowance for doubtful accounts for contract assets.

	NOTE	**2021**	2020
Balance, January 1		**(59)**	(68)
Additions		**(9)**	(31)
Usage and reversals		**48**	40
Balance, December 31		**(20)**	(59)
Current		**(6)**	(29)
Non-current		**(14)**	(30)
Balance, December 31	13	**(20)**	(59)

LIQUIDITY RISK

Our cash and cash equivalents, 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, 2021 for each of the next five years and thereafter.

AT DECEMBER 31, 2021	NOTE	2022	2023	2024	2025	2026	THERE-AFTER	TOTAL
Long-term debt	25	156	1,632	2,060	2,153	1,561	16,289	**23,851**
Notes payable	24	735	—	—	—	—	—	**735**
Lease liabilities [(1)]		1,009	833	541	439	406	1,922	**5,150**
Loan secured by trade receivables	24	900	—	—	—	—	—	**900**
Interest payable on long-term debt, notes payable and loan secured by trade receivables		918	890	825	770	718	9,068	**13,189**
Net payments (receipts) on cross currency interest rate swaps		11	12	(2)	12	12	314	**359**
MLSE financial liability	23	149	—	—	—	—	—	**149**
Total		**3,878**	**3,367**	**3,424**	**3,374**	**2,697**	**27,593**	**44,333**

(1) *Includes imputed interest of $841 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

We use forward contracts, options and cross currency interest rate swaps to manage foreign currency risk related to anticipated purchases and certain foreign currency debt.

At December 31, 2021, we had entered into cross currency interest rate swaps with a total notional amount of $ 3,500 million in U.S. dollars ($4,511 million in Canadian dollars) to hedge the U.S. currency exposure of our U.S. Notes maturing from 2032 to 2052. See Note 25, *Long-term debt*, for additional details.

In the first half of 2020, we entered into foreign currency forward contracts with a notional amount of $ 1,453 million in U.S. dollars ($2,039 million in Canadian dollars) to hedge the foreign currency risk associated with amounts drawn under our committed credit facilities. These foreign currency forward contracts matured in Q2 2020 and a loss of $14 million was recognized in Other income (expense) in the income statements, which offsets the foreign currency gain on the repayment of drawdowns under the credit facilities.

A 10% depreciation (appreciation) in the value of the Canadian dollar relative to the U.S. dollar would result in a loss of $ 7 million (loss of $20 million) recognized in net earnings from continuing operations at December 31, 2021 and a gain of $241 million (loss of $221 million) recognized in *Other comprehensive income from continuing operations* at December 31, 2021, with all other variables held constant.

A 10% depreciation (appreciation) in the value of the Canadian dollar relative to the Philippine peso would result in a gain (loss) of $ 4 million recognized in *Other comprehensive income from continuing operations* at December 31, 2021, with all other variables held constant.

The following table provides further details on our outstanding foreign currency forward contracts and options as at December 31, 2021.

TYPE OF HEDGE	BUY CURRENCY	AMOUNT TO RECEIVE	SELL CURRENCY	AMOUNT TO PAY	MATURITY	HEDGED ITEM
Cash flow	USD	561	CAD	721	2022	Commercial paper
Cash flow	PHP	2,270	CAD	58	2022	Anticipated purchases
Cash flow	USD	568	CAD	723	2022	Anticipated purchases
Cash flow	USD	550	CAD	678	2023	Anticipated purchases
Cash flow - call options	USD	212	CAD	275	2022	Anticipated purchases
Cash flow - put options	USD	212	CAD	272	2022	Anticipated purchases
Economic	USD	40	CAD	50	2022	Anticipated purchases
Economic - put options	USD	99	CAD	123	2022	Anticipated purchases
Economic - call options	USD	150	CAD	178	2022	Anticipated purchases
Economic - call options	CAD	190	USD	150	2022	Anticipated purchases
Economic - put options	USD	240	CAD	290	2023	Anticipated purchases

INTEREST RATE EXPOSURES

In 2021, we entered into cross currency interest rate swaps with a notional amount of $ 600 million in U.S. dollars ($748 million in Canadian dollars) to hedge the interest exposure of our U.S. Notes maturing in 2024. See Note 25, *Long-term debt*, for additional details.

In 2021, we entered into forward starting interest rate swaps with a notional amount of $ 127 million to hedge the interest rate exposure on future debt issuances. In 2021, we also entered into cross currency basis rate swaps with a notional amount of $127 million to hedge economically the basis rate exposure on future debt issuances. The fair value of these cross currency basis rate swaps at December 31, 2021 was an asset of $1 million recognized in *Other current assets* in the statements of financial position. A gain of $ 1 million is recognized in *Other income (expense)* in the income statements.

In 2020, we entered into leveraged interest rate options to hedge economically the dividend rate resets on $ 582 million of our preferred shares having varying reset dates in 2021 for the periods ending in 2026. The fair value of these leveraged interest rate options at December 31, 2021 and December 31, 2020 was a net liability of $2 million and $6 million, respectively, 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. A gain (loss) of $ 15 million and ($6 million) for the year ended December 31, 2021 and December 31, 2020, respectively, relating to these leveraged interest rate options is recognized in *Other income (expense)* in the income statements.

A 1% increase (decrease) in interest rates would result in a loss of $ 4 million (gain of $3 million) in net earnings from continuing operations at December 31, 2021 and a gain of $18 million (loss of $25 million) recognized in *Other comprehensive income from continuing operations* at December 31, 2021, 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. See Note 31, *Share-based payments,* for details on our share-based payment arrangements. The fair value of our equity forward contracts at December 31, 2021 and December 31, 2020 was a net asset of $130 million and a net liability of $ 82 million, respectively, 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. A gain (loss) of $278 million and ($51 million) for the year ended December 31, 2021 and 2020, respectively, relating to these equity forward contracts is recognized in *Other income (expense)* in the income statements.

A 5% increase (decrease) in the market price of BCE's common shares at December 31, 2021 would result in a gain (loss) of $ 43 million recognized in net earnings from continuing operations, with all other variables held constant.

COMMODITY PRICE EXPOSURES

In 2020, we entered into fuel swaps to hedge economically the purchase cost of fuel in 2020 and 2021. These fuel swaps have matured and a gain of $6 million and $3 million for the year ended December 31, 2021 and 2020, respectively, is recognized in *Other income (expense)* in the income statements.

Capital management

We have various capital policies, procedures and processes which are utilized 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, and cash and cash equivalents.

The key ratios that we use to monitor and manage our capital structure are a net debt leverage ratio [1] and an adjusted EBITDA to adjusted net interest expense ratio[2]. In 2021 and 2020, our net debt leverage ratio target range was 2.0 to 2.5 times adjusted EBITDA and our adjusted EBITDA to adjusted net interest expense ratio target was greater than 7.5 times. At December 31, 2021, we had exceeded the limit of our internal net debt leverage ratio target range by 0.68.

We use, and believe that certain investors and analysts use, our net debt leverage ratio and adjusted EBITDA to adjusted net interest expense ratio as measures of financial leverage and health of the company.

The following table provides a summary of our key ratios.

AT DECEMBER 31	**2021**	2020
Net debt leverage ratio	**3.18**	2.93
Adjusted EBITDA to adjusted net interest expense ratio	**8.77**	8.32

On February 2, 2022, the board of directors of BCE approved an increase of 5.1% in the annual dividend on BCE's common shares, from $ 3.50 to $3.68 per common share. In addition, the board of directors of BCE declared a quarterly dividend of $ 0.92 per common share payable on April 15, 2022 to the shareholders of record at March 15, 2022.

On February 3, 2021, the board of directors of BCE approved an increase of 5.1% in the annual dividend on BCE's common shares, from $ 3.33 to $3.50 per common share.

In Q4 2021, BCE renewed its normal course issuer bid program (NCIB) with respect to its First Preferred Shares. See Note 30, *Share capital,* for additional details.

(1) *Our net debt leverage ratio represents net debt divided by adjusted EBITDA. We define net debt as debt due within one year plus long-term debt and 50% of preferred shares, less cash and cash equivalents, 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.*

(2) *Our adjusted EBITDA to adjusted net interest expense ratio represents adjusted EBITDA divided by adjusted net interest expense. We define adjusted net interest expense as twelve-month trailing net interest expense as shown in our statements of cash flows plus 50% of twelve-month trailing net earnings attributable to preferred shareholders as shown in our income statements. For the purposes of calculating our adjusted EBITDA to adjusted net interest expense 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, 2021. There were no Second Preferred Shares issued and outstanding at December 31, 2021. BCE's articles of amalgamation, as amended, describe the terms and conditions of these shares in detail.

						NUMBER OF SHARES		STATED CAPITAL	
SERIES	ANNUAL DIVIDEND RATE	CONVERTIBLE INTO	CONVERSION DATE	REDEMPTION DATE	REDEMPTION PRICE	AUTHORIZED	ISSUED AND OUTSTANDING	**DECEMBER 31, 2021**	DECEMBER 31, 2020
Q	floating	Series R	December 1, 2030		$25.50	8,000,000	—	**—**	—
R[1]	3.018 %	Series Q	December 1, 2025	December 1, 2025	$25.00	8,000,000	7,998,900	**200**	200
S	floating	Series T	November 1, 2026	At any time	$25.50	8,000,000	2,128,267	**53**	88
T[1]	4.99 %	Series S	November 1, 2026	November 1, 2026	$25.00	8,000,000	5,870,133	**147**	112
Y	floating	Series Z	December 1, 2022	At any time	$25.50	10,000,000	8,079,291	**202**	202
Z[1]	3.904 %	Series Y	December 1, 2022	December 1, 2022	$25.00	10,000,000	1,918,509	**48**	48
AA[1]	3.61 %	Series AB	September 1, 2022	September 1, 2022	$25.00	20,000,000	11,397,196	**291**	291
AB	floating	Series AA	September 1, 2022	At any time	$25.50	20,000,000	8,599,204	**219**	219
AC[1]	4.38 %	Series AD	March 1, 2023	March 1, 2023	$25.00	20,000,000	10,027,991	**256**	256
AD	floating	Series AC	March 1, 2023	At any time	$25.50	20,000,000	9,963,209	**254**	254
AE	floating	Series AF	February 1, 2025	At any time	$25.50	24,000,000	6,512,913	**163**	163
AF[1]	3.865 %	Series AE	February 1, 2025	February 1, 2025	$25.00	24,000,000	9,481,487	**237**	237
AG[1]	3.37 %	Series AH	May 1, 2026	May 1, 2026	$25.00	22,000,000	8,979,530	**224**	125
AH	floating	Series AG	May 1, 2026	At any time	$25.50	22,000,000	5,017,570	**125**	225
AI[1]	3.39 %	Series AJ	August 1, 2026	August 1, 2026	$25.00	22,000,000	9,535,040	**238**	149
AJ	floating	Series AI	August 1, 2026	At any time	$25.50	22,000,000	4,464,960	**112**	201
AK[1]	3.306 %	Series AL	December 31, 2026	December 31, 2026	$25.00	25,000,000	23,190,312	**580**	568
AL[2]	floating	Series AK	December 31, 2026	At any time		25,000,000	1,799,388	**45**	56
AM[1]	2.939 %	Series AN	March 31, 2026	March 31, 2026	$25.00	30,000,000	10,439,978	**239**	218
AN[2]	floating	Series AM	March 31, 2026	At any time		30,000,000	1,054,722	**24**	45
AO[1]	4.26 %	Series AP	March 31, 2022	March 31, 2022	$25.00	30,000,000	4,600,000	**118**	118
AP[3]	floating	Series AO	March 31, 2027			30,000,000	—	**—**	—
AQ[1]	4.812 %	Series AR	September 30, 2023	September 30, 2023	$25.00	30,000,000	9,200,000	**228**	228
AR[3]	floating	Series AQ	September 30, 2028			30,000,000	—	**—**	—
								4,003	4,003

(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 AP or AR First Preferred Shares are issued on March 31, 2022 and September 30, 2023, respectively, BCE may redeem such shares at $ 25.00 per share on March 31, 2027 and September 30, 2028, respectively, and every five years thereafter (each, a Series conversion date). Alternatively, BCE may redeem Series AP or AR 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.*

NORMAL COURSE ISSUER BID FOR BCE FIRST PREFERRED SHARES

On November 4, 2021, BCE renewed 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. The NCIB will extend up to November 8, 2022, or an earlier date should BCE complete its purchases under the NCIB.

VOTING RIGHTS

All of the issued and outstanding First Preferred Shares at December 31, 2021 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, AO 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, 2021 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.

REDEMPTION OF SERIES AO PREFERRED SHARES

Subsequent to year end, on February 24, 2022, BCE announced it will redeem, on March 31, 2022, its 4,600,000 issued and outstanding Series AO Preferred Shares at $25 per share for a total amount of $ 115 million.

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, 2021 and 2020.

The following table provides details about the outstanding common shares of BCE.

		2021		2020	
	NOTE	**NUMBER OF SHARES**	**STATED CAPITAL**	NUMBER OF SHARES	STATED CAPITAL
Outstanding, January 1		**904,415,010**	**20,390**	903,908,182	20,363
Shares issued under employee stock option plan	31	**4,603,861**	**272**	506,828	27
Outstanding, December 31		**909,018,871**	**20,662**	904,415,010	20,390

CONTRIBUTED SURPLUS

Contributed surplus in 2021 and 2020 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 the income statements as operating costs.

FOR THE YEAR ENDED DECEMBER 31	2021	2020
ESP	**(30)**	(31)
RSUs/PSUs	**(59)**	(51)
Other [1]	**(6)**	(9)
Total share-based payments	**(95)**	(91)

(1) *Includes DSUs and stock options.*

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, 2021, 4,360,087 common shares were authorized for issuance from treasury under the ESP. At December 31, 2021 and 2020 there were 1,108,211 and 1,146,980 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 certain PSUs, as determined by the board of directors.

The following table summarizes RSUs/PSUs outstanding at December 31, 2021 and 2020.

NUMBER OF RSUs/PSUs	**2021**	2020
Outstanding, January 1	**2,973,393**	2,915,118
Granted[1]	**1,178,794**	866,127
Dividends credited	**175,516**	165,435
Settled	**(1,135,128)**	(935,117)
Forfeited	**(106,908)**	(38,170)
Outstanding, December 31	**3,085,667**	2,973,393
Vested, December 31[2]	**1,000,394**	1,065,454

(1) *The weighted average fair value of the RSUs/PSUs granted was $ 60 in 2021 and $ 63 in 2020.*
(2) *The RSUs/PSUs vested on December 31, 2021 were fully settled in February 2022 with BCE common shares and/or DSUs.*

DSUs

Eligible bonuses and RSUs/PSUs 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, 2021 and 2020 there were 3,365,433 and 4,230,672 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, 2021, in addition to the stock options outstanding, 4,461,019 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, 2021 and 2020.

		2021		2020	
	NOTE	**NUMBER OF OPTIONS**	**WEIGHTED AVERAGE EXERCISE PRICE ($)**	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE ($)
Outstanding, January 1		**15,650,234**	**59**	12,825,541	57
Granted		**—**	**—**	3,420,407	65
Exercised[1]	30	**(4,603,861)**	**57**	(506,828)	52
Forfeited or expired		**(267,649)**	**60**	(88,886)	61
Outstanding, December 31		**10,778,724**	**60**	15,650,234	59
Exercisable, December 31		**4,316,424**	**58**	5,186,600	58

(1) *The weighted average market share price for options exercised was $ 64 in 2021 and $ 63 in 2020.*

The following table provides additional information about BCE's stock option plans at December 31, 2021 and 2020.

	STOCK OPTIONS OUTSTANDING					
	2021			2020		
RANGE OF EXERCISE PRICES	NUMBER	WEIGHTED AVERAGE REMAINING LIFE (YEARS)	WEIGHTED AVERAGE EXERCISE PRICE ($)	NUMBER	WEIGHTED AVERAGE REMAINING LIFE (YEARS)	WEIGHTED AVERAGE EXERCISE PRICE ($)
$40-$49	—	—	—	187,744	— [1]	48
$50-$59	7,442,442	4	58	11,998,200	5	58
$60 & above	3,336,282	8	65	3,464,290	9	65
	10,778,724	6	60	15,650,234	7	59

(1) *Stock options outstanding expired in February 2021.*

Note 32 Additional cash flow information

The following table provides a reconciliation of changes in 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	TOTAL
January 1, 2021		**26,323**	**66**	**766**	**—**	**27,155**
Cash flows from (used in) financing activities						
Increase (decrease) in notes payable		**378**	**(27)**	**—**	**—**	**351**
Issue of long-term debt		**4,985**	**—**	**—**	**—**	**4,985**
Repayment of long-term debt		**(2,751)**	**—**	**—**	**—**	**(2,751)**
Cash dividends paid on common and preferred shares		**—**	**—**	**(3,257)**	**—**	**(3,257)**
Cash dividends paid by subsidiaries to non-controlling interests	36	**—**	**—**	**(86)**	**—**	**(86)**
Decrease in securitized trade receivables		**(150)**	**—**	**—**	**—**	**(150)**
Other financing activities		**(36)**	**13**	**—**	**(55)**	**(78)**
Total cash flows from (used in) financing activities excluding equity		**2,426**	**(14)**	**(3,343)**	**(55)**	**(986)**
Non-cash changes arising from						
Increase in lease liabilities		**787**	**—**	**—**	**—**	**787**
Dividends declared on common and preferred shares		**—**	**—**	**3,306**	**—**	**3,306**
Dividends declared by subsidiaries to non-controlling interests		**—**	**—**	**87**	**—**	**87**
Effect of changes in foreign exchange rates		**(23)**	**23**	**—**	**—**	**—**
Business acquisitions		**12**	**—**	**—**	**—**	**12**
Other		**148**	**4**	**(5)**	**55**	**202**
Total non-cash changes		**924**	**27**	**3,388**	**55**	**4,394**
December 31, 2021		**29,673**	**79**	**811**	**—**	**30,563**

(1) *Included in* Other current assets, Other non-current assets *and* Trade payables and other liabilities *in the statement of financial position.*

	NOTE	DEBT DUE WITHIN ONE YEAR AND LONG-TERM DEBT	DERIVATIVE TO HEDGE FOREIGN CURRENCY ON DEBT [1]	DIVIDENDS PAYABLE	OTHER LIABILITIES	TOTAL
January 1, 2020		26,296	56	729	—	27,081
Cash flows (used in) from financing activities						
(Decrease) increase in notes payable		(1,810)	169	—	—	(1,641)
Issue of long-term debt		6,006	—	—	—	6,006
Repayment of long-term debt		(5,003)	—	—	—	(5,003)
Cash dividends paid on common and preferred shares		—	—	(3,107)	—	(3,107)
Cash dividends paid by subsidiaries to non-controlling interests	36	—	—	(53)	—	(53)
Discontinued operations	37	(7)	—	—	—	(7)
Other financing activities		(31)	—	—	(52)	(83)
Total cash flows (used in) from financing activities excluding equity		(845)	169	(3,160)	(52)	(3,888)
Non-cash changes arising from						
Increase in lease liabilities		675	—	—	—	675
Dividends declared on common and preferred shares		—	—	3,147	—	3,147
Dividends declared by subsidiaries to non-controlling interests		—	—	53	—	53
Effect of changes in foreign exchange rates		159	(159)	—	—	—
Business acquisitions		7	—	—	—	7
Discontinued operations	37	(106)	—	—	—	(106)
Other		137	—	(3)	52	186
Total non-cash changes		872	(159)	3,197	52	3,962
December 31, 2020		26,323	66	766	—	27,155

(1) *Included in* Other current assets, Other non-current assets *and* Trade payables and other liabilities *in the statement of financial position.*

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, 2021.

	2022	2023	2024	2025	2026	THEREAFTER	**TOTAL**
Wireline	1,295	946	712	473	215	548	4,189
Wireless	1,416	561	40	1	1	—	2,019
Total	**2,711**	**1,507**	**752**	**474**	**216**	**548**	**6,208**

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, 2021 that are due in each of the next five years and thereafter.

	2022	2023	2024	2025	2026	THERE-AFTER	**TOTAL**
Commitments for property, plant and equipment and intangible assets	1,104	757	461	334	219	161	**3,036**
Purchase obligations	542	380	245	210	292	221	**1,890**
Leases committed not yet commenced	7	2	6	1	—	—	**16**
Total	**1,653**	**1,139**	**712**	**545**	**511**	**382**	**4,942**

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.

Our commitments for leases not yet commenced include OOH advertising spaces, fibre use and real estate. These leases are non-cancellable.

Subsequent to year end, in February 2022, Bell acquired a business that provides Internet, telephone and television services to consumers and businesses in Québec and parts of Ontario. The acquisition is expected to accelerate growth in Bell's residential and small business customers. The results of the acquired business will be included in our Bell Wireline segment.

Additionally, subsequent to year end, we entered into new commitments for property, plant and equipment and intangible assets totaling approximately $1.4 billion, which is payable between 2022 and 2033.

Contingencies

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 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 Inc., Shaw Communications Inc. and Videotron Ltée) and Telus Communications Inc., the CRTC issued Decision 2021-182 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 statement.

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 and ensures a better climate for much-needed investment in advanced networks. The decision is being challenged by at least one reseller, TekSavvy Solutions Inc. (TekSavvy), before the Federal Court of Appeal, where TekSavvy obtained leave to appeal the decision, and in three petitions brought by TekSavvy, the Canadian Network Operators Consortium Inc. and National Capital Freenet before Cabinet to overturn 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 3, 2022, 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, 2021. 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	**2021**	2020
Bell Canada	**100 %**	100 %
Bell Mobility Inc.	**100 %**	100 %
Bell Media Inc.	**100 %**	100 %

Transactions with joint arrangements and associates

During 2021 and 2020, 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 2021, BCE recognized revenues and incurred expenses with our joint arrangements and associates of $ 10 million (2020 – $14 million) and $178 million (2020 – $133 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 $13 million from the Master Trust Fund for 2021 and 2020, respectively. 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, 2021 and 2020 included in our income statements. Key management personnel has 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	**2021**	2020
Wages, salaries, fees and related taxes and benefits	**(23)**	(30)
Post-employment benefit plans and OPEBs cost	**(3)**	(3)
Share-based compensation	**(21)**	(26)
Key management personnel compensation expense	**(47)**	(59)

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	**2021**	2020
Current assets	**329**	357
Non-current assets	**1,010**	1,032
Total assets	**1,339**	1,389
Current liabilities	**220**	159
Non-current liabilities	**226**	227
Total liabilities	**446**	386
Total equity attributable to BCE shareholders	**622**	699
NCI	**271**	304

(1) *At December 31, 2021 and 2020, 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, 2021 and 2020 include $ 5 million and $ 6 million, respectively, directly attributable to NCI.*

Selected income and cash flow information

	CTV SPECIALTY[1]	
FOR THE YEAR ENDED DECEMBER 31	**2021**	2020
Operating revenues	**879**	754
Net earnings	**158**	202
Net earnings attributable to NCI	**51**	64
Total comprehensive income	**164**	200
Total comprehensive income attributable to NCI	**53**	63
Cash dividends paid to NCI	**86**	53

(1) *CTV Specialty's net earnings and total comprehensive income include $ 5 million directly attributable to NCI for 2021 and 2020,* respectively.

Note 37 Discontinued operations

On June 1, 2020, BCE announced that it had entered into an agreement to sell substantially all of its data centre operations in an all-cash transaction valued at $1.04 billion.

In Q4 2020, we completed the sale for proceeds of $ 933 million (net of debt and other items) and recorded a gain on sale, net of taxes, of $ 211 million. The capital gain as a result of the sale is mainly offset by the recognition of previously unrecognized capital loss carryforwards.

The data centre operations that were sold were presented as a discontinued operation in our 2020 income statement and statement of cash flows. Property, plant and equipment and intangible assets that were sold were no longer depreciated or amortized effective June 1, 2020.

The following table summarizes the carrying value of the assets and liabilities sold:

	2020
Contract assets	1
Contract costs	2
Property, plant and equipment	484
Intangible assets	227
Goodwill	115
Total assets sold	829
Long-term debt	113
Deferred tax liability	37
Other non-current liabilities	9
Total liabilities sold	159
Net assets sold	670

The following tables summarize the income statement and statement of cash flows of our discontinued operations up to the point of sale.

FOR THE YEAR ENDED DECEMBER 31	2020
Operating revenues	**118**
Operating costs	**(57)**
Depreciation	**(18)**
Amortization	**(7)**
Interest expense	**(6)**
Other expense	**(8)**
Income taxes	**(7)**
Net earnings attributable to common shareholders before gain on sale	**15**
Gain on sale (net of taxes of $3 million)	**211**
Net earnings attributable to common shareholders	**226**

FOR THE YEAR ENDED DECEMBER 31	2020
Cash flows from operating activities	**54**
Cash flows from investing activities	**892**
Cash flows used in financing activities	**(7)**
Net increase in cash	**939**

Note 38 COVID-19

Our financial and operating performance saw a steady improvement in 2021 despite the continued adverse impacts of the COVID-19 pandemic experienced throughout the year, due to our operational execution and the easing of government restrictions in the second half of the year. The impacts of the COVID-19 pandemic, although moderated, continued to unfavourably affect Bell Wireless product and roaming revenues, Bell Media advertising revenues, as well as Bell Wireline business market equipment revenues, due to reduced commercial activity as a result of the government restrictions put in place to combat the pandemic, particularly in the first half of the year, and the global supply chain challenges experienced in the second half of the year.

Due to uncertainties relating to the severity and duration of the COVID-19 pandemic and possible resurgences in the number of COVID-19 cases, including as a result of the potential emergence of other variants, and various potential outcomes, it is difficult at this time to estimate the impacts of the COVID-19 pandemic on our business or future financial results and related assumptions. Our business and financial results could continue to be unfavourably impacted, and could again become more significantly and negatively impacted, in future periods, including, among others, as a result of global supply chain challenges adversely affecting our wireless and wireline product revenues.

Exhibit 99.4

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 International Financial Reporting Standards (IFRS) 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, 2021, 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, 2021. There were no material weaknesses that have been identified by BCE's management in internal control over financial reporting as at December 31, 2021.

Our internal control over financial reporting as at December 31, 2021 has been audited by Deloitte LLP, independent registered public accounting firm, who also audited our consolidated financial statements for the year ended December 31, 2021. Deloitte LLP issued an unqualified opinion on the effectiveness of our internal control over financial reporting as at December 31, 2021.

(signed) Mirko Bibic
President and Chief Executive Officer

(signed) Glen LeBlanc
Executive Vice-President and Chief Financial Officer

(signed) Thierry Chaumont
Senior Vice-President, Controller and Tax

March 3, 2022

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, 2021, 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, 2021, 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, 2021, of the Company and our report dated March 3, 2022, 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 3, 2022

We have served as the Company's auditor since 1880.

Exhibit 99.5

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-12130 on Form F-3, Registration Statement No. 333-249962 on Form F-10 and Registration Statements Nos. 333-12780 and 333-12802 on Form S-8 and to the use of our reports dated March 3, 2022, relating to the financial statements of BCE Inc. (the "Company") and the effectiveness of the Company's internal control over financial reporting appearing in this Annual Report on Form 40-F for the year ended December 31, 2021.

/s/ Deloitte LLP

Montréal, Canada
March 4, 2022

Exhibit 99.6

NOTICE OF RELIANCE
SECTION 13.4 OF NATIONAL INSTRUMENT 51-102
CONTINUOUS DISCLOSURE OBLIGATIONS

To: Alberta Securities Commission
British Columbia Securities Commission
Manitoba Securities Commission
Financial and Consumer Services Commission, New Brunswick
Office of the Superintendent of Securities, Newfoundland and Labrador
Nova Scotia Securities Commission
Ontario Securities Commission
Office of the Superintendent of Securities, Prince Edward Island
Autorité des marchés financiers
Financial and Consumer Affairs Authority of Saskatchewan
Toronto Stock Exchange

Notice is hereby given that Bell Canada relies on the continuous disclosure documents filed by BCE Inc. pursuant to the exemption from the requirements of National Instrument 51-102 – Continuous Disclosure Obligations ("NI 51-102") provided in Section 13.4 of NI 51-102.

The continuous disclosure documents of BCE Inc. can be found for viewing in electronic format at www.sedar.com.

Attached to this notice and forming part thereof is the consolidating summary financial information for BCE Inc. as required by Section 13.4 of NI51-102.

Dated: March 4, 2022

BELL CANADA

By: *(signed) Thierry Chaumont*
Name: Thierry Chaumont
Title: Senior Vice-President, Controller and Tax

Bell

BELL CANADA

UNAUDITED SELECTED SUMMARY FINANCIAL INFORMATION (1)

For the periods ended December 31, 2021 and 2020

(in millions of Canadian dollars)

BCE Inc. fully and unconditionally guarantees the payment obligations of its 100% owned subsidiary Bell Canada under the public debt issued by Bell Canada. Accordingly, the following summary financial information is provided by Bell Canada in compliance with the requirements of section 13.4 of National Instrument 51-102 (Continuous Disclosure Obligations) providing for an exemption for certain credit support issuers. The tables below contain selected summary financial information for (i) BCE Inc. (as credit supporter), (ii) Bell Canada (as credit support issuer) on a consolidated basis, (iii) BCE Inc.'s subsidiaries, other than Bell Canada, on a combined basis, (iv) consolidating adjustments, and (v) BCE Inc. and all of its subsidiaries on a consolidated basis, in each case for the periods indicated. Such summary financial information for BCE Inc. and Bell Canada and all other subsidiaries is intended to provide investors with meaningful and comparable financial information about BCE Inc. and its subsidiaries. This summary financial information should be read in conjunction with BCE Inc.'s audited consolidated financial statements for the year ended December 31, 2021.

For the periods ended December 31:

	BCE INC. ("CREDIT SUPPORTER")(2)		BELL CANADA CONSOLIDATED ("CREDIT SUPPORT ISSUER")		SUBSIDIARIES OF BCE INC. OTHER THAN BELL CANADA(3)		CONSOLIDATING ADJUSTMENTS(4)		BCE INC. CONSOLIDATED	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Operating revenues	**—**	—	**23,450**	22,885	**—**	—	**(1)**	(2)	**23,449**	22,883
Net earnings from continuing operations attributable to owners	**2,840**	2,408	**3,132**	2,599	**362**	120	**(3,494)**	(2,719)	**2,840**	2,408
Net earnings attributable to owners	**2,840**	2,634	**3,132**	2,940	**362**	120	**(3,494)**	(3,060)	**2,840**	2,634

As at December 31, 2021 and December 31, 2020, respectively:

	BCE INC. ("CREDIT SUPPORTER")(2)		BELL CANADA CONSOLIDATED ("CREDIT SUPPORT ISSUER")		SUBSIDIARIES OF BCE INC. OTHER THAN BELL CANADA(3)		CONSOLIDATING ADJUSTMENTS(4)		BCE INC. CONSOLIDATED	
	Dec. 31, 2021	Dec. 31, 2020	**Dec. 31, 2021**	Dec. 31, 2020	**Dec. 31, 2021**	Dec. 31, 2020	**Dec. 31, 2021**	Dec. 31, 2020	**Dec. 31, 2021**	Dec. 31, 2020
Total Current Assets	**561**	711	**6,826**	9,291	**292**	337	**(1,481)**	(4,651)	**6,198**	5,688
Total Non-current Assets	**23,804**	24,971	**54,140**	48,444	**38**	38	**(17,416)**	(18,476)	**60,566**	54,977
Total Current Liabilities	**1,672**	4,589	**8,841**	8,238	**81**	95	**(1,481)**	(4,651)	**9,113**	8,271
Total Non-current Liabilities	**58**	104	**34,066**	30,367	**—**	—	**586**	594	**34,710**	31,065

(1) The summary financial information is prepared in accordance with International Financial Reporting Standards (IFRS) and is in accordance with generally accepted accounting principles issued by the Canadian Accounting Standards Board for publicly-accountable enterprises.
(2) This column accounts for investments in all subsidiaries of BCE Inc. under the equity method.
(3) This column accounts for investments in all subsidiaries of BCE Inc. (other than Bell Canada) on a consolidated basis.
(4) This column includes the necessary amounts to eliminate the intercompany balances between BCE Inc., Bell Canada and other subsidiaries and other adjustments to arrive at the information for BCE Inc. on a consolidated basis.

Exhibit 99.7

BCE Inc.

EXHIBIT TO 2021 ANNUAL FINANCIAL STATEMENTS

EARNINGS COVERAGE

The following consolidated financial ratios are calculated for the twelve months ended December 31, 2021, give effect to the issuance, redemption and announced redemption of all long-term debt since January 1, 2021 as if these transactions occurred on January 1, 2021, and are based on unaudited financial information of BCE Inc.

	December 31, 2021
Earnings coverage of interest on debt requirements based on net earnings attributable to owners of BCE Inc. before interest expense and income tax:	4.2 times
Earnings coverage of interest on debt requirements based on net earnings attributable to owners of BCE Inc. before interest expense, income tax and non-controlling interest:	4.3 times

Exhibit 99.31

CERTIFICATIONS

I, Mirko Bibic, certify that:

1. I have reviewed this annual report on Form 40-F of BCE Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

    c. Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 4, 2022

(signed) Mirko Bibic

Mirko Bibic
President and Chief Executive Officer
BCE Inc.

CERTIFICATIONS

I, Glen LeBlanc, certify that:

1. I have reviewed this annual report on Form 40-F of BCE Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

    c. Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 4, 2022

(signed) Glen LeBlanc

Glen LeBlanc
Executive Vice-President and Chief Financial Officer
BCE Inc.

Exhibit 99.32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. Section 1350), as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned officers of BCE Inc. (the "Company"), does hereby certify that:

the annual report on Form 40-F for the year ended December 31, 2021 of the Company (the "Form 40-F") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Form 40-F fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 4, 2022

(signed) Mirko Bibic

Mirko Bibic
President and Chief Executive Officer
BCE Inc.

Date: March 4, 2022

(signed) Glen LeBlanc

Glen LeBlanc
Executive Vice-President and Chief Financial Officer
BCE Inc.