



SUPPLIER CODE OF CONDUCT

A MESSAGE FROM THE PRESIDENT AND CEO

“At CN, we believe that ethical suppliers are essential to our success and we know that there is no asset more valuable than our reputation. Our suppliers are key players in our business and that is why our relationship has to be built on trust and integrity. We strive to ensure that our suppliers are guided by the same values that guide us. We depend on our suppliers to be accountable and hold themselves to the same standard we expect of ourselves. Acting responsibly is essential to achieving sustainable business success. Let’s make sure that honesty, integrity, and ethical behaviour are central to how we work together.”



JJ Ruest,
President and CEO

ABOUT OUR SUPPLIER CODE

Canadian National Railway Company (“CN”) is focused on operating in a socially responsible way that respects human rights and manages human rights impacts in its operations. This Supplier Code of Conduct (“Supplier Code”) is an extension of CN’s own Code of Conduct and Human Rights Policy and reflects our values and expectations, both of ourselves and our suppliers, agents, consultants and other third parties and business partners and their respective employees, directors and officers (collectively “Suppliers”). CN strives to do business with Suppliers who share its values and commitments. The expectations set forth herein draw upon international standards and best practices in the area of human rights and sustainability and are designed to provide Suppliers with a clear understanding of how they can meet CN’s standards and conduct their business activities in compliance with law.

APPLICABILITY OF THE SUPPLIER CODE

This Supplier Code sets standards of ethical conduct which CN requires from Suppliers and governs the conduct of Suppliers when doing business with or on behalf of CN. CN requires its Suppliers to adhere to this Supplier Code and expects such Suppliers to implement its requirements in a manner that is appropriate and proportional to the nature and scale of their activities, the goods that they supply and the services that they perform.

While CN recognizes that its Suppliers operate in different legal and cultural environments, the standards set forth in this Supplier Code operate as a benchmark for acceptable conduct. Where applicable local laws impose less restrictive obligations on a Supplier, the Supplier is expected to adhere to the standards of this Supplier Code. Where applicable local laws impose greater obligations on a Supplier, the Supplier must comply with such laws and regulations.

EXPECTATIONS OF SUPPLIERS

RESPECTING HUMAN RIGHTS AND COMPLYING WITH LAWS

Suppliers are required to act in accordance with all applicable laws and regulations in the jurisdictions in which they operate and expected to conduct their business with integrity and in an ethical manner. Suppliers must respect human rights in accordance with applicable law and the International Labour Organization (ILO) Core Labour Standards and Declaration on Fundamental Principles & Rights at Work.

HEALTH AND SAFETY

Suppliers should provide a safe, clean and healthy work environment and abide by all applicable laws with respect to health, safety and the environment. This includes implementing appropriate safety procedures, training, preventative maintenance and protective equipment. Suppliers should ensure that actual and potential risks to worker health and safety are identified, assessed and eliminated or managed in order to mitigate their impacts and ensure preparedness. Suppliers should strive for continual improvement in safety performance and regularly review and update their safety programs and practices in a manner that ensures ongoing compliance with law and industry standards.

NON-DISCRIMINATION

Discrimination in employment means any distinction, exclusion or preference with respect to recruitment, hiring, firing, wages, working conditions or terms of employment made on the basis of personal characteristics unrelated to inherent job requirements, that impairs equality of opportunity or treatment in employment. Suppliers are strictly prohibited from discriminating or disciplining on the basis of age, race, colour, religion, gender, national or ethnic origin, sexual orientation, gender identity or inter-sex status, disability, marital or family status, pregnancy, pardoned conviction, veteran status or any other characteristic protected by law.

NON-HARASSMENT

Harassment is behaviour or communications, whether written or verbal, which a reasonable person would consider to cause offence or humiliation or affect the dignity of a person and, in the context of employment, results in an intimidating, hostile or offensive atmosphere. Suppliers must not engage in physical, mental, verbal, sexual or any other abuse, inhumane or degrading treatment, corporal punishment or any form of harassment. This includes verbal, physical and written conduct. Suppliers must comply with local laws in this regard.

DIVERSITY

Inclusivity, diversity and tolerance are important principles at CN and Suppliers' actions should be consistent with CN's standards and values. CN seeks to have a diverse supplier base including suppliers that are Aboriginal-owned or have strong Aboriginal content. Suppliers are encouraged to identify, adopt and integrate diverse vendors into their processes so their own supply base reflects the diversity of society.

ENVIRONMENT AND CLIMATE CHANGE

Suppliers should conduct their operations with minimal environmental impact, respect the applicable laws and regulations and adopt the required rules, procedures, contingency measures and management systems in order to ensure their operations are managed safely, ecologically and sustainably. Suppliers should take necessary measures in order to prevent pollution, and conserve, recycle and rationally use the natural resources required for their operations, implement relevant emergency response plans and procedures, take active measures to reduce greenhouse gas emissions and other pollutants and implement relevant environmental training programs for employees and management.

Suppliers should also take the necessary measures to ensure the resiliency of their business and products to the impacts of climate change. CN expects Suppliers to be aware of its [Environmental Policy](#) and to align with CN's sustainable development and climate change approach.

FREEDOM OF ASSOCIATION

Suppliers must comply with local law regarding the activities of trade unions and works councils and their organizational activities. Suppliers must recognize and respect the rights of employees to freely associate, organize and bargain collectively, in accordance with local laws and core conventions of the ILO.

FORCED AND CHILD LABOUR AND HUMAN TRAFFICKING PROHIBITED

Use of forced or compulsory labour by the Supplier is strictly prohibited. This includes work or services not voluntarily performed that is exacted or coerced from a person under threat, force or penalty, or threatened abuse of law or legal process, including any kind of involuntary or compulsory, indentured or bonded labour, slavery, servitude or other slavery-like circumstances. Workers must not be required, as a condition of employment, to make a deposit of or surrender any government-issued identification, passports, work permits or any other documents necessary for free movement and termination of employment. Suppliers must allow their workers the right

to leave work and freely terminate their employment, taking into account legal notice period requirements.

Suppliers must not employ individuals below the minimum age permitted by local law. Suppliers must operate in compliance with local laws and the core ILO standards regarding child labour including ILO Convention 138. CN is committed to the elimination of the “worst forms of child labour” and Suppliers are strictly prohibited from using child labour contrary to ILO Convention 182.

Suppliers are prohibited from engaging in or benefitting from any form of human trafficking. This includes the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, abduction, fraud, deception, abuse of power or a position of vulnerability. Giving or receiving payments or benefits to achieve the consent of a person having control over another person for the purpose of exploitation is strictly prohibited.

MINIMUM WAGE, WORKING HOURS AND EQUAL REMUNERATION

Suppliers must provide workers with pay and benefits in a timely manner as required by local law and/or by the collective agreement or contract that governs workers, and comply with minimum wage and overtime pay requirements. Suppliers must establish work schedules and overtime policies, abiding by maximum hour and work week laws, rest period requirements, overtime, as well as vacation, holiday time and other local law requirements.

Suppliers should provide all workers with clear and understandable employment documentation that complies with local law and clearly sets out terms and conditions of employment for the worker, including working hours, remuneration and terms of payment, drafted in a language they understand. Suppliers should provide workers with clear information about their rights and responsibilities. Written documentation of employment relationships should be maintained by the Supplier to demonstrate compliance with this Supplier Code.

CONFLICTS OF INTEREST

Suppliers should always avoid situations of real or perceived conflicts of interest and have a company-wide code of conduct or other clear policies or processes on managing conflicts of interests. Suppliers’ relationship with CN should be guided by acting in the best interests of CN. CN recognizes that Suppliers may be involved in business relationships with other companies, including CN’s competitors. These relationships should however never interfere, or appear to interfere, with the Supplier’s ability to make an objective business decision regarding CN and to fulfil its responsibilities towards CN.

Suppliers should refrain from providing direct or indirect improper personal benefits to CN’s employees, members of their families or persons with whom they share a close personal relationship. Some gifts and entertainment (i.e., a business courtesy such as a meal or an event that is attended with the CN employee) can be accepted provided they are not lavish in the circumstances, cannot reasonably be interpreted as an improper payment and can be disclosed publicly without any embarrassment to CN. For greater certainty, no gifts or entertainment are permitted during a CN Request For Proposals process. Any situation involving a Supplier that may reasonably create even an appearance of conflict of interest should immediately be disclosed to CN.

COMPETITION

Competition and antitrust laws generally: (i) prohibit any type of agreement between competitors that is likely to undermine, restrict or lessen competition or affect prices and (ii) prohibit companies in a dominant or strong market position from abusing their market power by practicing anticompetitive or monopolistic behaviour by using predatory pricing practices, pricing below cost, or exclusionary practices such as tying services to eliminate or exclude competitors and thus threaten to create a monopoly position.

Suppliers must comply fully with all applicable antitrust and competition laws. Violation of these laws, whether deliberate or accidental, can result in significant civil and criminal penalties, including imprisonment. Threats of retaliatory rate action against a competitor or suggestions of using predatory pricing are strictly prohibited. Joining with a competitor to arrange a boycott of a third party by refusing to buy its products or sell services to it is also not permitted under law.

ANTI-BRIBERY AND ANTI-CORRUPTION

Bribery means directly or indirectly making a payment or giving a reward, advantage, kickback or benefit or anything of value to a foreign government official or to a government official of one's own country to obtain or retain business or any other improper advantage or for any improper or corrupt purpose, for the benefit of a Supplier. This includes directly or indirectly making a payment to a person knowing, or being reasonably expected to know, that the person will forward it, or have it forwarded, to a foreign or domestic government official. Commercial bribery means paying a secret bribe or commission to or conferring a secret benefit on an employee, representative or agent of any third party, without that company's knowledge, to induce the recipient to act or forbear to act in relation to that company's affairs.

Suppliers must not engage, directly or indirectly, in corruption, fraud, bribery, kickbacks, money laundering, embezzlement, extortion or any other form of corruption. Suppliers may not, directly or indirectly, give or receive improper business advantage or anything of value in exchange for preferential treatment. Suppliers must comply with all applicable laws related to anti-corruption and anti-bribery.

ABORIGINAL AND COMMUNITY RIGHTS

CN strives to support local communities, including Aboriginal groups and we seek to build positive and sustainable relationships and partnerships with Aboriginal peoples and other local communities across the CN network. Our Aboriginal vision includes developing mutually-beneficial relationships with all Aboriginal peoples, and being recognized by key stakeholders (including customers and governments) as having a sound approach to engaging with Aboriginal communities. CN believes its Suppliers should, where applicable, have a similar approach and engage smartly and respectfully with Aboriginal and other communities, promote local employment opportunities, increase their employee and stakeholder engagement practices and identify and foster business opportunities for Aboriginal and other local communities.

IMPLEMENTATION AND OVERSIGHT

MONITORING AND RECORD KEEPING

Suppliers are expected to maintain documentation to demonstrate their compliance with the Supplier Code in accordance with applicable law and the terms of their Supplier contract.

COMPLIANCE VERIFICATION

Suppliers will be expected to demonstrate compliance with this Supplier Code upon CN's request. CN reserves the right to verify compliance with this Supplier Code including through site visits and inspections by CN personnel or designated agents.

If a Supplier fails to comply with any aspect of this Supplier Code, immediate notice of the violation should be provided to CN. The Supplier is expected to implement corrective actions immediately to address any contraventions of this Supplier Code. CN reserves the right to terminate any agreement with any Supplier in the event of non-compliance with the Supplier Code of Conduct.

REPORTING CONTRAVENTIONS OF THE CODE

Anyone who believes that a Supplier has engaged in illegal, unethical or otherwise improper conduct, or conducted any other activity in violation of this Supplier Code should report such conduct using one of the following avenues. CN strongly encourages anyone witnessing such practices to speak up.

CN's Hotline	Tel: 1-800-925-5974 or online at www.reportanissue.com
CN's Ombudsman	Tel : 1-866-226-8968 E-mail: ombudsman@cn.ca <i>The Office of the Ombudsman has a confidential voicemail available 24 hours a day on which you can leave a message.</i>
PREVENT Hotline	Tel: 1-855-323-4007
CN Law Department	Tel: 1-866-996-6627

Suppliers must prohibit retaliation against any person for reporting, in good faith, contraventions of this Supplier Code, or for filing a complaint or testifying, assisting, or participating in any manner in any investigation, proceeding, or hearing conducted by a government enforcement agency. Prohibited retaliation includes, but is not limited to, termination, demotion, suspension, failure to hire or consider for hire, failure to give equal consideration in making employment decisions, failure to make employment recommendations impartially, adversely affecting working conditions, or otherwise denying any employment benefit because an employee has reported alleged prohibited conduct or participated in an investigation.

Suppliers are required to certify that they have read this Supplier Code and that they agree to abide by it. Suppliers are required to either complete the certification form appended to this

Supplier Code or sign a contract with CN, which incorporates the Supplier Code. CN will determine the frequency of certification.

TRAINING

We expect our Suppliers to have a training program available to their management and workers that achieves an appropriate level of knowledge, skills and abilities to ensure they understand CN's expectations.

NO THIRD PARTY BENEFICIARY RIGHTS

This Code does not create any third-party beneficiary rights for the Supplier or any other third parties. The Code is in addition to and not in lieu of provisions of any legal agreement or contract between Suppliers and CN.



SUPPLIER CERTIFICATION FORM

CANADIAN NATIONAL RAILWAY COMPANY ("CN") SUPPLIER CODE OF CONDUCT

The undersigned CN Supplier acknowledges and agrees that:

1. It has received a copy of and read the Supplier Code of Conduct of CN;
2. To the best of its knowledge, it is in compliance with the Supplier Code of Conduct;
3. It shall comply with and agrees to be bound by the Supplier Code of Conduct and will not take any action or fail to take any action that violates the Supplier Code of Conduct;
4. The Supplier Code of Conduct shall form part of any agreement entered into between the Supplier and CN whether or not expressly incorporated into such agreement.

I have the authority to bind the Supplier named below.

Name: _____

Position Title: _____

Company: _____

Signature: _____

Dated this _____ day of _____, in the year _____.

Please return a signed copy of this document to the attention of: