CPKC

2025 CDP Response

Sustainably Driven



CDP Response

Notice to users: This CDP Response includes activities and operations for Canadian Pacific Kansas City Limited (CPKC) and its wholly owned subsidiaries from Jan. 1 to Dec. 31, 2024. It is not intended to serve as a comprehensive report of all sustainability initiatives by CPKC. On April 14, 2023, we completed our acquisition of Kansas City Southern (KCS). The results from the acquired KCS operations are included in this response from the date of acquisition unless otherwise stated. For more information or questions regarding this response or sustainability at CPKC, please contact sustainability@cpkcr.com

HEAD OFFICE:
CPKC
ATTN: SUSTAINABILITY
7550 Ogden Dale Road S.E.
Calgary, AB, Canada T2C 4X9



Table of Contents

C1. Introduction	03
C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities	07
C3. Disclosure of risks and opportunities	13
C4. Governance	20
C5. Business strategy	31
C6. Consolidation approach	51
C7. Climate change	53
C13. Further information & sign off	90
Appendix 1: Forward-looking information	92
Appendix 2: Assurance statement	95

C1. Introduction



1.1

In which language are you submitting your response?

☑ English

1.2

Select the currency used for all financial information disclosed throughout your response.

☑ CAD

1.3

Provide an overview and introduction to your organization.

Organization type
☑ Publicly traded organization

Description of organization
With global headquarters in Calgary, Alta., Canada, CPKC delivers transportation solutions across the only single-line transnational railway linking Canada, the United States and Mexico. Stretching approximately 20,000 route miles, and employing approximately 20,000 railroaders, CPKC provides North American customers freight transportation services, logistics solutions and supply chain expertise. This CDP response covers the Company's activities and operations from January 1st through December 31st of 2024. In this report, unless the context indicates otherwise, we use "CPKC" or "the Company", to refer to Canadian Pacific Kansas City Limited and its subsidiaries as they exist after April 14, 2023. We use "CP" and "legacy CP" to mean the historical company and our subsidiaries as they existed prior to April 14, 2023. The methodologies, greenhouse gas (GHG) emissions data and assumptions underlying our sustainability strategy approach, analysis and other information included in this report (including those used to estimate GHG emissions and other climate-related data) continue to develop and remain subject to change. In addition, this report includes and relies upon sustainability information prepared by or on behalf of Kansas City Southern ("KCS") in the 2023 reporting year, which may have been prepared using methodologies, data and assumptions different from those used by CPKC. Financial data from the Annual report have been prepared in accordance with U.S. GAAP, which includes KCS as a consolidated subsidiary from April 14, 2023. For the period beginning on January 1, 2023 and ending on April 13, 2023, the Company's 100% interest in KCS was accounted for and reported as an equity-method investment. Certain combined metrics incorporating legacy KCS and legacy CP data may not have been prepared in accordance with Regulation S-X Article 11 (Article 11) as Article 11 does not encompass the presentation of non-financial information. Such information is being presented for illustrative purposes only and does not purport to represent what the actual consolidated results of operations, revenue performance, GHG emissions or operating performance would have been had legacy CP had control of legacy KCS and consolidation actually had occurred for the periods presented. As we continue to evolve our sustainability approach in light of changing regulatory, scientific, business and other factors, we may include information in this document that differs from our prior disclosures to CDP, and may in future disclosures include information that differs from the information in this document. Please refer to the most recent document. We undertake no obligation to update or otherwise revise any information contained in this document or prior disclosures. See our sustainability report for additional cautionary notes regarding information, including forward-looking information, related to sustainability at CPKC. Please note that, in this report we may use words, including "impact", "sustainability" and "significant", in ways that differ from the meaning under any law or regulation. The terms "materiality" and "materiality assessment" are used specifically to refer to the process we use to identify the sustainability topics most relevant to our business or our stakeholders. The specific meaning of the term "materiality" in this context differs from the meaning of the terms "material" or "materiality" under any law or regulation or when used in connection with public disclosure of material information, including financial filings with securities regulators. Scenario analysis involves significant assumptions and uncertainties, and the results of the analysis are not meant to indicate a forecast of future results but rather presents a range of potential financial impacts. CPKC periodically conducts sustainability "materiality" assessments involving internal and external stakeholders to identify the sustainability topics that are most relevant to our business and stakeholders. While environmental topics such as water, plastics and biodiversity are important to CPKC and are addressed through other disclosures, they were not identified as priorities in our most recent assessment. Climate change, however, emerged as a key focus area due to its impact on our operations, risk profile and stakeholder expectations. Accordingly, this CDP response is intentionally focused on climate-related disclosures. We remain committed to addressing other environmental topics through appropriate channels and will continue to reassess our priorities as part of our ongoing sustainability strategy.

1.4

State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

End date of reporting year	Alignment of this reporting period with your financial reporting period	Indicate if you are providing emissions data for past reporting years
12/31/2024	☑ Yes	☑ No

1.4.1

What is your organization's annual revenue for the reporting period?

14,546,000,000

1.5

Provide details on your reporting boundary.

Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
☑ Yes

1.6

Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN CODE - BOND

Does your organization use this unique identifier?
☑ No

ISIN CODE - EQUITY

Does your organization use this unique identifier?	Provide your unique identifier
☑ Yes	CA13646K1084

CUSIP NUMBER

Does your organization use this unique identifier?	Provide your unique identifier
☑ Yes	13646K108

TICKER SYMBOL

Does your organization use this unique identifier?	Provide your unique identifier
☑ Yes	CP

SEDOL CODE

Does your organization use this unique identifier?
☑ No

LEI NUMBER

Does your organization use this unique identifier?
☑ No

D-U-N-S NUMBER

Does your organization use this unique identifier?
☑ No

OTHER UNIQUE IDENTIFIER

Does your organization use this unique identifier?
☑ No

1.7

Select the countries/areas in which you operate.

☑ Canada
☑ Mexico
☑ United States of America

1.21

For which transport modes will you be providing data?

☑ Rail

1.24

Has your organization mapped its value chain?

Value chain mapped
☑ Yes, we have mapped or are currently in the process of mapping our value chain

Value chain stages covered in mapping
☑ Upstream value chain

Highest supplier tier mapped
☑ Tier 1 suppliers

Highest supplier tier known but not mapped
☑ All supplier tiers known have been mapped

Description of mapping process and coverage
In 2023, CPKC mapped our value chain to identify and classify Critical Tier 1 suppliers. Critical Tier 1 suppliers include vendors whose goods or services (G&S) could reasonably have significant impact on our operations or performance, who are a primary provider of specific G&S, or whose G&S are difficult to replace or substitute. These suppliers typically have a high level of spend, high profitability impact and account for a large portion of overall supplier spend. An example of a typical Critical Tier 1 Supplier would be a vendor who supplies locomotive fuel. CPKC regularly updates our mapping of Critical Tier 1 suppliers.

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities



RETURN TO TABLE OF CONTENTS

2.1

How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

	From (years)	Is your long-term time horizon open ended?	To (years)	How this time horizon is linked to strategic and/or financial planning
Short-term	0	N/A	5	In 2024, CPKC conducted a climate-related scenario analysis (CSA) to update our understanding of potential climate-related risks and opportunities out to 2050. CPKC uses CSA as an iterative process that informs our strategic planning and resilience efforts. Each analysis helps refine our understanding of how climate-related changes may affect our operations, customers and supply-chain. CPKC defined short-, medium and long-term time horizons in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and aligned these time horizons with our strategic and financial planning periods, which typically fell into three categories: short-term (0-5 years), medium-term (6-15 years) and long-term (15+ years).
Medium-term	6	N/A	15	
Long-term	15	☑ No	25	

2.2

Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

Process in place
☑ Yes

Dependencies and/or impacts evaluated in this process
☑ Impacts only

Primary reason for not evaluating dependencies and/or impacts
☑ Not an immediate strategic priority

Explain why you do not evaluate dependencies and/or impacts and describe any plans to do so in the future
In this report and in our general approach, our definition of "impact" may differ from the meaning of the term "impact" under any law or regulations. Our 2024 CSA for the rail network focused on the identification of climate-related risks and opportunities as well as potential impacts to the Company. Through our sustainability materiality assessment, CPKC has also identified business impacts due to climate change and associated risks and opportunities. In addition, CPKC also assesses risks associated with non-compliance with regulations on discharge requirements. Currently, CPKC has not identified and assessed dependencies as a part of our risk assessment process. CPKC regularly evaluates our sustainability priorities, policies, practices, programs, goals and objectives to ensure they meet the needs of the Company.

2.2.1

Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
☑ Yes	☑ Both risks and opportunities	☑ Yes

2.2.2

Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

ROW 1

Environmental issue
☑ Climate change

Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue
☑ Impacts
☑ Risks
☑ Opportunities

Value chain stages covered
☑ Direct operations
☑ Upstream value chain
☑ Downstream value chain

Coverage
☑ Full

Supplier tiers covered
☑ Tier 1 suppliers

Type of assessment
☑ Qualitative and quantitative

Frequency of assessment
☑ More than once a year

Time horizons covered
☑ Short-term
☑ Medium-term
☑ Long-term

Integration of risk management process
☑ Integrated into multi-disciplinary organization-wide risk management process

Location-specificity used
☑ Site-specific
☑ National

Tools and methods used

Enterprise Risk Management
☑ Enterprise Risk Management

International methodologies and standards
☑ IPCC Climate Change Projections

Other
☑ Desk-based research
☑ Materiality assessment
☑ Partner and stakeholder consultation/analysis
☑ Scenario analysis

Risk types and criteria considered

Acute physical
☑ Drought
☑ Avalanche
☑ Landslide
☑ Wildfires
☑ Heat waves
☑ Cold wave/frost
☑ Heavy precipitation (rain, hail, snow/ice)
☑ Flood (coastal, fluvial, pluvial, ground water)
☑ Storm (including blizzards, dust, and sandstorms)

Chronic physical
☑ Increased severity of extreme weather events
☑ Precipitation or hydrological variability
☑ Temperature variability

Policy
☑ Carbon pricing mechanisms
☑ Changes to national legislation
☑ Other policy, please specify: Assessing applicability of and compliance with emerging international and regional regulations in jurisdictions in which we have operations

Market
☑ Changing customer behavior

Reputation
☑ Other reputation, please specify: Growing interest in lower-carbon freight transportation

Technology
☑ Transition to lower emissions technology and products

Liability
☑ Exposure to litigation
☑ Non-compliance with regulations

Partners and stakeholders considered
☑ Customers
☑ Employees
☑ Regulators
☑ Suppliers

Has this process changed since the previous reporting year?
☑ No

Further details of process
Organizational risks or opportunities are identified, assessed and prioritized as required based on potential impact and likelihood, taking account of financial, safety, environmental, strategic and reputational impacts, as well as existing management measures. Our enterprise-wide risk management program integrates climate-related risks across short-, medium- and long-term time horizons and includes risks that impact CPKC's direct operations in addition to the upstream and downstream value chain. This process is designed to support CPKC's ability to identify, assess and respond to climate-related risks and classify them from a minimal to a catastrophic level of impact. CPKC supplements the enterprise-wide risk management program with projects that specifically focus on evaluating climate-related risks and opportunities. For example, in 2024, we advanced our understanding of physical climate risks to our network by completing a Canada wide physical risk assessment with funding from Transport Canada's Rail Climate Change Adaptation Program. This project evaluated climate risks using climate data and field observations across 2,700 km of our network in British Columbia. CPKC's 2024-2025 Winter Contingency Report improved operating performance through forecasting, contingency planning and predictive winter modeling to prepare for adverse winter conditions. This plan complements CPKC's seasonal and business continuity plans to mitigate the impacts of severe weather events on operations and safety. Most recently, in 2024 CPKC conducted an CSA to update our understanding of climate-related risks and opportunities that are relevant to the Company. The CSA evaluated 20 climate change impact pathways across five topics representing

key market segments and emerging risks and priorities for CPKC: renewable fuels, energy, chemicals and plastics (ECP), agriculture, intermodal transportation and critical suppliers. The CSA evaluated the potential for physical risks, transition risks and climate opportunities at 245 unique locations representing key customer and operational locations in the selected market segments across Canada, the US and Mexico. In assessing these topics, we explored how advancements in clean energy technologies, implementation of climate policies and regulations and investment in clean energy infrastructure and technologies could impact our business. CPKC periodically reviews results of the CSA to support business decisions surrounding the response to and mitigation of climate risks and to act on climate-related opportunities across all time horizons.

2.2.7

Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed
☑ Yes

Description of how interconnections are assessed
Organizational risks or opportunities are identified, assessed and prioritized as required based on potential impact and likelihood, taking account of financial, safety, environmental, strategic and reputational impacts, as well as existing management measures. CPKC leverages CSA to explore the interconnections between environmental impacts, risks and opportunities. The outputs of this process help CPKC understand how the dynamics of climate change may influence operational resilience, long-term planning and value creation. The results of CPKC's scenario analysis have identified impacts associated with key risks and opportunities as well as areas where further investments can mitigate climate-related risks and capture opportunities. For example, scenario analysis enhances CPKC's ability to adapt operational practices by deepening the understanding of potential climate impacts on CPKC's assets and network operations. Specifically, this process provides insights into specific vulnerabilities and adaptive capacities (referring to precautionary measures) required to respond to climate change, pinpoints specific high-risk zones that may experience changes in climate-related hazards, and assesses their potential severity and likelihood under varying climate trajectories. This information supports the prioritization of risks, the effective allocation of capital investments and the implementation of targeted management strategies. Integrating the outcomes of the risk assessment into adaptive planning involves translating findings into actionable strategies and measures for enhancing climate resilience. The results of this effort support the Company's initiatives and investments in proactive infrastructure upgrades, operational adjustments and community transparency around climate resiliency.

2.4

How does your organization define substantive effects on your organization?

RISKS

Type of definition
☑ Qualitative
☑ Quantitative

Indicator used to define substantive effect
☑ Direct operating costs

Change to indicator
☑ Absolute increase

Absolute increase/ decrease figure
100,000,000

Metrics considered in definition
☑ Frequency of effect occurring
☑ Time horizon over which the effect occurs
☑ Likelihood of effect occurring

Application of definition
Organizational risks or opportunities are identified, assessed and prioritized as required based on potential impact and likelihood, taking account of financial, safety, environmental, strategic and reputational impacts as well as existing management measures. Our enterprise-wide risk management program integrates climate-related risks across short-, medium- and long-term time horizons and includes risks that impact CPKC's direct operations in addition to the upstream and downstream value chain. This process is designed to support CPKC's ability to identify, assess and respond to climate-related risks and classify them from a minimal to a catastrophic level of impact. Moderate risks are identified as those with a financial impact of at least $100M in operating costs or an event that requires up to a year of monitoring and recovery. Major risks are those likely to result in a significant disruption to business operations (such as infrastructure damage related to flooding, fire or other climate-related impacts) and identified as having a financial impact of at least $250M with an extended negative environmental, health and safety or reputational impact on the business. Catastrophic risks cause more than $400M of financial impact and create long-term and severe consequences for the business. In addition to rating corporate risks by severity, we assess the frequency and probability of occurrence, ranging from slight, not likely, likely, highly likely and expected. For example, a slight risk is considered to have less than a 10 percent probability of occurring or may occur every ten years or greater. Conversely, an expected risk has a 90 percent or greater probability of occurring or may occur at least annually. Together with the quantifiable financial and environmental thresholds, the frequency and probability of occurrence contribute to our assessment of substantive financial or strategic impact when assessing climate-related risks. If risks are deemed to have an impact severity of moderate or above or frequency of likely or above, they are considered substantive.

OPPORTUNITIES

Type of definition
☑ Qualitative
☑ Quantitative

Indicator used to define substantive effect
☑ Revenue

Change to indicator
☑ Absolute increase

Absolute increase/ decrease figure
100,000,000

Metrics considered in definition
☑ Frequency of effect occurring
☑ Time horizon over which the effect occurs
☑ Likelihood of effect occurring

Application of definition
CPKC has determined opportunities, including climate-related opportunities in line with the TCFD recommendations over short-, medium- and long-term time horizons. Short-term is defined as 0-5 years, medium-term is defined as 6-15 years and long-term is defined as 16-25 years. Opportunities such as increased annual freight revenue, fuel switching and fuel efficiency were evaluated in the CSA based on consequence and exposure. This approach considered the impact on CPKC operations, financial condition and strategy and future outlook. The corresponding outputs were dependent on the specific opportunity being evaluated.

C3. Disclosure of risks and opportunities



RETURN TO TABLE OF CONTENTS

3.1

Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental risks identified
Climate Change	☑ Yes, both in direct operations and upstream/downstream value chain

3.1.1

Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

CLIMATE CHANGE

Risk identifier

☑ Risk1

Risk types and primary environmental risk driver

Market

☑ Changing customer behavior

Value chain stage where the risk occurs

☑ Downstream value chain

Country/area where the risk occurs

☑ Canada
☑ Mexico
☑ United States of America

Organization-specific description of risk

A number of the sectors the Company serves have the potential to be significantly impacted by climate-related transitional risks, including increased regulations, technology changes and shifts in consumer preferences. CPKC's business is based on transporting a wide variety of commodities from suppliers to the marketplace. CPKC regularly transports energy commodities that serve refineries, processing locations and end-users across North America and global markets. CPKC's business lines include thermal and metallurgical coal, petroleum coke, crude oil and petroleum products, including liquefied petroleum gas, fuel oil, asphalt, gasoline, condensate (diluent) and lubricant oils. Shifting consumer demand to lower-carbon products and increased climate-focused regulations, such as carbon pricing and fuel regulations, may instigate a broad transition in the energy sector. Programs that place a price on carbon emissions or other government restrictions on certain market sectors may further impact current and potential freight rail customers in the energy sector. A comprehensive transition in the energy sector could significantly impact the markets of CPKC's energy customers or lead to market differentiation through geographic variation in policies and demand trends. A portion of CPKC's business could be materially affected by potential future changes and instability that may be related to such a transition.

Primary financial effect of the risk

☑ Decreased revenues due to reduced demand for products and services

Time horizon over which the risk is anticipated to have a substantive effect on the organization
☑ Short-term
☑ Medium-term
☑ Long-term
☑ The risk has already had a substantive effect on our organization in the reporting year

Likelihood of the risk having an effect within the anticipated time horizon
☑ Likely

Magnitude
☑ Medium

Effect of the risk on the financial position, financial performance and cash flows of the organization in the reporting year
A number of the sectors the Company serves have the potential to be significantly impacted by climate-related transitional risks, including increased regulations, technology changes and shifts in consumer preferences. CPKC's business is based on transporting a wide variety of commodities from suppliers to the marketplace. CPKC regularly transports energy commodities that serve refineries, processing locations and end-users across North America and global markets. CPKC's business lines include thermal and metallurgical coal, petroleum coke, crude oil and petroleum products, including liquefied petroleum gas, fuel oil, asphalt, gasoline, condensate (diluent) and lubricant oils. Shifting consumer demand to lower-carbon products and increased climate-focused regulations, such as carbon pricing and fuel regulations, may instigate a broad transition in the energy sector. Programs that place a price on carbon emissions or other government restrictions on certain market sectors may further impact current and potential freight rail customers in the energy sector. A comprehensive transition in the energy sector could significantly impact the markets of CPKC's energy customers or lead to market differentiation through geographic variation in policies and demand trends. A portion of CPKC's business could be materially affected by potential future changes and instability that may be related to such a transition.

Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons
A number of the sectors the Company serves have the potential to be significantly impacted by climate-related transitional risks, including increased regulations, technology changes and shifts in consumer preferences. CPKC's business is based on transporting a wide variety of commodities from suppliers to the marketplace. CPKC regularly transports energy commodities that serve refineries, processing locations and end-users across North America and global markets. CPKC's business lines include thermal and metallurgical coal, petroleum coke, crude oil and petroleum products, including liquefied petroleum gas, fuel oil, asphalt, gasoline, condensate (diluent) and lubricant oils. Shifting consumer demand to lower-carbon products and increased climate-focused regulations, such as carbon pricing and fuel regulations, may instigate a broad transition in the energy sector. Programs that place a price on carbon emissions or other government restrictions on certain market sectors may further impact current and potential freight rail customers in the energy sector. A comprehensive transition in the energy sector could significantly impact the markets of CPKC's energy customers or lead to market differentiation through geographic variation in policies and demand trends. A portion of CPKC's business could be materially affected by potential future changes and instability that may be related to such a transition.

Are you able to quantify the financial effect of the risk?
☑ Yes

Anticipated financial effect figure in the long-term – minimum (currency)
5,000,000

Anticipated financial effect figure in the long-term – maximum (currency)
218,000,000

Explanation of financial effect figure
In our 2024 CSA update, we estimated the financial risk of climate change by modelling changes in crude oil demand under three climate scenarios across the short-term (0-5 years), medium-term (6-15 years) and long-term (15+ years). In 2024, crude oil accounted for 10% of ECP revenue. Using CPKC's average crude oil shipment revenue, we calculated the corresponding revenue impact for each time horizon. Under the Net Zero by 2050 scenario, potential revenue impact by the 2050s range from -$5 million to -$218 million. In response, CPKC has strategically broadened our growth focus toward additional ECP commodities. The impacts and values discussed here are for illustration only and are not intended to provide a projection of future revenue at CPKC.

Primary response to risk
Diversification
☑ Develop new products, services and/or markets

Cost of response to risk
1

3.5

Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

☑ Yes

3.5.1

Select the carbon pricing regulation(s) which impact your operations.

☑ BC carbon tax
☑ Canada federal fuel charge

3.5.3

Complete the following table for each of the tax systems you are regulated by.

BC CARBON TAX

Period start date
01/01/2024

Period end date
12/31/2024

% of total Scope 1 emissions covered by tax
21

Total cost of tax paid
64,000,000

Comment
Under the British Columbia carbon tax, CPKC was required to remit carbon taxes to British Columbia based on fuel consumption within the province during 2024. Costs to comply with the carbon tax program increase the price of CPKC locomotive fuel and associated operating costs. Any increase in operating costs related to operations within the province is allocated to CPKC's customers based on Tariff 9800. The purpose of this tariff is to transparently convert carbon emissions costs from the method by which they are charged to the railway ($ per ton of CO_2-equivalent emissions per litre of fuel consumed) into a format applicable to customer shipments ($ per loaded car mile, $ per unit shipped, etc.). Tariff 9800 is publicly available and applies to all shipments moving through British Columbia to recover the incremental expense associated with carbon taxes or levies. The surcharge amount is calculated to recover this projected expense and appears as a separate line item on invoices for customer freight charges. In early 2025, the Government of British Columbia announced that application of the carbon tax would cease as of March 31, 2025. As a result, carbon tax will no longer be paid in activities after March 31, 2025. The total cost of tax paid disclosed above reflects all carbon tax paid by CPKC to the Government of British Columbia during the 2024 reporting period.

CANADA FEDERAL FUEL CHARGE

Period start date
01/01/2024

Period end date
12/31/2024

% of total Scope 1 emissions covered by tax
35

Total cost of tax paid
109,000,000

Comment
In 2024 under the federal fuel charge CPKC was required to remit carbon taxes to the federal government based on fuel consumption (except in provinces with an approved carbon pricing program ex. Quebec and British Columbia). Costs to comply with carbon tax programs effectively increase the price of locomotive fuel and associated operating costs to CPKC. Any increase in operating costs related to operations within this region is allocated to CPKC's customers based on Tariff 9800. The purpose of this tariff is to transparently convert carbon emissions costs from the method by which they are charged to the railway ($ per ton of CO_2-equivalent emissions per litre of fuel consumed) into a format applicable to customer shipments ($ per loaded car mile, $ per unit shipped). Specifically, the surcharges in the tariff apply to all shipments moving through Canadian provinces that are subject to the federal carbon pricing program to recover the incremental expense associated with carbon taxes or levies. A GHG emissions surcharge is applied to every shipment moving through applicable provinces and appears as a separate line item on invoices for freight charges. On March 15, 2025, the Government of Canada made regulations that cease the application of the federal fuel charge. As a result, fuel charge will no longer be paid on activities after March 31, 2025. The total cost of tax paid disclosed above reflects all carbon tax paid by CPKC to the Government of Canada during the 2024 reporting period.

3.5.4

What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

CPKC actively engages in all carbon pricing programs that impact our operations. To support compliance with these programs, CPKC established a cross-functional team with participants from Treasury, Fuel Group, Commodity Taxation, Environmental Risk, Strategy and Legal. Subject matter experts from these teams regularly review program developments and implement appropriate compliance mechanisms to prepare CPKC for complying with the carbon pricing systems in which we participate. Carbon pricing programs continue to evolve in Canada. During 2024, this team periodically reviewed carbon pricing program developments in Alberta, Québec, Manitoba, Saskatchewan and British Columbia, as well as at the federal level. In 2024, Canada's federal carbon tax was $80 per metric ton CO_2e. The Government of Canada has updated the regulation to effectively cease the application of the federal fuel charge, effective March 31, 2025, and removed requirements for provinces and territories to have a consumer-facing carbon price as of that date. CPKC's cross-functional team is responsible for all aspects of maintaining compliance, including fuel procurement, tracking, reporting, verification, sourcing carbon allowances (as needed), internal/external communications and meeting regulatory deadlines. For example, one output of this strategy is annually updating and communicating our Tariff 9800 to impacted customers. As governments implement or adjust environmental taxes or levies, CPKC updates surcharge rates reflected in Tariff 9800. The tariff will continue to be adjusted to accommodate for changes to fuel pricing and carbon pricing schemes. Tariff 9800 establishes emissions surcharge rates at the province level to recoup carbon price costs related to fuels used in transporting customer goods. Tariff 9800 is designed to maintain an equitable, revenue-neutral system to clearly articulate and distribute carbon costs to our customers. The result of these actions to comply with carbon pricing systems and updating and communicating Tariff 9800 enables CPKC to maintain competitive shipping rates, which are key to our strategy for complying with any regulatory carbon pricing systems in effect.

3.6

Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate Change	☑ Yes, we have identified opportunities, and some/all are being realized

3.6.1

Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

CLIMATE CHANGE

Opportunity identifier
☑ Opp1

Opportunity type and primary environmental opportunity driver
Products and services
☑ Development of new products or services through R&D and innovation

Value chain stage where the opportunity occurs
☑ Direct operations

Country/area where the opportunity occurs
☑ Canada
☑ Mexico
☑ United States of America

Organization specific description
CPKC's current and prospective customers are increasingly looking for opportunities to reduce carbon emissions associated with their supply chains. According to the Association of American Railroads (AAR), transporting freight by rail is three-to-four times more fuel efficient than shipping by truck and produces about 75 percent less GHG emissions. As customer demand continues to increase for low-carbon services, the potential carbon intensity advantage of CPKC's rail services over other modes of transportation presents a significant opportunity to generate additional revenue. This opportunity is anticipated to be most pronounced for CPKC's intermodal services, where products are readily transitioned from highway truck transport to freight rail service. To help realize the opportunity associated with increased demand for freight rail due to climate and environmental considerations CPKC's efforts revolved around merging legacy CP with legacy KCS. CPKC anticipates the combination of legacy CP's and legacy KCS's rail network could result in increased demand for rail intermodal services. Through the CSA conducted by CP in 2020 and subsequently revised in 2024, we learned that should North America shift to a greater reliance on rail for freight movement to reduce GHG emissions, demand could cause further expansion of CPKC's rail services.

Primary financial effect of the opportunity
☑ Increased revenues resulting from increased demand for products and services

Time horizon over which the opportunity is anticipated to have a substantive effect on the organization
☑ Long-term

Likelihood of the opportunity having an effect within the anticipated time horizon
☑ Likely (66–100%)

Magnitude
☑ High

Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons
Through the CSA conducted by CP in 2020 and subsequently revised in 2024, we learned that should North America shift to a greater reliance on rail for freight movement to reduce GHG emissions, demand could cause further expansion of CPKC's rail services. Following the IEA's projections for future growth in North American freight rail demand (under a high rail scenario), North American freight rail could grow 2.33 percent annually until 2030 and then by 1.69 percent until 2040. CPKC's annual freight revenues would then reach $19.75B ($14.55B*(1+0.0233)^6 = $16.70B; $16.70B*(1+0.0169)^10 = $19.75B) by 2040, which is an increase of $5.20B above current levels ($19.75B is about $5.20B greater than $14.55B). These estimates are intended to illustrate the potential for business growth should the future align with the IEA High Rail Scenario. The values presented here are for illustrations purposes only and are not intended to provide a projection of future revenue at CPKC.

Are you able to quantify the financial effects of the opportunity?
☑ Yes

Anticipated financial effect figure in the long-term – minimum (currency)
3,980,000,000

Anticipated financial effect figure in the long-term – maximum (currency)
5,200,000,000

Explanation of financial effect figures
Through the CSA conducted by CP in 2020 and subsequently revised in 2024, we learned that should North America shift to a greater reliance on rail for freight movement to reduce GHG emissions, demand could cause further expansion of CPKC's rail services. Following the IEA's projections for future growth in North American freight rail demand (under a base rail scenario), North American freight rail could grow 1.80 percent annually until 2030 and then by 1.36 percent until 2040. CPKC's annual freight revenues would then reach $18.53B ($14.55B*(1+0.0180)^6 = $16.19B; $16.19B*(1+0.0136)^10 = $18.53B) by 2040, which is an increase of $3.98B above current levels ($18.53B is about $3.98B greater than $14.55B). Following the IEA's projections for future growth in North American freight rail demand (under a high rail scenario), North American freight rail could grow 2.33 percent annually until 2030 and then by 1.69 percent until 2040. CPKC's annual freight revenues would then reach $19.75B ($14.55B*(1+0.0233)^6 = $16.70B; $16.70B*(1+0.0169)^10 = $19.75B) by 2040, which is an increase of $5.20B above current levels ($19.75B is about $5.20B greater than $14.55B). These estimates are intended to illustrate the potential for business growth should the future align with the IEA High Rail Scenario. The values presented here are for illustrations purposes only and are not intended to provide a projection of future revenue at CPKC.

Cost to realize opportunity
2,343,000,000

Explanation of cost calculation
CPKC is undertaking efforts to realize the opportunity associated with growing demand for freight rail services. This has included our strategic approach to business growth, highlighted by our acquisition of legacy KCS (acquired control in 2023). Please note that we cannot specifically quantify the costs associated with the acquisition of legacy KCS to realize this opportunity. This acquisition helps CPKC to take further advantage of the emissions and operational fuel efficiencies of freight rail. In addition, CPKC's continued investment in increasing operational efficiency will also help to realize this opportunity. These investments in 2024 included continued re-investment in the Company's existing locomotive fleet and rail cars, for renewal of depleted assets and increased fuel efficiency and reduction in GHG emissions. In 2024, CPKC invested $335M in upgrading the existing locomotive fleet, $11M in rail cars, $387M in network improvements and growth initiatives and $1,610M in track and roadway investment for the renewal of depleted assets, totaling $2,343M ($335M + $11M + 1,610M+$387M = $2,343M).

Strategy to realize opportunity
(S) Legacy CP had been working to grow our network to offer more destinations and routing options for our customers and the North American logistics supply chain. This includes our 2020 acquisition of the Central Maine & Quebec Railway, which extended our network reach to the East Coast for the first time in 25 years. (T) The Company continued to explore opportunities to expand the reach of our network, and grow our capabilities to provide reliable, safe and environmentally friendly services to our customers and other stakeholders. (A) To help realize the opportunity associated with increased demand for freight rail due to climate and environmental considerations, legacy CP's efforts revolved around merging with legacy KCS in 2023. The acquisition was approved by the STB in March 2023, acquiring control of legacy KCS in April 2023 to form a combined railroad company, CPKC. Following completion, CPKC became the only railway spanning Canada, the U.S. and Mexico, with a much larger integrated and more competitive network. The timescale of integration for CPKC is expected to occur over multiple years. (R) The combination of legacy CP and legacy KCS rail network has resulted in increased demand for rail intermodal services. For example, CPKC estimated that in the six months between May 2024 and October 2024, over 4,588 intermodal units have been transported by CPKC's intermodal rail operations instead of by truck. Each CPKC intermodal unit is approximately equivalent to one over-the-road truck removed from the highway.

C4. Governance



4.1

Does your organization have a board of directors or an equivalent governing body?

Board of directors or equivalent governing body
☑ Yes

Frequency with which the board or equivalent meets
☑ More frequently than quarterly

Types of directors your board or equivalent is comprised of
☑ Executive directors or equivalent
☑ Independent non-executive directors or equivalent

Board diversity and inclusion policy
☑ Yes, and it is publicly available

Briefly describe what the policy covers
The Board of Directors Diversity Policy confirms that diversity of thought, background, skills and experience facilitates a broader exchange of perspectives and is essential in maintaining an effective Board. The objective of this policy is to set out principles by which the Board will continue to enhance diversity and inclusion. When identifying candidates for election or appointment to the Board of Directors, CPKC will take into account skills, background, experience and knowledge; we will also strive to consider factors such as gender, age, geographical representation from the regions in which we operate, cultural heritage and different abilities. We also strive to use, to their fullest potential, CPKC's network of relationships, in addition to using third party organizations, that may help identify diverse candidates joining the Board.

Attach the policy (optional)
board-diversity-policy-1.pdf

4.1.1

Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	☑ Yes

4.1.2

Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

CLIMATE CHANGE

Positions of individuals or committees with accountability for this environmental issue

☑ Board-level committee

Positions' accountability for this environmental issue is outlined in policies applicable to the board

☑ Yes

Policies which outline the positions' accountability for this environmental issue

☑ Board Terms of Reference

Frequency with which this environmental issue is a scheduled agenda item

☑ Scheduled agenda item in some board meetings – at least annually

Governance mechanisms into which this environmental issue is integrated

☑ Reviewing and guiding annual budgets
☑ Overseeing and guiding scenario analysis
☑ Overseeing the setting of corporate targets
☑ Monitoring progress towards corporate targets
☑ Approving corporate policies and/or commitments
☑ Monitoring the implementation of a climate transition plan
☑ Overseeing and guiding the development of a business strategy
☑ Overseeing and guiding acquisitions, mergers, and divestitures
☑ Monitoring supplier compliance with organizational requirements
☑ Monitoring compliance with corporate policies and/or commitments
☑ Overseeing and guiding the development of a climate transition plan
☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
☑ Overseeing and guiding public policy engagement
☑ Reviewing and guiding innovation/R&D priorities
☑ Overseeing and guiding major capital expenditures
☑ Monitoring the implementation of the business strategy
☑ Overseeing reporting, audit, and verification processes

Please explain

The Board is responsible for overseeing CPKC's business, providing overall guidance and direction to management, our long-term strategic direction, succession plans for senior officers, risk oversight and ensuring that the long-term interests of shareholders are served. The Board also has final approval on all matters related to executive compensation and employee incentives. The Risk and Sustainability Committee of the Board reviews the Company's short- and long-term sustainability objectives and monitors emerging trends. As outlined in the Committee's Terms of Reference, the Risk and Sustainability Committee is responsible for reviewing performance against sustainability objectives, plans to improve sustainability practices and reporting, and strategic plans and opportunities to align sustainability objectives with the Company's climate strategy. The Risk and Sustainability committee had three formal meetings in 2024 and a number of informal meetings to discuss the matters before the Committee.

- Committee Chair engaged top shareholders in discussions, including on sustainability matters.
- Engagement with management on the Company's key carbon reduction efforts, including progress on management's analysis of potential decarbonization opportunities and important ongoing climate initiatives.
- Received updates from management on the Company's low carbon innovation and value chain engagement initiatives, including the hydrogen locomotive program and the enhancement of fuel saving, energy management technologies.
- Received updates on management's evaluation of locomotive fleet renewal options.
- Received regular sustainability updates from management, including on sustainability governance matters.
- Provided oversight with respect to key sustainability disclosures and engagement with third-party sustainability information providers and ratings organizations.

4.2

Does your organization's board have competency on environmental issues?

CLIMATE CHANGE

Board-level competency on this environmental issue

☑ Yes

Mechanisms to maintain an environmentally competent board

☑ Consulting regularly with an internal, permanent, subject-expert working group
☑ Engaging regularly with external stakeholders and experts on environmental issues
☑ Integrating knowledge of environmental issues into board nominating process
☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
☑ Having at least one board member with expertise on this environmental issue

Environmental expertise of the board member

Experience

☑ Executive-level experience in a role focused on environmental issues

4.3

Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	☑ Yes

4.3.1

Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

CLIMATE CHANGE

Position of individual or committee with responsibility

Executive level

☑ Chief Executive Officer (CEO)

Environmental responsibilities of this position

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets
☑ Measuring progress towards environmental science-based targets
☑ Setting corporate environmental policies and/or commitments
☑ Setting corporate environmental targets

Strategy and financial planning

☑ Implementing a climate transition plan

Reporting line
☑ Reports to the board directly

Frequency of reporting to the board on environmental issues
☑ Half-yearly

Please explain
With oversight from the President and CEO, implementation of CPKC's sustainability objectives, including as they relate to climate change, is guided by a cross-functional Sustainability Steering Committee (SSC). The SSC reports progress and advances recommendations on the Company's sustainability objectives, policies and management approach to the Risk and Sustainability Committee. To drive the Company's focus on decarbonization, we have established a Carbon Reduction Task Force (CRTF), composed of the Company's engineers and operations experts. Reporting to the SSC, the CRTF evaluates, recommends and implements climate action measures that are intended to reduce GHG emissions and drive performance on our science-based target. The CRTF engages with various stakeholders, including climate experts to conduct research and implement pilot and demonstration-level projects, which support innovation and development of solutions for the rail sector.

4.5

Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

CLIMATE CHANGE

Provision of monetary incentives related to this environmental issue
☑ No, and we do not plan to introduce them in the next two years

Please explain
CPKC does not have a distinct monetary incentive related to the management of climate change. CPKC's compensation program includes short- and long-term incentives to support our pay for performance culture and is linked to the critical metrics that drive the achievement of our strategic plan while creating long-term sustainable value for our shareholders. CPKC's STIP is an annual monetary award available to all non-union employees and focuses employees and executives on achieving strong financial, safety, operational and customer satisfaction results on an annual basis. Since the fuel used by the railroad is a major operating expense, we expect that evaluations for purposes of our STIP scorecard factor would be affected by efforts to execute on fuel efficiency efforts. Additionally, CPKC's management-level employees are eligible for long-term incentive plan (LTIP) awards to align their compensation with medium- and long-term performance of shares as well as business and financial objectives to deliver sustainable growth.

4.6

Does your organization have an environmental policy that addresses environmental issues?

Does your organization have any environmental policies?
☑ Yes

4.6.1

Provide details of your environmental policies.

ROW 1

Environmental issues covered

☑ Climate change
☑ Water
☑ Biodiversity

Level of coverage

☑ Organization-wide

Value chain stages covered

☑ Direct operations
☑ Upstream value chain
☑ Downstream value chain

Explain the coverage

CPKC's Environmental Policy provides a framework for environmental management across all of the activities, rail network infrastructure, facilities and land holdings of CPKC and its subsidiaries. By incorporating environmental commitments into business decisions and operational practices, CPKC seeks to minimize the environmental risks and potential impacts associated with our activities. CPKC strives to operate in a manner that minimizes adverse impacts of our business to the land, air, water and natural environment. We are committed to protecting the environment, promoting the health and wellness of our employees and communities and complying with applicable legal and regulatory requirements while providing an efficient and reliable transportation solution for our customers. The Environmental Policy applies to all employees, directors, officers, agents, contractors and representatives. With respect to CPKC suppliers who provide goods and/or services for CPKC and who are not in a direct employment relationship with 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 the principles and standards of business conduct consistent with the Policy. The Policy also highlights our commitment to Maintain Appropriate Environmental Management Practices, Practice Responsible Waste Management, Advance Energy Efficiency, Air Quality and Emissions Reductions Across Rail Operations, Promote the Protection of Nature and Biodiversity and Engage with our Stakeholders and Communities. CPKC's commitment to environmental protection is supported by our Code of Business Ethics, Safety Policy, Human Rights Policy and Supplier Code of Conduct.

Environmental policy content

Environmental commitment

☑ Commitment to comply with regulations and mandatory standards
☑ Commitment to take environmental action beyond regulatory compliance
☑ Commitment to stakeholder engagement and capacity building on environmental issues
☑ Other environmental commitment, please specify: Maintain appropriate environmental management practices; Practice responsible waste management

Climate-specific commitments

☑ Other climate-related commitment, please specify: Advance energy efficiency, air quality and emissions reductions across rail operations

Water-specific commitments

☑ Commitment to control/reduce/eliminate water pollution
☑ Other water-related commitment, please specify: Promote the efficient use of water through management practices, including monitoring water use, deployment of high efficiency equipment to minimize consumption and maintaining effective wastewater treatment systems. Promote the efficient use of water through management practices, including monitoring water use, deployment of high efficiency equipment to minimize consumption and maintaining effective wastewater treatment systems and practices focused on protecting the environment and downstream communities.

Social commitments

☑ Adoption of the UN International Labour Organization principles
☑ Commitment to promote gender equality and women's empowerment
☑ Commitment to respect internationally recognized human rights
☑ Other social commitment, please specify: Engage with relevant stakeholders, including our employees, customers, suppliers, municipalities, Indigenous communities, investors and regulators to raise

awareness about CPKC's environmental management practices. Engage with relevant stakeholders, including our employees, customers, suppliers, municipalities, Indigenous communities, investors and regulators to raise awareness about CPKC's environmental management practices and, where appropriate, support efforts to improve and encourage responsible environmental practices.

Indicate whether your environmental policy is in line with global environmental treaties or policy goals
☑ Yes, in line with the Paris Agreement

Public availability
☑ Publicly available

Attach the policy
CPKC_Environmental_Policy.pdf

4.10

Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Are you a signatory or member of any environmental collaborative frameworks or initiatives?
☑ Yes

Collaborative framework or initiative
☑ Science-Based Targets Initiative (SBTi)
☑ Task Force on Nature-related Financial Disclosures (TNFD)
☑ UN Global Compact

Describe your organization's role within each framework or initiative
CPKC is proud to be the first freight company in North America to participate in the United Nations (UN) Global Compact, a voluntary leadership platform for the development, implementation and disclosure of responsible business practices. Launched in 2000, the UN Global Compact is the largest corporate sustainability initiative in the world, with more than 22,000 participating companies in over 160 countries. In 2023, CPKC joined the TNFD Forum. Also in 2023, CPKC announced an SBTi validated GHG emissions reduction target to reduce our well-to-wheel (WTW) locomotive emissions by 36.9% per gross ton-mile by 2030 from a 2020 base year. More information on our GHG emissions reduction target and pathways to reduce emissions can be found in Module 7 of this response and our CPKC Climate Mileposts: https://www.cpkcr.com/content/dam/cpkc/sustainability/2025/CPKC Climate Mileposts.pdf

4.11

In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment
☑ Yes, we engaged directly with policy makers
☑ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals
☑ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

Global environmental treaties or policy goals in line with public commitment or position statement
☑ Paris Agreement

Attach commitment or position statement
CPKC 2023 Climate Statement.pdf

Indicate whether your organization is registered on a transparency register
☑ Yes

Types of transparency register your organization is registered on
☑ Mandatory government register

Disclose the transparency registers on which your organization is registered & the relevant ID numbers for your organization
- Federal Registry of Lobbyists (Canada)
- British Columbia Registry of Lobbyists (#: 1231-793-37)
- Alberta Registry of Lobbyists (#: OL-10239-25)
- Saskatchewan Registry of Lobbyists (#: 3852-1236-25)
- Ontario Registry of Lobbyists (#: PP1789-20160706017531)
- New Brunswick Registry of Lobbyists (individual registration: #1621)
- US Senate (Soo Line Railroad Company: ID #: 401104876)
- US House (Soo Line Railroad Company: ID #: 440390001)

Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan
To ensure broad alignment across the business, CPKC released our commitment to climate action, which acknowledges the effects of rising global temperatures and lays out our commitment to ongoing efforts to mitigate these impacts. CPKC commits to support the goals of the Paris Agreement, which seek to limit global temperature rise to well below 2 degrees Celsius above pre-industrial levels. A key component of our Commitment to Climate Action is collaboration, partnerships and engagement with stakeholders including suppliers, customers, investors, employees and governments, to achieve our climate goals. This involves strategic engagements to support our Climate Strategy, including topics related to cap and trade, carbon taxes, fuel efficiency standards, renewable fuel standards and emissions reporting programs. The Risk and Sustainability Committee provides oversight of the Company's sustainability and climate topics. With oversight of the President and CEO, implementation of CPKC's sustainability objectives, including as they relate to climate change, is guided by the SSC as disclosed in the "Sustainability Governance" section above. To drive the Company's focus on decarbonization, we have established a CRTF, composed of the Company's engineers and operations experts. Reporting to the SSC, the CRTF evaluates, recommends and implements climate action measures that are intended to reduce GHG emissions and drive performance on our science-based target. The CRTF engages with various stakeholders, including climate experts to conduct research and implement pilot and demonstration-level projects, which support innovation and development of solutions for the rail sector.

4.11.1

On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

ROW 1

Specify the policy, law, or regulation on which your organization is engaging with policy makers
The Canada Transportation Act regulates the transportation sector to achieve the goals of Canada's National Transportation Policy. CPKC engages with policymakers on capital cost allowance rates to incentivize investments in rail and other supply chain participant assets. We advocate for regulatory changes to streamline rail infrastructure construction and expedite project regulatory decisions, which can free up capital for investment in projects that can reduce emissions within our operations.

Environmental issues the policy, law, or regulation relates to
☑ Climate change

Focus area of policy, law, or regulation that may impact the environment
Environmental impacts and pressures
☑ Emissions – CO_2
☑ Emissions – other GHGs

Geographic coverage of policy, law, or regulation
☑ National

Country/area/region the policy, law, or regulation applies to
☑ Canada

Your organization's position on the policy, law, or regulation
☑ Support with minor exceptions

Details of any exceptions and your organization's proposed alternative approach to the policy, law, or regulation
In line with the independent recommendations of the 2015 Statutory Review Panel of the Canada Transportation Act, and the recommendations of others including the Railway Association of Canada, CPKC proposes accelerated depreciation rates and rules for the cost of capital in the rail industry. In addition to delivering meaningful benefits to Canada's supply chain capacity, efficiency and performance, this policy change could support investment in projects that reduce emissions and improve infrastructure resilience. CPKC proposes that Canada's federal regulatory regime for the approval of railway projects be amended to emphasize results, not process, which we believe can be achieved while maintaining the highest environmental standards in the world. Duplicative and uncertain regulatory processes can (and do) delay or prevent the progress of projects with significant environmental benefits.

Type of direct engagement with policy makers on this policy, law, or regulation
☑ Ad-hoc meetings
☑ Regular meetings
☑ Responding to consultations
☑ Submitting written proposals/inquiries
☑ Participation in working groups organized by policy makers
☑ Other, please specify: CPKC has a history of participating in policy and regulatory processes with the aim of contributing to the development of sound public policies and regulations that are relevant to our business.

Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement
The policy changes advocated by CPKC respecting accelerated depreciation and regulatory approval processes are aligned with – and support – CPKC's public climate commitments. Accelerated depreciation could have associated environmental benefits in the form of stimulating emissions reduction and infrastructure hardening (climate resilient) investments across supply chains. Amending the regulatory requirements for the construction of railway infrastructure would enable clearer and faster decision-making by regulators on railway projects which can (and do) reduce emissions. Success is measured by the effectiveness of the engagements or communications products.

Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals
☑ Yes, we have evaluated, and it is aligned

Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation
☑ Paris Agreement

4.11.2

Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

ROW 1

Type of indirect engagement
☑ Indirect engagement via a trade association

Trade association
North America
☑ Other trade association in North America, please specify: Railway Association of Canada (RAC)

Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

☑ Climate change

Indicate whether your organization's position is consistent with the organization or individual you engage with

☑ Consistent

Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

☑ Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

The RAC advocates on behalf of its members, representing close to 60 freight and passenger railway companies. This can include environmental matters, namely policies that enable modal shift to rail which reduces emissions in the transportation sector while providing strong service to customers. RAC's Locomotive Emissions Monitoring (LEM) program provides a public accounting of rail emissions. It was established through Memorandum of Understandings (MOUs) dating back to 1995. The updated LEM report can be viewed at https://www.railcan.ca/wp-content/uploads/2024/02/SPARK-RAC-LEM-2024-EN.pdf. RAC signed a renewed voluntary MOU with Transport Canada in 2023 with the aim of working constructively to further reduce rail industry GHG emissions and criteria air contaminants. Discussions related to the renewed MOU touched upon subjects such as the federal Clean Fuel Regulation and, more broadly, how the federal government can engage with railways in reducing the industry's GHG emissions and clean air contaminants, among many other related topics. The renewed MOU also focuses on accelerating adoption of zero-emission locomotives in Canada's rail sector. RAC engages with various government departments on matters such as climate resiliency, railway or railway-related climate plans, environmental frameworks, protecting against invasive species, supporting a circular economy, climate modelling, clean tax credits and more. RAC's advocacy and other government engagements are consistent with the climate commitments of its members. CPKC's Assistant Vice-President, Canadian Government Affairs and Assistant Vice-President, Communications and Media Relations are directors on the board of RAC. RAC's board of directors is responsible for the Association's strategic leadership and, in this capacity, engage in discussions and advocacy with industry representatives, policymakers and other stakeholders on public policy positions. https://www.railcan.ca/what-we-do/rac-board-of-directors/.

Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

☑ Yes, we have evaluated, and it is aligned

Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

☑ Paris Agreement

ROW 2

Type of indirect engagement

☑ Indirect engagement via a trade association

Trade association

North America

☑ Other trade association in North America, please specify: Association of American Railroads (AAR)

Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

☑ Climate change

Indicate whether your organization's position is consistent with the organization or individual you engage with

☑ Consistent

Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

☑ Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

The AAR advocates on behalf of the U.S. freight rail industry, leading policy development, research, standard-setting and technology organization that focuses on rail sector safety and productivity. In June 2023, the AAR released a new report on Freight Railroads & Climate Change outlining the intrinsic benefits that rail provides in reducing GHG emissions. The report establishes several policy positions including, 1) encouraging research in decarbonization technologies, 2) creating a user-pay system for freight transported on public highways, 3) partnerships for research funding, 4) streamlining railroad regulation to support decarbonization and 5) encouraging investment in alternative fuels. The report, Freight Railroads and Climate Change, can be found here: AAR-Climate-Change-2023-Report.pdf. In 2024, CPKC

was represented at AAR by the Assistant Vice President of U.S. Government Affairs, and two Directors of U.S. Government Affairs, who are the representatives for the states CPKC operates in. In this capacity, we engage in discussions with industry representatives, policymakers and other stakeholders on public policy positions.

Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals
☑ Yes, we have evaluated, and it is aligned

Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation
☑ Paris Agreement

4.12

Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

☑ Yes

4.12.1

Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

ROW 1

Publication
☑ In mainstream reports, in line with environmental disclosure standards or frameworks

Standard or framework the report is in line with
☑ TCFD

Environmental issues covered in publication
☑ Climate change

Status of the publication
☑ Complete

Content elements
☑ Strategy
☑ Governance
☑ Emission targets
☑ Emission figures
☑ Risks & Opportunities
☑ Value chain engagement

Page/section reference
All pages are relevant

Attach the relevant publication
CPKC_2024 TCFD Index.pdf

Comment
CPKC has prepared this report in alignment with the recommendations of the Financial Stability Board's TCFD. CPKC aims to provide our stakeholders with clear and comprehensive information on how we manage climate-related risks and opportunities, reinforcing our commitment to sustainability and responsible business practices.

C5. Business strategy



RETURN TO TABLE OF CONTENTS

5.1

Does your organization use scenario analysis to identify environmental outcomes?

CLIMATE CHANGE

Use of scenario analysis
☑ Yes

Frequency of analysis
☑ Every three years or less frequently

5.1.1

Provide details of the scenarios used in your organization's scenario analysis.

CLIMATE CHANGE

Scenario used

Physical climate scenarios
☑ RCP 2.6

Scenario used SSPs used in conjunction with scenario
☑ SSP1

Approach to scenario
☑ Qualitative and quantitative

Scenario coverage
☑ Organization-wide

Risk types considered in scenario
☑ Acute physical
☑ Chronic physical

Temperature alignment of scenario
☑ 1.5°C or lower

Reference year
2023

Timeframes covered
☑ 2030
☑ 2040
☑ 2050

Driving forces in scenario

Regulators, legal and policy regimes
☑ Global regulation
☑ Level of action (from local to global)
☑ Global targets

Relevant technology and science
☑ Granularity of available data (from aggregated to local)

Direct interaction with climate
☑ On asset values, on the corporate

Macro and microeconomy
☑ Domestic growth
☑ Globalizing markets

Assumptions, uncertainties and constraints in scenario
CPKC's 2024 CSA evaluated 20 climate change impact pathways across five topics representing key market segments and emerging risks and priorities for CPKC, including renewable fuels, ECP, agriculture, intermodal transportation and critical suppliers. In evaluating these topics, CPKC considered varying levels of adoption of clean energy technologies, implementation of climate policies and regulations and investment in clean energy infrastructure. To assess physical climate impacts, CPKC evaluated a Shared Socioeconomic Pathways (SSPs) developed by the Intergovernmental Panel on Climate Change (IPCC) in the Sixth Assessment Report (AR6). These SSPs are baseline narrative scenarios that outline socio-economic, geopolitical, economic and technological assumptions. While they form the foundation for modeling the combined SSP-RCP (Representative Concentration Pathway) scenarios, they do not themselves prescribe emissions mitigation targets or policy assumptions. The scenarios used in CPKC's analysis represent a diverse range of potential futures - from more sustainable, lower-emissions pathways to a higher-emissions trajectories.

Rationale for choice of scenario
CPKC's physical risk assessment included three physical risk scenarios, one representing the future climate under a high GHG concentration pathway, one under a moderate emissions pathway and one low emissions pathway. The three selected scenarios are the latest SSPs scenarios developed for the IPCC's 6th Assessment Report (AR6). The low-emissions scenario (SSP1-2.6) represents a world where sustainable practices are prioritized, focusing on environmental conservation and social equality. Under this scenario, we can expect significant reductions in emissions, where temperature increases stabilize to around 1.6°C by the end of the century. The moderate-emissions scenario (SSP2-4.5) represents a middle-of-the-road world where population growth, economic development and technological progress occur at a moderate rate. Under this scenario, we can expect a future with less severe climate change impacts compared to a higher-emissions scenarios. The high-emissions scenario (SSP3-7.0) represents a fragmented world with weak global cooperation and uneven economic development. Under this scenario, we can expect significant warming of around four degrees Celsius by the end of century, leading to a future with more severe climate change impacts including rising temperatures, increased extreme weather events and sea-level rise. CPKC conducted a physical risk assessment of its Canadian rail network during 2023–2024 using these same scenarios. The selected scenarios also align with those commonly used in the industry, allowing CPKC to benchmark against peers and gain sector-relevant insights. Together, these scenarios provide a comprehensive view of the range of climate risks and opportunities that CPKC and our customers may face in the future.

CLIMATE CHANGE

Scenario used
Physical climate scenarios
☑ RCP 7.0

Scenario used SSPs used in conjunction with scenario
☑ SSP3

Approach to scenario
☑ Qualitative and quantitative

Scenario coverage
☑ Organization-wide

Risk types considered in scenario
☑ Acute physical
☑ Chronic physical

Temperature alignment of scenario
☑ 1.5°C or lower

Reference year
2023

Timeframes covered
☑ 2030
☑ 2040
☑ 2050

Driving forces in scenario
Regulators, legal and policy regimes
☑ Global regulation
☑ Level of action (from local to global)
☑ Global targets

Relevant technology and science
☑ Granularity of available data (from aggregated to local)

Direct interaction with climate
☑ On asset values, on the corporate

Macro and microeconomy
☑ Domestic growth
☑ Globalizing markets

Assumptions, uncertainties and constraints in scenario
CPKC's 2024 CSA evaluated 20 climate change impact pathways across five topics representing key market segments and emerging risks and priorities for CPKC, including renewable fuels, ECP, agriculture, intermodal transportation and critical suppliers. In evaluating these topics, CPKC considered varying levels of adoption of clean energy technologies, implementation of climate policies and regulations and investment in clean energy infrastructure. To assess physical climate impacts, CPKC evaluated a Shared Socioeconomic Pathways (SSPs) developed by the Intergovernmental Panel on Climate Change (IPCC) in the Sixth Assessment Report (AR6). These SSPs are baseline narrative scenarios that outline socio-economic, geopolitical, economic and technological assumptions. While they form the foundation for modeling the combined SSP-RCP (Representative Concentration Pathway) scenarios, they do not themselves prescribe emissions mitigation targets or policy assumptions. The scenarios used in CPKC's analysis represent a diverse range of potential futures - from more sustainable, lower-emissions pathways to a higher-emissions trajectories.

Rationale for choice of scenario
CPKC's physical risk assessment included three physical risk scenarios, one representing the future climate under a high GHG concentration pathway, one under a moderate emissions pathway and one low emissions pathway. The three selected scenarios are the latest SSPs scenarios developed for the IPCC's 6th Assessment Report (AR6). The low-emissions scenario (SSP1-2.6) represents a world where sustainable practices are prioritized, focusing on environmental conservation and social equality. Under this scenario, we can expect significant reductions in emissions, where temperature increases stabilize to around 1.6°C by the end of the century. The moderate-emissions scenario (SSP2-4.5) represents a middle-of-the-road world where population growth, economic development and technological progress occur at a moderate rate. Under this scenario, we can expect a future with less severe climate change impacts compared to a higher-emissions scenarios. The high-emissions scenario (SSP3-7.0) represents a fragmented world with weak global cooperation and uneven economic development. Under this scenario, we can expect significant warming of around four degrees Celsius by the end of century, leading to a future with more severe climate change impacts including rising temperatures, increased extreme weather events and sea-level rise. CPKC conducted a physical risk assessment of its Canadian rail network during 2023–2024 using these same scenarios. The selected scenarios also align with those commonly used in the industry, allowing CPKC to benchmark against peers and gain sector-relevant insights. Together, these scenarios provide a comprehensive view of the range of climate risks and opportunities that CPKC and our customers may face in the future.

CLIMATE CHANGE

Scenario used
Physical climate scenarios
☑ RCP 4.5

Scenario used SSPs used in conjunction with scenario
☑ SSP2

Approach to scenario
☑ Qualitative and quantitative

Scenario coverage
☑ Organization-wide

Risk types considered in scenario
☑ Acute physical
☑ Chronic physical

Temperature alignment of scenario
☑ 1.5°C or lower

Reference year
2023

Timeframes covered
☑ 2030
☑ 2040
☑ 2050

Driving forces in scenario
Regulators, legal and policy regimes
☑ Global regulation

☑ Level of action (from local to global)
☑ Global targets

Relevant technology and science
☑ Granularity of available data (from aggregated to local)

Direct interaction with climate
☑ On asset values, on the corporate

Macro and microeconomy
☑ Domestic growth
☑ Globalizing markets

Assumptions, uncertainties and constraints in scenario
CPKC's 2024 CSA evaluated 20 climate change impact pathways across five topics representing key market segments and emerging risks and priorities for CPKC, including renewable fuels, ECP, agriculture, intermodal transportation and critical suppliers. In evaluating these topics, CPKC considered varying levels of adoption of clean energy technologies, implementation of climate policies and regulations and investment in clean energy infrastructure. To assess physical climate impacts, CPKC evaluated a Shared Socioeconomic Pathways (SSPs) developed by the Intergovernmental Panel on Climate Change (IPCC) in the Sixth Assessment Report (AR6). These SSPs are baseline narrative scenarios that outline socio-economic, geopolitical, economic and technological assumptions. While they form the foundation for modeling the combined SSP-RCP (Representative Concentration Pathway) scenarios, they do not themselves prescribe emissions mitigation targets or policy assumptions. The scenarios used in CPKC's analysis represent a diverse range of potential futures - from more sustainable, lower-emissions pathways to a higher-emissions trajectories.

Rationale for choice of scenario
CPKC's physical risk assessment included three physical risk scenarios, one representing the future climate under a high GHG concentration pathway, one under a moderate emissions pathway and one low emissions pathway. The three selected scenarios are the latest SSPs scenarios developed for the IPCC's 6th Assessment Report (AR6). The low-emissions scenario (SSP1-2.6) represents a world where sustainable practices are prioritized, focusing on environmental conservation and social equality. Under this scenario, we can expect significant reductions in emissions, where temperature increases stabilize to around 1.6°C by the end of the century. The moderate-emissions scenario (SSP2-4.5) represents a middle-of-the-road world where population growth, economic development and technological progress occur at a moderate rate. Under this scenario, we can expect a future with less severe climate change impacts compared to a higher-emissions scenarios. The high-emissions scenario (SSP3-7.0) represents a fragmented world with weak global cooperation and uneven economic development. Under this scenario, we can expect significant warming of around four degrees Celsius by the end of century, leading to a future with more severe climate change impacts including rising temperatures, increased extreme weather events and sea-level rise. CPKC conducted a physical risk assessment of its Canadian rail network during 2023–2024 using these same scenarios. The selected scenarios also align with those commonly used in the industry, allowing CPKC to benchmark against peers and gain sector-relevant insights. Together, these scenarios provide a comprehensive view of the range of climate risks and opportunities that CPKC and our customers may face in the future.

CLIMATE CHANGE

Scenario used
Climate transition scenarios
☑ Customized publicly available climate transition scenario, please specify: IEA NZE 2050, IEA APS, and IEA STEPS, NGFS Current policies, Nationally Determined Contributions (NDCs), and Net Zero 2050; Canada Energy Regulator (CER) Current Measures, Canada Net Zero and Global Net Zero

Approach to scenario
☑ Qualitative and quantitative

Scenario coverage
☑ Organization-wide

Risk types considered in scenario
☑ Policy
☑ Market
☑ Reputation
☑ Technology
☑ Liability

Temperature alignment of scenario
☑ 1.5°C or lower

Reference year
2023

Timeframes covered
☑ 2030
☑ 2040
☑ 2050

Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts
☑ Changes to the state of nature
☑ Number of ecosystems impacted
☑ Climate change (one of five drivers of nature change)

Finance and insurance
☑ Cost of capital

Stakeholder and customer demands
☑ Consumer sentiment
☑ Consumer attention to impact

Assumptions, uncertainties and constraints in scenario
CPKC's 2024 CSA evaluated 20 climate change impact pathways across five topics representing key market segments and emerging risks and priorities for CPKC, including renewable fuels, energy, chemicals and plastics, agriculture, intermodal transportation and critical suppliers. In assessing these topics, various levels of adoption related to advancements in clean energy technologies, implementation of climate policies and regulations and investment in clean energy infrastructure and technologies were considered. Transition scenarios outline potential pathways to achieve climate and energy goals, incorporating assumptions about policy measures, technological advancements, economic factors and behavioral changes. These scenarios help model potential outcomes and guide policy and investment decisions. For consistency of analysis, where possible, one scenario data source was used (in most cases, Network for Greening Financial Institutions data) given its applicability across all countries. The scenarios included in the data sources were aligned as closely as possible with the three scenario types used in CPKC's CSA: current measures, announced policies and Net Zero by 2050. Where consistent models were unavailable, alternative sources such as national-level energy outlook models and specialized reports were used to supplement the analysis. The three scenarios reflect a diverse range of plausible futures and capture the upper and lower bounds on the spectrum of transition risks and opportunities CPKC may encounter. The scenarios seek to enable comparisons of different possible versions of the future and the levers and actions that produce them and to gain insights into the future. Each model used as part of the analysis consists of its own assumptions and input data.

Rationale for choice of scenario
CPKC's 2024 CSA evaluated transition risks and opportunities under three transition scenarios. The first scenario reflects future conditions aligned with current policy settings, assuming no additional policies are introduced. Under this scenario, the global mean temperature rise is projected to exceed 1.5°C. The second scenario assumes the full and timely implementation of all national energy and climate goals including net zero emissions targets. It also presumes that Nationally Determined Contributions (NDCs) are achieved in full and on schedule. The third scenario envisions an ambitious transition in which the energy sector achieves net-zero GHG emissions by the 2050s, driven by policies aligned with the Paris Agreement's goal of pursuing efforts to limit the temperature increase to 1.5°C. Data from multiple comparable scenario sources were used in the analysis for both national and global coverage. These sources included, the Network for Greening Financial Institutions (NGFS), the US Energy Information Administration (EIA), the Canada Energy Regulator (CER), the International Energy Agency (IEA) and the Organization for Economic Co-operation and Development (OECD). The selected scenarios align with those commonly used across the industry, enabling CPKC's risk analysis to be comparable to peers. They reflect a diverse range of plausible futures, capture the full spectrum of transition risks and opportunities, and provide relevant modelled projections for CPKC's operations, upstream suppliers and downstream customers—including, but not limited to, the decarbonization of rail and trucking, and the production and consumption of energy sources such as biofuels, crude oil, and renewables.

CLIMATE CHANGE

Scenario used

Climate transition scenarios
☑ Customized publicly available climate transition scenario, please specify: US Energy Information Administration (EIA) Low uptake of IRA, Reference and High uptake of IRA, Organization for Economic Co-operation and Development (OECD) Baseline, Regional Action and Globally Coordinated Ambition scenarios

Approach to scenario
☑ Qualitative and quantitative

Scenario coverage
☑ Organization-wide

Risk types considered in scenario
☑ Policy
☑ Market
☑ Reputation
☑ Technology
☑ Liability

Temperature alignment of scenario
☑ 1.5°C or lower

Reference year
2023

Timeframes covered
☑ 2030
☑ 2040
☑ 2050

Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts
☑ Changes to the state of nature
☑ Number of ecosystems impacted
☑ Climate change (one of five drivers of nature change)

Finance and insurance
☑ Cost of capital

Stakeholder and customer demands
☑ Consumer sentiment
☑ Consumer attention to impact

Assumptions, uncertainties and constraints in scenario
CPKC's 2024 CSA evaluated 20 climate change impact pathways across five topics representing key market segments and emerging risks and priorities for CPKC, including renewable fuels, energy, chemicals and plastics, agriculture, intermodal transportation and critical suppliers. In assessing these topics, various levels of adoption related to advancements in clean energy technologies, implementation of climate policies and regulations and investment in clean energy infrastructure and technologies were considered. Transition scenarios outline potential pathways to achieve climate and energy goals, incorporating assumptions about policy measures, technological advancements, economic factors and behavioral changes. These scenarios help model potential outcomes and guide policy and investment decisions. For consistency of analysis, where possible, one scenario data source was used (in most cases, Network for Greening Financial Institutions data) given its applicability across all countries. The scenarios included in the data sources were aligned as closely as possible with the three scenario types used in CPKC's CSA: current measures, announced policies and Net Zero by 2050. Where consistent models were unavailable, alternative sources such as national-level energy outlook models and specialized reports were used to supplement the analysis. The three scenarios reflect a diverse range of plausible futures and capture the upper and lower bounds on the spectrum of transition risks and opportunities CPKC may encounter. The scenarios seek to enable comparisons of different possible versions of the future and the levers and actions that produce them and to gain insights into the future. Each model used as part of the analysis consists of its own assumptions and input data.

Rationale for choice of scenario
CPKC's 2024 CSA evaluated transition risks and opportunities under three transition scenarios. The first scenario reflects future conditions aligned with current policy settings, assuming no additional policies are introduced. Under this scenario, the global mean temperature rise is projected to exceed 1.5°C. The second scenario assumes the full and timely implementation of all national energy and climate goals including net zero emissions targets. It also presumes that Nationally Determined Contributions (NDCs) are achieved in full and on schedule. The third scenario envisions an ambitious transition in which the energy sector achieves net-zero GHG emissions by the 2050s, driven by policies aligned with the Paris Agreement's goal of pursuing efforts to limit the temperature increase to 1.5°C. Data from multiple comparable scenario sources were used in the analysis for both national and global coverage. These sources included, the Network for Greening Financial Institutions (NGFS), the US Energy Information Administration (EIA), the Canada Energy Regulator (CER), the International Energy Agency (IEA) and the Organization for Economic Co-operation and Development (OECD). The selected scenarios align with those commonly used across the industry, enabling CPKC's risk analysis to be comparable to peers. They reflect a diverse range of plausible futures, capture the full spectrum of transition risks and opportunities, and provide relevant modelled projections for CPKC's operations, upstream suppliers and downstream customers—including, but not limited to, the decarbonization of rail and trucking, and the production and consumption of energy sources such as biofuels, crude oil, and renewables.

5.1.2

Provide details of the outcomes of your organization's scenario analysis.

CLIMATE CHANGE

Business processes influenced by your analysis of the reported scenarios

☑ Risk and opportunities identification, assessment and management
☑ Strategy and financial planning
☑ Resilience of business model and strategy
☑ Capacity building
☑ Target setting and transition planning

Coverage of analysis

☑ Organization-wide

Summarize the outcomes of the scenario analysis and any implications for other environmental issues

In 2024, we completed a CSA to evaluate climate-related risks and opportunities across CPKC's operations and value chain. This update built on previous climate risk analyses, focusing on operational and value chain elements of strategic importance to CPKC and exploring risks and opportunities not previously covered. Risks and opportunities were considered in short-term (0-5 years), medium-term (6-15 years) and long-term (15+ years) time horizons. The physical and transition analyses were completed using low-, moderate- and high-emissions scenarios leveraging data from a number of internationally recognized sources. The scenarios and data used in the analysis were selected to be consistent with our prior CSA's, those used by others in the rail sector and to provide an understanding of the wide range of diverse scenarios that may occur in the future. CPKC evaluated 20 climate change impact pathways across five topics representing key market segments and emerging risks and priorities for CPKC, including renewable fuels, energy, chemicals and plastics, agriculture, intermodal transportation and critical suppliers. Each impact pathway was evaluated for exposure, consequence and overall impact and a financial impact quantification was conducted for selected pathways. The overall impact was assessed based on the level of exposure and consequence of the impact pathway along with their potential likelihood, frequency and severity. Additional considerations included strategic importance for CPKC's business planning, ability to provide decision-useful data or knowledge and/or address an emerging risk or priority for CPKC.

5.2

Does your organization's strategy include a climate transition plan?

Transition Plan

☑ Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan

☑ Yes

Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

☑ No, and we do not plan to add an explicit commitment within the next two years

Explain why your organization does not explicitly commit to cease all spending on and revenue generation from activities that contribute to fossil fuel expansion

CPKC is legally required to transport hazardous materials, including fossil fuels, as part of our common carrier obligations, on reasonable terms and conditions, and do so in accordance with all applicable laws, including safety and environmental protection regulations.

Mechanism by which feedback is collected from shareholders on your climate transition plan

☑ Our climate transition plan is voted on at Annual General Meetings (AGMs)

Description of key assumptions and dependencies on which the transition plan relies
Implementing solutions to further reduce or abate GHG emissions from rail operations remains a challenge. Diesel-powered locomotives represent the sector's largest source of GHG emissions. Many rail operators, including CPKC, are exploring innovative technology solutions to reduce emissions from their locomotive operations. The North American freight rail sector is highly integrated, featuring efficient operations that rely on interoperable equipment and technologies. As a result, reducing GHG emissions from rail operations will require sector-wide support to decarbonize locomotives and complex fueling infrastructure. The feasibility and timeline of any such efforts will depend on the speed and success of cross-industry efforts to enable the availability of breakthrough technologies and drive investment in low-carbon locomotives and supporting infrastructure.

Description of progress against transition plan disclosed in current or previous reporting period
CPKC has been executing on a set of shorter-term climate measures in support of our longer-term decarbonization efforts and locomotive decarbonization plan that we are pursuing to address our four potential decarbonization pathways. Since 2023, we have completed an updated organization-wide CSA to better assess our climate risks and opportunities. We have made progress in evaluating renewable fuels by strategically sourcing renewable and low-carbon fuels, evaluating infrastructure upgrades for potential further renewable fuel use and joining the Clean Fuels Alliance America to strengthen our knowledge and network surrounding biofuels. CPKC has also taken measures to focus on fuel efficiency by establishing a Fuel Center of Excellence, taken steps to support fleet modernization, including through the continued enhancement of fuel saving, energy management technologies and worked to enhance network fluidity, better connecting our Canada, U.S. and Mexico operations. CPKC continues to make meaningful progress on our Hydrogen Locomotive Program. Through this initiative CPKC is retrofitting diesel-electric locomotives with hydrogen fuel cells and battery technology to drive the locomotive's electric traction motors. In 2024 CPKC together with ATCO EnPower commissioned hydrogen production and refueling facilities at CPKC rail yards in Calgary and Edmonton. Each facility includes a 1-megawatt (MW) electrolyzer, compression, storage and dispensing system for locomotive hydrogen refueling. The Calgary electrolyzer is powered in part by renewable electricity from CPKC's existing 5 MW solar power facility co-located at CPKC's headquarters. In September 2024, CPKC's first line-haul locomotive completed its first phase of testing as part of a fully loaded bulk train from Sparwood to Golden, B.C.

Attach any relevant documents which detail your climate transition plan (optional)
CPKC Climate Mileposts.pdf

Other environmental issues that your climate transition plan considers
☑ No other environmental issue considered

5.3

Have environmental risks and opportunities affected your strategy and/or financial planning?

Environmental risks and/or opportunities have affected your strategy and/or financial planning
☑ Yes, both strategy and financial planning

Business areas where environmental risks and/or opportunities have affected your strategy
☑ Products and services
☑ Upstream/downstream value chain
☑ Investment in R&D
☑ Operations

5.3.1

Describe where and how environmental risks and opportunities have affected your strategy.

PRODUCTS AND SERVICES

Effect type

☑ Risks
☑ Opportunities

Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

☑ Climate change

Describe how environmental risks and/or opportunities have affected your strategy in this area

Efficiency plays a central role in CPKC's strategy when designing our logistics services. According to the FRA, railways are the most efficient and low-carbon form of transporting freight, long distances over land. Our ability to offer customers fuel-efficient, lower-carbon services is a climate-related opportunity for CPKC. Using less fuel per ton of freight reduces our exposure to increasing fuel costs, regulatory risk and escalating carbon pricing programs. CPKC is implementing further strategies to realize this opportunity. For example, in 2023, CPKC launched our Mexico Midwest Express (MMX) premium intermodal service. The MMX is the first dedicated single-line premium intermodal service between the U.S. Midwest and Mexico, offering consistent and truly truck competitive service to a market that, prior to our combination, did not have a single-line intermodal option. An example of CPKC's strategic approach includes the implementation of our HEP train. Our 8,500-foot HEP train model, which paired with our higher-capacity grain hopper cars, enables approximately 40 percent more grain per train, reducing the required total number of train starts, fuel consumption and GHG emissions versus conventional grain shipments. Following project completion in 2022, there were 5,900 new high-capacity grain hopper cars in operation across our network. The capacity improvements associated with these projects have enabled CPKC to grow Canadian grain products shipments. Based on the successful implementation in Canada, we expanded the program to the U.S. in 2023 by launching and landing the first 8,500-foot train in the U.S. CPKC plans to continue expanding use of our 8,500-foot HEP trains across our network. 49 percent of our origin facilities were upgraded to HEP trains by the end of calendar year 2024, with 61 percent expected to be upgraded by the end of 2027.

UPSTREAM/DOWNSTREAM VALUE CHAIN

Effect type

☑ Risks
☑ Opportunities

Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

☑ Climate change

Describe how environmental risks and/or opportunities have affected your strategy in this area

CPKC periodically conducts CSA to evaluate climate-related risks and opportunities across major customer markets and among critical suppliers. CPKC conducted our most recent CSA in 2024. The assessment evaluated 20 climate change impact pathways across five key topics - renewable fuels, energy, chemicals and plastics, agriculture, intermodal transportation and critical suppliers. In assessing these topics, various levels of adoption related to advancements in clean energy technologies, implementation of climate policies and regulations and investment in clean energy infrastructure and technologies were considered. The organization-wide CSA effectively assessed all CPKC operations and key revenue generating market segments. The findings are being used to inform our customer engagement strategy and enhanced our understanding of how market-specific demand for freight rail transportation could evolve over 2030, 2040 and 2050 time horizons. While CPKC is currently integrating the results of this analysis into our strategy, the 2020 CSA conducted by CP continues to influence our upstream and downstream value chain strategies. Our 2020 CSA evaluated how climate-related risks and opportunities might impact customer markets through 2050. The findings of this process continue to inform our customer engagement strategy and enhanced our understanding of how market-specific demand for freight rail transportation could evolve over time. The 2020 CSA examined energy-related business lines, including coal, petroleum products, crude oil, biofuels and wind. Under a 2-degree-aligned future scenario, it was identified that the Company could simultaneously experience a future decrease in revenue from petroleum products, crude oil and coal and a revenue increase from the transportation of biofuels and wind power generation equipment. The outcomes of scenario analysis influenced business strategies and customer engagement practices, including engagements with wind energy developers in Alberta or ethanol producers in the U.S.

Midwest. Building on the outcomes of scenario analysis and increasing interest from the Company's value chain, we launched a publicly available Carbon Emissions Calculator designed to give customers greater insight into the carbon footprint of their freight rail transportation services. The tool enables complex, tailored emissions calculations and incorporates customer-specific shipping details to estimate route and commodity-specific GHG emissions and continues to be in use.

INVESTMENT IN R&D

Effect type

☑ Risks
☑ Opportunities

Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

☑ Climate change

Describe how environmental risks and/or opportunities have affected your strategy in this area

Adopting emerging technology to enable the delivery of low-carbon services for our customers is a key element of CPKC's business strategy. Given the complexity of reducing emissions in the transportation sector, researching and developing next-generation fuels, efficiency technologies and fuel alternatives for the rail sector will be critical as the industry decarbonizes operations. To lead the Company's focus on decarbonization, we have established a CRTF, composed of the Company's engineers and operations experts. Reporting to the executive Sustainability Steering Committee, the CRTF evaluates, recommends and implements climate action measures to reduce GHG emissions and drive performance on our science-based target. Hydrogen fuel cell/battery hybrid propulsion technology is being tested as an alternative fuel in the transportation sector, in particular for freight rail systems. If proven successful at scale, hydrogen technology could significantly reduce the GHG emissions from freight railway operations. Since December 2020, CPKC has been developing North America's first line-haul hydrogen-powered locomotive. CPKC's engineering and mechanical experts are leading this program to research, develop and test the conversion of existing diesel-powered units into hydrogen-electric locomotives. CPKC's program is intended to spur innovation, demonstrate leadership and encourage collaboration to expedite the advancement of zero-emission fuel cell technology for the freight rail sector. In 2023, CPKC successfully commissioned our second switcher locomotive, CP 1002, which has now completed hundreds of hours in operation with zero in-service failures or safety incidents. We believe CP 1002's demonstrated reliability and performance to date has increased sector confidence in hydrogen switchers triggering cooperation projects with CSX and a shortline railway. In September 2024, our first line-haul locomotive, CPKC 1200 (paired with fuel tender CP 10001), completed its first phase of testing as part of a fully loaded bulk train from Sparwood to Golden, B.C. CPKC 1200 continues testing trials as part of a unique pilot program in cooperation with Elk Valley Resources.

OPERATIONS

Effect type

☑ Risks
☑ Opportunities

Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

☑ Climate change

Describe how environmental risks and/or opportunities have affected your strategy in this area

CPKC continues to prioritize investments in optimizing the rail network, coupled with locomotive fleet renewal and improvements, which supports more fuel-efficient operations and contributes to improved overall performance. Climate-related opportunities, such as increasing customer expectations for reliable, efficient, low-carbon transportation services, have influenced our operations. CPKC continues to improve locomotive fuel efficiency through a variety of programs and technology deployments. In addition to implementing actions to reduce the emissions impact of our locomotive fleet, CPKC is also looking at opportunities to reduce the environmental and climate impact of our non-locomotive operations. Locomotive emissions account for approximately 95% of CPKC's scope 1 and 2 emissions. To reduce our locomotive emissions intensity, CPKC assessed operational components related to fuel use and procurement to identify potential pathways for lowering GHG emissions intensity. This includes implementing technologies and work practices aimed at improving the fuel efficiency of railway operations. Because greenhouse gas emissions from locomotives are directly proportional to the amount of fuel consumed, improving fuel efficiency leads to a corresponding improvement in GHG emission intensity. CPKC established a Fuel Center of Excellence to integrate fuel data monitoring and operational data and implement changes in work practices to improve fuel efficiency. Supported by these investments, CPKC recorded a 2024 fuel efficiency of 1.033 U.S. gallons of locomotive fuel per 1,000 GTM. CPKC continues to focus on reducing locomotive fuel consumption to improve operational efficiency and reduce GHG emissions intensity.

5.3.2

Describe where and how environmental risks and opportunities have affected your financial planning.

ROW 1

Financial planning elements that have been affected

☑ Capital expenditures

Effect type

☑ Risks

☑ Opportunities

Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

☑ Climate change

Describe how environmental risks and/or opportunities have affected these financial planning elements

Operating and maintaining a transcontinental railroad is capital intensive. CPKC annually allocates a large portion of our capital funds to enhance the resiliency and efficiency of our locomotive fleet, rolling stock and rail network. Successfully executing CPKC's Climate Strategy will also require the deployment of new data management systems, advanced technologies and next-generation renewable fuels to help mitigate GHG emissions. Given the limited availability of financial and people resources, implementation will depend on innovative and integrated business planning approaches. Capital expenditures: CPKC's allocation of capital resources directly influences business performance and our operating ratio (as measured by dividing total operating expenses by total revenues). Decisions on capital expenditures are increasingly influenced by climate-related risks and opportunities, including carbon pricing and the need to maintain a resilient CPKC rail network. A key objective of CPKC's business strategy is to invest in projects that directly benefit operational efficiency, including fuel and energy savings opportunities. Our financial planning process supports capital expenditures to meet this objective. In 2024, CPKC invested $346M to renew depleted assets, encompassing $335M in locomotive fleet investments and $11M in rail car improvements. (S) Diesel fuel consumption from locomotive operations accounts for the vast majority of CPKC's annual GHG emissions. CPKC is working to increase fuel efficiency as part of broader efforts to improve our emission intensity. (T) CPKC strategically invests in upgrading our rail network, equipment and locomotive fleet through our annual capital program to improve the fuel efficiency of our operations. (A) Informed by our ongoing fleet planning, starting in 2025, CPKC will begin receiving Tier 4 Wabtec Evolution Series diesel-electric locomotives. These new locomotives are expected to significantly reduce air pollutants, cutting nitrous oxides and particulate matter compared to Tier 3 diesel locomotives. Additionally, these locomotives are expected to enhance fuel economy and reliability, while further minimizing the emissions intensity of CPKC's operations. (R) Supported in part by these direct investments, CPKC recorded a 2024 fuel efficiency of 1.033 U.S. gallons of locomotive fuel per 1,000 GTM.

5.4

In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

Identification of spending/revenue that is aligned with your organization's climate transition	Methodology or framework used to assess alignment with your organization's climate transition
☑ Yes	☑ Other methodology or framework

5.4.1

Quantify the amount and percentage share of your spending/revenue that is aligned with your organization's climate transition.

ROW 1

Methodology or framework used to assess alignment
☑ Other, please specify: Self-assessment of financial planning

Financial metric
☑ Revenue/Turnover

Amount of selected financial metric that is aligned in the reporting year (currency)
10,429,000,000

Percentage share of selected financial metric aligned in the reporting year (%)
73

Details of the methodology or framework used to assess alignment with your organization's climate transition
CPKC recognizes the important role that rail freight transportation can play in supporting a lower-carbon future for North America and is focused on strengthening the resiliency of its network to meet evolving climate-related challenges. In 2023, CPKC established a new science-based emissions reduction target to reduce our well-to-wheel (WTW) locomotive emissions by 36.9% per gross ton-mile by 2030 from a 2020 base year. This target is aligned with SBTi's only sectoral-based approach for freight railroads - following a well-below 2°C global warming scenario - and has been formally validated by the Science Based Targets initiative. CPKC recognizes that rail freight transportation can offer a lower-emission alternative to other modes, and continues to assess how its services can support customers in managing their Scope 3 emissions. In 2024, CPKC's locomotive emissions intensity fell below the Climate Bonds Initiative's Low Carbon Transport Criteria 2020 threshold of 25 grams CO_2e per tonne-kilometer. This benchmark is aligned with the Paris Agreement and its goal of limiting global temperature rise to no more than 1.5°C above pre-industrial levels. The 73% figure (stated above) refers to CPKC's 2024 total freight revenues, excluding revenue from energy, chemicals and plastics and coal (14,223 MCAD – 2,851 MCAD – 943 MCAD= 10,429 MCAD).

5.5

Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

Investment in low-carbon R&D
☑ Yes

Comment
To execute our Climate Strategy, CPKC is implementing new approaches to allocate limited capital, operating budgets and people in the most efficient way. This includes systematic ways to:

- Identify potential carbon reduction levers.
- Rigorously assess potential solutions with regards to carbon reduction potential, feasibility for the rail sector and cost to CPKC.
- Conduct bench-scale and pilot testing.
- Successfully deploy promising alternative fuels and propulsion methods.
- Engage and collaborate with others to progress this work.

Since launching in December 2020, CPKC's Hydrogen Locomotive Program has been a cornerstone of our climate transition plan and represents 100% of our low-carbon R&D investment over the past three years. The program aims to diversify energy sources by converting diesel-electric locomotives to hydrogen-electric across three key models (switcher, road switcher and line haul locomotives). Supported in part by funding from Emissions Reduction Alberta (ERA) and Canada's Low Carbon Economy Fund, in 2024 we constructed hydrogen production and fueling facilities in rail yards in Calgary and Edmonton and successfully deployed three hydrogen locomotives, including a high-horsepower line haul unit into mainline testing. Our locomotives have logged thousands of miles in testing, with additional units and fueling systems underway to expand operations in 2025. This R&D directly supports our climate strategy by enabling scalable, zero-emission freight solutions and advancing sector-wide decarbonization through innovation, infrastructure and partnerships.

5.5.8

Provide details of your organization's investments in low-carbon R&D for transport-related activities over the last three years.

ROW 1

Activity
☑ Rail

Technology area
☑ Alternative fuels

Stage of development in the reporting year
☑ Pilot demonstration

Average % of total R&D investment over the last 3 years
100

Average % of total R&D investment planned over the next 5 years
100

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan
Since launching in December 2020, CPKC's Hydrogen Locomotive Program has been a cornerstone of our climate transition plan and represents 100% of our low-carbon R&D investment over the past three years. The program aims to diversify energy sources by converting diesel-electric locomotives to hydrogen-electric across three key models (switcher, road switcher and line haul locomotives). Supported in part by funding from Emissions Reduction Alberta (ERA) and Canada's Low Carbon Economy Fund, in 2024 we constructed hydrogen production and fueling facilities in rail yards in Calgary and Edmonton and successfully deployed three hydrogen locomotives, including a high-horsepower line haul unit into mainline testing. Our locomotives have logged nearly thousands of miles in testing, with additional units and fueling systems underway to expand operations in 2025. This R&D directly supports our climate strategy by enabling scalable, zero-emission freight solutions and advancing sector-wide decarbonization through innovation, infrastructure and partnerships.

5.10

Does your organization use an internal price on environmental externalities?

Use of internal pricing of environmental externalities	Environmental externality priced
☑ Yes	☑ Carbon

5.10.1

Provide details of your organization's internal price on carbon.

ROW 1

Type of pricing scheme
☑ Shadow price

Objectives for implementing internal price
☑ Identify and seize low-carbon opportunities
☑ Navigate regulations

Factors considered when determining the price
☑ Alignment with the price of a carbon tax

Calculation methodology and assumptions made in determining the price
In 2021, the capital assessment team from CPKC's operating companies introduced an internal carbon price when evaluating capital projects to support investments in low-carbon solutions and limit the potential exposure to carbon pricing risks. The price used by the Company aligns with Canada's federal carbon pricing system under the Greenhouse Gas Pollution Pricing Act, which was $80 per metric ton CO_2e in 2024.

Scopes covered
☑ Scope 1
☑ Scope 2

Pricing approach used – spatial variance
☑ Uniform

Pricing approach used – temporal variance
☑ Evolutionary

Indicate how you expect the price to change over time
As a fuel-intensive business, regulations that increase the cost of carbon emissions directly impact CPKC's operating costs. The cost to customers of CPKC's services could consequently increase and, could impact CPKC's competitive advantage over alternative modes of transport based on competitors' abilities to reduce fuel consumption and carbon emissions. In response to this, and to assess CPKC's risk exposure to carbon pricing programs, we have introduced the use of an internal carbon price as part of our capital assessment process. CPKC's internal carbon price aligns with Canada's federal carbon pricing system under the Greenhouse Gas Pollution Pricing Act, which was $80 per metric ton CO_2e in 2024. Through scenario analysis, CPKC has assessed the effects of possible carbon pricing programs across three future pathways to understand the potential financial implications to the business from 2020 through 2050. Evaluated carbon pricing across these scenarios ranged from $30 to $239 per tonne.

Minimum actual price used (currency per metric ton CO_2e)
80

Maximum actual price used (currency per metric ton CO_2e)
80

Business decision-making processes the internal price is applied to
☑ Capital expenditure
☑ Risk management
☑ Opportunity management

Internal price is mandatory within business decision-making processes
☑ Yes, for some decision-making processes, please specify: Capital expenditure and opportunity management

% total emissions in the reporting year in selected scopes this internal price covers
100

Pricing approach is monitored and evaluated to achieve objectives
☑ Yes

Details of how the pricing approach is monitored and evaluated to achieve your objectives
CPKC has developed an internal carbon price calculator to evaluate cost implications for energy dependent capital projects. This tool references a current Canadian policy price as an indicator of the cost of carbon, which is applied to applicable projects across the CPKC network. When evaluating internal requests for capital expenditures and various business opportunities, CPKC considers the expected changes in carbon emissions alongside the internal carbon price as part of the cost/benefit analysis. For instance, CPKC estimates the benefits of introducing new technologies, which includes assessing the impact on GHG emissions, fuel efficiency and cost savings through the application of the carbon price. This information is integrated within CPKC's capital investment approval process.

5.11

Do you engage with your value chain on environmental issues?

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Suppliers	☑ Yes	☑ Climate change
Customers	☑ Yes	☑ Climate change
Investors and shareholders	☑ Yes	☑ Climate change

5.11.1

Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

CLIMATE CHANGE

Assessment of supplier dependencies and/or impacts on the environment

☑ Yes, we assess the dependencies and/or impacts of our suppliers

Criteria for assessing supplier dependencies and/or impacts on the environment

☑ Contribution to supplier-related Scope 3 emissions

% Tier 1 suppliers assessed

☑ 1-25%

Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

CPKC has implemented a structured supplier segmentation framework to classify its supply chain and characterize suppliers by criticality to the business. CPKC's threshold for substantive dependencies or impacts on the environment is a component of classification as a Critical Tier 1 supplier. These suppliers, representing only 1.5% of CPKC's total supplier base, are estimated to account for 19% of our Scope 3 emissions. As of 2024, CPKC had identified a total of 123 Critical Tier 1 suppliers.

% Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

☑ 1-25%

Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

123

5.11.2

Does your organization prioritize which suppliers to engage with on environmental issues?

CLIMATE CHANGE

Supplier engagement prioritization on this environmental issue

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

Criteria informing which suppliers are prioritized for engagement on this environmental issue

☑ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to climate change

☑ Business risk mitigation

☑ Procurement spend

☑ Regulatory compliance

Please explain

CPKC prioritizes supplier engagement on environmental issues through a structured and risk-informed approach embedded within its Supplier Code of Conduct. Suppliers are expected to operate in alignment with recognized environmental standards, including monitoring and reducing impacts related to water, energy, waste and GHG emissions, while complying with all applicable environmental laws. Engagement is prioritized based on supplier criticality, determined by factors such as annual spend, service complexity and potential sustainability risk exposure. CPKC requires that all critical suppliers review our Supplier Code of Conduct as a condition of doing business with CPKC. Risk and compliance are monitored through a supplier questionnaire integrated into supplier registration and RFP processes. The Sustainable Procurement Committee—comprising representatives from CPKC's procurement and sustainability teams—leads the implementation and continuous enhancement of supplier engagement practices, overseeing alignment with CPKC's overarching sustainability and climate goals.

5.11.5

Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

	Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process	Policy in place for addressing supplier non-compliance	Comments
Climate Change	☑ Yes, suppliers have to meet environmental requirements related to this environmental issue, but they are not included in our supplier contracts	☑ Yes, we have a policy in place for addressing non-compliance	No additional comment

5.11.6

Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

CLIMATE CHANGE

Environmental requirement

☑ Implementation of emissions reduction initiatives

Mechanisms for monitoring compliance with this environmental requirement

☑ Supplier self-assessment

% tier 1 suppliers by procurement spend required to comply with this environmental requirement

☑ 1-25%

% tier 1 suppliers by procurement spend in compliance with this environmental requirement

☑ 1-25%

Response to supplier non-compliance with this environmental requirement

☑ Retain and engage

% of non-compliant suppliers engaged

☑ None

Procedures to engage non-compliant suppliers

☑ Providing information on appropriate actions that can be taken to address non-compliance

Comment

CPKC prioritizes supplier engagement on environmental issues through a structured and risk-informed approach embedded within its Supplier Code of Conduct. Suppliers are expected to operate in alignment with recognized environmental standards, including monitoring and reducing impacts related to water, energy, waste and GHG emissions, while complying with all applicable environmental laws. Engagement is prioritized based on supplier criticality, determined by factors such as annual spend, service complexity and potential sustainability risk exposure. CPKC requires that all critical suppliers review our Supplier Code of Conduct as a condition of doing business with CPKC. Risk and compliance are monitored through a supplier questionnaire integrated into supplier registration and RFP processes. The Sustainable Procurement Committee—comprising representatives from CPKC's procurement and sustainability teams—leads the implementation and continuous enhancement of supplier engagement practices, overseeing alignment with CPKC's overarching sustainability and climate goals.

5.11.7

Provide further details of your organization's supplier engagement on environmental issues.

CLIMATE CHANGE

Action driven by supplier engagement
☑ Emissions reduction

Type and details of engagement
Innovation and collaboration
☑ Collaborate with suppliers on innovations to reduce environmental impacts in products and services

Upstream value chain coverage
☑ Tier 1 suppliers

% of tier 1 suppliers by procurement spend covered by engagement
☑ 1-25%

(% of tier 1 supplier-related scope 3 emissions covered by engagement
☑ 1-25%

Describe the engagement and explain the effect of your engagement on the selected environmental action
CPKC actively partners with suppliers in support of executing our Hydrogen Locomotive Program. Through this initiative CPKC is retrofitting diesel-electric locomotives with hydrogen fuel cells and battery technology to drive the locomotive's electric traction motors. The Hydrogen Locomotive Program has the potential to support CPKC's climate change ambitions and demonstrate a plausible pathway towards a low-carbon future for the freight rail sector. Partnership with our suppliers is important to develop new technologies, equipment and facilities to support testing, developing and introducing hydrogen locomotives into our fleet. For example, CPKC has partnered with ATCO EnPower to construct hydrogen production and refuelling facilities in Calgary and Edmonton, which became operational in 2024. Through this partnership ATCO EnPower provided engineering, procurement and construction services for each of the dedicated, on-site hydrogen locomotive refuelling stations and has signed an agreement to operate these facilities.

5.11.9

Provide details of any environmental engagement activity with other stakeholders in the value chain.

CLIMATE CHANGE

Type of stakeholder
☑ Customers

Type and details of engagement
Education/Information sharing
☑ Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services
☑ Share information about your products and relevant certification schemes
☑ Share information on environmental initiatives, progress and achievements

Innovation and collaboration
☑ Align your organization's goals to support customers' targets and ambitions
☑ Collaborate with stakeholders in creation and review of your climate transition plan
☑ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services
☑ Engage with stakeholders to advocate for policy or regulatory change
☑ Other innovation and collaboration, please specify: Encourage collaborative work in multi-stakeholder landscape towards initiatives for sustainable land-use goals

% of stakeholder type engaged
☑ 100%

% stakeholder-associated scope 3 emissions
☑ Unknown

Rationale for engaging these stakeholders and scope of engagement
CPKC provides the opportunity for our customers to engage with us directly on climate-related programs and information. Through these engagements, CPKC aims to earn and retain new business related to increasing supply chain demand for low carbon services, an opportunity for CPKC identified through our scenario analysis. To realize this opportunity, CPKC's customer engagement practices and initiatives are focused on increasing customer awareness of CPKC's GHG emissions reductions, ongoing climate initiatives, science-based emissions reductions targets and how CPKC can support customers in meeting their own sustainability and GHG emissions goals. CPKC also provides our customers with additional resources and GHG planning tools, including CPKC's online rail transport Carbon Emissions Calculator. CPKC's Carbon Emissions Calculator is designed to provide current and prospective customers with the ability to calculate and compare an estimate of the GHG emissions related to transportation of freight by CPKC's rail services versus heavy haul trucking alternatives. This information assists potential and current customers in estimating the GHG emissions savings of shipping freight across user-selected origin and destination pairs for a wide variety of commodities commonly shipped by rail. Customers seeking a deeper understanding of CPKC's climate change practices and emissions data can connect with their CPKC customer account managers, who can provide further information and opportunities for collaboration. CPKC also responds directly to customer supply chain surveys, including through CDP.

Effect of engagement and measures of success
In 2024, CPKC directly engaged with 19 existing or potential customers to evaluate GHG emissions associated with rail services and respond to climate-related questions. Our engagement practices have improved customer awareness of the GHG emissions associated with our rail services and how we can help to reduce emissions within their value chains. Recognizing strong customer interest in reducing supply chain GHG emissions, CPKC launched an enhanced online Carbon Emissions Calculator in 2023 to support stakeholder engagement and informed decision-making. This tool is designed to allow customers and other stakeholders to model carbon emissions and other sustainability-related benefits of shipping goods by our freight rail service. Users can review shipping options and generate customized estimates to inform discussions on low carbon rail services with our sales and marketing team. Since its release in 2023, the updated Carbon Emissions Calculator has been accessed by more than 3,331 distinct users, reflecting growing demand for transparent, data-driven insights into sustainable freight alternatives.

CLIMATE CHANGE

Type of stakeholder
☑ Investors and shareholders

Type and details of engagement

Education/Information sharing
☑ Share information about your products and relevant certification schemes
☑ Share information on environmental initiatives, progress and achievements

Innovation and collaboration
☑ Collaborate with stakeholders in creation and review of your climate transition plan
☑ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

% of stakeholder type engaged
☑ 100%

% stakeholder-associated scope 3 emissions
☑ None

Rationale for engaging these stakeholders and scope of engagement
CPKC provides the opportunity for our shareholders to engage with us directly on climate-related programs and information. Through our "say on climate" vote, CPKC receives critical feedback for the board and management to further engage in meaningful discussions about our Climate Strategy, including commitments related to alignment with a 1.5°C future. In 2025, the resolution received 91.66 percent approval, which reflects a consistent increase in shareholder support since 2023. Although the vote is non-binding, the Risk and Sustainability Committee reviews and considers the voting results when evaluating the Company's approach to climate change. CPKC provides regular updates on its Climate Strategy to shareholders and other stakeholders through ongoing engagement and public disclosures. We regularly engage with the Company's shareholders through in person and virtual meetings, including in Q1 2025 with shareholders who collectively represented approximately 30 percent of shares outstanding. Topics of interest raised by shareholders during these engagements included governance, sustainability, safety, our Hydrogen Locomotive Program and Climate Strategy.

Effect of engagement and measures of success
Through our advisory "say on climate" resolution, shareholders signaled approval of the Company's approach to climate change, including our Climate Strategy. In 2025, the resolution received 91.66 percent approval, an increase from 89.26 percent in 2024.

C6. Consolidation approach



RETURN TO TABLE OF CONTENTS

6.1

Provide details on your chosen consolidation approach for the calculation of environmental performance data.

CLIMATE CHANGE

Consolidation approach used

☑ Operational control

Provide the rationale for the choice of consolidation approach

CPKC employs an operational control consolidation approach in our GHG Inventory with the goal of capturing all emissions associated with the facilities and activities where CPKC has the full authority to introduce and implement our operating policies.

C7. Climate change



RETURN TO TABLE OF CONTENTS

7.1

Is this your first year of reporting emissions data to CDP?

☑ No

7.1.1

Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Has there been a structural change?
☑ Yes, an acquisition

Name of organization(s) acquired, divested from, or merged with
Kansas City Southern

Details of structural change(s), including completion dates
Legacy CP acquired control of legacy KCS in April 2023. GHG Data is reported on a combined basis incorporating KCS and CP data from Jan. 1, 2023 to Dec. 31, 2024. See 1.3.3 for additional information.

7.1.2

Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

Change(s) in methodology, boundary, and/or reporting year definition?
☑ Yes, a change in methodology

Details of methodology, boundary, and/or reporting year definition change(s)
For the 2024 inventory, there were two key methodological changes:

- CO_2e emissions from Purchased Goods and Services (PG&S) and Capital Goods were updated to use a spend-based calculation methodology. CPKC's total spend was sorted by product category and separated by spend and business unit. The following steps were implemented to identify and assign appropriate spend categories and calculate associated GHG emissions:
  1. Omitted certain spend categories (e.g. refunds, tax, wages), based on a set of assumptions and/or justifications for exclusion.
  2. Organized datasets based on the cost element name and code (e.g 64016 - Legal Fees) associated with each spend. The cost element code is a CPKC category identifier which is used to organize and track specific types of expenses in CPKC's financial systems.
  3. Mapped each cost element code to a relevant U.S. Environmentally-Extended Input-Output (USEEIO) category, which are derived from the North American Industry Classification System (NAICS). Mapping to an EEIO category is based on the expenses associated with a cost element code, for example "64016 - Legal Fees" is mapped to NAICS code 541199 "All Other Legal Services". These cost element codes are named to reflect the nature of the corresponding expenditures.
  4. Adjusted EEIO emission factors for inflation and currency differences, where applicable.
- Emissions from biofuels were quantified by multiplying biofuel usage by a derived well-to-tank (WTT) emission factor. These emission factors were derived using Life Cycle Assessment (LCA) values sourced from either the biofuel supplier or from the latest approved LCA values in the Canadian compliance

credit market. Since LCA values encompass emissions occurring at the point of combustion, it is necessary to avoid double-counting of these combustion emissions already accounted for under Scope 1. As such, emissions calculated under Scope 1 were subtracted from the total emissions calculated using the LCA values provided by suppliers or the approved carbon intensity (CI) values in the Canadian compliance credit market. By subtracting the LCA CO_2e emission factor from the WTW LCA CO_2e factor, we derive the WTT emission factor.

7.1.3

Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

Base year recalculation
☑ Yes

Scope(s) recalculated
☑ Scope 3

Base year emissions recalculation policy, including significance threshold
2023 was CPKC's first year reporting emissions as a combined company, therefore CPKC's GHG inventory base year is 2023. In alignment with the principles of the GHG Protocol, as more reliable activity data and emission factors become available the complete inventory will be updated according to the 5% significance threshold.

Past years' recalculation
☑ No

7.2

Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

☑ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
☑ The Greenhouse Gas Protocol: Scope 2 Guidance
☑ The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

7.3

Describe your organization's approach to reporting Scope 2 emissions.

Scope 2, location-based
☑ We are reporting a Scope 2, location-based figure

Scope 2, market-based
☑ We are reporting a Scope 2, market-based figure

Comment
Scope 2 indirect emission sources result primarily from energy consumed in CPKC buildings and office space. The market-based method considers emission rates from purchased energy certificates or contractual arrangements under which power is procured from specific sources, such as renewable energy. CPKC does not currently purchase energy attribute certificates, power purchase agreements or supplier

specific emissions rates. CPKC uses residual mix emission factors obtained from the Center for Solutions Green-e Residual Mix Rates for calculating our market-based Scope 2 emissions. The location-based method considers average emission factors for the electricity grids from the following sources: - U.S. EPA Emissions & Generation Resource Integrated Database (eGRID) emission factors (eGRID2023, released in 2025) - Environment and Climate Change Canada, Canadian National Inventory Report 1990-2023, released in 2025 - Mexico Emissions Factors were obtained from Gobierno De Mexico Emission Factor of the National Electric System 2024 (released February 2025)

7.4

Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

☑ No

7.5

Provide your base year and base year emissions.

SCOPE 1

Base year end
12/31/2023

Base year emissions (metric tons CO_2e)
4,635,700

Methodological details
CPKC's Scope 1 emissions include on-road mobile combustion, off-road equipment, stationary heating sources and other stationary sources. Emission factors for diesel, propane, gasoline and other mobile and stationary sources were primarily sourced from the Canadian National Inventory. These emission factors were then multiplied by CPKC's energy consumption data and the Intergovernmental Panel on Climate Change Fifth Assessment Report Global Warming Potentials (IPCC GWP AR5) values to calculate Scope 1 GHG emissions.

SCOPE 2 (LOCATION-BASED)

Base year end
12/31/2023

Base year emissions (metric tons CO_2e)
63,848

Methodological details
Electricity consumption data is collected for CPKC facilities and aggregated by geography (the U.S., Canada and Mexico). Emissions are calculated using emission factors from the U.S. EPA Emission Factors Hub for Greenhouse Gas Inventories, Emission Factors and Reference Values: Canada's GHG offset credit system, Canadian National Inventory Emission Factors 2023, Gobierno De Mexico Emission Factor of the National Electric System 2023 and IPCC GWP AR5 values.

SCOPE 2 (MARKET-BASED)

Base year end
12/31/2023

Base year emissions (metric tons CO_2e)
65,071

Methodological details
Electricity consumption data is collected for CPKC facilities and aggregated by geography (the U.S., Canada

and Mexico). Emissions are calculated using emission factors from the U.S. EPA Emission Factors Hub for Greenhouse Gas Inventories, Emission Factors and Reference Values: Canada's GHG offset credit system, Canadian National Inventory Emission Factors 2023, Gobierno De Mexico Emission Factor of the National Electric System 2023 and IPCC GWP AR5 values.

SCOPE 3 CATEGORY 1: PURCHASED GOODS AND SERVICES

Base year end
12/31/2023

Base year emissions (metric tons CO_2e)
478,388

Methodological details
Please note that CPKC has adopted an updated methodology for Category 1, Purchased goods and services, and Category 2, Capital goods, for the 2024 reporting year. The 2023 value has been restated using the original 2023 methodology to incorporate a significant portion of the Purchased Goods & Services and Capital Goods spend that was omitted from the calculations in error. For the 2023 reporting year, emissions from Purchased Goods & Services (PG&S) and Capital Goods were quantified through a hybrid methodology. CPKC's total spend was sorted by product category. Each remaining product spend category is mapped to the NAICS category using U.S. Environmentally Extended Input-Output (U.S. EEIO V1.2) codes. These categories are used to estimate the environmental and economic impacts of goods and services. Total spend by each NAICS category is calculated and multiplied by the corresponding USEEIO emission factor. Capital goods data were unable to be separated out from the PG&S data, so the totals are reported as a combined emissions number. The GHG emissions associated with CPKC's spend with Progress Rail and Wabtec were excluded from the above USEEIO spend based methodology and were calculated using an allocated emissions spend based methodology. Both companies serve as locomotive suppliers for CPKC. CPKC utilized Progress Rail's and Wabtec's 2023 sustainability reports to acquire data on total Scope 1 and Scope 2 market-based emissions, as well as sales and revenue figures in U.S. dollars for 2022, as the 2023 data had not been published yet in their 2024 reports. By calculating the percentage of spend from Progress Rail and Wabtec's total revenue that was from CPKC, that same percentage was then applied to Progress Rail and Wabtec's total emissions to calculate the emissions associated with CPKC's activities.

SCOPE 3 CATEGORY 2: CAPITAL GOODS

Base year end
12/31/2023

Base year emissions (metric tons CO_2e)
0

Methodological details
See explanation from Category 1: Purchased goods and services, since it was not possible for CPKC to separate procurement data for purchased goods and services and capital goods in 2023. Emissions from purchased capital goods are included in Category 1, and emissions reported in this category are zero (0).

SCOPE 3 CATEGORY 3: FUEL-AND-ENERGY-RELATED ACTIVITIES (NOT INCLUDED IN SCOPE 1 OR 2)

Base year end
12/31/2023

Base year emissions (metric tons CO_2e)
1,132,884

Methodological details
Fuel and Energy Related Activities (FERA) emissions for locomotive diesel fuel were quantified by country. Canadian diesel usage was multiplied by a factor for Locomotive and Marine Diesel from GHGenius (5.02b). For the U.S. and Mexico, the overall diesel usage was multiplied by the Global Logistics Emissions Council (GLEC) factor for locomotive diesel WTT emissions. Emissions from FERA for biodiesel usage in Canada was quantified by multiplying biodiesel usage by a WTT factor that was calculated from carbon intensity values supplied by the fuel supplier. FERA emissions from other mobile sources were also quantified by country. Canadian fuel usage was multiplied by the appropriate factor from GHGenius (5.02b). For the U.S. and Mexico, the fuel usage was multiplied by the appropriate factor from the Department for Environment, Food & Rural Affairs (DEFRA). Upstream emissions from the use of fuels used for stationary sources were estimated using GHGenius 5.02b upstream emissions factors. Upstream emissions from fuel combusted for the generation of electricity that CPKC purchases were estimated based on electricity consumed by geographic location. Emission factors for WTT emissions per kWh electricity consumed were sourced from the DEFRA emission factor database. These were applied to the total electricity consumed for each location in CPKC's business. Emissions from transmission and distribution (T&D) loss rate are calculated using information from the most recent NIR for Canada and published eGRID grid loss percent and U.S. average factor (U.S. EPA E-grid 2023) for the United States. Mexico emissions factors were obtained from Gobierno De Mexico Emission Factor of the National Electric System 2023 (Released March 1, 2024). The location appropriate grid loss emissions rate is then multiplied by total electricity consumed in that location to determine emissions from grid loss.

SCOPE 3 CATEGORY 4: UPSTREAM TRANSPORTATION AND DISTRIBUTION

Base year end
12/31/2023

Base year emissions (metric tons CO_2e)
121,098

Methodological details
Emissions from upstream transportation and distribution for CPKC operations are quantified by using the distance-based calculation method provided in the WRI/WBCSD GHG Protocol Technical Guidance for Calculating Scope 3 Emissions (WRI and WBCSD 2013). The total weight (U.S. short tons) of each truck load (TL) and less than truck load (LTL) shipments is multiplied by the mileage of each shipment and the emission factor for the transportation method (assumed Medium-Duty and Heavy-Duty Trucks). Emission factors were obtained from the U.S. EPA GHG Emission Factors Hub. TL shipments are fully loaded trucks dedicated entirely to CPKC. LTL shipments are trucks that may have non-CPKC freight items in addition to the CPKC freight.

SCOPE 3 CATEGORY 5: WASTE GENERATED IN OPERATIONS

Base year end
12/31/2023

Base year emissions (metric tons CO_2e)
40,881

Methodological details
Emissions from waste generated in CPKC operations are quantified by using the Average-Data Method provided in the WRI/WBCSD GHG Protocol Technical Guidance for Calculating Scope 3 Emissions (WRI and WBCSD 2013). The total mass of waste is multiplied by the proportion of total waste being treated by a waste treatment method and the emission factor of the waste treatment method. Emission factors were obtained from the U.S. EPA GHG Emission Factors Hub. Waste treatment methods include landfill, recycle, and incineration.

SCOPE 3 CATEGORY 6: BUSINESS TRAVEL

Base year end
12/31/2023

Base year emissions (metric tons CO_2e)
33,633

Methodological details
Emissions from on-road gasoline fuel combustion for mobile sources (employee business travel via rental or taxi/shuttle vehicles) are quantified by multiplying miles traveled with the emission factor obtained from the U.S. EPA GHG Emission Factors Hub. Total fuel consumption was determined by multiplying the total miles traveled by the average fuel economy for the vehicle type. Emissions from employee business air travel are quantified by assuming all CPKC commercial air travel to be medium haul (300 miles to 2,300 miles) and applying emission factors from the U.S. EPA GHG Emission Factors Hub. The total passenger miles traveled were multiplied by the appropriate emission factors to calculate the CO_2, CH_4, and N_2O emissions. Emissions from the electricity and natural gas associated with hotel stays are quantified using assumptions from U.S. EPA Center for Corporate Climate Leadership, December 2018, Section 4, Table 5, which give the average electricity and average natural gas usage for hotel nights. It is assumed that the hotels CPKC typically uses are "Midscale with food and beverage". The assumed electricity consumption per night is 30 kWh and assumed gas usage is 0.097 MMbtu. These values were multiplied by the number of stay nights recorded by CPKC during the reporting period. The total hotel stays are multiplied by an average electricity or natural gas emission factor to calculate the total emissions.

SCOPE 3 CATEGORY 7: EMPLOYEE COMMUTING

Base year end
12/31/2023

Base year emissions (metric tons CO_2e)
71,134

Methodological details
Employee commuting emissions were estimated by multiplying miles traveled by the most relevant emission factor obtained from the US EPA. Commuting distance was determined based on work and home zip code data. Mileage was determined based on the direct line distance between work and home zip codes, converted into the latitude and longitude of the geographic center of each zip location. The direct distance between two zip code locations was calculated using an excel formula obtained from Pearson (2018) and BlueMM (2007). The calculated distance was multiplied by the number of CPKC employees who lived and worked in those zip codes. Commuting was assumed to include two commuting trips per day, 5 days per week, 48 weeks per year for 480 commutes per employee per year. Total fuel consumption

was obtained by dividing the total miles traveled by the vehicle fuel economy. Employee vehicles used for commuting were assumed to be gasoline light duty-trucks with model years between 2005 and 2019.

SCOPE 3 CATEGORY 8: UPSTREAM LEASED ASSETS

Base year end
12/31/2023

Base year emissions (metric tons CO_2e)
0

Methodological details
CPKC does not operate upstream leased assets. Therefore, GHG emissions from this source are reported as zero (0). Emissions related to all CPKC assets are included in the Scope 1 and 2 GHG emissions.

SCOPE 3 CATEGORY 9: DOWNSTREAM TRANSPORTATION AND DISTRIBUTION

Base year end
12/31/2023

Base year emissions (metric tons CO_2e)
0

Methodological details
CPKC is a railway freight service provider and does not sell products. Category 9 is limited to emissions from the transportation of sold products by equipment and facilities not owned or controlled by CPKC. Therefore, downstream transportation and distribution are not relevant to CPKC. GHG emissions from this source are reported as zero (0). Any additional services purchased by CPKC to transport goods are included in Category 4: upstream transportation and distribution.

SCOPE 3 CATEGORY 10: PROCESSING OF SOLD PRODUCTS

Base year end
12/31/2023

Base year emissions (metric tons CO_2e)
0

Methodological details
CPKC is a railway freight service provider and does not sell any products. Therefore, use of sold products is not relevant and GHG emissions from this source are reported as zero (0).

SCOPE 3 CATEGORY 11: USE OF SOLD PRODUCTS

Base year end
12/31/2023

Base year emissions (metric tons CO_2e)
0

Methodological details
CPKC is a railway freight service provider and does not sell any products. Therefore, use of sold products is not relevant and GHG emissions from this source are reported as zero (0).

SCOPE 3 CATEGORY 12: END OF LIFE TREATMENT OF SOLD PRODUCTS

Base year end
12/31/2023

Base year emissions (metric tons CO_2e)
0

Methodological details
CPKC is a railway freight service provider and does not sell any products. Therefore, use of sold products is not relevant and GHG emissions from this source are reported as zero (0).

SCOPE 3 CATEGORY 13: DOWNSTREAM LEASED ASSETS

Base year end
12/31/2023

Base year emissions (metric tons CO_2e)
0

Methodological details
CPKC does not have any downstream leased assets; therefore, GHG emissions from this source are zero (0). CPKC directly manages assets which are included in reported Scope 1 and 2 GHG emissions.

SCOPE 3 CATEGORY 14: FRANCHISES

Base year end
12/31/2023

Base year emissions (metric tons CO_2e)
0

Methodological details
CPKC does not own or operate any franchises; therefore, GHG emissions from this source are reported as zero (0).

SCOPE 3 CATEGORY 15: INVESTMENTS

Base year end
12/31/2023

Base year emissions (metric tons CO_2e)
0

Methodological details
CPKC has partial ownership of other short line railroads. Cumulative GHG emissions from these operations have been estimated to be very small in relation to the rest of CPKC's GHG inventory and are therefore assessed to be not relevant to the total GHG inventory.

SCOPE 3: OTHER (UPSTREAM)

Base year end
12/31/2023

Base year emissions (metric tons CO_2e)
0

Methodological details
CPKC does not have other (upstream) emissions which have not been accounted for in this inventory.

SCOPE 3: OTHER (DOWNSTREAM)

Base year end
12/31/2023

Base year emissions (metric tons CO_2e)
0

Methodological details
CPKC does not have other (downstream) emissions which have not been accounted for in this inventory.

7.6

What were your organization's gross global Scope 1 emissions in metric tons CO_2e?

REPORTING YEAR

Gross global Scope 1 emissions (metric tons CO_2e)
4,645,263

Methodological details
CPKC's Scope 1 GHG emissions include those from stationary diesel, propane, natural gas and gasoline sources; oil water separators, refrigerant fugitive emissions; and mobile on-road diesel, gasoline and off-road diesel sources. Emission factors for diesel, propane, gasoline and other mobile and stationary sources were primarily sourced from the Canadian National Inventory and the U.S. EPA Emission Factors Hub. These emission factors were then multiplied by CPKC's activity data and the IPCC GWP AR5 values to calculate Scope 1 GHG emissions.

7.7

What were your organization's gross global Scope 2 emissions in metric tons CO_2e?

REPORTING YEAR

Gross global Scope 2, location-based emissions (metric tons CO_2e)
59,774

Gross global Scope 2, market-based emissions (metric tons CO_2e) (if applicable)
65,561

Methodological details
Electricity consumption data is collected for CPKC facilities and aggregated by geography (the U.S., Canada and Mexico). Emissions are calculated using emission factors from the U.S. EPA eGrid Emission Factors, Canadian National Inventory Report 1990-2022, Gobierno De Mexico Emission Factor of the National Electric System and IPCC GWP AR5 values.

7.8

Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

PURCHASED GOODS AND SERVICES

Evaluation status
☑ Relevant, calculated

Emissions in reporting year (metric tons CO_2e)
164,771

Emissions calculation methodology
☑ Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Emissions from Purchased Goods and Services (PG&S) were calculated using a spend-based methodology. CPKC's total spend was sorted by product category and by country. Exclusions include spend categories such as fuels, shipping, taxes and workforce accommodations, as these are included in the boundary of other Scope 3 emission sources. Each product spend category is mapped using U.S. Environmentally Extended Input-Output (USEEIO V1.3) codes. These codes are used to estimate the environmental and economic impacts of goods and services. The Supply Chain Greenhouse Gas emission factors datasets are comprised of GHG emissions factors for 1,016 U.S. commodities as defined by the 2017 version of the North American Industry Classification System (NAICS). The EPA report describes supply chain GHG emission factors prepared with versions of the USEEIO, which are life cycle models of all categories of goods and services and industries in the US economy. Total spend by each NAICS category is calculated and multiplied by the corresponding USEEIO emission factor.

CAPITAL GOODS

Evaluation status
☑ Relevant, calculated

Emissions in reporting year (metric tons CO_2e)
183,218

Emissions calculation methodology
☑ Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Capital goods are quantified using the same methodology as PG&S. Based on an increased understanding of how the source data is tracked, CPKC is reporting Purchased Goods & Services and Capital Goods separately for the first time in 2024.

FUEL-AND-ENERGY-RELATED ACTIVITIES (NOT INCLUDED IN SCOPE 1 OR 2)

Evaluation status
☑ Relevant, calculated

Emissions in reporting year (metric tons CO_2e)
1,152,401

Emissions calculation methodology
☑ Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0.55

Please explain
Canadian locomotive diesel usage was multiplied by a factor for locomotive and marine diesel from GHGenius (5.02b). For the U.S. and Mexico, locomotive diesel usage is multiplied by the GLEC well to tank (WTT) emissions factor for locomotive diesel. This factor is derived by subtracting the GLEC tank-to-wheel (TTW) factor from the well-to-wheel (WTW) factor and then multiplying the result by diesel density to calculate emissions. Usage of other liquid fuels and natural gas was multiplied by appropriate WTT factors from GHGenius (5.02b), GLEC, or DEFRA. Emissions from T&D loss rate are calculated using information from the Canadian National Inventory Report (2024) and published eGRID grid loss percent and U.S. average emission factors (U.S. EPA E-grid 2025) for the United States. Mexico emissions factors were obtained from Gobierno De Mexico Emission Factor of the National Electric System 2024. The location appropriate grid loss emissions rate is then multiplied by total electricity consumed in that location to determine emissions from grid loss. Indirect CO_2e emissions from FERA for biodiesel is quantified by multiplying biodiesel or renewable diesel usage (FAME or HDRD) by a WTT factor less than the overall life cycle assessment factor (LCA) that was provided by the supplier and/or third-party sites. For renewable diesel, CPKC was able to obtain a weighted average carbon intensity (CI) factor from their supplier and subtracted this value from the average approved LCA as obtained from the NIR, 2024. For biodiesel, no supplier specific CI was available, so CPKC utilized the latest approved LCA values from the Clean Fuel Regulations (CFR) Fuel LCA Model as the CI factor and the TTW factor as obtained from the NIR, 2024. The LCA factors for biodiesel and HDRD were then multiplied by a heating content value (supplier provided) before subtracting the TTW factor. This gave the final WTT factor which was used to calculate the upstream emissions associated with biodiesel use.

UPSTREAM TRANSPORTATION AND DISTRIBUTION

Evaluation status
☑ Relevant, calculated

Emissions in reporting year (metric tons CO_2e)
15,106

Emissions calculation methodology
☑ Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Emissions from upstream transportation and distribution for CPKC operations are quantified by using the distance-based calculation method provided in the WRI/WBCSD GHG Protocol Technical Guidance for Calculating Scope 3 Emissions (WRI and WBCSD 2013). Data was obtained from third-party logistics suppliers. The total weight (U.S. short tons) of each truck shipment is multiplied by the mileage of each shipment and the emission factor for the assumed transportation method of Medium-Duty and Heavy-Duty Trucks. Emission factors were obtained from the U.S. EPA GHG Emission Factors Hub. Starting in 2024, Upstream Transport and Distribution Emissions reflect a methodological change in how shipment weight is calculated, now distinguishing between individual package weight and total shipment weight.

WASTE GENERATED IN OPERATIONS

Evaluation status
☑ Relevant, calculated

Emissions in reporting year (metric tons CO_2e)
22,538

Emissions calculation methodology
☑ Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
52

Please explain
Emissions from waste generated in CPKC operations are quantified by using the Average-Data Method provided in the WRI/WBCSD GHG Protocol Technical Guidance for Calculating Scope 3 Emissions (WRI and WBCSD 2013). The total mass of waste is multiplied by the proportion of total waste being treated by a waste treatment method and the emission factor of the waste treatment method. Emission factors were obtained from the U.S. EPA GHG Emission Factors Hub. Waste treatment methods include landfill, recycling, composting and incineration.

BUSINESS TRAVEL

Evaluation status
☑ Relevant, calculated

Emissions in reporting year (metric tons CO_2e)
29,835

Emissions calculation methodology
☑ Hybrid method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
38.4

Please explain
Emissions from on-road gasoline fuel combustion for mobile sources (employee business travel via personal or rental or taxi/shuttle vehicles) are quantified by multiplying miles traveled with the emission factor obtained from the U.S. EPA GHG Emission Factors Hub. Emissions from employee business air travel were quantified by categorizing all CPKC commercial air travel data into short-haul (< 300 miles) and medium-haul (>= 300 miles, < 2300 miles) and long haul > 2300 mile distances and applying emission factors from the U.S. EPA GHG Emission Factors Hub. The total passenger miles traveled were multiplied by the appropriate emission factors to calculate the CO_2, CH_4 and N_2O emissions. Emissions from the electricity and natural gas associated with hotel stays are quantified using assumptions from U.S. EPA Center for Corporate Climate Leadership, December 2018, Section 4, Table 5, which give the average electricity and average natural gas usage for hotel nights. It is assumed that the hotels CPKC typically uses are "Midscale with food and beverage". The assumed electricity consumption per night is 30 kWh and assumed gas usage is 0.097 MMbtu. These values were multiplied by the number of stay nights recorded by CPKC during the reporting period. The total hotel stays are multiplied by an average electricity or natural gas emission factor to calculate the total emissions.

EMPLOYEE COMMUTING

Evaluation status
☑ Relevant, calculated

Emissions in reporting year (metric tons CO_2e)
75,835

Emissions calculation methodology
☑ Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Employee commuting emissions were estimated by multiplying miles traveled by the most relevant emission factor obtained from the US EPA. Commuting distance was determined based on work and home zip code data. Mileage was determined based on the direct line distance between work and home zip codes, converted into the latitude and longitude of the geographic center of each zip location. The direct distance between two zip code locations was calculated using an Excel formula obtained from Pearson (2018) and BlueMM (2007). The calculated distance was multiplied by the number of CPKC employees who lived and worked in those zip codes. Commuting was assumed to include two commuting trips per day, 5 days per week, 48 weeks per year for 480 commutes per employee per year. Total fuel consumption was obtained by dividing the total miles traveled by the vehicle fuel economy. Employee vehicles used for commuting were assumed to be gasoline light duty-trucks.

UPSTREAM LEASED ASSETS

Evaluation status
☑ Not relevant, explanation provided

Please explain
CPKC does not operate upstream leased assets. Therefore, GHG emissions from this source are reported as zero (0). Emissions related to all CPKC assets are included in the Scope 1 and 2 GHG emissions.

DOWNSTREAM TRANSPORTATION AND DISTRIBUTION

Evaluation status
☑ Not relevant, explanation provided

Please explain
Category 9 is limited to emissions from the transportation of sold products by equipment and facilities not owned or controlled by CPKC. Therefore, downstream transportation and distribution are not relevant to CPKC. GHG emissions from this source are reported as zero (0). Any additional services purchased by CPKC to transport goods are included in Category 4: upstream transportation and distribution.

PROCESSING OF SOLD PRODUCTS

Evaluation status
☑ Not relevant, explanation provided

Please explain
CPKC is a railway freight service provider and does not sell any products. Therefore, processing of sold products is not relevant and GHG emissions from this source are reported as zero (0).

USE OF SOLD PRODUCTS

Evaluation status
☑ Not relevant, explanation provided

Please explain
CPKC is a railway freight service provider and does not sell any products. Therefore, use of sold products is not relevant and GHG emissions from this source are reported as zero (0).

END OF LIFE TREATMENT OF SOLD PRODUCTS

Evaluation status
☑ Not relevant, explanation provided

Please explain
CPKC is a railway freight service provider and does not sell any products. Therefore, end-of-life treatment of sold products is not relevant and GHG emissions from this source are reported as zero (0).

DOWNSTREAM LEASED ASSETS

Evaluation status
☑ Not relevant, explanation provided

Please explain
CPKC does not have any downstream leased assets; therefore, GHG emissions from this source are zero (0). CPKC directly manages assets which are included in reported Scope 1 and 2 GHG emissions.

FRANCHISES

Evaluation status
☑ Not relevant, explanation provided

Please explain
CPKC does not own or operate any franchises; therefore, GHG emissions from this source are reported as zero (0).

INVESTMENTS

Evaluation status
☑ Not relevant, explanation provided

Please explain
CPKC has partial ownership of multiple joint venture short line railway operations. Cumulative GHG emissions from these operations have been estimated to be very small in relation to the rest of CPKC's GHG inventory and are therefore assessed to be not relevant to the total GHG inventory.

OTHER (UPSTREAM)

Evaluation status
☑ Not relevant, explanation provided

Please explain
CPKC does not have other (upstream) emissions which have not been accounted for in this inventory.

OTHER (DOWNSTREAM)

Evaluation status
☑ Not relevant, explanation provided

Please explain
CPKC does not have other (downstream) emissions which have not been accounted for in this inventory.

7.9

Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	☑ Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	☑ Third-party verification or assurance process in place
Scope 3	☑ Third-party verification or assurance process in place

7.9.1

Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

ROW 1

Verification or assurance cycle in place
☑ Annual process

Status in the current reporting year
☑ Complete

Type of verification or assurance
☑ Reasonable assurance

Attach the statement
CPKC 2024 Assurance Statement-FINAL.pdf

Page/section reference
Verification findings are on pages 2 and 3 in the document. Auditor Assurance Opinion: "Based on our verification, the GHG statement is, in all material aspects, in accordance with the verification criteria and is free of material misstatements."

Relevant standard
☑ ISO14064-3

Proportion of reported emissions verified (%)
100

7.9.2

Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

ROW 1

Scope 2 approach
☑ Scope 2 location-based

Verification or assurance cycle in place
☑ Annual process

Status in the current reporting year
☑ Complete

Type of verification or assurance
☑ Reasonable assurance

Attach the statement
CPKC 2024 Assurance Statement-FINAL.pdf

Page/section reference
Verification findings are on pages 2 and 3 in the document. Auditor Assurance Opinion: "Based on our verification, the GHG statement is, in all material aspects, in accordance with the verification criteria and is free of material misstatements."

Relevant standard
☑ ISO14064-3

Proportion of reported emissions verified (%)
100

ROW 2

Scope 2 approach
☑ Scope 2 market-based

Verification or assurance cycle in place
☑ Annual process

Status in the current reporting year
☑ Complete

Type of verification or assurance
☑ Reasonable assurance

Attach the statement
CPKC 2024 Assurance Statement-FINAL.pdf

Page/section reference
Verification findings are on pages 2 and 3 in the document. Auditor Assurance Opinion: "Based on our verification, the GHG statement is, in all material aspects, in accordance with the verification criteria and is free of material misstatements."

Relevant standard
☑ ISO14064-3

Proportion of reported emissions verified (%)
100

7.9.3

Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

ROW 1

Scope 3 category

☑ Scope 3: Capital goods
☑ Scope 3: Business travel
☑ Scope 3: Employee commuting
☑ Scope 3: Purchased goods and services
☑ Scope 3: Waste generated in operations
☑ Scope 3: Upstream transportation and distribution
☑ Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Verification or assurance cycle in place

☑ Annual process

Status in the current reporting year

☑ Complete

Type of verification or assurance

☑ Reasonable assurance

Attach the statement

CPKC 2024 Assurance Statement-FINAL.pdf

Page/section reference

Verification findings are on pages 2 and 3 in the document. Auditor Assurance Opinion: "Based on our verification, the GHG statement is, in all material aspects, in accordance with the verification criteria and is free of material misstatements."

Relevant standard

☑ ISO14064-3

Proportion of reported emissions verified (%)

100

7.10

How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

☑ Increased

7.10.1

Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

CHANGE IN OUTPUT

Change in emissions (metric tons CO_2e)
5,489

Direction of change in emissions
☑ Increased

Emissions value (percentage)
0.12

Please explain calculation
N/A

7.10.2

Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

☑ Location-based

7.12

Are carbon dioxide emissions from biogenic carbon relevant to your organization?

☑ Yes

7.12.1

Provide the emissions from biogenic carbon relevant to your organization in metric tons CO_2.

CO_2 emissions from biogenic carbon (metric tons CO_2)
63,694

Comment
Direct Biogenic CO_2 Emissions from the combustion or biodegradation of biomass are reported separately from gross direct (Scope 1) GHG emissions as per The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition). This value represents the CO_2 portion of biogenic source emissions from biodiesel and renewable diesel used to power locomotives. Any methane (CH_4) and nitrous oxide (N_2O) from biogenic emissions are accounted for in our Scope 1 reporting.

7.15

Does your organization break down its Scope 1 emissions by greenhouse gas type?

☑ Yes

7.15.1

Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).

ROW 1

Greenhouse gas
☑ CO_2

Scope 1 emissions (metric tons of CO_2e)
4,216,673

GWP Reference
☑ IPCC Fifth Assessment Report (AR5 – 100 year)

ROW 2

Greenhouse gas
☑ CH_4

Scope 1 emissions (metric tons of CO_2e)
8,055

GWP Reference
☑ IPCC Fifth Assessment Report (AR5 – 100 year)

ROW 3

Greenhouse gas
☑ N_2O

Scope 1 emissions (metric tons of CO_2e)
418,706

GWP Reference
☑ IPCC Fifth Assessment Report (AR5 – 100 year)

ROW 4

Greenhouse gas
☑ HFCs

Scope 1 emissions (metric tons of CO_2e)
1,830

GWP Reference
☑ IPCC Fifth Assessment Report (AR5 – 100 year)

7.16

Break down your total gross global Scope 1 and 2 emissions by country/area.

	Scope 1 emissions (metric tons CO_2e)	Scope 2, location-based (metric tons CO_2e)	Scope 2, market-based (metric tons CO_2e)
Canada	2,326,461	22,362	22,362
Mexico	784,421	7,817	7,817
United States of America	1,534,381	29,596	35,382

7.17

Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

☑ By activity

7.17.3

Break down your total gross global Scope 1 emissions by business activity.

ROW 1

Activity
Off Road Locomotive

Scope 1 emissions (metric tons CO_2e)
4,462,043

ROW 2

Activity
Off Road Equipment

Scope 1 emissions (metric tons CO_2e)
45,071

ROW 3

Activity
Off Road Aircraft

Scope 1 emissions (metric tons CO_2e)
3,929

ROW 4

Activity
On-Road Vehicle Fleet

Scope 1 emissions (metric tons CO_2e)
86,893

ROW 5

Activity
Stationary Heating Sources

Scope 1 emissions (metric tons CO_2e)
37,157

ROW 6

Activity
Stationary Combustion Sources

Scope 1 emissions (metric tons CO_2e)
7,143

ROW 7

Activity
Oil/Water Separators (OWS)

Scope 1 emissions (metric tons CO_2e)
1,197

ROW 8

Activity
Misc Refrigerant Losses

Scope 1 emissions (metric tons CO_2e)
1,830

7.19

Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO_2e.

	Gross Scope 1 emissions, metric tons CO_2e	Comment
Transport services activities	4,645,263	CPKC is a railway freight service provider. We consider all CPKC emissions to be related to Transport services.

7.20

Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

☑ By activity

7.20.3

Break down your total gross global Scope 2 emissions by business activity.

	Activity	Scope 2, location-based (metric tons CO_2e)	Scope 2, market-based (metric tons CO_2e)
Row 1	Freight Rail Services – Purchased Electricity	59,774	65,561

7.21

Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO_2e.

TRANSPORT SERVICES ACTIVITIES

Scope 2, location-based, metric tons CO_2e
59,774

Scope 2, market-based (if applicable), metric tons CO_2e
65,561

Comment
The emissions associated with purchased electricity are attributable to facility use in rail yards, maintenance operations and office-related functions.

7.22

Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

CONSOLIDATED ACCOUNTING GROUP

Scope 1 emissions (metric tons CO_2e)
4,645,263

Scope 2, location-based emissions (metric tons CO_2e)
59,744

Scope 2, market-based emissions (metric tons CO_2e)
65,561

Please explain
Entities included in CPKC's emissions calculations for the reporting year are accounted for in CPKC's annual financial statements.

ALL OTHER ENTITIES

Scope 1 emissions (metric tons CO_2e)
0

Scope 2, location-based emissions (metric tons CO_2e)
0

Scope 2, market-based emissions (metric tons CO_2e)
0

Please explain
CPKC does not include any other entities.

7.23

Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

☑ No

7.27

What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

ROW 1

Allocation challenges

☑ Customer base is too large and diverse to accurately track emissions to the customer level

Please explain what would help you overcome these challenges

CPKC's current approach to calculating locomotive emissions is based on customer activity data. We have continually sought to improve the accuracy of our process for capturing customer emissions. An area where we might continue to improve is the allocation method that can over/underestimate the emissions associated with the movement of the customer's products due to the use of an overall corporate average of GHG emissions per RTM, as opposed to focusing on customer-specific or route specific efficiency factors. To obtain more accurate values, it could be necessary to refine the emissions factors to take into account additional customer data, such as geographic areas for the movements, origin-destination pairs, the commodity being transported and the configuration of railcars involved (intermodal containers, automotive, bulk gondola, tank car, etc.). As our approach to climate change continues to evolve, there might be opportunities to work with our customers to refine our methodology.

ROW 2

Allocation challenges

☑ Diversity of product lines makes accurately accounting for each product/product line cost ineffective

Please explain what would help you overcome these challenges

CPKC's current approach to calculating locomotive emissions is based on customer activity data. We have continually sought to improve the accuracy of our process for capturing customer emissions. An area where we might continue to improve is the allocation method that can over/underestimate the emissions associated with the movement of the customer's products due to the use of an overall corporate average of GHG emissions per RTM, as opposed to focusing on customer-specific or route specific efficiency factors. To obtain more accurate values, it could be necessary to refine the emissions factors to take into account additional customer data, such as geographic areas for the movements, origin-destination pairs, the commodity being transported and the configuration of railcars involved (intermodal containers, automotive, bulk gondola, tank car, etc.). As our approach to climate change continues to evolve, there might be opportunities to work with our customers to refine our methodology.

ROW 3

Allocation challenges

☑ Managing the different emission factors of diverse and numerous geographies makes calculating total footprint difficult

Please explain what would help you overcome these challenges

CPKC's current approach to calculating locomotive emissions is based on customer activity data. We have continually sought to improve the accuracy of our process for capturing customer emissions. An area where we might continue to improve is the allocation method that can over/underestimate the emissions associated with the movement of the customer's products due to the use of an overall corporate average of GHG emissions per RTM, as opposed to focusing on customer-specific or route specific efficiency factors. To obtain more accurate values, it could be necessary to refine the emissions factors to take into account additional customer data, such as geographic areas for the movements, origin-destination pairs, the commodity being transported and the configuration of railcars involved (intermodal containers, automotive, bulk gondola, tank car, etc.). As our approach to climate change continues to evolve, there might be opportunities to work with our customers to refine our methodology.

7.28

Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Do you plan to develop your capabilities to allocate emissions to your customers in the future?
☑ Yes

Describe how you plan to develop your capabilities
CPKC has developed a web-based Carbon Emissions Calculator intended for use by current and prospective rail customers. This innovative tool is designed to provide users with the ability to calculate and compare an estimate of the GHG emissions related to transportation of freight by CPKC's rail services versus heavy haul trucking alternatives. The additional insight into the climate-related impacts of moving freight by CPKC rail network versus heavy haul trucking supports customers awareness of freight transportation options that are most consistent with their climate-related strategies.

7.29

What percentage of your total operational spend in the reporting year was on energy?

☑ More than 15% but less than or equal to 20%

7.30

Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	☑ Yes
Consumption of purchased or acquired electricity	☑ Yes
Consumption of purchased or acquired heat	☑ No
Consumption of purchased or acquired steam	☑ No
Consumption of purchased or acquired cooling	☑ No
Generation of electricity, heat, steam, or cooling	☑ Yes

7.30.1

Report your organization's energy consumption totals (excluding feedstocks) in MWh.

CONSUMPTION OF FUEL (EXCLUDING FEEDSTOCK)

Heating value
☑ HHV (higher heating value)

MWh from renewable sources
274,033

MWh from non-renewable sources
16,779,964

Total (renewable and non-renewable) MWh
17,053,997.00

CONSUMPTION OF PURCHASED OR ACQUIRED ELECTRICITY

Heating value
☑ Unable to confirm heating value

MWh from renewable sources
0

MWh from non-renewable sources
240,343

Total (renewable and non-renewable) MWh
240,343.00

CONSUMPTION OF SELF-GENERATED NON-FUEL RENEWABLE ENERGY

Heating value
☑ Unable to confirm heating value

MWh from renewable sources
3,362

Total (renewable and non-renewable) MWh
3,362.00

TOTAL ENERGY CONSUMPTION

Heating value
☑ Unable to confirm heating value

MWh from renewable sources
277,395

MWh from non-renewable sources
17,020,307

Total (renewable and non-renewable) MWh
17,297,702.00

7.30.6

Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	☑ Yes
Consumption of fuel for the generation of heat	☑ Yes
Consumption of fuel for the generation of steam	☑ No
Consumption of fuel for the generation of cooling	☑ No
Consumption of fuel for co-generation or tri-generation	☑ No

7.30.7

State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

SUSTAINABLE BIOMASS

Heating value
☑ Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

Comment
No sustainable biomass is used.

OTHER BIOMASS

Heating value
☑ Unable to confirm heating value

Total fuel MWh consumed by the organization
274,033

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
274,033

Comment
Heat energy from fuel combustion used to power locomotives and work equipment.

OTHER RENEWABLE FUELS (E.G. RENEWABLE HYDROGEN)

Heating value
☑ Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

Comment
No renewable fuels used.

COAL

Heating value
☑ Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

Comment
No coal is used.

OIL

Heating value
☑ Unable to confirm heating value

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

Comment
No oil is used.

GAS

Heating value
☑ Unable to confirm heating value

Total fuel MWh consumed by the organization
196,896

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
196,896

Comment
Natural gas as a heating source in buildings and powering heat generating equipment.

OTHER NON-RENEWABLE FUELS (E.G. NON-RENEWABLE HYDROGEN)

Heating value
☑ Unable to confirm heating value

Total fuel MWh consumed by the organization
16,583,067

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
16,583,067

Comment
Heat energy from fuel combustion used to power locomotives, vehicles, work equipment, heaters, and other equipment used to support operations.

TOTAL FUEL

Heating value
☑ Unable to confirm heating value

Total fuel MWh consumed by the organization
17,053,996

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
17,053,996

Comment
Heat energy from fuel combustion used to power locomotives, vehicles, work equipment, heaters, and other equipment used to support operations.

7.30.9

Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

ELECTRICITY

Total Gross generation (MWh)
10,605

Generation that is consumed by the organization (MWh)
9,607

Gross generation from renewable sources (MWh)
4,361

Generation from renewable sources that is consumed by the organization (MWh)
3,362

HEAT

Total Gross generation (MWh)
0

Generation that is consumed by the organization (MWh)
0

Gross generation from renewable sources (MWh)
0

Generation from renewable sources that is consumed by the organization (MWh)
0

STEAM

Total Gross generation (MWh)
0

Generation that is consumed by the organization (MWh)
0

Gross generation from renewable sources (MWh)
0

Generation from renewable sources that is consumed by the organization (MWh)
0

COOLING

Total Gross generation (MWh)
0

Generation that is consumed by the organization (MWh)
0

Gross generation from renewable sources (MWh)
0

Generation from renewable sources that is consumed by the organization (MWh)
0

7.30.14

Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.

ROW 1

Country/area
☑ Canada

Sourcing method
☑ None (no active purchases of low-carbon electricity, heat, steam or cooling)

Comment
CPKC calculated Scope 2 market-based emissions in 2024. However, CPKC did not deliberately purchase zero or near zero emission electricity in 2024 and is therefore not accounting for purchased zero or near-zero emission electricity as part of this reported value.

ROW 2

Country/area
☑ Mexico

Sourcing method
☑ None (no active purchases of low-carbon electricity, heat, steam or cooling)

Comment
CPKC calculated Scope 2 market-based emissions in 2024. However, CPKC did not deliberately purchase zero or near zero emission electricity in 2024 and is therefore not accounting for purchased zero or near-zero emission electricity as part of this reported value.

ROW 3

Country/area
☑ United States of America

Sourcing method
☑ None (no active purchases of low-carbon electricity, heat, steam or cooling)

Comment
CPKC calculated Scope 2 market-based emissions in 2024. However, CPKC did not deliberately purchase zero or near zero emission electricity in 2024 and is therefore not accounting for purchased zero or near-zero emission electricity as part of this reported value.

7.30.15

Provide details on the average emission factor used for all transport movements per mode that directly source energy from the grid.

ROW 1

Category
☑ Rail

Emission factor unit
☑ gCO_2/kWh

Average emission factor: unit value
0

Comment
CPKC does not currently have any rail transport movements that directly source energy from the grid.

7.30.16

Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

CANADA

Consumption of purchased electricity (MWh)
144,234

Consumption of self-generated electricity (MWh)
3,361

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total electricity/heat/steam/cooling energy consumption (MWh)
147,595.00

MEXICO

Consumption of purchased electricity (MWh)
17,607

Consumption of self-generated electricity (MWh)
1.7

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total electricity/heat/steam/cooling energy consumption (MWh)
17,608.70

UNITED STATES OF AMERICA

Consumption of purchased electricity (MWh)
78,503

Consumption of self-generated electricity (MWh)
0

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total electricity/heat/steam/cooling energy consumption (MWh)
78,503.00

7.36

Provide any efficiency metrics that are appropriate for your organization's transport products and/or services.

ROW 1

Activity
☑ Rail

Metric figure
1.033

Metric numerator
☑ Other, please specify: US Gallons of fuel

Metric denominator
☑ Other, please specify: 1000 GTMs

Metric numerator: Unit total
401,900,000

Metric denominator: Unit total
388,958,000

% change from last year
-1

Please explain
This metric reflects CPKC's locomotive fuel efficiency for the reporting period. The numerator represents diesel, renewable diesel and biodiesel fuel consumed by locomotives and the denominator is 1000 gross ton-miles (GTMs). CPKC's overall fuel efficiency performance improved by 1% from 2023 to 2024. The units used in this response have been updated from 2023 to align with how CPKC reports this metric in other public disclosures.

7.45

Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO_2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

ROW 1

Intensity figure
0.0003235

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO_2e)
4,705,038

Metric denominator
☑ unit total revenue

Metric denominator: Unit total
14,546,000,000

Scope 2 figure used
☑ Location-based

% change from previous year
15

Direction of change
☑ Decreased

Reasons for change
☑ Acquisitions

Please explain
2023 Emissions data includes KCS on a pro forma combined basis from Jan 1st - Dec 31st, while CPKC financial data for 2023 was prepared in accordance with the U.S. GAAP, which includes KCS as a consolidated subsidiary from April 14, 2023. For the period beginning on January 1, 2023 and ending on April 13, 2023, the Company's 100% interest in KCS was accounted for and reported as an equity-method investment. This affects the year over year comparison between 2023 and 2024, and should not be considered indicative of actual changes in emission intensity.

7.51

What are your primary intensity (activity-based) metrics that are appropriate to your emissions from transport activities in Scope 1, 2, and 3?

RAIL

Scopes used for calculation of intensities
☑ Report just Scope 1

Intensity figure
0.0000114718

Metric numerator: emissions in metric tons CO_2e
4,462,043

Metric denominator: unit
☑ t.mile

Metric denominator: unit total
388,958,000,000

% change from previous year
-2.5

Please explain any exclusions in your coverage of transport emissions in selected category, and reasons for change in emissions intensity.
This metric only includes locomotive fuel consumption (Scope 1) and excludes all facility-related and non-locomotive associated Scope 1 and Scope 2 emissions. This is the most appropriate indicator of emissions related to transportation activities, as locomotive fuel emissions accounted for about 95 percent of CPKC's total Scope 1 and Scope 2 GHG emissions in 2024.

ALL

Scopes used for calculation of intensities
☑ Report just Scope 1

Intensity figure
0.0000114718

Metric numerator: emissions in metric tons CO_2e
4,462,043

Metric denominator: unit
☑ t.mile

Metric denominator: unit total
388,958,000,000

% change from previous year
-2.5

Please explain any exclusions in your coverage of transport emissions in selected category, and reasons for change in emissions intensity.
This metric only includes locomotive fuel consumption (Scope 1) and excludes all facility-related and non-locomotive associated Scope 1 and Scope 2 emissions. This is the most appropriate indicator of emissions related to transportation activities, as locomotive fuel emissions accounted for about 95 percent of CPKC's total Scope 1 and Scope 2 GHG emissions in 2024.

7.52

Provide any additional climate-related metrics relevant to your business.

ROW 1

Description
☑ Other, please specify: Fleet adoption of hydrogen locomotives

Metric value
3

Metric numerator
Number of hydrogen locomotives

Metric denominator (intensity metric only)
N/A

% change from previous year
50

Direction of change
☑ Increased

Please explain
CPKC continues to make meaningful progress on our Hydrogen Locomotive Program. Through this initiative, CPKC is retrofitting diesel-electric locomotives with hydrogen fuel cells and battery technology to drive the locomotive's electric traction motors. The program aims to diversify energy sources by converting diesel-electric locomotives to hydrogen-electric across three key models (switcher, road switcher and line haul locomotives).

7.53

Did you have an emissions target that was active in the reporting year?

☑ Intensity target

7.53.2

Provide details of your emissions intensity targets and progress made against those targets.

ROW 1

Target reference number
☑ Int 1

Is this a science-based target?
☑ Yes, and this target has been approved by the Science Based Targets initiative

Science Based Targets initiative official validation letter
Canadian Pacific Kansas City SBTi Validation Report.pdf

Target ambition
☑ Well-below 2°C aligned

Date target was set
06/08/2023

Target coverage
☑ Business activity

Greenhouse gases covered by target
☑ Carbon dioxide (CO_2)
☑ Methane (CH_4)
☑ Nitrous oxide (N_2O)

Scopes
☑ Scope 1
☑ Scope 2
☑ Scope 3

Scope 2 accounting method
☑ Location-based

Scope 3 categories
☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

Intensity metric
☑ Other, please specify: grams CO_2e per gross ton-mile (GTM)

End date of base year
12/31/2020

Intensity figure in base year for Scope 1 (metric tons CO_2e per unit of activity)
11.47

Intensity figure in base year for Scope 2 (metric tons CO_2e per unit of activity)
0

Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO_2e per unit of activity)
2.8

Intensity figure in base year for total Scope 3 (metric tons CO_2e per unit of activity)
2.8000000000

Intensity figure in base year for all selected Scopes (metric tons CO_2e per unit of activity)
14.2700000000

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure
97

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure
0

% of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure
97

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure
42

% of total base year emissions in all selected Scopes covered by this intensity figure
77

End date of target
12/31/2030

Targeted reduction from base year (%)
36.9

Intensity figure at end date of target for all selected Scopes (metric tons CO_2e per unit of activity)
9.0043700000

% change anticipated in absolute Scope 1+2 emissions
35

% change anticipated in absolute Scope 3 emissions
16

Intensity figure in reporting year for Scope 1 (metric tons CO_2e per unit of activity)
11.47

Intensity figure in reporting year for Scope 2 (metric tons CO_2e per unit of activity)
0

Intensity figure in reporting year for Scope 3, Category 3: Fuel- and energy-related activities (metric tons CO_2e per unit of activity)
2.82

Intensity figure in reporting year for total Scope 3 (metric tons CO_2e per unit of activity)
2.8200000000

Intensity figure in reporting year for all selected Scopes (metric tons CO_2e per unit of activity)
14.2900000000

Land-related emissions covered by target
☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year
-0.38

Target status in reporting year
☑ Underway

Explain target coverage and identify any exclusions
Through our intensity based emissions target, CPKC aims to reduce locomotive WTW GHG emissions per gross ton-miles (GTMs) by 36.9 percent by 2030, from a 2020 base year. WTW emissions included in the target are Scope 1 emissions from locomotive fuel (typically around 95 percent of our total Scope 1 and 2 emissions) and Scope 3, Category 3 emissions from locomotive fuel, which covers our largest source of Scope 3 emissions. The use of GTMs is an important measure of CPKC's freight transportation business activity and is consistent with industry practice, aligning with the SBTi Sectorial Decarbonization Approach (SDA) target-setting approach. This target was calculated using the SDA Tool for the transport sector and has been validated by SBTi as aligned with the SDA target objective.

Target objective
CPKC's locomotive emissions target establishes a GHG intensity objective for WTW emissions per gross ton mile by 2030. As informed by our scenario analysis, we anticipate the volume of goods transported by the rail sector, and by CPKC, could grow in the years to come. By following an intensity-based approach for our target-setting pathway, CPKC can confidently accommodate future business growth while working to decouple GHG emissions from our freight rail operational productivity.

Plan for achieving target, and progress made to the end of the reporting year
In June 2023, we published our Commitment to Climate Action, outlining our ambition to set a long-term emissions reduction target for our business aligned with the global transition to a net-zero low-carbon economy by 2050. At the same time, we announced a goal to reduce CPKC's WTW locomotive GHG emissions intensity by 36.9 percent by 2030, from a 2020 base year, which is intended to adhere to a pathway that limits global warming to well below 2°C. CPKC's 2030 target, which was validated by the SBTi under its sectoral decarbonization approach for the freight rail sector, is intended to align our progress with global decarbonization ambitions. In 2024, CPKC's locomotive GHG emissions intensity was slightly higher (less than 0.5%) than our SBTi target baseline year of 2020. While this outcome was not ideal, emissions intensity improved by 2% compared to 2023, reflecting gains in operational performance, enhanced fuel efficiency and increased use of renewable fuels. CPKC is actively exploring opportunities to reduce locomotive GHG emissions, including enhanced fuel efficiency, fleet renewal and energy diversification.

Target derived using a sectoral decarbonization approach
☑ Yes

7.54

Did you have any other climate-related targets that were active in the reporting year?

☑ No other climate-related targets

7.55

Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

☑ Yes

7.55.1

Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO_2e savings.

	Number of initiatives	Total estimated annual CO_2e savings in metric tonnes CO_2e (only for rows marked *)
Under investigation	2	N/A
To be implemented	1	0
Implementation commenced	0	0
Implemented	1	275
Not to be implemented	0	N/A

7.55.2

Provide details on the initiatives implemented in the reporting year in the table below.

ROW 1

Initiative category & Initiative type
Low-carbon energy generation
☑ Solar PV

Estimated annual CO_2e savings (metric tonnes CO_2e)
275

Scope(s) or Scope 3 category(ies) where emissions savings occur
☑ Scope 2 (location-based)
☑ Scope 2 (market-based)

Voluntary/Mandatory
☑ Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
63,000

Investment required (unit currency – as specified in C0.4)
2,626,000

Payback period
☑ >25 years

Estimated lifetime of the initiative
☑ >30 years

Comment
This project serves as a visible example of the broader GHG improvement initiatives underway at CPKC. In 2024, CPKC completed the installation of two solar arrays at our Knoche Yard in Kansas City. These solar arrays are anticipated to result in an estimated annual emissions savings of 275 metric tons of CO_2e, based on preliminary data. These estimates are an illustration of the potential financial and environmental impact of this project at CPKC.

7.55.3

What methods do you use to drive investment in emissions reduction activities?

ROW 1

Method

☑ Financial optimization calculations

Comment

Successfully implementing our Climate Strategy, requires the company to direct the flow of our limited capital, operating budgets and people resources in the most efficient and effective ways possible. CPKC currently invests a significant portion of our annual capital program to maintaining and upgrading our locomotive fleet and network, to improving overall efficiency and ensuring system reliability. We are increasingly utilizing new data management systems, technologies and fuels to mitigate GHG emissions in our operations.

7.73

Are you providing product level data for your organization's goods or services?

☑ No, I am not providing data

7.74

Do you classify any of your existing goods and/or services as low-carbon products?

☑ Yes

7.74.1

Provide details of your products and/or services that you classify as low-carbon products.

ROW 1

Level of aggregation

☑ Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

☑ Low-Carbon Investment (LCI) Registry Taxonomy

Type of product(s) or service(s)

Rail

☑ Other, please specify: Intermodal Freight Rail Transport

Description of product(s) or service(s)

Research by the Association of American Railroads (AAR) shows that rail is currently the most fuel-efficient

mode of long-distance, on-land freight transportation. According to the AAR, a single train can remove over 300 trucks from public roads, and rail transport is estimated to be three to four times more fuel efficient than trucking. It also produces approximately 75% fewer GHG emissions, helping our customers significantly reduce their carbon footprint. For example, CPKC's intermodal services move goods from a range of industries, including wholesale, retail, food and various other commodities. Many of these goods are transported in overseas shipping containers that can be transported by train, ship and truck and in domestic containers that can be moved by train and truck. The increased fuel efficiency of shipping with rail can result in lower GHG emissions in intermodal freight rail transportation.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)
☑ Yes

Methodology used to calculate avoided emissions
☑ Other, please specify: CPKC Internal Methodology

Life cycle stage(s) covered for the low-carbon product(s) or services(s)
☑ Gate-to-gate

Functional unit used
One time shipment of 100 intermodal 40 foot long shipping containers weighing 14 U.S. Tons, shipped from Monterrey to Chicago utilizing rail and drayage trucking versus an identical shipment transported only by heavy duty highway truck.

Reference product/service or baseline scenario used
Intermodal transport via heavy duty highway truck transport

Life cycle stage(s) covered for the reference product/service or baseline scenario
☑ Gate-to-gate

Estimated avoided emissions (metric tons CO_2e per functional unit) compared to reference product/service or baseline scenario
158

Explain your calculation of avoided emissions, including any assumptions
This metric reflects the estimated CO_2e emissions savings associated with shipping the specified number, weight and size of Intermodal containers from Monterrey to Chicago according to the CPKC Carbon Emissions Calculator (Calculator). CPKC developed the Calculator to help shippers estimate the GHG emissions associated with transporting freight via CPKC rail combined with truck drayage. It also enables users to assess potential GHG emission reductions and cost savings from shifting freight from long-haul trucking to CPKC's more efficient rail-plus-drayage solution The freight revenue generated from intermodal comprised 18% of our total freight revenues in 2024. To learn more about the CPKC Carbon Emissions Calculator go to: https://www.cpkcr.com/en/sustainability/cpkc-carbon-calculator.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year
18

7.75

Provide tracking metrics for the implementation of low-carbon transport technology over the reporting year.

ROW 1

Activity
☑ Rail

Metric
☑ Fleet adoption

Technology
☑ Other, please specify: Hydrogen Locomotive

Metric figure
3

Metric unit
☑ Other, please specify: Number of hydrogen locomotives

Explanation
CPKC continues to make meaningful progress on our Hydrogen Locomotive Program. Through this initiative, CPKC is retrofitting diesel-electric locomotives with hydrogen fuel cells and battery technology to drive the locomotive's electric traction motors. The program aims to diversify energy sources by converting diesel-electric locomotives to hydrogen-electric across three key models (switcher, road switcher and line haul locomotives). In 2023, CPKC successfully commissioned our second switcher locomotive, CP 1002, which has now completed hundreds of hours in operation with zero in-service failures or safety incidents. We believe CP 1002's demonstrated reliability and performance to date has increased sector confidence in hydrogen switchers triggering cooperation projects with CSX and a shortline railway. In September 2024, our first line-haul locomotive, CPKC 1200 (paired with fuel tender CP 10001), completed its first phase of testing as part of a fully loaded bulk train from Sparwood to Golden, B.C. CPKC 1200 continues testing trials as part of a unique pilot program in cooperation with Elk Valley Resources. CPKC is currently converting two additional switchers and hydrogen fueling systems to support our Lethbridge Terminal and expand switcher locomotive testing further in 2025. CPKC 1201 is being commissioned as our second line-haul locomotive to commence field testing in 2025.

7.79

Has your organization canceled any project-based carbon credits within the reporting year?

☑ No

C13. Further information & sign off



RETURN TO TABLE OF CONTENTS

13.1

Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

Other environmental information included in your CDP response is verified and/or assured by a third party
☑ Yes

13.1.1

Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

ROW 1

Environmental issue for which data has been verified and/or assured

☑ Climate change

Disclosure module and data verified and/or assured

Environmental performance – Climate change

☑ Progress against targets

Verification/assurance standard

Climate change-related standards

☑ ISO 14064-3

Further details of the third-party verification/assurance process

CPKC annually conducts reasonable level of third-party assurance of the locomotive well-to-wheel GHG intensity in the reporting year.

Attach verification/assurance evidence/report (optional)

CPKC 2024 Assurance Statement-FINAL.pdf

13.3

Provide the following information for the person that has signed off (approved) your CDP response.

Job title

Executive Vice-President and Chief Financial Officer

Corresponding job category

☑ Chief Financial Officer (CFO)

Appendix 1: Forward-looking information



FORWARD-LOOKING INFORMATION

This CDP Response contains forward-looking information and forward-looking statements within the meaning of applicable securities laws in both the U.S. and Canada (collectively, "forward-looking statements"). Forward-looking statements include, but are not limited to, statements concerning expectations, beliefs, plans, goals, objectives, assumptions and statements about possible future events, conditions, and results of operations or performance. Forward-looking statements may contain statements with the words or headings such as "financial expectations", "key assumptions", "anticipate", "believe", "expect", "project", "estimate", "forecast", "plan", "intend", "target", "will", "outlook", "guidance", "should" or similar words suggesting future outcomes. All statements other than statements of historical fact may be forward-looking statements. This CDP Response includes forward-looking statements concerning, but not limited to, the Company's progress on our 2030 Science Based Targets initiative validated greenhouse gas emissions reduction target; our ability to achieve Net Zero by 2050; information regarding sustainability-related actions we plan to take in the future; the impacts of existing and planned capital investments and our ability to work with governments and third parties to mitigate the impacts of climate change; investing in network upgrades; the enhancement of energy management systems and practices; upgrading existing locomotives an investing in energy-efficient models; increasing the use of biofuels and other renewable energy source; infrastructure upgrades to support an expanded use of renewable fuels; testing and evaluation of our Hydrogen Locomotive Program and the ability to reduce well-to-wheel locomotive emissions by 2030.

The forward-looking statements contained in this CDP Response are based on current expectations, estimates, projections and assumptions, having regard to the Company's experience and its perception of historical trends, and include, but are not limited to, expectations, estimates, projections and assumptions relating to: changes in business strategies; North American and global economic growth and conditions; commodity demand growth; sustainable industrial and agricultural production; commodity prices and interest rates; foreign exchange rates; effective tax rates; performance of our assets and equipment; sufficiency of our budgeted capital expenditures in carrying out our business plan; geopolitical conditions; applicable laws, regulations and government policies, including, without limitation, those relating to regulation of rates, tariffs, import/export, trade, taxes, wages, labour and immigration; the availability and cost of labour, services and infrastructure; labour disruptions; the satisfaction by third parties of their obligations to the Company; and carbon markets, evolving sustainability strategies, and scientific or technological developments. Although the Company believes the expectations, estimates, projections and assumptions reflected in the forward-looking statements presented herein are reasonable as of the date hereof, there can be no assurance that they will prove to be correct. Current conditions, economic and otherwise, render assumptions, although reasonable when made, subject to greater uncertainty.

Undue reliance should not be placed on forward-looking statements as actual results may differ materially from those expressed or implied by forward-looking statements. By their nature, forward-looking statements involve numerous inherent risks and uncertainties that could cause actual results to differ materially from the forward-looking statements, including, but not limited to, the following factors: changes in business strategies and strategic opportunities; general Canadian, U.S., Mexican and global social, economic, political, credit and business conditions; risks associated with agricultural production such as weather conditions and insect populations; the availability and price of energy commodities; the effects of competition and pricing pressures, including competition from other rail carriers, trucking companies and maritime shippers in Canada, the U.S. and Mexico; North American and global economic growth and conditions; industry capacity; shifts in market demand; changes in commodity prices and commodity demand; uncertainty surrounding timing and volumes of commodities being shipped by the Company; inflation; geopolitical instability; changes in laws, regulations and government policies, including, without limitation, those relating to regulation of rates, tariffs, import/export, trade, wages, labour and immigration; changes in taxes and tax rates; potential increases in maintenance and operating costs; changes in fuel prices; disruption of fuel supplies; uncertainties of investigations, proceedings or other types of claims and litigation; compliance with environmental regulations; labour disputes; changes in labour costs and labour difficulties; risks and liabilities arising from derailments; transportation of dangerous goods; timing of completion of capital and maintenance projects; sufficiency of budgeted capital expenditures in carrying out business plans; services and infrastructure; the satisfaction by third parties of their obligations; currency and interest rate fluctuations; exchange rates; effects of changes in market conditions and discount rates on the financial position of pension plans and investments; trade restrictions, including the imposition of any tariffs, or other changes to international trade arrangements; the effects of current and future multinational trade agreements on or other developments affecting the level of trade among Canada, the U.S. and Mexico; climate change and the market and regulatory responses to climate change; anticipated in-service dates; success of hedging activities; operational performance and reliability; customer, regulatory and other stakeholder approvals and support; regulatory and legislative decisions and actions; the adverse impact of any termination or revocation by the Mexican government of Kansas City Southern de Mexico, S.A. de C.V.'s concession; public opinion; various events that could disrupt operations, including severe weather, such as droughts, floods, avalanches, volcanism and earthquakes, and cybersecurity attacks, as well as security threats and governmental response to

them, and technological changes; acts of terrorism, war or other acts of violence or crime or risk of such activities; insurance coverage limitations; material adverse changes in economic and industry conditions; the outbreak of a pandemic or contagious disease and the resulting effects on economic conditions; the demand environment for logistics requirements and energy prices; restrictions imposed by public health authorities or governments; fiscal and monetary policy responses by governments and financial institutions; disruptions to global supply chains; the realization of anticipated benefits and synergies of the CP-KCS transaction and the timing thereof; the satisfaction of the conditions imposed by the U.S. Surface Transportation Board in its March 15, 2023 decision; the successful integration of KCS into the Company; the focus of management time and attention on the CP-KCS integration and other disruptions arising from the CP-KCS integration; estimated future dividends; financial strength and flexibility; debt and equity market conditions, including the ability to access capital markets on favourable terms or at all; cost of debt and equity capital; improvement in data collection and measuring systems; industry-driven changes to methodologies; and the ability of the management of the Company to execute key priorities, including those in connection with the CP-KCS transaction. The foregoing list of factors is not exhaustive. These and other factors that could cause actual results to differ materially from those described in the forward-looking statements contained in this CDP Response are detailed from time to time in reports filed by the Company with securities regulators in Canada and the United States, which can be accessed on SEDAR+ (www.sedarplus.ca) and EDGAR (www.sec.gov). Reference should be made to "Part I – Item 1A – Risk Factors" and "Part II – Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations – Forward-Looking Statements" in the Company's annual report on Form 10-K and "Part II – Item 1A – Risk Factors" and "Part I – Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations – Forward-Looking Statements" in the Company's interim reports on Form 10-Q.

The forward-looking statements contained in this CDP Response are made as of the date hereof. Except as required by law, the Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, or the foregoing assumptions and risks affecting such forward-looking statements, whether as a result of new information, future events or otherwise.

ADDITIONAL REPORT INFORMATION

This document incorporates or otherwise relies upon data from third parties, which may have been prepared in ways that are not consistent with our methodologies or practices. We do not independently verify such third-party information. As a result of these and other factors, including our ongoing sustainability integration and factors described elsewhere in this document, information disclosed in this document might differ from that contained in prior disclosures (including prior KCS disclosures). In future disclosures, we may change or update the mileposts, plans, targets, objectives and other information contained herein or include disclosures that otherwise differ from those contained in or implied by this document. We undertake no obligation to update the information in this response or prior disclosures, except to the extent required by law.

Our approach to the disclosures included in this document differs from our approach to other disclosures, including our filings with the SEC and any disclosures we may make under any other regulatory frameworks. This document is intended to provide information from a different perspective and in some cases in greater detail than is required to be included in such other reports. The terms "materiality" and "materiality assessment" are used specifically to refer to the process we use to identify the sustainability topics most relevant to our business or our stakeholders. The specific meaning of the term "materiality" in this context differs from the meaning of the terms "material" or "materiality" under any law or regulation or when used in connection with public disclosure of material information, including financial filings with securities regulators. Such terms as well as other words used in this document (including any references to "significance," "importance," "priority," "transition plan," "climate-related scenario analysis," "carbon neutral," "sustainable," "impact," "net zero," "emissions reduction," "ESG" or "sustainability" or similar terms) should not be read to have the meanings ascribed to them under any securities laws or regulations or any other applicable legal requirements in any jurisdiction. Unless otherwise stated, we use such words in this document to refer to our internal criteria, processes and approaches. Scenario analysis involves significant assumptions and uncertainties, and the results of the analysis are not meant to indicate a forecast of future results but rather presents a range of potential financial impacts.

All references to websites, reports or other documents in this response are for your information only. The content of such websites, reports or other documents (or any other information they refer to) is not incorporated by reference into this response.

Appendix 2: Assurance statement



455 Phillip Street, Unit 100A
Waterloo, Ontario N2L 3X2
Canada
www.ghd.com

03 July 2025

CPKC Management Team
Canadian Pacific Kansas City
7550 Ogden Dale Road SE
Calgary, Alberta
T2C 4X9

Independent Assurance Statement to CPKC Management

This statement, including the opinion(s), are addressed to you and are solely for your benefit in accordance with the terms of the contract. We consent to the release of this statement by CPKC to others but without accepting or assuming any responsibility or liability to any other party who may have access to this statement.

In accordance with our engagement and for the avoidance of doubt, we confirm that our Verification Report: *CPKC 2024 Assurance Report* to you dated July 3, 2025 (the "Assurance Report") incorporated the following matters:

1. Boundaries of the reporting company covered by the Assurance Report and any known exclusions[1]:

   CPKC operations assessed as part of this verification include CPKC and its subsidiaries over which it has operational control. The inventory boundary includes the direct mobile emissions (locomotive and other vehicles such as corporate on road and offroad vehicles), direct stationary combustion (building heating), and indirect emissions due to electricity supply to CPKC corporate operations. Other indirect (Scope 3) emissions included in the inventory include purchased goods and services, capital goods, fuel and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, and employee commuting. Verification is completed at the corporate level.

[1] GHD Reference No: 11196249-LTR-13

2. Emissions data verified is broken down by scope 1, scope 2, and scope 3 categories with figures given; option to include other relevant data that has been verified with figures:

Total Entity Wide Emissions Verified	Estimated Emission (tonnes CO_2e)
Scope 1 Emissions[2]:	**4,645,263**
Carbon Dioxide (CO_2)[3]	4,216,673
Methane (CH_4)[3]	8,055
Nitrous Oxide (N_2O)[3]	418,706
Refrigerant Losses (CO_2e)	1,830
Biogenic CO_2 (excluded from Scope 1 total)	63,694
Scope 2 Emissions (Market-based):	**65,561**
Scope 2 Emissions (Location-based):	**59,774**
Scope 3 Emissions:	**1,643,704**
Purchased Goods and Services	164,771
Capital Goods	183,218
Fuel-and Energy-related Activities	1,152,401
Upstream Transportation and Distribution	15,106
Waste Generated in Operations	22,538
Employee Business Travel	29,835
Employee Commuting	75,835

Verified CPKC Target Emissions Intensity

Locomotive Well-to-Wheel GHG Intensity (Scope 1, 2, and 3). CPKC is committed to reduce its well-to-wheel GHG emissions intensity in grams of CO_2e per gross ton-mile (GTM) of locomotive operations 36.9% by 2030 from a 2020 base year. The 2020 base year emission intensity was 14.27 gCO_2e/GTM while the 2024 emissions intensity is 14.30 gCO_2e/GTM, representing an emissions intensity increase of 0.2%.

3. **Period covered (DD/MM/YYYY):**

The reporting period is between 01/01/2024 and 31/12/2024.

4. **Verification standard used:**

For the verification of the 2024 GHG Report, GHD has applied ISO 14064-3.

5. **Assurance opinion (incl. level of assurance and any qualifications):**

The GHG Protocol states, "as a rule of thumb, an error is considered to be materially misleading if its value exceeds 5% of the total inventory for the part of the organization being verified." Consistent with this, and industry practice, GHD established a quantitative materiality for this verification of ±5% of the total reported GHG emissions. An individual error, misrepresentation, or a

[2] Excludes biogenic CO_2 emissions from biodiesel fuel.
[3] Reported here as CO_2e for each GHG source.

series of discrete errors, omissions, or misrepresentations or individual or a series of qualitative factors, when aggregated may be considered material.

- Net sum of all Scope 1 discrepancies: no discrepancies noted
- Net sum of all Scope 2 discrepancies: no discrepancies noted
- Net sum of all Scope 3 discrepancies: no discrepancies noted

GHD completed the verification in accordance with the ISO 14064 Part 3 Specification with guidance for the validation and verification of greenhouse gas assertions, the *GHG Protocol,* and associated guidance and ISO 14064 Part 1 Specification with guidance at the organizational level. GHD completed the work to provide a reasonable level of assurance. The verification criteria were selected from guidelines presented in ISO 14064 Part 3. The work conducted is believed to provide an appropriate basis for this verification statement.

Based on our verification, the GHG statement is, in all material aspects, in accordance with the verification criteria and is free of material misstatements.

6. Verification provider and accreditations (if relevant):

VERIFICATION BODY NAME:	GHD Limited
VERIFICATION BODY ADDRESS:	455 Phillip Street, Unit #100A, Waterloo, Ontario, N2L 3X2
VERIFICATION BODY CONTACT:	Mr. Gordon Reusing
TITLE:	Principal
TELEPHONE:	519-340-4231
EMAIL:	**Gordon.Reusing@ghd.com**

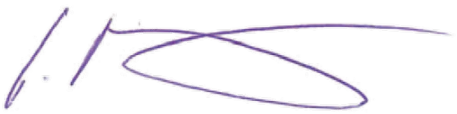
ACCREDITATIONS: GHD is a Canadian based company accredited by the American National Standard Institute (ANSI) under ISO 14065 to provide organizational level verification services.

7. Lead verifier name and relevant accreditations/professional membership (if relevant):

LEAD VERIFIER:	Mr. Gordon Reusing
TITLE:	Lead Verifier
TELEPHONE:	+1 519-340-4231
EMAIL:	**Gordon.Reusing@ghd.com**

8. This letter should be prepared on the verifier's letterhead or include the signature of the lead verifier (or authorized signatory/organization responsible for issuing the Assurance Report/statement).

Regards,



Gordon Reusing
Lead Verifier