

2011 Corporate Social Responsibility Report

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Forward-looking statements

Certain statements in this Report may constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to Cogeco Cable's future outlook and anticipated events, business, operations, financial performance, financial condition or results. In particular, statements regarding the Corporation's future operating and economic performance and its objectives and strategies are forward-looking statements. These statements are based on certain factors and assumptions, which Cogeco Cable believes are reasonable as of the current date. While management considers these assumptions to be reasonable based on information currently available to the Corporation, they may prove to be incorrect and objectives and strategies may undergo change. Forward-looking information is also subject to certain factors, including risks and uncertainties described in the "Uncertainties and main risk factors" section of the Fiscal 2011 Annual Report that could cause actual performance to differ materially from what Cogeco Cable currently expects. These factors include technological changes, changes in market and competition, governmental or regulatory developments, general economic conditions, the development of new products and services, the enhancement of existing products and services, and the introduction of competing products having technological or other advantages, many of which are beyond the Corporation's control. Therefore, future events and results may vary significantly from what management currently foresee. The reader should not place undue importance on forward-looking information and should not rely on this information as of any other date. While the Corporation may elect to, the Corporation is under no obligation (and expressly disclaims any such obligation), and does not undertake to update or alter this information.

Who we are

Cogeco Cable (www.cogeco.ca) is a telecommunications corporation, the second largest hybrid fibre coaxial cable operator in Ontario, Québec and Portugal. Through its two-way broadband cable networks, Cogeco Cable provides its residential customers with Audio, Analogue and Digital Television, as well as High Speed Internet (“HSI”) and Telephony services. In Canada, the Corporation provides, as at August 31, 2011, Basic Cable service to 877,985 customers, Digital Television service to 678,326 customers, HSI service to 601,214 customers and Telephony service to 418,270 customers. In Portugal, through its indirect subsidiary Cabovisão – Televisão por Cabo, S.A. (“Cabovisão”), Cogeco Cable provides, as at August 31, 2011, Basic Cable service to 255,777 customers, Digital Television service to 164,580 customers, HSI service to 162,436 customers and Telephony service to 248,872 customers.

Cogeco Cable provides to its commercial customers data networking, e-business applications, video conferencing, hosting services, Ethernet, private line, Voice over Internet Protocol (“VoIP”), HSI access, data storage, data security, co-location services, managed IT services, cloud services and other advanced communication solutions.

Cogeco Cable focuses its attention on the satisfaction of residential and business customers’ varied electronic communication needs by investing in state-of-the-art broadband network facilities, delivering a wide range of services over these facilities with great speed and reliability at attractive prices, and striving to provide superior customer service and growing profitability. Cogeco Cable’s subordinate voting shares are listed on the Toronto Stock Exchange (TSX: CCA).

The head office of the Corporation is located in Montréal.

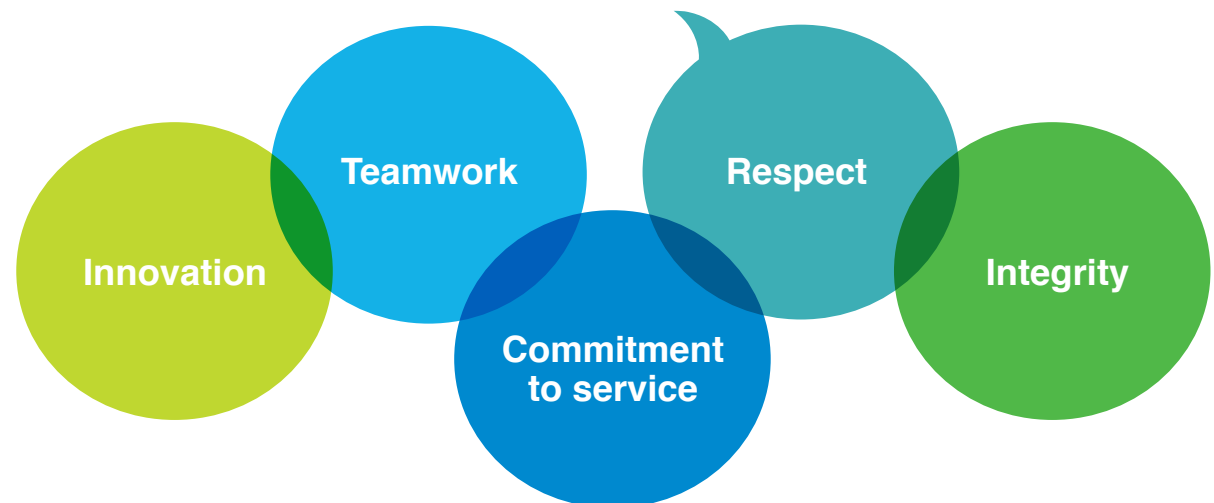
The data and activities described in this report cover the 12-month period from September 1, 2010 to August 31, 2011, or “fiscal 2011”.

All of the data pertains to Cogeco residential and small business operations, excluding Cogeco Data Services, LP (“CDS”), Quiettouch Inc. (“Quiettouch”), MTO Telecom Inc, (“MTO”) and Cabovisão unless indicated otherwise.

Our mission

Powerful connections for our customers.
Genuine connections with our customers.

Our values



Fiscal 2011 highlights

Invested **\$291.1 million** in fixed assets to improve and expand customer services

Met financial performance targets for fiscal 2011 and increased quarterly dividend rate

Constructed **\$18-million** state-of-the-art multifunctional operations centre in Trois-Rivières, Québec

Began calculating greenhouse gas (GHG) emissions

Won several **awards** for quality and speed of Internet services in Ontario

Implemented several successful initiatives to reduce fleet fuel consumption and GHG emissions

Received Highest Customer Satisfaction by Industry Award in the Telecommunications/TV category in North America from the Service Quality Measurement Group for our call centres

Donated **\$1.6 million** to registered charitable organizations and helped raise an additional \$3.0 million through TVCOGECO

Provided employment to more than **2,500 people** in Canada (full-time equivalent positions)



Message to our stakeholders

In our 2011 Annual Report to Shareholders, we made a commitment to strengthen our corporate social responsibility program. We also committed to filing our first report to the Carbon Disclosure Project, an independent global climate change reporting system, and our first corporate social responsibility report using the guidelines of the Global Reporting Initiative (GRI) during 2012.

This report details the progress made to date on meeting these commitments:

- This document is our first corporate social responsibility report and it has been prepared in accordance with GRI 3.1 guidelines;
- We are implementing key performance indicators in Cogeco residential and small business operations to measure our performance under the economic, social and environmental dimensions of corporate social responsibility;
- We have put in place a measurement system for our greenhouse (GHG) emissions, a key step towards our first filing with the Carbon Disclosure Project.

An increasing number of companies in Canada and globally are reporting on their corporate social responsibility performance using GRI guidelines and measuring their GHG emissions. In so doing, we are following a growing trend and demonstrating both our transparency and proactive commitment towards important issues.

Our performance

This report provides a comprehensive view of our performance, including many successful initiatives to reduce GHG emissions associated with our vehicle fleet. These and other initiatives had a positive impact on our 2011 financial results. Going forward, we will strive to strike an appropriate balance between our economic and environmental objectives. In this regard, we have established objectives in a number of areas and we will track our progress over time.

As a corporation with deep roots in non-metropolitan urban centres and rural areas, we are well aware of our vital role in the social and economic development of the communities we serve. Our contribution takes many forms – salaries and benefits, fulfilling jobs, donations and sponsorships and collaboration with numerous grassroots community organizations, among others. The economic and social performance sections of this report provide an

overview of what we bring to local communities and we are proud to share this information.

Our customers are important to us and their satisfaction is our top priority. Capital investment in Canada totalled \$291.1 million in 2011, one measure of our commitment to efficiency and excellence, which was financed by the operating income before amortization in Canada for an amount of \$545 million.

Looking ahead

For the balance of 2012 and into the following year, we will continue to implement the structure and framework for managing corporate social responsibility while pursuing our reduction objectives, notably with regards to GHG emissions and waste.

We invite your comments and look forward to reporting on our future progress.

Louis Audet
President and
Chief Executive Officer

Jan Peeters
Board Chair



Corporate social responsibility and governance

This is our first corporate social responsibility report. The data and activities described in this report cover the 12-month period from September 1, 2010 to August 31, 2011, which we refer to as “fiscal 2011”.

According to the Global Reporting Initiative (GRI), the global authority in these matters, corporate social responsibility is “a firm’s accountability to internal and external stakeholders for organizational performance towards the goal of sustainable development.” The GRI is a non-profit organization that promotes economic sustainability. It provides companies and organizations with a comprehensive sustainability reporting framework that is widely used around the world.

Under this reporting framework, the analysis of a firm’s performance should include the three dimensions of corporate social responsibility – economic, social and environmental. We have adopted GRI 3.1 methodology for this report, with some modifications to the basic grid such as including a discussion of our responsibility towards customers under a separate heading.

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

*- United Nations
Brundtland Commission, 1987*

Decisions regarding the content of this report were based on a comparison of internal key performance indicators (KPI) that are reviewed regularly by Senior Management with those of the GRI, as well as information derived from stakeholder engagement, both formal and informal. The final KPI selection was determined by our Corporate Social Responsibility Steering Committee based on the impact of the indicators on our organization and their value to stakeholders.

All of the data in this report pertains to Cogeco residential and small business operations in Canada, unless indicated otherwise. We expect that once KPIs are fully implemented in these operations, sim-

ilar indicators will be used by our subsidiaries CDS, Quiettouch and MTO in Canada and Cabovisão in Portugal. Based on our understanding of the GRI guidelines, we believe our corporation is already contributing to sustainable development in many key areas. Supported by an emerging corporate social responsibility management structure and a sound corporate governance framework, we expect to improve our performance going forward in line with the expectations of our stakeholders, our corporate values and our business objectives. The table below sets out some of the key areas in which our corporation can advance its corporate social responsibility objectives and make a positive contribution towards sustainability.

Advancing our corporate social responsibility objectives

ECONOMIC	ENVIRONMENTAL	SOCIAL
<ul style="list-style-type: none"> - Creating shareholder value - Meeting customers’ needs - Broadening access to our services - Encouraging innovation - Providing quality employment - Contributing to regional economic development - Investing in our communities 	<ul style="list-style-type: none"> - Decreasing use of materials, energy and water - Monitoring and reducing emissions and waste - Adapting products and services to be more energy efficient - Responsible disposal of electronic waste - Complying with environmental legislation - Safeguarding biodiversity - Influencing suppliers 	<ul style="list-style-type: none"> - Providing quality community-based employment - Providing a healthy and safe workplace - Contributing to the vitality of local communities - Being responsible for our products and services - Protecting customers’ personal information - Respecting human rights

Corporate social responsibility management

Our Code of Ethics, initially adopted in 2003, our Environmental Policy, adopted in 2009, as well as our Donations and Sponsorships Policy are the foundation of our corporate social responsibility framework.

Corporate social responsibility is under the purview of the Corporate Social Responsibility Steering Committee, which is chaired by the Senior Vice President, Residential Services. Senior Managers are members of this committee, which meets at least quarterly. This committee is responsible for determining Key Performance Indicators and setting objectives for the economic, social and environmental dimensions of corporate social responsibility. Ultimately, corporate social responsibility is the responsibility of Cogeco's Board of Directors which reviews corporate social responsibility reports on a quarterly basis.

Governance

Proper governance is a priority for our corporation. The quality of our Board of Directors, our corporate governance principles and guidelines, and our record of compliance with all applicable securities laws and regulations governing public corporations in Canada, including disclosure requirements, assure our shareholders and other stakeholders of the integrity and thoroughness of the corporation.

Cogeco Cable was once again ranked among Canada's best in class for governance by the *Globe & Mail* in its 2011 *Report on Business Corporate Governance Survey*.

Governance structure

Board Committees

The Board is responsible for the establishment of all Board Committees, the appointment of members on such Committees, their qualification, compensation and their good standing. The Board has established four standing Committees which are: the Audit, the Corporate Governance, the Human Resources and the Strategic Opportunities Committees, and delegates certain of its duties and responsibilities to them.

The Audit, Human Resources and the Corporate Governance Committees are comprised of members who are independent as defined according to applicable securities laws and regulations.

Each Committee generally reports to the Board after each Committee meeting.

Board Director compensation is set by the Board on the recommendation of the Human Resources Committee. The compensation of senior managers is mainly determined on the basis of economic performance criteria. The highly competitive market in which Cogeco Cable operates with profitable growth objectives will be best supported by a pay-

per-performance philosophy accompanied with a prudent approach to risk management. The performance criteria are: individual contribution and competencies, as well as corporate performance.

To assist the Corporate Governance Committee and the Board with their determination of independence of directors and that they have no direct or indirect material relationship with the Corporation as described in Multilateral Instrument 52-110 – Audit Committees of the Canadian Securities Administrators, all directors complete, on an annual basis, a detailed questionnaire about their business relationships and shareholdings. Mr. Louis Audet, who is the President and Chief Executive Officer of the Corporation and son of Henri Audet, the indirect controlling shareholder of the Corporation, is, accordingly, not considered to be an independent director. Cogeco Cable, therefore, complies with the corporate governance guidelines which stipulate that the board of a corporation should have a majority of independent directors.

The Corporate Governance Committee advises the Board on the appropriate size of the Board, the competencies and skills that the Board, as a whole, and individual directors should possess in the context of the Corporation's business and affairs and determines the competencies, skills and qualities the Human Resources Committee should seek in candidates as directors. The objective of the Corporate Governance Committee is to maintain the composition of the Board such as to optimize

its mix of skills, experience and other factors and to encourage strong guidance of the Corporation in its ongoing business operations and longer term strategy. This process is assisted by a peer to peer assessment of directors that the Board undertakes every year, under the leadership of the Board Chair and the Chair of the Corporate Governance Committee that may identify any potential gap in skills or experience.

Unless otherwise determined by the Board, when a director is being recruited, an ad hoc committee composed of the Board Chair, the Chairs of the Human Resources and Corporate Governance Committees and the President and CEO of the Corporation initiate the process by seeking input and suggestions, including from directors and outside consultants and in doing so, such committee takes into account the qualities or experience that a candidate should possess and that may include such considerations as educational background, any special training of relevance, business experience in or outside the cable, telecom and media sectors, national or international exposure, directorial experience, diversity and other factors. Against that backdrop, the ad hoc committee brings the proposed candidate forward to the Human Resources and Corporate Governance Committees for assessment prior to it being submitted to the Board. The Board approves the final choice of candidates for nomination and proposed election by shareholders.

The Board Chair and Corporate Governance Committee Chair conduct an annual formal review of Board and Committee effectiveness (including director's individual contributions). They develop annually with the Corporate Secretary a questionnaire which facilitates a written evaluation of the performance and effectiveness of the Board and each of the Board Committees. The questionnaire covers such matters as the operation of the Board and its Committees, the adequacy and timeliness of the information provided to directors, the effectiveness of meetings and performance of Board and Committee members. In 2011, the thrust of the questionnaire was changed with an exhaustive series of questions focusing on matters such as business and operational strategy, leadership and executive compensation, financial strategy and planning, risk management, external relations and corporate governance.

Annually, the Audit Committee of the Board reviews on-going risk management policy and progress which includes risk identification and risk assessment, risk control and mitigation and monitoring and reporting. The risk assessment process includes economic, environmental and social risks. In addition, on a quarterly basis, financial risks are reviewed.

As at August 31, 2011, our Board of Directors was comprised of seven men and one woman director, with no representation by visible minorities. All directors were over 50 years old.

Code of Ethics

COGECO adopted in 2003 a **Code of Ethics** (the "Code") which sets out the principles which should guide the behaviour of all persons who are part of the COGECO Group or who contribute to its operations, image and reputation. The Code deals with such matters as respect for individuals, customers, society, the environment, business standards, corporate policies and the law. It addresses the issues prescribed by the Corporate Governance Guidelines such as conflicts of interest, protection and proper use of corporate assets and opportunities, confidentiality of corporate information, compliance with laws and regulations, reporting of illegal or unethical behaviour and fair dealing with the Corporation's security holders, customers, suppliers and employees. The Code applies to all directors, officers, employees, representatives and agents of the Corporation and its subsidiaries as well as to consultants and subcontractors of the Corporation and its subsidiaries, particularly in their contractual relationship with the Corporation or its subsidiaries.

The Code has been refined and updated from time to time by the Board, upon the recommendation of the Corporate Governance Committee. Important changes were made in 2010. The Code now incorporates the previous stand alone whistle-blowing policy. The employees of the companies and businesses of the COGECO Group as well as consultants, sub-contractors and other representatives of COGECO have access, since July 2010,

to a confidential and anonymous ethics line with telephone numbers in Canada and Portugal and to a web site in order to report any potential violation of the Code or concerns about accounting or auditing matters. The ethics line is operated by an external specialty provider that is independent of the COGECO Group. New sections in the Code of Ethics explain how to report a violation of the Code and how it will be investigated.

The roles and responsibilities of the various stakeholders in the application of the Code have also been clarified and the internal reporting procedures have been further detailed. Significant reports relating to accounting or auditing matters are raised promptly with the Chair of the Audit Committee by the Vice President, Internal Audit. The Vice President, Internal Audit otherwise informs the Audit Committee on a quarterly basis on the number and scope of any reports that may be received relating to these matters. The chair of the Audit Committee then informs the Board of any significant report received.

Significant reports on matters other than accounting or auditing matters are to be raised promptly with the Chair of the Corporate Governance Committee by the Vice President, Internal Audit. The Vice President, Internal Audit otherwise provides an annual summary of reported violations or concerns and their resolution to the Corporate Governance Committee who then report annually to the Board on the application of the Code.

All employees of the COGECO group were asked in 2010 to attend a mandatory on-line training session to review the new terms set out by the Code of Ethics and the steps for reporting Code violations. Every new employee is systematically required to perform this training session upon hiring. Every two years a specific training is mandatory for all employees as a general refresher session.

Shareholder feedback

The Board regards it as important to enable shareholders and other stakeholders to comment on subjects concerning the Corporation, including its approval of executive compensation. Individual queries, comments or suggestions can be made orally, by e-mail at boardofdirectors@cogeco.com or by mail c/o the Corporate Secretary's Office of the Corporation at 5 Place Ville-Marie, Suite 1700, Montréal, Québec, H3B 0B3. Shareholders' comments, observations from analysts, the press or the public are considered and, where appropriate, brought to the attention of and included in the deliberations of the Board.

Key Stakeholders

INTERNAL

- Employees
- Green Team Leaders
- Senior Managers
- Board of Directors
- Shareholders
- Unions

EXTERNAL

- Customers
- Regulators
- Community organizations
- Suppliers
- Investment community

Commitments to External Initiatives

We subscribe to and support the following initiatives and organizations:

- Global Reporting Initiative
- Carbon Disclosure Project
- Cable Television Community Channel Standards
- Industry Code of Programming Standards and Practices Governing Pay Television, Pay-per-view and Video-on-demand
- Canada Media Fund
- Local Programming Improvement Fund
- COGECO Program Development Fund
- Cable Public Affairs Channel
- Canadian Women in Communications (CWC)

01 Economic performance

Maintaining a strong financial performance is critical for the continued growth of our corporation. It allows us to provide shareholders, who are the owners of our business, a return on their investment through dividends and capital appreciation. We have been able to access capital markets, providing the means to invest in our networks and thus provide our customers with state-of-the-art services at attractive prices. In fact, our financial success is in the best interests of all our stakeholders because a growing and profitable business is the foundation for wealth creation and our ability to provide quality employment and support to local community organizations and activities on a sustainable basis.



2011 financial performance

We ended fiscal 2011 with results meeting or exceeding most of our objectives. Driven by Revenue Generating Unit (RGU) growth combined with an increase in rentals of home terminal devices stemming from the strong growth in Digital Television services and rate increases implemented in April 2011 and in the second half of fiscal 2011, revenue from Canadian operations in fiscal 2011 rose by 8.7% to reach \$1,188.9 million. Total RGU in Canada rose to 2,575,795 compared to 2,350,577, up nearly 10%, with solid increases in the number of Digital Television, Telephony and HSI customers.

Operating costs increased by 4.6% to reach \$634.7 million. This increase is mainly attributable to servicing additional RGU, the launch of new HD channels and additional marketing initiatives. As a result of revenue growth exceeding the increase in operating costs, fiscal 2011 operating income before amortization for Canadian operations amounted to \$545 million, or 14.1% higher than in the prior year. The operating margin increased to 45.8% from 43.7% when compared to fiscal 2010, reflecting rate increases and RGU growth.

For fiscal 2012, our primary focus will be integrating new acquisitions, strengthening our competitive positioning and continuously improving our processes and practices to spark sales growth, further enhance customer service and achieve higher customer retention. We expect to achieve good growth in revenue and operating income before amortization, driven mainly by continued strong growth in RGU.

Detailed information on our financial performance and operations is available in our Annual Report and Annual Information Form for the fiscal year ended August 31, 2011 at cogeco.ca.

Capital spending and acquisitions

Our strong performance in fiscal 2011 rested primarily on our capacity to renew and enhance our products and services and satisfy our customers. The main technology initiatives to enhance services included the first phase in 2011 of our digital migration project for analog packages. This migration enables more efficient bandwidth utilization

in order to offer our customers more effective and diversified services. This project has already been finalized in several of our territories and is expected to be completed by the end of fiscal 2012 in most markets. Meanwhile, deployment of DOCSIS 3.0 technology continues, bringing very high speed Internet access to a large number of customers, the fastest in our footprint. Capital expenditures to improve our products and services in Canada totalled \$291.1 million in fiscal 2011. This significant investment was made without major government financial support other than the recorded tax credits related to research and development costs in the amount of \$790,000 and real estate tax credits for our newly constructed facility in Trois-Rivières.

We ended fiscal 2011 with two acquisitions in the medium and large enterprise telecommunications service industry. The acquisitions of Toronto-area corporation Quiettouch and Greater-Montréal firm MTO will enhance our data communications subsidiary CDS. Quiettouch allows CDS to broaden its enterprise services, while MTO expands CDS's geographic coverage to the Greater Montréal area, a first for our corporation.

Economic benefits

Direct economic value generated in Canada

Cogeco Residential and Small Business
Operations and CDS for fiscal 2011

	CA \$
Net sales	1,188,889,000
Economic value distributed	
Operating costs	634,749,000
Payments to providers of capital	
- Interest	71,703,000
- Dividends	34,494,000
Corporate income taxes	69,432,000
Community donations and sponsorships*	1,569,000
Total consolidated capitalization	
Debt	981,214,000
Equity	1,061,045,000

* This amount is already included in operating costs

Our activities generate significant economic benefits in Canadian communities. The most visible and direct contribution we make to local communities is through employee wages and benefits. We also pay income, sales and payroll taxes to the federal and provincial governments, as well as property taxes on our real estate in Québec and Ontario. Local businesses benefit directly from our purchases of goods and services, and indirectly from increased activity related to our ongoing network modernization and expansion projects. A case in

point is our new \$18-million operations centre in Trois-Rivières, Québec, which was designed jointly by a local architecture firm and built by a local construction company.

The data in the accompanying table quantifies some of our contributions but it does not capture the full measure of the role we play in local communities. Our products and services are vital to a vibrant economy and society. They are key enablers of efficiency and progress in most fields of human endeavour – business, social, academic, medical, etc. By bringing the latest telecommunication technologies to our territories, we promote job creation by local businesses by helping them become more competitive in regional, national and global markets.

Supporting local communities

From our informal engagement with various community stakeholders, three issues emerge clearly. The common denominator is the social and economic development of their communities and the desire to see more direct and indirect benefits from our presence in their communities. Local stakeholders care deeply about these issues:

- Keeping Customer Service Representative jobs locally;
- Providing high speed Internet access and high capacity;
- Ensuring greater availability of competitive business solutions.



Good corporate citizen award

Cogeco Cable was honored with an award that recognizes Cogeco Cable as a good corporate citizen for our responsiveness and support of Community Living Burlington's *Business Takes Action* employment services program. We have been collaborating with Community Living Burlington since 1994 by providing work placement opportunities. Through this valued partnership, many challenged individuals have gained work experience and training in our Call Centre, Human Resources, Collections, Credit, Reception and Mail Room departments to help them learn and develop their skills. The award acknowledges Cogeco for providing an inclusive and accommodating workplace and underlines our partnership with Community Living Burlington. The *Business Takes Action* program aims to help businesses of all sizes and sectors within the province of Ontario to remove the physical and attitudinal barriers associated with hiring people with disabilities.

We are meeting expectations on stakeholder issues, as reflected by the awards we received in fiscal 2011 in several communities (see Customers section on page 14), as well as the business acquisitions described earlier which have greatly expanded our capacity to serve business customers.

While local hiring is not a formal policy, most of our employees are recruited locally. We seek employees in the vicinity of our stores and offices and choose them primarily based on their values, commitment to customer service and competence. In fiscal 2011, more than 80% of new employees were recruited from local markets.

Our regional headquarters and Contact Centres are located in Burlington, Ontario and Trois-Rivières, Québec.

We use many local community partners for recruiting. In Ontario, the current recruitment process involves posting job vacancies with Burlington Economic Development Corporation, McMaster University Career Centres, Sheridan College Career Centres, YMCA Career Centre and Regional Municipality of Halton Employment Services Department.

In Quebec, several initiatives are in place to attract employees from local communities:

- Participation in la *Grande fête de l'entraide, de la formation, de l'emploi et de l'entrepreneuriat* (job fair).

- Job postings in small communities such as Cacouna, Whitworth, Gespeg, Listuguj, Wendake, Wôlinakl, Betsiamites, Essipit, La Romaine, Mingan, Natashquan, Pakuashipi and Uashat-Maliotenam.
- Postings at the *Université du Québec à Trois-Rivières* and *Collège Laflèche*.

With regards to local purchasing, our procurement activities are mostly centralized in the corporate office in Montréal. One of our objectives for fiscal 2012 is to understand the sustainability practices of key suppliers and see where adjustments in some practices may be required.

Public policy positions and compliance

Cogeco Cable publicly shares all its positions regarding the development of Canadian Radio-Television and Telecommunication Commission (CRTC) policies. We regularly participate in public proceedings of the CRTC, attend Parliamentary committee hearings, write position papers and issue press releases on matters relating to, among others, emergency measures, intellectual property, respect for privacy, consumer protection, vertical integration of the media, etc. We do not take positions on general issues, but exclusively on those relating to the corporation or the interests of our customers. All our lobbyists are duly registered in the Registry of Lobbyists.

Cogeco strives to comply with applicable laws and regulations in Canada. Where non compliance issues are identified, they are remediated within reasonable timeframes. In 2011, Cogeco did not receive any fines for breach of any material laws or statutes in Canada.



Business partnership in Trois-Rivières

Cogeco Cable has teamed up with the *Chambre de Commerce et d'Industrie de Trois-Rivières* (CCITR) by becoming the official presenter of the *Grands déjeuners d'affaires Cogeco* (COGECO Business Luncheons). With its 915 members, the CCITR is a major partner for Cogeco Cable. The partnership raises our profile with local businesses and provides another example of our commitment to the community. In announcing this partnership, Cogeco Cable's CEO, Louis Audet, emphasized Cogeco Cable's role as a community leader: "We are a large business established in outlying areas and that is our strength. We strive to build a personalized relationship with our customers to fully meet their needs. This initiative is a perfect fit with our mission and reflects our intention to be closer to our customers."

Chambre de commerce et d'industries de
Trois-Rivières

02 Customers

Highly efficient customer service is of paramount importance and we aim for excellence in our ability to meet the needs of our residential and business customers. Our commitment to our customers is a core value, and we strive to walk the talk every day. Maintaining our Contact Centres in Burlington, Ontario and Trois-Rivières, Québec, both staffed by employees who were hired locally, is a concrete example of our customer commitment in action.



Management approach and policy

Respect for customers is one of the underlying principles of our Code of Ethics. It is motivated by the depth of our connection with our customers and encompasses clarity, honesty, integrity, responsiveness, care, efficiency and courtesy in all customer relations and general respect for customers. We apply this principle not only to the extent prescribed by laws and regulations and in accordance with established standards of service, but also in light of our commitment to provide superior customer service.

Direct responsibility for residential customer care for Cogeco Cable in Canada is under the Senior Vice President, Residential Services. Responsibility for small business customer care is under the Vice President, Marketing and Strategic Planning.

New initiatives and awards

Understanding our customers' needs and finding just the right solution for them is a constant preoccupation. To communicate our capabilities more effectively, we developed and introduced

a new brand image and marketing campaign built around the excellence of our customer service. Launched in mid-2010, our new advertising signature "*How can we help you?*" effectively evokes our unique capacity for close customer relationships and has contributed to our solid RGU growth in Canada, particularly in fiscal 2011. Our advertising campaign was awarded the Silver Award for its acquisition tactics and Bronze Award for its brand image by the Cable Telecommunication Association of Marketing at its 2011 awards ceremony.



For the fourth time in five years, we won the Service Quality Measurement Group Award (SQM) for our commitment to service. The SQM award is the most prestigious and recognized North American call centre awards program. SQM establishes benchmark studies which are based on customers who have used a call centre and a confidential survey of employees of the call centre. The SQM's

criteria is based on the customer's call being resolved, the overall satisfaction of the customer's call centre experience and the customer service representative. This award recognizes one of our proudest achievements: the highest customer satisfaction in the telecommunications/TV industry.

Prizes and awards: Ontario internet service

- Best Internet Provider, *Burlington Post* readers (9th consecutive year)
- Best Internet Provider Award, *Niagara Review* (3rd consecutive year)
- Best Internet Service, *Oakville Beaver* readers (9th consecutive year)
- Best Internet Provider, *Milton Canadian Champion* readers
- Favourite Internet Provider Award, *Hamilton Spectator* readers
- Best Internet Service Provider, *View Magazine* readers 2011 BEST OF GREATER HAMILTON survey
- Diamond Award for Best Internet Service Provider, *Hamilton News* readers (2nd consecutive year)
- Best Internet Provider, *Flamborough Review* readers
- Diamond Internet Provider, *Smiths Falls This Week* 2010 Reader's Choice Awards

Product responsibility

We strive to ensure our product labelling and our marketing practices are fair. We want to give appropriate information related to our products and services when selling a product, and we seek to do so in a fair and relevant manner. We act in compliance with labelling and marketing regulations.

Our products and services respect all regulations and labelling requirements. Our offers of products and services and their terms are clearly established and verifiable by customers. This is in line with our values and our commitment to offer respectful and honest customer service.

In order to make the internet a safer environment, we provide our residential customers with a parental control feature free of charge. Our cable services, including Video on Demand (VOD), also include parental control. VOD licensees have a responsibility to ensure that the programming they provide is of high quality and meets general community standards within the context of a discretionary service. Cogeco digital cable and VOD services require set-top boxes at each customer's television set. Each Cogeco set-top box has the capability of locking out programming by rating and channel. This provides each of our cable and VOD customers with the capability to block reception of unwanted programming.

The feature enables parents to prevent their children from accessing shows or movies that meet defined criteria. We use the Canadian Broadcast Standards Council (CBSC) rating system provided by TV broadcasters (adopted by the CRTC), as well as the provincial and US rating systems. The rating is visible for all customers. Exclusions can be made on different categories: violence, sexuality, coarse language, substance use, etc. Customers have control over this feature, based on their own preferences.

In our choice of programming, we follow our voluntary Code of Conduct that addresses issues such as violence, gender representation, ethics, and advertising to children. We also adhere to the Pay-per-view code regarding violence.

Furthermore, we script 80% of our VOD content to make it available for hearing impaired persons.

Finally, we provide our customers with local Canadian content in both English and French.

Vendor appreciation award

The Cogeco team in Windsor, Ontario has been busy for the past two years connecting over 200 new public sector fiber sites and implementing MPLS (Multiprotocol Label Switching) network architecture. The MPLS network connects schools, the City of Windsor, the County of Essex, St. Clair College, University of Windsor, hospitals and library branches across the county and beyond. Its technology enables cutting-edge applications: distance learning and e-learning video applications, Graphical Information Systems (GIS), and access to emergency response teams such as police, fire and rescue, along with hospitals. The MPLS network allows these services to connect with each other through a web-based emergency operating centre, allowing for instant responses in the event of natural disasters or terrorism incidents; and it improves support for the recently launched digital e-Library. The system also provides critical connections for the Schulich School of Medicine & Dentistry, Windsor Regional Hospital and Hotel Dieu Grace Hospital's digital lifeline and the University's Institute for Diagnostic Imaging Research in Windsor. Completion of the network resulted in the Windsor-Essex region being named one of the 7 Smartest Communities in the world. We received a Vendor Appreciation award from Connecting Windsor-Essex to underscore our contribution.



Customer privacy

We take privacy very seriously because we recognize how important it is to our customers. For this reason, we have taken steps to ensure that any personal information they provide us is protected by a range of business procedures and security safeguards. These are designed to ensure that customer information is kept confidential and used only for the purposes for which it was collected.

We are also committed to providing transparency to our customers with respect to practices for handling personal information. To that end, the Cogeco Cable Privacy Policy is a formal statement of rights and obligations concerning minimum requirements for the protection of personal information provided to Cogeco Cable. It is intended to establish responsible and transparent practices for the management of personal information and to satisfy the requirements of both rules established by the Canadian Radio-television and Telecommunications Commission (CRTC) and the Personal Information Protection and Electronic Documents Act (PIPEDA). It explicitly follows the general format and principles set out in Schedule 1 to that legislation.

We review and update our privacy documents as required to remain current with rules and regulations, new technologies, standards and customer concerns. To view the Privacy Policy, please visit cogeco.ca.



We also continuously monitor for any threats to the security of our information and are working towards minimizing such risks. To that effect, we have an Information Security Policy to protect access to the data of our customers.

Cogeco strives to comply with applicable laws and regulations in Canada. Where non compliance issues are identified, they are remediated within reasonable timeframes. In 2011, Cogeco did not receive any fines for any material laws or statutes concerning the provision and use of our products and services.

03 Environmental Performance

We continue to believe that cable telecommunications has a smaller environmental impact compared to many other industries. However, we are committed to progressively reducing our environmental footprint in respect for the communities in which we operate and to achieve an improved balance between our environmental and economic objectives. Our commitment reflects both our desire to be a responsible corporate citizen and the recognition that sound environmental stewardship can benefit our financial performance by helping to reduce and/or control certain operating costs.



Management approach and policy

Respect for the environment is one of the fundamental principles of our corporation and we adhere to it in all our activities, business relationships and dealings with other stakeholders. Our environmental policy, adopted in 2009, has four main objectives:

- Ensure a more efficient and responsible use of resources, including energy, water and raw materials.
- Eliminate, reduce and control pollution and waste as much as possible.
- Make continual improvements by remaining abreast of best practices applied through benchmarking.
- Be an agent of change by collaborating with other stakeholders (partners, suppliers, customers, employees) in a coordinated implementation of environmentally friendly practices.

The most senior position with operational responsibility for our environmental performance is our Senior Vice President, Residential Services. In fiscal

2011, environmental initiatives for Cogeco residential and small business operations focused on five key areas:

- Measurement of our greenhouse gas (GHG) emissions
- Decreasing our environmental impact by establishing carbon reduction goals
- Development of a green procurement policy and practices
- Promotion of environmental awareness throughout the corporation
- Pollution prevention activities

Our environmental activities and initiatives are driven by regional grassroots committees called Green Teams, who are helping build an organizational culture where caring for the environment is a reflex at work and at home. In recent years, Green Teams have been active in Burlington for the Ontario region and Trois-Rivières for the Québec region since 2010. Team members are from different departments and offices. They are volunteers who dedicate their time to developing activities and

initiatives to reduce the corporation's environmental impact. A grassroots Corporate Social Responsibility Committee was created at our Montréal headquarters during fiscal 2011.

Activities during fiscal 2011 included efforts to reduce our carbon footprint through awareness and communications campaigns, reduction of consumables such as bottled water, plastic bags and polystyrene containers in storefront locations, utilization of green products for cleaning our facilities, and participation in several regional community activities including Earth Week, Earth Hour and World Car Free Day.

Significant progress was made towards all of our objectives, with measurable improvements in several of our key performance indicators.

Energy and carbon

The environmental impact of our operations results mainly from greenhouse gas (GHG) emissions related to the electricity we use in our facilities and the fuel consumed by our vehicle fleet. The servers and systems we use to run our network operate around the clock, 24 hours a day, 7 days a week, accounting for the bulk of our electricity requirements. Business travel also accounts for some GHG emissions, although volumes are much lower than those related to our electricity and fuel consumption.

GHG inventory

We conducted our second GHG inventory in fiscal 2011. **Planetair**, a not-for-profit organization, provided the tool we used to calculate our GHG emissions. The data was collected internally and calculations were based on the methodology of the ISO14064 standard and the Greenhouse Gas Protocol of the World Business Council for Sustainable Development.



Our GHG emissions are distributed among three categories, following international standards:

- Scope I – Direct emissions (fuel used by our vehicle fleet: gasoline, diesel, propane, natural gas and ethanol)
- Scope II – Indirect emissions (electricity)
- Scope III – Other indirect emissions sources (business travel and subcontractors' vehicle fleet)

The data includes the fuel consumption of our subcontractors, as well as train and air travel by employees. We estimated subcontractors' fuel consumption based on our own information about the number of vehicles in their fleets and the average fuel consumption per vehicle in Cogeco Cable's fleet.

Scope II emissions (related to electricity for our facilities) represent 44% of our total emissions. Approximately 99% of these emissions relate to electricity consumed in Ontario and the balance in Québec, reflecting the higher emission factor for electricity generated in Ontario. Virtually all of the electricity we consume in our Québec facilities is hydro-electric, the cleanest available renewable energy. We are looking into programs to decrease our energy consumption in Ontario as well as means to offset the related GHG emissions. We expect to file a Carbon Disclosure Project report in fiscal 2012.

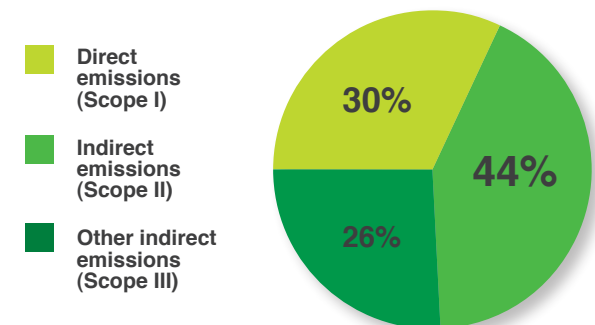
An analysis of emissions by emitting source type indicates that the most important source of our GHG emissions is fuel consumption by our vehicle fleet, our subcontractors' fleets and business travel by air and train.

GHG emissions by scope

Cogeco Residential and Small Business Operations for fiscal 2011

Emissions sources	Volume (CO ₂ e tons)
Direct emissions (Scope I)	5,521
Indirect emissions (Scope II)	7,995
Other indirect emissions (Scope III)	4,861
Total	18,377

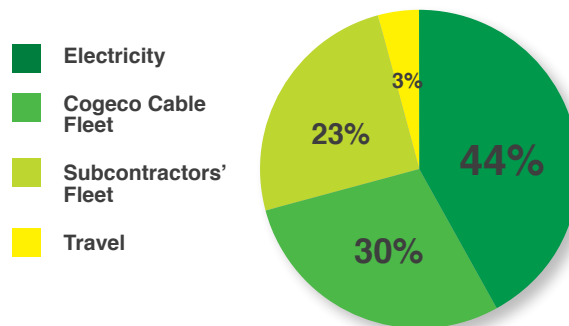
* The volume of CO₂ is expressed in CO₂ equivalent.



GHG emissions by source type

Cogeco Residential and Small Business
Operations for fiscal 2011

Source	Emissions (in tons of CO ₂ e)	Total emissions (in %)
Facilities		
Electricity – Ontario	7,984	43%
Electricity – Quebec	11	≤ 1%
Subtotal	7,995	44%
Travel		
Business trips – Train	5	≤ 1%
Business trips – Air	598	3%
Subtotal	603	3%
Cogeco Cable Fleet		
Vehicles – Ontario	3,616	20%
Vehicles – Quebec	1,905	10%
Subtotal	5,521	30%
Subcontractors' Fleet		
Vehicles – Ontario	3,663	20%
Vehicles – Quebec	595	3%
Subtotal	4,258	23%
Total	18,377	100%



GHG reduction objectives

In fiscal 2011, we set reduction objectives that will be measured going forward. These objectives will serve as guidelines for the development of initiatives aimed at reducing our environmental footprint. The three main categories relate to our direct and indirect GHG emissions resulting from electricity consumption in our facilities and fuel consumption related to our vehicle fleet and air travel. The following objectives concern Cogeco residential and small business operations only.

Air travel

Decrease air travel by 10% per RGU over 5 years

Facilities

Decrease energy consumption by 2% per RGU over 5 years

Vehicles

Decrease total vehicle emissions by 500 tons of CO₂ over 5 years

Our performance will be measured based on Revenue Generating Units (RGU) so that progress can be tracked on a consistent basis while taking business growth into account.

GHG reduction initiatives

Vehicles – both our own and those of our subcontractors – account for 53% of our GHG emissions. With the help of our employees and the Green Teams we have successfully implemented several reduction initiatives over the past two years.

Idle-time

All of our vehicles are equipped with a Global Positioning System (GPS) that allows us to calculate each driver's idle-time. Our performance at reducing idle-time is monitored monthly. In order to decrease daily idle-time for customer facing technicians (CFT) and network facing technicians (NFT), Cogeco has been monitoring and reporting on daily idle time averages for the last 18 months. The targets for daily average idle-time are 25 minutes for the CFTs and 45 minutes for the NFTs, respectively.

On average, the NFTs decreased their daily amount of idle-time by 25% and met the target for idle-time 25% of the time. The CFTs decreased daily idle-time averages by 47% and met their target 63% of the time. Cogeco will continue to encourage its teams to decrease vehicle idle time and monitor this metric. Our procurement and operation teams are also examining alternate power supplies for the operation of trucks with hydraulic lifts to further decrease vehicle idle times.

Idle-time reduction in 2011

	Network facing technicians	Customer facing technicians
Average reduction	25%	47%
Total	36%	

To help reach our idle-time objectives, several programs have been implemented such as an auxiliary battery program and an eco-driving program.

Auxiliary batteries

A large proportion of our service vehicles are equipped with auxiliary batteries, which are used to power some of the tools our employees use at customer homes. This reduces vehicle idling and GHG emissions as some tasks can be completed without the engine running.

We plan to conduct an assessment to verify if auxiliary batteries can also be used in vehicles with hydraulic lifts.

Eco-driving program

An eco-driving pilot program is currently underway in partnership with *l'Agence de l'efficacité énergétique du Québec* (Québec Energy Efficiency Agency) involving 18 of our technicians. This year-long program uses the informational approach to change driving behaviours in the long-term. On-board computers monitor the fuel consumption and driving habits of the driver. Results should be available during the Spring of 2012.

Reduction of vehicle size

Since 2010, we have reduced the size of our service vehicles, resulting in lower fuel consumption and emissions. Our policy is to purchase 4 cylinder vehicles, mainly for urban areas, instead of 6. Approximately 10% of our fleet was comprised of lower fuel consumption vehicles at the end of fiscal 2011.

In addition, we perform regular vehicle maintenance to keep our fleet in good condition.

Equipment self-install

We have put in place a process that enables our customers to self-configure their equipment. This allows customers to do so at the time of their choosing and avoids us having to send a technician to the customer's house. We estimate that this initiative avoided the consumption of 740,416 litres of gasoline in fiscal 2011¹.

Waste management

In fiscal 2011, we implemented several new waste management initiatives which, together with existing practices, resulted in the diversion of one-third of corporation-wide waste from landfills. This includes a 40% diversion rate for our Burlington regional headquarters, as provided by our recycling partners. Through our Green Teams, we emphasized the 3Rs – reduce, reuse, recycle –, composting and other initiatives to achieve our objective of reducing our environmental footprint.



Equipment waste

Obsolete telecommunications and cable equipment from our Trois-Rivières warehouse is sent to ***Service d'intégration travail-Mauricie*** (SIT), a not-for-profit organization that recycles and



Green initiative award

In April, Cogeco won the Green Initiative Award, given by Mauricie's Young Chamber of Commerce at its annual gala which recognizes companies for actions taken to reduce their environmental footprint. Cogeco was rewarded for our Green Teams, the green features of the new Trois-Rivières operations centre, as well as the recycling program and the environmental action plan.

¹ The estimate was based on the average distance travelled to a customer site and the fuel consumption associated with this travel.

resells electronic material. SIT provides social integration to people with mental illnesses by employing them in its facilities. In 2010, SIT recycled approximately 16,500 pounds of our coaxial cable equipment and approximately 57,750 pounds of electronic equipment, for a grand total of approximately 74,250 pounds (33.7 tons).



In Ontario, we partner with **REfficient**, a company that assists businesses in responsibly managing obsolete and excess electronic equipment. This partnership enables us to divert a large amount of e-waste from landfills and ensures reuse and responsible recycling. In 2011, we diverted 197 tonnes of equipment from landfills. The equipment came from our warehouses in Burlington, Niagara Falls, Oakville and Sarnia. Of the total 2,751 collected units, 51% were sold for reuse, 45% were recycled and 3% were redeployed.

The total volume of e-waste diverted from landfills was 230.7 tonnes or the equivalent of over 27 full-size school buses. This data is specific to our warehouse operations and to recycled materials only and was provided by our recycling partners. We do not currently have the ability to measure the total amount of waste generated by all of our activities.



Green features in new operations centre

The construction of our state-of-the-art operations centre in Trois-Rivières was completed in Fall 2011. The building features many innovative green characteristics.

- Eco-friendly lighting using LED and fluorescent technologies
- Optimization of natural light for lighting purposes
- Presence detector for automatic control of lighting
- Cooling systems of the server room will use outside cold air during winter instead of electric compressors
- Plumbing system was designed to use less water including low flush toilets
- Bicycle rack and showers

Overall, the new facility will generate less pollution, be more energy-efficient and facilitate alternative ways of commuting.

E-billing and paper management

We have implemented numerous initiatives to reduce our paper consumption. One of the most promising long-term is e-billing.

We strongly encourage our customers to subscribe to electronic billing, which is a more reliable and environmentally friendly way of receiving monthly statements. As well, we actively promote a paperless pre-authorized payment method. Combined, 31% of our customers using e-billing or pre-authorized payment methods do not receive any paper invoices. E-billing helps us reduce the quantity of paper used in our administrative operations and is almost carbon-free. Our objective is to increase the number of e-billing customers in future years.

Additional paper reduction initiatives include the introduction of electronic pay stubs for employees as well as setting the default print control on most printers in the corporate head office to double-sided. While continuing our efforts to minimize paper use, we are supporting sound environmental practices by using only recycled copy paper in our offices and printing all of our marketing material on FSC-certified paper.

Other waste

Historically, our TV production environment used non-biodegradable magnetic tapes which eventually would end up in landfills as they are not recyclable. With the conversion to High Definition

which began in 2008, content is now transmitted electronically from one station to another through telecommunication networks, a much greener process by far. This significant change has resulted in the elimination of over 4,500 videotapes annually, which diverts 340 km of magnetic tapes and plastic from landfills. In addition to reducing waste, moving to a tapeless environment avoids the use of a courier service to transport tapes between TVCOGECO stations, leading to a decrease in associated GHG emissions.

Water management

We are currently unable to obtain information pertaining to water use as meters are not required in all our municipalities. We plan to investigate the feasibility and cost of installing water meters in all locations with more than 20 employees. Relative to other resources used in our industry, water intensity is comparatively low.

We are nevertheless mindful of conserving water and have taken water consumption into account in both of our regional headquarters. For example, our recently-completed Trois-Rivières facility is equipped with low-flush toilets and our Burlington facility has been retrofitted to this standard. We expect all future building construction to take into account water conservation features. In addition, we upgraded the sprinkler irrigation heads at our Burlington regional headquarters to reduce our water consumption.

Risk management

Our overall economic performance depends on multiple external factors that we do not control, including environmental catastrophes. We view climate change as a potential risk to our network infrastructure and facilities. In addition, extreme weather could affect the well-being of our employees on the road. The Corporation is committed to being a responsible corporate citizen in the battle against global warming by measuring, monitoring and lowering GHG emissions, as well as adopting best practices to reduce our overall environmental footprint.

To mitigate risks, we have implemented Business Continuity, Disaster Recovery and Emergency Management programs which are reviewed on a regular basis. We are also monitoring the evolution of the carbon market. As the carbon market slowly emerges and GHG emission thresholds are lowered by both provincial and federal governments, this could adversely impact our operating costs.

Environmental risk assessment and inspections

Environmental assessments are performed annually for 20% of our facilities, on a rotational basis, by independent third parties, covering areas such as storage tanks and other storage facilities, batteries, air conditioning fluids, waste and visual evidence of spills or leaks. Once such assessments are completed, our facilities team manages remediation activities, if any, which are performed within a 10-month timeframe.

We perform annual leak testing of any equipment greater than 5.7 tons that contains halocarbons as well as FM200 fire extinguishing systems. We are currently modifying our management process to help us improve how we monitor our equipment and keep track of halocarbon emissions.

No material leakages or spills were reported for our Canadian facilities in fiscal 2011. Cogeco strives to comply with applicable laws and regulations in Canada. Where non compliance issues are identified, they are remediated within reasonable timeframes. In 2011, Cogeco did not receive any fines for any material laws or statutes in Canada for non-compliance with any environmental laws and regulations.

Products and services

The environmental impact of our products and services has not yet been assessed. We are aware of the potential impact of our products and services on GHG emissions, on customers' energy consumption, as well as on the waste they generate. Imports of electronic equipment and components from abroad also increases the environmental footprint of our products.

As we adopt more environment friendly practices internally, we will begin looking to our suppliers to support our initiatives. We will work with our suppliers towards the development of products that minimize impact on the environment; for example, more energy efficient set top boxes or products that would generate less waste. We recognize that our suppliers have an important role in mitigating the environmental impacts of our operations.



Several local high school students received Halton Youth Awards for Environmental Excellence sponsored by Cogeco.

Promoting sustainability

TVCOGECO produces and broadcasts a wide array of TV shows which reflect local community interests, including sustainability issues. In fiscal 2011, more than 70 shows dedicated all or part of their content to social or environmental topics. For example, in Kingston, Ontario, the Eat Local Challenge produced and broadcast by TVCOGECO featured three families who challenged themselves to seven days of eating only foods grown and raised close to home. In addition, That Green Show, broadcast in Fergus, Ontario, features local environmental initiatives, tips and information on how to live a more environmentally friendly life.

Many telethons and fundraising events are broadcast, as well as programs on specific topics such as the First Nations, the elderly, bullying, food scarcity and poverty alleviation, among others. Social

causes are highlighted on CK Elder Abuse Forum, which airs in North Bay and provides information on elder abuse. Hawkesbury's Marche Amun focuses on a walk to Ottawa by a group of Native women to plead their case for recognition of Native women's rights. In Lindsay, Men in a Tent covered a five-day fundraiser event for the local food bank, Kawartha Lakes Food Source, in which a group of men live in a tent and eat only donations provided by the food bank. This program raised awareness about hunger in the community and the food bank's need for food donations.

04 Social performance

Respect for our employees and local communities is part of our core values. We view our employees as key factors of our success and we strive to provide competitive compensation and benefits, safe working conditions, training and advancement opportunities, and an inclusive and diverse workplace.

The quality of our relationships with the communities we serve has always been a top priority. We actively support community-based not-for-profit organizations and activities through donations and sponsorships, by increasing their visibility and reach through TVCOGECO and other means.



Workplace

We offer employees a safe work environment, competitive remuneration and a comprehensive benefits package. We provide a challenging, progressive and diverse work environment built on collaboration and respect. We believe in continuous learning and support professional development and provide internal growth opportunities as they arise. Employees are encouraged to take ownership and accountability for their career growth. We believe there are no limits to what individuals can achieve and we are committed to helping employees reach their full potential.

Management approach and policy

We subscribe to the highest standards of labour/management relations, as reflected in our Human Resources policies and practices, as well as our track record as a good employer. We are committed to full respect of applicable laws and regulations.

In the management of our human resources, we abide by the following Canadian guidelines:

- Labour Code
- Labour Standards Regulations

- Occupational Health and Safety Regulations
- Human Rights Act
- Charter of Rights and Freedoms
- Employment Equity Act
- Employment Equity Regulations
- Privacy Act
- Personal Information Protection and Electronic Documents Act

In addition, our Human Resources policies are consistent with international standards such as the Universal Declaration of Human Rights and the International Labour Association Declaration on fundamental principles and rights at work. These standards promote respect for the freedom of association, the right to collective bargaining, elimination of forced and compulsory labour, abolition of child labour and elimination of any type of workplace discrimination. We adhere to these standards.

Our Human Resources Department is responsible for ensuring understanding of and compliance with policies, procedures and guidelines, including but not limited to the following areas:

- Hiring and staffing
- Compensation

- Work environment
- Vacations, holidays and leaves of absence
- Respect in the workplace
- Employment equity
- Personal information
- Electronic information security
- Corporate disclosure
- Whistle blowing
- Gifts and entertainment
- Use of social media

Responsibility for compliance with applicable Canadian labour codes and human rights legislation is under our Vice-President, Human Resources. Since the majority of our workforce provides network-related services, occupational health and safety matters are the responsibility of our Vice-President, Network Services.

Human Resources matters are reported to our management committee and, as appropriate, to our Board of Directors. We also provide regular reports to government departments as required by applicable laws and regulations.

Selected events and organizations supported by TVCOGECO

Ontario

- Big Brothers and Big Sisters of Canada (BBSC)
- United Way
- Milton Arts Center in Halton
- Queen's University in Kingston
- Oakville Hospital
- Burlington Community Foundation
- Oakville Centre for Performing Arts
- McMaster's Athletic & Recreation
- Kingston Film Festival
- North Bay 'Summer in the Park' Festival
- Brock Centre for the Arts
- Burlington Sound of Music Festival
- Halton Learning Foundation Etc.
- Hawkesbury General Hospital

Québec

- Centraide
- Leucan
- Opération Nez-Rouge
- Fondation de ma vie, Rimouski Hospital Centre
- Trois-Rivières' Symphony Orchestra
- Festivoix, Trois-Rivières
- Festival beauceron de l'érable
- Régates de Valleyfield
- Les grandes fêtes du Saint-Laurent, Rimouski

Ethics

We wish to foster a business culture of integrity, transparency and honesty throughout our organization. All new employees receive mandatory training on our Code of Ethics when they are hired. Once a year during their formal evaluation process, all employees are required to sign off on their understanding of the Code. A refresher training is required every second year. Failure to adhere to any and all provisions of our Code of Ethics may result in disciplinary action up to and including termination of employment and/or legal action.

All employees have an immediate responsibility to report in good faith any actual or perceived violations of our Code of Ethics to their manager, Human Resources representative, or the Legal and Compliance Department. Employees who may be uncomfortable reporting violations through these channels may do so anonymously through our Ethics Line, which is operated by a specialized external provider independent of the COGECO Group. and is accessible 24 hours a day, 7 days a week. The Ethics Line may also be used by non-employees.

Labor and management relations

All of our employees are covered by a collective agreement or a signed offer letter and we consider our labour relations to be satisfactory. As at August 31, 2011, the number of full-time equivalent employees of Cogeco Cable, our subsidiar-

ies and controlled entities in Canada was 2,511. Of this total, 564 full-time equivalent employees of Cable Québec and 58 full-time equivalent employees of our business services subsidiary CDS were subject to collective agreements, representing approximately 25% of our workforce.

Cable Québec employees are grouped in two units for collective bargaining purposes. Negotiations for the renewal of the collective agreements were concluded in December 2010, resulting in a six-year agreement that is effective until December 31, 2014. The four-year collective agreement for certain employees of CDS is effective until January 31, 2013. There are no collective agreements for Cable Ontario.

Donation to Hawkesbury General Hospital



Compensation and benefits

We offer total competitive compensation to attract and retain performing employees. Included are competitive base salaries and numerous benefits such as a bonus program encouraging the achievement of personal professional goals and participation in corporate results.

In addition, we sponsor different pension plan types to provide for the long-term economic well-being of our employees. We sponsor defined benefit pension plans for employees, which provide pensions based on the number of years of service and the salary of each participant. In addition, we sponsor a contributory pension plan as well as a collective RRSP. Registered defined benefit pension plans are financed in accordance with the requirements of the Pension Plan Documents. The participation rate for all plans is currently 100% after the waiting period indicated in the plans. We also offer and sponsor a competitive group insurance program that provides all permanent employees with life insurance for both employees and their family. Also included are accidental death and dismemberment insurance, short term and long-term disability plans, health insurance including emergency out-of-country coverage, and a dental plan.

Employees may also participate in a share purchase plan, allowing them to contribute up to 7% of their annual base salary, and of their annual commissions if applicable. The employer contribution

is 25% of the employee contribution and the employer portion is automatically vested.

Our Employee Assistance Program provides employees with access to counselling on a confidential basis in a number of areas such as health, legal and financial matters, and other personal issues. The cost of this program is assumed by the corporation.

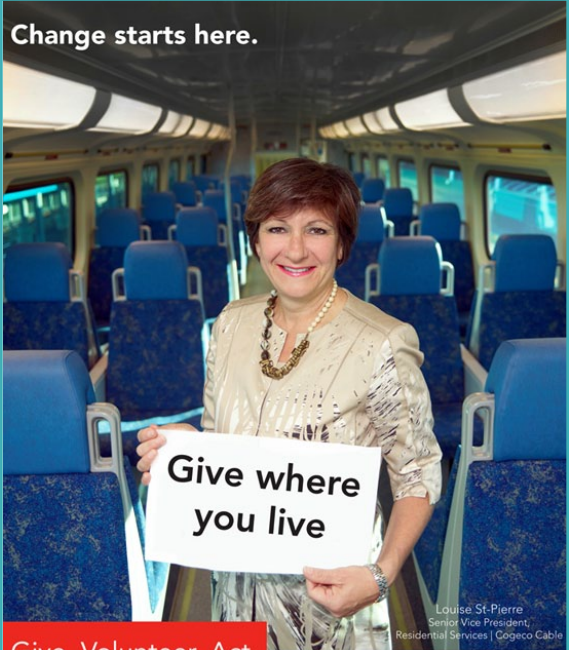
Occupational health and safety

We are determined to provide and maintain a healthy and safe working environment in order to ensure the well-being of all our employees, volunteers, business partners, and the general public. This commitment is materialized through the implementation of an Occupational Health and Safety Program, where we implement training and development programs for safety and accident prevention. This includes monitoring the success of programs designed to reduce or eliminate risks and accidents or hazards. We also provide employees with appropriate training, information and protective equipment. Our employees and partners are required to adopt safe work methods, use protective equipment as required and abide by all of our safety guidelines.

Each location with more than 20 employees has a Health and Safety Committee, whose role includes implementing our safety policy, advising on poli-

cies and the program's development, as well as making recommendations to correct unsafe working conditions or methods. In addition, our Québec and Ontario regions each have their own Health and Safety policy committee, which plays a leadership role for specific issues within each region.

2011 United Way Campaign



Change starts here.

Give where you live

Louise St-Pierre
Senior Vice President,
Residential Services | Cogeco Cable

Give. Volunteer. Act.

www.uwaybh.ca
Text UNITEDWAY to 45678 to make a \$10 donation

Burlington 905-635-3138 | Hamilton 905-527-4543

This ad made possible through the generosity of

United Way
Burlington &
Greater Hamilton

COGECO

Photograph & Creative Design by
BANKOMEDIA

Our occupational injury rate of 1.3 incidents, per 200,000 man hours, is lower than the provincial averages in both Ontario and Québec and lower than the Canadian average of 2.12.²

The cumulative number of lost time days was 488 days which resulted in a severity rate of 27. The lost days are expressed in calendar days and they begin the day after the accident. No fatalities or occupational illnesses were recorded during the year.

We also track incidents where there was no lost time claim in order to make adjustments to our programs to ensure appropriate preventive training programs, procedures and equipment are available to our employees.

Training and education

We value our employees and wish to be part of their professional development. Managers are responsible for managing the training requirements and related budgets for their employees. Every employee defines performance objectives with their supervisor and they mutually agree on a training program, as necessary. Training is fully paid by the corporation and occurs during working hours.

As new products and services are implemented, we endeavour to ensure appropriate training is provided. In Québec, we adhere to the *Loi favorisant le*

développement de la formation de la main-d'œuvre (Act to foster the development of manpower training) and dedicate at least 1% of our annual payroll to the training of our employees.

We also provide a Continuing Education Assistance Program. The objectives of the program are to help employees develop skills and knowledge in view of their current or future position with the corporation. The program financially supports the employee's development initiatives, through courses followed outside working hours. The program refunds 90% of employees' expenses for any individual course or program that leads to a diploma or certificate followed at an accredited educational institution.

Diversity and equal opportunity

We are committed to employment equity and determined to provide a work environment where all employees are treated with respect, dignity and without discrimination. We ensure a fair work environment for all current and future employees, in compliance with applicable laws and regulations. These principles ensure that all people have a fair chance at being employed and that employees have an opportunity to progress through our organization. Hiring and career advancement decisions are based on a person's abilities, skills and potential. No incidents of discrimination were reported in fiscal 2011.

Other programs

We began implementation of a Home Agent Program for our Customer Care Service Representatives (CSRs) in 2009. Participants in the program have more flexibility, a better work-life balance since they work from home and this contributes to higher employee satisfaction. In 2011, more than 40 CSRs worked from home and we expect that the program's success will lead to higher numbers in future years. The program is also beneficial to the environment since it avoids GHG emissions associated with vehicle travel to work.

COGECO is a major sponsor of the District School Board of Niagara's plans to revitalize the Woodend Outdoor Education Centre into an exciting environmental facility.



² Occupational Diseases and Injuries in Canada 1996-2008, HRDC publication,
http://publications.gc.ca/collections/collection_2011/rhdcc-hrsdc/HS21-4-2008-eng.pdf

Communities

We have always been close to our communities, beginning over 50 years ago when we were a small family-owned business in Trois-Rivières, Québec. The territories we serve are located outside the large urban centres of Québec and Ontario, comprising mainly of suburban areas and regional centres, as well as rural communities. From the beginning, we have been an important contributor to the social and economic development of the communities covered by our telecommunications network. True to our values, our support for our communities has expanded in step with the growth of our corporation and we look forward to doing even more in the years ahead.

Management approach and policies

We provide support to our communities in many ways – cash donations, sponsorships, in-kind contributions and promotion of activities, events and causes through the broadcasting reach of TVCOGECO. Cash donations average approximately 1% of our annual income before income taxes. In fiscal 2011, our cash donations totalled \$1.6 million and we helped various community organizations raise well over \$3.0 million through air time on TVCOGECO.

An internal Donations and Sponsorship Policy frames the decision process to ensure objectivity, integrity and efficiency. Our principal focus areas are the health, well-being, culture and education



Le Carrefour jeunesse-emploi de Beauce-Sud, a youth employment organization, received an excellence award for its rural reality TV program produced by TVCOGECO.

sectors. All activities or events must support a non-profit cause and the organizations behind them must be registered charities. Commercial, political and religious groups or institutions are excluded.

Responsibility for community relations is under the Vice-President, Programming and Community Relations. Regional community coordinators are based in Québec and in Ontario. Responsibility for donations and sponsorships is under the Vice-President, Public Affairs and Communication.

TVCOGECO: Visibility multiplier

TVCOGECO, our unique community local television service, is a powerful complement to our donation and sponsorship activities by providing broad visibility to local community activities and interests. It is dedicated to in-depth coverage of local people, places, events and issues of interest to each of the communities that TVCOGECO services in Canada. TVCOGECO is funded by a regulated percentage of gross cable revenue.

In Ontario and Québec, there are 36 stations working to produce about 11,500 hours of local programming annually. Stations cover sporting events, politics, festivals, news, business and social issues. In fiscal 2011, these stations helped raise well over \$3 million for local groups and charities through TV auctions, telethons and other fund-raising events. Reflecting its mission, TVCOGECO's slogan is "Truly local television" in Ontario and "*C'est vous*" in Québec.

Independent surveys by Environics Research Group in Ontario and Cible Recherche in Québec show that local partnerships and access are key factors in the success of TVCOGECO. Of cable viewers surveyed, 89% believed the service adds value to their communities and 36% identified TVCOGECO as a factor in remaining a Cogeco

Télé-ruralité TV program (beauce.tv)



Cable customer. In 2010, the CRTC referred to Cogeco Cable as a "Canadian champion of community access television" www.crtc.gc.ca/eng/archive/2010/2010-622.htm.

TVCOGECO: Developing talent

Producing TVCOGECO's shows is a community effort involving Cogeco Cable and many volunteers and students. In 2011, an average of 814 volunteers and 72 students were involved in the content production.

We provide the facilities, (studios, offices, transmission and post production rooms), television production equipment, and trained professionals to run the community television operations and teach the local volunteers and students how to produce television programs that reflect the interests and concerns of their communities. These local partners include on-air hosts, community producers and directors, camera operators, as well as audio, graphics, and editing specialists, all of them gaining valuable television training and experience as well as greater insight into their home towns.

The students generally come from high schools and many of them pursue post-secondary education leading to careers in the broadcasting industry. Some are hired by TVCOGECO following their internship. We believe we are helping these students to develop new skills and become new talents in the industry.

Respectful corporate citizen

Cogeco strives to comply with applicable laws and regulations in Canada. Where non compliance issues are identified, they are remediated within reasonable timeframes. In 2011, Cogeco did not receive any fines for any breach of material laws or statutes in Canada.



Corporate citizen of the year award

In recognition of the ongoing dedication and support provided by TVCOGECO to the community of Chatham-Kent over the years, TVCOGECO was presented with the Chatham-Kent Chamber of Commerce Corporate Citizen of the Year Award at the 123rd annual Business Excellence Awards ceremony in March, 2011. It was a good opportunity to shed light on Cogeco Cable's support for the growth and development of local programming and the community sponsorships and donations.

Report profile

Scope

The data and activities described in this report cover the 12-month period from September 1, 2010 to August 31, 2011, or “fiscal 2011”.

All of the data pertains to Cogeco Cable residential and small business operations, excluding CDS, Quiet-touch, MTO and Cabovisão unless indicated otherwise. All data was calculated in compliance with protocols set out by the Global Reporting Initiative (GRI), unless specified otherwise.

This report was published on the Corporation’s web site on January 26, 2012.

Content

Decisions regarding the content of this report were based on a comparison of internal Key Performance Indicators (KPI) that are reviewed regularly by management with those of the Global Reporting Initiative (GRI 3.1.), as well as information derived from stakeholder engagement, both formal and informal. The final KPI selection was determined by the Corporate Social Responsibility Steering Committee based on the impact of the indicators on the organization and their value to stakeholders.

This being our first corporate social responsibility report, comparative data on progress will be available in subsequent editions, which we expect to publish every second year. The Corporation believes the information in this report to be accurate; however, no external verification has been undertaken.

GRI application level

Based on the content of this report and our understanding of the GRI guidelines and protocol indicators, we declare this to be a Level B report. This grade is not an actual rating of our performance or the implementation of our corporate social responsibility initiatives.

GRI content index

The GRI content Index is on [page 31](#) of this document.

Format

This document is available in PDF format only. It has been formatted for easy reference.

Contact information

We look forward to hearing from you. If you have any comments, questions or suggestions regarding this report, please contact us at:

CSR-RSE@cogeco.com.

Additional Information

Visit cogeco.ca for:

[Code of Ethics](#)

[2011 Annual Report](#)

[2011 Annual Information Form](#)

Visit sedar.com for:

2011 Management Information Circular

GRI index

Cogeco Cable's 2011 Corporate Social Responsibility Report was prepared in accordance with Global Reporting Initiative G3.1 guidelines. This is a level B report containing information on at least 20 indicators.

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