



## **ENVIRONMENTAL POLICY**

### **1. Policy statement**

CN is committed to building a sustainable future, to working with our supply chain partners and customers to provide cleaner, more sustainable transportation services, and to working with stakeholders and rightsholders to avoid, minimize, or offset our environmental impact and when we do impact the environment, to restore it. Our Environmental Policy (the “Policy”) and commitments are focused on continuous improvement, ensuring that environmental leadership and performance are firmly embedded in the way we work and that we comply with applicable legal and regulatory requirements.

### **2. Scope**

This Policy applies to all employees, subsidiaries, suppliers and contractors who perform services for, or on behalf of CN (collectively referred to as “CN agents”). It is expected that CN agents will act in accordance with the Policy when performing work for CN across the entirety of its rail network, land holdings, facilities, and business operations (our “Operations”).

### **3. Commitments**

CN’s objective to avoid, minimize, and offset potential environmental impacts from our operations will be delivered, amongst other, through the following commitments:

#### **DRIVING ENVIRONMENTAL LEADERSHIP AND PERFORMANCE**

- Leveraging CN’s Environmental Management System (EMS) to structure and strengthen cross-functional processes and performance, while training employees and sharing results to drive environmental leadership, internal policies, and best management practices.
- Focusing on continuous improvement by setting clear and measurable objectives and targets, evaluating performance and conducting annual environmental management reviews to appropriately avoid, minimize, or offset environmental risks and potential impacts from our operations.
- Employing comprehensive assessment frameworks and Environmental, Social and Governance (ESG) business processes to identify and mitigate potential environmental risks and impacts related to CN operations.
- Endorsing and fostering a culture of leadership, collaboration and innovation to strengthen CN’s role as an industry leader in environmental performance.

#### **PROTECTING LAND AND BIODIVERSITY**

- Conducting environmental and social impact assessments before starting construction projects to understand and mitigate potential environmental risks which include ecosystem, biodiversity and community risks. Assessment activities include, but are not limited to, taking inventory and mapping critical habitat, threatened and endangered species, wetlands, critical environmental receptors and adjacent lands and taking inventory of Indigenous communities and local municipalities when completing capacity growth and construction activities or in relation to derailment response events and remedial sites across the network.
- Recognizing and prioritizing the protection of land and the preservation and enhancement of biodiversity as critical components when designing capital projects and remedial sites. Applying the mitigation hierarchy approach to first avoid, then minimize, and finally offset project impacts on

biodiversity and in neighbouring Indigenous communities and local municipalities.

- Focusing on preventative maintenance, spill prevention and emergency preparedness to ensure appropriate steps are taken to prepare for and respond to a derailment, spill or other incident involving an impact to the environment.
- Managing stormwater and wastewater systems by implementing best management operating practices and technology enhancements to ensure the quality of our water discharge is not diminished, safeguarding and protecting natural resources, aquatic species, wildlife, surrounding ecosystems and communities.

#### **PROMOTING ENERGY EFFICIENCY, REDUCING EMISSIONS AND IMPROVING AIR QUALITY**

- Optimizing energy consumption in all aspects of our operations, through capital improvements, equipment upgrades, and energy saving technologies and best practices.
- Reducing air emissions and greenhouse gases through strategic initiatives, collaboration and partnerships, including the increasing use of renewable fuels and energy alternatives applicable to the rail sector.

#### **ADVANCING THE CIRCULAR ECONOMY**

- Limiting waste at the source by pursuing responsible procurement solutions and collaborating within the supply chain to operationalize supplier takeback and extended producer responsibility programs.
- Managing waste responsibly, including monitoring waste production and disposal practices and identifying opportunities for waste diversion from landfill through reduction, beneficial re-use, recycling, and energy recovery solutions.
- Designing, maintaining and investing in CN infrastructure and equipment to maximize their operating life and maintain the safety and integrity of our network and infrastructure.
- Minimizing water consumption and discharge by identifying and implementing diversion, reduction and recycling solutions, in addition to treating all impacted water in accordance with regulatory requirements and internal best management practices.

#### **ENGAGING STAKEHOLDERS AND RIGHTSHOLDERS**

- Engaging, training and involving employees, communities, including Indigenous communities, supply chain partners, suppliers and customers through our Emergency Preparedness and Spill Drill events, internal and external EcoConnexions programs, and community engagement events supporting CN ESG objectives.
- Building respectful and lasting relationships with customers, supply chain partners, suppliers, governments, and communities, including Indigenous communities, by proactively engaging with those who affect or may be affected by the environmental impacts of our operations. We strive to create and build mutually beneficial opportunities and solutions.
- Sharing our environmental commitments, efforts and performance with CN supply chain partners, suppliers, governments, and communities, including Indigenous communities.

#### **4. Monitoring and reporting**

- CN's Environmental Policy is approved at the level of our President and CEO, with annual performance direction, reviews, and leadership discussions taking place at the level of our Safety and Environment Committee of the CN Board of Directors.
- At CN's executive level, our Executive Review Committee is responsible for the approval of governance documents overseeing our Environmental Management Programs (EMP), as advanced through our EMS. Committed to continuous improvement, CN's EMS strategy is led by our senior director of Environment, working across all layers of the Executive Review Committee to provide oversight across systems, policies, and programs to ensure our policy, standards and commitments are delivered across the network.

- Anyone who becomes aware of a violation of this Policy is strongly encouraged to speak up. CN prohibits retaliation against any person for reporting, in good faith, contraventions of this Policy, 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.

<b>CN's Hotline</b>	Tel: <b>1-800-925-5974</b> or online at <a href="http://www.reportanissue.com">www.reportanissue.com</a>
<b>CN's Ombudsman</b>	Tel: <b>1-866-226-8968</b> / e-mail: <a href="mailto:ombudsman@cn.ca">ombudsman@cn.ca</a>
	<i>The Office of the Ombudsman has a confidential voicemail available 24 hours a day on which you can leave a message.</i>

- Results of environmental performance are communicated through CN's annual reports, sustainability reports, website, sustainability submissions and other public disclosures.

## 5. Related policies and further information

CN's Environmental Policy is complemented by other policies, codes and commitments, such as:

- [CN Code of Business Conduct](#)
- [CN Operating Rules and Work/Rest Rules](#)
- [CN Extreme Weather Plan](#)
- [CN Supplier Code of Conduct](#)
- [CN Human Rights Policy](#)
- [CN EcoConnexions Programs](#)
- [Delivering Responsibly website](#)

**Version:** 2.0

**Approved by:**

Tracy Robinson, President and Chief Executive Officer

**Effective Date:** 2024-Jan-01

**Review Cycle:** Periodically reviewed to ensure its continuing suitability. Next expected review cycle: March 2025