



# Supplier Code of Conduct

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Approved by: President & CEO

Effective: September 5, 2024

## 1.0 OBJECTIVE

This Supplier Code of Conduct (the “Policy”) provides a framework of ethical standards, respect for human rights and environmentally and socially responsible practices to support Canadian Pacific Kansas City Limited and its subsidiaries (collectively, “CPKC”) when sourcing goods and services. This Policy clarifies CPKC’s expectations for suppliers and contractors of goods and services (collectively, “Suppliers”) when conducting business with CPKC.

## 2.0 POLICY STATEMENT

CPKC is committed to conducting our business with unwavering ethical standards, upholding human rights, promoting environmental stewardship and maintaining responsible business practices. We expect our Suppliers to share this commitment. This Policy establishes a code of conduct for all CPKC Suppliers to extend robust, consistent, ethical, and transparent environmental, social and governance practices across CPKC’s supply chain.

## 3.0 SCOPE

The Policy applies to all Suppliers who provide goods and/or services to CPKC, regardless of location, and extends to all CPKC employees, directors, officers, agents, and representatives (collectively “CPKC Personnel”) while procuring goods and/or services on behalf of CPKC.

With respect to Suppliers who provide goods and/or services to CPKC, to the extent applicable, it is expected that such Suppliers will either abide by the Policy or undertake, as a condition of their engagement with CPKC, to adhere to principles and standards of business conduct consistent with the Policy.

## 4.0 SUPPLIER EXPECTATIONS

CPKC expects our Suppliers to operate in a manner consistent with recognized principles and standards for responsible business conduct, including those applicable to labour, health and safety, the environment, ethics and management systems. CPKC has adopted the following supplier expectations informed by global standards, including the United Nations Guiding Principles on Business and Human Rights, International Labor Organization’s Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

Specifically, CPKC expects our Suppliers to:

### 1. Operate Ethically

- Uphold strong standards of business ethics in accordance with applicable laws and CPKC’s Code of Business Ethics.
- CPKC will not tolerate corruption, insufficient protection of personal and confidential information, anti-competitive practices, bribery, conflicts of interest, violation of applicable laws and regulations, or fraud in any form. Suppliers and CPKC Personnel are required to comply with the standards of the CPKC Global Anti-Corruption Policy.

- Adopt and maintain appropriate due diligence practices to ensure compliance with applicable laws and recognized principles and standards for responsible business conduct.
- Conduct business and business activities in a manner that meets or exceeds all applicable laws and regulations in jurisdictions in which they operate. Where local laws fall below the expectations set out in this Policy, the more protective expectations should apply.
- Maintain accurate and complete business and financial records.
- Maintain a sustainable procurement policy and practices for themselves and their own Suppliers.
- Work collaboratively with CPKC to implement measures to mitigate the risks and potential business impacts of planned technological obsolescence.
- Take reasonable precautions to mitigate cybersecurity risks and protect confidential CPKC data and personal information in accordance with applicable laws and regulations.

## **2. Respect Human Rights**

- Respect the fundamental human rights of workers and the communities in which they operate in accordance with applicable laws and regulations.
- Respect the cultures, customs and values of the communities in which they operate, including the rights of Indigenous peoples.
- Provide access to grievance mechanisms and remedies in instances of known or alleged human rights abuses in their operations.
- Ensure that all goods, services, and/or facilities provided to CPKC comply with applicable accessibility standards and strive to promote workplace accessibility and disability accommodation within their own operations and supply chains.

## **3. Maintain a Safe and Respectful Workplace**

- Provide a safe, clean and healthy workplace for employees in accordance with occupational health and safety regulations and all CPKC specified safety requirements for contractors operating on CPKC property.
- Provide fair compensation and ethical treatment for workers, in compliance with applicable laws and regulations governing working conditions, wages and benefits.
- Maintain a workplace that is free from all forms of harassment, discrimination and violence.
- Respect the rights of workers to unionize in accordance with local laws.
- Promote employment equity, inclusivity and diversity in the workplace.

## **4. Prohibit all Forms of Modern Slavery**

- Prohibit and condemn the use of any form of modern slavery, which includes compulsory or forced labour, child labour, human trafficking, sexual exploitation, corporal punishment, inhumane or degrading treatment, or any other form of modern slavery, in their operations and supply chains.
- Maintain reasonable due diligence and risk management systems to prevent and reduce the risk of modern slavery in their operations and supply chains, including using commercially reasonable efforts to have any upstream suppliers align their practices and governance with the Policy or equivalent frameworks or standards.
- Suspend or discontinue engagement with any upstream suppliers where they are engaged, or suspected to be engaged, in modern slavery and have failed to mitigate such actions.
- Implement lawful working shifts and ensure that, when applicable, overtime is paid in accordance with the applicable laws and regulations.

## **5. Minimize Environmental Impacts**

- Operate in a manner that mitigates the impacts of business activities on the natural environment, including adverse effects on biodiversity, land or water quality, wildlife populations and sensitive habitats.
- Maintain practices that enable monitoring and management of business activity impacts on environmental health, including monitoring the use of water, energy and natural resources, measuring and reducing the impact of operational waste and greenhouse gas emissions, and complying with all applicable environmental laws and regulations.
- Encourage resource efficiency by conserving, recycling and reusing materials.

## **5.0 IMPLEMENTATION**

- CPKC will provide ongoing leadership and resources to embed the above principles into our sourcing culture and practices.
- Implementation of this Policy is led by CPKC's Vice-President, Procurement with the support of the Sustainable Procurement Committee (the "SPC").
- The SPC consists of senior leadership, mid-level managers and personnel of the CPKC procurement group and is responsible for coordinating the implementation of this Policy.
- The SPC collaborates regularly with CPKC's Sustainability and Environmental groups to provide feedback and update the content of this Policy.
- The SPC also coordinates formal training to all procurement personnel to support Policy implementation.

## **6.0 MONITORING**

CPKC expects our Suppliers to read and align with this Policy as a condition of doing business with CPKC. CPKC's procurement group is available to facilitate Supplier access to resources to assist Suppliers in meeting these commitments. CPKC may leverage any of the following measures to assure Supplier compliance:

- Suppliers should communicate the principles and expectations in this Policy to their management, employees, and their upstream Suppliers to build an appropriate level of awareness and understanding of CPKC's expectations.
- CPKC may request Suppliers to provide reasonable access to documentation or operating facilities/locations to allow CPKC to validate Supplier alignment with this Policy. Suppliers are expected to provide access to information and facilities within a reasonable timeframe.
- CPKC may also implement a formal auditing process (including monitoring and regular reporting) to evaluate Supplier performance according to this Policy.
- Should any deviations from the Policy be identified, Suppliers may be expected to develop and implement corrective action plans to promptly address any highlighted issues.
- CPKC's Personnel are obligated to report known or suspected issues of non-alignment with this Policy to their supervisor as soon as possible. Suppliers are expected to report any known or suspected issues of non-alignment with this Policy within their own operations or in their supply chains to CPKC as soon as possible to [suppliers@cpkcr.com](mailto:suppliers@cpkcr.com).
- Where required, reports of non-alignment can also be submitted anonymously by using CPKC's independently managed Ethics Line by telephone at 1-888-279-6235 in Canada and the United States, and +52 800 777 0424 in Mexico, or by filing a report at:

<https://secure.ethicspoint.com/domain/media/en/gui/22547/index.html>.

## 7.0 COMPLIANCE

- All CPKC Personnel and Suppliers are expected to align with the Policy in the context of their work for CPKC. Any non-alignment with this Policy may result in disciplinary action, including termination of agreement, contract, relationship, employment, legal action, or corrective action, as appropriate.

## 8.0 REPORTING

- Monitoring of CPKC's performance and alignment with the Policy is overseen by the SPC, with periodic reporting to CPKC's Executive Sustainability Steering Committee, Executive Leadership Team, President and CEO, and the Risk and Sustainability Committee of the Board of Directors led by the Vice-President, Procurement.
- Results of supply chain performance are communicated through CPKC's annual reports, sustainability reports, website, and other public disclosures.

### History

Version	Description	Date
1.0		July 27, 2020
2.0	Updates for Name Changes and Other Amendments	September 5, 2024