



2026–2027

CN Winter Plan

PREPARED FOR WINTER.
READY TO DELIVER.



Prepared for Winter. Ready to Deliver.

Winter tests railways, people, and supply chains every year. CN prepares for those conditions through disciplined planning, employee training, infrastructure investment, fleet readiness, technology and close coordination with customers and supply chain partners.

Winter conditions are unpredictable. Their timing, severity and location vary from year to year. CN's preparation is built into year-round planning and the scheduled operating model.

ABOUT THIS REPORT

The CN Winter Plan is a Transport Canada-mandated report that outlines the challenges of operating a railway in a northern climate. It details the comprehensive, proactive actions and innovations CN uses to plan and deliver safe, reliable service for customers, supply chain partners and the North American economy during the winter months ahead.

READ MORE

The Winter Operations page on cn.ca provides online access to CN's winter-specific safety guidelines, including our Customer Safety Handbook, Customer Track Maintenance Guide, CN Winter Safety Checklists and more.

www.cn.ca/winter



PHOTO ABOVE:
Iron Junction, MN

COVER PHOTO:
Redpass, BC



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Message from Tracy Robinson

I am pleased to present CN's 2026-27 Winter Plan.

As North America's most northerly Class I railway, we account for winter conditions in how we plan and operate. Extreme cold, snow, ice, and rain can reduce capacity, slow traffic and make recovery more complex when disruptions occur. We understand these conditions and we prepare for them well before winter arrives. CN's readiness is built through year-round work. That includes training employees for winter conditions, preparing locomotives and railcars, positioning response resources, using weather forecasting to guide decisions, and applying technology to identify issues earlier.

The strength of our winter plan also reflects the work CN has done over the years. Our history of investments in infrastructure, locomotive modernization, rolling stock, inspection technology, and supply chain visibility help support a safer and more resilient railway. These investments matter most when conditions are difficult and the network is under pressure.



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Winter readiness also depends on the broader supply chain. CN can prepare its network, but keeping goods moving requires accurate demand forecasts, safe customer facilities, fluid terminals, available vessel loading capacity and balanced use of corridors. Customers, ports, terminals, vessel operators, other railways, and governments all play a role in how the system performs.

We are entering this winter with a clear plan and a clear focus: operate safely, protect mainline fluidity, respond quickly when conditions change and keep traffic moving for the customers and communities that rely on us.

I want to thank CN railroaders for their dedication and professionalism, particularly during the most difficult operating conditions of the year. I also want to thank our customers, supply chain partners and government stakeholders for the role they play in supporting safe and reliable winter operations.

Together we are prepared for winter, and we are ready to deliver.

A handwritten signature in black ink, appearing to read 'Tracy Robinson', with a stylized, flowing script.

Tracy Robinson
President and CEO



Grant Brook, BC



Executive Summary

Winter is our most demanding operating period. Extreme weather disrupts train movements, reduces network capacity, and challenges the entire supply chain, with effects that are compounded when severe conditions persist. This 2026–27 Winter Plan outlines CN's disciplined approach to operating safely and maintaining fluidity through these challenging months.

Our preparation is a year-round effort, encompassing comprehensive employee training, rigorous network and fleet readiness programs, and proactive planning. However, our success in winter is not determined by our actions alone. It requires seamless collaboration and fluidity across the entire supply chain — from customer forecasts and facilities to terminal and port performance. Performance is also influenced by the ongoing trade uncertainty between the United States and Canada, as well as government policies that support network productivity and labour availability.

When severe weather occurs, we adjust our operating plan to protect employees, the public, and our customers' freight. These measures can include restricting train length and speed, as well as deploying specialized crews and equipment for snow clearing, maintenance, or network recovery. We also leverage technologies like distributed power locomotives and distributed air braking cars to help mitigate the effects of extreme cold on train operations.

Our objective in winter is always clear: operate safely, maintain network fluidity, recover quickly from disruptions, and keep the economy moving.

What's New for 2026–27

CN's winter planning is a year-round process. Following each season, we review operational performance, customer and stakeholder feedback, equipment reliability, network fluidity and supply chain conditions to identify practical improvements for the winter ahead.

For 2026–27, we are advancing targeted actions that build on CN's established winter operating practices and strengthen our ability to respond to extreme conditions:

- Strengthening distributed air braking car reliability through predictive maintenance and targeted component replacement. In 2026, CN is replacing 21 engines and compressors and has completed a fleet-wide modification of automated louver systems, which regulate internal car temperatures and improve performance in extreme cold.

- Advancing high airflow brake train operations (see pg 20) which uses multiple air sources along a train to maintain a more uniform brake pipe pressure when air leakage increases in cold weather. CN is seeking a permanent exemption for high airflow brake train operations from Transport Canada and is operating with higher airflow between Chicago and Winnipeg under a two-year waiver from the U.S. Federal Railroad Administration.
- Continuing CN's annual capital investments to maintain the safety and resiliency of the network, while advancing strategic capacity building infrastructure projects in Western Canada. The Zanardi Rapids Bridge and Glen Valley–Abrahamson projects will address key constraints and provide additional fluidity moving to and from the ports of Vancouver and Prince Rupert.
- Strengthening workforce and response readiness through rapid deployment teams, rules-qualified managers and the temporary redeployment of qualified employees where operational needs require. These measures give CN greater flexibility to respond when severe weather affects regions of the network.
- Maintaining disciplined fleet planning by aligning CN's railcar resources with anticipated customer demand. Following significant investments in recent years, CN is well positioned for the coming winter and continues to manage its fleet to ensure equipment is available where and when it is needed.

Together, these actions strengthen the equipment, infrastructure and operational flexibility CN relies on to prepare for winter, respond to disruptions and support recovery. Additional information about each initiative is provided in the relevant sections of this plan.



The Challenges

External factors beyond anyone's control, particularly weather, can have a real impact on supply chain capacity. While harsh winter conditions are expected every year, their frequency, severity and location are unpredictable and vary from one winter to the next. Responding to the adversity of harsh winter weather requires dynamic planning and rapid response. The winter conditions that affect operations for a northern railway can be summed up in four words: cold, snow, ice and rain.

Cold

At temperatures of -25°C and below, the physical properties of steel components are significantly affected, impacting the safety and reliability of our operations. The cold causes steel to contract, which can lead to rail breaks, while also increasing surface pitting on railcar wheels. This damages both wheels and rails. Furthermore, the freezing of air brake gaskets and hoses can impede the functionality of a train's braking system. To mitigate these risks, we must operate shorter and slower trains, which reduces the overall capacity of the network and requires more assets and people to move the same amount of freight.

Extreme cold also poses a risk to our employees. The time that train crews, maintenance staff, and customer employees can safely work outdoors is limited by low temperatures and wind chill. This leads to reduced productivity per shift and requires more staff to accomplish the same tasks.

Snow

Heavy snow impedes operations in railyards, terminals and customer facilities. Snow can block switches, crossings, flangeways, derails and walking areas. Snow must also be removed from tracks and from the roofs of containers, railcars and trucks where required for safe operations.

Blizzard conditions can affect roads and make it difficult to move train crews and field personnel where they are needed. Snow accumulation throughout the winter also increases the avalanche risk in British Columbia (see pg 21).

Ice

Ice can create hazards that affect rail operations, people and infrastructure. Frozen surfaces increase the risk of slipping and must be cleared or treated for safe walking and driving. Buildup of ice under rail can affect track structure, while frozen switch points and flangeways may prevent operation and lead to missed service at customer sites. River and stream ice jams increase potential for overland flooding which can damage railbeds, erode embankments or cause washouts. Ice storms can cause downed trees and power lines that impede operation. Freeze-thaw cycles create added risk because snow and ice that melt during the day can refreeze at night.

Rain

During winter, particularly on the West Coast and in low-elevation areas of British Columbia, heavy rain can cause washouts and affect network fluidity. Rain can also worsen freeze-thaw conditions.

At ports, rain can limit or prevent vessel loading of grain and other cargo. When a terminal cannot receive traffic, CN may need to hold trains at origin or along the route to avoid congestion. This slows equipment cycles and reduces supply chain capacity.

Transport Canada's 2022 working group has explored practical solutions, including process changes and new equipment, to recover operational time during Vancouver's 30 to 60 rainfall days each year while improving safety. CN encourages all stakeholders to advance solutions that protect supply chain capacity.

FIGURE 1
Winter Impact on CN's Network



— Normal winter conditions — More difficult conditions — Severe conditions

The map is based on historical data. "Severe conditions" indicates the portions of CN's network most likely to experience cold snaps (temperatures below -25°C / -13°F) at least twice per winter and for more than three days at a time.

Other factors

CORRIDOR BALANCE

The supply chain operates most effectively when customers use all available corridors. Traffic moving through eastern gateways like Thunder Bay, Montreal, Quebec City or Halifax helps relieve pressure on Western corridors and West Coast ports. However, closing the Port of Thunder Bay and the St-Lawrence Seaway for three months each winter significantly reduces sustainable supply chain capacity during winter.

ONGOING TRADE FRICTION

Just as weather events can impact planning and network fluidity, trade uncertainty also limits CN's ability to forecast demand and maintain efficiency. Canada's economy is driven by trade, and CN is a trade-dependent business. The evolving tariff situation between the US and Canada impacts our customers' ability to move products cross-border, creating significant volatility in anticipated volumes and corridor availability — as well as on input costs for the products we need to keep our trains moving.

LABOUR AVAILABILITY AND REGULATION

Labour availability impacts winter capacity. Regulatory requirements, qualification rules, remote labour market challenges and training timelines all influence CN's ability to position crews where they are needed. Changes to federal labour legislation and rules in the last few years mean we need about 10% more people to move the same amount of freight. Tough winter conditions exacerbate these productivity issues since shorter, slower trains necessitate more crews to operate.

Labour stoppages have caused significant harm to Canadian supply chains. CN continues to encourage the Government to amend the existing regime and strengthen the labour relations framework to ensure it remains modern, fair and responsive to evolving economic conditions. CN believes that strengthening the process to improve the chances of reaching negotiated outcomes before a work stoppage occurs is a critical objective. We also believe that when all efforts to reach a negotiated agreement have failed, the Government should be prepared to intervene to prevent a work stoppage before it occurs.



Although rail system capacity is reduced by extreme weather and other winter challenges, customer demand across many sectors is often at or near its annual peak in fall and winter.

LABOUR SHORTAGES IN REMOTE REGIONS

Some parts of CN's network are harder to staff because of local labour markets, cost of living, housing, education and access to services. It is more difficult to recruit and retain crews in remote areas compared to other parts of the CN network. Remote regions also often have some of the heaviest network traffic density and demand pressure for multiple rail traffic segments.

CUSTOMER FORECASTS

Timely, reliable demand forecasts across all rail traffic segments are critical to planning the employees, equipment and operations needed to move freight. Without accurate forecasts, CN must rely on assumptions and historical data. Uncommunicated shifts in demand limit CN's ability to respond quickly, especially in winter, and can create resource gaps that better forecasting and communication could have avoided. Volatile market conditions or trade friction can heighten uncertainty and make planning and forecasting more difficult.

CUSTOMER DEMAND

Although rail system capacity is reduced by extreme weather and other winter challenges, customer demand across many sectors is often at or near its annual peak in fall and winter. Grain, propane, forest products and other commodities can all place pressure on the network and on ports during a period where weather reduces overall available capacity.

Working Safely

At CN, safety is our core value year-round. While each season brings unique challenges, during winter we leverage comprehensive employee training, technological innovation, and effective customer communications to deal with the issues that arise.

Employee training

Our CN Campuses in Winnipeg, MB, and Homewood, IL, instill our strong safety culture in new hires, experienced railroaders, and customers alike, ensuring that everyone has the necessary tools and training to work safely and control risk exposures. These facilities include simulators, virtual and augmented reality, specialized learning labs, outdoor training areas, real-world equipment and emergency preparedness scenarios. In 2025, approximately 5,000 trainees and employees completed hands-on and classroom instruction at CN's training campuses.

Winter safety training covers cold weather safety, frostbite and hypothermia prevention, walking conditions, switching practices, and procedures for working around snow and ice. CN's slip simulators at both CN Campuses teach employees how to move safely on railway surfaces and prevent slips, trips and falls, one of the most common and preventable workplace injuries. Since the walking simulators and other safety initiatives were introduced, these incidents have decreased by 30%.

Cold weather safety

CN employees receive enhanced communications and job safety briefings, including information on the conditions they may face on the job. Cold weather gear, warming breaks and modified work plans help reduce risk. If conditions prevent safe operations, CN may need to adjust service plans, operate during safer windows, or suspend local operations until conditions improve.

Helping customers prepare for winter

Safe winter service is a shared responsibility between CN and our customers. We work proactively with customers long before the first snowfall, using safety briefings, site visits, and online tools to ensure they are prepared for winter conditions.

Customers can help avoid service disruptions and reduce injury risk by preparing their facilities before CN crews arrive, ensuring that:

- Tracks, gates, switches, flangeways, derails, roads and crossings are clear of snow and ice.
- Trackside walkways are clear, sanded or salted when icy.
- Debris is removed before winter because snow can hide hazards.
- Snow piles do not interfere with visibility or rail traffic movement.

If customer facilities have not been properly cleared of snow and winter-related hazards, customers are asked to call CN Customer Service at **1-866-926-7245** to cancel service for that day. This will help avoid delays and penalties, as well as maintain supply chain fluidity.

To support our customers in safe and efficient winter operations, CN provides a comprehensive Customer Winter Toolkit with safety handbooks, checklists, and other essential resources for managing winter hazards (see: www.cn.ca/winter).

Technological innovation

CN leverages innovative technologies to enhance safety and support efficient, fluid operations during winter. Predictive analytics and automated inspection systems help identify problems before they disrupt service. These systems increase the frequency and quality of track, railcar and locomotive inspections, reduce safety exposure in challenging conditions, and support earlier maintenance and response.

Autonomous track inspection: CN's 10 Autonomous Track Inspection Program railcars enable real-time measurement of track and roadbed conditions at normal train speed. These custom inspection cars are equipped with lasers, imagery, LiDAR and ground-penetrating radar to identify defects and send real-time alerts. These cars cover about one million miles per year at track speed without interrupting network operations or introducing additional safety exposure for on-track employees. Wireless communications help prompt repairs before issues become disruptions.

Automated train inspection: CN's seven automated inspection portals use ultra-high-definition panoramic cameras and high-intensity LED lighting to capture a 360-degree view of trains and undercarriages as they move at normal speed. Artificial intelligence helps experienced railcar mechanics assess railcar health and identify repairs earlier.

Inspection and detection: CN uses detection and inspection technologies across its network to identify issues earlier and help keep traffic moving in winter. This includes 1,024 hot-bearing detectors (every 12 to 15 miles), 949 hot-wheel detectors, 243 dragging equipment detectors, 8 wheel-profile detectors, 5 cracked-rim detectors, 4 broken-wheel detectors, 41 wheel-impact load sites, and 18 acoustic-bearing sites.

Data analytics and predictive maintenance:

Together, CN's safety technologies produce more than 24 million data points every day. CN uses artificial intelligence, machine-learning algorithms and trend analysis to identify components that are difficult to inspect visually, support preventive maintenance schedules, and address locomotive and railcar mechanical issues before they cause more serious disruptions, particularly during winter.

Train movement and employee protection: CN is modernizing dispatch and advancing Enhanced Train Control with regulators and industry partners, including locomotive voice and video recording safety systems. This includes leveraging tools like Trip Optimizer, a locomotive energy management system that automates throttle and brake application to reduce in-train forces and enhance safety. AI-supported movement planning helps CN assess meets, passes and pacing, while digital scenario testing helps evaluate operating plans before they affect the railway. Worker-safety technologies, including train-approach warnings and motion detection, help protect employees in yards and along the right-of-way.

Together, these tools reduce the potential for major mainline disruptions caused by track and equipment issues, support safer field work and help keep traffic moving in winter.



Delivering for Our Customers

CN works closely with customers to understand their needs, provide consistent and efficient service, and support safe, fluid supply chains. When customers, CN and supply chain partners work together, the system performs more reliably and efficiently.

The interconnected supply chain

CN is just one component of interconnected supply chains. Rail service depends on customers, other railways, ports, terminals, vessel operators, local delivery trucks and other partners.

If any part of the supply chain experiences delays due to challenging winter weather or other disruptions, the impact will be felt by all parts of the supply chain. For example, if an export terminal cannot unload railcars because of weather or congestion, trains may need to be held back. This slows the return of empty cars and can affect other customers using the same shared assets. The key to success is for supply chain partners to avoid working in isolation and collaborate across sectors to support long-term demand.

Planning with customers

CN works with customers to anticipate demand and understand how shifts in traffic may affect the network. Accurate forecasts across all business segments are especially important in winter, when rail capacity is finite and sudden demand surges from one sector can be difficult to accommodate without affecting the broader network.

Timely forecasts and ongoing communication help CN maintain balance and responsiveness across the supply chain.

Resource planning

Resource planning requires sufficient lead time. Adding capacity depends on the scale and complexity of the need:

- Recruiting and training crews can take approximately nine months.
- Acquiring rolling stock and locomotives can take more than 12 months.
- Building track and other infrastructure can take more than 18 months.

Some assets, such as locomotives, can be redeployed as demand shifts. Crews are less flexible: railroaders typically work and live in specific regions, and even short-term assignments require time to adjust to local operating conditions.

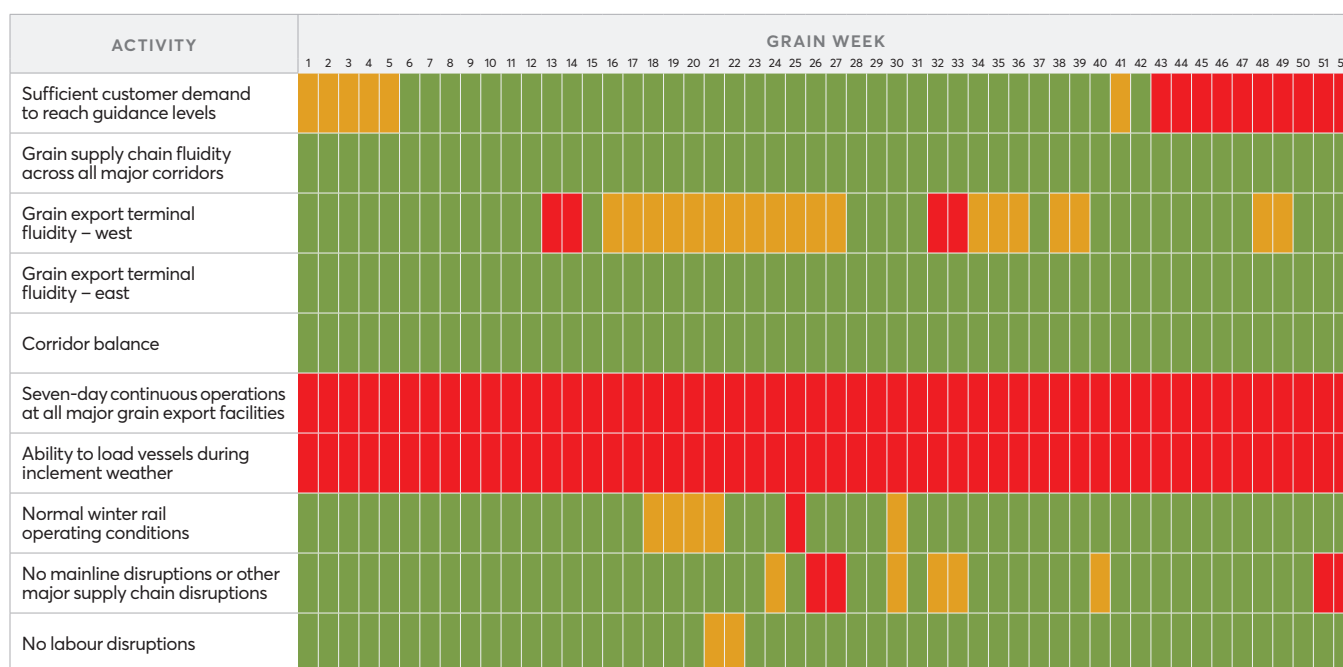


CN balances loaded traffic moving to destination and empty car supply returning to origin to protect corridor fluidity and reduce congestion, especially during extreme weather. During periods of train length and speed restrictions, CN may contract the active fleet, adjust local branch-line volumes to available mainline capacity, and work with customers to right-size private railcar fleets so surplus cars are not stored on the network during winter. As a last resort, temporary embargoes may be used to regulate traffic inflows and restore network and customer pipeline fluidity.

CN provides customers and supply chain partners with a suite of tools to enhance shipment visibility and planning.

Our CN One platform and its mobile application offer consolidated, real-time tracking for both carload and intermodal shipments. We also provide Application Programming Interfaces (APIs) that allow customers to integrate CN's tracking data directly into their own systems (See: <https://www.cn.ca/en/customer-centre/tools/api>).

For broader transparency, CN publicly shares key weekly performance metrics such as car velocity, train speed, and dwell times (See: <https://www.cn.ca/en/investors/key-weekly-metrics>). However, we believe that railway metrics alone do not fully explain supply chain performance. We therefore support end-to-end transparency through reports like our weekly Western Canadian Grain Report. This report contextualizes performance by analyzing the impact of external factors, including customer demand, terminal fluidity, weather, and other conditions across the supply chain.



GRAIN

To meet peak grain demand in the fall and winter, we have significantly invested in our network infrastructure, hopper car fleet, and grain handling facilities. Many new facilities in Western Canada now feature loop tracks for more efficient loading. Furthermore, nearly all CN-served facilities that load unit trains now pre-charge the train's air brakes before the crew arrives. This critical step avoids a potential 8–12 hour delay for each train during periods of extreme cold.

In addition to infrastructure improvements, we have enhanced our logistical processes. Over 90% of our grain cars are allocated to customers before the harvest through commercial agreements. To ensure overall supply chain fluidity, we also require that customers have authorization from the receiving terminal to facilitate efficient car order management. As a result of these strategic initiatives, CN achieved a record movement of Canadian grain in the last crop year.



Geikie, AB

PROPANE

With propane demand growing significantly during winter, a reliable supply chain is crucial. We work with our customers and loading sites to group railcars by destination to reduce switching time and the need to shift cars from one train to another along the route. Also, shippers are encouraged to preposition inventory closer to their end markets. This enables them to react more quickly to shifting weather patterns, which can drive changes in demand for propane. It also reduces the impacts of weather-induced operational delays on the supply chain during the heart of winter.

FOREST PRODUCTS

CN is the largest rail carrier of forest products in North America, with the largest high-capacity centrebeam fleet and one of the industry's largest boxcar fleets. Ahead of winter, CN works with shippers and receivers to preposition inventory at strategic transload and storage points and maximize boxcar throughput at unloading terminals, helping avoid congestion at the Port of Vancouver. This requires active coordination with customers and terminals to align inbound loads with warehouse space, vessel berths and container availability. CN also monitors locations off its network where car dwell exceeds four days and limits traffic into those areas to reduce congestion. While this work continues year-round, it is especially important during winter.

INTERMODAL

To prepare for winter, CN builds an integrated operating plan with shippers and receivers, steamship lines, freight forwarders, port partners, the Canada Border Services Agency, truckers, equipment vendors and other stakeholders who help maintain supply chain fluidity. CN communicates protocols, escalation paths for weather-related service disruptions, and possible alternative routings to minimize supply chain impacts. When weather affects operations, CN encourages domestic intermodal customers to extend delivery times. To build resiliency, CN strategically stores railcars in locations most vulnerable to tier restrictions (see pg 19) and works with our maintenance and fuel vendor network to ensure our temperature-controlled fleet is ready to protect cargo from frigid temperatures. CN terminals plan for snow and ice removal from terminal grounds, rail equipment, containers and tracks. CN also provides safety communications to vendors and truckers entering its facilities, while the commercial team reviews winter safety and readiness at customer facilities where CN employees conduct pickups and deliveries.

FRAC SAND

To prepare for winter, we work closely with our sand customers to move as much product as possible before the cold starts. We also offer to find locations where customers can preposition frac sand railcars closer to where the sand will be needed, helping to support customers during inclement winter weather.

OTHER COMMODITIES

CN also moves energy products, potash, metals, minerals, chemicals, automotive and other traffic on the shared network.

Enhancing Network Reliability and Performance

CN's winter readiness depends on infrastructure, locomotives, railcars, crews, technology, mainline fluidity, weather forecasting and response planning.

Investment in rail infrastructure

CN invests in infrastructure to support safety, service, capacity and resiliency.

CN expects to invest approximately \$2.8 billion in its 2026 capital program in line with previous years.

In 2025, CN constructed two new sections of double track on the Edson Subdivision between Edmonton and Jasper. Since 2022, investments in this subdivision have helped increase capacity in that specific section of the network by approximately 25%. The Edson Subdivision is now more than 60% double tracked, supporting velocity and resilience.

CN is also advancing the Zanardi Rapids Bridge project in Prince Rupert, BC. The project is scheduled for completion in late 2027 and will expand rail capacity by relieving a natural bottleneck at the port's entrance. The project is designed to expand capacity through a new three-track 1,600-foot bridge and related track extensions.

Another ongoing Western Canada capacity building project is the Glen Valley–Abrahamson project. This will add double track on a key Port of Vancouver approach segment, supporting future volume growth and improving the ability to move traffic through the final miles to Vancouver area terminals.

Locomotive fleet and modernization program

CN's locomotive modernization program is improving fleet efficiency and reliability by converting locomotives more than 20 years old from direct current (DC) to alternating current (AC) technology and equipping them with the latest systems. CN expects its high-horsepower and medium-horsepower locomotive fleet to total approximately 1,964 units for 2026–27. Within the high-horsepower fleet, approximately 60% is expected to use AC traction. AC traction motors provide significantly

greater pulling power, delivering roughly 55% more tractive effort than DC-equipped locomotives. These upgraded locomotives are also more fuel efficient, using roughly 5% less fuel, and experience roughly 30% fewer maintenance shop events, increasing locomotive availability.

Rolling stock planning and management

CN manages rolling stock across a shared network to support customer demand safely and efficiently. Winter conditions can affect car cycles, terminal performance and the timing of equipment returns, making fleet planning and maintenance important to service reliability.

CN enters the 2026–27 winter season with the benefit of recent rolling stock investments that are now part of the fleet. As a result of being well resourced, no new railcar builds or purchases were planned for 2025/2026. CN is instead actively managing fleet size to align with demand. For 2026–27, 1,103 railcars, approximately 2.7% of CN's total actively managed owned fleet, have been approved for lease return. The majority are centrebeam railcars, with approximately half of the total returns expected to be completed by the end of 2026.

As demand shifts across traffic segments, CN stores or redeploys equipment as needed. Before stored equipment is returned to service, CN performs inspections and maintenance to support safe and reliable operations. For example, CN proactively inspects and repairs stored hopper cars in August and September in preparation for the fall and winter grain peak. CN also uses railcar repair data to support summer reliability maintenance programs that identifies cars with a higher probability of failure before they disrupt service.

CN also prepares temperature-controlled heated and refrigerated containers ahead of winter to support customers whose traffic requires protection from cold weather.

Ensuring sufficient operating crew base

A core component of our winter plan is ensuring we have the right number of operating crews — conductors and locomotive engineers — in the right locations. We size our crew base using demand forecasts and expect to have a sufficient operating crew base to move anticipated traffic this winter.

To manage challenging conditions and surges in demand, our plan includes several layers of operational flexibility. We are expanding our pool of rules-qualified managers and have rapid deployment teams ready to provide support where needed. We also maintain the ability to temporarily redeploy crews from areas of surplus to areas of higher demand.

In the fall of 2026, CN anticipates entering into collective bargaining with the TCRC, the union representing our conductors and engineers. While the outcome of that process is unknown at the time of publication of this document, CN will approach negotiations constructively, with a continued focus on safety, service, and supply chain reliability.

Sustaining and building service excellence

CN's scheduled operating model is central to how we plan and run the railway. It aligns railroaders, locomotives, railcars, yards and corridors around a clear operating plan, helping CN deliver reliable service and use available capacity efficiently.

Operational excellence and customer service go hand in hand. A disciplined operating plan supports velocity, reliability and terminal fluidity in normal conditions.

When winter weather affects the network, the plan gives CN the structure to adjust service, protect core train schedules and return to scheduled operations safely and efficiently.

CN's key operating metrics, including car velocity, train speed and terminal dwell time, have remained consistent over the last three years since CN returned to a scheduled operating model. In 2025, CN's Local Service Commitment Plan performance was 93%, up about 13% from three years earlier.

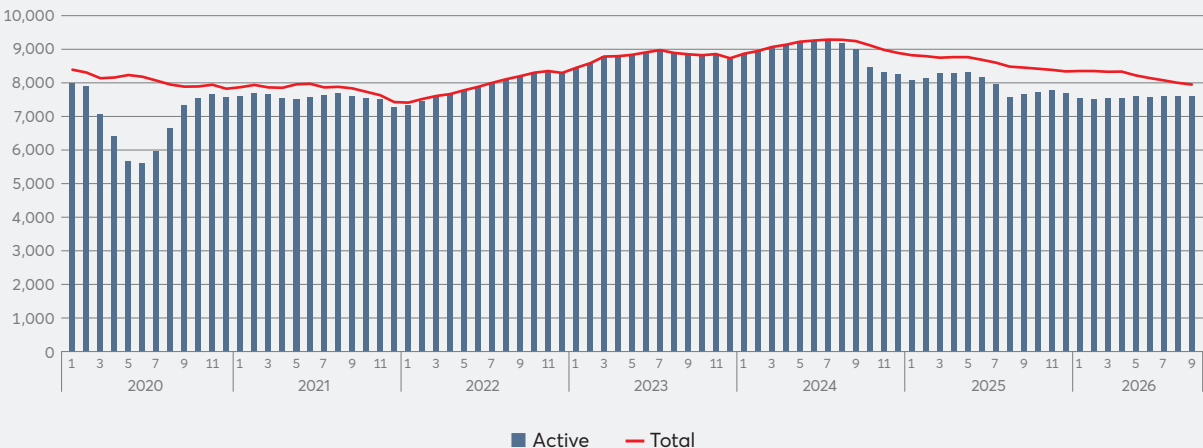
Protecting mainline fluidity

The health of the mainline is critical to winter operations. CN protects mainline fluidity by matching traffic from feeder lines, yards and local service to available mainline capacity, especially when extreme weather reduces how much traffic the mainline can safely accept. This helps prevent congestion in yards and supports recovery once severe weather subsides.

Initiatives during extreme cold

CN activates specific winter operating protocols when extreme cold sets in. These protocols are designed to protect the safety of our crews, communities and the goods we move. One key measure is reducing train lengths when temperatures fall below -25°C (the "tipping point") to help maintain pressure in a train's air braking system. Extreme cold therefore requires more trains, crews and locomotives to move the same volume of freight, which can increase congestion in railyards and create ripple effects across the network during prolonged cold.

FIGURE 2
CN Network-Wide Operating Crew Base



TIER RESTRICTIONS

CN will continue to use a three-tier system to determine maximum train lengths based on trackside temperatures. Early activation of tier restrictions helps maintain network fluidity and supports faster recovery after cold snaps. Effective communication between CN and external stakeholders is critical during these periods. Anticipating cold weather and preparing tier-restricted trains at terminals before restrictions take effect helps mitigate impacts.

FIGURE 3
Maximum Train Length (In Feet) Allowed at Specific Temperatures

				A – AIR SOURCES (1x1x0)		B – ADDITIONAL AIR SOURCES ADDED
TIER LEVEL	TEMPERATURE		CONVENTIONAL (HE ONLY AIR SOURCE)	MAX DISTANCE BETWEEN AIR SOURCES	MAX TRAIN LENGTH	3RD, 4TH, 5TH AIR SOURCE
	°C	°F				
ALL NON-INTERMODAL, NON-SINGLE-COMMODITY TRAINS						
Tier 1	-25	-13	7,000	6,000	9,000	For each additional air source added beyond the 1x1x0 configuration, permissible train length can be increased by 1500 feet per additional air source, up to a maximum train length of 12,000 feet. Maximum of five air sources to be used on a train.
Tier 2	-31	-24	5,000	5,000	7,500	
Tier 3	-36	-33	4,000	4,000	6,000	
ALL INTERMODAL AND BULK COMMODITY TRAINS						
Tier 1	-25	-13	8,000	6,667	10,000	For each additional air source added beyond the 1x1x0 configuration, permissible train length can be increased by 2000 feet per additional air source, up to a maximum train length of 12,000 feet. Maximum of five air sources to be used on a train.
Tier 2	-31	-24	6,000	5,667	8,500	
Tier 3	-36	-33	4,500	4,500	6,700	

Notes:

1. For the purposes of this table, Distributed Power (DP) can be remote locomotives or distributed braking cars.
2. Optimal placement of a mid-train air source is 2/3 from the head end for air flow purposes.
3. Air Source placement should be evenly distributed in train when 3 or more air sources used.
4. Maximum of 5 air sources on a movement.
5. Combined flow of 3/4 air sources cannot exceed 160CFM. Combined flow for 5 air sources cannot exceed 200CFM.
6. For >3 air sources, movement must have minimum of two locomotives with operative dynamic brake.



CN's distributed air braking cars supplement the air supply to a train's air brake system during colder weather.

KEY TRAIN SPEED RESTRICTIONS

The *Rules Respecting Key Trains and Key Routes* limit the speed of trains carrying certain hazardous commodities depending on ambient temperature and location. These speed restrictions are necessary for safe operations in severe cold, but they can slow following trains and reduce overall network capacity.

The rules allow railways to submit a Winter Operations Risk Plan for Higher Risk Key Trains, which provides different speed thresholds for sections of track that meet specific safety requirements. CN has developed and implemented a Winter Operations Risk Plan that allows for more flexible winter operations while maintaining safety.

DISTRIBUTED POWER

CN operates trains using either conventional power, with locomotives positioned at the head of the train, or distributed power, where additional locomotives are placed mid-train and/or at the rear and controlled remotely from the lead locomotive. Distributed power provides more uniform tractive effort, reduces in-train forces, and improves braking efficiency and train reliability.

Distributed power is used year-round, but it is especially important during winter. It helps maintain consistent air pressure for the brake system in extreme cold, reducing the need to shorten trains.

DISTRIBUTED AIR BRAKING CARS

CN-built distributed air braking cars supplement the air supply to a train's brake system during colder weather. CN railroaders designed and launched these cars in 2006 by modifying boxcars with air compressors and braking system control systems. As with distributed power, these cars help maintain air pressure and reduce the need to shorten trains where conditions and operating rules allow.

CN has more than 100 distributed air braking cars strategically deployed during the colder months across Canada and the U.S. Midwest. Since entering service, CN has invested approximately \$64 million in the air car program, and the cars have travelled more than five million miles.

In 2026, CN is further strengthening air car fleet reliability through predictive maintenance on engine performance, supported by a maintenance program that replaces key components before failure. As part of this initiative, CN is replacing 21 engines and compressors in our air car fleet. CN has also completed the fleet-wide modification of its automated louver system, which uses automation to regulate internal car temperatures and improve overall fleet reliability.

HIGH AIRFLOW TRAIN OPERATIONS

Train air brakes rely on a continuous supply of compressed air. Air supplied by locomotives and distributed braking cars compensate for leaks in the air brake system and maintains brake pipe pressure. In extreme cold, the leakage in the air brake system increases, and thereby requiring a greater supply of compressed air.

To prepare for these conditions, in winter months, CN builds trains with three or more air sources that are strategically positioned in the train. Under a four-year exemption from Transport Canada, CN is permitted to operate trains that have greater cumulative airflow to the brake pipe. This maintains a more uniform brake pipe pressure and allows CN to operate trains during the winter that are of comparable length to those CN operates during the summer. CN is currently seeking a permanent exemption in Canada for high airflow brake operations. CN has also received a two-year waiver from the U.S. Federal Railroad Administration to operate with higher airflow between Chicago and Winnipeg, with the option of extending the waiver for a third year.

Response readiness

CN prepares response resources before winter so it can act quickly when severe weather affects operations. This includes rapid deployment teams, rules-qualified managers, Engineering resources, Mechanical repair teams, snow-clearing equipment and critical materials staged in key locations.

CN positions Mechanical repair teams in strategic locations to provide corridor coverage and reduce the time needed to respond to locomotive or equipment issues. Engineering teams and contractors are prepared for winter conditions, with added training, standards review and field support where required.

CN also stages resources that can help restore service after winter disruptions. This includes maintaining a strategic reserve of locomotives in critical corridors, staging emergency ballast and track panels, deploying backup power generators, maintaining critical spare parts, and positioning winter tools and equipment in remote areas.

Operational preparation also begins before the snow arrives. CN works to clear obstacles from yards and rights-of-way, install snow fences in open windy areas, and preposition snow-clearing equipment where it is most likely to be needed.

CN's Winter Situation Report provides a daily snapshot of current weather conditions across the network. It helps teams assess winter conditions, including the cold temperature tipping point and potential impacts on track, locomotives and railcars, so resources can be positioned and operations adjusted as conditions change.

Weather forecasting

CN uses customized, sophisticated weather forecasts and consults with meteorological experts to guide our winter operating plan. This advance intelligence allows us to make informed decisions along a train's entire route and pre-position resources, such as crews and locomotives, to areas expecting severe weather. The primary goal of this proactive deployment is to keep rail yards fluid and prevent network congestion.

When forecasts indicate that operating restrictions on train length or speed will be necessary, we provide advance notification to our customers. This allows them to adjust their own logistics to align with available network capacity, supporting overall supply chain stability.

Avalanche mitigation

Managing avalanche risk in our mountainous corridors is a critical safety focus. Our comprehensive avalanche program, established in the 1980s, is a multi-layered system of forecasting, physical protection, active control, and detection that monitors 240 identified avalanche paths, primarily in British Columbia.

This program includes protective infrastructure such as snow sheds and catchment berms, as well as detection systems that provide immediate alerts to train crews if a slide reaches the track. In high-risk zones, we also perform active avalanche control, where we proactively trigger smaller, controlled slides using helicopter-deployed or remote-detonated explosive charges.

These physical interventions are guided by a sophisticated forecasting program. In partnership with a specialized provider, we synthesize data from our network of weather stations into a daily risk report. This report provides our Rail Traffic Control and Engineering teams with the actionable intelligence needed to make timely decisions about train movements, track patrols, and when to deploy active control measures.



Remote control avalanche management system
Northern British Columbia





Conclusion

CN's commitment to powering the Canadian economy and serving our communities does not hibernate. This Winter Plan is our detailed roadmap for delivering on that promise through the year's toughest conditions. It is a strategy built on targeted investments in a resilient fleet, in the skilled people who operate it, and in the advanced technologies that guide them safely and efficiently.

Maintaining strong and competitive Canadian supply chains also requires close partnership with government. As a trade-dependent business, the ongoing tariff situation between the U.S. and Canada affects our ability to deliver for our customers. Sound public policy that supports trade, labour stability, and encourages continued private investment in infrastructure can help strengthen the resilience, productivity and capacity of Canada's supply chains.

Every initiative detailed in this document — from our strategic infrastructure investments to our dynamic workforce planning and deep supply chain collaboration — is designed to create a safer, more fluid railway. Together, these measures strengthen our ability to respond when winter conditions challenge the network and to keep freight moving safely and reliably.

We have prepared carefully, invested deliberately and learned from each winter season. Our people are ready, our railway is ready, and we are prepared to keep freight moving safely through the winter ahead.



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