

# Making An Impact — Continuing Our Commitment

2009 Green Report



# Making An Impact — Continuing Our Commitment

1

our top honours at Resource Conservation Manitoba's first annual Commuter Friendly Workplace Awards as well as our Manitoba Excellence in Sustainability Award from the Ministry of Conservation

2009

the year we were the only North American communications company nominated as a finalist for the first ever "Green Award" through the World Communications Awards in London, UK

763

tonnes of paper recycled since 2006, our current baseline year

30,734

total number of wireless devices reused or recycled between 2006 and 2009, with the proceeds contributed to Resource Conservation Manitoba starting in 2008

9

consecutive years on the Jantzi Research Social Index, a grouping of 60 Canadian companies that pass a comprehensive set of environmental, social and governance screens

17,602

total tonnes of GHG emissions from operations in 2009, a slight decrease from 2008 and a 7% decrease from 2006, our current baseline year

24

the day in November on which we hosted more than 1,300 business and community leaders at the 2009 Allstream Global Forum: An Evening with Vice President Al Gore

996

tonnes of GHG emissions reduced through our employee teleworking initiative, an improvement of nearly 40% from 2008

100,000

dollar amount of the donation to the David Suzuki Foundation, supporting its efforts to help transform the Canadian economy in ways that are consistent with a sustainable future

160,000

number of square feet in the state-of-the-art Allstream Centre, Canada's most environmentally responsible conference and convention centre

The MTS Allstream 2009 Green Report provides a snapshot of the Company's environmental performance. The 2009 Green Report is a "pulse check" as opposed to the more comprehensive 2008 report which included a detailed management discussion and analysis of environmental performance. MTS Allstream plans to produce the comprehensive report every two years with pulse checks delivered in between. The 2009 Green Report includes comparative data<sup>1</sup>, where available, along with information about our green objectives, priorities and initiatives.

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## Our Commitment

We will reduce our impact on the environment and help our customers, employees and stakeholders do the same

## Our Green Objectives

- 1 Reduce our carbon footprint and the environmental impact of our operations
- 2 Provide our employees with incentives and information to enable them to reduce their personal impact on the environment
- 3 Help our customers reduce their impact on the environment by providing them with communications solutions and information that enable green behaviours

## Who We Are

MTS Allstream, as a wholly owned subsidiary of Manitoba Telecom Services Inc., delivers innovative products and services to our business customers across Canada and to all market segments in Manitoba. In 2009, we produced \$1.8 billion in revenues and provided our shareholders one of the highest yields on the TSX. Leveraging the entrepreneurial spirit and skills of our 6,000 employees, our close customer relationships and our national broadband network, we provide a broad range of solutions including high-speed Internet, wireless, digital TV, converged IP networking, and unified communications.

As part of our commitment to reducing our impact on the environment, this report is available online only at [www.mtsallstream.com/green](http://www.mtsallstream.com/green)

<sup>1</sup> This report provides an overview of the performance of MTS Allstream, including its two largest operating units — MTS and Allstream — as well as the parent company, Manitoba Telecom Services Inc. The data reported on GHG emissions does not include the full operations of AAA Alarms, Delphi or Vision IP, which are smaller subsidiaries of MTS Allstream. As part of our commitment to improve our GHG management system, we plan to include the complete scope of these parts of the MTS Allstream business in the future.

# Continuing Our Commitment

## A message from CEO Pierre Blouin

MTS Allstream continues to make progress against our commitment to reduce our impact on the environment and help our customers and employees do the same. Our 2009 Green Report provides an update on the progress made against our objectives to reduce and effectively manage our carbon footprint, as well as helping our employees and customers reduce their impact on the environment.

As a company, we continue to produce concrete and lasting changes in areas such as waste reduction, energy consumption and employee commuting, just to name a few. From our virtual workplace solutions, which provide our business customers with teleworking strategies, to our cell phone recycling program for our residential customers, to subsidized public transport for employees — our environmental solutions touch many different audiences.

Our long-standing commitment to the environment delivered some highlights in 2009. We celebrated the opening of the Allstream Centre, Canada's newest and greenest conference facility located at Exhibition Place in Toronto. We hosted the *2009 Allstream Global Forum - An Evening with Vice President Al Gore*, which offered a global perspective on the "clean economy". At this event, MTS Allstream made a donation of \$100,000 to the David Suzuki Foundation to support its efforts to help transform the economy in ways that are consistent with a sustainable future.

MTS Allstream had its share of recognition and awards in 2009. For example, we received an Excellence in Sustainability Award in the category of Action on Climate Change, Air Quality and Energy Efficiency from the Manitoba Ministry of Conservation and the Manitoba Round Table for Sustainable Development. We are pleased to be recognized for our efforts to embrace the spirit and principles of sustainable development. I want to acknowledge that it is our employees who provide the energy and ideas that make our Green Plan come to life and for which the Company has received recognition. If we have been successful, it is only because our employees are engaged in and support our Green Plan.

Recognition is nice, but we know there is a lot more work to be done. We must identify and implement new opportunities to reduce our collective impact on the environment — our company's, employees' and customers' impacts. We must continue our commitment.



Pierre Blouin



(Left to Right) Pierre Blouin, CEO, MTS Allstream, David Suzuki and Dean Prevost, President, Allstream

# 2009 Performance Highlights

The data presented here, unless otherwise noted, highlights results in key green performance areas for the three-year period ending December 31, 2009<sup>2</sup>

Priority	Key initiatives	Results	GHG impact
1 Reduce, reuse, recycle	<ul style="list-style-type: none"> <li>Paper</li> <li>Printing</li> <li>Decommissioned equipment</li> </ul>	<ul style="list-style-type: none"> <li>605 tonnes of paper recycled, a modest improvement from the 589 tonnes reported in 2008</li> <li>Purchased 20% less paper than 2008 and 32% less than 2006, our current baseline year</li> <li>Expanded our office recycling program at 37 locations across the country (increased the number of locations and types of recyclables)</li> <li>Reduced office printing by 8% in 2009 versus 2008</li> <li>Expanded the use of electronic versus paper pay statements for employees</li> <li>Recycled nearly 660,000 kg of equipment/material (while this is down from the 978,621 kg reported for the three year period ending December 31, 2008, it should be noted that we recycled over 530,000 kg in 2006 alone – an extraordinary year in comparison to 2007, 2008 and 2009)</li> </ul>	Reduced over 2250 tonnes CO <sub>2</sub> equivalent from 2007-2009
2 Greening our fleet	<ul style="list-style-type: none"> <li>Eco-maintenance</li> <li>Hybrid/flex-fuel vehicles</li> </ul>	<ul style="list-style-type: none"> <li>Fuel consumption was essentially flat in 2009 versus 2008 (2.8% increase due to adding a number of four wheel drive vehicles required to meet service/safety requirements in rural areas) and down slightly (1.2%) from 2006, our current baseline year</li> <li>Recycled 31,725 L of automotive fluids, a slight improvement from the 30,615 L reported in 2008</li> <li>Recycled 2,958 kg of automotive parts/materials, flat compared to the 3,000 kg reported in 2008</li> <li>Recycled over 1,216 kg batteries and tires, an improvement from the 1,100 kg reported in 2008</li> <li>Continued to replace “end of life” vehicles with hybrid vehicles where hybrids meet business/operational requirements</li> </ul>	Reduced nearly 2400 tonnes CO <sub>2</sub> equivalent from 2006 baseline

<sup>2</sup>We currently report and benchmark against Scope 1 and Scope 2 criteria as defined under the Carbon Disclosure Project guidelines

# 2009 Performanc Highlights, continued

The data presented here, unless otherwise noted, highlights results in key green performance areas for the three-year period ending December 31, 2009

Priority	Key initiatives	Results	GHG impact
3 Energy efficiency	<ul style="list-style-type: none"><li>• Lighting</li><li>• HVAC</li><li>• PCs/data centres</li></ul>	<ul style="list-style-type: none"><li>• Lighting energy efficiency upgrades completed at two major sites</li><li>• Natural gas boilers replaced with high efficiency electric heat systems at two sites</li><li>• 53% of employees work in or out of BOMA<sup>3</sup> or LEED<sup>4</sup> certified locations, up from the less than 50% reported in 2008</li><li>• Continued migration to higher efficiency LCD monitors for personal computers across the Company, but did not complete the migration as planned - all but 480 monitors have been replaced and these will be done as they reach “end of life”</li><li>• Installed hydrogen fuel cells instead of diesel generators at one more site to eliminate GHG emissions from diesel generators (two sites planned for 2009, but one replacement deferred to 2010)</li><li>• Replaced 38 lower efficiency rectifier plants at network sites to increase power conversion efficiency from 76% to 92% (30 originally planned for 2009)</li><li>• Completed study of HVAC and energy consumption at four network sites and implemented improvements to increase energy efficiency</li><li>• Replaced 48 traditional servers with eight “blade” servers to reduce power consumption and heating/cooling requirements</li><li>• Replaced lighting on three digital radio towers with higher efficiency LED lighting</li></ul>	Required data not readily available

<sup>3</sup>Builder Owners and Managers Association

<sup>4</sup>Leadership in Energy and Environmental Design

# 2009 Performance Highlights, continued

The data presented here, unless otherwise noted, highlights results in key green performance areas for the three-year period ending December 31, 2009

Priority	Key initiatives	Results	GHG impact
4 Regulatory compliance	<ul style="list-style-type: none"> <li>Annual environmental compliance review</li> <li>Spills and incidents reporting</li> <li>Halon removal from fire suppression systems</li> <li>Fuel tank upgrades to mitigate risk</li> </ul>	<ul style="list-style-type: none"> <li>Compliant with applicable laws/regulations</li> <li>Seven reportable spills of fuel or battery fluid or release of Halon in the last three years, all remediated, compared to the six spills or releases reported for the previous three year period</li> <li>Through years of concerted effort, all Halon fire suppression systems in Manitoba have been removed from service by December 31, 2009 as required under Manitoba regulations</li> <li>Removed, replaced or upgraded 30 fuel tanks to reduce risk and ensure compliance with regulatory requirements</li> </ul>	N/A
5 Customer initiatives	<ul style="list-style-type: none"> <li>e-Waste reduction</li> <li>e-Billing options</li> <li>Virtual workplace solutions</li> </ul>	<ul style="list-style-type: none"> <li>Over 30,000 cell phones recycled since the program began</li> <li>Re-launched an upgraded cell phone recycling program through 97 retail locations — aligned with the Canadian Wireless Telco Association’s national “Recycle My Cell” program</li> <li>Nearly 29,000 consumer customers receiving electronic bills, up from the 20,101 at the end of 2008 (note: incorrectly reported as 15,248 in the 2008 Green Report)</li> <li>Launched Virtual Workplace Solutions for Enterprise customers that enable a more flexible workplace, lower costs, support business continuity and reduce environmental footprint</li> <li>Produced case studies, white papers or virtual events on green themes for enterprise customers (e.g., webinar – <i>The Good, The Bad and the Ugly of Teleworking: What to avoid and how to make it work for you</i>)</li> </ul>	Reduced over 26 tonnes CO <sub>2</sub> equivalent from e-bill for consumer customers
6 Employee commuting	<ul style="list-style-type: none"> <li>Teleworking</li> <li>Alternative transport</li> </ul>	<ul style="list-style-type: none"> <li>Increased from 444 teleworkers in 2008 to 655 in 2009 (target of 770 teleworkers not achieved due to workforce reductions or divestiture)</li> <li>On average, nearly 450 employees used company-subsidized monthly bus passes, a slight increase over previous years</li> </ul>	Reduced 996 tonnes CO <sub>2</sub> equivalent through teleworking

# 2009 Performance Highlights, continued

The data presented here, unless otherwise noted, highlights results in key green performance areas for the three-year period ending December 31, 2009

Priority	Key initiatives	Results	GHG impact
7 Education, awareness & engagement	<ul style="list-style-type: none"><li>• Industry forums</li><li>• Community activities</li><li>• Sponsorships</li></ul>	<ul style="list-style-type: none"><li>• Hosted more than 1,300 business and community leaders at the <i>2009 Allstream Global Forum: An Evening with Vice President Al Gore</i></li><li>• Donated \$100,000 to the David Suzuki Foundation, supporting its efforts to help transform the Canadian economy in ways that are consistent with a sustainable future</li><li>• Exclusive telecom sponsor of Pollution Probe's Clean Air Commute for the Greater Toronto Area</li><li>• Engaged employees in community-based events, including: Earth Hour, Earth Day, Défi Climat, National Commuter Challenge and the Clean Air Commute</li><li>• Included "environmental leadership" in the most prestigious category for our new employee appreciation program</li><li>• Partner to the City of Montreal's Sustainable Development Strategy since 2007</li><li>• Title sponsor of the state-of-the-art Allstream Centre, Canada's most environmentally responsible conference and convention centre which uses Allstream communications technology to provide green networking solutions that are sustainable</li></ul>	N/A

MTS Allstream's 2010 priorities support our long-term environmental commitment statement and green objectives

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## New initiatives for 2010

### GHG management opportunities

Based on the comprehensive analysis and carbon inventory completed in 2009 with the aid of external subject matter expertise, we will:

- Review and act on identified opportunities to improve the quality of our GHG management system or "inventory"
- Confirm a new baseline year against which GHG reduction targets will be measured — currently being examined, but expected to change from 2006 to 2008 given the robust, high-quality GHG inventory completed for 2008
- Define absolute and/or intensity performance metrics
- Review and act on identified opportunities to improve our overall carbon performance for 2010 and beyond

All of this work will enable MTS Allstream to meet its commitment to set reduction targets and deadlines

## Ongoing priorities in 2010

At the same time that we undertake the work required to improve our GHG management system, confirm a new baseline year, define metrics and act on new reduction opportunities, we will continue to deliver our ongoing commitments to:

### Reduce, reuse and recycle

- Paper, printing, e-waste, automotive materials and decommissioned equipment

### Reduce energy consumption

- Increase efficiency of network sites, office locations, fleet management, IT infrastructure environment (e.g., servers, desktops, laptops) and selection of communications equipment deployed on customer premises

### Create greener locations

- Increase the percentage of employees working in or out of BOMA or LEED certified locations from 53% to 65%
- Optimize use of our real estate through consolidations and teleworking
- Source environmentally-responsible building materials (e.g., flooring manufactured from 90% reused material)

### Enable greener commuting by employees

- Continue our teleworking program including opportunities to expand the program
- Expand existing incentive program for employees to use public transportation to cover the Greater Toronto Area (GTA)

### Engage employees in green action

- Launch a new "Green Action" internal website to provide information and resources to help employees reduce their own personal impact on the environment, what the Company is doing to reduce the impact of its operations and how employees can raise questions, comments or suggestions to "get greener"
- Recognize environmental leadership by employees through our appreciation/recognition program
- Engage employees in community-based events

### Increase customer awareness and influence behaviour

- Promote the green potential of innovative communications

### Support our communities

- Sponsor and/or participate in green-themed events or programs