

Social opportunities

While technology is contributing to economic growth, it is also enhancing the sustainability of our social relationships. It is providing us with an opportunity to make new choices in the way we run our business – choices that are improving the quality of life in the communities we serve and choices that are protecting the safety and well-being of our employees.



Mayflower, provincial flower of Nova Scotia



Community investment

07 target

Invest \$6.5 million to build stronger communities through donations and sponsorships

Building strong communities

We believe the success of our business depends upon strong and vibrant communities. In 2007, through sponsorships and charitable donations, we will invest \$6.5 million to strengthen the social, cultural, environmental and economic well-being of the communities we serve.

Healthy minds and bodies

Helping kids achieve their full potential is the focus of our community investment program. That's why we support initiatives like Junior Achievement's Economics of Staying in School program and donate tickets to Boys and Girls Clubs so young people could discover the joy of live theatre. We also help keep kids active and healthy by teaming up with organizations like KidSport and health care providers like the IWK Health Centre and Janeway Children's Hospital Foundation.

Raising money, raising hopes

The community spirit of our employees is a big part of what makes our brands strong. Together with employees, we donated over \$380,000 to the United Way in Atlantic Canada in 2006.

Going for gold

Dreams can come true. Just ask Bell Aliant's Jamie Korab. He fulfilled his dream of winning an Olympic gold medal in men's curling at the Torino 2006 Olympic Winter Games, the same year we became Official Supporters of the Canadian Olympic Team. Our commitment to Canadian athletes continues until the London 2012 Summer Games and includes support for the Vancouver 2010 Olympic and Paralympic Winter Games.



Aliant Walk for Kids Help Phone

We're committed to supporting programs that have a positive impact on the lives of children and youth in Atlantic Canada. In 2006, 40 teams of employees and retirees in 10 locations around Atlantic Canada participated in the Aliant Walk for Kids Help Phone. Along with our corporate contribution, they raised over \$225,000. The one-day walk is the largest national fundraising activity for Kids Help Phone.

Aliant wins community award

In 2006, we were pleased to win the CIBC "Spirit of Leadership" Community Award. This prestigious award recognized our community spirit and giving programs, most notably the volunteer efforts of their Aliant Pioneer Volunteers. The Aliant Pioneer Volunteers were the only Atlantic Canadian group to receive this award.

For more information about our community investment program, visit us on the Web at www.bell.aliant.ca/community.



Supporting our troops

We were extremely proud to receive the 2007 Most Supportive Employer in Canada award from the Department of National Defence. The award honours employers who have shown outstanding support for reservists, who serve part-time in the Canadian Forces while holding civilian employment. We recognize the value these employees bring to the workplace and the contribution they are making to our country.

Aliant Pioneer Volunteers – people helping people

You can find an Aliant Pioneer Volunteer in virtually every community in Atlantic Canada. For over nine decades, they have been contributing to the communities throughout our service area. The Aliant Pioneer Volunteers is the largest corporate-based volunteer organization in Atlantic Canada with over 8,600 members made up of current and retired Aliant employees, including employees from our predecessor companies. Their work contributes to our community investment in Atlantic Canada.

quick facts

In a 2006 survey, Atlantic Canadians ranked Aliant first as a good corporate citizen.

In 2006, the Aliant Pioneer Volunteers donated more than 150,000 hours to organizations in Atlantic Canada, helping build stronger communities and better lives through a variety of projects that included the following programs.

Backpacks for Kids

For many children, their families are not able to provide them with the school supplies they need. That's why we teamed up with the Pioneer Volunteers to start Backpacks for Kids. In 2006, our employees and the Aliant Pioneer Volunteers filled nearly 1,800 backpacks with \$60,000 worth of school supplies to make back-to-school time a little easier for children in need.

I Like Me! personalized readers

The I Like Me! children's book promotes reading skills and a positive self image for Grade 1 students. In 2006, the Aliant Pioneer Volunteers donated over 2,500 English and French language versions of the I Like Me! book to schools across Atlantic Canada.

Leaders in volunteerism

No stranger to winning great awards, the Aliant Pioneer Volunteers received eight international, 15 national and two individual top honours for their great work on a broad range of community projects at the International TelecomPioneers Annual General Meeting in Anaheim, California, in February 2007.

In 2006, the Aliant Pioneers were named the Outstanding Volunteer Fundraising Group of the year at the Maritime Philanthropy Awards.



Computers for Schools

Aliant Pioneer Volunteers are active in helping school children across the country through the Computers for Schools program. Since 1999, the Aliant Pioneer Volunteers have helped refurbish and distribute over 60,000 computers to schools in Atlantic Canada. Together with the Government of Canada, Canadian Pioneers, including our Aliant Pioneer Volunteers, have contributed tens of thousands of volunteer hours and helped reclaim, refurbish and recycle 750,000 used government and business computers for use by schools and libraries.

Internet in remote communities

Having access to Internet services can help communities prosper, no matter where they are located. We are active partners in the Broadband for Rural and Northern Development (BRAND) Program. Created by the Government of Canada, this national program brings high-speed Internet service to rural and remote communities.

In 2006, the Kittiwake Economic Development Corporation partnered with us, and the provincial and federal governments, to bring high-speed Internet service to 13 communities in the New-Wes-Valley and New World Island regions of Newfoundland and Labrador. This means greater opportunities for these communities to market their products and services globally and access health care, education and other services. We're proud to be able to help the communities we serve grow, to become stronger and more competitive in an increasingly connected global economy.

recycling fact

Composting can reduce the amount of total waste going to landfill by up to one third.

Community boards

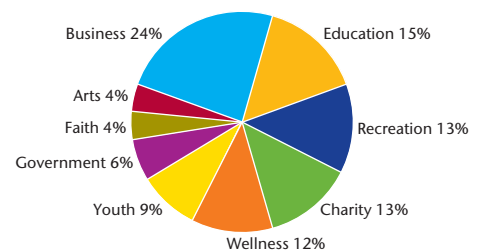
Our community investment program involves more than giving money. It also involves giving time.

Many organizations rely on our leaders to lend their varied and considerable expertise. They serve as board members, executive officers and active volunteers for a wide range of not-for-profit organizations, including the Atlantic Provinces Economic Council, United Way, IWK Health Centre Foundation, Easter Seals Society, University of New Brunswick, KidSport and Greater Halifax Partnership, to name just a few.

In 2006, our top 100 leaders served with 164 community-based organizations. Of the 164 organizations, our leaders held 31 senior positions, clearly demonstrating our strong commitment to volunteerism.

The pie chart, "Executive service on community boards", demonstrates the types of boards and volunteer organizations our leaders support. We pride ourselves in making a significant contribution to youth. Our leaders contribute 37 per cent of their volunteer time to youth focused organizations, including education and recreation.

Executive service on community boards



In 2006, approximately 60 per cent of our senior leaders volunteered on a variety of boards and community-based organizations. More than a third of their volunteer time was spent with youth-based organizations.



Labour relations

In Atlantic Canada, the Communications, Energy and Paperworkers Union of Canada, Atlantic Communications Council (CEPACC) represents our 3,680 bargaining-unit employees. Referred to as the “Council”, CEPACC was formed in 2005 by four Communications, Energy and Paperworkers Union (CEP) local member unions to jointly administer all aspects of the common collective agreement.

recycling fact

For every tonne of new glass produced, 12.6 kilograms of air pollution are created. Recycling glass reduces that pollution by 14 to 20 per cent.

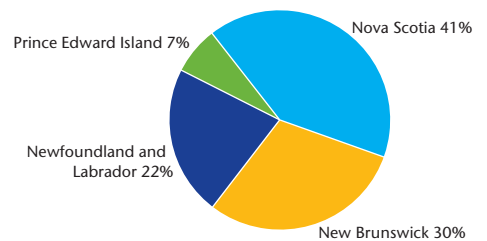
Approximately 72 per cent of our total bargaining unit workforce is in Atlantic Canada. The current collective agreement that expires December 31, 2007, is the first common agreement covering the four provinces.

Ongoing and open communications and information sharing helps both employees and their union representatives understand the business challenges faced by the organization.

Business forums with union leaders and joint management and union committees, some of which are entrenched in the collective agreement, ensure the union is kept up to date on the strategic direction of any planned business changes.

When issues arise that the union or the company consider contrary to the collective agreement, a resolution can be achieved through a multi-step grievance procedure. If the issue is not resolved after the final step, arbitration by an external third party can bring about a final resolution.

CEPACC – Atlantic region



In Atlantic Canada, the CEP Atlantic Communications Council (CEPACC) represents our unionized employees. The current collective agreement expires December 31, 2007.



Training and development

Sponsored learning policy

Fostering professional development is integral to our success. To encourage and assist employees with their professional development, we have a sponsored learning policy. Available to all union and non-unionized employees, the sponsored learning policy encourages and supports employee professional development by offering funding for “out of hours” education at accredited universities and colleges, in addition to any functional training required to perform a job-related role.

Career and development centre

The Bell Aliant career and development centre (CDC) is an on-line tool that empowers all of our employees to manage their development and career objectives from any Internet connection, at home or the office. It is available to employees 24 hour a day, in English and French and provides a single point of access for various types of training – on-line, classroom and blended learning solutions. There are currently nearly 3,000 learning activities available on CDC with hundreds more planned for 2007.

The sponsored learning policy encourages and supports employee professional development.

Sustainability: Step by Natural Step™

There will be a new addition to the CDC available to all employees in 2007. We engaged The Natural Step to produce Sustainability: Step by Natural Step™. It is an innovative learning experience that provides practical sustainability education to a broad base of business, government and community organizations that are serious about moving toward more sustainable operations.

The one-hour, self-paced course has been tailored specifically for us and allows employees to access, understand and apply sustainability concepts in a strategic way. The course is hosted on-line for maximum flexibility, allowing learners to access the materials at their pace.

Health and wellness

Our approach to success begins with our employees. In order for the organization to deliver on commitments, we need a dependable workforce. A dependable workforce is a healthy workforce; meaning it is engaged, passionate and committed.

A healthy workplace includes proper training and development of employees, equitable implementation of programs and policies, and positive reinforcement of desired behaviour.

We have an independent team devoted solely to the health and wellness of our employees. Comprised of union and management members, the team is dedicated to furthering the health and wellness of every employee. The health and wellness mandate is to use world-class criteria, combining leadership, planning, people focus, process management, and outcome focus, to yield healthier, engaged employees making positive contributions to the organization. Workplace programs, policies, initiatives and training are the keys to maximizing the health and safety of our people.



recycling fact

A littered aluminum can takes 300 years to disintegrate.

These programs include disability management (Worker’s Compensation, short-term disability, long-term disability), wellness initiatives (activity promotion and support, health promotion, EFAP, workplace health education), health management, medical assessment, and policy and program administration.

All broad-based workplace programs and policies are designed to apply to all employees, but a strong organization like Bell Aliant recognizes that different people need different programs and that these programs and policies may apply differently to each individual.

Productivity and engagement are directly tied to attendance and disability. Our health and wellness programs are built to maximize productivity and engagement, and minimize absence from work.

The following tables demonstrate the innovation and effectiveness evident in our approach to health, wellness and our people. In spite of rising national trends, we have been able to stabilize or reduce the impact of unscheduled absences¹.

Unscheduled absences

		2005	2006
Average days lost per employee ²	StatsCan ³	11.0	10.9
	Bell Aliant	10.4	9.9
Per cent of time lost ⁴	StatsCan	4.4%	4.4%
	Bell Aliant	3.9%	3.8%
Incidence rate (%) ⁵	StatsCan	8.5%	7.8%
	Bell Aliant	7.6%	5.3%

¹ *Unscheduled absence – Includes incidental sick time, SDB, WCB / WHSCC, jury and witness duty, bereavement, reservist leave, personal appointments less than one hour, personal paid absence, time off to vote, personal unpaid absence.*

² *Days lost per employee is equal to hours lost per employee divided by 7.5 hours. Although the duration of standard tour varies, for trending and benchmarking purposes a constant of 7.5 hours per day is used. The actual mean tour length is 7.84 hours.*

³ *StatsCan – Statistics Canada, source Labour force survey 2004-2006. Using NAICS 5171 & 5172 (Wired & Wireless Telecommunications) as comparison.*

⁴ *Per cent of time lost – Time lost due to unscheduled absence expressed as a percentage of total scheduled hours, excluding overtime.*

⁵ *Incidence rate (%) – The percentage of regular, full-time employees reporting some unscheduled absence in any reference week in the period.*

Occupational injury and disease

In spite of operating in regions of the country with some of the highest incidences and duration of workplace injuries, and compensable claims, we have continued to display exemplary results. Thanks to our health and safety focused workplace culture, we continue to improve our ability to prevent injuries and assist employees who have been injured.

	2005	2006
WCB hours lost ⁶	34,909	17,326
Incidents resulting in lost days per 100 employees ⁷	3.27	2.77

⁶ *Total hours lost (WCB) – Total hours lost to workplace injuries and incidents.*

⁷ *Lost days incidents – Total number of workplace incidents resulting in lost days expressed per 100 employees.*



Non-occupational injury and disease

We are evolving a culture of ability; that is, a strong focus on what employees can contribute in spite of temporary or permanent limitations in function. As a result, the organization is achieving world-class results in the management of short-term disability.⁸

		2005	2006
Short-term disability – Total hours lost ⁹		307,297	288,589
Total new claims ¹⁰		847	786
Short-term disability absence costs as % of total payroll	Bell Aliant	1.6%	1.6%
	Industry benchmark ¹¹	1.9%	1.9%

⁸ Short-term disability – Absence from work due to non-occupational illness and injury lasting more than seven consecutive calendar days. Includes all days and hours until employees are able to resume their regular scheduled number of hours.

⁹ Total hours lost (short-term disability) – Total hours lost due to non-occupational injury and disease lasting more than seven consecutive calendar days, including first seven calendar days.

¹⁰ Total new claims – Total requests received for short-term disability benefits.

¹¹ Watson Wyatt’s Canadian 2004/2005 Staying@Work study involved 94 participating organizations across Canada. The survey covered a broad spectrum of industries and geographic regions.

How we do it

At Bell Aliant, we are able to achieve our goals by remembering that our strength lies in our people. We assist our employees by offering state-of-the-art programs and tools to allow employees to maximize their time, health and personal affairs to ensure they are safe, healthy and committed to delivering service and value in all our communities.

Health activity tracker

A rewards-based program offering incentives for all health and wellness related activities, from participating in health screening and seminars to brushing your teeth or running a marathon, there’s something for everyone to achieve and then set a higher target. This broad-based program offers incentives for those collecting wellness credits toward achieving personal health objectives.

Employee and family assistance program

We offer a world-class employee and family assistance program to all our employees, with the widest range of services available in all our regions. This allows our people to get the help they require in a time of need, before situations become unmanageable.

Our health and wellness team offers health assessments to all employees.

Health risk appraisal

In addition to occasional focused in-person screenings, we have offered on-line health risk appraisal tools to employees and their families for many years. This allows our people to gauge their health risks based on their current lifestyle choices, and make changes to ensure they and their loved ones remain healthy.

Health assessments

Our health and wellness team offers health assessments to all employees who require assistance in the workplace due to a medical issue or special circumstances that may be affected by their health and well-being. From ergonomic reviews and pre-placement screening in high-risk areas to workplace accommodation on medical grounds, the assessments provide an in-house resource to proactively manage and assist all employees.



Wellness committees

Since our geography and demographics cover such a broad area and spectrum, it is important for the organization to not only use quantitative measures of health, safety and wellness, but to obtain the insight and opinion of our people for the development and implementation of programs. As such, we support and work directly with a number of wellness committees representing work areas, business units and regions to ensure the needs of all employees are met to the greatest extent possible.

Safety

07 target

Reduce safety-related incidents to 1.7 per 100 employees

We're committed to providing our employees with a safe and healthy work environment. Our employees' health and wellness are paramount. As an organization, we believe safety is a way of life for our employees. If employees are safety conscious at work it will spill over to their personal lives and vice versa. Safety is about education and striving for continuous improvement.

Our safety policy is available on our intranet. It is accessible to all employees. We also post our safety results monthly to the same site. Additionally, detailed reports on incidents are communicated to senior management.

We have a diverse and active occupational health and safety committee process, which consists of three layers.

First, we have 38 local committees spanning the four Atlantic Provinces that meet every four to six weeks. Additionally, we have a provincial layer that is made up of management and non-management representatives from each local committee in the province. These committees meet every quarter to help the local committees with any unresolved issues.

We believe safety is a way of life for our employees.

Finally, we have a policy committee, which is made up of senior managers and the provincial co-chairs from each provincial committee. Subject matter experts also attend the committee's quarterly meetings. The committee is responsible to discuss, debate and set safety policy for the organization.

These 43 committees represent an average of approximately one committee for every 190 employees. All committees are comprised jointly of non-management and management members. The union selects non-management members while management members are selected by the organization, primarily based on job function and business unit coverage.



The primary focus of the local committees is to deal quickly with any workplace safety issues brought to its attention in that geographic area. The committees also help to review and implement new safety policy. Additionally, from a preventive perspective, they help raise safety awareness in their region by conducting joint safety inspections and audits. Another important preventive measure for the local committee is the reviewing of all safety incidents. Particular attention is paid to understanding how the incident occurred, what could have prevented it and what trends are occurring across the work groups and region.

recycling fact

A littered glass bottle takes one million years to disintegrate.

Any issues that can't be resolved at the local committee level are forwarded to the provincial committee. Likewise, if the issue can't be resolved there it is forwarded to the policy committee. All members of the committee receive training to help them fulfill their committee responsibilities.

We have a detailed and specific safety program that applies to all employees. Employees are expected to keep their training updated, attend safety meetings and inspections of their workplace, and be observed fulfilling their everyday role in the organization. More priority and training is focused on our higher-risk roles.

We put a lot of emphasis on training, which is provided in three main ways.

On-line training is common in our organization for many of our accident preventive plans. All employees have computer access. The courses are professionally developed by subject matter experts and are as interactive as possible. Courses are developed internally and by community colleges and vendors, such as Jacques Whitford.

Our second method of training is classroom based. We bring employees to a central location for instructor-led courses. Typically, this method is employed for more complex, longer duration courses. This is our preferred method for new employees or when employees move from a low risk to high-risk job. Classroom-based training usually involves some on-line component along with instructor observations and demonstrations.

We have a detailed and specific safety program that applies to all employees.

Our third method of safety training involves an employee's managers and co-workers. It is very common for new employees and employees that are new to a role to job shadow an experienced employee. Ideally, this complements some other form of training. It provides the employee with the ability to ask questions about what they've learned and get clarification on any issues. Job shadowing can range in duration from a day to a couple of months, at the discretion of the manager. Typically, the manager will assess the employee doing the job to determine if they are performing it safely. The manager would also question the experienced employee about the employee's readiness and understanding of the job.

Additionally, all managers are expected to conduct regular observations, inspections and audits of their employees and their work areas.



Safety indicators

We measure two key components to determine success or failure in the area of safety as an organization.

The first key component is compliance. Compliance is a combined measurement to determine how a team is doing at keeping their training current, conducting regular meetings with safety topics, observations and inspections. A formula is used to determine the groups overall compliance. Each of the key components discussed previously is given an equal weighting. Targets are set for the work group with minimum thresholds. Overall, we expect each manager to achieve a compliance result of 85 per cent. This target is measured, tracked and reported on a monthly basis, from front line managers to the CEO.

Our other key safety measurement is related to actual incidents occurring in the workplace.

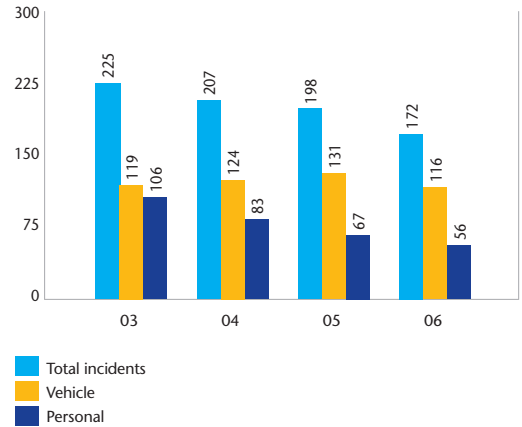
One of the key responsibilities of our safety team is to ensure thorough incident investigations occur on a timely manner with good, sound recommendations on how to avoid future incidents. This is reported back to the local, provincial and corporate committees.

Key safety databases and processes

1) Safety Net is an internal-built solution for keeping track of our employees to ensure their safety. The basic premise is that employees working alone can call an IVR and voice record where they are traveling or working. The IVR will call the employee back at whatever number is given at a pre-determined time. If the employee doesn't answer, a call is sent to one of our 7/24 staffed operations (either Test and Dispatch or ANOC). The person receiving the call will try to reach the employee twice. If the employee still does not answer, the case will be escalated to the employee's manager for resolution and further investigation. This process will continue until the employee is found.

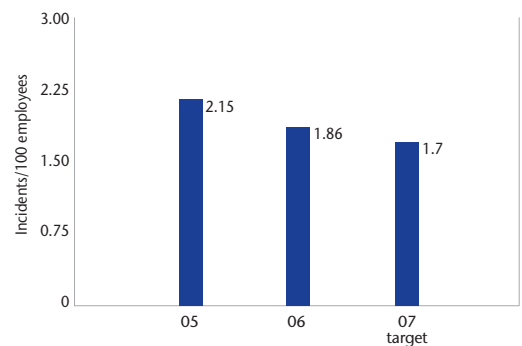
2) The hazardous awareness database is another internal-built system for tracking potentially hazardous situations for our employees and the general public. Any employee can enter information into the database. Typical entries include poles that are in poor condition or low-hanging cables. The entries are categorized based on the severity of the hazard. Once a hazard is entered into the system it cannot be deleted until it has been properly rectified. Once a hazard is fixed or if any updates are entered, the original person that made the entry is notified of the update. Escalations occur every 15 days if hazards haven't been resolved. These escalations can go all the way to our CEO. Most hazards are not immediate in nature and have 30 to 90 days to be rectified. However, if a hazard is entered into the system as an imminent threat to our employees or the public, the escalations and resolutions get fast tracked.

Employee safety



Safety is about education and striving for continuous improvement. Since 2003, the total number of safety related incidents has decreased by 24 per cent.

Employee safety (incidents per 100 employees)



We track and report employee incidents based on the number of incidents per 100 employees. In 2006, the number declined 15.6 per cent to 1.86 incidents per 100 employees.



3) Confined spaces is one the biggest threats to our employees. A confined space, in simplest terms, is a location that has one way to enter and exit. Typically, in our industry, these are manholes. A serious threat in these spaces is gases and the integrity of the manhole itself. We require all employees to carry and have training on the proper use of gas monitors. Additionally, our confined space process is intended to help protect our employees. Employees about to enter a confined space must call a central number in our Test and Dispatch group for an entry number. The employee is then verbally given any warnings about a particular manhole. The employee must also notify the dispatcher how long they intend to be in the confined space. Many of these manholes require two employees before entry is permitted, one to enter and one to monitor the employee while in the confined space.

The entry number, time, names of the employees and location are entered into our database. When the employees exit the manhole, they call back to dispatch for an exit number. If for some reason they forget, they will get a call from the dispatcher and a report is sent to their supervisor the following day. This is to ensure the supervisors can follow up with employees not following the proper process. In addition to the confined space process, many of our employees will also activate a Safety Net session.

Our safety databases and processes are intended to help our high-risk employees work safely.

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Emergency preparedness

By engaging in extensive business continuity planning, we are giving our customers peace of mind. We're letting them know that we're thinking about how we can deliver service to them in both the best and worst of times.

recycling fact

Each ton of recycled paper can save 17 trees, 380 gallons of oil, 4,000 kilowatts of energy and 7,000 gallons of water.

Whether it's a severe blizzard, a hurricane, a fire or an event that causes a significant employee absence, our employees are doing extensive planning to ensure our customers are affected as little as possible.

For instance, our employees from every department in the organization have been engaged to develop business continuity plans in the event of a possible flu pandemic.

While everyone hopes this never occurs, we're preparing as if it will.

We recognize the key role we play in Canada's national critical infrastructure and take this issue very seriously. We are doing an in-depth analysis to help ensure the health of our workforce, the integrity of our networks and the continuity of our service as part of a pandemic business continuity plan.

This preparation will be invaluable in helping us minimize the effects on our customers, should we be faced with this or any other significant health or employee absenteeism issue.