



2024 Task Force on Climate-Related Financial Disclosures (TCFD) Report

As the reality of climate change becomes more apparent, we know our environment, communities and markets are also changing. To best serve our customers, communities and other internal and external stakeholders (i.e.: suppliers, investors etc.), Cox is dedicated to identifying, assessing, mitigating and managing climate-related risks and opportunities that could have a meaningful impact on our business and stakeholders.

As a first step, we recently identified climate-related risks and opportunities for our business. A wide array of stakeholders were involved in this initiative – including representatives from leadership and critical functions across all our business units – to ensure we had input on the potential impacts of climate change from multiple, diverse perspectives. The results of this work will enable Cox to better prepare for the climate-related risks and opportunities that we may face in an uncertain future.

The following summarizes our approach and findings and highlights the ongoing actions we’re taking to address risk exposure and realize climate-related opportunities.

Governance

Cox has always been a company dedicated to doing the right thing, and our strong corporate governance practices reflect our principled approach to business. Our corporate governance provides a solid foundation from which we can lead Cox into the future with integrity and accountability – protecting stakeholder interest, mitigating risk, working toward our impact goals, strengthening business performance and enhancing trust with our employees, communities and customers.

Cox Enterprises remains a privately held company and is managed by a Board of Directors with a majority of independent Directors. Our ESG impact is supervised by an ESG Committee that reports to the Board of Directors. The ESG Committee is currently comprised of four members of our Board of Directors, including two independent Directors, and receives periodic reports and updates from our corporate leadership (including our CEO) and our Corporate Social Responsibility team. The scope of the ESG Committee covers all material topic areas related to environmental sustainability, diversity and inclusion and community engagement. The ESG Committee meets at least once a year to assess our sustainability risks, drive social and environmental impact, ensure supply chain responsibility and track progress toward our ESG goals. The responsibility for managing impacts and advancing our ESG objectives and strategy is delegated to senior executives across multiple business functions.

Our Board of Directors receives regular updates from the ESG Committee and reviews risks and opportunities related to our economic, social and environmental impacts on an ongoing basis as part of our strategic planning, risk management and governance approach. The Board of Directors oversees climate-related issues and is responsible for setting corporate targets, monitoring progress towards goals, and reviewing and guiding strategy. Topics such as risk from climate impacts are discussed during most meetings of the Board.





Strategy

Cox hired a third-party consultant to help assess and document climate-related risks and opportunities aligned with the Task Force for Climate-related Disclosures (TCFD) recommendations. To begin the process, an initial list of climate-related risks and opportunities was identified through industry insights, broad-based peer benchmarking, a review of Cox's historical sustainability analysis and disclosures, and an assessment of Cox's operations, strategy, and products and services.

To prioritize our climate-related risks and opportunities, we assembled a group of leaders and experts from across our functions and businesses. These stakeholders were educated about the risk and opportunity identification and prioritization process and provided a detailed review of each risk and opportunity. They then participated in an in-person workshop that featured in-depth commentary and discussion on each risk and opportunity being considered. After the workshop, stakeholders participated in an electronic survey to prioritize the risks and opportunities from highest to lowest potential impact on the company. The survey results were presented to key Cox leaders and considered alongside their insights into our business and future strategy.

The tables below summarize those risks and opportunities likely to present the highest potential impacts to Cox, along with relevant initiatives and mitigating actions. They also summarize channels through which their impact is likely to be felt and ongoing initiatives to address them. This prioritization exercise prepares Cox for a future climate scenario analysis that will provide deeper insights into the prioritized risks and opportunities.





Climate-related risks and opportunities

Physical risks			
Type	Description of risk	Potential impact to Cox’s business units CCI: Cox Communications CAI: Cox Automotive Other: Growth opportunities that roll up to CEI CEI: All business units within Cox Enterprises, Inc.	Relevant initiatives and mitigating actions
Acute Physical	Extreme weather events (e.g., wildfires, hurricanes, tornadoes and floods) may damage or destroy facilities, offices and assets	All: Severe weather events can damage critical infrastructure (e.g., facilities, data centers and offices) leading to operational disruptions and increased costs to Cox to maintain, repair or replace infrastructure. Higher and more frequent replacement costs may disrupt Cox’s ability to insure itself.	<ul style="list-style-type: none"> Enhancing the resiliency of our networks to severe weather by hardening our network infrastructure at critical locations and building resiliency into our network design Maintaining a comprehensive Business Continuity Plan to ensure business operations and employees are prepared during pending and ongoing emergencies
Acute Physical	Extreme weather events (e.g., wildfires, hurricanes, floods) may disrupt power supply to Cox’s network assets or destroy infrastructure	<p>CCI: Severe thunderstorms may knock down above-ground infrastructure and disrupt electricity supply to Cox network equipment and facilities, interrupting service for extended periods of time and leading to poor reliability metrics and negative customer sentiment.</p> <p>CAI and Other: Increases in power outages have the potential to increase downtime or latency of the essential Cox services and platforms that automotive sector companies rely upon to conduct critical business operations. Media services to communities may also be disrupted at a time when they are especially needed.</p>	<ul style="list-style-type: none"> Improving resilience and network uptime by investing in the speed, reach, reliability, and accessibility of our networks Installing onsite power generation and exploring innovative, low-carbon methods of supplying our network with energy (e.g., microgrids and distributed generation)



Physical risks, cont.			
Chronic Physical	Rising mean temperatures may impact employee health and productivity, increase energy costs and damage equipment	<p>All: Higher temperatures decrease productivity and increase risks for employees working outdoors (e.g., front-line service technicians), potentially impacting Cox’s revenue and operating expenses.</p> <p>CCI: Additional cooling requirements for equipment in exchanges and base stations means higher cooling costs and burdens on HVAC equipment. In certain regions and seasons, fewer hours will be available for technicians to safely maintain equipment in parts of houses without air conditioning.</p> <p>Other: Costs associated with cooling may increase for indoor farming operations.</p>	<ul style="list-style-type: none"> • Prioritizing employees’ health, safety and wellbeing through a Safety Management System that is focused on integrating best practices and reducing risk • Engaging employees through the Cox Impact platform, inviting everyone to help achieve environmental sustainability goals





Transition risks			
Type	Description of risk	Potential impact to Cox's business units	Program initiatives and mitigation
Market and Policy	Climate-influenced geopolitical instability, energy policies and changes in regulations around fuels and emissions may lead to fluctuation in the costs and availability of energy and logistics services, such as freight transportation via ship, train or truck	<p>All: Additional capital, staffing and resourcing of other types may be needed to comply with emerging regulatory requirements. Plans for the future may be derailed by new regulations, leading to rework, reduced efficiency and increased costs. Climate regulations — such as carbon taxes — may result in significant new operating costs across all parts of Cox's businesses. Additionally, if these increased costs are transferred to customers, it may impact customer satisfaction.</p> <p>CAI: Carbon taxes on the use of fuel or gasoline may directly or indirectly impact the type and quantity of vehicles present at auctions within CAI and the associated margins and sales volumes.</p>	<ul style="list-style-type: none"> Continuing to build renewable energy projects on our own facilities Securing long-term, stably priced renewable energy supply to mitigate energy price volatility Reducing exposure to energy costs by pursuing energy efficiency and reduction initiatives in our network, facilities and other operations Investing in projects and products that support lower carbon operations (e.g., building energy management systems, on-site solar systems, low-carbon produce)
Technology	Accelerated timelines to meet carbon reduction goals may require increased investments based on availability, cost and performance of existing technology (e.g., EV fleets and related infrastructure, network upgrades)	<p>All: As Cox makes progress towards its decarbonization goals, projects that provide a high return on investment and are easy to implement will be pursued first. After these are completed, achieving decarbonization will become more complex, costly and difficult. The equipment, tools and knowledge will also become more in-demand, and, therefore, often more challenging to procure and implement cost-effectively.</p>	<ul style="list-style-type: none"> Replacing conventional vehicles with electric vehicles in each of our divisions Exploring EV conversion kits, hydrogen fuel cell vehicles and alternative fuels to further reduce emissions where electrification is not possible or difficult



Opportunities			
Type	Description of opportunity	Potential impact to Cox’s business units	Program initiatives and mitigation
Market	Cox may gain access to new and emerging markets due to its investments in areas likely to prosper in the energy transition	Other: Outdoor farming in many regions is expected to be strongly impacted by chronic physical risks such as heat and drought over the coming decades — raising costs and dropping yields. Market expansion in areas already relevant to Cox’s businesses — such as cleantech and vertical agriculture — may lead to substantially increased market share as traditional farming is affected by climate change.	<ul style="list-style-type: none"> • Incorporating sustainability into business practices and strategy • Working with internal and external partners to focus strategic investments that are well position to create value in the low-carbon economy
Resources	Continue to conserve our resources by reducing waste (including recycling), water and energy usage through our Cox Conserves programs	<p>All: Cox can reduce its energy costs and emissions over time by continuing to pursue real estate portfolio optimization activities and building efficiency improvements such as HVAC replacement, building energy management systems and LED lighting and retrofitting. Enhancing its recycling practices will decrease Cox’s waste streams and associated disposal costs and emissions and reduce the need for raw input materials (and their embedded carbon), where possible.</p> <p>CAI: Sustainable water practices will reduce water waste and utility costs associated with car washes.</p> <p>Other: A focus on material efficiency and better water and energy management practices will lead to cost savings over time.</p>	<ul style="list-style-type: none"> • Empowering and expanding Waste Diversion Programs at Cox facilities to further reduce waste to landfill. • Leveraging internal channels to provide continued education and outreach on the Zero Waste to Landfill effort. • Investing in partnerships to increase recycling and reuse with partners up and down our supply chain. • Exploring current and future technologies that support optimization and Zero Waste to Landfill data collection
Products & Services	Develop new products and services Cox is uniquely positioned to offer based on its expertise and services in communications, automotive, and sustainable technologies	<p>CCI and CAI: Cox can focus on development and deployment of new technologies and services (e.g., creating and deploying a communications nexus between EVs and charging infrastructure)</p> <p>CAI: New products, platforms and services targeting the rapidly growing EV market may create new revenue streams</p>	<ul style="list-style-type: none"> • Investing in the technologies and companies of the future that offer long-term, sustainable growth potential, such as Nexus Circular, which is an advanced plastics recycling company



Risk Management

Cox is working to develop its climate risk process in alignment with the TCFD recommendations. Climate-related risks linked to direct operations are currently integrated into a comprehensive, multi-disciplinary risk management process across the company. Utilizing the third-party system Datamaran, Cox continually monitors current and emerging risks in real-time, with a special focus on those related to ESG factors. Cox's risk management system also compares performance against industry peers and analyses ESG regulations and news, supporting the identification of challenges in risk management practices or outcomes, mitigation of operational risk, and awareness of new opportunities.

Furthermore, Cox employs a NATCAT (natural catastrophe) Modelling process in collaboration with Global Risk Consultants which helps us better understand the potential impact of climate-related physical risks such as floods, tornadoes, wildfires, earthquakes, hail, and lightning. This assessment process is instrumental in selecting property and informing construction practices and mitigation measures based on environmental conditions. Cox's property loss control program includes iterative inspections designed to monitor and eliminate unnecessary risks in the workplace. A robust Business Continuity Plan supports readiness for potential crises, and it is linked to and augmented by customer-facing resources and partnerships, such as Cox's collaboration with AccuWeather. Additionally, Cox conducts season-specific briefings and tabletop exercises involving various stakeholders, establishing a solid foundation for addressing a wide variety of disaster scenarios.

In the future, Cox plans to integrate the identification, assessment, management and mitigation of its climate-related risks and opportunities into its Enterprise Risk Management process.



Metrics and Targets

Cox selects various climate-related metrics for close monitoring to support its strategic and business goals around environmental sustainability and positive impact. Goals and commitments are set for the company's core sustainability pillars — including carbon, water, and waste — to assess operational efficiencies and drive enhanced value chain performance. Cox discloses progress towards its goals annually in its CDP Climate Change survey response and its Impact Report through a detailed review of its environmental metrics.

Topic	Goal	Progress
Carbon	Currently evolving our carbon neutral goal and exploring SBTi	Cox's carbon reduction initiatives include: <ul style="list-style-type: none"> • Replacing conventional vehicles with all-electric commercial vans • Implementing energy conservation measures • Sourcing renewable energy supply (both on-site renewable energy generation and renewable energy supply purchases) • Working with employees to prioritize reducing carbon emissions
Water	Currently evolving our water neutral by 2034 goal and exploring science based options.	Cox's water reduction and conservation initiatives include: <ul style="list-style-type: none"> • Reducing water consumption, and wastewater and stormwater discharge • Leveraging external partnerships and frameworks to achieve goals such as river restoration. • Utilizing incentives offered by local and state governments to invest in reducing water consumption
Waste	Absolute target to divert 90% waste from landfill by 2024. Currently in the process of defining our next waste aspiration.	Cox has achieved its zero waste to landfill target (achieving 92% diversion rate in accordance with Zero Waste USA's definition and verified by GreenCircle Certified), including 71 domestic locations that have achieved Zero Waste to Landfill (ZWTL) status and 750 million pounds of trash kept out of landfills since 2013. This is not inclusive of any wholly owned acquisitions made since 2021 or international locations.

Cox actively monitors its Scope 1, 2 and certain Scope 3 GHG emissions. It reports emissions metrics annually and provides historical data, allowing examination of trends in its performance. Cox uses the GHG Protocol guidance to calculate its emissions. -Scope 1 emissions encompass direct emissions from sources owned or controlled by the company, such as its fleet. Cox uses the market-based calculation method to build its Scope 2 inventory (given its substantial investments in renewable electricity) and reports all Scope 2 emissions data therein. An emissions inventory is performed for specific categories and sources in Scope 3, and Cox is



working to enhance its inventorying capabilities in this area. For more information, see our 2022 Collective Impact Report (pgs. 69 – 70).

Looking Ahead

It is our firm belief that the successful management of climate-related risks is pivotal to our long-term sustainability and the viability of our business strategies. We understand that resilience in the face of climate change is not an option, but a necessity. As such, we remain committed to the development and implementation of robust climate risk management strategies that will not only safeguard our operations, but also position us as a responsible steward of the environment and a trusted partner to our stakeholders. We plan to conduct a climate risk and opportunity scenario analysis in the near future to quantify the potential financial impact to our business.

As a company, we intend to stay at the forefront of addressing emerging climate-related risks and opportunities and continue to integrate climate-related issues management into our organization. We are committed to a sustainable future and focused on meeting our ambitious targets. The progress we have made underscores our determination to lead by example in mitigating the impacts of climate change and to do our part in creating a more sustainable world for generations to come. As we look ahead, we invite our stakeholders to join us on this transformative journey. Together, we can create a brighter, more sustainable future for all.