

# Rogers Together with Shaw: Our Progress Report

Year 1

April 2023-2024

# Introduction

Rogers and Shaw, two proud Canadian companies, came together on April 3, 2023 (“the closing date”), creating one national communications and media company and unlocking billions in investment. From the outset of the proposed merger, the company committed to delivering more value, more connectivity and more innovation for Canadians. Rogers is delivering on our commitments to make our services more accessible, expand connectivity, including in rural and remote communities in Western Canada, and fuel innovation and economic growth.

We are on track to meeting our commitments and have already completed half of the actions in our first year. Key accomplishments include expanding the wireline Connected for Success program, launching the Connected for Success wireless program, and delivering on the Shaw Mobile pricing commitment.

As part of an agreement with the Government of Canada (signed by Industry, Science, and Economic Development Canada ([ISED]), Rogers also committed to report to the public every year on our progress towards meeting specific commitments by April 2028 (with some maintained for a period of five years after 2028). Rogers is pleased to have completed many of our commitments to Canadians and is on track to meet all of them within the five-year timeframe.

Below is our first report on our progress.

## Summary of Year 1 Progress

Rogers' five Undertaking commitments consist of 12 actions. In the first year, we have completed half, or six, of these actions. The remaining are on track to meet the timelines set out in the Undertakings.

ISED Reference	Commitment Actions	Year 1 Status
	<b>Connectivity Investment Commitment (\$1B) to be delivered within 5 years:</b>	
1.1	Make broadband internet available where 50Mbps download/10Mbps upload speeds are not currently available. Make 5G mobile service available where LTE is not available.	On Track
1.2	Broadband internet will be at minimum 50Mbps download/10Mbps upload speeds and include an unlimited data option. Pricing should not exceed the pricing for the same or similar services in urban areas in the relevant province until the tenth anniversary of the Closing Date.	On Track
1.3	Consult with Indigenous communities to create Indigenous-owned and operated Internet Service Providers to create sustainable, local connectivity solutions. Cooperate with ISED in identifying eligible areas for Connectivity Investment Commitment, including coordinating efforts with other appropriate government bodies.	On Track
	<b>Additional Network Investments Commitment (\$5.5B) to be delivered within 5 years:</b>	
2.1	Invest at least \$2.5 billion to enhance and expand 5G coverage in Western Canada.	On Track
2.2	Invest at least \$3 billion in additional network, services and technology investments, including expansion of cable network.	On Track
	<b>Connected For Success Commitment</b>	
3	Expand the current Connected for Success High-Speed Internet program to low-income Canadians across Western Canada.	<b>Completed</b>
	Implement a new Connected for Success wireless program for low-income Canadians across Canada so that the Connected for Success program will be available to more than 2.5 million eligible Canadians.	<b>Completed</b>
	Rogers will promote the Connected for Success and Connecting Families programs on a quarterly basis.	<b>Completed and Ongoing</b>
	<b>Western Presence Commitment</b>	
4.1	Establish Western Canada Headquarters in Calgary and maintain Calgary as its Western Canada Headquarters for at least ten years.	<b>Completed and Ongoing</b>
4.2	Create 3,000 new jobs in Western Canada over five years and maintain that number of jobs for at least ten years.	On Track
	<b>Shaw Mobile Pricing Commitment</b>	
5	Offer wireless plans to Shaw Mobile customers as at the Closing Date with same terms and conditions (including eligibility) as current Shaw Mobile plans for five years.	<b>Completed and Ongoing</b>
	Include the Shaw Mobile Pricing Commitment in its terms of service with all Shaw Mobile customers as at the Closing Date.	<b>Completed</b>

## Commitment: \$1B Connectivity Investment over five years

**1.1 Rogers will target the Connectivity Investment Commitment to make broadband internet available where broadband internet at a minimum 50Mbps download/10Mbps upload speeds is not currently available and to make 5G mobile service available where mobile service using Long-Term Evolution ("LTE") is not available.**

**Status: On Track**

**1.2 Where Rogers provides broadband internet through the Connectivity Investment Commitment, such broadband internet will be at minimum 50Mbps download/10Mbps upload speeds and include an unlimited data option. Where Rogers provides mobile service through the Connectivity Investment Commitment, it will make 5G services available. Rogers agrees that the pricing for services offered as part of the Connectivity Investment Commitment should not exceed the pricing for the same or similar services in urban areas in the relevant province until the tenth anniversary of the Closing Date.**

**Status: On Track**

Rogers committed to investing \$1 billion over five years to improve connectivity for rural, remote, and Indigenous communities, including unserved and remote highways in Western Canada.

In British Columbia, Rogers has \$500 million<sup>1</sup> in planned investment to connect underserved communities. We are currently working with our partners, the Government of British Columbia and ISED, to identify specific projects with ongoing discussions on final investments.

Separately, Rogers has already provided enhanced connectivity, with plans to further expand connectivity, along unserved highways. This includes:

- Highway 16 – Built the first four cellular towers to provide 5G coverage along 50 kilometres of highway between Prince George and Prince Rupert. This ongoing project is part of our initiative to connect gaps and provide cellular coverage to 252 kilometres along what is known as the Highway of Tears. This investment is also part of the company's commitment to truth and reconciliation.
- Highway 4 – At completion, six new cellular towers and two upgraded existing towers to bring 5G coverage along 87 kilometres of highway between Port Alberni and Tofino, a critical route for workers, travellers, and residents of several Vancouver Island communities.
- Highway 3 – At completion, 11 new cellular towers to provide coverage to 92 kilometres of highway, a key transportation route between Hope and Keremeos

In Alberta, Rogers has also planned \$450 million in investments, bringing more coverage to local communities. We are currently engaged in ongoing discussions with our partners, the Government of Alberta, and ISED to identify target communities and areas where we can provide increased competition and service. We have also already provided broadband services to residents in Cheadle and expanded connectivity for businesses in Wheatland County, helping attract hundreds of new jobs.

Saskatchewan and Manitoba will likewise benefit from Rogers' commitment, with \$50 million allocated to each of the two provinces (\$100 million total). Work is currently underway to identify key expansion areas to ensure more Canadians can access broadband internet and/or 5G mobile service.

Rogers' planned investments in our networks in Western Canada were formalized in April 2023. The company has extensive experience in building networks across Canada and is aware of the challenges in construction, especially rural communities. Building networks involve planning, negotiating and acquiring land and various rights of way, as well as municipal permits and approvals. There are also requirements for community and Indigenous consultations and potential revisions to plans based on those consultations. We have taken these factors into consideration in the development of our estimates for capital expenses below.

Our ongoing work towards commitments 1.1 and 1.2 is on track, as we ramp-up construction work through Years 2 to 5.

2023-24 <sup>2,3</sup>	2024-25 <sup>4</sup>	2025-26	2026-27	2027-28
\$28M	\$100M - \$150M	\$150M- \$200M	\$350M - \$400M	\$275M - \$325M

1. Initial commitment for BC was \$450M but announced an increase to \$500M

2. With respect to investments made in 2023-24, mobile services are available on newly connected portions of highways. There are no additional consumer costs associated with any connectivity as part of these investments.

3. Total includes 2023 Q2-Q4 actuals (\$26.7M), and 2024 Q1 projections; numbers rounded to nearest millionth.

4. The multi-year forward plan is an estimate. This estimate is subject to concluding scopes of work with governments and assumes any delays will not impact the timelines in the work outlined.

**1.3 Consult with Indigenous communities to create Indigenous-owned and operated Internet Service Providers to create sustainable, local connectivity solutions. Cooperate with ISED in identifying eligible areas for Connectivity Investment Commitment, including coordinating efforts with other appropriate government bodies.**

**Status: On Track**

Rogers continues to provide Indigenous communities a range of options for broadband, from building Rogers networks to enabling Indigenous-owned ISPs. While this is a complex process, since April 2023 Rogers has made progress in consultations and collaboration with Indigenous communities. Rogers is building on its successful work with communities in other parts of the country to collaborate with Indigenous operators in Western Canada.

In Ontario, for example, Rogers provided critical technology and training to the Matawa First Nation to own and operate their Rapidlynx network long-term. Rogers also worked with the Chippewas of the Thames First Nation through the initial design, funding applications, physical build, and equipment deployment to support the Nation's ownership of a fully operational ISP.

In Nova Scotia, Rogers supplied, configured, and provisioned a Nation-owned fibre optic network to deliver and support Rogers residential services, with a revenue share directed back to the Eskasoni Nation. This partnership led to the development of a Mi'kmaw-speaking installation and maintenance crew, as well as local community programming.

Rogers is building on this work by implementing similar models in Western Canada, beginning with consultations with Seabird Island First Nation in B.C. The First Nation currently owns and operates an ISP and Rogers has entered into a Letter of Intent with the Nation to partner on utilizing their infrastructure to upgrade and enhance a full-service Rogers offering to the community.

Other discussions are ongoing with several Indigenous communities in Western Canada and once agreements are reached, they will be included in future reports.

## **Commitment: \$5.5B Additional Network Investment over five years**

**2.1 Rogers will invest at least \$2.5 billion to enhance and expand 5G coverage in Western Canada over five years.**

**Status: On Track**

Rogers' 5G network is Canada's largest and most reliable, and the company is investing \$2.5 billion over five years to expand and improve 5G service across Western Canada. In Year 1, the company invested over \$400 million and expanded Rogers 5G to 39 communities, expanded coverage to additional highways, and enhanced our 5G network in more than 100 communities from British Columbia to Manitoba bringing improved connectivity to Canadians. In total, we expanded 5G across 20,000 square kilometres.

- In BC, Rogers launched 5G service in 13 communities, including: Revelstoke, Vanderhoof, Golden, Fort St. James, Skeena-Queen, Charlotte, Gitanmaax 1, Necoslie 1, Hazelton, Gordon River 2, Cheslatta 1, Dragon Lake 3, Noonla 6.
- In Alberta, Rogers launched 5G service in 13 communities, including: Innisfail, Ponoka, Lac La Biche County/Lac La Biche, Utikoomak Lake, Montana 139, Foremost, Beaver Lake 131, Child Lake 164a, Makao (Part) 120, Boyer 164, Paradise Valley, Fort Vermillion 173b, Samson 137a.
- In Saskatchewan, Rogers launched 5G in 10 communities, including: Seekaskootch I.R. 119, Frenchman Butte No. 501, Makao (Part) 120, Neilburg, Marsden, Heart's Hill No. 352, Senlac No. 411, Enterprise No. 142, Grandview Beach, and Last Mountain Lake I.R. 80.
- In Manitoba, Rogers launched 5G service in three communities, including: De Salaberry, St-Pierre-Jolys, and Ethelbert.

In BC, Rogers is also connecting the following highways:

- Highway 14 – Built seven new cellular towers between Sooke and Port Renfrew, providing 70 kilometres of continuous 5G coverage across this Vancouver Island highway for the first time.
- Highway 95 – Built a new tower, a project providing cellular coverage, including 911 service, on the Kootenay-Columbia highway.
- Highway 97 – Building seven towers, part of a project slated for completion in 2024 to provide 68 kilometres of highway coverage between Chetwynd and the junction to Highway 39, an area prone to avalanche conditions.

**2.2 In addition to the expansion of 5G Coverage in 2.1, Rogers will invest at least \$3 billion in additional network, services and technology investments, including in the expansion of its cable network.**

**Status: On Track**

Rogers has invested over \$1 billion in additional network enhancements, services and technology in Western Canada.

- In Western Canada, Rogers can offer gigabit download speeds to over 99% of our footprint and has expanded our Cable footprint by approximately 90,000 homes passed.

- Rogers will continue to invest significantly in our Cable network via high-split improvements and network upgrades in advance of launching DOCSIS 4.0, which will enable us to deliver symmetrical multi-gigabit speeds while supporting high reliability, high security, and low latency.
- Rogers is also building fibre backhaul to over 1,000 cell towers in Western Canada through 2026, strengthening our cellular coverage while creating more opportunities for Rogers 5G Home Internet, including in rural and remote areas.

Area	2.1 Expenditure	2.2 Expenditure	Total
West Total	\$404,667,000 <sup>5</sup>	\$1,041,286,000 <sup>6</sup>	\$1,445,953,000
Canada Total	\$927,754,000	\$1,921,795,000	\$2,849,549,000

## Commitment: Connected For Success

**3 Rogers committed to expand the Connected for Success program to low-income Canadians across Western Canada and implement a new Connected for Success Wireless program for low-income Canadians to ensure the program is available to more than 2.5 million eligible Canadians, and promote the Connected for Success and Connecting Families programs on a quarterly basis.**

**Status: Completed and Ongoing**

In July 2023, Rogers proudly expanded our low-cost high-speed Internet Connected for Success (CFS) program across Western Canada. This Internet program for low-income Canadians offers plans starting at \$9.99/month, and has seen subscriber uptake increase 12% nationally, with a 50%<sup>7</sup> increase in uptake in Western Canada, since the acquisition of Shaw.

In November 2023, Rogers launched a new national CFS wireless program to make 5G wireless services more accessible to those most in need, including a \$25 5G mobile plan and a no-cost 5G smartphone available to more than 2.5 million eligible Canadians. Since launching the national program, the uptake has grown by an average of 112%<sup>8</sup> month over month.

To further support the growth of CFS across Western Canada and the country, the City of Calgary and Rogers announced a pilot partnership to provide Rogers' CFS services to

Calgary's Fair Entry recipients - the first public-private subsidy partnership for both entities to streamline access to over 100,000 residents.

The extensive news coverage of these announcements included 124 news stories, including 40 broadcast stories, promoting the availability of the program to millions of Canadians. This includes coverage across Postmedia News and Financial Post, the Toronto Star, CBC Calgary, Global News Radio, CityNews (syndicate across five markets) and many others.

In addition to leveraging earned media, Rogers uses our digital and social assets to promote the program and ensure CFS reaches as many eligible Canadians as possible. This includes using real-life testimonials of how the program is making a difference in communities across Canada and promoting the government's Connecting Families program on our website to encourage uptake.

Further, Rogers engages in outreach to eligible Canadians and leverages our community partnerships to raise awareness. Highlights include sharing flyers and promotional material quarterly through our nearly 1,000 non-profit housing partners and community organizations, including food banks, employment centers, and more. Following the launch of our national mobile program in Q4, we launched a promotion to existing CFS customers with information about the new offer. Promotion of Connected for Success has continued throughout Q1 2024 through both email and direct mail campaigns.

5. Total includes 2023 Q2-Q4 actuals (\$334,352,000), and 2024 Q1 projections; numbers rounded to nearest thousandth.

6. Total includes 2023 Q2-Q4 actuals (\$769,918,000), and 2024 Q1 projections; numbers rounded to nearest thousandth.

7. Data as at February 2024.

8. Data as at February 2024.

## Commitment: Expanding Western Presence

**4.1 After the Closing Date, Rogers will establish its Western Canada Headquarters in Calgary, Alberta and shall maintain Calgary as its Western Canada Headquarters for at least ten years after the Closing Date.**

**Status: Completed and Ongoing**

In October 2023, our Western headquarters, located at Shaw's former headquarters, was renamed Rogers Court. Rogers has over 80<sup>9</sup> senior leaders based in Calgary, many with national accountabilities.

**4.2 Rogers shall create 3,000 new jobs in Western Canada over the period of time from the Closing Date to five years after the Closing Date and Rogers agrees to maintain that number of jobs until at least ten years after the Closing Date.**

**Status: On Track**

As a proud Canadian company, Rogers is committed to investing in Canada, including the creation of jobs. This includes our commitment to create 3,000 new jobs across Western Canada over five years.

In the first 12 months since the merger was approved, Rogers has created 812<sup>10</sup> jobs in Western Canada.

This includes the repatriation of approximately 300 Shaw customer service jobs back to Canada, now located in BC, Alberta and Manitoba. While other national wireless carriers rely on customer service representatives based overseas to serve customers in Canada, Rogers is committed to 100% Canada-based customer service teams. The repatriation of these jobs ensured that every phone call or online chat with customers of the combined company is answered by a customer solution specialist based in Canada.

In addition, Rogers investments in our wireline and wireless networks also includes the hiring of technology contractors as well as other skilled contractors. In the first 12 months to support our merger commitments, the number of these jobs created in Western Canada is approximately 1,100<sup>11</sup>. We are proud of this work and its positive economic impact to Western Canada.

We are a growth company, and we will continue to create jobs as we deliver on our Western Canada commitments.

## Commitment: Honouring Shaw Mobile Pricing

**5 In addition, Rogers agrees to honour the Shaw Mobile Pricing Commitment by offering wireless plans to Shaw Mobile customers as at the Closing Date with the same terms and conditions (including eligibility) as the current Shaw Mobile plans for five years following the Closing Date. Rogers also agrees to include the Shaw Mobile Pricing Commitment in its terms of service with all Shaw Mobile customers as at the Closing Date.**

**Status: Completed and Ongoing**

In 2023, Rogers sunset the Shaw Mobile brand and migrated all existing Shaw Mobile customers from Freedom's LTE network to the faster and more expansive Rogers 5G network with the same pricing, terms and conditions, and eligibility as their Shaw Mobile plan. This significantly improved their experience by expanding data coverage nationwide through Canada's largest and most reliable 5G network.

Former Shaw Mobile customers will not experience any price plan change for a five-year period, meaning their price is guaranteed until April 3, 2028, unless they choose to change plans. This five-year price guarantee is included in customers' Wireless Services Agreement and monthly bills.

9. Data as at March 2024.

10. Data as at March 2024.

11. Data as at March 2024.