

**CORPORATE
SOCIAL RESPONSIBILITY
IS IN OUR
2017 REPORT
FIBRE**



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WHO WE ARE

Cogeco Inc. is a diversified holding corporation which operates in the communications and media sectors.

Through its Cogeco Communications Inc. subsidiary, Cogeco provides its residential and business customers with Internet, video and telephony services through its two-way broadband fibre networks. Cogeco Communications Inc. operates in Canada under the Cogeco Connexion name in Québec and Ontario, and in the U.S. under the Atlantic Broadband name in 11 states along the East Coast, from Maine to Florida. Through Cogeco Peer 1, Cogeco Communications Inc. provides its business customers with a suite of information technology services (colocation, network connectivity, hosting, cloud and managed services), through its 16 data centres, extensive FastFiber Network® and more than 50 points of presence in North America and Europe.

Through its subsidiary Cogeco Media, Cogeco owns and operates 13 radio stations across most of Québec with complementary radio formats serving a wide range of audiences as well as Cogeco News, its radio news agency.

Cogeco Inc. and Cogeco Communications Inc. are headquartered in Montréal, Québec, Canada. Cogeco Inc.'s subordinate voting shares are listed on the Toronto Stock Exchange (TSX: CGO). The subordinate voting shares of Cogeco Communications Inc. are also listed on the Toronto Stock Exchange (TSX: CCA).

5,200 EMPLOYEES*	2,534,925 PRIMARY SERVICE UNITS**	\$2.3 BILLION IN ANNUAL REVENUE**	13 RADIO STATIONS**
			* At January 4, 2018 ** At August 31, 2017



Pictured on first page:
Cogeco Amphitheatre in
Trois-Rivières by Mathieu Dupuis



MESSAGE TO OUR STAKEHOLDERS

Over the past 60 years, Cogeco has experienced significant growth while developing deep roots within the communities where we operate. We are firm believers that responsible corporate citizenship is essential to our sustainability and our ability to create long-term value.

Case in point, our corporate social responsibility (CSR) program has continued to evolve significantly over the years, and we remain committed to setting and achieving concrete targets over time. Governed by a company-wide CSR Policy, our CSR program now applies to all our business units in Canada, the U.S. and Europe, and to all our 5,200 employees. Our program addresses environmental, social and governance issues (ESG) of importance to Cogeco.

With the publication of our fourth CSR report, we are delighted to share our progress over the past two years. Our key accomplishments include:

INTEGRATION OF ALL BUSINESS UNITS UNDER OUR CSR PROGRAM WITH THE MOST RECENT ONBOARDING OF COGECO MEDIA.

CONTRIBUTIONS OF \$6 MILLION TO LOCAL ORGANIZATIONS THROUGH CASH DONATIONS AND SPONSORSHIPS.

IMPLEMENTATION OF OUR SUPPLIER CODE OF CONDUCT AND ITS PROGRESSIVE ADOPTION BY OUR TOP SUPPLIERS.

SIGNIFICANT PROGRESS IN THE ATTAINMENT OF OUR CORPORATE CSR COMMITMENTS, WHICH INCLUDES THE REDUCTION OF OUR GREENHOUSE GAS EMISSIONS.

INVESTMENTS OF \$901 MILLION TO UPGRADE AND EXPAND OUR NETWORKS AND SERVICES, WHILE INCREASING DIVIDENDS TO SHAREHOLDERS BY AN AVERAGE OF 15.3% IN FISCAL 2017 ALONE.

Cogeco has the privilege of providing reliable, state-of-the-art media and communications services to a broad range of customers. Stimulated by innovation and technology, we aim to continually enhance our services for the customers and communities we serve, and we are committed to doing so by operating responsibly. Corporate social responsibility is in our fibre and doing our part to create a better world is also core to our culture, and ingrained in each of our employees. We will continue to demonstrate this commitment through our actions.

Within a solid sustainability framework, Cogeco is pursuing its vision of building a strong Canadian-based international communications and media business that offers key services and creates jobs, provides value to shareholders, and contributes tangibly to the well-being of communities. Ultimately, we aspire to help connect the world, every day, in a sustainable manner.

As always, we invite your feedback on our CSR activities and look forward to reporting on our continued progress.



Jan Peeters
Chairman of the Board
Cogeco Inc.
Cogeco Communications Inc.



Louis Audet
President and Chief Executive Officer
Cogeco Inc.
Cogeco Communications Inc.

OUR CORPORATE SOCIAL RESPONSIBILITY FRAMEWORK

- Currently meeting target
- Completed
- Currently working towards target
- Currently not meeting target

OUR COMMITMENTS

In the last two years, we completed the integration of all our business units under our CSR program, with the most recent onboarding of Cogeco Media. We have developed action plans to ensure all business units effectively integrate each of our CSR Policy pillars in their activities. These have become our CSR roadmap for the next three to five years. By executing our ESG commitments, we enable Cogeco's business growth and success.

Manage our environmental footprint		Status	Progress
E-waste management	Aim for zero e-waste generated on our premises by 2018.	●	1,999,222 pounds of e-waste were collected and sent to recyclers.
Greenhouse Gas (GHG) calculation	Integrate all business units in the GHG calculation by 2018.	●	All business units were included in the GHG calculation in fiscal 2016.
GHG reduction initiatives	Reduce GHG emissions by 10% by 2020 on a per revenue basis based on fiscal 2014 emissions.	●	Reduction of 34% to date.
E-billing	Increase % of invoices that are sent electronically compared to fiscal 2015.	●	30% of invoices are now sent electronically. We have doubled the % of e-billing over the last two years.
Data centre energy management	For the data centres we operate (i.e. manage and maintain infrastructure), we will benchmark the power usage effectiveness (PUE) and aim to be at or below the industry average.	●	Our average PUE is above the industry average. Some of our legacy data centres have a higher PUE due to older equipment, and our recent data centres are not loaded at full capacity, therefore inducing an increase in average PUE. As they are filled, average PUE should diminish accordingly.
Product energy efficiency	Provide energy efficient equipment to customers, in line with voluntary agreements in our jurisdictions.	●	Cogeco is a signatory of the Canadian Energy Efficiency Voluntary Agreement. As of the end of fiscal 2017, 88% of purchased set-top boxes in Canada complied with the agreement. In the U.S., although Atlantic Broadband is not a signatory, 73% of set-top boxes were compliant.
Take part in developing our communities		Status	Progress
Donations and sponsorships	Develop a corporate donations and sponsorship policy and publish it on our website.	●	Guidelines for the granting of donations and sponsorships were published on our corporate website. A formal policy on the granting of donations and sponsorships was approved and will be published on our corporate website in January 2018. In fiscal 2016 and 2017, we contributed over \$6 million in donations and sponsorships, and offered air time for fundraising purposes.
Take part in developing our employees		Status	Progress
Health, safety and wellness	Maintain frequency and severity of workplace-related incidents at or below the average in jurisdictions where we operate.	●	During the reporting period, we have maintained workplace-related incident rates below national averages in jurisdictions where we operate.
Equal opportunity	Continue to be an equal opportunity employer and measure diversity in each business unit.	●	A self-identification process is in place in all business units. In Canada, all business units have developed, or are currently developing, three-year employment equity plans.
Employee engagement	Continuously improve engagement survey scores. Achieve score of 75% or more of employees who believe we are a good corporate citizen by 2018.	●	A survey was conducted in fiscal 2017 which covered all business units. Of all the employees who completed the survey, 74% believed we are a good corporate citizen. We will work on improving this score ahead of the next report.
Integrate the best CSR practices		Status	Progress
Supply chain	Implement our Supplier Code of Conduct with top suppliers by 2018. Cogeco will assess adherence to the Code each year using a sampling approach.	●	41 suppliers have acknowledged the Code to date, representing 53% of our top suppliers.
Be transparent in communicating our CSR activities		Status	Progress
CSR report	Publish a CSR report in accordance with GRI guidelines every two years.	●	A CSR report has been published every two years since 2012.
Carbon Disclosure Project (CDP) report	Maintain a CDP rating in the top three positions in the Canadian telecommunications industry.	●	Cogeco maintained its top three position in the Canadian telecommunications industry (second position) in both fiscal 2016 and 2017.
Stakeholder engagement	Conduct a stakeholder engagement exercise every two years.	●	Our last exercise was performed in October 2016, following the prior one, conducted in October 2014.
Ensure the Corporation's growth is sustained by sound corporate governance practices		Status	Progress
Ethics	Train employees on our Code of Ethics.	●	Company-wide training was successfully conducted in fiscal 2017. This training is required every two years.
Governance	Remain in top tier of family-controlled dual-class companies listed on a Canadian stock exchange.	●	Currently in the top tier of Canadian family-controlled dual-class companies according to The Globe & Mail's Board Games corporate governance rankings.

GOVERNANCE AND INTEGRITY

Board responsibilities and composition

The Board of Directors (the “Board”) of Cogeco supervises the management of the Corporation in the context of its global business and affairs. Elected by shareholders, the Board is currently composed of eight directors, seven of which are independent.

The Board has four standing committees—audit, corporate governance, human resources and strategic opportunities—and delegates certain of its duties and responsibilities to them. All members of the audit, human resources and corporate governance committees are independent.

The primary responsibility of the Board is to the Corporation, as well as to preserve and enhance the Corporation, with due regard to the interests of shareholders and other stakeholders. The Board is responsible for adopting key policies developed by management, including our CSR Policy.

In exercising its role, the Board is mindful of preserving and enhancing Cogeco’s integrity and rigor with due regard to the interests of all stakeholders. This is accomplished through the quality of our Board members, corporate governance principles and guidelines, and our record of compliance with all applicable securities laws and regulations governing public corporations in Canada.

Composition of the Board (As a % of members)	Cogeco		Cogeco Communications	
	Fiscal 2016	Fiscal 2017	Fiscal 2016	Fiscal 2017
Independent	89%	87%	89%	89%
Non-independent	11%	13%	11%	11%
Women	22%	13%	44%	44%
Men	78%	87%	56%	56%
Executive	11%	13%	11%	11%
Non-Executive	89%	87%	89%	89%
Visible minorities	0%	0%	0%	0%

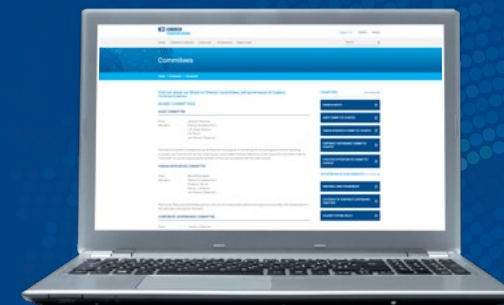
The variance from 2016 to 2017 in the Board composition of Cogeco is attributable to the retirement of one director who was not replaced.

Cogeco CSR governance structure



COMMITMENT: REMAIN IN TOP TIER OF FAMILY-CONTROLLED DUAL-CLASS COMPANIES LISTED ON A CANADIAN STOCK EXCHANGE.

PROGRESS: CURRENTLY IN THE TOP TIER OF CANADIAN FAMILY-CONTROLLED DUAL-CLASS COMPANIES ACCORDING TO THE GLOBE & MAIL’S BOARD GAMES CORPORATE GOVERNANCE RANKINGS.



For more information on our governance practices, go to corpo.cogeco.com/cgo/en/governance/committees.

Integrating CSR in our governance practices

The Board’s Corporate Governance Committee reviews our CSR program and related key performance indicators for social, economic and environmental objectives, on a bi-annual basis. It also reviews any material changes to the CSR Policy and recommends its adoption by the Board.

Cogeco also has a CSR Steering Committee composed of senior executives from Cogeco and its business units, which guides our CSR program and related initiatives. Meeting on a bi-annual basis at a minimum, it selects key performance indicators, sets improvement objectives and uses the resulting metrics to monitor progress. It is also responsible for periodically reviewing our CSR Policy.

Since 2014, a CSR function at the corporate level has facilitated the integration of all business units into our CSR program. The Internal Audit and Risk Management Department is responsible for this function and for the rollout of corporate strategies and initiatives that promote our CSR principles and enable us to achieve our goals of: 1) reducing our environmental footprint, 2) having a positive impact on society, and 3) adding significant value for our shareholders.

CSR Policy

Adopted in 2013, our CSR Policy is the foundation of our sustainability program. It integrates our CSR objectives articulated around the following six pillars, and provides all business units with a framework and guiding principles:

- Manage our environmental footprint
- Take part in developing our communities
- Take part in developing our employees
- Integrate the best CSR practices
- Be transparent in communicating our CSR activities
- Ensure the Corporation’s growth is sustained by sound corporate governance practices

We designed a CSR program that is aimed at operating responsibly and being a model of good corporate citizenship. This is reflected in the mission of the CSR program, and is supported by our corporate values.

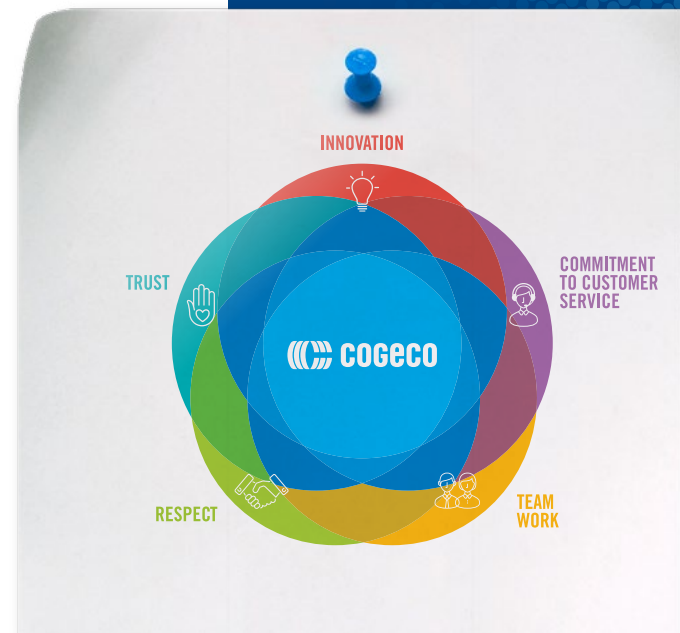
CSR Mission

To support sustainability through responsible and ethical management and operating practices. We strive to meet the expectations of our stakeholders by:

- Being effective environmental stewards
- Adding significant value for our shareholders
- Making a positive impact on the communities where we live and work

Values

- Commitment to customer service
- Innovation
- Respect
- Team work
- Trust



A commitment to high standards and compliance

High ethical standards and respect for laws and regulations are part of our culture and commitment to integrity. Our corporate values, policies and practices have been guiding the way we conduct our business since well before CSR achieved prominence. We regularly review our existing programs, policies and procedures to ensure their continued relevance as well as implement new ones as emerging issues and risks arise.

We operate in a highly regulated environment and strive to be compliant in every facet of our business and in all jurisdictions where we operate. We are subject to legislation that covers many areas ranging from customer privacy to advertising and labour practices. Each business unit is responsible for ensuring that the required processes and practices are in place to enable compliance with legal obligations and commitments. Cogeco Peer 1, for instance, has abuse teams who ensure that we comply with legal requirements for content hosted by customers and to protect our customers and third-party interests such as intellectual property rights.

We believe that legal compliance fosters higher employee retention. Employees are more likely to stay if they feel their work environment is safe, fair and professional.

Our commitment to compliance provides customers and vendors with confidence in their dealings with us, fosters positive relationships with various regulators, and reduces our exposure to potential fines and litigation. In situations of non-compliance, we take appropriate corrective actions as quickly as possible. In fiscal 2016 and 2017, no legal actions were undertaken against the Corporation for anticompetitive behaviour, anti-trust and/or monopoly practices.

Cogeco Connexion received the prestigious Best Canadian Legal Department Award, during the International Legal Alliance Summit & Awards in New York in 2017. These awards recognize the world's best legal, intellectual property and tax departments.



ERM program

In fiscal 2015, we implemented a formal enterprise-wide risk management (ERM) program. It is supported by a governance structure headed by a Corporate Risk Committee composed of our President and CEO and his direct reports. Quarterly updates on the ERM program are provided to the Audit Committee, which in turn provides reports to the Board. The ERM program entails a systematic annual identification and evaluation of risks—including CSR-specific risks—as well as the identification, implementation and monitoring of risk mitigation measures. We endeavour to identify and focus on the principal business risks which have the potential to have a major impact on our financial situation and activities, and to mitigate such risks proactively as may be reasonable and appropriate under the circumstances.

Jantzi Social Index
 Cogeco has consistently ranked among the top ESG performers in the consumer discretionary sector and has been included in the Jantzi Social Index since 2014. Consisting of 50 Canadian companies, the index selects companies that meet a set of broadly-based ESG criteria.



Employee engagement
 To raise employee awareness on the importance of our CSR program, we published the first Let's Talk Corporate Social Responsibility newsletter in Spring 2015 and continue to issue two editions annually of this newsletter. We also prepared and delivered a webinar that provided employees with further insight into our CSR program and the implementation of our CSR Policy. There are also questions relating to CSR in the bi-annual employee engagement survey.

LET'S TALK
CORPORATE SOCIAL RESPONSABILITY

Anti-Fraud program

Our Anti-Fraud program aims to detect, prevent and deter fraud. Assessments performed under this program enable us to detect various fraud schemes which could pertain, among others, to corruption, misappropriation of assets or conflicts of interest and which could involve employees, suppliers or other third parties. Targeted communications to the relevant teams are developed to raise awareness about various potential fraud schemes. When potential occurrences of fraud or corruption are identified and reported, investigations are conducted in a timely manner, and the appropriate measures are implemented.

Ethics program

Cogeco's Ethics Committee, comprised of representatives from human resources, legal, finance and internal audit functions, provides executive oversight of our overall Ethics program, including the review of our Code of Ethics and related policies.

Our Code sets out principles and rules that should guide the behaviour of our directors, officers, employees, representatives and agents, as well as consultants and subcontractors. It addresses, amongst others, topics such as:

- Conflicts of interest
- Protection and proper use of corporate assets
- Confidentiality of information
- Compliance with laws and regulations
- Reporting of illegal or unethical behaviour
- Fraud and corruption
- Respect for human rights in the workplace
- Fair dealing with shareholders, customers, suppliers and employees

The Code specifically promotes adherence to business standards and corporate policies and the prevalence of honesty, transparency, loyalty and efficiency in our dealings with people and businesses. Failure to adhere to the Code may result in disciplinary action up to and including termination of employment and/or legal action.

Formal on-line training on the Code is mandatory for all new employees and Board members and must be completed every two years subsequently. Moreover, all employees must acknowledge the Code in writing at the time of hiring and on an annual basis afterwards. The Code is available at: corpo.cogeco.com/cgo/en/governance/Code-ethics.

Furthermore, Cogeco implemented in 2010 an anonymous and confidential Ethics Line which allows employees and other individuals to report any perceived or actual instances of Code violations. It is available 24/7, online and by phone, in French or in English. Employees are also encouraged to use this tool to seek advice about ethical and lawful behaviour. Individuals who submit reports in good faith will be protected from dismissal or retaliation of any kind. Each quarter, the Audit Committee is informed of the scope and tenure of reports by the Vice President of Internal Audit and Risk Management. Significant reports are promptly escalated to the relevant Board committees for review as per protocols in place.

Since the creation of our Ethics Committee in fiscal 2015, various activities and initiatives have been developed and implemented to raise employee awareness of the Code and the Ethics Line. This has included live training sessions for business units. In addition, an ethics newsletter, available on Cogeco's intranet sites is published twice a year and is distributed to all employees. In the beginning of fiscal 2016, a conflict of interest disclosure process was also implemented which requires all employees to disclose any conflicts of interest or perceived conflicts of interest in which they may be involved. Finally, as part of our annual performance review, all employees confirm in writing that they have read and understand the Code and will comply with the principles therein.

COMMITMENT: TRAIN EMPLOYEES ON OUR CODE OF ETHICS.

PROGRESS: COMPANY-WIDE TRAINING WAS SUCCESSFULLY CONDUCTED IN FISCAL 2017. THIS TRAINING IS REQUIRED EVERY TWO YEARS.



Supply chain policies

We manage our supply chain through our Procurement Policy as well as our Supplier Code of Conduct, which we began implementing in fiscal 2016.

Our Procurement Policy defines the framework for managing the acquisition of goods and services, and ensuring that we follow best practices. A CSR and ethics section was added to this policy in 2014, in recognition of the important role that suppliers play in our sustainability efforts. We aim to deal with suppliers who demonstrate sound management of their environmental and social impacts. In fiscal 2016, some of our business units integrated CSR requirements into Requests for Proposals to support this objective. Further, a new supplier creation form was introduced in fiscal 2017 for some of our business units, which will enable us to measure the diversity of our suppliers going forward based on their origin, gender, status, etc.

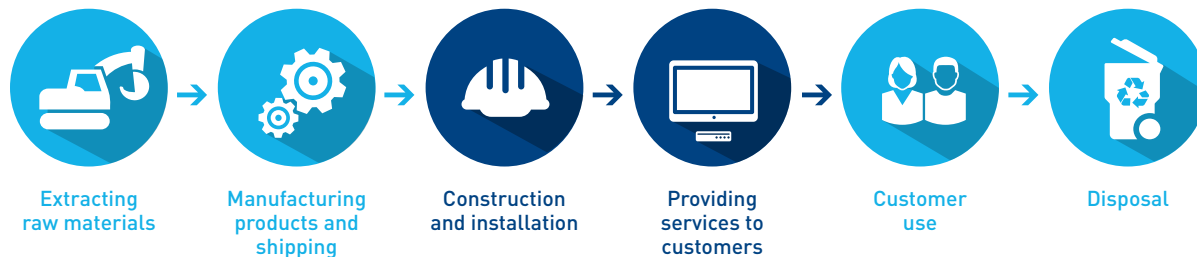
In order to promote supplier engagement in our sustainability efforts, we have developed a Supplier Code of Conduct that we started implementing with our top suppliers. Our objective is to have our top suppliers acknowledge it by the end of fiscal 2018. Our Supplier Code of Conduct defines our expectations for suppliers and encourages them to go beyond legal compliance, drawing upon internationally recognized standards, in order to advance social and environmental responsibility as well as business ethics.

In line with the United Nations Guiding Principles on Business and Human Rights, the expectations and principles in this document are derived from key international human rights standards including the International Labour Organization Declaration on Fundamental Principles and Rights at Work, and the United Nations Universal Declaration of Human Rights.

These principles are:

- Respect for human rights
- Favourable working conditions
- Valuing occupational health and safety
- Respect for the environment
- Ethical and responsible conduct

Product Lifecycle



In November 2017, we published an updated version of the Supplier Code of Conduct, which followed updates made to the Responsible Business Alliance (formerly the Electronic Industry Citizenship Coalition) Code of Conduct, from which Cogeco's Supplier Code of Conduct is inspired.

COMMITMENT: IMPLEMENT OUR SUPPLIER CODE OF CONDUCT WITH TOP SUPPLIERS BY 2018. COGECO WILL ASSESS ADHERENCE TO THE CODE EACH YEAR USING A SAMPLING APPROACH.

PROGRESS: 41 SUPPLIERS HAVE ACKNOWLEDGED THE CODE TO DATE, REPRESENTING 53% OF OUR TOP SUPPLIERS.



MATERIALITY ASSESSMENT

In order to identify the most relevant CSR issues for our stakeholders and for Cogeco, we conducted our third stakeholder engagement exercise in fiscal 2017. We engaged employees and executives by means of a survey to identify areas of importance. We also conducted a comprehensive literature review of CSR trends in the information and communications technology industry sector.

The results have shaped our CSR program and helped us to improve the measurement of some of our initiatives. The results were also used to determine the content of this report.

The tables below list the material issues identified by our stakeholders for the three dimensions of CSR—environmental, economic and social—in order of importance. Issues were rated on a scale of 0 to 4, with 4 being of highest importance. All issues that obtained an average score of 3.5 or more are listed.

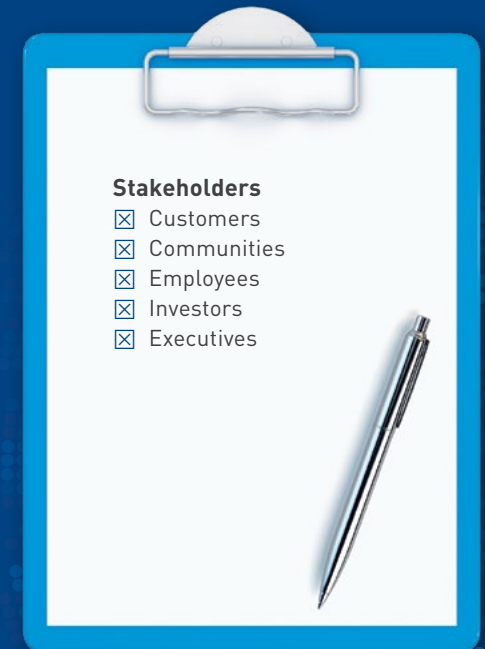
Environmental issues	Average ranking 2017
E-waste management	3.6
Waste management	3.5

Economic issues	Average ranking 2017
Salaries and benefits	3.8
Quality of customer service	3.7
Company's revenues	3.7
Quality of products and services	3.5

Social issues	Average ranking 2017
Data and personal information security	3.8
Working conditions	3.6
Corruption prevention	3.5
Employee hiring	3.5
Employee engagement	3.5
Health and safety	3.5

COMMITMENT: CONDUCT A STAKEHOLDER ENGAGEMENT EXERCISE EVERY TWO YEARS.

PROGRESS: OUR LAST EXERCISE WAS PERFORMED IN OCTOBER 2016, FOLLOWING THE PRIOR ONE, CONDUCTED IN OCTOBER 2014.



Literature review of industry trends

According to Digital Economy Outlook 2015 published by the Organisation for Economic Co-operation and Development, the rapidly-growing digital economy is influencing all aspects of people’s lives and disrupting the traditional economy. From a sustainability perspective, the most important issues are energy efficiency of products and services, the global supply chain, security and privacy of information and e-waste. These issues are fully reflected in our materiality assessment.

Energy efficiency of products and services

Data centres are energy-intensive and have been attracting scrutiny. For example, in the U.S., the Environmental Protection Agency developed an Energy Star rating system that allows customers to compare the energy efficiency of data centres. The European Commission has developed the European Code of Conduct on Data Centre Energy Efficiency, a voluntary initiative, which sets ambitious voluntary standards for companies willing to participate. In the broadband industry, there is increasing government pressure to offer energy efficient products. In Canada and the U.S., the industry has responded with voluntary agreements.

Global supply chain

According to the Sustainable Purchasing Leadership Council, the most important supply chain issues relate to network equipment, information technology equipment and construction. The network and information technology equipment supply chain is global and complex. Issues include transparency in raw material sourcing—especially regarding conflict materials such as tin, tantalum and tungsten mined in the Democratic Republic of Congo and adjoining countries—, respect for human rights, use of hazardous materials and consumption during production and use. For construction, the main sustainability issues are the use of energy and materials, water, local biodiversity, as well as habitat and land use impacts related to building site selection decisions, labour practices as well as construction waste.

Cogeco’s main supplier categories are for network equipment, information technology equipment, construction and professional services. These suppliers are responsible for sourcing raw materials, manufacturing equipment used in our networks or that are provided to our customers, storing and distributing our products, building our facilities and networks, promoting our services and disposing of our waste materials.

Security and privacy of information

User privacy, information security and data access requests by government authorities are growing issues. Because some of our infrastructure is classified as “critical” by government authorities, additional cyber-security scrutiny arises. To address this, many governments have adopted privacy legislation and companies have started to formally report on their transparency practices. In Europe, the development of the General Data Protection Regulation will have important implications for the practices of businesses worldwide including Cogeco’s business unit Cogeco Peer 1.

E-waste

Our industry’s equipment has a relatively short life span and the increasing volume of e-waste worldwide represents an important issue. Because this waste contains reusable material and hazardous substances, it is important that it be disposed of properly to protect the health and safety of workers and the environment. In Canada, extended producer responsibility programs have been put in place by various provinces which identify the end-of-life management of products as the responsibility of the manufacturer or the importer. In Europe, the Waste Electrical and Electronic Equipment Directive was adopted in 2012.

EXTERNAL INITIATIVES

Cogeco is involved in various regulatory proceedings before the Canadian Radio-television and Telecommunications Commission (CRTC) and the U.S. Federal Communications Commission (FCC) and is an active participant in CRTC working groups. We participate in consulting forums with Innovation, Science and Economic Development Canada (ISED), the Office of the Privacy Commissioner of Canada, the *Commission d'accès à l'information du Québec*, among others, and make representations before parliamentary committees and Canadian federal agencies such as the Competition Bureau. All employees who engage in lobbying activities are duly registered where necessary. For more information on some of our public policy positions, please consult our [Annual Report](#) and [Annual Information Form](#).

As a member of various industry associations, we are indirect participants in lobbying activities they undertake on behalf of members. We are also members, participants or subscribers to many other associations, initiatives and legal proceedings relevant to our role as a business enterprise and corporate citizen. Cogeco is an active contributor in the communities where it operates, and is a member of over 60 chambers of commerce in Canada and in the U.S.

The adjacent table lists the various initiatives in which Cogeco is involved.



Sustainability level	
<ul style="list-style-type: none"> • BOMA Canada • Carbon Disclosure Project • Canadian Energy Efficiency Voluntary Agreement 	<ul style="list-style-type: none"> • Global Reporting Initiative • Sustainable Hamilton and Burlington • Thames River Heritage Foundation (Board member)
Social level	
<ul style="list-style-type: none"> • Cable Television Community Channel Standards • Centre for Internet Security • Declaration of Internet Freedom • Internet Infrastructure Coalition • Jeux du Québec • Old Mission Brewery (Cogeco CEO was the Chair of the 2016-2020 fundraising campaign) 	<ul style="list-style-type: none"> • Signatory on Manila Principles on Intermediary Liability • Trois-Rivières Regional Health Foundation (Board member) • United Way – Campaign chair in Halton, Hamilton, Montréal (Co-chair) and Mauricie • YMCA (Board member)
Economic and industry levels	
<ul style="list-style-type: none"> • American Cable Association (Board member) • Broadband Cable Association of Pennsylvania (Board member) • Burlington Chamber of Commerce (Board member) • Cable and Telecommunications Association for Marketing (Board member) • CableLabs (Board member) • Canadian Association of Broadcasters • Canadian Radio-television and Telecommunications Commission (Active participant in working groups) • Canadian Security Telecommunications Committee • Cégep of Trois-Rivières (Board member) • Centrexpo Cogeco of Drummondville • Coeur-du-Québec Chamber of Commerce (Board member) • Conseil de presse du Québec • Council of Chief Privacy Officers, Conference Board of Canada 	<ul style="list-style-type: none"> • Florida Cable and Telecom Association (Board member) • I2Coalition Member • International Association of Privacy Professionals • Junior Trois-Rivières Chamber of Commerce (Board member) • Miami Beach Chamber of Commerce (Board member) • National Cable Television Cooperative (Board member) • Oakville Chamber of Commerce (Vice chair of the Board) • Regional Emergency Telecommunications Committee • Society of Cable Telecommunications Engineers • Tech UK Data Centre Council and Data Protection Working Group • The Cable Public Affairs Channel (Shareholder) • Trois-Rivières Chamber of Commerce (Board member) • Women in Communications and Technology (Board member and Quebec chapter Board Chair)
Cultural level	
<ul style="list-style-type: none"> • Art Gallery of Burlington (Board chair) • Burlington Performing Arts Centre (Board member) • Canada Media Fund • Cogeco amphitheatre of Trois-Rivières • Cogeco Program Development Fund • Garde Arts Center (Board member) • Kingston Film Festival (Board member) 	<ul style="list-style-type: none"> • Local Programming Improvement Fund • Lyman Allyn Arts Museum (Board member) • Orchestre Symphonique de Trois-Rivières (Board member) • Peterborough MusicFest (Board chair) • Québec Film and Television Council (Board of Governors member) • Théâtre le Patriote de Sainte-Agathe-des-Monts (Board member)

CREATING ECONOMIC VALUE

The positive economic impact of the information and communications technology (ICT) sector is far-reaching. Our industry is an enabler of economic and social growth, productivity, job creation, innovation, and in the development of education and healthcare, among other benefits. As the eighth largest cable operator in North America, and second largest in Ontario and Québec, Cogeco is a leader in providing affordable, high-quality broadband services.

Corporate objectives and strategies

Strong financial performance is critical to our continued growth. Our mission is to create powerful connections for our customers and foster genuine connections with our customers. As our customers are at the core of everything we do, we continuously seek to innovate in our processes, operations, services and products while efficiently managing capital utilization to secure future growth. We are also dedicated to optimizing profitability and consequently increasing shareholder value.

“Fiscal 2017 has been an inspiring year for the Cogeco team. As we celebrate the 60th anniversary of the founding of Cogeco, we continue to grow the breadth of our products and services, expand our footprint, and intensify our efforts in developing our markets. All the while, we maintain our focus on ensuring we are constantly in tune with the ever-evolving needs of our customers and that we do so efficiently and with an unrelenting emphasis on sound cost management.”

– Louis Audet
President and Chief Executive Officer, Cogeco Inc.
Cogeco Communications Inc.

Strategies developed by Cogeco to achieve its objectives

Canadian broadband services	American broadband services	Business ICT services	Radio broadcasting
<ul style="list-style-type: none"> Delivering organic growth by introducing value added services for residential customers and by growing our business customer base Optimizing the return on investments by delivering our services more efficiently Investing in our people 	<ul style="list-style-type: none"> Leveraging Internet superiority and bundle sales Accelerating business services growth by moving upmarket Strategically extending the network to new service areas Acquiring assets with identifiable growth opportunities 	<ul style="list-style-type: none"> Focusing on sustainable revenue growth Optimizing the use of current assets in order to optimize cash flows Strengthening internal processes and systems to improve operational efficiency and optimize infrastructure Promoting our brand supported by a people-centric culture 	<ul style="list-style-type: none"> Improving programming on a continuous basis Diversifying portfolio to increase marketshare

Fiscal 2017 performance

Our performance in fiscal 2017 was characterized by steady growth and continued focus on operational efficiency in our operating segments: Canadian broadband services, American broadband services, Business information and communications technology ("Business ICT") services and Radio broadcasting. The adjacent table provides information on the direct economic value generated by Cogeco.

For more detailed information on Cogeco Inc.'s financial performance and operations, please consult our Annual Report and Annual Information Form for the fiscal year ended August 31, 2017 at: corpo.cogeco.com/cgo/en/investors/financial-reports.



Direct economic value generated by Cogeco

(in thousands of \$)

	Fiscal 2017	Fiscal 2016	Fiscal 2015
Direct economic value generated			
Revenue	2,347,678	2,307,403	2,187,163
Economic value distributed			
Operating costs	1,312,133	1,288,641	1,232,572
Payments to providers of capital			
Financial expenses	136,779	142,482	148,892
Dividends	22,603	19,743	17,070
Payments to government			
Corporate income taxes	103,757	76,329	81,350
Total consolidated capitalization			
Indebtedness ¹	2,633,159	2,974,119	3,361,948
Equity	1,671,423	1,444,174	1,676,623

¹ Indebtedness is defined as the aggregate of bank indebtedness, balance due on a business combination, principal on long-term debt and obligations under derivative financial instruments

Economic benefits

Our activities generate significant value for the communities where we operate. The most visible and direct contribution is through employee wages and benefits. We also pay income, sales and payroll taxes, as well as property taxes. Local businesses benefit directly from our purchase of goods and services and indirectly from increased activity related to our ongoing network modernization and expansion projects.

Our markets cover many rural areas and smaller centres. By bringing affordable broadband services to underserved markets, we make an important contribution to their economic and social development. The availability of broadband services at competitive prices promotes job creation by local businesses by helping them become more competitive. Our network investments help companies establish operations, expand and diversify, thereby strengthening their communities.

Supporting Canadian content

Throughout fiscal 2016-2017, the Cogeco Program Development Fund continued to encourage the development and the production of new Canadian drama by Canadian writers to be produced by independent Canadian producers in English or French.

New and enhanced services

Broadband services

Cogeco provides good and reliable services to its customers with Internet available in over 98% of its territory and telephony in 97% of its footprint. Cogeco offers speed of 120Mbps in virtually all its territory and is now deploying 1Gbps progressively through several technologies. For example, fiscal 2017 ended with an announcement from Atlantic Broadband which made its gigabit residential and business Internet services widely available in Miami Beach and surrounding areas. This also included the addition of 58 standard definition (SD) and/or high definition (HD) channels and significantly more international channels to meet the needs of Miami's culturally diverse residents.

Enhancements to existing products and services were also made throughout the year as Cogeco Connexion introduced TiVo 4K, launched new HD channels and expanded its fibre optic and telephony services in Québec, while also growing its Québec footprint through small regional acquisitions.

Business ICT services

Cogeco Peer 1 began fiscal 2016 by officially opening a state-of-the-art data centre in Montréal (Kirkland), Québec, and has since signed a large colocation contract in this data centre. During fiscal 2017, Cogeco Peer 1 expanded its product portfolio in Canada by bringing to market Microsoft Azure ExpressRoute™ enabling compliant, secure and high performance access to Microsoft's cloud for business. They were also hard at work forging important partnerships across their footprint. For example, in the UK, the team signed two notable partnerships with JISC and DTP to help ensure that UK universities and higher education institutions remain at the forefront of global education.

Radio broadcasting

During fiscal 2017, Cogeco Media launched an all-new mobile application grouping its 13 stations: Cogeco Live. The application provides its users with a new customized experience tailored to their favourite stations and interests. Users will also find a wide variety of content on demand; from previously aired segments to exclusive podcats.

As part of a long-term plan, we also offer WiFi HOTSPOTS in various communities in Ontario, Québec and some U.S. markets. This network allows our customers to freely access the Internet outside of their home. Non-customers have restricted access to the network, giving local businesses the opportunity to cater to both local residents and visitors in a convenient manner.

Cogeco Connexion is committed to IMPROVING INTERNET ACCESS in remote and rural regions of Canada and connecting communities, in support of governmental efforts to provide a larger number of Canadians with access to these essential services.

In fiscal 2016 and 2017, investments to upgrade and extend our networks and services totalled \$901 MILLION.



Since its inception in 1992, Cogeco's Program Development Fund has invested a total of \$55 MILLION in Canada's program industry for the production and development of nearly 1,000 television productions and feature films, as well as sponsoring key industry events over the years.



BUILDING CUSTOMER TRUST AND LOYALTY

Management approach and policy

Meeting our customers' expectations and providing reliable service is the foundation of our strategies and priorities. We aim to be recognized as the best in our industry, every day, with each customer, because superior customer experience nurtures loyalty and retention. Our mission statement—Powerful connections for our customers. Genuine connections with our customers—clearly establishes our commitment to service.

Respect for customers is also a fundamental principle on which our Code of Ethics is based. Our actions are guided not only by applicable laws, regulations and service standards but also by our commitment to providing a superior customer experience. Each business unit has a team of professionals dedicated to ensuring the quality of our customer service and performance is monitored closely.

Over the last two years, we have developed many new initiatives to increase the responsiveness of our service operations and to support the promise of our customer-centric brands.

Flexibility of our television offering

Upholding the CRTC's new *Let's Talk TV: A World of Choice Policy*, Cogeco Connexion unveiled a more flexible offering for the Ontario and Québec consumer markets. This includes an entry-level package, comprised of local and regional over-the-air Canadian stations, mandatory distribution channels, community and educational channels, as well as affiliates of conventional American networks. We also introduced smaller service packages and expanded the availability of standalone channels, allowing customers to pay for the channels they really want to watch, thus exceeding the requirements of the CRTC's new policy and customer expectations.

Customer service

Our customers' needs are dynamic so we must remain active in our listening. Each day, surveys are initiated seeking customer feedback on the quality of services and support that our agents or teams provide. For example, we survey customer satisfaction daily through customer satisfaction surveys, courtesy calls, SQM First Call Resolution surveys, in addition to communications at our storefronts, in our call centres, through email and social media. Surveys are also conducted after each installation or service call. This significantly enhances our ability to track and refine our service offering.

Not only do we capture feedback through these channels, but we also offer closed loop feedback. Where our customers are not satisfied, we engage with them in order to remediate the issues they are experiencing in a timely manner to continuously drive retention and loyalty.

We also offer a direct feedback mechanism to our customers, where they can share their concerns, complaints or compliments directly with the Office of the President at Cogeco Connexion. The intent of this mechanism is not only to open up channels for feedback, but also allow opportunities in our service delivery model to be escalated to the highest level within our business. This approach drives actions and outcomes to the benefit of our customers.

Cogeco Connexion was awarded the 2016 Highest Customer Satisfaction Excellence Awards for Field Services, Retail/Contact Centre, First Call Resolution and Telecommunications/TV by the Service Quality Measurement Group. This is the eighth time in 10 years that Cogeco Connexion wins a Highest Customer Satisfaction Excellence Award.



In our Business ICT segment, key differentiators are the quality and level of support we offer. Our strong "tech-to-tech" support and our ability to quickly connect any customer issue with the right technical expert to resolve the problem rapidly and professionally are at the heart of our customers' experience. To ensure the quality of our services we have implemented various quality assurance processes and several initiatives to measure our success.

Product and advertising responsibility

We ensure that our product labeling and marketing practices are fair and not misleading. Considerable efforts are deployed to ensure appropriate information related to our products and services is provided. When selling a product, we adopt a customer-centric approach in our communications and seek to do so in a fair, accurate, transparent and relevant manner.

Additionally, we abide by legislation requirements addressing issues such as spamming and unsolicited calls or messages, including Canada's Anti-Spam Legislation and its U.S. equivalent. Internal policies, procedures, as well as commitments were developed to ensure that our customers, as well as other third parties interacting with us, do not receive unsolicited commercial messages from us. We also include an opt-out mechanism on solicitation emails.

Customer privacy

We recognize the importance of customer data privacy and security. Protecting privacy builds positive relationships with all stakeholders. As part of our operations, we collect personal information and our customers entrust us with their data. For this reason, we have taken steps to ensure that we only collect the personal information that is absolutely required for service delivery. We also ensure that the personal information and data provided is protected by a range of physical, technological and organizational procedures and safeguards. These are designed to ensure that customer information is kept confidential and secure, and used only for the purposes for which it was collected. As trustees of this information, we seek to go beyond legal and regulatory requirements to ensure that it is handled in the most secure way.

Building trust requires transparency and competence. We aim to make this a cornerstone of our services by developing best practices around our security and privacy activities, and through our compliance process.

We have appointed Privacy Officers in each of our business units to ensure full compliance with privacy laws and regulations, to monitor compliance with such laws and

Cogeco Media won the *Prix Rencontres Radio 2016* in the Musical Director of the Year Category highlighting the quality of its musical programming.



Cogeco Media took the first, second and third place in the 25-54 age category of the Numeris survey in the Montréal French-speaking market and the first place in the English-speaking market (December 2016, March 2017, June 2017, December 2017).

regulations, and to respond appropriately to our customers' questions, requests and concerns. In the U.S., we also conduct Customer Proprietary Network Information (CPNI) training and file an annual certification of compliance with the FCC.

We review and update our privacy policies, procedures, practices and documents as required, in order to remain current with applicable rules and regulations.

In addition, we strive to develop awareness among our customers and employees through various means and engage them on the issue of privacy. To increase our customers' awareness, we published our various privacy policies on our websites, and we also include messages on invoices. Our teams are trained on the different privacy policies and guidelines. At Cogeco Connexion, for example, we raise awareness through our participation in the annual Data Privacy Day, an international effort centered on respecting privacy, safeguarding data and enabling trust.

In 2016, our Board of Directors approved the [Cogeco Corporate Privacy Statement](#). Our privacy commitment states the importance Cogeco confers to the protection of personal information by all of our business units and refers to each business unit's respective privacy commitment.

Parental control and accessibility features

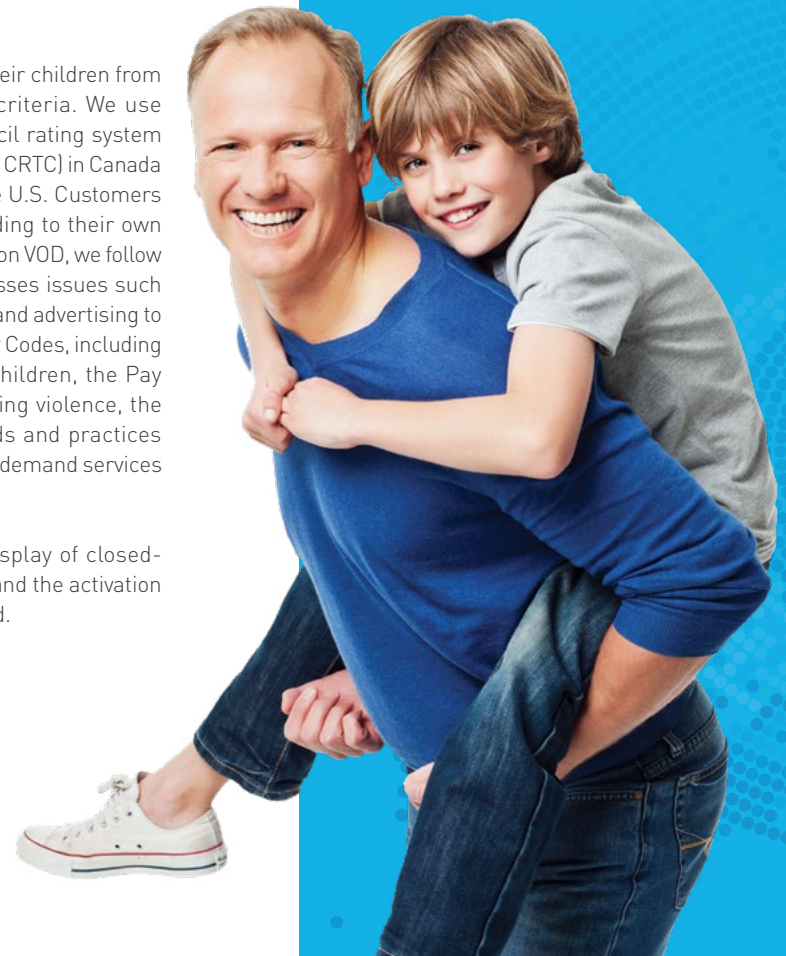
In order to make the Internet a safer environment, we provide our residential customers with an Internet security service, including a parental control feature and other security features, free of charge, with most of our Internet packages.

Our video 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. Our digital cable and VOD services require set-top boxes for each television set and each set-top box has the capability of locking out programming by rating and channel.

These features allow parents to prevent their children from accessing content that meets defined criteria. We use the Canadian Broadcast Standards Council rating system provided by TV broadcasters (adopted by the CRTC) in Canada and the FCC TV Parental Guidelines in the U.S. Customers have full control over this feature, according to their own preferences. In our choice of programming on VOD, we follow our voluntary Code of conduct that addresses issues such as violence, gender representation, ethics and advertising to children. We also adhere to various industry Codes, including the Broadcast Code for Advertising to Children, the Pay television and pay-per-view Code regarding violence, the Industry Code of programming standards and practices governing pay, pay-per-view and video-on-demand services and the Equitable Portrayal Code.

All recent set-top boxes allow for the display of closed-captioning for hearing impaired persons, and the activation of described video for the visually impaired.

Our video services, including VOD, 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.



Data security and certifications

In 2016, we implemented an Information and Cyber-Security Policy. It defines the objectives, principles and general means for the protection of our digital information assets and builds upon a previous Information Security Policy in effect since 2005. The Policy is guided by industry best practices and recognized international information security standards such as ISO 27001 and those of the National Institute of Standards and Technology. To ensure our employees remain aware of the principles set out in the policy, they are asked to acknowledge them in writing as part of the annual performance review process.

In our Business ICT segment, we offer products and services in compliance with the PCI DSS version 3.1 certification and obtain SOC 1, Type II compliance reports (SSAE 16, CSAE 3416, ISAE 3402). These initiatives address logical and physical security, intrusion detection and overall technology security. They also cover controls relating to providing services to our customers, including policies and procedures around change management, incident reporting, operations and monitoring. These certifications and compliance reports provide assurance to customers that we are protecting their data. We are currently assessing our certifications and expect to develop a new roadmap to identify additional potential certifications.

Transparency

We operate in many countries in which laws with respect to technology, privacy and freedom of information differ and are constantly changing. We are committed to providing

Our transparency principle: In dealing with data access requests from government authorities, we will only disclose information when and to the extent we are required to do so by applicable law or compelled by a court order having jurisdiction.

transparency to our customers with respect to our practices for handling their personal information. To this end, the privacy policies are intended to establish responsible and transparent practices for the management of personal information and to satisfy the requirements which are applicable in the relevant jurisdictions. Given that law enforcement agencies may contact us to obtain personal information, we have stated our approach to dealing with these requests.

We do not engage in voluntary compliance with law enforcement agencies and do not cooperate with authorities simply because they demand our cooperation. We must be compelled to do so by law and require the appropriate warrant, subpoena or court order before we will disclose any confidential information.

In fiscal 2016 and 2017, we received 28 privacy complaints from our customers and none from regulatory bodies. We received 37 complaints in 2014-2015. In order to be considered a formal and proper complaint, the plaintiff had to allege a breach, an act or an omission on our part, with sufficient facts and details. This is not an acknowledgment that all were substantiated or had any basis to be submitted. In any event, all of the complaints were resolved to the satisfaction of the plaintiffs, or closed without legal procedures being undertaken.

Acceptable use of our services

To ensure that our hosting and Internet services do not enable our customers to take part in illegal activities, we have implemented acceptable use policies. The policies set out our commitment to preserve the integrity of our network and prohibit our customers from using our services to engage in, foster, or promote illegal, abusive, or irresponsible behaviour such as: sending mass unsolicited emails, infringing copyright, patent or intellectual property rights, trafficking illegal drugs, illegal gambling and distributing obscene materials. Customers are not allowed to use our services to publish information resulting in defamation or threats, publicize personal information or information that violates the privacy rights of any person, distribute

viruses or conduct service attacks on other network hosts or Internet users. Each business unit has developed its own Acceptable Use Policy, available on their respective websites. We have teams in place that are responsible for the implementation of these policies and their monitoring. We ensure compliance with legal requirements for content and protect the interests of our customers and third parties such as intellectual property rights. Our teams can be contacted to report copyright violations—under the Digital Millennium Copyright Act in the U.S., the Copyright Modernization Act in Canada and applicable European legislation—or non-compliance situations. If violations are identified, we take actions proportional to the severity and duration of the violation in accordance with applicable laws.

Trade sanctions

We have an obligation to comply with U.S., Canadian and European laws and regulations regarding foreign asset control, economic sanction regimes and anti-money laundering. The aim of these laws is to “enforce economic sanctions programs against and restrict trade (embargoes) with countries and groups of individuals, such as terrorists and narco-traffickers”². To ensure compliance, we have developed a due diligence process to conduct proper identification and verification. We monitor changes to these lists on a quarterly basis as well as provide training to employees responsible for compliance.

Fines

We strive to comply with applicable laws and regulations in all the countries in which we operate. Where non-compliance issues are identified, they are remediated within reasonable timeframes. In fiscal 2016 and 2017, we agreed to an \$84,000 settlement for a case filed in 2014 by the Québec consumer protection bureau. We were not subject to any other fines for breaches of material laws or statutes governing the provision and use of our products and services.

² www.treasury.gov/resource-center/faqs/Sanctions/Pages/faq_general.aspx#basic

A close-up photograph of a woman's face, partially obscured by white horizontal window blinds. The image is overlaid with a semi-transparent pattern of small, colorful dots in shades of blue, green, and purple. The woman has light-colored eyes and is looking slightly to the right.

**MANAGING OUR
ENVIRONMENTAL
FOOTPRINT**

Our environmental impacts mainly relate to our energy consumption, air emissions and waste, and the use of our products and services by customers. While our industry's environmental footprint is arguably smaller than that of many other sectors, we are nevertheless committed to doing our part by progressively reducing our impact. We are implementing best practices and aim to go beyond regulatory requirements.

Management approach and policy

Respect for the environment represents a fundamental principle of our Code of Ethics and a pillar of our CSR Policy. Our environmental initiatives are focused on:

- Encouraging the optimal and efficient use of natural resources—energy, water, raw materials and paper.
- Helping to fight climate change by measuring, managing and reducing our emissions of pollutants and Greenhouse Gas (GHG).
- Reducing waste and ensuring it is properly recovered and disposed of, notably e-waste.
- Monitoring environmental risks and implementing mitigation measures, if needed, in a timely manner.

One of our priorities in fiscal 2016 and 2017 was to integrate Cogeco Media into our environmental initiatives and to assist this business unit in the implementation of our CSR Policy. We have now set common targets and objectives as part of our CSR action plans, and we are working to achieve them.

We are also implementing an in-house environmental management system to assess, control and mitigate the environmental impacts of our operations, products and services. This system will help us address non-compliance situations and provide processes to meet and exceed regulatory requirements.

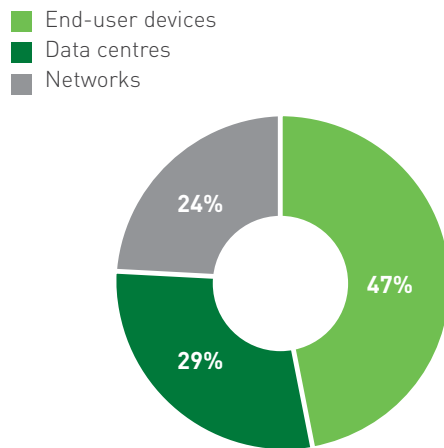
Energy and carbon

GHG emissions related to the energy we use in our facilities and the fuel consumed by our vehicle fleet are the main areas that yield environmental impact as a result of our operations. The servers, ventilating equipment and equipment that run our network and data centres operate around the clock, 24 hours a day, accounting for the bulk of our energy requirements.

Industry emissions footprint

According to the SMARTer 2030 Report, emissions by the information technology industry are expected to represent 2% of the worldwide GHG emissions by 2030. Data centres will account for 29% of these emissions, networks 24% and the remaining 47% will be attributable to end-user devices such as set-top boxes and modems.

GHG emissions – Industry footprint (2030)



Source: SMARTer 2030 Report, by GeSI and Accenture, 2015 p. 19 (available online on the [GeSI website](#))

While our industry's environmental footprint is arguably smaller than that of many other sectors, we are nevertheless committed to doing our part by progressively reducing our impact.



Carbon reduction enabler

Although ICT sector emissions will increase over time, our products and services have the potential to reduce emissions from other industry sectors. According to the SMARTer 2030 report, the use of ICT could result in the avoidance of emissions representing almost ten times those generated by the ICT sector.

Our products and services help residential and business customers lower their carbon footprint in many ways. Telecommunications help dematerialize the economy by substituting a higher emitting product or service for a lower emitting one. Our products and services change the way people live and work and reduce the movement of people and goods.

Our telephone conferencing and e-commerce services are reducing business travel. E-billing and e-ticketing are reducing paper usage. Our data hosting, colocation and cloud infrastructure services help businesses manage their data without investing in energy-consuming equipment.



To raise employee awareness of the environmental impact of business travel, Cogeco Connexion voluntarily purchased carbon offsets corresponding to the GHG emissions resulting from business travel in fiscal 2016 and 2017—a total of 584 metric tons. The offsets, provided by Planetair, meet the Gold Standard and the Gold Standard Transition, the highest standards on the carbon market. The credits purchased will be used to finance a range of GHG reduction projects, such as tree planting in Québec and renewable energy projects in China.

GHG calculation

We have been reporting our GHG emissions since fiscal 2011. We use the two most recognized standards to measure our GHG inventory—the GHG Protocol and ISO14064-1. We also use the U.S. Environmental Protection Agency Climate Leaders Greenhouse Gas Inventory Protocol, which provides detailed guidance and enhanced clarity.

Since fiscal 2014, we have been including our Atlantic Broadband and Cogeco Peer 1 business units into our GHG calculation. In order to reflect the resulting increase, we have restated our base year to fiscal 2014. Consequently, we have restated our GHG emissions for fiscal 2011, 2012 and 2013 to take into account our current scope of reporting. In 2016, we added Cogeco Media to our GHG calculation, but since their emissions account for less than 5% of our total emissions, the base year was not restated.

We use the operational control approach to determine the scope of reporting. The operational boundary is our organization—the buildings, facilities and fleet we own and/or where we have full authority to introduce and implement our policies at the operational level. We strive to consider emissions from both owned and leased facilities, but it is difficult to obtain data for our leased facilities and this is an area we want to improve for future calculations.

Since fiscal 2012, we have been reporting to the Carbon Disclosure Project (CDP) and are pleased with the continued progress in our disclosure score. We are classified in the consumer discretionary category and we ranked better than the total average, the Canadian average, the sector average, and the industry average.

COMMITMENT: MAINTAIN A CDP RATING IN THE TOP THREE POSITIONS IN THE CANADIAN TELECOMMUNICATIONS INDUSTRY.

PROGRESS: COGECO MAINTAINED ITS TOP THREE POSITION IN THE CANADIAN TELECOMMUNICATIONS INDUSTRY (SECOND POSITION) IN BOTH FISCAL 2016 AND 2017.



COMMITMENT: REDUCE GHG EMISSIONS BY 10% BY 2020 ON A PER REVENUE BASIS BASED ON FISCAL 2014 EMISSIONS.

PROGRESS: REDUCTION OF 34% TO DATE.

GHG emissions

Our GHG emissions are distributed among three categories:

- **Scope 1**
Direct emissions (fuel used by our vehicle fleet, natural gas and diesel consumption in our facilities, and refrigerant gases)
- **Scope 2**
Indirect emissions (electricity consumption)
- **Scope 3**
Other indirect emissions (business travel)

In fiscal 2017, the Corporation emitted a total of 45,896 tons of CO₂ equivalent. The most significant source of emissions was electricity consumption (Scope 2), which represented 76%. Fuel consumption (Scope 1), for both facilities and vehicle fleet, accounted for 22%. Emissions resulting from business travel (Scope 3) represented 2%.

Atlantic Broadband is the business unit that emits the most GHG emissions, representing 43% of the total. This is due to its electricity consumption in the U.S. which has a higher emission value than Canadian electricity, since it is primarily produced from coal and natural gas. Cogeco Peer 1 ranks second due to electricity consumed being primarily produced from coal and natural gas. Atlantic Broadband and Cogeco Peer 1 combined account for 82% of our total GHG emissions.

Emissions by scope³

Expressed in CO ₂ equivalent (in metric tons)	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
Scope 1 (includes refrigerant gases as of 2016)	10,896	10,770	11,653	10,136
Scope 2	49,998	49,218	45,095	34,774
Scope 3	1,614	1,248	868	986
Total gross emissions	62,508	61,236	57,616	45,896
Carbon offsets	342	283	283	301
Total net emissions	62,166	60,953	57,333	45,595

Energy consumption (Excludes energy used for business travel)

Fuel from non-renewable sources (in kWh equivalent)	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
Regular gas	32,073,815	31,545,329	32,999,027	32,301,108
Diesel	3,997,901	4,555,255	5,181,835	2,797,140
Propane	80,604	292,438	481,966	393,458
Natural gas	7,120,739	6,462,970	6,059,368	4,476,785
Electricity	226,296,638	226,990,740	196,244,867	193,830,122
Total	269,569,697	269,846,732	240,967,063	233,798,613

³ Fiscal 2014 GHG emissions and subsequent years have been restated from the previous CSR report to take into account the addition of Atlantic Broadband and Cogeco Peer 1 into our calculation.

Energy reduction initiatives

In order to ensure we sustain or improve our current level of GHG emissions, on a per revenue basis, we are adopting energy efficient practices. Each business unit focuses on different initiatives. Examples are as follows:

Data centres

- Consolidation of data centre footprint
- Monitoring power usage effectiveness
- Free cooling
- Hot/cold aisle containment
- Cool roof membrane

Fleet

- Reduction of vehicle size
- Idle time monitoring and targets
- Equipment self-install
- Auxiliary batteries

Buildings

- Installing light sensors
- Installing LED lighting in our television studios
- Replacing HVAC units with a more ozone-friendly refrigerant gas

Energy intensity

	Fiscal 2016	Fiscal 2017	% change
Per revenue (in millions of dollars)	104,450	99,574	(5%)
Per employee	50,826	48,922	(4%)

GHG intensity (Excludes energy used for business travel)

	Fiscal 2016	Fiscal 2017	% change
Per revenue (in millions of dollars)	25	20	(20%)
Per employee	12	10	(17%)

Data centres

IT equipment energy consumption and cooling are two important environmental issues, as they both require high amounts of energy. Estimates attribute around 40% of data centre energy consumption to cooling equipment. To address this, several initiatives have been implemented to reduce energy consumption in our flagship data centres.

Many of our flagship data centres have been designed and deployed to take advantage of the cooler months of the year. These facilities are equipped with mechanical infrastructure that makes use of cold external air rather than having to cool warmer air. This drives energy efficiency, lower PUE and lower operating costs.

Power usage effectiveness

Power usage effectiveness (PUE) is the most widely used metric for measuring and reporting the energy efficiency of data centres. An Uptime Institute study indicated that the average PUE in 2014 was 1.7. We monitor our data centre energy consumption and we also calculate the PUE per site. We are committed to benchmarking our average PUE for the data centres we manage and operate. Our average PUE is above the industry average. Some of our legacy data centres have a higher PUE due to older equipment and our recent data centres are not loaded at full capacity, therefore inducing an increase in average PUE. As they are filled, average PUE should diminish accordingly.

UK climate change agreement

In the UK, the government, together with the data centre sector, have negotiated a Climate Change Agreement (CCA). Data centre operators have collectively and voluntarily engaged to improve the sector’s energy efficiency without limiting growth. The participants commit to meet energy efficiency targets and, in return, benefit from a reduction in carbon taxes. The objective is to reduce PUE by 15% for the sector as a whole. Cogeco Peer 1 was registered in July 2015, thereby committing to reducing PUE at its Portsmouth data centre by 14% by 2020. So far, we have met the preliminary target identified within the CCA.

COMMITMENT: FOR THE DATA CENTRES WE OPERATE (I.E. MANAGE AND MAINTAIN INFRASTRUCTURE), WE WILL BENCHMARK THE POWER USAGE EFFECTIVENESS AND AIM TO BE AT OR BELOW THE INDUSTRY AVERAGE.

PROGRESS: OUR AVERAGE PUE IS ABOVE THE INDUSTRY AVERAGE. SOME OF OUR LEGACY DATA CENTRES HAVE A HIGHER PUE DUE TO OLDER EQUIPMENT, AND OUR RECENT DATA CENTRES ARE NOT LOADED AT FULL CAPACITY, THEREFORE INDUCING AN INCREASE IN AVERAGE PUE. AS THEY ARE FILLED, AVERAGE PUE SHOULD DIMINISH ACCORDINGLY.



Vehicle fleet

For all business units with a vehicle fleet, fuel consumption is monitored. We use average fuel consumption per vehicle to monitor the variation in fuel consumption. In our Canadian broadband operations, we have been monitoring fuel consumption since fiscal 2009 and our fleet has gradually reduced the total amount of fuel consumed. We have achieved these reductions with the implementation of various initiatives, such as monitoring idle-time, adding auxiliary batteries in vehicles and reducing the size of our service vehicles.

At the end of fiscal 2017, approximately 36% of our fleet in the U.S. and Canada was comprised of lower fuel consumption vehicles.



Waste management

We believe in the 3Rs—Reuse, Repurpose, Recycle—including for electronic equipment. We strive to control our waste and aim to develop waste management processes in our staffed facilities. In most of our business units, electronic equipment, paper, glass, plastic and metal items as well as dangerous waste are collected and recycled. We are still implementing measures to monitor and control the amount of waste diverted at all our operations. Composting is also available in some of our biggest offices in Canada.

E-waste

E-waste represents the biggest waste category generated by our operations. Since electronic equipment is in high demand and has a relatively short life span, increasing volumes of e-waste are being generated worldwide. Because it contains reusable material and hazardous substances, proper collection and disposal are important.

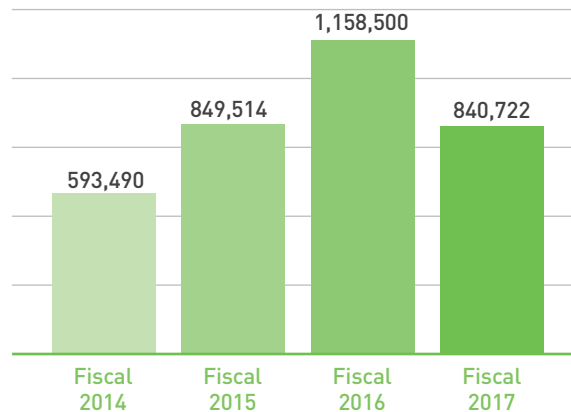
The equipment we provide to our customers is collected, tested, repaired or refurbished, and redeployed. Through this process, we ensure that data security is safeguarded by thoroughly removing all data from devices. Equipment that can no longer be redeployed is brought to organizations or third-party vendors that partner with us to resell and recycle obsolete equipment.

Given the number of facilities we own or lease, tracking the quantity of each category of waste we generate represents a challenge. To produce this data, we need to rely on our multiple vendors, who all have different methodologies and capabilities. Our goal is to further develop our waste tracking and monitoring capacity over time with the help of our vendors to address this challenge.

When applicable and required by law, we report to relevant authorities the volume of electronic equipment purchased, the quantity of paper and packaging sent to residential customers, and the volume of hazardous waste generated.

Total weight of e-waste collected per year

(in pounds)



COMMITMENT: AIM FOR ZERO E-WASTE GENERATED ON OUR PREMISES BY 2018.

PROGRESS: 1,999,222 POUNDS OF E-WASTE WERE COLLECTED AND SENT TO RECYCLERS OVER THE LAST TWO FISCAL YEARS.



E-billing and paper management

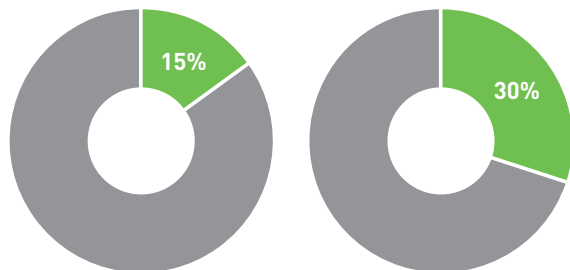
Our customers all receive invoices from us. Traditionally, our invoices were printed and mailed. In order to reduce paper consumption, we have implemented numerous initiatives, one of the most promising, long-term, being electronic billing.

We encourage our customers to adopt e-billing, an environmentally friendly way of receiving monthly statements. E-billing helps us reduce the quantity of paper used and is almost carbon-free.

When our broadband business units send invoices to their customers, they use paper with at least 30% recycled content. We are also developing guidelines on the type of paper that should be purchased—preferably FSC-certified or recycled paper, when applicable. Additional paper reduction initiatives include pre-authorized payments and providing electronic pay stubs to employees.

Publicity materials used by our radio stations are printed using vegetable inks. Also, the material is either sold or recycled at the end of the marketing campaigns.

E-billing % per reporting periods



Fiscal 2015

Fiscal 2017

Spills and leaks

Our customers expect our services to be running around the clock. We rely on back-up generators and cooling equipment to ensure we will be able to provide our services under all conditions. Generators contain fuel tanks, which represent our biggest environmental risk. Integrated in our preventive maintenance programs at Cogeco Connexion and Atlantic Broadband, generators are inspected annually and a visual detection of spills is also performed during environmental assessments. A visual inspection of generators and fuel tanks is performed daily at Cogeco Peer 1 facilities.

Leaks can also occur from our cooling equipment. To limit fugitive emissions and refrigerant gas leaks, we perform annual leak tests as part of our preventive equipment maintenance program. These leak tests are required by federal, provincial or state regulations and we also follow manufacturers' recommendations for each type of equipment.

We experienced 32 leaks in fiscal 2016 and 2017, all of which were linked to our cooling systems where halocarbon was released into the atmosphere. Seven were reported to government authorities, as prescribed by law, and 25 were below the legal reporting thresholds. A total of 308 kilograms of halocarbon leaked during the period. These incidents were managed by our teams and appropriate measures, such as maintenance and repairs, were performed to affected equipment.

Building standards

Over the last few years, the management teams of several Canadian facilities have implemented various environmental practices, including energy, waste and water management, pollution control and environmental health and safety programs according to BOMA BEST standards. BOMA BEST is a Canadian program that addresses the industry need for realistic standards for energy and environmental performance of existing buildings based on accurate, independently verified information.

COMMITMENT: INCREASE % OF INVOICES THAT ARE SENT ELECTRONICALLY COMPARED TO FISCAL 2015.

PROGRESS: 30% OF INVOICES ARE NOW SENT ELECTRONICALLY. WE HAVE DOUBLED THE % OF E-BILLING OVER THE LAST TWO YEARS.



Our offices in Hamilton, Peterborough and Burlington were accredited with a BOMA BEST silver level certification.

Environmental assessments

In order to ensure that our facilities are safe and present no material harm to the environment, environmental assessments are performed for all of them on a rotational basis, with the objective of obtaining full coverage over a certain period of time. We assess storage tanks and other storage facilities, batteries, air conditioning fluids, waste and visual evidence of spills or leaks. Once assessments are completed and corrective actions have been identified, they are performed within a pre-determined timeframe. Assessment results are reported annually to the Audit Committee.

Environmental impact of our products and services

The environmental impact of our products and services has not yet been fully assessed. However, we are aware of the potential impact of our products and services on our customers' energy consumption, as well as on the waste they generate. The importing of equipment from abroad also increases the environmental footprint of our products.

In Europe, the U.S. and now in Canada, governments are increasingly concerned about the energy consumption of set-top boxes. Legislation or voluntary agreements have been enacted to tackle this issue. Because we know it is important to offer a product with various capabilities and options, while maintaining optimal energy consumption, we were a participant in the drafting of the Canadian Energy Efficiency Voluntary Agreement (CEEVA) for set-top boxes and are one of its signatories.

CEEVA is a joint commitment between major Canadian pay TV service providers aimed at improving the energy efficiency of set top boxes deployed within their residential customer footprint. Signatories represent more than 85% of the Canadian pay TV market which includes cable, direct-to-home satellite and IPTV providers. With this agreement in place, it is expected that the total annual energy consumption in Canada (for all signatories) will be reduced and annual carbon dioxide emissions will be cut by over 100,000 tonnes.

COMMITMENT: PROVIDE ENERGY EFFICIENT EQUIPMENT TO CUSTOMERS, IN LINE WITH VOLUNTARY AGREEMENTS IN OUR JURISDICTIONS.

PROGRESS: COGECO IS A SIGNATORY OF THE CANADIAN ENERGY EFFICIENCY VOLUNTARY AGREEMENT. AS OF THE END OF FISCAL 2017, 88% OF PURCHASED SET-TOP BOXES IN CANADA COMPLIED WITH THE AGREEMENT. IN THE U.S., ALTHOUGH ATLANTIC BROADBAND IS NOT A SIGNATORY, 73% OF THE SET-TOP BOXES WERE COMPLIANT.

This is the equivalent to the emissions of over 44,000 sub-compact new vehicles, driving 15,000 km per year.

Noise prevention

Our operations may have an impact on our neighbours, including noise from our cooling equipment and generators. To minimize this impact, we install sound mitigation components for sites that are close to residential areas, as required by local authorities. In select sites, we constructed giant baffles to mitigate sound pollution in the event that emergency generators are deployed.

Climate change

Climate change presents both risks and opportunities for our business. Carbon taxes on electricity and the fuel we purchase, as well as cap and trade schemes, already have an impact on our operational costs. Increases in energy costs may result from ongoing multilateral global actions to fight climate change. In addition, changing weather patterns affect our facilities and our networks, requiring higher cooling and/or heating and maintenance.

The increased occurrence of natural disasters such as flooding and hurricanes in some of the areas where we are located also represents a risk. In September 2017, Atlantic Broadband's operations were impacted by Hurricane Irma. The hurricane brought strong winds, as well as heavy rain and flooding. This resulted in power outages which affected our ability to maintain and deliver broadband services for several days, and also impacted our equipment and networks.

The changes in physical climate parameters can affect our business clients in multiple ways, offering business opportunities. For example, the business continuity and disaster recovery services offered by Cogeco Peer 1 provide around-the-clock data capture and replication to protect critical applications and ensure that they function throughout an emergency. We also provide cloud infrastructure services, which protect customer data and ensure accessibility while delivering a seamless and reliable service. With the deployment of the carbon reduction commitment (CRC) energy efficiency scheme in the UK, customers who switch to a more energy efficient data centre could reduce their energy usage and emissions liabilities, which will help lower the allowance payments made to the government.

To learn more about the financial implications of climate change and the measures we are taking, please refer to our Carbon Disclosure Project responses at www.cdp.net.

Fines

We strive to comply with applicable environmental laws and regulations in all our jurisdictions. Where non-compliance issues are identified, they are remediated within reasonable timeframes. In fiscal 2016 and 2017, we received one complaint for noise which was escalated to the Ontario Municipal Board. It was settled at the satisfaction of both parties. We did not receive any fines for non-compliance with any environmental laws and regulations.

DEVELOPING OUR EMPLOYEES AND COMMUNITIES

We are committed to taking part in the development of our employees and our communities—and we do so every day. By being true to our values and our CSR pillars, we have earned a reputation as a good employer and a trusted community partner.

Developing our employees

Our employees are key factors in our success and we provide them with a stimulating, progressive and diverse work environment built on collaboration and respect. We offer a safe workplace and competitive wages and benefits, while providing continuous learning, professional development and internal growth opportunities.

Management approach and policies

Our human resources (HR) policies and practices are intended to support the highest standards of labour/management relations. The Senior Vice President Corporate Human Resources is responsible for providing leadership in harmonizing HR practices across our organization based on best practices.

Responsibility for compliance with applicable labour codes, health and safety regulations as well as human rights legislation is a responsibility of the Vice President of Human Resources in each business unit. HR matters are reported to the Board's Human Resources Committee, as appropriate. We also report to government agencies as required.

Atlantic Broadband was named one of the Best Companies for Women in Cable by Women in Cable Telecommunications.

Cogeco Connexion was named one of Montréal's Top 35 Employers for 2017 by Mediacorp Canada and won the Employment Equity Achievement Award in the Outstanding Commitment category by Employment and Social Development Canada.



We have policies, procedures and guidelines in place to ensure compliance with relevant laws and regulations in the different jurisdictions where we operate. They include, among others:

- Labour standards regulations
- Occupational health and safety regulations
- Human rights acts
- Charters of rights and freedoms
- Employment equity regulations

Our HR departments are also responsible for hiring and staffing, compensation and benefits, vacations, holidays and leaves of absence, training and education, and respect in the workplace. We have adopted policies to prevent workplace harassment, discrimination and violence. These policies include procedures to follow in the case of non-compliance.

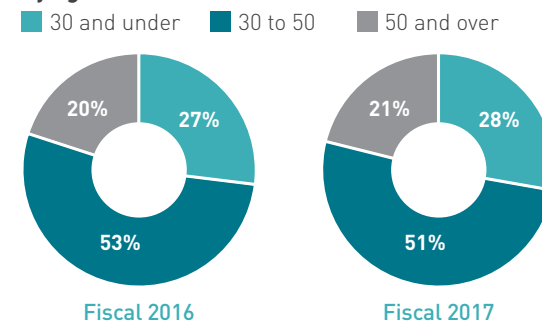
As at January 2018, we had approximately 5,200 employees. 

Our workforce representation

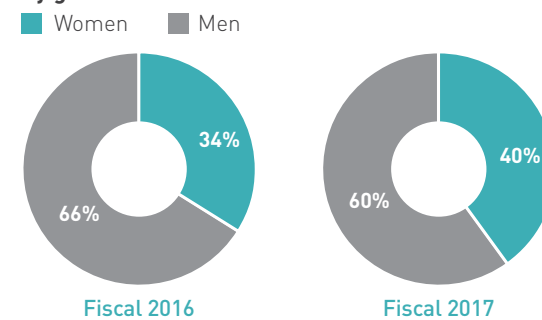
	Fiscal 2016		Fiscal 2017	
Gender	Temporary	Permanent	Temporary	Permanent
Men	1%	64%	1%	64%
Women	1%	34%	1%	34%
Region	Temporary	Permanent	Temporary	Permanent
Canada	2%	70%	1%	72%
U.S.	0%	25%	0%	25%
Europe	0%	3%	0%	2%
Gender	Part-time	Full-time	Part-time	Full-time
Men	5%	60%	5%	59%
Women	6%	29%	7%	29%
	Fiscal 2016		Fiscal 2017	
Unionized	23%		23%	
Turnover rate	15%		12%	

Turnover representation

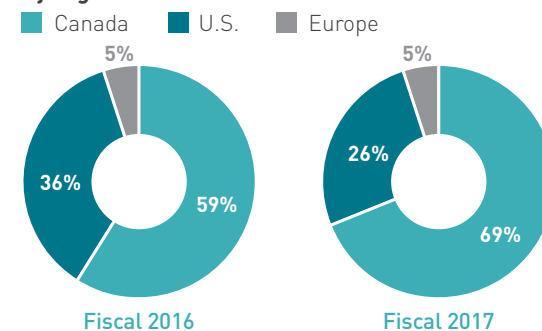
By age



By gender



By region



Local call centres

We are committed to providing our customers with local customer service agents from the communities where we operate. In our industry, call centres are often outsourced whereas our agents are primarily in-house and located within our areas of service, providing jobs in smaller or rural areas. When we outsource to third-party providers, outsourced agents are located within the service areas and employees are rarely located outside of Canada, the U.S. or the UK.



Compensation and benefits

We offer comprehensive compensation packages to attract and retain high calibre employees. Our remuneration packages include competitive salaries, social benefits and reward programs, including bonuses, commissions and an annual incentive program based on a performance review process related to the achievement of goals and contribution to corporate results. Temporary employees are not entitled to benefits.

We sponsor defined benefit pension plans for some employees, which provide pensions based on the number of years of service and the salary of the participant. We also sponsor a contributory pension plan as well as a group RRSP. Registered defined benefit pension plans are financed in accordance with the requirements of each plan. In addition, we offer and sponsor a competitive group insurance program that provides life insurance for permanent employees and their families. Also included is a comprehensive insurance plan covering death as well as short-term and long-term disability, health insurance including emergency out-of-country coverage, and dental. Employees can participate in a share purchase plan, allowing them to contribute up to 7% of their annual base salary and annual commissions, if applicable. The employer contribution is 25% of the employee contribution and the employer portion is automatically vested.

Occupational health and safety

No job is to be regarded so urgent that time cannot be taken to do it in a safe manner. Through our Occupational Health and Safety (H&S) Management System and the commitment of managers and employees, we are determined to provide and maintain a healthy and safe working environment and ensure the well-being of all employees, YourTV/NousTV volunteers, business partners and the general public.

All employees and business partners are required to adopt safe work methods, abide by all guidelines issued by the company, use the personal protective equipment put at their disposal, and adhere to current policies, procedures and prevention programs. Training is provided to employees through online, classroom and field sessions, when applicable. Everyone is responsible and accountable for health and safety and teamwork is essential. All employees are encouraged to think proactively about safety and to bring forward any observations or ideas that will contribute to our continuous improvement.

COMMITMENT: MAINTAIN FREQUENCY AND SEVERITY OF WORKPLACE-RELATED INCIDENTS AT OR BELOW THE AVERAGE IN JURISDICTIONS WHERE WE OPERATE.

PROGRESS: DURING THE REPORTING PERIOD, WE HAVE MAINTAINED WORKPLACE-RELATED INCIDENT RATES BELOW NATIONAL AVERAGES IN JURISDICTIONS WHERE WE OPERATE.



Health and safety committees

Our approach to H&S includes the establishment of joint workplace health and safety committees. When applicable, depending on the regions and on the number of employees in each location, H&S representatives and regional committees are present, in accordance with applicable federal or state laws and regulations.

The role of the committees and representatives is to ensure that all H&S concerns are addressed. They are responsible for conducting H&S inspections, identifying and communicating workplace hazards, safe work procedures, and all safety compliance information as required under occupational H&S regulations. They also review all H&S concerns as brought forth by staff members. They participate in the incident investigation process when needed, and make recommendations for improving H&S within the organization.

In fiscal 2017, approximately 91% of the workforce was represented by an H&S representative or committee.

Health and safety performance

The adjacent table presents the frequency rate of disabling accidents in fiscal 2016 and 2017. A disabling accident (or disabling injury) is a work-related injury or illness that causes loss of time from work beyond the day or shift during which it occurred or where the employee has to perform modified duties. The Labour Program uses the same indicator to produce statistics for employers under federal jurisdiction, which allows for a good benchmark. In Canada, in the communications sector, the disabling injury incidence rate (DIIR) was 1.0 per 100 full-time employees (FTE). In the U.S., data from the Bureau of Labor Statistics has an incident rate of 2.1 per 100 FTE for the wired telecommunications carriers. H&S indicators are reported at a minimum on a monthly basis by all business units to the corporate level.

Injury rate*	Fiscal 2016	Fiscal 2017
Canada	0.67	0.92
U.S.	0.88	1.22
Europe	0	0
Work related fatalities	0	0

*The injury rate reflects the number of disabling accidents per 200,000 man hours.

Wellness

Wellness initiatives complement our occupational health and safety program. In some business units, we held annual workplace flu vaccination campaigns to help prevent the occurrence of seasonal flu. In addition, a mental health week was organized to promote less visible illnesses through activities and seminars.

Employee assistance

Our employee assistance program helps employees and their family members resolve challenges and problems of a personal nature, including:

- Achieving personal well-being
- Managing relationships and family issues
- Addressing workplace challenges
- Tackling addictions
- Researching child and elder care resources
- Obtaining financial and legal clarity
- Understanding nutrition and focusing on their health

Through this program, employees have access to confidential consultations and information services from external professionals. Employees can receive support by phone, in person, online and through a variety of issue-based health and wellness resources.

Diversity and employment equity

We believe that our workplaces should reflect the diverse profiles and backgrounds of the customers we serve and

the communities where we operate. Our commitment to diversity begins at the top and is increasingly reflected in the composition of our Board, management and overall workforce.

Board diversity

The Board of Directors of Cogeco and Cogeco Communications have established a policy regarding diversity on the Board, the purpose of which is to achieve and maintain Board diversity. Diversity includes a wide range of criteria such as industry experience, management experience, education, functional area of expertise, geography, mix of age, gender or ethnicity. The Corporation acknowledges the important role women with appropriate and relevant skills and experience can play in contributing to different viewpoints and perspectives of the Board. The percentage of women currently on our boards is 44% for Cogeco Communications and 13% for Cogeco. The percentage of women on the Cogeco Communications Board is higher than on most Canadian public issuer boards, which have an average of 14%, as per a study of the securities authorities published in 2017.

Women in management

At Cogeco, continuous efforts are deployed to increase the representation of women in senior positions. As an example, in 2013, Cogeco launched the Cogeco Women Network whose mission is to promote and support women's advancement by providing opportunities for professional development and networking, supporting external visibility and social involvement and enabling gender diversity as a whole. The vision of the Cogeco Women Network is to position Cogeco as a leading workplace where female talent is enabled to reach its full potential. The network has the full support of the executive management team who is committed to ensuring that Cogeco provides an inclusive work environment, one where everyone's talent is recognized and all employees—both men and women—are considered crucial strategic assets.

Women account for 31% of management and 36% of our overall workforce.

Management	Fiscal 2016	Fiscal 2017
Women	33%	31%
Men	67%	69%
30 and under	3%	3%
30 to 50	60%	60%
50 and over	37%	37%

Employees	Fiscal 2016	Fiscal 2017
Women	39%	36%
Men	61%	64%
30 and under	16%	16%
30 to 50	58%	60%
50 and over	26%	24%



Employment equity

We believe all employees contribute to our success. We strive to create work environments and build teams that promote inclusiveness and openness, and allow employees to perform to the best of their abilities, regardless of origin, physical appearance, sexual orientation, beliefs, opinions or social status. In accordance with our Employment Equity Policy, we aim to ensure that employees are treated fairly and without discrimination and that our hiring practices and advancement decisions are based entirely on people’s abilities, skills and potential.

Each business unit located in Canada has developed or is currently developing an employment equity plan. These plans are helping us to achieve our short and long-term goals for representation of designated groups—women, aboriginal people, persons with disabilities and visible minorities. The plans include specific initiatives, including internships and diversity-oriented recruitment methods, talent and succession management, self-identification, governance, working conditions, management training, internal networking and visibility. There are quantitative objectives in line with the market data availability determined by Statistics Canada. Progress is measured on an annual basis through the reporting performed for the Department of Employment and Social Development Canada.

We also measure the representation of designated groups in our workforce. Employees are encouraged to self-identify. We are not disclosing these numbers as some employees do not authorize us to do so. However, we have seen improvement in our representation gaps.

Since fiscal 2014, we hold a Diversity Week in all locations to promote our values, culture and diversity positioning. Increasing our visibility as an employer committed to a more inclusive workplace through partnerships with specialized organizations also highlights our efforts and engagement towards the achievement of our goals. Further, since 2016, at Cogeco Connexion, diversity is one of the goals for senior management.

COMMITMENT: CONTINUE TO BE AN EQUAL OPPORTUNITY EMPLOYER AND MEASURE DIVERSITY IN EACH BUSINESS UNIT.

PROGRESS: A SELF-IDENTIFICATION PROCESS IS IN PLACE IN ALL BUSINESS UNITS. IN CANADA, ALL BUSINESS UNITS HAVE DEVELOPED, OR ARE CURRENTLY DEVELOPING, THREE-YEAR EMPLOYMENT EQUITY PLANS.



Cogeco Connexion received an Employment Equity Achievement Award in the Outstanding Commitment category from Employment and Social Development Canada for two years in a row. The award recognizes federally regulated employers for their commitment to creating diverse and inclusive Canadian workplaces.



The following are initiatives for improving diversity at Cogeco, which vary from one business unit to the other:

- Networking events and career fairs where the HR department meets young talents, members of visible minorities, women and aboriginal people.
- An online training module for managers aimed at raising awareness of diversity management at Cogeco was developed in 2014 and is mandatory for newly promoted managers and new hires.
- Developed Duty to Accommodate guidelines for all designated groups.
- Positions are posted within organizations that promote employment among designated groups.
- Introduced outreach initiatives and targeted recruitment among specific groups for specific positions when there is a gap in representation.
- Organized meetings with selected Aboriginal employment groups and toured the offices with them to develop a good relationship and ensure Cogeco's employment needs are well understood and vice versa.
- Ensured that the onboarding process for new employees addressed Aboriginal employee needs.
- Development of an inclusive culture which encourages the propensity of new employees to self-identify.
- Managers have yearly objectives to hire members from designated groups.

Training and education

We value our employees and encourage their professional development. Training and education ensures ongoing professional development for enhanced performance, knowledge and skills in current roles while preparing for future roles. Managers are responsible for the training requirements of their employees and related budgets. Employees define performance objectives with their supervisors and mutually agree on a training program, as needed. Training is fully paid by the Corporation and occurs during working hours. In Canada, we invest at least 1% of our annual payroll in training.

Internal training initiatives include the Cogeco Leader Program for managers at all levels. Its curriculum and design supports our leadership competencies, values, business priorities and vision. Managers are trained on change management, the Code of Ethics and diversity management.

We also provide continuing education assistance programs to help employees develop skills and knowledge in view of their current or future positions. The programs financially support employee development initiatives through courses followed outside working hours. Eligible programs are those that lead to a diploma or certificate at an accredited educational institution.

In 2017, Cogeco initiated a partnership with McGill University to develop four training modules and deliver them to Cogeco's executive team. These four modules revolve around finance, leadership, strategy and people management.

Listening to our employees

In order to know how effective we are at building a strong corporate culture and to measure employee engagement, our business units conduct regular employee engagement surveys. These surveys address: career development, learning and skills development, recognition and salary, performance appraisal, resources, work-related tasks, work processes, teamwork, physical environment, leadership, human resources practices, employer's reputation, as well as CSR. We use results obtained from the survey to build appropriate plans to ensure that we have an engaged workforce that will be productive and highly motivated. Motivated employees are a key ingredient for the growth and longevity of the organization.

COMMITMENT: CONTINUOUSLY IMPROVE ENGAGEMENT SURVEY SCORES. ACHIEVE SCORE OF 75% OR MORE OF EMPLOYEES WHO BELIEVE WE ARE A GOOD CORPORATE CITIZEN BY 2018.

PROGRESS: A SURVEY WAS CONDUCTED IN FISCAL 2017 WHICH COVERED ALL BUSINESS UNITS. OF ALL THE EMPLOYEES WHO COMPLETED THE SURVEY, 74% BELIEVED WE ARE A GOOD CORPORATE CITIZEN. WE WILL WORK ON IMPROVING THIS SCORE AHEAD OF THE NEXT REPORT.

Developing our communities

From our beginnings as a small family-owned business in Trois-Rivières, Québec, we have always been close to our communities. We are an important contributor to the social, economic and cultural development of the communities served by our communications network. Our support for our communities has expanded as we have grown and we look forward to doing even more in the years ahead.

Each business unit has developed community-focused initiatives, reflecting the particular needs of their communities. From offering air time on the community television channel, to skydiving to raise money for kidney research, to volunteering in a women’s shelter, there are many ways we make a difference where we live and work.

Management approach and policies

As a responsible corporate citizen, Cogeco supports the cultural, social and economic life of communities in which it operates through donations and sponsorships. Our commitment to developing strong relationships with our communities is part of our CSR Policy.

Our different donations and sponsorship programs provide support to our communities in many ways—cash donations, sponsorships, in-kind contributions (free air time) and promotion of activities, events and causes through the broadcasting reach of YourTV community channel in Ontario and NousTV community channel in Québec. All activities or events must support registered not-for-profit organizations. Political and religious groups or institutions are not eligible.

In fiscal 2016 and 2017 we contributed over \$6 MILLION in donations and sponsorships, and offered air time for fundraising purposes.



Lending an executive hand

Louis Audet, our President and Chief Executive Officer, is actively involved in a number of major fundraising campaigns for charitable causes. He was chair of the 2014-2015 fundraising campaign for the Old Brewery Mission Foundation which raised \$31.5 million to put an end to chronic homelessness. In February of 2016, in conjunction with Centraide of Greater Montréal, he led Cogeco in establishing Training for Better Newcomer Integration, an innovative and transformational project to help foster the successful integration of Syrian refugees in Canada. He is also co-chair of the 2017 Centraide of Greater Montréal campaign. Furthermore, Ken Smithard, President of Cogeco Connexion, was appointed Campaign Cabinet Chair for United Way in Halton and Hamilton.

Atlantic Broadband supports local community

For the last four years, Atlantic Broadband was the primary presenter for the Fire over Aiken event. This community fair features music, food, rides and fireworks. It provides a great day for families to come together in the community. It is the only community-wide free fireworks show around July 4th.

Atlantic Broadband also partnered in March 2017 with the Eugene O’Neill Theater Center, Garde Arts Center and Lyman Allyn Art Museum to deliver advanced business communication solutions to meet the unique needs of each of these organizations. Our services have helped maximize Internet performance and uptime for their patrons, visitors and employees.

Cogeco Media supports a child and mother hospital

Cogeco Media frequently helps non-profit organizations in their search for financing. It donates free air time to help publicize campaigns, thereby enabling them to reach a maximum number of people and donors. For example, Rythme FM is very engaged with the Ste-Justine Hospital, the biggest mother and child centre in Canada, offering free air time to promote campaigns like its Tree of Lights and Mois des Câlines (Month of hugs). Driven by relentless dedication, these consumer campaigns have become very successful over the years, and deeply ingrained in the Québec philanthropic scene.

COMMITMENT: DEVELOP A CORPORATE DONATIONS AND SPONSORSHIP POLICY AND PUBLISH IT ON OUR WEBSITE.

PROGRESS: GUIDELINES FOR THE GRANTING OF DONATIONS AND SPONSORSHIPS WERE PUBLISHED ON OUR CORPORATE WEBSITE. A FORMAL POLICY ON THE GRANTING OF DONATIONS AND SPONSORSHIPS WAS APPROVED AND WILL BE PUBLISHED ON OUR CORPORATE WEBSITE IN JANUARY 2018.





Photo: rmhcsco.ca

Cogeco Connexion and Ronald McDonald House

Cogeco Connexion donated \$50,000 as well as \$265,000 in in-kind services to Ronald McDonald House, which provides an emotionally supportive, comfortable and affordable home for families whose children are seriously ill and are being treated at McMaster Children’s Hospital. It is their mission to provide worry-free care for the family so they may focus their attention on their sick child.



Photo: lavantage.qc.ca

Teleradiothon in Rimouski and Sept-Iles

NousTV dedicated considerable efforts towards the production of the annual teleradiothon for the benefit of La Ressource and l’Élyme des sables, two not-for-profit organizations. During the reporting period, a total of approximately \$951,000 has been raised for these organizations.



YourTV/NousTV – Cogeco’s Community Channels

YourTV/NousTV, our unique community television channels, are a powerful complement to our donations and sponsorship activities by providing broad visibility to local community activities and interests. In 2017, Cogeco unveiled a new brand for its community television stations that highlights the close proximity Cogeco has to the communities it serves.

YourTV/NousTV stations are dedicated to in-depth coverage of local people, places, events and issues of interest to each of the communities we serve and are funded by a regulated percentage of gross broadband revenues. In Ontario and Québec, there are 36 stations working to produce local programming including sporting events, politics, festivals, news, business and social issues. In fiscal 2017, these stations helped fundraise for local groups and charities through TV auctions, telethons and other fund-raising events.



Photo: Eric Beaupré

Producing this content is a community effort with staff producers directing the activities of many highly trained community volunteers and students who commit their time to feature the stories of the people, places and events in our communities. Stations offer educational placements to high school, college and university students.

	Fiscal 2016	Fiscal 2017
Donations and sponsorships	\$2,982,273	\$3,166,498

In fiscal 2016-2017, approximately 1,293 volunteers and 110 students on co-op education placements were involved in community content production, which represents more than 103,000 volunteering hours.

REPORT PROFILE

Scope

This report covers the 24-month period from September 1, 2015, (“fiscal 2016”) to August 31, 2017, (“fiscal 2017”). It pertains to Cogeco Inc. (the “Corporation” or “Cogeco”) and includes information on Atlantic Broadband, Cogeco Connexion, Cogeco Media and Cogeco Peer 1, (the “business units”), unless otherwise specified. All amounts are in Canadian dollars and data calculations are in compliance with the Global Reporting Initiative (GRI) protocols, unless otherwise specified.

Some of the statements herein, including information about various initiatives and programs, may not apply equally to all business units. To facilitate the reader’s understanding, we have made general statements and do not specify initiatives by business unit.

This report was published on the Corporation’s web site on January 11, 2018. Previous reports, published every two years, are also available on our web site.

Content

Decisions regarding the content of this report were based on a stakeholder engagement exercise, including direct engagement through surveys and a literature review. As this is our fourth CSR Report, we have provided comparative data when available and will continue to report progress in subsequent editions, which we will publish every second year. The Corporation believes the information in this report to be accurate. This report has been subjected to a formal Internal Audit review in order to assess the overall reasonableness of data published herein; however, no external audit was undertaken.

Compared with the previous report, this report encompasses all of Cogeco’s business units.

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 Core report.

Format

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

GRI CONTENT INDEX

The Cogeco 2017 Corporate Social Responsibility Report was prepared in accordance with the Global Reporting Initiative GRI Standards. This is a Core report containing information on 37 indicators. You can access the Content Index via [this link](#).

FORWARD-LOOKING STATEMENTS

Certain statements contained in this report may constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to the Corporation's future outlook and anticipated events, business, operations, financial performance, financial condition or results and, in some cases, can be identified by terminology such as "may"; "will"; "should"; "expect"; "plan"; "anticipate"; "believe"; "intend"; "estimate"; "predict"; "potential"; "continue"; "foresee", "ensure" or other similar expressions concerning matters that are not historical facts. Particularly, statements regarding the Corporation's financial guidelines, future operating results and economic performance, objectives and strategies are forward-looking statements. These statements are based on certain factors and assumptions including expected growth, results of operations, performance and business prospects and opportunities, which the Corporation believes are reasonable as of the current date. Refer in particular to the "Corporate Objectives and Strategies" and "Fiscal 2018 Financial Guidelines" section of the Corporation's 2017 annual Management's Discussion and Analysis for a discussion of certain key economic, market and operational assumptions we have made in preparing forward-looking statements. While Management considers these assumptions to be reasonable based on information currently available to the Corporation, they may prove to be incorrect. Forward-looking information is also subject to certain factors, including risks and uncertainties that could cause actual results to differ materially from what the Corporation currently expects. These factors include risks such as competitive risks, business risks, regulatory risks, technology risks, financial risks, human-caused and natural threats to our network, infrastructure and systems and litigation risks, many of which are beyond the Corporation's control. For more exhaustive information on these risks and uncertainties, the reader should refer to the "Uncertainties and Main Risk Factors" section of Cogeco's Annual Report for the fiscal year ended August 31, 2017, available at sedar.com. These factors are not intended to represent a complete list of the factors that could affect the Corporation and future events, and results may vary significantly from what Management currently foresees. The reader should not place undue importance on forward-looking information contained in this report. Forward-looking statements contained in this report represent the Corporation's expectations as of the date of this report (or as of the date they are otherwise stated to be made) and are subject to change after such date. While Management may elect to do so, the Corporation is under no obligation (and expressly disclaims any such obligation) and does 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.



CONTACT INFORMATION

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

Please visit corpo.kogeco.com for additional information:

- Fiscal 2011, 2013 & 2015 CSR Reports (preceding CSR Reports)
- Cogeco Corporate Social Responsibility Policy
- Cogeco Code of Ethics
- Cogeco Supplier Code of Conduct
- Statement against Slavery, Forced Labour and Human Trafficking
- Annual Reports
- Annual Information Forms
- Statement of Corporate Governance
- Management Information Circular

Please visit each business unit's website to consult their policies:

- Atlantic Broadband: atlanticbb.com
- Cogeco Connexion: kogeco.ca
- Cogeco Peer 1: kogecopeer1.com
- Cogeco Media: kogecomedia.com