

2022 Climate Action Plan and TCFD Report



A world of your **very own**

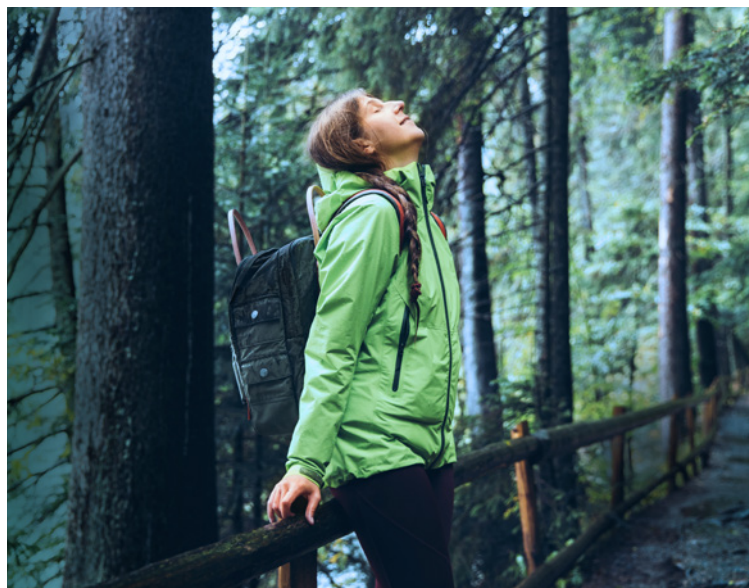
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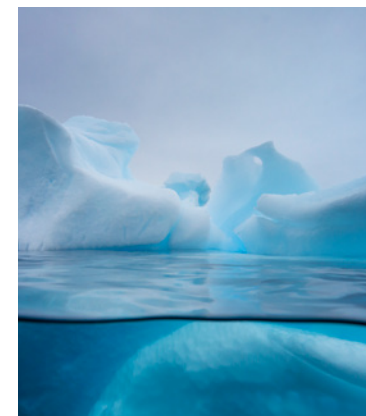
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SECTION 1

Overview

Cogeco: Celebrating 65 years of community connection



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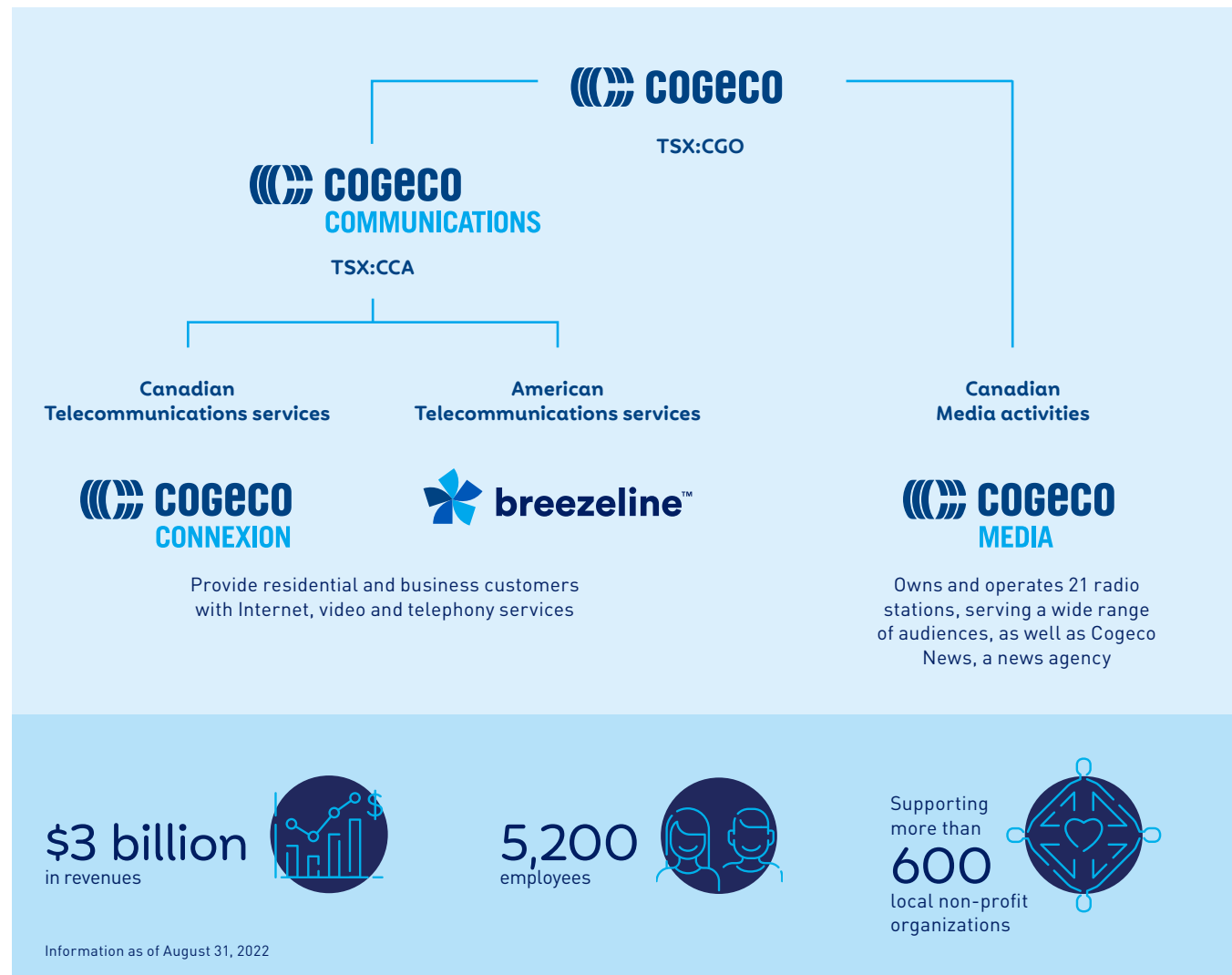
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Company overview

Rooted in the communities it serves, Cogeco celebrates 65 years of service in the telecommunications and media sectors with a significant presence in both Canada and the United States.

Through its business units, Cogeco Connexion and Breezeline (formerly Atlantic Broadband), Cogeco provides Internet, video and telephony services to 1.6 million residential and business customers in Québec and Ontario in Canada as well as in thirteen states in the United States. Through Cogeco Media, it owns and operates 21 radio stations primarily in the province of Québec as well as a news agency. Cogeco's headquarters are located in Montreal, Québec in Canada. Cogeco's subordinate voting shares are listed on the Toronto Stock Exchange (TSX:CGO) and the subordinate voting shares of Cogeco Communications Inc. are also listed on the Toronto Stock Exchange (TSX:CCA).

At Cogeco, our mission is to bring people together through powerful communications and entertainment experiences. Every day, we make a positive impact on society by enriching people's lives through human connection and vibrant communities. We continue to expand our footprint through network investments to support the closing of the digital divide between large urban centers and rural areas, as well as through targeted acquisitions in areas where we are positioned as a consolidator of regional cable operators. We are proud to be a powerful driver of economic and social development in our society and to contribute to fostering sustainable and inclusive growth.



Among Corporate Knights' 2022 Global 100 Most Sustainable Corporations in the World



1st telecommunications company in Canada with emissions reduction targets approved by the Science Based Targets initiative



Among the Clean200 list which recognizes companies around the world that are leading clean economy solutions



One of only 3 Canadian companies that received the HRH The Prince of Wales' Terra Carta Seal in recognition of its commitment to creating a sustainable future

Forward-looking statements

“**COMMITMENT**
GOAL
 ANTICIPATE
believe
 must
 IMPACT
action
PLAN”
TARGET

This Climate Action Plan and Task Force on Climate Related Financial Disclosures (TCFD) Report includes “forward-looking information” and “forward-looking statements” within the meaning of applicable securities laws (collectively, “forward-looking information”). This forward-looking information includes, but is not limited to, statements relating to our objectives, plans and strategies to achieve these objectives, including, in particular, priorities and plans for the establishment and achievement of certain environmental and sustainability targets for reductions in greenhouse gas emissions and related matters, business opportunities that could result from climate change and the potential positive impact thereof on our company, expected savings, the expected financial and operational impacts on our company of various

climate-related events, and other statements that are not historical facts. Forward-looking information may contain statements with words or headings such as “commitment”, “anticipate”, “believe”, “expect”, “plan”, “will”, “must”, “goal”, “target”, “should” or similar words suggesting future outcomes. It includes conclusions, forecasts, and projections that are based on our current estimates, expectations, assumptions, and other factors, and that we believe to have been reasonable at the time they were applied, but may prove to be incorrect.

In addition, forward-looking information is also subject to certain factors, including Uncertainties and Main Risk Factors which are described in the MD&A section of the 2022 annual report, that could cause actual

results to differ materially from what we currently expect.

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



Message from the CEO



At Cogeco, we are deeply committed to driving sustainable and inclusive growth. We continue to actively pursue our sustainability agenda through the implementation of various initiatives that are aligned to the best environmental, social and governance (ESG) practices. We have defined our ESG strategy with commitments centered on reducing our environmental footprint, implementing strong governance practices and supporting our key stakeholders. We are also pleased that our efforts continue to be recognized by leading voices in ESG practices.

While we are very satisfied with the progress we are making, we also know that there is still much to do. Climate science is clear – urgent action is needed to reduce emissions and adapt to the changing climate. The decisions we make today and in the coming decades will shape our planet's future. As a provider of essential connectivity services and operator of radio stations, we feel a deep sense of responsibility towards our various stakeholders to create the most resilient and sustainable business we can. While our industry's environmental footprint is arguably smaller than that of many other sectors, we have always remained committed to leading

the decarbonization pathway in the industry. As part of this commitment, we set in 2021 near-term emissions reduction targets that have been approved by the Science Based Targets initiative (SBTi) as consistent with levels required to meet the goals of the Paris Agreement. Cogeco was the first Canadian telecommunications company to announce its approved science-based absolute emissions reduction target of 65% for Scope 1 and 2 emissions in line with climate science by 2030. To further underscore our commitment, we have linked a portion of our executives' and other leaders' variable compensation to the achievement of our emissions reduction target. We have further committed to achieving a longer term target of net-zero emissions across our entire value chain by 2050 and will be seeking approval of this target as well by the SBTi during fiscal 2023.

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

Our Climate Action Plan and TCFD report covers Cogeco's Canadian and U.S. operations and demonstrates Cogeco's alignment with all eleven (11) TCFD recommendations.

The report explains how we use the recommendations to inform the identification and assessment of Cogeco's climate-related risks and opportunities, the evolution of our climate change adaptation and mitigation strategy and how we measure our progress.

Tackling climate change requires a collective effort with every business doing its part and we will therefore continue to embed our commitment to climate action in our strategic business decisions ensuring that we always consider what is best for our communities, customers, employees and the planet.

PHILIPPE JETTÉ
President & Chief Executive Officer



Climate action roadmap

Cogeco is committed to fighting climate change and ensuring a sustainable planet for all. We have been integrating climate action efforts into our business over the past decade and continue to evolve our climate action roadmap to ensure future decarbonization success.

WHAT WE HAVE ACCOMPLISHED



WHERE WE ARE GOING

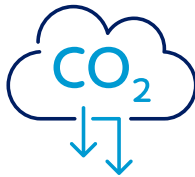


2010

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

2014

- First emissions intensity target set



2019

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

2021

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

2023-2024

- Quantitative scenario analysis
- Double materiality assessment
- SBTi Net-zero target submission
- Implementation of an Energy Management System
- Conclusion of a Virtual Power Purchase Agreement (VPPA)

2030

- Operational emissions reduced by 65%
- Emissions from the use of sold products reduced by 30%
- Emissions from employee commuting reduced by 30%

2050

- Cogeco is a sustainable business with net-zero emissions

2012

- First Carbon Disclosure Project (CDP) submission

2018

- Fourth materiality assessment

2020

- First annual third party limited assurance review over GHG Inventory

2022

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

2025

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

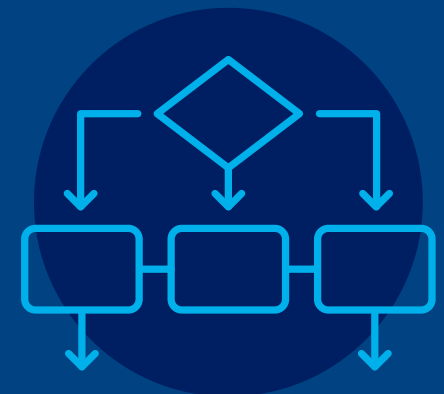
Emission Reduction Levers

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

SECTION 2

Governance of climate-related risks and opportunities

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



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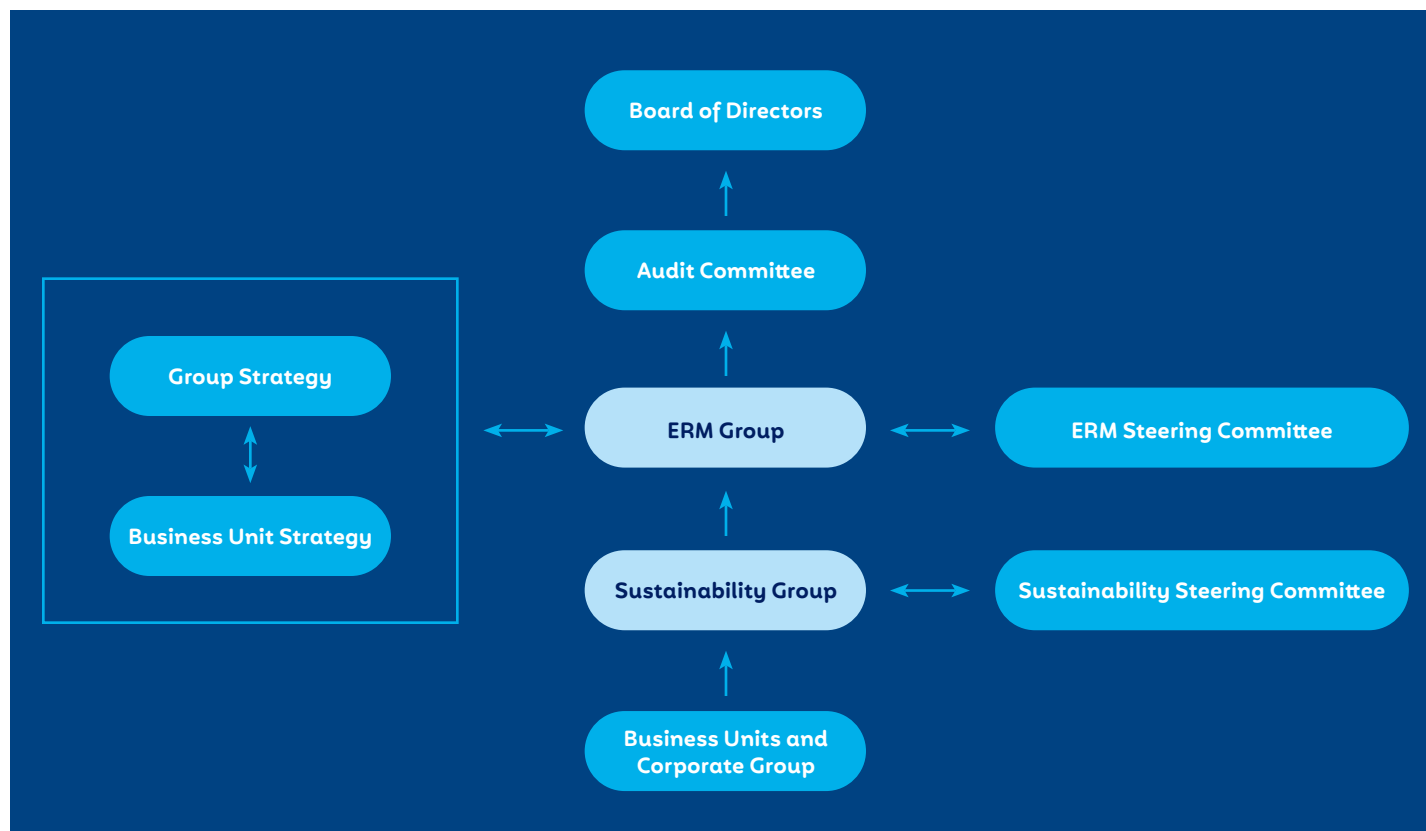
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Board oversight of climate-related risks and opportunities

Beginning in fiscal 2022, ESG oversight responsibility was elevated to the highest governance instance with the Board of Directors now overseeing Cogeco's ESG strategy, goals, performance and related initiatives on a quarterly basis. Therefore, Cogeco's Board of Directors now have ultimate oversight responsibility as it relates to the process of identifying, assessing and managing Cogeco's climate-related risks and opportunities. Our Vice President, Enterprise Strategy & Sustainability presents quarterly updates to the Board of Directors regarding progress achieved on our sustainability agenda, which includes the topic of climate change. More specifically, climate-related updates include progress on Scope 1, 2 and 3 greenhouse gas (GHG) emissions reduction targets, energy consumption reduction targets and related energy efficiency initiatives, as well as, the results of climate scenario analysis.

To ensure an even more targeted focus on climate-related risks and opportunities, the Board of Directors has delegated oversight responsibility for climate-related risks and opportunities to the Audit Committee. The Audit Committee is composed of members of the Board of Directors and meets at least once every quarter with updates provided to the Board after every meeting. This committee also receives quarterly updates from our Vice President, Enterprise Strategy & Sustainability on Enterprise Risk Management (ERM) activities which includes updates related to climate-related risks and opportunities. As per the Audit Committee charter, this committee is tasked with reviewing the principal business risks facing the Corporation and its subsidiaries identified by senior Management, including risks related to ESG matters, and the implementation by senior Management of appropriate mitigation measures to manage these risks.

Governance structure related to oversight and management of climate-related risks and opportunities.



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

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



SUSTAINABILITY STEERING COMMITTEE

Committee member composition

The Sustainability Steering Committee, which meets every quarter, is composed of the President & CEO and his direct reports as well as some other key executive members. Within this group of executives there is representation of the different departments that are involved in corporate risk and opportunity identification and strategic planning. Responsibility for the management of climate-related risks and opportunities has been assigned to the Sustainability Steering Committee because the members of this steering committee have the highest understanding of the most material risks and opportunities for the company, including ESG factors that can impact Cogeco.

Climate-related management responsibilities

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

The Sustainability Steering Committee is also responsible for periodically reviewing the Corporate Social Responsibility (CSR) Policy, which is ultimately approved by the Board of Directors. The CSR Policy clearly states that Cogeco is committed to "helping fight climate change by measuring, managing and reducing our emissions of pollutants and GHG emissions". When developing our science-based emissions reduction targets, prior to submitting them for approval to the SBTi, the Sustainability Steering Committee reviewed and approved Cogeco's proposed targets (scopes 1 & 2 and all scope 3 targets, including our supplier engagement target). Since then, at every meeting, the Committee closely monitors our progress and the strategies that need to be implemented to attain these ambitious targets.

SUSTAINABILITY GROUP

Executive leadership

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

Sustainability management responsibilities

The Sustainability Group ensures that Cogeco employs strong sustainability and ESG

practices so that we conduct our business in a socially responsible and ethical manner. The group is responsible for the identification and evaluation of risks and opportunities related to sustainability and ESG; curating and implementing strategic sustainability initiatives and mitigation plans for our most material ESG-related risks, including climate-related initiatives, through multi-stakeholder collaboration and education with our business units and corporate group who implement these initiatives throughout the organization; monitoring and measuring Cogeco's sustainability and ESG performance; ensuring internal and external compliance on ESG matters; conducting sustainability reporting and stakeholder engagement; as well as supporting the integration of ESG priorities into Cogeco's sustainable business strategy. This group updates the Sustainability Steering Committee on a quarterly basis.

ERM Group

The ERM Group works collaboratively with the Sustainability Group to ensure ESG risks and opportunities, including climate-related risks and opportunities, are identified, assessed and managed through the development of mitigation and preparedness plans in conjunction with the support of the Sustainability Steering Committee. More information on our ERM group can be found in Section 3 of this report.

The Sustainability Group ensures that Cogeco employs strong sustainability and ESG practices so that we conduct our business in a socially responsible and ethical manner.

SECTION 3

Risk management

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



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Integration of climate-related risks and opportunities into ERM process

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

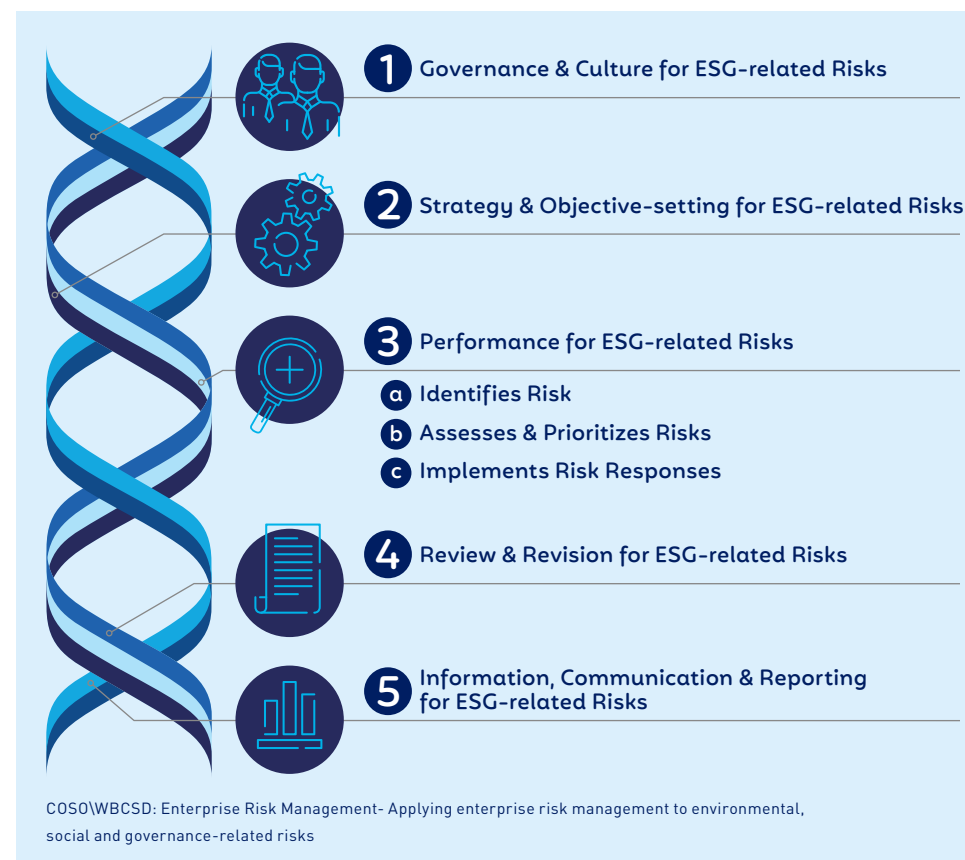
A risk universe is maintained and updated at least annually through internal discussions, research, surveys, as well as staying abreast of industry trends and reviewing risk management related material curated by reliable agencies, such as the Global Risk Report from the World Economic Forum (WEF). The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

analyzes the results of the research in relation to Cogeco and identifies a proposed updated list of principal business risks that it presents to the Executive Team, representing all business units, and including the President & CEO as part of the annual Executive Risk Workshop, a fully integrated component of the annual strategic planning process. Review and assessment of the proposal is facilitated by the ERM Group with the objective of validating the risk selection and risk ranking. This exercise covers risks under several categories i.e. strategic, operational, financial, compliance, and environmental, social and governance (ESG), and takes into consideration both short (5 years) and longer-term existing and emerging risks, as deemed relevant. Cogeco's ERM program defines climate change risk as the increased frequency and magnitude of extreme weather events impacting network infrastructure, Cogeco's ability to provide services to its customers as well as its supply chain, which in turn could result in increased costs and negatively impact NPS (Net Promoter Score). The following is considered when determining whether a risk is substantive or not for the company: financial impact, impact on customers, impact on employees, potential damage to reputation and impact on regulatory compliance.

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

In addition, as part of the annual risk assessment process and the strategic planning process, the Risk Appetite Framework, guiding strategic decision making, is reviewed and updated, as needed, and submitted to the ERM Steering Committee and the Board of Directors for approval. The Framework includes ESG indicators

and corresponding targets and tolerances. At year-end, a dashboard is produced, reporting on the performance during the year against set targets and tolerances, and is presented to the ERM Steering Committee and the Board of Directors as part of quarterly reporting.



Climate scenario analysis

In 2022, Cogeco, with the help of a technical partner, conducted its first TCFD-aligned qualitative climate scenario analysis. The analysis included the assessment of both physical and transition climate-related risks and opportunities, focusing on the most significant impacts on Cogeco's operations and financial performance with the goal of informing our risk management and strategic planning process as well as supporting climate resilience measures. TCFD divides climate-related risks into two categories: (1) Transition risks, which are risks related to the transition to a lower-carbon economy and (2) Physical risks, which are risks related to the physical impacts of climate change.

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

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

ORGANIZATIONAL, TEMPORAL AND GEOGRAPHIC RISK SCOPE

RCP Scenarios

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

IEA Scenarios

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

Temporal Horizon

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

Geographic Scope Analysis

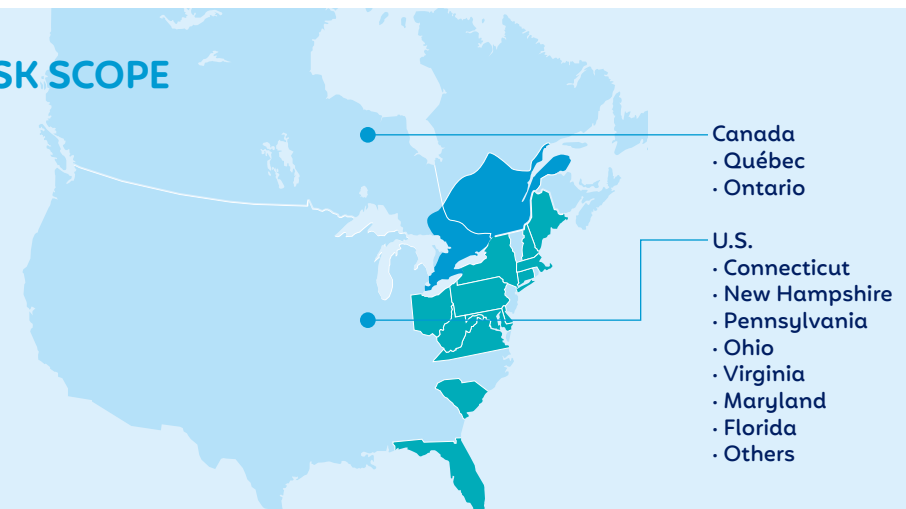
Canada, U.S.

Organizational Scope

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

Main Assets

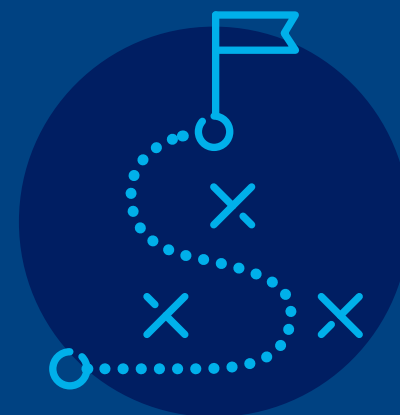
Network infrastructure: buried network, aerial network, generators, power supplies, distribution boxes, and headends. It also includes administrative and operational buildings and vehicle fleet, as well as radio antennas.



SECTION 4

Strategy

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



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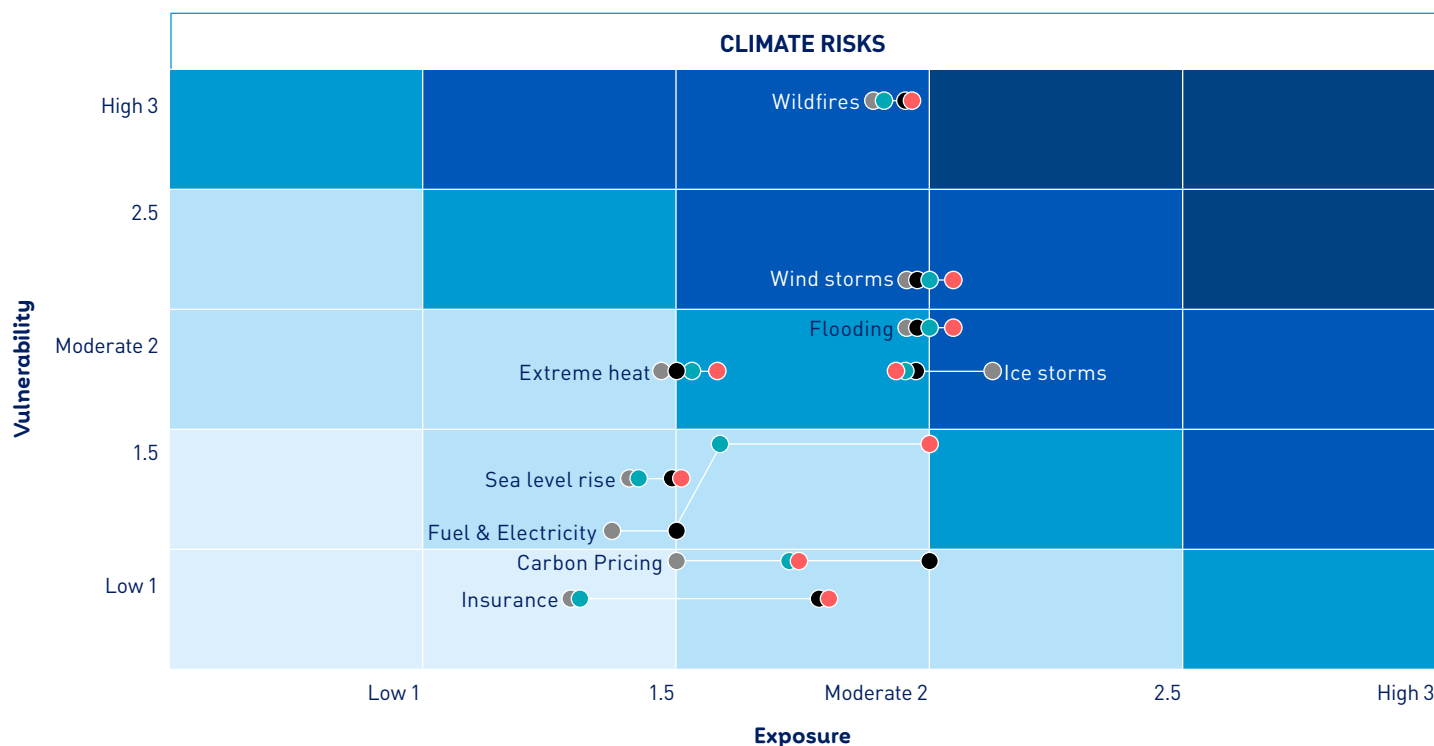
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Assessment of climate-related risks and opportunities

Cogeco recognizes the importance of assessing and acting on climate-related risks and opportunities to ensure long-term corporate sustainability and resilience. As such, we consider minimizing climate-related risks and maximizing climate-related opportunities as key to the success of our Climate Strategy. Cogeco's qualitative climate scenario analysis, conducted in

2022, resulted in the identification of 12 material climate-related risks and opportunities - six physical risks, three transitional risks and three opportunities. Results can be seen in the heatmap below as well as in the detailed qualitative results table that follows.

HEAT MAP - CLIMATE SCENARIO ANALYSIS RESULTS



CLIMATE OPPORTUNITIES

Higher Emissions Scenario

Short-term Long-term

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

QUALITATIVE CLIMATE SCENARIO ANALYSIS

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

QUALITATIVE CLIMATE SCENARIO ANALYSIS

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

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



Cogeco's strategic planning process is informed by the results of our climate-related risks and opportunities qualitative scenario analysis as well as proposed strategic initiatives for climate change mitigation and adaptation. Selected climate-related initiatives are considered in the financial planning process by incorporating related costs into capital and operational expenditure budgets. In fiscal 2022, as an example, we specifically considered network maintenance costs to upgrade or replace network equipment and infrastructure to maximize system reliability and resiliency to extreme weather events. On the opportunity side, we invest in energy efficiency projects that can reduce emissions as well as operating costs.

In 2023, we aim to complete a quantitative climate scenario analysis to further build on the results of our qualitative scenario analysis. This will enable Cogeco to get a more detailed understanding of the potential financial impacts of climate-related risks and opportunities and how these will inform the evolution of our business strategy.

Climate-related initiatives

Cogeco currently has a number of climate-related initiatives that have been developed and implemented or that are in progress to support the achievement of our science-based target for Scope 1 and 2 emissions. Value chain Scope 3 related initiatives, focused on supplier and employee engagement as well as the energy efficiency of our customer equipment, are also in the works to support our Scope 3 related targets. The process to set these targets as well as a brief description of our efforts to achieve these targets can be found in the metrics and targets section along with some quantitative results showcasing Cogeco's efforts.

SECTION 5

Metrics and targets

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



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Setting targets

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

Setting Scope 1, 2 and 3 targets

Cogeco began tracking its greenhouse gas emissions in 2010 and formalized the process in 2014 as our original base year. At the time, we set an emissions reduction intensity target of 10% (total emissions in tCO₂e over revenue in Canadian dollars) by 2020. We achieved said target in 2019 with a reduction of 24%, however our absolute emissions reduction was only 7%. We wanted to do more and set meaningful, ambitious goals to support the reduction in global emissions and fight the impacts of climate change. We therefore made the decision to set a science-based target (SBT) aligned with the pathway required to limit global warming to 1.5 °C. Per SBTi, science-based goals are a north star for corporations that are serious about safeguarding future profitability and the wellbeing of their customers. In our submission to SBTi, we applied their Information and Communication Technology

sector guidance and followed industry best practices to develop a SBT pathway and related target to reduce our Scope 1 and 2 greenhouse gas emissions by 65% by 2030 as compared to our base year of 2019. SBTi approved our target in 2021.

Most companies' largest source of emissions reside in Scope 3 value chain-related emissions and Cogeco is no different. Our primary sources for Scope 3 emissions come from purchased goods and services as well as the use of sold products. We therefore decided to set goals addressing these specific emissions sources. With regards to purchased goods and services, we have set a goal to have at least 50% of our suppliers by spend set SBTi approved Scope 1 and 2 emissions reduction targets by 2025. As it relates to emissions from the use of sold products, we established a 30% reduction target by 2030 from a 2019 baseline and we also established a similar reduction target of 30% for emissions related

to employee commuting. Upstream emissions from our suppliers and downstream emissions from our customers represent 82% of our overall carbon footprint.

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

Lastly, Cogeco wanted to take its commitment to fight climate change a step further and we decided to also set a longer term target to be net-zero emissions across all three scopes by 2050. We intend to submit our net-zero target plan for approval by SBTi in 2023. A visual representation of our targets is included here below.

GHG EMISSIONS REDUCTION TARGETS (baseline year is 2019)

Target category	Targets	Deadline
Scope 1 and 2	65% reduction of our absolute operational emissions	2030
Scope 3 - Suppliers	Have 50% of our suppliers by spend set their own scope 1 and 2 science-based targets	2025
Scope 3 - Use of Sold Products	30% reduction of emissions from the use of our sold products	2030
Scope 3 - Employee Commuting	30% emissions reduction from employee commuting	2030
Scope 1, 2 and 3	Net-zero emissions	2050
Energy consumption	100% of energy consumed from electricity use will be from renewable sources	2030

Actions to achieve goals

Cogeco has identified four key levers to reduce its operational emissions. The first one, fleet fuel efficiency aims to maximize fuel mileage from our existing fleet by optimizing routes, reducing idling and encouraging ecodriving practices to name a few. In addition, we are currently developing our electric vehicle strategy to leverage fleet electrification with the aim of reducing our emissions, but also maximizing operational savings related to fuel and maintenance costs. The third lever aims to make our infrastructure more energy efficient by investing in energy saving technologies in both our buildings and network. Lastly, we are continuing to increase our investments in renewable energy through green tariffs agreements with utilities, the purchase of unbundled renewable energy certificates (RECs) and the implementation of a Virtual Power Purchase Agreement (VPPA).

Cogeco is also taking concrete steps to achieve its Scope 3 targets. Since April 2021, we have been actively engaging with our most material suppliers to raise awareness around climate change and to help them with the process of setting their own SBTi-approved emissions reduction targets with the goal of having 50% of our largest suppliers by spend complete this process. To help improve the energy efficiency of our products, we are a signatory of the Canadian Pay-TV Set-Top Boxes Energy Efficiency Voluntary Agreement (STB CEEVA) and we aim to comply with the corresponding U.S. voluntary agreement. Both agreements establish feature-based for maximum energy consumption allowance levels for new set-top boxes received by Pay-TV cable providers. Finally, we are engaging with employees to raise awareness about their carbon footprint and we are promoting ways of reducing it by using active transportation, public transit or carpooling.

COGECO'S EMISSIONS REDUCTION PATHWAY

Operational Emissions Levers Scopes - 1 & 2

FLEET FUEL EFFICIENCY:
GPS/telematics, smaller vehicles, hybrid vehicles

BUILDINGS AND NETWORKS ENERGY EFFICIENCY:
energy management system, energy audits, HVAC upgrades, centrally controlled thermostats, LED lighting, fibre-to-the-home (FTTH)

FLEET ELECTRIFICATION:
100% electric vehicle replacement including charging infrastructure installation

INVESTMENT IN RENEWABLE ENERGY:
virtual power purchase agreements, generate our own renewable energy, RECs and green utility tariff purchases.



Value Chain Emissions Levers - Scope 3

SUPPLIER ENGAGEMENT:
set SBTi approved GHG reduction targets

PRODUCTS AND SERVICES:
energy efficient consumer premise equipment

EMPLOYEE ENGAGEMENT – EMPLOYEE COMMUTING:
active transportation, public transit, carpooling and remote work

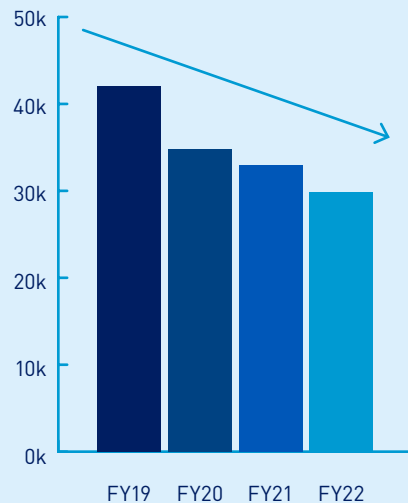
Cogeco's strategy also includes the provision of products and services that enable emissions reductions and focuses on three levers. The first lever is fast, reliable, Internet services which focuses on ensuring and maintaining best-in-class reliability and sustained performance by continued investment in our network, including fibre to-the-home deployment, which not only provides the fastest Internet speeds, but is also less energy consuming compared to other technologies. Our second lever is digital inclusion which focuses on growing Cogeco's

footprint through network investments and targeted acquisitions in order to reduce the digital divide so everyone has access to fast and reliable Internet services, therefore enabling greater work-from-home capabilities and helping reduce commuting emissions. Our last lever is product and services evolution which focuses on providing more energy efficient technology and service offerings, for example, Cogeco rolled out its Internet Television Service (IPTV) that provides the same world-class entertainment options to our consumers whilst consuming less

electricity than a regular cable set-top box which will help us achieve our emissions reduction SBT related to the use of sold products.

Progress on reduction targets

SCOPE 1 & 2 EMISSIONS



Decrease of

28.8%

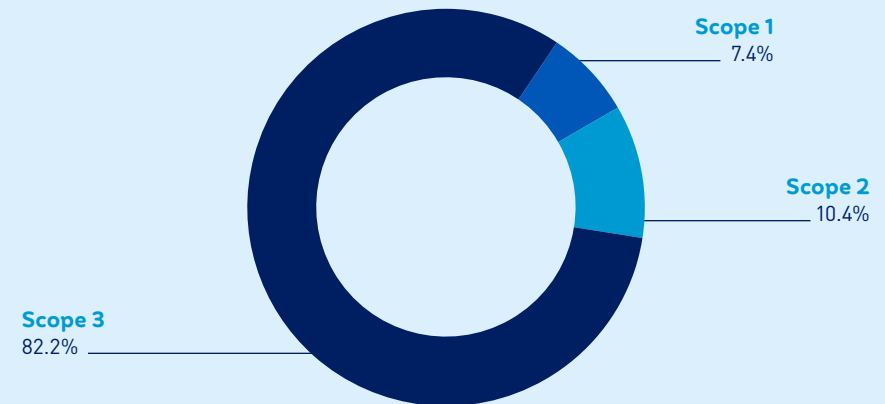
Third-party assurance

At Cogeco, we are firm believers that we cannot improve what we do not measure. We therefore track progress on our emissions reduction targets and to add another level of rigor, we have our greenhouse gas inventory third-party assured. More specifically, 98.4% of our total Scope 1 and 2 operational emissions for fiscal 2022 was subject to a limited assurance review. This limited assurance review specifically included Cogeco's Scope 1 emissions for fleet fuel consumption and Canadian natural gas consumption, as well as Scope 2 location and market-based emissions for electricity consumption.

Restatement for acquisitions

At Cogeco, we have a restatement policy which stipulates that if we have an acquisition that could materially change our emissions by 10% or greater from the base year, we must restate our baseline and all following years to account for this difference. Two acquisitions performed by Cogeco have triggered the need for a restatement which has been incorporated in the various data figures included in this report. The acquisitions in question are: DERYTelecom acquisition by Cogeco Connexion and the acquisition by Breezeline of the Ohio broadband systems of WideOpenWest. We therefore restated our fiscal year 2019 emissions baseline through to fiscal year 2022 to account for these acquisitions. Notably, these acquisitions increased our Scope 1 and 2 emissions by approximately 50%. The restatements were also subject to the limited assurance review mentioned above.

FY22 SCOPE 1, 2 & 3 GHG EMISSIONS RESULTS (tCO2e)



SCOPE SOURCES

	FY22 tCO2e	%
Scope 1 (fleet & fuel in facilities)	12,463	7.4
Scope 2 (market-based electricity consumption)	17,434	10.4
Scope 3 (value chain)	138,037	82.2
TOTAL	167,934	100

Scope 1, 2 & 3 emissions results

Energy consumption, operational emissions and value chain emissions

Energy Consumption

In fiscal 2022, our percentage of renewable electricity consumption increased by 66% vs 2019 due to continued investments in renewable energy.

Operational Emissions

Scope 1 fleet related emissions decreased by 19% compared to fiscal 2019 and this is attributable to increasing our fleet replacements, purchasing hybrid vehicles and increasing our focus on fleet fuel efficiency. With respect to fuel usage in facilities, the reduction from fiscal 2019 was 28% and this is attributable to enhancing our work-from-home policy resulting in less power consumed at our offices, as well as building divestitures. In relation to our Scope 2 market-based emissions-electricity purchased category, the reduction from fiscal 2019 was 34%. This reduction is due to not only the aforementioned initiatives around fuel in facilities, but also due to the purchase of unbundled Renewable Energy Certificates (RECs) and enhanced reliance on green tariffs. This brings our total reduction for Scope 1 and 2 market-based emissions to 28.8%.

Value Chain Emissions

Our Scope 3 emissions have seen similar reductions. A drop of 38% in emissions from our purchased goods & services and capital goods was observed due to the new calculation methodology introduced last year. With respect to use of sold products, we have reduced our emissions by 29% as compared to fiscal 2019 due to the increased use of more energy efficient cable set-top boxes including IPTV units (Internet protocol television) by our customer base. Our employee commuting emissions category has seen a reduction of 27% compared to fiscal 2019 due to more employees working from home. Unfortunately, we have seen an increase of 73% in the remaining emission categories (upstream and downstream transportation and distribution, fuel and energy related activities, business travel, end-of-life treatment of unsold products) due to the increased use of downstream delivery services of customer premise equipment directly to customers for self-installation and self-swap programs. Even with this increase, Cogeco achieved an overall reduction of 32% of scope 3 emissions in fiscal 2022 compared to fiscal 2019.

With regards to our supplier engagement target, 24% of our procurement spend, by the end of fiscal 2022, was with suppliers that have set or have committed to set science-based emissions reduction targets (up from 13% in the fiscal 2019 baseline year).

SCOPE SOURCES

	FY19 tCO2e	FY22 tCO2e	Change FY22 vs FY19
Scope 1			
Fleet	13,688	11,109	-19%
Fuel in Facilities	1,872	1,354	-28%
Scope 1 Subtotal	15,560	12,463	-20%
Scope 2			
Electricity*	26,437	17,434	-34%
Scope 3			
Purchased Goods & Services and Capital Goods	155,746	96,225	-38%
Use of Sold Products	32,435	23,094	-29%
Employee Commuting	5,753	4,220	-27%
Upstream and Downstream Transportation and Distribution, Fuel and Energy Related Activities, Business Travel, End-of-Life Treatment of Unsold Products	8,393	14,498	73%
Scope 3 Subtotal	202,327	138,037	-32%
TOTAL	244,324	167,934	-31%

MARKET-BASED ELECTRICITY CONSUMPTION

	FY19	FY22	Change FY22 vs FY19
Renewable electricity consumption (MWh)	41,635	69,465	67%
Non-renewable electricity consumption (MWh)	126,289	99,193	-21%
Total electricity consumption (MWh)	167,924	168,658	0.4%
Renewable electricity consumption (%)	25%	41%	66%

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

SECTION 6

Appendices



In this section

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Appendix 2: Qualitative climate scenario
analysis - scenarios description p. 26

Appendix 1: TCFD alignment

TCFD thematic elements	Recommended Disclosures	Page reference
GOVERNANCE Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities. b) Describe management's role in assessing and managing climate-related risks and opportunities.	p. 9 & 10
RISK MANAGEMENT Disclose how the organization identifies, assesses and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks. b) Describe the organization's processes for managing climate-related risks. c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	p. 12 & 13
STRATEGY Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term. b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning. c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario.	p. 15 to 18
METRICS AND TARGETS Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. b) Disclose Scope 1, Scope 2 and if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks. c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	p. 20 to 23

Appendix 2: Qualitative climate scenario analysis – scenarios description

IPCC SCENARIOS

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

IEA SCENARIOS

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



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