



**Independent limited assurance report on selected
subject matter areas presented within the Cogeco Inc.'s
Fiscal 2019 Greenhouse Gas Emissions Report**

Prepared in accordance with:

International Standard on Assurance Engagements 3410, Assurance
Engagements on Greenhouse Gas Statements ('ISAE 3410')

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SECTION I: Independent practitioner's limited assurance report on the Cogeco Inc. Fiscal 2019 Greenhouse Gas Emissions Report

To the Board of Directors and Management of Cogeco Inc.

We have undertaken a limited assurance engagement of the following selected key performance indicators (the “subject matter”), presented in the accompanying Cogeco Inc.’s Fiscal 2019 Greenhouse Gas Emissions Report for the year ended August 31, 2019.

Scope and subject matter

Our limited assurance engagement was performed on the following indicators for the reporting period from September 1, 2018 to August 31, 2019:

Selected Key Performance Indicators	Unit	2019 value
Scope 1 emissions from fleet fuel consumption	Tonnes CO ₂ e	9,883
Scope 2 emissions from electricity (location based)	Tonnes CO ₂ e	15,850
Scope 2 emissions from electricity (market based)	Tonnes CO ₂ e	16,176
Energy from fleet fuel consumption	Mwh	40,700
Energy from electricity consumption	Mwh	134,869

We were not engaged to report on comparative figures for the prior years and we were not engaged to report on trends, variances and any other additional information not specifically mentioned in the table above.

The organizational boundaries and the applicable criteria for the determination of these metrics have been disclosed in Cogeco Inc.’s Fiscal 2019 Greenhouse Gas Emissions Report included in Section II.

Management’s responsibility

Management is responsible for preparation of the subject matter following the methodology outlined in Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), the GHG Protocol Scope 2 Guidance, and internally developed criteria applied as explained in the Cogeco Inc.’s Fiscal 2019 Greenhouse Gas Emissions Report, included in Section II. Management is also responsible for such internal control as management determines necessary to enable the preparation of the subject matter that is free from material misstatement.

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“PwC” refers to PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., an Ontario limited liability partnership.



Inherent Uncertainty

Non-financial data is subject to more inherent limitations than financial data, given both the nature and the methods used for determining, calculating, sampling or estimating such data. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

Greenhouse Gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our responsibility

Our responsibility is to express limited assurance conclusion on the subject matter based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standards on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ("ISAE 3410"), issued by the International Auditing and Assurance Standards Board. This standard requires us to conclude whether anything has come to our attention that causes us to believe that the subject matter is not fairly prepared, in all material respects.

A limited assurance engagement involves performing procedures (primarily consisting of making inquiries of management and other within the entity, as appropriate, and applying analytical procedures) and evaluating the evidence obtained. The procedures are selected based on our professional judgment, which includes identifying areas where the risks of material misstatement in preparing the subject matter in accordance with the criteria are likely to arise.

The extent of our procedures included but was not limited to inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. Given the circumstances of the engagement, in performing the procedures listed above we:

- Through inquiries, obtained an understanding of Cogeco's control environment and information systems relevant to GHG emissions quantification and reporting;
- Evaluated whether Cogeco's methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Cogeco's estimates;
- Reconciled the data back to underlying records for a limited sample of items for the selected subject matter;
- Reviewed the selected subject matter disclosure to ensure consistency with the evidence obtained.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement and, consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

**Our independence and quality control**

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Cogeco Inc.'s selected key performance indicators prepared in accordance with the criteria for the fiscal year ended August 31, 2019, are not fairly stated, in all material respects.

Purpose of statement and restriction on distribution and use of our report

The report has been prepared for the Board of Directors and Management of Cogeco Inc. to assist Management in reporting on the Company's performance and activities. As a result, the subject matter may not be suitable for another purpose. Our report is intended solely for the use of Cogeco Inc. We neither assume nor accept any responsibility or liability to any third party in respect of this report.

¹
A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP".

Partnership of Chartered Professional Accountants

Montréal (Québec)
September 10, 2021

¹ CPA auditor, CA, public accountancy permit No. A113424



SECTION II: Fiscal 2019 Greenhouse Gas Emissions Report

Fiscal 2019 Greenhouse Gas Emissions Report

Introduction

This fiscal 2019 Greenhouse Gas (GHG) emissions report was prepared following the methodology outlined in the Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition) and the GHG Protocol Scope 2 Guidance, and is supporting management to report Cogeco's GHG emissions to the CDP and other corporate disclosures.

Using a Financial control approach, Cogeco Inc. (hereafter 'Cogeco') has determined its GHG emissions and energy consumption for the fiscal year ended August 31, 2019 as outlined in the following table:

GHG inventory - September 1, 2018 to August 31, 2019			
Scope	GHG sources	GHG (tCO ₂ e)	Energy (MWh)
1	Fleet fuel consumption	9,883	40,700
2	Electricity (market based)	16,176	134,869
2	Electricity (location based)	15,850	134,869

Methodology and Assumptions

Fleet Fuel Scope 1 emissions

These emissions were calculated based on the actual volumes of fuel consumed by Cogeco's vehicle fleet as follows:

- In both Canada and the U.S., each vehicle in Cogeco's fleet is assigned a credit card to be used for fueling the vehicle. In Canada, the card is provided by ARI and in the U.S. the card is provided by Sheetz. Each time a driver puts fuel in his/her vehicle, he/she uses the ARI or Sheetz card tied to that vehicle.
- For both Canada and the U.S., credit card information including fueling transaction date, volume of fuel, type of fuel and cost of fuel is transferred electronically to the ARI Insights system from which Cogeco employees can run queries and pull reports to summarize fuel consumption data within a specified time frame.

- Volumes of fuel consumed (liters in Canada and gallons in the U.S.) in fiscal 2019 by fuel type (regular gasoline, diesel and ethanol blend) were extracted from the fuel data in ARI.
- Emissions were calculated by multiplying these fuel volumes by the appropriate fuel type mobile combustion emission factor. Canadian fuel emission factors were taken from the Environment Canada National Inventory Report (National Inventory Report 1990- 2019: Greenhouse Gas Sources and Sinks in Canada, Part 2). U.S. fuel emission factors were taken from the Environmental Protection Agency (EPA) 2020 GHG emission factors hub (March 2020).
- The total emissions, in tonnes of CO₂ equivalent, were then calculated by multiplying the masses of each gas (N₂O, CH₄ and CO₂) by its global warming potential (GWP) and summing them. GWPs used are from the IPCC Fourth Assessment Report, 2007, consistent with what is used in national GHG inventories reported by both Canada and the U.S. (GWP of CO₂ = 1, GWP of CH₄ = 25 and GWP of N₂O = 298).

Fleet fuel energy consumption

The energy consumption in MWh related to fuel consumed by Cogeco's vehicle fleet was calculated as follows:

- As described above, volumes of fuel consumed (liters in Canada and gallons in the U.S.) in fiscal 2019 by fuel type (regular gasoline, diesel and ethanol blend) were extracted from the fuel data in ARI.
- Fuel liters were then converted to MWh following the methodology outlined in the CDP Technical Note: Conversion of fuel data to MWh. First, liters of fuel were converted to kg using the typical values for density by type of fuel provided in Table 2. Next, kilograms of fuel were converted to TJ of energy using the Higher Heating Values by type of fuel in Table 1. Finally, TJ were converted to MWh using the standard conversion factor of 277.78 MWh per TJ.

Electricity energy consumption

Scope 2 emissions and electricity consumption for all Cogeco power supplies and facilities were calculated as follows:

United States electricity consumption

- Electricity consumption for fiscal 2019 was estimated based on fiscal 2020 consumption data collected from utility companies on Cogeco's behalf by a third party (Saras Partners).
- Methodology used was as follows:
 - Fiscal 2020 utility spend by utility company was summarized for power supplies and facilities.
 - This utility spend data was merged with the fiscal 2020 kwh data collected by Saras Partners to derive an estimated cost per kwh for power supplies and facilities by utility company for Cogeco's U.S. operations.
 - A comparison was done of the average change in electricity price by state from fiscal 2019 to fiscal 2020 using data from the U.S. Energy Information Administration (EIA). The average state price change was then applied to the estimated cost per kwh in fiscal 2020 to derive an estimated cost per kwh in fiscal 2019 for power supplies and for facilities.
 - Fiscal 2019 spend by utility company was then divided by the fiscal 2019 estimated cost per kwh to estimate kwh of electricity consumption.

Canadian electricity consumption

Quebec

- Cogeco's main electricity provider in Quebec is Hydro Québec (approximately 95%)
- Electricity consumption for metered accounts was obtained directly from the Hydro Québec website via a feature that allows customers to download invoice data, including billing dates and consumption kwh, based on contract number.
- Because invoice timing may include consumption outside of the fiscal year, consumption data was adjusted to reflect the fiscal year based on the billing dates (i.e. a factor is calculated by dividing the number of days within the fiscal year by the number of days in the invoice period and then applied to the total consumption).
- Electricity consumption for unmetered accounts (power supplies) was calculated using the contracted energy consumption agreed upon with Hydro Québec based on the type of equipment attached to the power supply.
- Electricity consumption from utilities other than Hydro Québec (approximately 5% - Ville d'Alma, Ville de Magog, Hydro Sherbrooke, Ville de Baie Comeau, and Coop d'électricité St Jean) was obtained by contacting the utility companies directly for the information.
- Electricity consumption for Cogeco Media was excluded from the audit. This consumption represents approximately 0.02% of Cogeco's total Scope 2 market-based emissions.

Ontario

- Electricity consumption data for facilities (including offices, studios, headends, etc.) in Ontario was collected on Cogeco's behalf by a third party (ECNG) directly from the utility companies.
- ECNG provides Cogeco with a file on an annual basis, summarizing monthly kwh consumption in Ontario by utility company and account.
- Electricity consumption for Cornwall and some Burlington Hydro locations was collected separately from the utility company by Cogeco (not included in ECNG's consumption data).
- Estimates based on the average annual consumption for the type of facility were used for 4 locations not included in the ECNG file and for which consumption data could not be obtained directly from the utility company.
- Power supply electricity consumption was calculated using data provided by the Network Operations group. In some cases, where consumption data was not available in the file provided, the average annual power consumption per power supply by town was used.

Scope 2 location-based emissions

- To calculate location-based Scope 2 emissions, energy consumption numbers were summarized by province and state and then converted to estimated CO₂e emissions using average emission factors for the province or state. Canadian average emission factors were sourced from the National Inventory Report - (1990-2019 - part 3, Annex 13). U.S. emission factors were sourced from the eGrid2019 edition, state annual CO₂ equivalent total output emission rate (kg/MWh).

Scope 2 market-based emissions

- To calculate market-based Scope 2 emissions, the energy consumption numbers were summarized by province and state and then converted to estimated CO₂e emissions using the following hierarchy for emission factors: (1) supplier-specific emission factors were applied where available (2) where no supplier-specific emission factors were available, average emission factors for the province or state were applied. Canadian average emission factors were sourced from the National Inventory Report - (1990-2019 - part 3, Annex 13). U.S. emission factors were sourced from the eGrid2019 edition, state annual CO₂ equivalent total output emission rate

(kg/MWh).

- Renewable energy certificates and Green utility tariffs: In fiscal 2019, Cogeco did not purchase any renewable energy certificates or subscribe to any green utility tariffs.

References

Canada's National Inventory Report

<https://www.canada.ca/en/environment-climate-change/services/climate-change/greenhouse-gas-emissions/inventory.html>

U.S. EPA egrid 2019 data

<https://www.epa.gov/energy/emissions-generation-resource-integrated-database-egrid>

CDP Technical Note: conversion of fuel data to Mwh

https://b8f65cb373b1b7b15feb-c70d8ead6ced550b4d987d7c03fcdd1d.ssl.cf3.rackcdn.com/cms/guidance_docs/pdfs/000/000/477/original/CDP-Conversion-of-fuel-data-to-MWh.pdf?1479755175