2023 Climate Action Plan and TCFD Report

COGECO

A world of your **very own**

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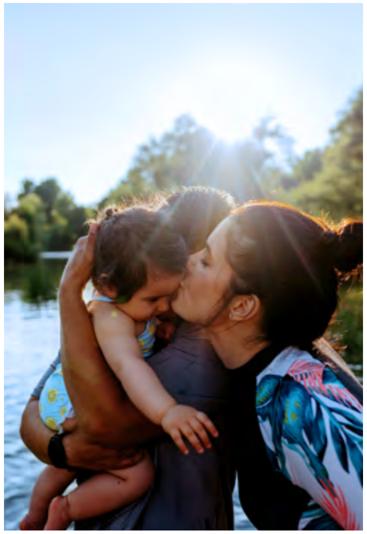

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Overview

Cogeco: Building a more sustainable and inclusive future

In this section

Company overview

Evolving today for a stronger tomorrow

Cogeco is evolving every day, supporting a sustained focus on its mission of bringing people together through powerful communications and entertainment experiences, and building a business that delivers the best and most sustainable value to all our stakeholders – our residential and business customers, our shareholders, our employees, and the communities where we live and work.

Rooted in the communities it serves, Cogeco is a growing competitive force in the North American telecommunications and media sectors. We are strategically building our business by delivering a distinctive customer experience, empowering our teams to thrive and supporting our communities.

Through its business units, Cogeco Connexion and Breezeline, Cogeco provides Internet, video and telephony services to customers in Canada as well as in thirteen states in the United States. Through Cogeco Media, it owns and operates 21 radio stations primarily in the province of Québec as well as a news agency. Cogeco Inc.'s headquarters are located in Montréal, Québec in Canada. Cogeco's subordinate voting shares are listed on the Toronto Stock Exchange (TSX: CGO) and the subordinate voting shares of Cogeco Communications Inc. are also listed on the Toronto Stock Exchange (TSX: CCA). Please note that the entities included in this report are Cogeco Inc. and Cogeco Communications Inc. (collectively the "Corporation" or "Cogeco"), which includes information on all business units, i.e., Breezeline, Cogeco Connexion and Cogeco Media, unless otherwise specified. Some of the statements herein, including information about various initiatives and programs, may not apply equally to all business units. Where possible, we have indicated when initiatives apply only to a specific business unit.

Cogeco
TSX:CGO

Cogeco Communications
TSX:CCA

Canadian Telecommunications services
Cogeco Connexion

American Telecommunications services
breezeline™

Provide residential and business customers with Internet, video and phone services

Canadian Media activities
Cogeco Media

Owns and operates 21 radio stations, serving a wide range of audiences, as well as Cogeco News, a news agency

$3.1 billion
in revenue

5,200
employees

1.6 million
residential and business customers

Information as of August 31, 2023

GLOBAL 100 2023 – THE WORLD'S MOST SUSTAINABLE CORPORATIONS
Among Corporate Knights' 2023 Global 100 Corporations in the World

SCIENCE BASED TARGETS – DRIVING AMBITIOUS CORPORATE CLIMATE ACTION
1st telecommunications company in Canada with emissions reduction targets approved by the Science Based Targets initiative

BEST 50 2023 – CANADA'S BEST CORPORATE CITIZENS
Among the 2023 Best 50 Corporations in Canada

CDP – DISCLOSURE INSIGHT ACTION
B Grade in 2023

About this report

This Climate Action Plan and TCFD Report covers Cogeco's Canadian and American operations and demonstrates Cogeco's alignment with all eleven (11) TCFD recommendations. The report explains how we use the recommendations to inform the identification and assessment of Cogeco's climate-related risks and opportunities, the evolution of our climate change adaptation and mitigation strategy and how we measure our impact and our progress.

This report covers a 12-month period from September 1, 2022 to August 31, 2023 ("fiscal 2023"). Please note that the entities included in this report are Cogeco Inc. and Cogeco Communications Inc. (collectively the "Corporation" or "Cogeco"), which includes information on all business units, i.e., Breezeline, Cogeco Connexion and Cogeco Media, unless otherwise specified.

We know that transparency regarding climate-related risks and opportunities is key to building trust with our stakeholders. We fully endorse the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and we are therefore pleased to present our third iteration of Cogeco's Climate Action Plan. This Climate Action Plan and TCFD Report outlines how the effects of climate change are systematically considered and integrated into our business strategy and related decisions and presents the steps Cogeco is taking to support the transition to a resilient, low-carbon economy. To ensure alignment, we have structured this report using the TCFD's four thematic elements of Governance, Strategy, Risk Management and Metrics and Targets.

Forward-looking statements

This Climate Action Plan and Task Force on Climate-related Financial Disclosures (TCFD) Report includes "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws (collectively, "forward-looking information"). This forward-looking information includes, but is not limited to, statements relating to our objectives, plans and strategies to achieve these objectives, including, in particular, priorities and plans for the establishment and achievement of certain environmental and sustainability targets for reductions in greenhouse gas emissions and related matters, business opportunities that could result from climate change and the potential positive impact thereof on our company, expected savings, the expected financial and operational impacts on our company of various climate-related events, and other statements that are not historical facts. Forward-looking information may contain statements with words or headings such as "commitment", "anticipate", "believe", "expect", "plan", "will", "must", "goal", "target", "should" or similar words suggesting future outcomes. It includes conclusions, forecasts and projections that are based on our current estimates, expectations, assumptions, and other factors, and that we believe to have been reasonable at the time they were applied, but may prove to be incorrect.

In addition, forward-looking information is also subject to certain factors, including Uncertainties and Main Risk Factors which are described in the MD&A section of the 2023 Annual Report, that could cause actual results to differ materially from what we currently expect.

The reader should not place undue importance on forward-looking information contained in this report. Forward-looking statements contained in this report represent our expectations as of the publication date of the report, which was in March 2024, and are subject to change after such date. While we may elect to do so, we are under no obligation (and expressly disclaim any such obligation) and do not undertake to update or alter this information at any particular time, whether as a result of new information, future events or otherwise, except as required by law.

Message from the CEO

At Cogeco, we strive to build a more sustainable and inclusive future and are committed to delivering our sustainability strategy. We do this through our long-standing tradition of social engagement and community involvement, prioritizing digital inclusion and climate action, implementing leading operating practices and pursuing our responsible and ethical management.

Clear commitment and strong leadership

As a leading provider of connectivity services and audio content, we feel a deep sense of responsibility towards our various stakeholders to create the most resilient and sustainable business we can. While our industry's environmental footprint is arguably smaller than many others, Cogeco remains determined to take a diligent approach and demonstrate strong leadership in climate action. We also recognize that climate change is one of the most significant challenges faced by businesses.

Over the past decade, we have been integrating climate action efforts into our business. Today, we continue to evolve our climate action roadmap to ensure our decarbonization success.

In 2021, Cogeco became the first Canadian telecommunications company to have its near-term emission reduction targets validated by the Science-Based Targets initiative (SBTi). The same year, we further committed to achieving net-zero emissions across our entire value chain by 2050. In 2023, we developed our net-zero plan which was filed with SBTi for approval. We also became the first telecommunications company in Canada to commit to the Canadian federal government's Net-Zero Challenge aimed at stimulating Canadian businesses to transition to net-zero emissions and building momentum through guidance and collaboration.

Driving climate action

During fiscal 2023, we made progress in our decarbonization journey. To reduce our operational emissions, we doubled down on our fuel efficiency initiatives, accelerated the electrification of our fleet, focused on improving energy efficiency in our buildings and our networks and pursued our investments in renewable energy through access to green tariffs, purchase of Renewable Energy Credits and initiating a project for on-site renewable energy production.

As part of our action plan to reduce our Scope 3 emissions, we launched a collaborative forum with industry peers to support our collective suppliers in their journey to establish their own SBTi approved emission reduction targets. With the same goal of collaboration, we also joined the UN Global Compact's Peer Learning Group on climate change, which gives the opportunity to share best practices, learn from the challenges other companies are facing and gain access to industry experts.

Looking ahead, we will build on our progress and the engagement of our teams to prioritize the operationalization of our initiatives, further enhance our climate-related data quality and automation, increase our focus on quantifying climate risks and opportunities, explore further how to drive intelligent use of resources through analytics and data, provide internal education and specialized training on climate as well as bring more attention to adaptation strategies. In 2024, we will also be conducting a quantitative climate scenario analysis in order to further enhance our understanding of the impacts of climate change on our business.

Cogeco will continue to contribute to a greener future by embedding our commitment to climate action deeper into our strategic business decisions and operations, ensuring that we always consider what is best for our communities, customers, employees and the planet.

Frédéric Perron

FRÉDÉRIC PERRON
President &
Chief Executive Officer

Climate action roadmap

Our climate action roadmap sets out the progress we have made so far, highlights projects that have started and efforts that are underway to meet our decarbonization objectives and outlines our longer-term objectives. Cogeco is taking concrete steps to reduce its emissions across its operations and value chain to meet its SBTi approved targets.

What we have accomplished

2010
- Creation of the Corporate Social Responsibility (CSR) Function
- Greenhouse gas (GHG) emissions Scope 1 & 2 Inventory created

2012
- First Carbon Disclosure Project (CDP) submission

2014
- First emissions intensity target set

2018
- Fourth materiality assessment

2019
- Added full Scope 3 emissions to GHG Inventory (previously reported on business travel only)

2020
- First annual third party limited assurance review over GHG Inventory

2021
- SBTi (Science-Based Targets Initiative) approved near-term GHG reduction targets
- First Climate Action Plan and TCFD Report
- Sustainability-linked loan

2022
- Qualitative climate scenario analysis
- Signatory to the Corporate Knights Action Declaration on Climate Policy Engagement

2023
- Double materiality assessment
- Joined the Net-Zero Challenge
- On-site renewable solar generation installation

Where we are going

2024
- Quantitative climate scenario analysis
- SBTi Net-Zero target submission
- Peer working group for reducing supplier-related emissions

2025
- 50% of our suppliers by spend have set or committed to set science-based targets

2030
- Operational emissions reduced by 65%
- Emissions from the downstream leased assets (products leased to customers) reduced by 30%
- Emissions from employee commuting reduced by 30%

2050
- Cogeco is a sustainable business with net-zero emissions

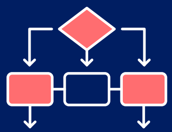
Emission reduction levers

Fleet electrification, fleet fuel efficiency, fleet consolidation, energy efficiency in our buildings and across our networks, investments in renewable energy, supplier and employee engagement and energy efficiency of our products and services.

SECTION 2

Climate-related Governance

Climate change is considered a material and strategic topic for Cogeco and is therefore integrated into ongoing discussions and analysis at the most senior levels of management and the Boards.



In this section

Board oversight of climate-related risks and opportunities

Since 2022, the Board of Directors of each of the Corporations (the "Boards") directly oversee the Corporations' sustainability strategy, goals, performance and related initiatives on a quarterly basis. The Boards' sustainability oversight also includes the identification of key stakeholders and material topics. In addition, the Boards ensure that the sustainability strategy links and is embedded within the overall business strategy. The Boards review and approve annual sustainability goals, metrics and targets, and assesses performance accordingly on a quarterly basis. The Boards, through the Audit Committee, have ultimate oversight responsibility as it relates to the process of identifying, assessing and managing the Corporations' sustainability risks and opportunities, including climate-related risks and opportunities.

Our highest governance body, the Boards have oversight responsibility for Cogeco's climate strategy, goals, performance and related initiatives. This oversight mandate responsibility is explicitly stated in the Board charters and includes the annual approval of the Climate Action Plan strategy which is part of the overall Sustainability Strategy. The Boards also receive quarterly updates from the Sustainability team which may include: progress towards our Scope 1, 2 and 3 greenhouse gas (GHG) emission reduction targets, energy consumption reduction targets and related energy efficiency initiatives, as well as the results of our climate scenario analyses.

The Audit Committee is composed of members of the Boards and meets at least once every quarter with updates provided to the Boards after every meeting. This committee is tasked with reviewing the principal business risks facing the Corporation and its subsidiaries identified by senior management, including risks related to sustainability matters, and the implementation by senior management of appropriate mitigation measures to manage these risks. This committee receives quarterly updates from the Enterprise Risk Management (ERM) Team on top enterprise risks and emerging risks, as well as on sustainability risks and trends, including climate-related ones.

The Audit Committee also has the responsibility to ensure adequate processes and controls are in place to ensure climate disclosures are accurate, comparable and consistent. They receive and review results of independent assurance mandates on climate data and disclosures.

The Boards and the Audit Committee are aware of a need to ensure they have relevant skills and competencies to be able to adequately respond to Cogeco's climate-related risks and opportunities and associated strategy.

Overall governance structure

At Cogeco, we recognize the value of a systematic and integrated approach to identifying and managing risks and opportunities, including climate-related risks and opportunities, as it enables us to have a line of sight into and plan for potential risks that could impact our business strategy while identifying opportunities to drive growth. Our governance structure involves three groups (the ERM Group, the Sustainability Group, as well as the Business Units and Corporate Group) within the Corporation that enable our approach to managing risks and opportunities, while the Board is responsible for the overall oversight and governance.

Management's role in assessing and managing climate-related risks and opportunities

Management-level leadership on the identification, assessment and mitigation of climate-related risks and opportunities falls under the purview of the Sustainability Steering Committee, the Sustainability Group and the ERM Group.

EXECUTIVE TEAM

The Executive Team plays an important role in leading the climate agenda, driving action and ensuring long-term resilience. All members of the Executive Team take part in establishing climate-related goals, monitoring progress and assessing the related risks and opportunities. They are all members of the Sustainability Steering Committee.

SUSTAINABILITY STEERING COMMITTEE

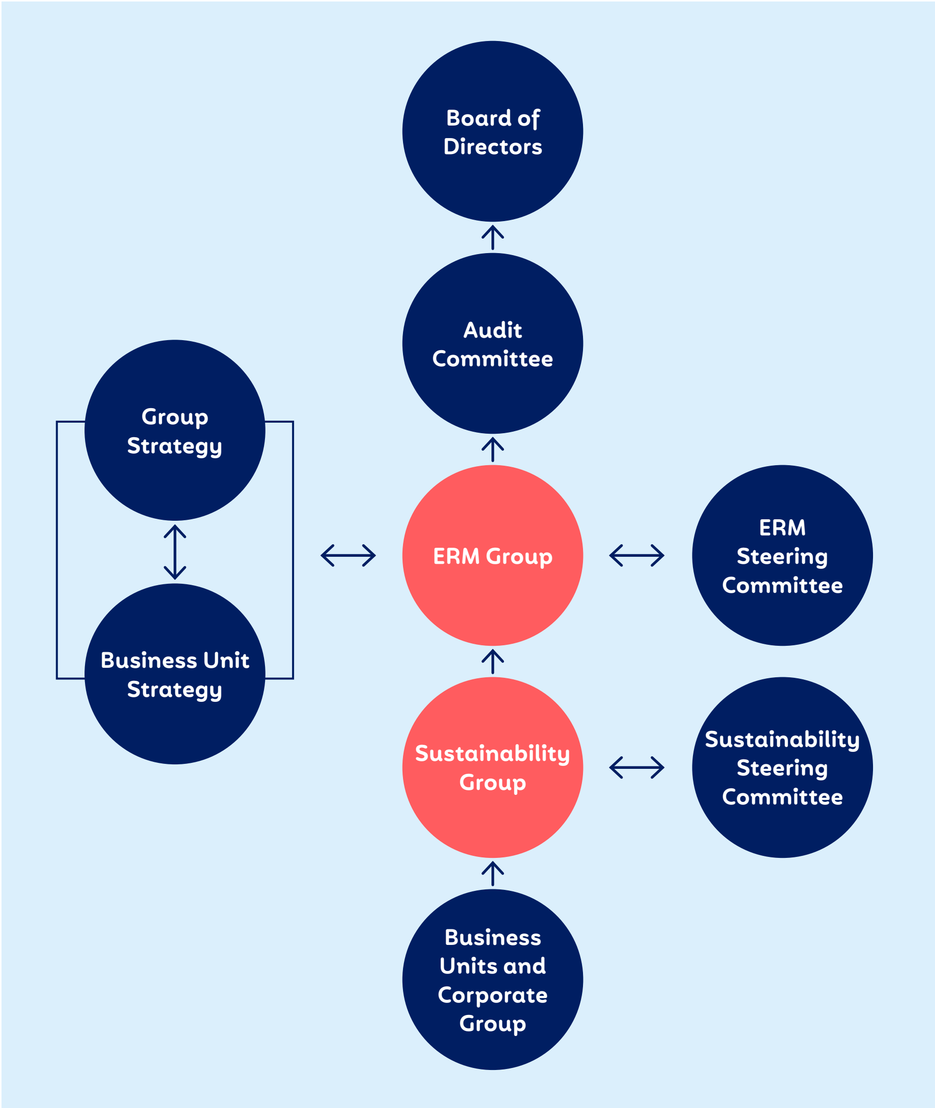
Committee Member composition

The Sustainability Steering Committee, which meets every quarter, is composed of the President & CEO and the Executive Team as well as some other key Executive members. Within this group of Executives there is representation of the different departments that are involved in corporate risk and opportunity identification, investor relations, procurement and strategic planning. Responsibility for the management of climate-related risks and opportunities has been assigned to the Sustainability Steering Committee because the members of this steering committee have the highest understanding of the most material risks and opportunities for the Corporation, including Environmental, Social, Governance (ESG) factors that can impact Cogeco.

Climate-related management responsibilities

Members of the Sustainability Steering Committee are responsible for identifying the top ESG risks and opportunities for Cogeco, including climate-related risks and opportunities. They are also responsible for providing guidance regarding Cogeco's sustainability initiatives (including climate-related initiatives), selecting key performance indicators, setting goals to be achieved by the Corporation and monitoring the performance of the Corporation in achieving these objectives. These performance indicators and objectives help measure the Corporation's performance and progress from a sustainability perspective.

The Sustainability Steering Committee is also responsible for periodically reviewing the Sustainability Policy, which is ultimately approved by the Board of Directors. The Sustainability Policy clearly states that Cogeco is committed to "helping fight climate change by measuring, managing and reducing our emissions of pollutants and GHG emissions". When developing our science-based emissions reduction targets, prior to submitting them for approval to the SBTi, the Sustainability Steering Committee reviewed and approved Cogeco's proposed targets (scopes 1 & 2 and all scope 3 targets, including our



supplier engagement target). Since then, at every meeting, the Committee closely monitors our progress and the strategies that need to be implemented to attain these ambitious targets.

Cogeco has implemented an internal assurance process for ESG data, including climate-related metrics. Data owners are assigned to specific metrics that are tracked and monitored and asked to validate their accuracy on a quarterly basis. The progress on these indicators are presented to the Sustainability Steering Committee on a quarterly basis. In addition to our internal assurance process, our Greenhouse gas inventory, including emissions and energy calculations, go through a limited assurance by a third-party on an annual basis.

ERM Steering Committee

Our top ESG risks are reported to the Enterprise Risk Management (ERM) Steering Committee on a quarterly basis and the status of these risks, along with their associated mitigation measures are assigned to the appropriate internal functions.

SUSTAINABILITY GROUP

Executive leadership

The Sustainability Group is held at a corporate level and is led by the Chief Corporate Affairs and Legal Officer, who reports directly to the President & CEO. The role is also responsible for Enterprise Risk Management as well as Enterprise Strategy at Cogeco, which allows for close alignment of the strategy, risk and sustainability groups.

Sustainability management responsibilities

The Sustainability Group ensures that Cogeco employs strong sustainability practices so that we conduct our business in a socially responsible and ethical manner. The group is responsible for the identification and evaluation of risks and opportunities related to sustainability; curating and implementing strategic sustainability initiatives and mitigation plans for our most material ESG-related risks, including climate-related initiatives, through multi-stakeholder collaboration and education with our business units and corporate group who implement these initiatives throughout the organization; monitoring and measuring Cogeco's sustainability and ESG performance; ensuring internal and external compliance on ESG matters; conducting sustainability reporting and stakeholder engagement; as well as supporting the integration of sustainability priorities into Cogeco's sustainable business strategy. This group is also responsible for leading our ESG and climate-related data governance. As part of our continuous improvement efforts to ensure accuracy and reliability of our ESG and climate-related information, we are implementing an ESG SaaS reporting solution to improve our data collection, analysis and reporting processes. Finally, this group updates the Sustainability Steering Committee on a quarterly basis.

ERM GROUP

The ERM Group works collaboratively with the Sustainability Group to ensure ESG risks and opportunities, including climate-related risks and opportunities, are identified, assessed and managed through the development of mitigation and preparedness plans in conjunction with the support of the Sustainability Steering Committee. More information on our ERM program can be found in Section 4 of this report.

BUSINESS UNITS

The business units have the primary responsibility for the proactive identification and management of risks related to operational activities. They have implemented business continuity plans to ensure the uninterrupted delivery of our products and services during unplanned events. Climate-related risks have been embedded into these plans to adapt and prevent them.

SECTION 3

Climate-related Strategy

At Cogeco, understanding our risks and opportunities, including those that are climate-related drive how we strategize and plan our finances. Our climate-related risks and opportunities therefore play an important role in business strategy development and climate resilience efforts.

In this section

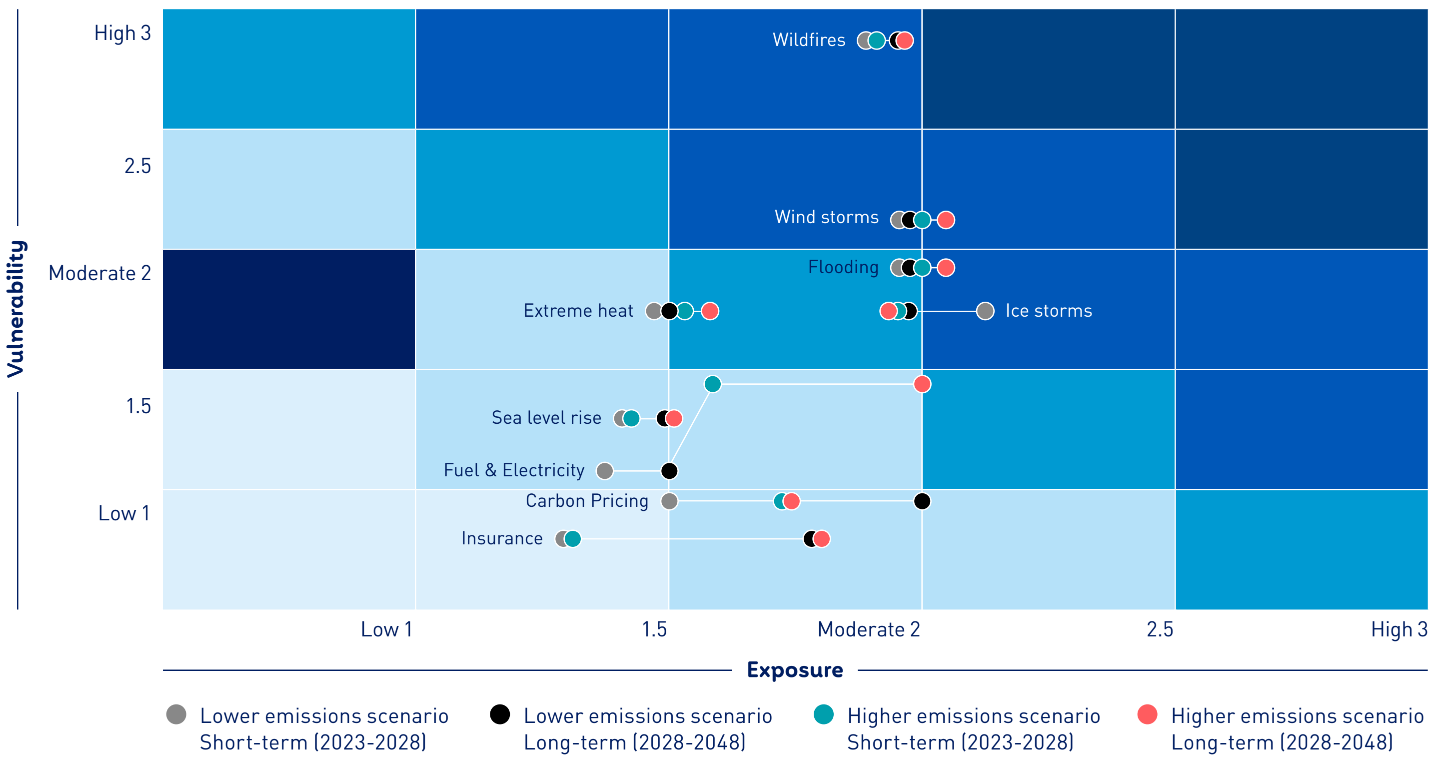
Assessment of climate-related risks and opportunities

We recognize the importance of assessing our climate-related risks and opportunities, mitigating our risks where possible, adapting where we do not have another option, and acting on our opportunities to ensure long-term corporate sustainability and resilience. As such, we consider minimizing climate-related risks and maximizing climate-related opportunities as key to the success of our Climate Strategy.

Cogeco's qualitative climate scenario analysis, conducted in 2022, resulted in the identification of 12 material climate-related risks and opportunities: six physical risks, three transitional risks and three opportunities. Results can be seen in the Heat Map below as well as in the detailed qualitative results table that follows. These risks and opportunities were identified using a climate scenario analysis that focused on short-term and long-term time horizons, as this aligns with Cogeco's strategic planning approach. Cogeco's strategic planning approach is based on a 5-year time horizon with an additional 5 years when considering longer-term and transformational strategic initiatives. In 2024, we plan to conduct a quantitative climate scenario analysis in order to further enhance our understanding of the quantitative impacts of climate change on our business.

Heat Map - Climate Scenario Analysis Results

CLIMATE RISKS



CLIMATE OPPORTUNITIES

Higher Emissions Scenario

Short-term	Long-term	
●◐○	●●◐	**Decarbonization solutions** can reduce energy costs and reduce Cogeco's carbon footprint.
●○○	●◐○	**Resilient technologies** can greatly reduce future costs for repair and maintenance of damaged infrastructure.
●◐○	●●○	**Sustainable products** can appeal to a growing eco-conscious customer base and gain new market share.

2022 qualitative climate scenario analysis

Climate Risks	Description of potential impacts	Risk Level: Low Emissions Scenario – Short-Term (2023-2028)	Low Emissions Scenario – Long-Term (2028-2048)	High Emissions Scenario – Short-Term (2023-2028)	High Emissions Scenario – Long-Term (2028-2048)
Physical - Acute **Wildfires**	Signs of increasing exposure risk in key geographies such as northern U.S. regions and Canada (including exposure in previously underserved rural and remote areas) may increase in the long-term. Cogeco is highly vulnerable to this risk across its entire network and facilities due to the permanent damages caused by direct wildfires and indirect smoke from nearby wildfires. This could affect our ability to serve our customers and could lead to higher maintenance and operation costs to repair damages to infrastructure.	● ● ◐	● ● ◐	● ● ◐	● ● ◐
Physical - Acute **Wind storms**	Increasing frequency and intensity of storms resulting in heavy winds, ice and snow increase the risk of damage to above-ground infrastructure such as aerial cables and wires, headends, poles, and power infrastructure, to name a few. Power outages caused by storms can result in a shutdown of the delivery of services to customers from data centres, transit connections and caching (CDN) services. This can also lead to higher maintenance and operation costs to repair damages to infrastructure.	● ● ◐	● ● ◐	● ● ◐	● ● ◐
Physical - Acute **Ice storms**		● ● ◐	● ● ○	● ● ○	● ● ○
Physical - Acute **Flooding**	Pluvial and fluvial flooding are projected to increase over time. Critical infrastructure such as headends and data centres could be damaged by flooding, which would lead to network shutdowns and significant replacement costs of critical equipment. Erosion could also accelerate transmission tower and building depreciation and increase repair and maintenance costs.	● ● ○	● ● ○	● ● ◐	● ● ◐
Physical - Acute **Extreme heat**	Extreme heat, such as days above 35°C, will increase, particularly in the U.S. mid-Atlantic and southern regions. Cogeco's critical infrastructure, including headends, are vulnerable to heat, resulting in decreased productivity and useful service life. Extreme heat can also cause delays in repair and maintenance due to risk of heat strokes and harsher conditions for the employees on site.	● ◐ ○	● ● ○	● ● ○	● ● ○
Physical - Chronic **Sea level rise**	Exposure to sea level rise is limited to certain geographies and is expected to occur in a longer-term projection. Vulnerabilities for Cogeco's operations include inundation and saline corrosion of coastal infrastructure in low-lying areas, as well as flood damage to buried cables, headends and buildings near the coast.	● ◐ ○	● ◐ ○	● ◐ ○	● ◐ ○

2022 qualitative climate scenario analysis

Climate Risks (cont'd)	Description of potential impacts	Risk Level: Low Emissions Scenario — Short-Term (2023-2028)	Risk Level: Low Emissions Scenario — Long-Term (2028-2048)	Risk Level: High Emissions Scenario — Short-Term (2023-2028)	Risk Level: High Emissions Scenario — Long-Term (2028-2048)
Transition - Market **Fuel and electricity**	Fuel and electricity prices may increase as the world transitions towards a low carbon economy. Climate risks are also likely to disrupt fuel and material extraction, processing and transportation, especially in areas more exposed to extreme weather or strict carbon regulations. Increasing costs of energy will impact Cogeco directly and indirectly – cost transfer from suppliers will likely increase total expenses and potential delays in delivery may occur.	● ○ ○	● ○ ○	● ◐ ○	● ● ○
Transition - Policy and Legal **Carbon pricing**	Evolving carbon regulations, such as carbon pricing mechanisms, could directly and/or indirectly impact Cogeco with respect to its supply chain and operations. However, Cogeco is a low-carbon emitter and has planned to mitigate this risk with a decarbonization strategy which reduces its vulnerability to carbon price increases. Carbon pricing is expected to increase in most transition scenarios. These regulations could also lead to higher operating costs for Cogeco's vehicle fleet and buildings operation.	● ◐ ○	● ◐ ○	● ◐ ○	● ◐ ○
Transition - Market **Insurance premiums**	With an increase in the frequency and intensity of acute climatic events, insurance premiums are expected to rise and will be absorbed into the overall cost of insured infrastructure and employee health insurance. However, as Cogeco's outside network is mostly self-insured and as insurance premiums increase, this does not represent a significant financial risk.	● ○ ○	● ◐ ○	● ○ ○	● ◐ ○
Climate Opportunities					
Opportunities - Energy Source **Decarbonization solutions**	Diversifying energy sources, such as purchasing renewable energy, can optimize energy usage and savings and reduce emissions costs. Cogeco has several opportunities to decarbonize its operations, such as fleet electrification and generating and purchasing renewable energy.	● ◐ ○	● ● ○	● ◐ ○	● ● ◐
Opportunities - Resource Efficiency **Resilient technologies**	As the market transitions towards a low carbon economy and adapts to climate risks, technological improvements to enhance infrastructure resilience will be more accessible and affordable. Investments to strengthen network resilience would reduce costs associated with damaged infrastructure and revenue losses due to service disruptions. This opportunity can also be leveraged to position Cogeco as one of the most reliable service providers.	● ○ ○	● ◐ ○	● ○ ○	● ◐ ○
Opportunities - Products and Services **Sustainable products**	There is increasing pressure on the telecom industry to take a leadership role in climate action and to provide sustainable products to their more climate change-conscious customers. Opportunities around climate neutrality, responsible sourcing of materials and improving e-waste management are all opportunities that can reduce Cogeco's carbon footprint while also elevating its reputational capital and increasing its market share.	● ◐ ○	● ● ○	● ◐ ○	● ● ○

Impacts of climate-related risks and opportunities on business, strategy and financial planning

Climate-related initiatives

Cogeco currently has a number of climate-related initiatives that have been developed and implemented or that are in progress to support the achievement of our near-term science-based target for Scope 1 and 2 emissions, such as fleet electrification and fuel efficiency, energy efficiency in buildings and in our networks, and investments in renewable energy. Through our value chain, our Scope 3 initiatives focus, though not exclusively, on supplier and employee engagement as well as the energy efficiency of our customer equipment. The process of establishing these targets, along with a brief description of our efforts to achieve them, can be found in the Metrics and targets section along with some quantitative results showcasing Cogeco's efforts. More information is also available in Cogeco's 2023 Sustainability Report.

Climate resilience

Measures taken to mitigate climate-related risks include business continuity and disaster recovery plans and strategies as well as a rigorous focus on executing our emissions reduction plan. Operational risk assessments are also conducted on an annual basis at minimum to consider anticipated and unanticipated events (including climate-related incidents) in order to protect the viability of all critical business processes.

We continually invest to maintain, upgrade, or replace our network and infrastructure to maximize system reliability and resiliency. We also have strong business continuity and disaster recovery plans, policies and procedures to limit network downtime in the event of any emergency. Our network availability is a key performance metric we monitor. In fiscal 2023, our network was available more than 99.96% of the time. To mitigate and minimize impacts of climate-related risks on our operations, we continuously maintain, upgrade or adapt our network and infrastructure to maximize system reliability and resiliency to extreme weather events. This includes replacement of batteries in our power supplies that allows us to continue to provide service to our customers during power outages. Additionally, we have stepped up our capital investments in headend monitoring and backup power for our power supplies in Ontario, a region that has experienced many weather-related outages.

We also collaborate with government entities as well as our industry peers to share knowledge and enable a more secure infrastructure overall. For example, Cogeco is a member of the Canadian Telecom Network Resiliency Working Group (CTNR), a sub-committee of the Canadian Security Telecommunications Advisory Committee (CSTAC). This group develops guiding principles aimed at reducing the likelihood of severe network outages and mitigating their impact when one occurs.

Strategy and financial planning

Cogeco's strategic planning process is informed by the results of our climate-related risks and opportunities from our qualitative climate scenario analysis as well as proposed strategic initiatives for climate change mitigation and adaptation. Selected climate-related initiatives are considered in the financial planning process by incorporating related costs into capital and operational expenditure budgets. For example, in fiscal 2023 we considered costs involved in upgrading or replacing network equipment and infrastructure to maximize reliability and resiliency in extreme weather events. On the opportunity side, we invest in energy efficiency projects that can reduce emissions as well as operating costs.

As mentioned earlier, we will be conducting a quantitative climate scenario analysis in 2024 which will allow Cogeco to get a more detailed understanding of the potential financial impacts of climate-related risks and opportunities and how these will inform the evolution of our business strategy and our investments.

To support our strategy and further illustrate our leadership's commitment towards climate-related reduction targets, we have linked a portion of our executives' and other leaders' variable compensation to the achievement of our emissions reduction targets. These targets were approved by the Board and further information can be found in the Metrics and targets section of this report. To further underscore our dedication and strong leadership towards monitoring our performance against climate-related targets, in December 2021, we transitioned our term revolving credit facilities into the first syndicated sustainability-linked loans (SLL) in Canada within the Telecommunications and Media sectors. The SLL incorporate climate-related incentive pricing terms for reducing or increasing the cost of funding (interest rates) depending on our annual performance against our GHG emissions reduction. We endeavour to use the savings achieved from the SLL towards sustainability-related initiatives.

Climate policy advocacy

Cogeco agrees and supports governments' priorities to fight climate change and believes companies like ours must act and be part of the solution. Through direct and indirect lobbying, Cogeco has been engaging with policy makers to raise awareness on barriers to transition to a greener economy and to propose policies driving action. More specifically, Cogeco has been directly advocating for policies and programs that incentivize auto manufacturers to increase the availability of electric utility trucks, provide financial incentives for the electrification of corporate fleets and foster investments in the charging infrastructure, especially in less populated areas where Cogeco operates. In 2023, Cogeco also signed on to the Net-Zero Challenge by the Canadian federal government through Environment and Climate Change Canada (ECCC). By signing on to the Net-Zero Challenge, businesses like Cogeco demonstrate an active and reinforced commitment to a clean future.

SECTION 4

Climate-related risk management

The identification and assessment of Cogeco's risks and opportunities are an integral part of how we conduct business. Climate-related risks and opportunities in line with TCFD recommendations, including qualitative climate scenario analysis, are incorporated into Cogeco's Enterprise Risk Management (ERM) program.

In this section

Processes to identify, assess, prioritize and monitor climate-related risks and opportunities

Cogeco's formal enterprise-wide risk management (ERM) program is structured and governed based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ERM integrated framework. It entails a systematic annual identification and evaluation of risks (including climate-related risks) facing Cogeco in the context of its global business and affairs that may have a material adverse impact on its financial situation, revenue or activities as well as the identification and monitoring of related risk management strategies for risks classified as principal business risks. Opportunity assessment is also part of Cogeco's ERM program.

Identification

At Cogeco, a risk universe is maintained and updated at least annually through internal discussions, research, surveys, as well as staying abreast of industry trends and reviewing risk management related material curated by reliable agencies, such as the Global Risk Report from the World Economic Forum (WEF). The Sustainability Group actively participates and identifies key ESG risks, opportunities and trends, influenced by climate scenario analysis, that are then reviewed by the ERM Group.

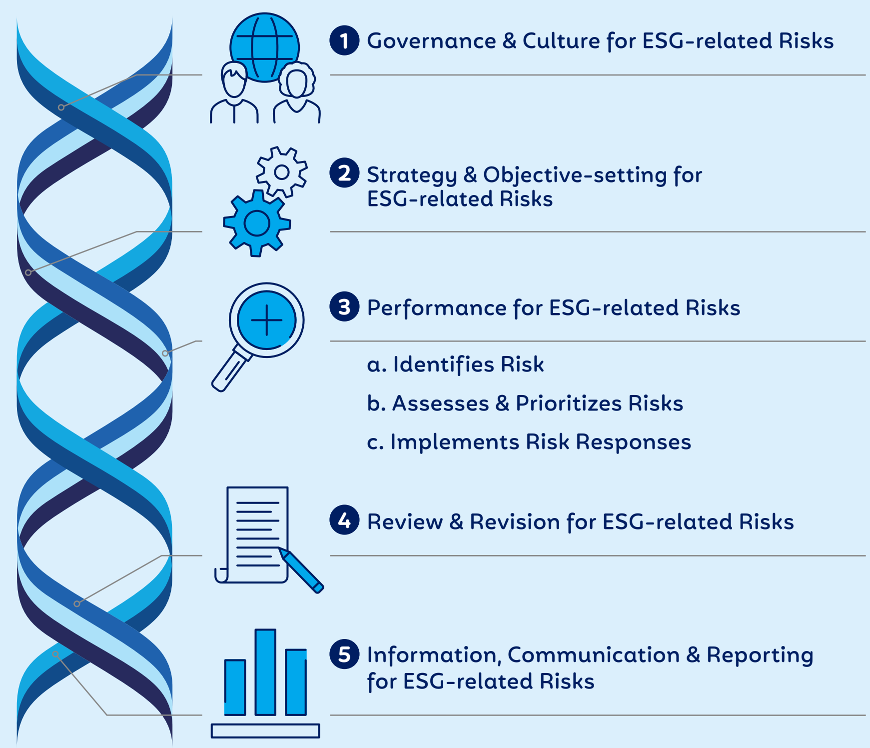
Assessment, prioritization and integration of climate-related risks and opportunities

The ERM Group analyzes the results of the research in relation to Cogeco and identifies a proposed updated list of principal business risks that it presents to the Executive Team, representing all business units, and including the President & CEO as part of the annual Executive Risk Workshop, a fully integrated component of the annual strategic planning process. Review and assessment of the proposal is facilitated by the ERM Group with the objective of validating the risk selection and risk ranking. This exercise covers risks under several categories, i.e., strategic, operational, financial, compliance, and ESG, and takes into consideration both short-term (5 years) and longer-term existing and emerging risks, as deemed relevant. Cogeco's ERM program defines climate change risk as the increased frequency and magnitude of extreme weather events impacting network infrastructure, Cogeco's ability to provide services to its customers as well as its supply chain, which in turn could result in increased costs and negatively impact NPS (Net Promoter Score). The following is considered when determining whether a risk is substantive or not for the Corporation: financial impact, impact on customers, impact on employees, potential damage to reputation and impact on regulatory compliance. As part of the annual risk assessment process and the strategic planning process, the Risk Appetite Framework, guiding strategic decision making, is reviewed and updated, as needed, and submitted to the ERM Steering Committee and the Board of Directors for approval. The Framework includes ESG indicators and corresponding targets and tolerances. At year-end, a dashboard is produced, reporting on the performance during the year against set targets and tolerances, and is presented to the ERM Steering Committee and the Board of Directors as part of quarterly reporting.

Monitoring

On a quarterly basis, the ERM Group reports to the ERM Steering Committee, composed of the Executive Team and the President & CEO, on the evolution of the risk profile of principal business risks and ESG risks, including climate change risk, and associated mitigation measures. Emerging trends that may pose a risk for the Corporation are also reported on. This information is further shared on a quarterly basis with the Audit Committee of our Board of Directors.

COSO ERM integrated framework



COSO\WBCSD: Enterprise Risk Management - Applying enterprise risk management to environmental, social and governance-related risks

Climate scenario analysis

Cogeco commissioned a third-party TCFD-aligned qualitative climate scenario analysis in 2022 which was aligned with the latest international agreement on climate change. In 2024, we plan to conduct a quantitative climate scenario analysis to further enhance our understanding of the magnitude of the impacts of climate-related risks and opportunities. TCFD divides climate-related risks into two categories: (1) Transition risks, which are risks related to the transition to a lower-carbon economy and (2) Physical risks, which are risks related to the physical impacts of climate change. Cogeco's qualitative scenario analysis included the assessment of both physical and transition climate-related risks and opportunities, focusing on the most significant impacts on Cogeco's operations and financial performance with the goal of informing our risk management and strategic planning process as well as supporting climate resilience measures.

Given that climate change risks and opportunities evolve over time, with differing risk and opportunity profiles, the analysis included examination of future projected climate scenarios and considered the magnitude of the impacts under different warming scenarios over the short-term (2023-2028 – 5 years) and the long-term (2028-2048 – 20 years). The warming scenarios are consistent with lower and higher emission scenarios defined under the International Energy Agency (IEA) Sustainable Development and Stated Policy Scenarios and the Intergovernmental Panel on Climate Change (IPCC) RCP 4.5 and RCP 8.5. Cogeco examined future projected climate scenarios and assessed the potential impact of various risks on its overall operations and risk management processes. See details below in the visual for our climate scenario analysis parameters as well as in Appendix 2 for definitions on IPCC and IEA Scenarios.

The identified climate-related risks and opportunities were primarily assessed and prioritized based on the exposure and vulnerability of Cogeco's infrastructure network and customer base. Exposure refers to the likelihood that a risk will materialize, while vulnerability is assessed by analyzing the capacity to anticipate, respond or adapt to potential physical or transition risks. Additional considerations were taken into account with regards to the distribution of Cogeco's customer base across the United States and Canada to identify the regions that are most at risk. Diverse components of its infrastructure were also studied to determine the different levels of exposure and vulnerability for each risk and opportunity (e.g., aerial vs. buried networks, critical transit connections, headends, etc.). For our qualitative climate scenario analysis results, please refer to the Strategy section of this document.

Organizational, Temporal and Geographic Risk Scope

RCP Scenarios
RCP 4.5 (lower emissions scenario)
RCP 8.5 (higher emissions scenario)

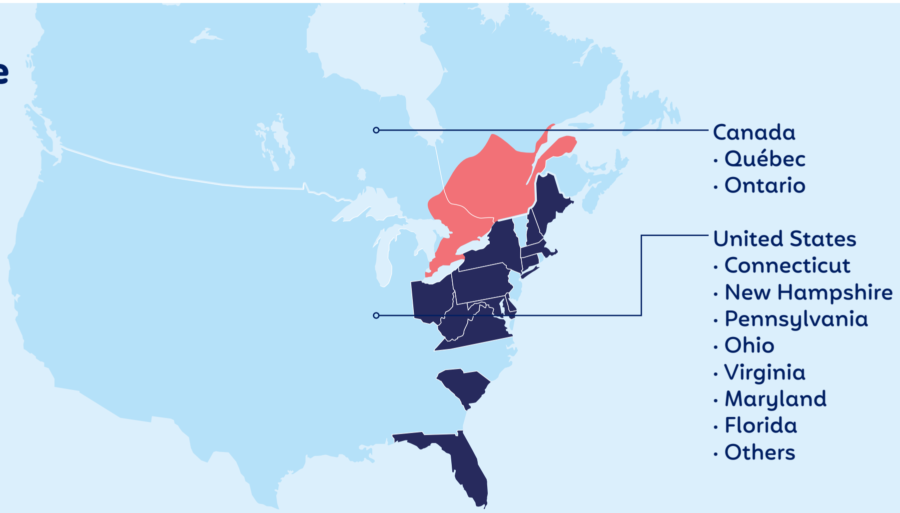
IEA Scenarios
SDS scenario (lower emissions scenario)
STEPS/SPS scenario (higher emissions scenario)

Temporal Horizon
Short-term — 5 years (2023-2028)
Long-term — 20 years (2028-2048)

Geographic Scope Analysis
Canada, United States

Organizational Scope
Cogeco Connexion (Canada), Breezeline (U.S.), Cogeco Media (Canada)

Main Assets
Network infrastructure: buried network, aerial network, generators, power supplies, distribution boxes, and headends. It also includes administrative and operational buildings and vehicle fleet, as well as radio antennas.



SECTION 5

Metrics and targets

In alignment with TCFD recommendations, Cogeco has set climate-related greenhouse gas emissions reduction and energy management targets in line with climate science and we measure our progress on an ongoing basis.

In this section

Setting targets and measuring progress

TCFD recommends that companies disclose their Scope 1, 2, and if appropriate, Scope 3 emissions as a means of assessing and monitoring climate-related risks and opportunities. Cogeco has set Scope 1, 2 and 3 targets aligned with climate science over the near-term and long-term.

Setting scope 1, 2 and 3 targets

Cogeco began tracking its greenhouse gas emissions in 2010 and made 2014 our original baseline year. At the time, we set an emissions intensity reduction target of 10% (total emissions in tCO_2e over revenue in Canadian dollars) by 2020 and we achieved this intensity target in 2019 with a 24% reduction from the 2014 baseline. However, our absolute emissions reduction was only 7% from the 2014 baseline year. As per SBTi, science-based goals are a north star for corporations that are serious about safeguarding future profitability and the well-being of their customers while meaningfully contributing to the reduction of corporate emissions. We therefore made the decision to set a science-based target (SBT) aligned with the pathway required to limit global warming to 1.5°C. In our submission to SBTi, we applied their Information and Communication Technology sector guidance and followed leading practices to develop a SBT pathway and related absolute reduction target to reduce our Scope 1 and 2 greenhouse gas emissions by 65% by 2030 as compared to a new baseline year of 2019. SBTi approved our target in 2021.

Most companies' largest source of emissions resides in Scope 3 value chain-related emissions, and Cogeco is no different. Our primary sources for Scope 3 emissions come from purchased goods and services, capital goods and downstream leased assets (which includes the products we lease to our customers). We therefore decided to set goals addressing these specific emissions sources. With regards to purchased goods and services and capital goods, we have set a goal to have at least 50% of our suppliers by spend set SBTi approved Scope 1 and 2 emissions reduction targets by 2025. As for emissions from the downstream leased assets, we established a 30% reduction target by 2030 from a 2019 baseline and we also established a similar reduction target of 30% for emissions related to employee commuting. Upstream emissions from our suppliers and downstream emissions from our customers represent 87% of our overall carbon footprint.

The main sources of energy consumption and emissions for Cogeco's operations are electricity to power our networks and facilities, followed by fuel consumption by our fleet, and then fuels used for heating and generators in our facilities. We therefore set a target for 100% of energy consumed from electricity use to be from renewable sources by 2030-2031.

Lastly, Cogeco wanted to take its commitment to fight climate change a step further, so we set a longer-term target for our emissions to be net-zero across all three scopes by 2050. More recently, we submitted our net-zero plan for approval to SBTi. A visual representation of our targets is included here below.

GHG emissions reduction targets (baseline year is 2019)

Target category	Science-based targets	Deadline
Scope 1 and 2	65% reduction of our absolute operational emissions	2030
Scope 3 - Suppliers	50% of suppliers by spend covering purchased goods and services and capital goods will set science-based scope 1 and 2 emissions reduction targets	2025
Scope 3 - Downstream Leased Assets	30% reduction of emissions from the downstream leased assets (products leased to our customers, e.g., Consumer Premise Equipment (CPE))	2030
Scope 3 - Employee Commuting	30% reduction of emissions from employee commuting	2030
Energy consumption	100% of electricity usage will be from renewable sources*	2030-2031
Scope 1, 2 and 3	Net-zero emissions	2050

*Not an SBTi approved target

Emissions reduction pathway

Operational Emissions Levers – Scopes 1 and 2

Cogeco has identified four key levers to reduce its operational emissions. The first one, fleet fuel efficiency aims to maximize fuel mileage from our existing fleet by optimizing routes, reducing idling and encouraging eco-driving practices, to name a few. We also implemented a fleet consolidation policy for our United States operations in fiscal 2023. We refined and modernized our fleet policy, which reduced our overall fleet in the United States. Our Canadian telecommunications operations are implementing a similar policy in 2024. In addition, we are refining our electric vehicle strategy to leverage fleet electrification with the aim of reducing our emissions, but also maximizing operational savings related to fuel and maintenance costs. Another lever aims to make our infrastructure more energy efficient by investing in energy-saving technologies in both our buildings and network. Lastly, we are continuing to increase our investments in renewable energy through green tariffs agreements with utilities, the purchase of unbundled renewable energy certificates (RECs) and the development of on-site renewable electricity generation through solar panels.

Value Chain Emissions Levers – Scope 3

Cogeco is also taking concrete steps to achieve its Scope 3 targets. Since April 2021, we have been actively engaging with our most material suppliers to raise awareness around climate change and to help them with the process of setting their own SBTi-approved emissions reduction targets, with the goal of having 50% of our largest suppliers (by spend) complete this process. In fiscal 2023, Cogeco initiated the set-up of a Telco working group with Canadian industry peers on the topic of Scope 3 emissions targets as it relates to suppliers. With the assistance of the Canadian Business for Social Responsibility (CBSR) association, we are creating a joint supplier engagement process to provide education and support for suppliers to help them measure their greenhouse gas emissions and eventually set their science-based emissions reduction targets. To help improve the energy efficiency of our products, we are a signatory of the Canadian Pay-TV Set-Top Boxes Energy Efficiency Voluntary Agreement (STB CEEVA) and we aim to comply with the corresponding United States voluntary agreement. Both agreements establish feature-based elements for maximum energy consumption allowance levels for new set-top boxes received by Pay-TV cable providers. Finally, we are engaging with employees to raise awareness about their carbon footprint and we are promoting ways of reducing it by using active transportation, public transit or carpooling.

Cogeco's strategy also includes the provision of products and services that enable emissions reductions and focuses on three levers. The first lever is fast, reliable Internet services, which focuses on ensuring and maintaining best-in-class reliability and sustained performance by continued investment in our network, including fibre-to-the-home deployment, which not only provides the fastest Internet speeds, but is also less energy consuming compared to other technologies. Our second lever is digital inclusion, which focuses on growing Cogeco's footprint through network investments and targeted acquisitions in order to reduce the digital divide so everyone has access to fast and reliable Internet services, therefore enabling greater work-from-home capabilities and helping reduce commuting emissions. Our last lever is product and services evolution, which focuses on providing more energy-efficient technology and service offerings; for example, Cogeco rolled out its Internet Protocol Television (IPTV) service that provides the same world-class entertainment options to our consumers while consuming less electricity than a regular cable set-top box, which will help us achieve our emissions reduction target related to downstream leased assets (products leased to our customers, e.g., CPE).

Cogeco's emissions reduction pathway

Operational Emissions Levers – Scope 1 & 2

- **Fleet fuel efficiency:** GPS/telematics, smaller vehicles, hybrid vehicles, fleet consolidation and optimization
- **Buildings and networks energy efficiency:** energy management system, energy audits, HVAC upgrades, centrally controlled thermostats, LED lighting, fibre-to-the-home (FTTH)
- **Fleet electrification:** 100% electric vehicle replacement, including charging infrastructure installation
- **Investment in renewable energy:** generate our own renewable energy, RECs and green utility tariff purchases

Net-Zero 2050

Value Chain Emissions Levers – Scope 3

- **Supplier engagement:** set SBTi approved GHG reduction targets (including collaborating with Telco Peer Working Group)
- **Products and services:** energy efficient consumer premise equipment (downstream leased assets)
- **Employee engagement – employee commuting:** active transportation, public transit, carpooling and remote work

Emissions results and progress achieved

Third-party assurance

At Cogeco, we track progress on our emissions reduction targets and we have our greenhouse gas inventory third-party assured. More specifically, 97.87% of our total Scope 1 and 2 operational emissions for fiscal 2023 was subject to a limited assurance review. This limited assurance review specifically included Cogeco's Scope 1 emissions for fleet fuel consumption and Canadian natural gas consumption, as well as Scope 2 location and market-based emissions for electricity consumption for our telecommunications business units.

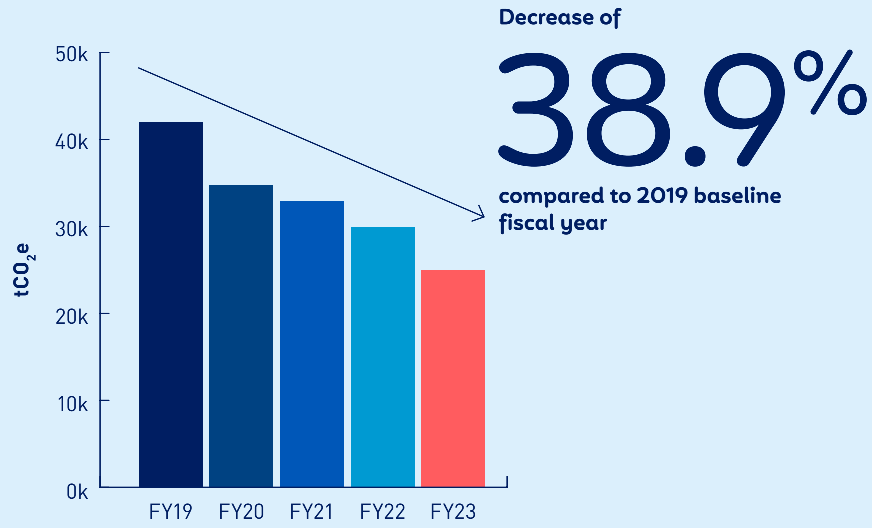
In fiscal 2023 we observed a 38.9% reduction in Scope 1 and 2 emissions compared to our baseline fiscal 2019 year.

Scope source	FY23 tCO2e	%
Scope 1 (fleet & fuel in facilities)	12,528	6
Scope 2 (market-based electricity consumption)	13,133	7
Scope 3 (value chain)	175,376	87
Total	**201,036**	100

Total Scope 1, Scope 2 and Scope 3 emissions may not add up due to rounding.

It should be noted that we restated our fiscal 2019 emissions baseline through to fiscal 2022 to account for material acquisitions.

Scope 1 & 2 emissions



Energy consumption

In fiscal 2023, our percentage of renewable electricity consumption increased by 96% vs. 2019 due to continued investments in renewable energy.

Operational emissions

Scope 1 fleet-related emissions decreased by 19% compared to fiscal 2019. This is attributable to our fleet consolidation, fleet replacements, purchasing electric vehicles and increasing our focus on fleet fuel efficiency. With respect to fuel usage in facilities, the reduction from fiscal 2019 was 21% and this is attributable to enhancing our work-from-home policy resulting in less power consumed at our offices, as well as building divestitures. In relation to our Scope 2 electricity emissions (market-based), the reduction from fiscal 2019 was 50%. This reduction is due to not only the aforementioned initiatives around fuel in facilities, but also due to the purchase of unbundled renewable energy certificates (RECs) and enhanced reliance on green tariffs. This brings our total reduction for Scope 1 and 2 market-based emissions to 38.9%.

Value chain emissions

Our Scope 3 emissions have seen an overall reduction of 13% in fiscal 2023 compared to the baseline year of fiscal 2019. However, for these emissions we have observed a 27% increase in year-over-year emissions compared to the previous year (fiscal 2022). This was mainly attributed to the increase in emissions from the categories: purchased goods and services, capital goods, downstream transportation and distribution, fuel and energy-related activities and business travel. This can be explained by the increased use of downstream delivery services of customer premise equipment directly to customers for self-installation and self-swap programs, and the increased spending on goods and services due to the growth and expansion of our activities, including to increase the access to high-speed Internet services in underserved and unserved areas.

With respect to downstream leased assets (products leased to our customers), we have reduced our emissions by 29% as compared to fiscal 2019 due to the increased use of more energy-efficient cable set-top boxes, including IPTV units (Internet protocol television), by our customer base. We are on track to achieve our 2030 target of reducing emissions by 30% compared to the baseline year of 2019. Our employee commuting emissions category has seen a reduction of 28% compared to fiscal 2019 due to more employees working from home. With regards to our supplier engagement target, 37% of our procurement spend, by the end of fiscal 2023, was with suppliers that have set science-based emissions reduction targets. This was up from 13% in the fiscal 2019 baseline year.

Scope sources	FY19 tCO2e	FY23 tCO2e	Change FY23 vs FY19
Scope 1			
Fleet	13,688	11,057	-19%
Fuel in facilities	1,872	1,470	-21%
Scope 1 Subtotal	15,560	12,528	-19%
Scope 2			
Electricity*	26,437	13,133	-50%
Scope 3			
Purchased Goods & Services and Capital Goods	155,746	131,141	-16%
Downstream leased Assets	32,435	23,169	-29%
Employee Commuting	5,753	4,166	-28%
Upstream and Downstream transportation and Distribution, Fuel and Energy related activities, Business travel, Waste generated in operations	8,393	16,900	101%
Scope 3 Subtotal	202,327	175,376	-13%
Scope 1, 2 and 3 Total	**244,324**	**201,036**	-18%

Note: The total of Scope 1, Scope 2 and Scope 3 emissions may not add up due to rounding.

Market-based electricity consumption	FY19	FY23	Change FY23 vs FY19
Renewable electricity consumption (MWh)	41,635	81,518	96%
Non-renewable electricity consumption (MWh)	126,289	90,958	-28%
Total electricity consumption (MWh)*	167,924	172,476	3%
Renewable electricity consumption (%)	25%	47%	88%

*Emissions from electricity consumption reflect market-based Scope 2 emissions.

SECTION 6
Appendices

In this section

Appendix 1: TCFD alignment

TCFD thematic elements	Recommended Disclosures	Page reference
Governance Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities. b) Describe management's role in assessing and managing climate-related risks and opportunities.	p. 9 to 11
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term. b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning. c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	p. 13 to 17
Risk management Disclose how the organization identifies, assesses and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks. b) Describe the organization's processes for managing climate-related risks. c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	p. 19 to 21
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks. c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	p. 23 to 26

Appendix 2: Qualitative climate scenario analysis - scenarios description

IPCC SCENARIOS

RCP 4.5	This scenario assumes that GHG emissions will continue to increase (but at a lower pace than today) and peak around 2040, then decline and stabilize at a relatively low level by the end of the century.
RCP 8.5	This scenario assumes that GHG concentrations will continue to increase at approximately the same rate as today (i.e., assuming “business as usual”).

IEA SCENARIOS

Sustainable Development Scenario (SDS)	An integrated scenario specifiying a pathway aiming at: ensuring universal access to affortable, reliable, sustainable and modern energy services by 2030 (SDG 7); substantially reducing air pollution (SDG 3.9); and taking effective action to combat climate change (SDG 13).
Stated Policies Scenario (STEPS/SPS)	An exploratory scenario which reflects current policy settings based on a sector-by-sector assessment of the specific policies that are in place, as well as those that have been announced by governments around the world.

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