



KPMG LLP
600 de Maisonneuve Blvd. West
Suite 1500, Tour KPMG
Montréal (Québec) H3A 0A3
Canada

Telephone (514) 840-2100
Fax (514) 840-2187
Internet www.kpmg.ca

INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT

To the Management of the Canadian National Railway Company ("CN" or the "Entity")

We have undertaken a limited assurance engagement on certain key performance indicators of the Canadian National Railway Company included in the accompanying GHG Statement (the "Report") and as described below, for the year ended December 31, 2022.

Subject Matter Information

The scope of our limited assurance engagement, as agreed with the Entity, comprises the following key performance indicators (the "Subject Matter Information"):

Subject Matter Information	Unit of measure	Results (January 1 to December 31, 2022)	Year over year changes (from 2021 values) *
Scope 1 emissions from diesel (locomotive) fuel consumption	Tonnes of CO2 equivalent	4,392,493	- 0.47%
Scope 2 emissions from electricity	Tonnes of CO2 equivalent	140,543	- 5.93%
Scope 3 emissions from diesel (locomotive) fuel production	Tonnes of CO2 equivalent	1,354,737	- 1.78%
Scope 3 emissions from purchased goods & services	Tonnes of CO2 equivalent	164,214	4.05%
Scope 3 emissions from capital goods	Tonnes of CO2 equivalent	376,522	- 10.89%
Scope 3 emissions from upstream transportation and distribution	Tonnes of CO2 equivalent	47,000	- 11.84%
Energy consumption from diesel (locomotive) fuel consumption	Megawatt hour	16,219,274	N/A
Energy consumption from electricity	Megawatt hour	533,786	N/A

* KPMG's assurance procedures are limited to checking the mathematical accuracy of the variance between GHG emissions for the calendar period compared to the previous year calendar period. KPMG was not engaged to report on comparative figures for the prior years and is not engaged to report on trends, variances and any other additional information not specifically mentioned in this table.



Page 2

There are no mandatory requirements for the preparation, publication, or review of the Subject Matter Information. As such, CN applies:

The internally developed definitions described in the Report

The GHG Protocol: A Corporate Accounting and Reporting Standard (revised edition) (the Protocol) to calculate GHG Indicators. The Protocol can be found at <https://ghg-protocol-revised.pdf> (ghgprotocol.org)

collectively, the "applicable criteria".

Management's Responsibility

Management is responsible for the preparation and presentation of the Subject Matter Information in accordance with the applicable criteria, current as at the date of our report.

Management is responsible for determining the appropriateness of the use of the applicable criteria.

Management is also responsible for establishing and maintaining appropriate performance management and internal control systems from which the reported Subject Matter Information is derived.

Practitioner's Responsibilities

Our responsibility is to express a limited assurance conclusion on the subject matter information based on evidence we have obtained. We conducted our limited assurance engagement in accordance with Canadian Standards on Assurance Engagements (CSAE) 3410, Assurance Engagements on Greenhouse Gas Statements. This standard requires that we plan and perform our engagement to obtain limited assurance about whether based on the procedures performed and evidence obtained, any matter has come to our attention to cause us to believe that the subject matter information is materially misstated.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, it is not a guarantee that a limited assurance engagement conducted in accordance with this standard will always detect a matter that causes the practitioner to believe that the subject matter information is materially misstated.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report.

The nature, timing and extent of procedures performed depend on our professional judgment, including an assessment of the risks of material misstatement, whether due to fraud or error, and involves obtaining evidence about the subject matter information.

Our engagement included, amongst others, the following procedures:

Performing walkthroughs of data collection and reporting processes;

Making inquiries, primarily of persons responsible for the preparation of performance information for the Subject Matter Information;

Comparing the reported data for the Scope 1, Scope 2 and Scope 3 GHG emissions (tCO₂e) and energy consumption from diesel fuel consumption and electricity (MWh) to underlying data sources;

Inquiries of management regarding key assumptions and, where relevant, the re-performance of calculations; and

Considering disclosure and presentation of the Scope 1, Scope 2 and Scope 3 GHG emissions (tCO₂e) and energy consumption from diesel fuel consumption and electricity (MWh) within the Report.

The engagement was conducted by a multidisciplinary team which included professionals with suitable skills and experience in both assurance and in the applicable subject matter, including environmental, social and governance aspects.

Practitioner's Independence and Quality

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

The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent Limitations

Historical non-financial information, such as that contained in the Report, is subject to more inherent limitations than historical financial information, given the qualitative characteristics of the underlying Subject Matter Information and methods used for determining this information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable evaluation techniques, which can result in materially different measurements and can impact comparability. The nature and methods used to determine such information, as described in the applicable criteria, may change over time, and it is important to read the Entity's reporting methodology available online here: [\[https://www.cn.ca/en/delivering-responsibly/\]](https://www.cn.ca/en/delivering-responsibly/).

Basis for Qualified Conclusion - Scope 2 GHG Emissions

As noted in the Methodology and Assumptions - Scope 2 (emission and energy consumption) of the Report, the electricity consumption in megawatt hours, which was used for the calculation of the Scope 2 GHG emissions (which represented 3.1% of Scope 1 (locomotives) and 2 GHG emissions for the year ended December 31, 2022), is determined based on cost data obtained from CN's monthly electricity invoices (as opposed to the actual electricity consumption in megawatt hours). The cost data is converted into megawatt hours by using publicly available provincial average electricity prices (as opposed to using CN's actual average electricity prices) and then converted into GHG emissions by using emissions factors from publicly available sources. This estimation of electricity consumption is inherently less precise than using the actual electricity consumption or prices and may result in different measurements which can also impact comparability year over year. Accordingly, verification of the Scope 2 GHG emissions was limited to the amount determined using CN's methodology. Since actual electricity prices or consumption data were not provided, we were unable to determine whether adjustments might be necessary in respect of the Scope 2 GHG emissions reported in the Report.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion - Scope 2 GHG Emissions paragraph, nothing has come to our attention that causes us to believe that the Subject Matter Information, as described above, has not been prepared and presented, in all material respects, in accordance with the applicable criteria, as at and for the year ended December 31, 2022.

Specific Purpose of Subject Matter Information

The Subject Matter Information has been prepared in accordance with the applicable criteria and, as a result, may not be suitable for another purpose.



Montréal, Canada

June 23, 2023