CPKC

2022 SUSTAINABILITY
DATA REPORT

SUSTAINABLY DRIVEN

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ABOUT THIS REPORT

This report is the inaugural Sustainability Data Report for Canadian Pacific Kansas City Limited following our acquisition of control of Kansas City Southern and subsequent name change from "Canadian Pacific Railway Limited." The combination of our two companies was completed on April 14, 2023 (the Control Date). In this report, we use "CPKC", the "Company" or "we" to mean Canadian Pacific Kansas City Limited and its subsidiaries as they exist following the Control Date. We use "CP" to mean the historical Company and its subsidiaries as they existed prior to the Control Date. We use "KCS" to mean the historical Kansas City Southern and its subsidiaries as they existed prior to the Control Date.

Unless indicated otherwise or the context otherwise requires, this report discusses the sustainability highlights and performance of CP and KCS, respectively, from Jan. 1 to Dec. 31, 2022. Because CP and KCS operated as separate entities during the reporting period, sustainability information is presented separately for each company.

We are presenting this report to provide our stakeholders with a performance summary of CP's and KCS's individual sustainability developments in 2022. This report is not intended to serve as a comprehensive report of all sustainability initiatives undertaken by either CP or KCS. In addition, unless indicated otherwise or the context otherwise requires, we are not reporting on the sustainability initiatives of the combined CPKC.

As we integrate the operations of KCS and CP, we are evaluating the environmental, social, governance and sustainability priorities, policies, practices, programs, goals and objectives of the combined Company. Although we have taken initial steps, we are still in the early stages of our sustainability integration process. In general, we believe that we will need to undertake additional data-gathering and other analyses before we provide sustainability reporting and establish other sustainability initiatives, in each case, for the combined Company.

- The methodologies, data and assumptions underlying our sustainability strategy, analysis and other information included in this report (including those used to calculate greenhouse gas [GHG] emissions and other climate-related data) continue to develop and remain subject to evolution over time. In addition, this report includes and relies upon sustainability information prepared by or on behalf of KCS, which information may have been prepared using methodologies, data and assumptions that are different than those used by us. Therefore, information we include in this report with respect to KCS may not be directly comparable to the corresponding CP information. As we continue our sustainability integration efforts, including enhancing our ability to assess GHG emissions along the historical KCS rail network, we may update the methodologies, data and assumptions used to gather, verify, analyze and report sustainability information related to the historical KCS rail network.
- As a result of such updates to our methodologies, data and assumptions (including in connection with our sustainability integration efforts), information disclosed in this report might differ from those contained in prior disclosures (including prior KCS disclosures). In future disclosures, we may change or update information contained in this report or include disclosures that otherwise differs from those contained in this report. We undertake no obligation to update the information in this report or prior disclosures, except to the extent required by law.
- Our disclosures have been developed with reference to the Global Reporting Initiative (GRI) Standards and Sustainability Accounting Standards Board (SASB) Rail Transportation framework.
- Currency-related values for CP are reported in Canadian dollars ($) unless otherwise stated and in U.S. dollars (U.S.$) for KCS.
- Additional resources that include disclosure of sustainability-related information can be found in:
  - CPKC 2023 Management Proxy Circular
  - CP 2022 Annual Report

For more information or questions regarding this report or sustainability at CPKC, visit our website or contact sustainability@cpkcr.com.

FORWARD-LOOKING INFORMATION

This report contains certain forward-looking information and forward-looking statements (collectively, "forward-looking information") within the meaning of applicable securities laws, including with respect to the environmental, social, governance and sustainability priorities, policies, practices, programs, goals and objectives of CP and KCS. Any statements about our expectations, beliefs, plans, goals, targets, predictions, forecasts, objectives, assumptions, information and statements about possible future events, conditions and results of operations or performance are not historical facts and may be forward-looking. Forward-looking information in this report includes, but is not limited to, plans or objectives of management for future operations; information regarding sustainability-related actions we plan to take in the future, including CP's Climate Strategy for reducing GHG emissions, our Commitment to Climate Action or other sustainability-related commitments; plans and expectations regarding the integration and alignment of CP's and KCS's climate objectives; fuel efficiency of railways and our operations; future investments in and the availability of carbon emissions-reduction tools and technologies including through our fleet modernization program and technology upgrades; 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; and assumptions underlying or relating to any of the foregoing. Forward-looking information is often, but not always, made through the use of words or phrases such as "anticipates", "aims", "believes", "can", "could", "may", "predicts", "potential", "should", "will", "estimates", "plans", "projects", "continuing", "ongoing", "expects", "intends" and similar words or phrases suggesting future outcomes.

Forward-looking information is based on current assumptions about our business and our strategy as well as economic, political, regulatory, market and environmental conditions affecting them. Although we believe the assumptions reflected in the forward-looking information presented in this report are reasonable as of the date hereof, there can be no assurance that they may prove to be correct. Readers should not put undue reliance on forward-looking information, as it is not a guarantee of future performance. Forward-looking information involves many inherent risks and uncertainties that could cause actual results to differ materially from the forward-looking information. This includes risks such as: changes in business strategies, general North American and global economic, credit and business conditions, changes in the availability and price of commodities and energy; the effects of competition; industry capacity; shifts in demand; changes in laws and regulations; natural or other disasters, including earthquakes, wildfires, pandemics or acts of terrorism affecting the markets in which we operate; the adverse effects of climate change on our business, investors, customers, suppliers and counterparts; our ability to successfully execute on initiatives relating to sustainability; cost increases; claims and litigation; labour disputes; liabilities arising from derailments and the pandemic created by the outbreak of the novel strain of coronavirus (and the disease known as COVID-19) and its variants; satisfaction of the conditions imposed by the U.S. Surface Transportation Board (STB) in its March 15, 2023 decision and successful integration of KCS into the Company, among other things. The foregoing list of risks is not exhaustive.

These and other factors are detailed from time to time in reports we file with the securities regulators in Canada and with the U.S. Securities and Exchange Commission (SEC) in the United States. Readers should refer to Item 1A – Risk Factors, Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations and Forward-Looking Information in our 2022 annual report on Form 10-K and to our risk factor and forward-looking information disclosure in our annual and interim reports filed on SEDAR (www.sedar.com) and EDGAR (www.sec.gov).

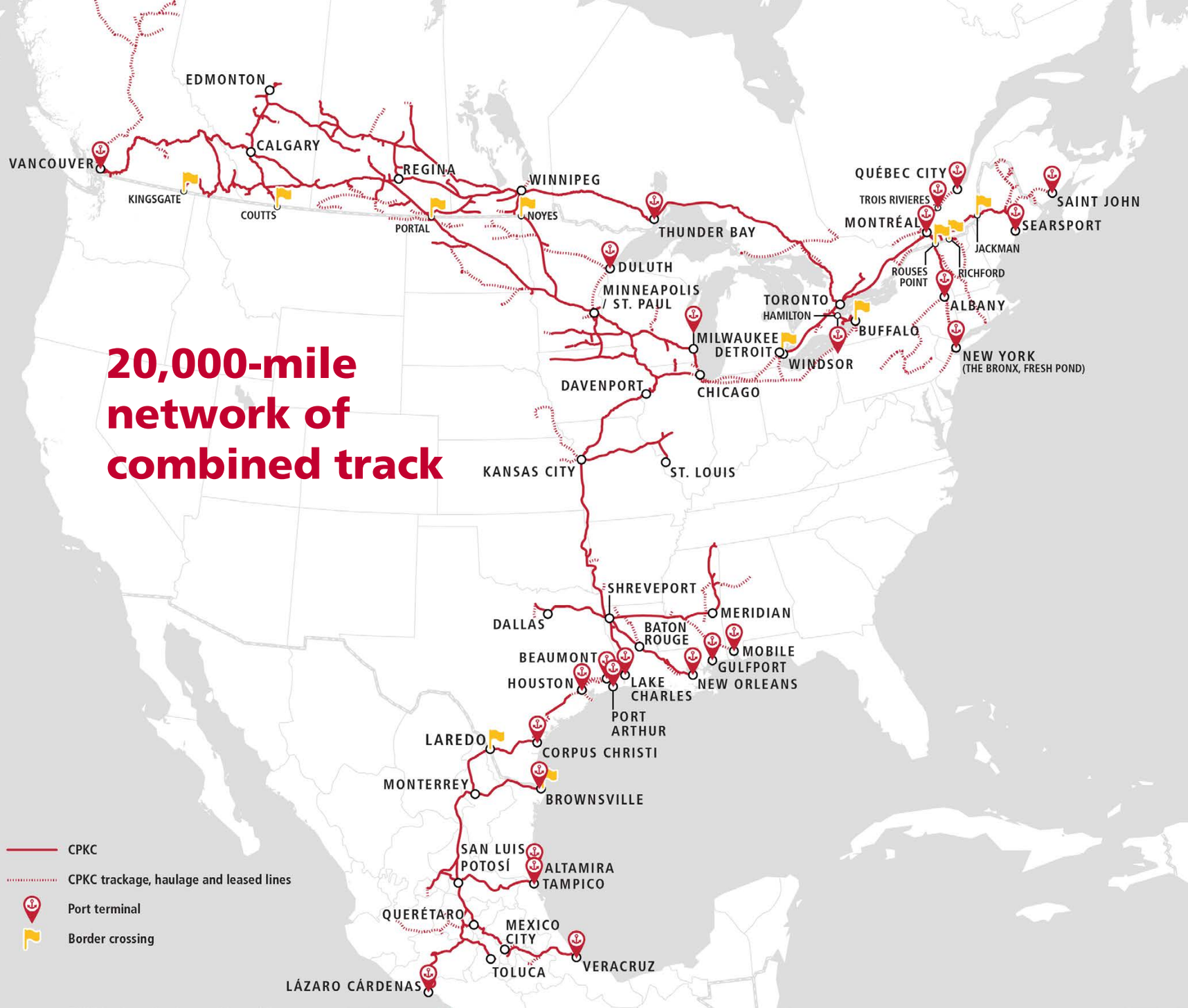
In addition, our environmental, social, governance and sustainability priorities, policies, practices, programs, goals and objectives (including CP's Climate Strategy and our Commitment to Climate Action) remain under development as we continue to refine our analysis of and response to potential future climate and other risks and opportunities, and as the science, data and methodology underlying our analysis and strategy continue to evolve over time. Further, as we continue to integrate the operations of KCS into ours, we are conducting additional data-gathering and intend to further assess the climate and other environmental, social, governance and sustainability strategies and initiatives for the combined company, and may make changes to our existing strategies and initiatives as a result.[1]

For these reasons, in future disclosures, we may include information that differs from information contained in this report. Unless indicated otherwise or the context otherwise requires, forward-looking information in this report speaks only as of the date hereof. We undertake no obligation to update or otherwise revise any forward-looking information, unless we are required to by applicable law.

[1] See About This Report.

ABOUT CPKC

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, CPKC provides North American customers freight transportation services, logistics solutions and supply chain expertise. Our industry-leading transportation services and supply chain solutions provide unparalleled rail service and network reach to key markets across the continent for our customers and are an essential service for the North American economy. Visit cpkcr.com to learn more about the rail advantages of CPKC.



MESSAGE FROM THE BOARD CHAIR

On behalf of the Board of Directors, I am pleased to present our initial CPKC Sustainability Data Report.

This 2022 report provides highlights of the individual achievements of CP and KCS for the year, and prior to the combination of the two companies. While we are still in the early stages of our sustainability integration process, we also hope that this report will offer preliminary insights into CPKC's approach to the CP KCS integration from an Environmental, Social and Governance (ESG) perspective.

Although we continued to see the effects of global events on supply chains over the past year, I'm proud to say we were able to rise to the challenge, maintaining operational efficiency and our focus on safety, meeting our customers' transportation needs and supporting communities across our network.

With the U.S. Surface Transportation Board's (STB) approval in March 2023, the historic combination of CP and KCS created North America's first and only single-line transnational railway, extending our reach to ports around the continent and connecting Canada, the United States and Mexico. The Control Date on April 14, 2023, a month after the STB's decision marked the start of a transformative period for management and the entire CPKC family of railroaders.

As we move forward together, we are guided by our foundations that ground us in the principles of Precision Scheduled Railroading, our strong corporate governance practices, and our values of accountability, diversity, pride and respect.

The Risk and Sustainability Committee continues to assist the Board in its oversight responsibilities with respect to risk management, safety, environmental and sustainability matters at CPKC. The Committee's work includes overseeing the integration of ESG and sustainability policies, priorities, programs and disclosure practices across the combined Company – a process which will continue in the months ahead. The four KCS Directors who joined our expanded Board following the completion of the combination bring their experience and expertise in overseeing KCS's multinational operations and the Board's oversight of the integration process, including with respect to ESG and sustainability.

We also remain focused on increasing diversity throughout the company, including at the Board level where current Directors include 38 percent women and 23 percent visible minorities.

The Board of Directors looks forward to supporting and actively engaging with executive leadership throughout the integration process and in the development of CPKC's corporate strategies for establishing our newly combined company as an industry and sustainability leader.

Isabelle Courville
Chair of the Board

A DISCUSSION WITH OUR PRESIDENT AND CEO

Keith Creel, CPKC President and CEO, answers questions about our expectations regarding CPKC and the creation of a rail network that will seamlessly connect the continent.

What do you find most compelling about the potential of CPKC?

The combination of CP and KCS creates the first and only single-line Canada-U.S.-Mexico rail network and brings together two exceptional teams of railroaders. Today, our collective strengths position us well to respond to opportunities and challenges as we build the premier freight railroad in North America. For shippers, CPKC offers an expansive network with a global reach, a competitive transportation option and industry-leading service. We're excited about what the future holds and expect the joining of these two great companies into a truly continental railroad will generate significant socio-economic and environmental benefits for our customers, employees, shareholders, and the communities we operate in and through.

What do you anticipate being the key impacts of CPKC for the North American supply chain?

The North American freight rail industry plays a critical role in moving essential goods and commodities to markets around the world. As global events have demonstrated in recent years, building resilient supply chains has become increasingly important to maintaining economic growth and stability. A combined CPKC network presents greater capacity and offers shippers direct connections to new markets and premier ports on all coasts in North America. By expanding competitive transportation options and efficiencies, we expect CPKC to contribute to a more resilient North American supply chain, further USMCA[1] trade flows and enhance competition in the U.S. rail network.

The recent launch of our Mexico Midwest Express (MMX) Series premium intermodal service is one example of how CPKC is already changing the market. As the only dedicated intermodal trains operating daily between the U.S. Midwest and Mexico, the MMX Series provides the fastest transit times in the rail industry with seamless, expanded reach to more markets. The MMX is also the continent's first regular single-line rail service offering for refrigerated shippers from the Midwest to Mexico, which is currently served by trucks. We believe this represents the meaningful progress on one of our first ESG-related goals for the CPKC combination, which is to divert long-haul truck shipments to rail thus lowering GHG emissions and promoting safer highways.

For us, being resilient also means integrating sustainability into our business consistent with a respect for universal human rights. With that in mind, CPKC will continue to participate in the United Nations Global Compact (UNGC), and we are committed to upholding and annually reporting our progress on integrating the 10 principles of the UNGC with respect to human rights, environment, labour and anti-corruption.

[1] United States–Mexico–Canada Agreement.

How can CPKC maintain strong safety practices across its operations?

Safety is foundational at CPKC. When it comes to maintaining the safety of our people, communities and the environment, our work is never done. CPKC brings together two strong-performing Class I railways whose combined operational expertise, leading safety cultures and practices, and deployment of technology will underpin our efforts to ensure that safety remains top of mind in everything we do. To drive results, our safety performance will continue to be tied to short-term executive and employee compensation.

How is CPKC supporting global action to address climate change?

Since CP released its first Climate Statement in 2020, the need for climate action has become more pronounced. The transportation sector will continue to play an integral role in the transition to a lower carbon economy and our goal is to be an industry leader in this transition. As we strategically grow our book of business, we'll continue to focus on curtailing our own GHG emissions while supporting collaboration and innovation that will benefit the broader transportation sector. To guide us through this process, we're developing an integrated approach to reduce our GHG emissions across our combined business. We've still got a lot of work to do to establish sustainability strategies and initiatives for the combined company, including a CPKC climate strategy, but this work is already underway.

A significant step on this journey is our newly released Commitment to Climate Action,[1] which includes a science-based GHG emissions reduction target for CPKC's locomotive operations for 2030 and a commitment to develop a CPKC emissions reduction target aligned with a 1.5˚C future within the next two years. These commitments will guide CPKC's approach to climate change. They also complement the actions CP has already been taking, including expanding our industry-leading Hydrogen Locomotive Program, maintaining an ongoing focus on enhancing fuel efficiency and supporting the advancement of lower carbon fuels and emerging technologies to contribute to further decarbonization in our operations.

Concurrently, we've updated our carbon emissions calculator to provide estimates of the GHG emissions of freight by CPKC rail transportation along the combined CPKC rail network.[2] With this tool, our customers have the ability to estimate the GHG emission reductions they may potentially achieve using CPKC's rail services compared to long-haul trucking alternatives.

What does the road ahead look like at CPKC from a sustainability perspective?

We're focused on harmonizing our approach to sustainability issues across CPKC's operations. This work involves carefully reviewing and adapting the two legacy companies' respective policies, practices and sustainability priorities to ensure consistency, while also integrating our sustainability data collection and management systems. There is still a lot of work ahead, but these efforts will give us an opportunity to continue to integrate sustainability into how we build our business for the future. We're also benefiting from a history of sustainability practices and expertise within both legacy companies.

Since the Control Date, the leadership team and I have been visiting the CPKC team across North America. I am truly heartened by the commitment and enthusiasm of our people about the potential of what we can accomplish together, including maintaining our leadership on sustainability.

[1] See Our Commitment to Climate Action.

[2] The carbon emissions calculator provides estimates using 2022 fuel efficiency data prepared separately by CP and KCS.

SUSTAINABILITY AT CPKC

Operating sustainably is imperative to CPKC's future growth and long-term success as an organization. From a legacy of innovation, responsible business practices and commitment to excellence, we aim to build a new future that incorporates sustainability into our business over the long term to create value for our business and our stakeholders.

Awards and Recognitions

Both CP and KCS were recognized for sustainability achievements in 2022.

CP:

- Named to the CDP Climate Change A List (A rating)
- Keith Creel, CEO & President of CP, was recognized as a 2022 Railroader of the Year by Railway Age magazine
- Named to the S&P Global Dow Jones Sustainability World Index (DJSI World) for the first time and the North American Index (DJSI North America) for the third consecutive year
- Recognized as one of Canada's Top 100 Employers for 2023

KCS:

- Received an A- rating on Climate Change from CDP
- Patrick Ottensmeyer, CEO of KCS, was recognized as a 2022 Railroader of the Year by Railway Age magazine
- Received ISO 14001 and 45001 Certification for its Shreveport, LA railyard operations
- Placed sixth among Transport and Logistics companies on Newsweek Magazine America's List of Most Responsible Companies
- Kansas City Southern de México, S.A. de C.V. was recognized with the Empresa Socialmente Responsible certification from Cemefi for the eighth consecutive year[1]

[1] Centro Mexicano para la Filantropía, A.C., or Cemefi, is a Mexican non-profit organization founded in 1988. which promotes the philanthropic, committed and socially responsible participation of citizens and their organizations, to achieve a more equal and prosperous society.

SUSTAINABILITY PERFORMANCE HIGHLIGHTS

CP 2022 Highlights

12,754
Number of employees

12,822
Total main track miles

0.955
Fuel efficiency (U.S. gallons of locomotive fuel consumed / 1,000 GTMs)

$8,814
Total revenue (millions)

269,134
Gross ton-miles (millions)

2,782
Carloads transported (thousands)

28,899
Train miles travelled (thousands)

>$6.7
Total corporate giving (millions)

Kansas City Southern Lines 2022 Highlights

7,031
Number of employees

7,131
Total main track miles

1.26
Fuel efficiency (U.S. gallons of locomotive fuel consumed / 1,000 GTMs)

U.S. $3,370
Total revenue (millions)

105,626
Gross ton-miles (millions)

2,383
Carloads transported (thousands)

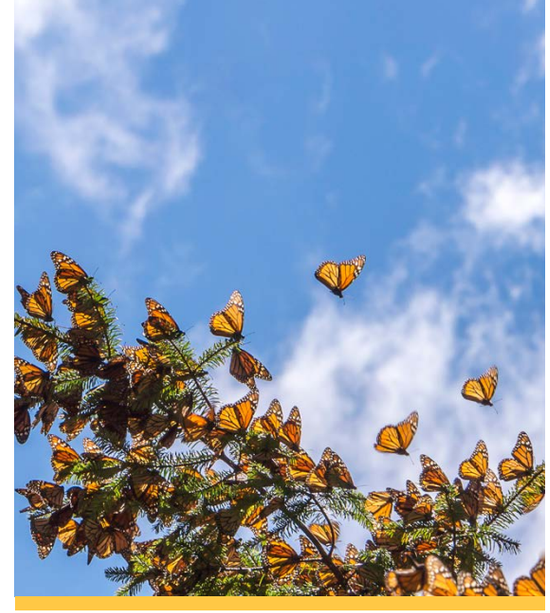
16,071
Train miles travelled (thousands)

>U.S. $2.9
Total corporate giving (millions)

ENVIRONMENT

OUR APPROACH

We conduct our operations in a manner that aims to minimize adverse impacts on the environment and the communities in which we operate. CPKC also recognizes the important role the transportation sector plays in addressing climate change. We are taking action to reduce our own GHG emissions and support the transition to a lower carbon future.



60,000 Tree Challenge Monarch Boxcar Tour

KCS and CP were among several partners involved in the "Save the Monarch Butterfly 60,000 Tree Challenge North American Boxcar Tour." This collaborative fundraising initiative was designed to help the monarch population by purchasing and planting 60,000 oyamel fir trees at El Rosario Monarch Butterfly Sanctuary in Michoacán, Mexico. The CPKC rail network aligns with the monarch butterfly's migration route, and the boxcar tour provided an ideal forum to raise public awareness about this recently declared endangered species and the issues it faces today. More than U.S. $120,000 was raised under this initiative.

Carbon Emissions Calculator

We've updated our carbon emissions calculator to provide estimates of the GHG emissions of freight by CPKC rail transportation along the combined CPKC rail network, based on 2022 fuel efficiency data prepared by CP and KCS, respectively. Although the results are subject to a number of assumptions, we believe this calculator is helpful to our customers because it provides users with the ability to estimate the GHG emission reductions they may potentially achieve using CPKC's rail services compared to long-haul trucking alternatives.[1]

[1] To learn more about and use our carbon calculator, visit www.cpkcr.com/en-ca/sustainability.

Hydrogen Locomotive Program

Through CPKC's industry-leading Hydrogen Locomotive Program, we're developing North America's first line-haul freight locomotives using hydrogen fuel cells and batteries to power the locomotive's electric traction motors. In 2022, the program completed one hydrogen locomotive conversion and advanced production on two additional units. The Company has also commenced installation of hydrogen production and fueling facilities. The program also passed a significant milestone in 2022, completing a successful movement and freight service test with our first converted hydrogen locomotive. Through these efforts, we're now testing hydrogen locomotives' technical performance in a variety of real-world operating scenarios and generating critical industry knowledge and experience that is informing future commercialization and development activities.

OUR COMMITMENT TO CLIMATE ACTION

CP's acquisition of KCS marks a pivotal moment for our company, a unique opportunity to evaluate our practices and advance our commitment to sustainable, long-term growth. As a Sustainably Driven company, we strive to combine forward-thinking planning with concrete measures and practices aimed at addressing climate change. We are proud to support a lower-carbon future for North America and recognize the pivotal role that rail freight transportation could play in this transition.

CPKC Climate Commitment Aligned with SBTi Business Ambition for 1.5°C and Net Zero

Implementing meaningful action on climate change involves continually assessing our progress against our climate objectives. As we integrate the operations of CP and KCS, we are striving to enhance our sustainability approach, programs, objectives and reporting of the combined CPKC. While we are in the early stages of our sustainability integration process, we are making the following commitment with respect to climate action at CPKC:

The operation of our locomotive fleet represents CPKC's largest source of emissions. Both CP and KCS had previously adopted SBTi validated targets to reduce GHG emissions by 2030 and 2034 respectively. As part of our sustainability integration, we made it an early priority for CPKC to replace those two different targets with a single CPKC GHG emissions reduction target. As a result, the new science-based emissions reduction target for the combined CPKC, recently validated by SBTi, is:

CPKC has joined the Science Based Targets initiative's (SBTi) Business Ambition for 1.5°C global campaign and is committed to developing a CPKC emissions reduction target aligned with a 1.5°C future within the next two years.

CPKC will reduce our well-to-wheel (WTW) locomotive emissions by 36.9% per gross ton-mile by 2030 from a 2020 base year.[1]

BUSINESS AMBITION FOR 1.5°C

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

[1] Our locomotive emissions target covers 76% of CPKC's GHG emissions footprint and is aligned with SBTi's only sectoral-based approach for freight railroads and a well-below 2°C global warming scenario.

"Joining SBTi's Business Ambition for 1.5°C campaign and setting a combined CPKC GHG emissions reduction target reflect the importance we place on addressing climate change across our business. Together, these commitments serve as a compass, mobilizing our carbon reduction efforts to 2030 and beyond."

Gordon Trafton
Chair of the Risk and Sustainability Committee

CPKC 2020 GHG Emissions Inventory

We recognize the importance of addressing emissions from all aspects of our business, not just locomotives. While non-locomotive operations such as our vehicles, equipment fleet, buildings and infrastructure account for a relatively small portion of our overall GHG footprint, they are important to our efforts to reduce emissions. Monitoring and reporting of our emissions performance are critical to tracking the progress of our efforts. As we continue to implement solutions to reduce scope 1 and 2 emissions from our business, we are also working to enhance emissions data accuracy by integrating the energy data from thousands of CPKC utility meters and data points across our network.[1]

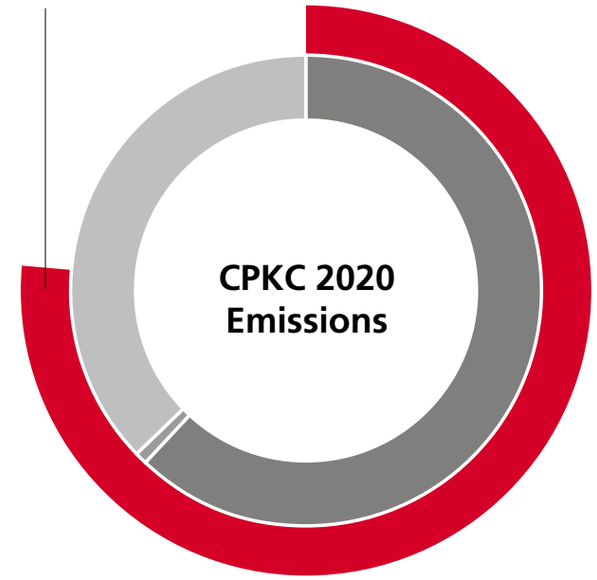
Historical GHG Emissions Reduction Targets

CP will reduce our well-to-wheel GHG emissions intensity (grams per revenue ton-mile) from locomotive operations by 38.3% by 2030.

KCS commits to reduce scope 1 and 2 GHG emissions by 42% per million gross ton-miles by 2034 from a 2019 base year.

CPKC Emissions Reduction Target

76%
Of GHG Emissions Covered By Target



Scope 1	62%
Scope 2 - Electricity	1%
Scope 3 - Value Chain	37%

[1] As we improve our access and integration of metered data from the KCS network, we expect that our ability to assess GHG emissions along the historical KCS rail network will improve.

Climate Leadership

We believe in transparency to our stakeholders and have established a clear governance approach to effectively communicate and respond to relevant ESG topics, while progressing our sustainability commitments and implementing sustainable practices into our business. Our approach is led by senior-level stewardship at the board and executive levels.[1]

The Board of Directors, through its committees, is responsible for monitoring, measuring and overseeing the Company's key risks, strategies and sustainability topics. 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 long-term climate strategy. With oversight from the Company's President and CEO, decisions on day-to-day implementation of sustainability priorities, including climate change, are guided by a cross-functional executive Sustainability Steering Committee. The Sustainability Steering Committee regularly reports progress, and advances recommendations on the Company's sustainability objectives, policies and management approach to the Risk and Sustainability Committee of the Board.

We established a Carbon Reduction Task Force (CRTF) in 2022, composed of the Company's industry-leading engineers and operations experts. Reporting to the Sustainability Steering Committee, the CRTF evaluates, recommends and implements climate action measures to reduce GHG emissions and drive performance on our science-based targets. Work is underway to engage with subject matter experts across the extended CPKC family to support the objectives of the CRTF.

[1] See our 2023 Management Proxy Circular for more information.

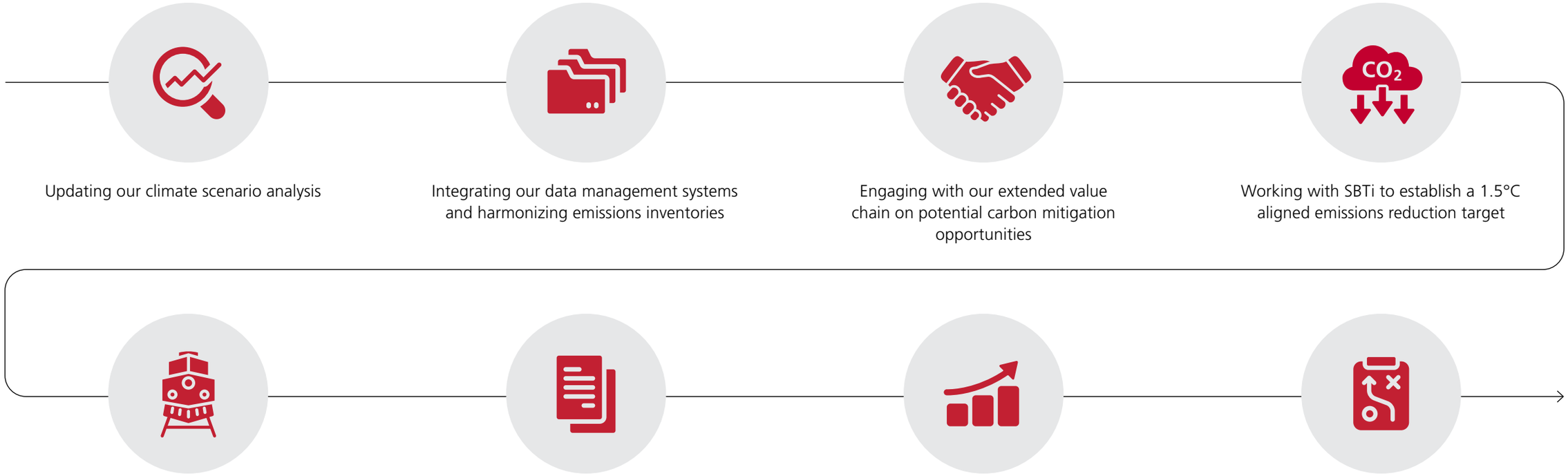
Our Climate-Related Initiatives

CPKC recognizes the work that lies ahead to developing a target aligned with a 1.5°C future. We have a strong foundation of existing low carbon and fuel efficiency initiatives to build on, including:

- Industry-leading Hydrogen Locomotive Program to develop North America's first line-haul freight locomotives using hydrogen fuel cells and batteries to power the locomotive's electric traction motors
- Development of hydrogen generation capacity at our facilities, including via renewably generated electrolysis at our corporate headquarters in Calgary
- Deployment of advanced fuel efficiency technologies including automatic engine start and stop (AESS) technology, Trip Optimizer (TO) technology, horsepower per trailing ton guidelines and locomotive fleet modernization programs
- Technology trials on a range of fuel sources, including plant-based diesel (biodiesel), battery technology and hydrogen fuel cells
- Investing in electric vehicles and charging infrastructure to reduce emissions from our vehicle fleet
- Installation of a five megawatt solar energy farm generating more power than consumed annually by the main headquarters building in Calgary

The Path Forward

CPKC is committed to thoughtfully planning and preparing our business for a lower-carbon future. Building on the Climate Strategy we adopted for CP in 2021, we are working to develop a CPKC climate transition plan to guide the Company's long-term objectives and practices. Preparing a credible transition plan requires the completion of substantial foundational tasks currently in early implementation at CPKC, including:



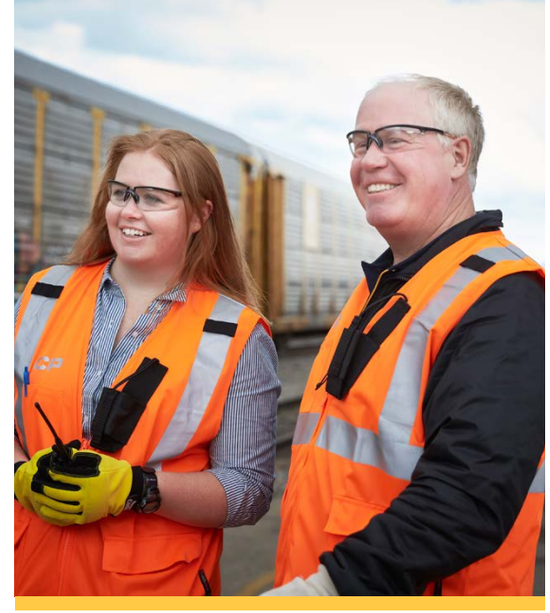
Achievement of our climate goals is only possible with collaboration, partnerships and engagement with our stakeholders, including our customers, investors, employees, suppliers and governments. We strive to align our approach with recognized global initiatives on climate change.

As we work to chart our path toward decarbonization, we recognize that progress will be marked by both challenges and successes along the way. Throughout this journey, we intend to provide updates on our progress to our stakeholders by reporting on our climate-related performance, verifying our results and seeking stakeholder feedback on our approach to climate change, including through our annual non-binding advisory, "say on climate" vote. By doing so, we aim to remain accountable and transparent in our efforts to support a more sustainable future.

SOCIAL

OUR APPROACH

CPKC is committed to being a responsible corporate citizen and a meaningful contributor to society. We actively invest in our employees' growth and development, promoting respect for human rights throughout our operations. We are also driving business partnerships and supporting local economies and our community partners through our community investment programs. CPKC recognizes that our success is directly linked to building and maintaining relationships that create value for our stakeholders.

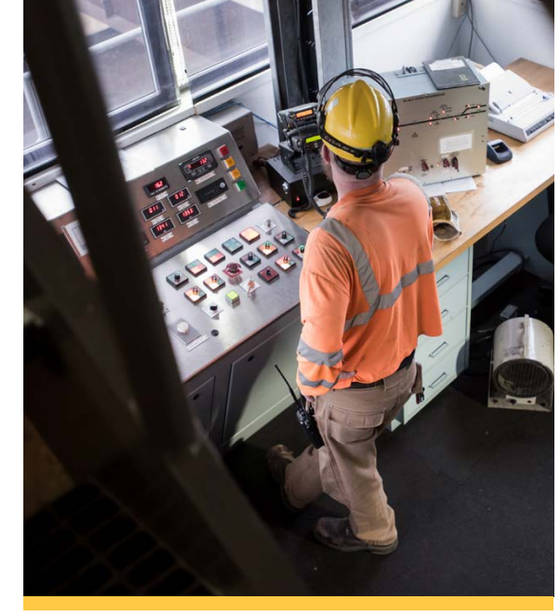


Staying on Track Thanks to Our Veterans

In 2022, KCS proudly employed more than 400 veterans, representing ten percent of KCS's total U.S.-based employees while former military service members comprised seven percent of CP's total hires. In keeping with our core value of diversity, we recognize the invaluable skills and experience veterans have gained from serving their country. Leadership, teamwork and the ability to thrive in a fast-paced, dynamic environment with a strong focus on safety are among the many skills that veterans bring to railroading. We strive to be the first choice for military service members in a new career outside the military, and CP is proud to be named a Top 10 Military Friendly® employer in the United States for 2023.

Our Holiday Trains Ride the Rails Again

After a two-year, COVID-19-related hiatus, CP and KCS welcomed the return of their holiday train programs. In 2022, these festive trains were back on track, making the rounds in Canada, the U.S. and Mexico to collect food and raise funds for local community organizations. Through CP's Holiday Train Program, more than $1.3 million was raised and 121,000 pounds of food collected for local food banks in communities across the CP network. In the U.S. and Mexico, KCS's Holiday Express and KCSM's Tren Navideño were met by over 50,000 visitors in 26 communities. The Holiday Express raised more than U.S. $215,000 to benefit The Salvation Army in communities across eight states.



Driving a Strong Safety Culture

Front-line KCS leaders got the chance to enhance their safety skills and knowledge with in-depth training at one of 20 Safety Management Workshops in 2022. Participants sharpened their analytical skills, were assessed on their understanding of safety and operating rules and took part in a critical evaluation of KCS's safety culture. CP held regular system-wide safety walkabouts in 2022, providing leaders, management, employees and members of local health and safety committees the opportunity to engage in meaningful discussions on workplace safety. Held every quarter, this longstanding practice is used by management and employees to share observations and provide and receive feedback while practicing their leadership skills, leading to a strengthened safety culture.

GOVERNANCE

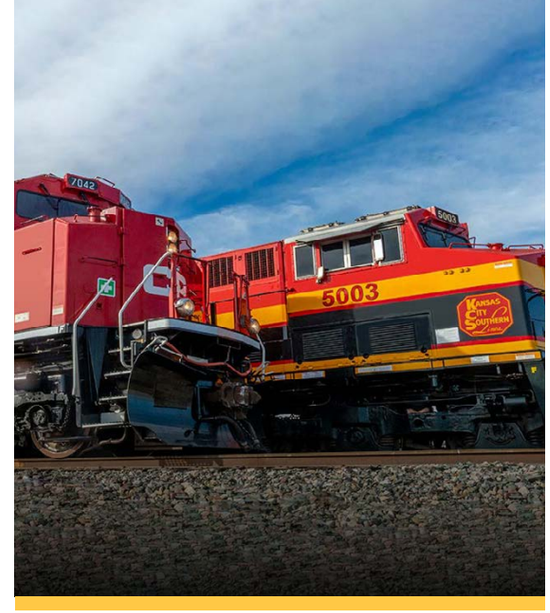
OUR APPROACH

At CPKC, we believe that good corporate governance practices are essential to effective management, the protection of our organization and to earning the trust of our stakeholders. We foster a culture of integrity through robust policies, operating standards, and training to establish expectations for ethical business conduct, high business standards, integrity and respect – from the board to our employees.

The Board of Directors, through its committees, is responsible for monitoring, measuring and overseeing CPKC's key risks, strategies, and sustainability practices. The Risk and Sustainability Committee reviews sustainability performance against our short- and long-term sustainability objectives and evaluates the results of stakeholder engagement to ensure alignment with our strategic planning.

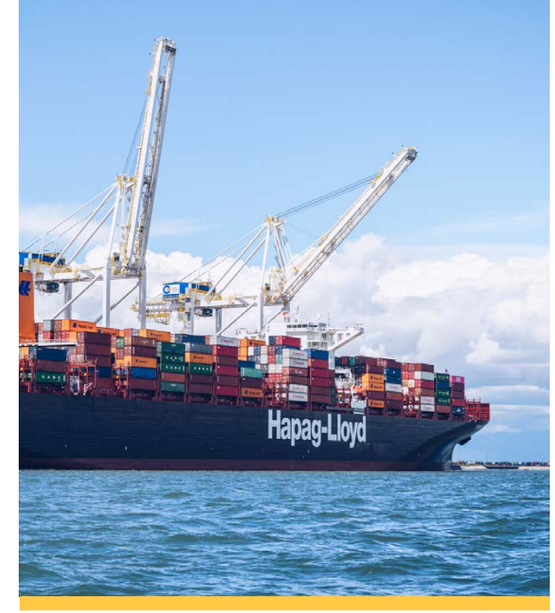
With oversight from the President and CEO, decisions on the day-to-day implementation of CPKC's sustainability priorities are guided by a cross-functional executive Sustainability Steering Committee. This Committee regularly reports progress and advances recommendations on our sustainability objectives, policies and management approach to the Risk and Sustainability Committee of the Board.

Sustainability metrics have been embedded into performance measures for executive and employee short-term compensation to help incentivize strong ESG outcomes.



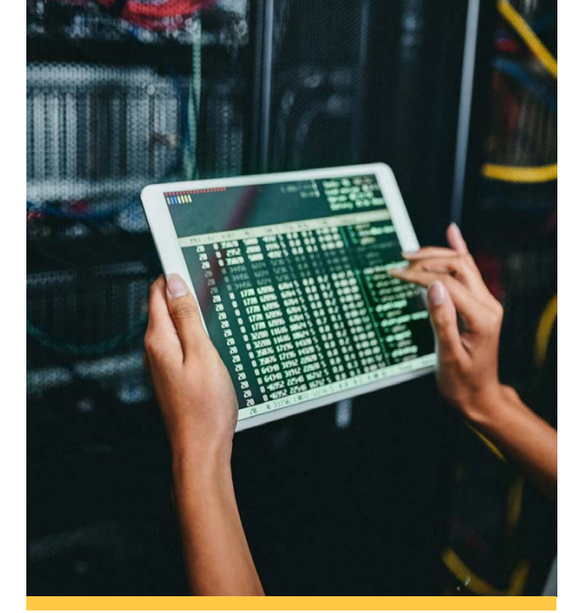
Committed to Sustainability Reporting

In 2022, CP and KCS released annual Corporate Sustainability Data Supplements containing ESG performance data. CPKC is committed to maintaining the longstanding practice of transparent reporting on ESG issues and topics. Through our annual sustainability reporting, we continue to strive for alignment with globally recognized frameworks and standards including GRI, TCFD and SASB.



Participation in the United Nations Global Compact (UNGC)

In 2022, CP became the first freight rail company in North America to participate in the UNGC, a voluntary initiative encouraging businesses around the world to adopt responsible business practices. CPKC remains committed to participation in the UNGC and upholding and annually reporting progress on 10 Principles in the areas of human rights, environment, labour and anti-corruption, and to acting on the United Nations Sustainable Development Goals.



Cybersecurity and Information Security

In 2022, CP and KCS continued to work towards enhancing their cybersecurity systems and practices with tools that continually monitor perimeter defenses for vulnerabilities, automatically block malicious or atypical behavior and scrutinize account usage to detect unusual behavior. Security training and awareness continue to be a hallmark of our cyber program with mandatory courses, regular communications and mock phishing campaigns. With assets and offices throughout North America, the security of CPKC's proprietary information, operating systems and customer data are of paramount importance and a critical component of our safety culture. Consequently, we remain focused on enhancing the resiliency of our assets and network.

APPENDIX

For more information or questions regarding historic CP metrics reports or sustainability at CPKC, visit www.cpkcr.com/en-ca/sustainability or contact sustainability@cpkcr.com.

CP 2022 SUSTAINABILITY METRICS

Information in this section of the report is with respect to CP on a standalone basis (see "About This Report"). In this section, currency-related values for CP are reported in Canadian dollars $ unless otherwise stated.

GOVERNANCE AND BUSINESS ETHICS

Board of Directors Composition	Units	2018	2019	2020	2021	2022	GRI	SASB
Number of Directors	# Directors	10	11	11	11	9	2-9	–
Board Independence[1]	% Directors	90.0	90.9	90.9	90.9	88.9	2-9	–
Average Tenure	Years	3.5	3.6	4.7	5.7	6.5	2-9	–
Visible Minorities[2]	% Directors	10.0	9.1	9.1	9.1	11.1	405-1	–
Region[3]								
Canada	% Directors	50.0	54.5	54.5	54.5	55.6	405-1	–
U.S.	% Directors	50.0	45.5	45.5	45.5	44.4	405-1	–
Gender								
Women	% Directors	40.0	45.5	45.5	45.5	44.4	405-1	–
Men	% Directors	60.0	54.5	54.5	54.5	55.6	405-1	–
Age								
Average Age	Years	61	61	62	63	62	405-1	–
< 30 Years Old	% Directors	0.0	0.0	0.0	0.0	0.0	405-1	–
30–50 Years Old	% Directors	20.0	9.1	0.0	0.0	0.0	405-1	–
Over 50 Years Old	% Directors	80.0	90.9	100.0	100.0	100.0	405-1	–

[1] The Board has adopted standards for director independence based on criteria of the New York Stock Exchange (NYSE), U.S. Securities and Exchange Commission (SEC), and Canadian Securities Administrators (CSA). The Board reviews director independence continually and annually using director questionnaires as well as by reviewing updated biographical information, meeting with directors individually, and conducting a comprehensive assessment of all business and other relationships and interests of each director with respect to CP and its subsidiaries.

[2] For Board of Directors Composition, "Visible Minorities" refers to persons who self-identify as a "Visible Minority" (Canada), or a "Minority" (U.S.). A Visible Minority is defined as "persons, other than Indigenous, who are non-Caucasian in race or non-white in colour." Minorities are persons who self-identify as African American, Hispanic, Native American, Asian Pacific, or Asian Indian, or one or more minorities.

[3] Canada and U.S. metrics are calculated based on each director's country of residence.

Business Ethics	Units	2018	2019	2020	2021	2022	GRI	SASB
CP Code of Business Ethics Training[1]	# Employees	2,773	2,969	3,202	3,240	3,607	205-2	–
Alert Line Calls[2]	# Calls	22	28	32	100	73	205-2	–

CEO to Employee Pay Ratio	Units	2018	2019	2020	2021	2022	GRI	SASB
CEO to Employee Pay Ratio[3]	Ratio	*[4]	130:1	145:1	223:1[5] 135:1	117:1	2-21	–

[1] The figures presented represent training completed by non-unionized employees; however, the Code of Business Ethics (the Code) applies to everyone at CP and its subsidiaries: directors, officers, employees (unionized and non-unionized) and contractors who do work for CP. Directors, officers and non-union employees must acknowledge every year that they have read, understood and agree to comply with the Code. Code of Business Ethics training in 2022-2023 achieved 100 percent sign-off from non-union employees. Since 2021, non-unionized employees have also completed online scenario-based training. Certain unionized employees were provided with online training for the first time in 2023 and all other unionized employees were provided with a copy of the Code. The Code is part of the terms and conditions of employment for non-unionized employees, and contractors must agree to follow principles of standards of business conduct consistent with those set out in CP's Code as part of the terms of engagement.

[2] CP's independently managed Alert Line (A-Line) is a tool that allows employees to report an instance anonymously. All employees are obligated to report any known or suspected violations of the Code, or any instance that may violate CP's commitments to ethics and integrity. The A-Line is available 24/7 by phone or online to all employees and stakeholders. Translation services are available as well, if required. All reports to the A-Line are handled confidentially and investigated in accordance with CP's Business Ethics Reporting Policy.

[3] To identify the median employee, CP conducted an analysis of the total compensation of its employee population in Canada and the United States (U.S.), other than the CEO, who were employed by CP on December 31 for each of the years disclosed. We have determined that using the taxable income reported on the T4 box 14 employment income and W-2 box 1 income for employees in Canada and the U.S. provides a reasonable and consistent estimate for evaluating annual total compensation. The pay ratio is a reasonable estimate calculated in a manner consistent with SEC rules based on CP's payroll and employment records and the methodology described above. The SEC rules for identifying the median compensated employee and calculating the pay ratio based on that employee's annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions and to make reasonable estimates and assumptions that reflect their compensation practices. As such, the pay ratio reported by other companies may not be comparable to the pay ratio reported above, as other companies may have different employment and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

[4] The asterisk (*) indicates that a reporting of this data is not available for earlier reporting period(s).

[5] The 2020 to 2021 increase in the CEO pay ratio is, in large part, attributable to the special upfront stock option grant awarded to Mr. Creel on March 27 and does not take into account the corresponding reduction to Mr. Creel's future annual long-term incentive plan compensation. Without including this one-time upfront stock option grant in the CEO pay ratio calculation, the 2021 pay ratio would be 135:1, which is aligned with the pay ratios of the prior two years. This supplemental ratio is not intended to replace the above ratio calculated in accordance with SEC rules, but is provided to normalize for Mr. Creel's one-time special compensation award, which we do not believe is helpful in evaluating compensation for comparative purposes. As further disclosed in the 2021 long-term incentive awards, the upfront stock option will reduce the value of Mr. Creel's annual long-term incentive plan by U.S. $2.1 million in each year of 2022, 2023, 2024 and 2025 (an aggregate of U.S. $8.4 million) pursuant to the amendments to his executive employment agreement.

ECONOMIC IMPACT

Operational Performance Metrics	Units	2018	2019	2020	2021	2022	GRI	SASB
Revenue Ton-Miles[1]	Millions	154,207	154,378	151,891	149,686	148,228	201-1	TR-RA-000.D
Gross Ton-Miles[2]	Millions	275,362	280,724	272,360	271,921	269,134	201-1	–
Carloads Transported	Thousands	2,740	2,766	2,708	2,736	2,782	201-1	TR-RA-000.A
Intermodal Units Transported[3]	Thousands	1,026	1,046	1,050	1,063	1,185	201-1	TR-RA-000.B
Train Miles Travelled	Thousands	32,312	32,924	30,324	29,397	28,899	201-1	TR-RA-000.C

Economic Value Generated	Units	2018	2019	2020	2021	2022	GRI	SASB
Total Revenue[4]	$ Millions	7,316	7,792	7,710	7,995	8,814	201-1	–
Canada	$ Millions	5,232	5,675	5,829	5,992	6,423	201-1	–
U.S.	$ Millions	2,084	2,117	1,881	2,003	2,391	201-1	–

Economic Value Distributed	Units	2018	2019	2020	2021	2022	GRI	SASB
Total Operating Expenses[5]	$ Millions	4,485	4,668	4,399	4,789	5,485	201-1	–
Canada	$ Millions	3,199	3,314	3,209	3,648	4,009	201-1	–
U.S.	$ Millions	1,286	1,354	1,190	1,141	1,476	201-1	–
Compensation & Benefits[6]	$ Millions	1,468	1,540	1,560	1,570	1,570	201-1	–
Capital Expenditures[7]	$ Millions	1,574	1,664	1,688	1,551	1,565	201-2	–

[1] Revenue Ton-Mile (RTM) refers to the movement of one revenue-producing ton of freight over a distance of one mile. RTMs measure the relative weight and distance of rail freight moved by CP.

[2] Gross Ton-Mile (GTM) refers to the movement of one ton of train weight over a distance of one mile. GTMs are calculated by multiplying total train weight by the distance the train moved. Total train weight comprises the weight of the freight cars, their contents and any inactive locomotives. An increase in GTMs indicates additional workload.

[3] Intermodal Units Transported is a subset of carloads transported.

[4] Total Revenues includes all freight and non-freight revenues. Freight revenues are generated from goods or property transported. Non-freight revenues are generated from leasing certain assets; other arrangements, including logistical services and contracts with passenger service operators; and switching fees. CP's Total Revenues increased by 10% to $8,814 million in 2022 from $7,995 in 2021, driven primarily by higher fuel surcharge revenue as a result of higher fuel prices and higher freight rates.

[5] Changes in freight volumes generally contribute to corresponding changes in freight revenues and certain variable expenses, such as fuel, equipment rents and crew costs.

[6] Compensation & Benefits includes employee wages, salaries, fringe benefits and stock-based compensation.

[7] Capital Expenditures are additions to properties. Capital Expenditures include expenditures to expand and enhance the rail network, rolling stock and other infrastructure. These expenditures are aimed at improving efficiency and safety of CP's operations, including projects and initiatives aimed at mitigating environmental and climate-related impacts to CP's infrastructure. Such investments are also an integral part of CP's multi-year capital program and support growth initiatives.

Payments to Entities	Units	2018	2019	2020	2021	2022	GRI	SASB
Payments to Providers of Capital[1]	$ Millions	1,890	1,964	2,367	908	1,316	201-1	–
Payments to Government[2]	$ Millions	442	639	708	680	541	201-1	–

Supply Chain	Units	2018	2019	2020	2021	2022	GRI	SASB
Total Supplier Spend	$ Millions	4,042	4,269	3,005	3,117	5,207	204-1	–
Spending on Local Suppliers – Canada	$ Millions	2,234	2,406	1,867	2,053	3,311	204-1	–
Spending on Local Suppliers – U.S.	$ Millions	1,696	1,850	1,138	1,056	1,896	204-1	–
Total Critical Tier 1 Suppliers[3]	Total Number	*	*	*	72	72	204-1	–

[1] Payments to Providers of Capital includes dividends paid to shareholders, interest paid and payments for share repurchases less issuance of shares. CP did not have any payments for share repurchases in 2021 or 2022.

[2] Payments to Government includes income tax paid and property tax.

[3] Critical Tier 1 Suppliers include vendors whose goods or services (G&S) have significant impact upon CP 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 for CP would be a vendor who supplies locomotive fuel.

SAFETY

Work-Related Incidents	Units	2018	2019	2020	2021	2022	GRI	SASB
Hours Worked	Thousands	28,151	30,300	26,557	26,876	27,415	403-9	–
Reportable Injuries								
Total Recordable Injury Rate[1]	Injury Rate	3.18	2.83	2.59	2.13	2.27	403-9	TR-RA-320a.1
FRA Personal Injury Rate Frequency[2]	Injury Rate	1.47	1.42	1.11	0.92	1.01	403-9	TR-RA-320a.1
Women	Injury Rate	0.92	0.93	0.68	0.67	0.79	403-9	TR-RA-320a.1
Men	Injury Rate	1.52	1.47	1.15	0.95	1.03	403-9	TR-RA-320a.1
Contractor Injuries[3]	# FRA Injuries	3	3	8	6	4	403-9	TR-RA-320a.1
Lost Time Injury Frequency Rate (Per 200k employee hours worked)	Injury Rate	0.97	0.90	0.77	0.64	0.85	403-9	TR-RA-320a.1
Canada	Injury Rate	0.87	0.82	0.72	0.51	0.69	403-9	TR-RA-320a.1
U.S.	Injury Rate	1.37	1.23	0.93	1.21	1.58	403-9	TR-RA-320a.1
Women	Injury Rate	0.67	0.55	0.47	0.54	0.48	403-9	TR-RA-320a.1
Men	Injury Rate	1.00	0.93	0.80	0.65	0.89	403-9	TR-RA-320a.1
Fatalities								
Employee Fatalities	# Fatalities	3	4	0	0	1	403-9	TR-RA-320a.1
Contractor Fatalities	# Fatalities	0	0	0	0	0	403-9	TR-RA-320a.1

[1] Total Recordable Injury Rate (TRIR) is a measure of recordable injuries resulting from a discernable work-related event, to an on-duty employee and is a physical injury in nature (not incident stress or psychological in nature), including fatalities. TRIR is calculated as total number of recordable cases multiplied by 200,000, divided by total employee hours worked during the reporting period. Recordable incidents include all safety-related events reported by employees regardless of incident severity.

[2] The Federal Railroad Administration (FRA) Personal Injury Rate Frequency reflects the frequency of personal injuries, multiplied by 200,000, divided by total employee hours. FRA Personal Injuries are limited to personal injuries that require employees to lose time away from work, modify their normal duties or obtain medical treatment beyond minor first aid. FRA Personal Injury employee hours are the total hours worked, excluding vacation and sick time, by all employees, excluding contractors.

[3] Contractor Injuries was updated for 2017-2019 to reflect only injuries categorized as FRA Injuries which is limited to personal injuries that require employees to lose time away from work, modify their normal duties or obtain medical treatment beyond minor first aid. CP does not track contractor hours worked. Subsequently, CP cannot calculate a total recordable work-related injuries rate.

Train Incidents	Units	2018	2019	2020	2021	2022	GRI	SASB
Train Accidents[1]	# Accidents	670	694	603	555	671	–	TR-RA-540a.1
FRA Train Accidents[2]	# Accidents	39	38	32	36	30	–	TR-RA-540a.1
FRA Train Accident Rate[3]	# Accidents/ Million Train Miles	1.10	1.06	0.96	1.10	0.93	–	TR-RA-540a.1
Train Accidents Involving the Release of Hazardous Materials[4]	# Accidents	3	5	2	2	1	–	TR-RA-540a.2
Non-accident Release of Hazardous Materials[5]	# Accidents	24	17	20	11	7	–	TR-RA-540a.2

Asset and Network Resiliency	Units	2018	2019	2020	2021	2022	GRI	SASB
Main Track Inspections[6]	Total Number	83,832	86,723	91,503	100,721	109,297	–	TR-RA-540a.4
Main Track Miles Inspected[7]	Total Number	1,793,249	1,855,173	1,923,379	2,070,085	1,972,799	–	TR-RA-540a.4
Total Main Track Miles	Total Number	12,469	12,683	13,046	13,046	12,822	–	TR-RA-540a.4
Frequency of Internal Railway Integrity Inspections[8]	Ratio	2.77	2.81	2.84	3.05	2.96	–	TR-RA-540a.4

[1] Train Accidents refers to any event that causes damage to mobile on-track equipment during the course of railway operations and excludes crossing accidents.

[2] FRA Train Accident refers to a subset of reported train-related incidents and includes only those events involving damage exceeding a specific monetary value set by the FRA. The reporting threshold for 2018–2020 was U.S. $10,700 in damage, U.S. $11,200 in damage for 2021, and U.S. $11,300 in damage for 2022.

[3] FRA Train Accident Rate reflects the number of train accidents resulting in damage exceeding a specific monetary threshold (set by FRA), multiplied by 1,000,000, divided by total train miles travelled during the reporting period.

[4] Train-Related Accidents Involving the Release of Hazardous Materials refers to incidents involving the release of hazardous materials (U.S.) or dangerous goods (Canada) from a means of containment during transportation by rail.

[5] Non-accident Release of Hazardous Materials refers to an unintentional release of hazardous materials (U.S.) or dangerous goods (Canada) from a means of containment during transportation. These events do not involve a train-related accident and can result from equipment failure or improperly secured materials.

[6] Main Track Inspections includes both regulatory and special track inspections

[7] Main Track Miles Inspected includes both regulatory and special track inspections. Inspections that take place at a single identifiable location, such as a turnout, do not have a cumulative mileage associated with the inspection, and are therefore excluded from the total inspection mileage.

[8] Frequency of Internal Railway Integrity Inspections is calculated as the number of inspections per week, weighted for the number of main track miles on which those inspections took place; these values are calculated as (weekly inspections × miles of track on which they took place) / (total main track miles).

ENVIRONMENT

Energy Efficiency and Emissions

Energy	Units	2018	2019	2020	2021	2022	GRI	SASB
Fuel								
Total Locomotive Fuel	Million U.S. Gallons	263	270	258	256	258	–	–
	Million Litres	995	1,021	978	968	977	–	–
Locomotive Fuel Efficiency[1]	U.S. Gallons/1,000 GTMs	0.953	0.955	0.942	0.931	0.955	–	–
Freight Efficiency[2]	RTMs/U.S. Gallons	586	572	588	586	575	305-4	–

Energy Consumption	Units	2018	2019	2020	2021	2022	GRI	SASB
Total Energy Consumption[3]	1,000 MWh	11,384	11,625	11,073	10,909	11,143	302-1	–
Locomotive Diesel	1,000 MWh	10,533	10,745	10,288	10,177	10,286	302-1	–
Locomotive – Renewable Fuel[4]	1,000 MWh	157	163	161	156	157	302-1	TR-RA-110a.3
Other Liquid Fuel[5]	1,000 MWh	364	373	309	264	339	302-1	–
Natural Gas and Propane	1,000 MWh	139	150	131	129	168	302-1	–
Electricity	1,000 MWh	192	194	184	180	189	302-1	–
Self-Generated Renewable Electricity[6]	1,000 MWh	*	*	*	3	4	302-4	–
Energy Costs[7]	$ Millions	945	908	677	880	1,432	–	–
Energy Intensity – Total Company	kWh/1,000 GTMs	41.3	41.4	40.7	40.1	41.4	302-3	–
Energy Intensity – Locomotive Fuel	kWh/1,000 GTMs	38.8	38.9	38.4	38.0	38.8	302-3	–

[1] Locomotive Fuel Efficiency is defined as U.S. gallons of locomotive fuel consumed per 1,000 GTMs. Fuel consumed includes gallons from freight, yard and commuter service but excludes fuel used in capital projects and other non-freight activities. An improvement in fuel efficiency indicates operational cost savings and CP's commitment to corporate sustainability through a reduction of GHG emissions intensity. The fuel efficiency decrease from 2021 to 2022 was due to harsher winter operating conditions, higher volumes of Intermodal, which has lower horsepower utilization, and lower locomotive productivity defined as the daily average GTMs divided by average operating horsepower.

[2] Freight Efficiency represents the number of route miles one ton of revenue generating freight can be transported by a CP train on a single U.S. gallon of fuel.

[3] Total Energy Consumption includes all liquefied gas, fuel and electricity consumed inside the organization during the reporting year.

[4] All diesel fuel supplied to the Canadian marketplace must contain an annual average of 2 percent renewable content. Locomotive – Renewable Fuel is estimated to be equivalent to 2 percent of all locomotive diesel fuel consumed in Canada during the reporting year.

[5] Other Liquid Fuel includes all liquid and gaseous fuel, excluding locomotive diesel, consumed by the organization during the reporting period. Common fuel reported here includes gasoline, diesel, heating oil and liquid biofuels.

[6] CP began generating renewable electricity in April 2021 from CP's solar energy farm at the E. Hunter Harrison campus located in Calgary, Alberta, Canada. In 2022, CP generated a total of 4,937 MWh of renewable electricity with a portion returned to the grid. Self-Generated Renewable Electricity Consumption reflects the total self-generated renewable electricity generated less the amount of electricity returned to the grid.

[7] The increase from 2021 to 2022 in energy cost is attributed to the increased cost for fuel. This increase is primarily due to the unfavorable impact of higher fuel prices and decrease in fuel efficiency due to harsher winter operating conditions, higher volumes of intermodal which has lower horsepower utilization, and lower locomotive productivity defined as the daily average GTMs divided by the daily average operating horsepower and the unfavorable impact of the change in foreign exchange rate.

Emissions	Units	2018	2019	2020	2021	2022	GRI	SASB
Total Direct & Indirect Greenhouse Gas (GHG) Emissions: Scope 1 & 2[1]	1,000 Metric Tonnes CO_2e	3,102	3,185	3,031	2,991	3,050	–	–
Direct (Scope 1) GHG Emissions	1,000 Metric Tonnes CO_2e	3,052	3,136	2,988	2,952	3,009	305-1	TR-RA-110a.1
Locomotive	1,000 Metric Tonnes CO_2e	2,936	3,013	2,887	2,861	2,891	305-1	TR-RA-110a.1
Other Scope 1[2]	1,000 Metric Tonnes CO_2e	116	123	101	91	118	305-1	TR-RA-110a.1
Direct Scope 1 Emissions[3]								
CO_2	1,000 Metric Tonnes CO_2e	2,782.71	2,857.96	2,722.01	2,682.20	2736.34	305-1	TR-RA-110a.1
CH_4	1,000 Metric Tonnes CO_2e	4.38	4.50	4.27	4.19	4.25	305-1	TR-RA-110a.1
N_2O	1,000 Metric Tonnes CO_2e	264.68	273.87	260.01	264.37	267.30	305-1	TR-RA-110a.1
HFC[4]	1,000 Metric Tonnes CO_2e	0.08	0.08	0.04	1.39	2.52	305-1	TR-RA-110a.1

[1] Values reflect a combined total of Direct (Scope 1) GHG emissions from CP-owned or controlled sources (primarily locomotives for CP) and Indirect (Scope 2) GHG emissions from the generation of purchased energy (CP's electricity consumption). Since 2019, Other Indirect (Scope 3) GHG emissions relating to Business Travel are no longer aggregated with Direct (Scope 1) and Indirect (Scope 2) GHG Emissions. Other Indirect (Scope 3) GHG emissions from Business Travel are reported separately.

[2] Other Scope 1 GHG emissions include GHG emissions related to off-road vehicles, vehicle fleet, work equipment and stationary sources such as propane and natural gas for heating facilities.

[3] Direct (Scope 1) GHG Emissions are calculated following The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition). Total gas emissions are presented as 1,000 Metric Tonnes CO_2e and have been converted following global warming potentials from IPCC Fifth Assessment Report (AR5).

[4] Prior to 2021, CP's reporting on HFC GHG Emissions was limited to stationary equipment only. In 2021, CP expanded GHG tracking and reporting systems to capture HFC emissions from CP's fleet of refrigerated containers.

Emissions	Units	2018	2019	2020	2021	2022	GRI	SASB
Indirect Emissions Scope 2 & 3								
Indirect (Scope 2) GHG Emissions[1]	1,000 Metric Tonnes CO_2e	50	49	43	39	41	305-2	–
Other Indirect (Scope 3) GHG Emissions[2]	1,000 Metric Tonnes CO_2e	*	1,734	1,700	1,695	1,627	305-3	–
Purchased Goods & Services and Capital Goods[3]	1,000 Metric Tonnes CO_2e	*	631	620	599	525	305-3	–
Fuel and Energy-Related Activities[4]	1,000 Metric Tonnes CO_2e	*	917	860	850	843	305-3	–
Upstream Transportation and Distribution[5]	1,000 Metric Tonnes CO_2e	*	142	181	205	214	305-3	–
Waste Generated in Operations[6]	1,000 Metric Tonnes CO_2e	*	5	4	5	5	305-3	–
Business Travel[7]	1,000 Metric Tonnes CO_2e	16	21	18	20	19	305-3	–
Employee Commuting[8]	1,000 Metric Tonnes CO_2e	*	18	17	16	20	305-3	–

[1] Indirect (Scope 2) GHG Emissions consist of emissions from the generation of electricity purchased by CP. Canadian emissions are based on emissions factors used for *Canada's National Inventory Report*. U.S. emissions are based on the U.S. EPA eGRID 2021 emissions factors. Electricity usage is based on electric utility billing data.

[2] Prior to 2019, CP's reporting on Other Indirect (Scope 3) GHG Emissions was limited to Business Travel. In 2019, CP expanded GHG emissions reporting to include additional relevant Scope 3 emissions categories of Purchased Goods & Services and Capital Goods, fuel and energy-related activities, upstream transportation and distribution, and waste generated in operations for 2019. The asterisk (*) indicates that a reporting of these categories of Other Indirect (Scope 3) GHG Emissions relevant to CP is not available for earlier reporting periods.

[3] An estimate of GHG emissions related to Purchased Goods & Services and Capital Goods was derived following an economic input-output (EIO) model developed by Carnegie Mellon University. EIO categories by spend were totaled and converted into GHG emissions using factors consistent with this approach.

[4] Fuel and Energy-Related Activities include upstream emissions associated with the fuel that CP uses to operate, from fuel combusted for generation of electricity purchased by CP and transmission and distribution losses from electricity consumed.

[5] Upstream Transportation and Distribution refers to GHG emissions related to the transport of purchased material, truck transport of intermodal containers, and postage and couriers. Emissions from transport of purchased material were calculated using each order's weight and transport distance with tonne-mileage emissions factors for trucks. For all other Upstream Transportation and Distribution, an economic input-output (EIO) calculator was used to estimate emissions from purchased transportation services.

[6] Waste Generated in Operations refers to GHG emissions associated with annual waste generated by CP, which are derived using factors from the U.S. EPA Center for Corporate Climate Leadership.

[7] Business Travel refers to GHG emissions associated with business travel, including hotel stays, vehicle rentals and flights. Emissions factors for hotel stays from DEFRA were used to calculate GHG emissions. Emissions factors for vehicle rentals and passenger flights from the U.S. EPA Center for Corporate Climate Leadership were used to calculate GHG emissions.

[8] Employee Commuting emissions were estimated using average commuting time, transportation mode and distance statistics from census data in the U.S. and Canada. For 2020-2021, a work from home adjustment factor was applied to adjust annual emissions due to an increased number of employees working from home due to the COVID-19 pandemic. GHG emissions were calculated following emissions factors from the U.S. EPA Center for Corporate Climate Leadership.

GHG Emissions Intensity[1]	Units	2018	2019	2020	2021	2022	GRI	SASB
Company (Scope 1 and 2)	kg CO_2e/1,000 GTMs	11.3	11.4	11.1	11.0	11.3	305-4	–
Locomotive (Scope 1)	kg CO_2e/1,000 GTMs	10.7	10.7	10.6	10.5	10.7	305-4	–
Company (Scope 1 and 2)	kg CO_2e/1,000 GTKs	7.7	7.8	7.6	7.5	7.8	305-4	–
Locomotive (Scope 1)	kg CO_2e/1,000 GTKs	7.3	7.4	7.3	7.2	7.4	305-4	–
Company (Scope 1 and 2)	kg CO_2e/1,000 RTMs	20.1	20.7	20.0	20.0	20.6	305-4	–
Locomotive (Scope 1)	kg CO_2e/1,000 RTMs	19.0	19.5	19.0	19.1	19.5	305-4	–
Company (Scope 1 and 2)	kg CO_2e/1,000 RTKs	13.8	14.2	13.7	13.7	14.1	305-4	–
Locomotive (Scope 1)	kg CO_2e/1,000 RTKs	13.0	13.4	13.0	13.1	13.4	305-4	–
Revenue (Scope 1 and 2)	MT CO_2e/ $ Million Revenue	424	409	393	374	474	305-4	–
Employee (Scope 1 and 2)[2]	kg CO_2e/Employee	238,000	247,000	255,000	253,000	239,000	305-4	–

[1] GHG Emissions Intensity values represent those most commonly presented or publicly requested within the freight rail sector. Company GHG Emissions Intensity includes total Scope 1 and 2 emissions divided by gross ton-miles (GTMs), gross tonne kilometres (GTKs), revenue ton-miles (RTMs) or revenue tonne-kilometres (RTKs) during the reporting period. Intensity metrics are also provided specific to locomotive GHG emissions.

[2] Restatement: Reported values did not correspond to stated units in prior reporting periods.

Science-Based Emissions Targets	Units	2018	2019	2020	2021	2022	GRI	SASB
Locomotive Well-to-Wheel GHG Intensity (Scope 1, 2 and 3)[1]	SBTi Approved 2030 Target	CP is committed to reduce our well-to-wheel GHG emissions intensity (grams per revenue ton-mile) of locomotive operations by 38.3% by 2030 from a 2019 base year. CP's 2030 emissions intensity target for locomotive operations target is 15.53 gCO_2e/RTM.					305-5	TR-RA-110a.2
	gCO_2e/RTM	*	25.17	24.42	24.55	24.89	305-5	TR-RA-110a.2
Locomotive GHG Science-Based Target Progress	% of 2030 Target Achieved	*	*	8	6	3	305-5	TR-RA-110a.2
Non-Locomotive Emissions (Scope 1 and 2)[2]	2030 Target	As we continue to implement solutions to reduce scope 1 and 2 emissions from our business, we are also working to enhance emissions data reporting accuracy by integrating CPKC energy management systems.[3]					305-5	TR-RA-110a.2

Locomotive Air Emissions[4]	Units	2018	2019	2020	2021	2022	GRI	SASB
Nitrous Oxide (NO_x)	Kilotonnes	34.52	35.00	34.05	32.96	35.68	305-7	TR-RA-120a.1
Sulfur Oxide (SO_x)	Kilotonnes	0.02	0.02	0.03	0.02	0.02	305-7	–
Particulate Matter (PM)	Kilotonnes	0.70	0.69	0.68	0.65	0.70	305-7	TR-RA-120a.1
Hydrocarbons	Kilotonnes	1.51	1.44	1.33	1.28	1.41	305-7	–
Carbon Monoxide (CO)	Kilotonnes	7.17	7.06	6.69	6.60	6.90	305-7	–

[1] Well-to-wheel emissions include all emissions related to fuel production, processing, distribution and use including (where applicable) Scope 1, 2, and 3 emissions. This metric effectively captures the entire energy process, from mining of the fuel source to powering the locomotives.

[2] Non-Locomotive Emissions refers to emissions for Scope 1 Non-locomotive operations (including vehicle fleets, buildings and other facilities), and Scope 2 emissions.

[3] As part of ongoing due diligence associated with annual GHG emissions reporting, CP has identified changes in energy data that may have an impact on year-over-year performance for the non-locomotive emissions target over the respective reporting periods.

[4] Locomotive Air Emissions refers to common contaminants associated with the combustion of fuel by CP's locomotive fleet. Calculations are specific to each locomotive's corresponding EPA emissions tier class. Air emissions are derived by combining CP active locomotive fleet data with EPA tier class emissions factors, total fuel consumed and nature of locomotive use (line haul or switching). This methodology is consistent with practices of the Canadian rail sector and Railway Association of Canada – Locomotive Emissions Monitoring Program.

Environmental Footprint

Environmental Footprint	Units	2018	2019	2020	2021	2022	GRI	SASB
Annual Spend on Remediation	$ Millions	7	7	7	11	9	2-25	–
Provision for Environmental Remediation Programs[1]	$ Millions	83	81	83	80	86	2-25	–
Environmental Audits Completed[2]	# Audits	9	10	0	5	8	2-25	–
Number of Environmental Fines	# Fines	1	0	0	0	1	2-27	–
Environmental Fines[3]	$ Total Spent	31,500	0	0	0	43,845	2-27	–
Environmental Liability for Fines Accrued at Year-End[4]	$ Total Accrued	0	0	0	0	0	2-27	–
Spill Events[5]	# Spills	34	35	38	43	45		–

Water	Units	2018	2019	2020	2021	2022	GRI	SASB
Water Consumption[6]	ML	503	813	768	742	733	303-5	–
Canada	ML	466	566	666	583	559	303-5	–
U.S.	ML	36	40	87	159	174	303-5	–
Water Discharge[7]	ML	84	134	135	95	111	303-4	–

[1] Provision for Environmental Remediation Programs refers to an estimate of probable future obligations and includes both asserted and unasserted claims, without reduction for anticipated recoveries from third parties. Although the recorded accruals include CP's best estimate of all probable costs, CP's total environmental remediation costs cannot be predicted with certainty. Accruals for environmental remediation may change periodically as new information about previously untested sites becomes known, environmental laws and regulations evolve, and advances are made in environmental remediation technology.

[2] CP did not complete environmental audits in 2020 due to COVID-19 travel and work restrictions.

[3] The environmental penalty in 2018 was an administrative penalty for an event where waste water discharge exceeded permit limits. The 2022 environmental penalty was a civil penalty for U.S. $33,727; negotiated with the Minnesota Pollution Control Agency for a 2021 locomotive diesel release at CP's St. Paul Yard which has been converted to $43,845 in the data table based on CP's average FX rate of 1.30 for fiscal year 2022.

[4] Environmental Liability for Fines Accrued at Year-End includes the dollar amount of any outstanding or expected environmental fines or penalties not paid by CP by the end of the annual reporting period.

[5] Spill Events includes all reported incidents involving CP employees or contractors, which result in the unintentional release of hazardous materials or materials which may adversely impact the environment. Spills include events involving an accidental release, spill or leak, or result from the failure of means of containment. Reported values are limited to significant releases where a material has been released in excess of local regulatory reporting thresholds.

[6] Water Consumption volumes are based on metered service connections to municipal water treatment and distribution systems supplied to CP facilities across the network. These values do not reflect a small amount of unmetered water supplied by local wells at remote operating locations.

[7] CP discharges industrial wastewater in a responsible manner according to local regulations and permits. All wastewater discharges are planned. Where applicable, CP processes industrial wastewater through treatment plants, including oil water separators, dissolved air flotation, chemical injection and activated carbon systems. Treated effluent is typically discharged to publicly owned sewage treatment works for further treatment. Currently, treated effluent from CP wastewater treatment plants is not reused for other purposes. CP does not currently report on water discharge quality.

Waste	Units	2018	2019	2020	2021	2022	GRI	SASB
Total Waste Generated[1]	Metric Tonnes	104,325	90,112	114,680	119,690	68,602	306-3	–
Hazardous Waste	Metric Tonnes	2,623	3,274	6,723	4,160	3,891	306-3	–
Non-Hazardous Waste Generated	Metric Tonnes	101,702	86,838	107,957	115,530	64,711	306-3	–
Hazardous Waste Diversion								
Total Hazardous Waste Diverted	Metric Tonnes	2,605	3,269	5,238	3,283	3,513	306-4	–
Offsite Recycled	Metric Tonnes	2,588	2,715	108	79	441	306-4	–
Other Offsite Recovery Operations[2]	Metric Tonnes	17	554	5,130	3,204	3,072	306-4	–
Hazardous Waste Disposal								
Total Hazardous Waste Disposed	Metric Tonnes	18	5	1,485	877	378	306-5	–
Offsite Incineration (with energy recovery)	Metric Tonnes	2	0	68	10	5	306-5	–
Offsite Landfilling	Metric Tonnes	16	5	1,417	867	373	306-5	–
Non-Hazardous Waste Diversion								
Total Non-Hazardous Waste Diverted	Metric Tonnes	2,323	2,198	2,275	3,437	2,222	306-4	–
Offsite Recycled	Metric Tonnes	2,268	2,164	1,302	1,615	1,098	306-4	–
Offsite Compost	Metric Tonnes	55	34	68	136	464	306-4	–
Other Offsite Recovery Operations	Metric Tonnes	0	0	904	1,686	660	306-4	–

[1] Definitions of hazardous and non-hazardous waste are aligned with Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal. Waste disposal methods and associated quantities are provided to CP by third party waste disposal contractors, and tracked by CP's third party consultant. CP works collaboratively with its third party waste contractors to identify beneficial reuse and recycling options for CP's industrial waste streams. The increase in total waste in 2020 is attributed to improved data management through CP's third party consultant.

[2] CP's offsite recovery operations include deep-well injection, fuel-blending, on-site storage and other recovery methods.

Waste	Units	2018	2019	2020	2021	2022	GRI	SASB
Non-Hazardous Waste Disposal								
Total Non-Hazardous Waste Disposed	Metric Tonnes	99,379	84,640	105,682	112,093	62,489	306-5	–
Offsite Incineration (with energy recovery)	Metric Tonnes	92,950	77,755	99,336	106,286	54,971	306-5	–
Offsite Landfilling	Metric Tonnes	6,429	6,885	6,346	5,807	7,518	306-5	–
Other Waste								
Rail Ties Sent to Cogeneration Facility[1]	# Ties	1,125,619	941,615	1,202,724	1,282,953	657,700	306-5	–
Rail Ties Sent to Cogeneration Facility[2]	Metric Tonnes	92,976	77,755	99,317	105,942	54,310	306-5	–

Resource Consumption	Units	2018	2019	2020	2021	2022	GRI	SASB
Total Steel Products Purchased	Metric Tonnes	73,101	81,591	95,584	75,455	95,368	301-1	–
New Rail Purchased	Metric Tonnes	51,293	60,741	69,828	54,183	43,143	301-1	–
Other Track Materials[3]	Metric Tonnes	21,808	20,849	25,756	21,272	52,225	301-1	–
Total Crossties Installed	1,000s Rail Ties	1,015	1,122	1,417	1,222	1,215	301-1	–

[1] The decrease in year over year in 2022 Rail ties sent to Cogeneration is due to the limited railcar availability which was used for transport of material for new track.
[2] Annual volumes of rail ties sent to cogeneration facilities are also included in the non-hazardous waste disposal table, reported as Offsite Incineration (with energy recovery).
[3] Other Track Materials includes anchors, spikes, screw spikes, rail clip fasteners, tie plates and track bolts.

SOCIAL IMPACT

Workforce Diversity and Inclusion

Workforce Composition	Units	2018	2019	2020	2021	2022	GRI	SASB
Total Workforce[1]	Total Number	12,866	12,732	11,904	11,872	12,824	2-7	–
Total Employees[2]	Total Number	12,840	12,694	11,890	11,834	12,754	2-7	TR-RA-000.E
Total Workforce by Region								
Canada	% Employees	78.0	78.2	79.1	78.2	78.3	2-7	–
U.S.	% Employees	22.0	21.8	20.9	21.8	21.7	2-7	–
Workforce Representation by Gender								
Women	% Employees	9.5	9.7	10.0	9.6	9.3	2-7	–
Men	% Employees	90.5	90.3	90.0	90.4	90.7	2-7	–
Workforce Representation by Age								
< 30 Years Old	% Employees	17.9	17.2	15.7	16.0	18.4	405-1	–
30–50 Years Old	% Employees	56.5	58.2	56.9	57.9	57.6	405-1	–
Over 50 Years Old	% Employees	25.6	24.7	27.4	26.2	24.0	405-1	–

[1] Total Workforce refers to all CP employees, contractors and consultants as of December 31 of each reporting year.
[2] Total Employees refers to individuals currently engaged in full-time, part-time or seasonal employment with CP as of December 31 of each reporting year.

Workforce Composition	Units	2018	2019	2020	2021	2022	GRI	SASB
Contract Type								
Unionized	% Employees	74.9	74.0	72.2	73.2	74.6	2-7	–
Non-Unionized	% Employees	25.1	26.0	27.8	26.8	25.4	2-7	–
Total Full-Time Employees	# Employees	12,782	12,643	11,844	11,798	12,680	2-7	–
Women	% Full-Time Employees	9.5	9.6	9.9	9.5	9.3	2-7	–
Men	% Full-Time Employees	90.5	90.4	90.1	90.5	90.7	2-7	–
Total Temporary Employees	# Employees	57	49	44	33	72	2-7	–
Women	% Temporary Employees	10.5	12.2	36.4	24.2	20.8	2-7	–
Men	% Temporary Employees	89.5	87.8	63.6	75.8	79.2	2-7	–
Total Part-Time Employees	# Employees	1	2	2	3	2	2-7	–
Women	% Part-Time Employees	100.0	50.0	50.0	33.3	50.0	2-7	–
Men	% Part-Time Employees	0.0	50.0	50.0	66.7	50.0	2-7	–
Total Contractors[1]	Total Number	26	38	14	38	70	2-7	–

Employee Level	Units	2018	2019	2020	2021	2022	GRI	SASB
Sr. Management[2]	# Employees	88	88	94	103	105		
Women	% Sr Management	18.2	17.0	17.0	21.4	17.1	405-1	–
Men	% Sr Management	81.8	83.0	83.0	78.6	82.9	405-1	–
< 30 Years Old	% Sr Management	0.0	0.0	0.0	0.0	0.0	405-1	–
30–50 Years Old	% Sr Management	63.6	61.4	55.3	56.3	52.4	405-1	–
Over 50 Years Old	% Sr Management	36.4	38.6	44.7	43.7	47.6	405-1	–

[1] CP only tracks total number of contractors and does not currently track detailed workforce-related breakdown for contractors. The count is based on total number of contractors as at December 31 of the reporting year.
[2] Sr. Management at CP includes all Chief, EVP, SVP, VP, AVP, General Counsel, GM, and Managing Director positions.

Employee Level	Units	2018	2019	2020	2021	2022	GRI	SASB
Management[1] – Non-Union	# of Employees	2,541	2,615	2,100	2,038	2,052		
Women	% Management – Non-Union	18.3	18.2	21.6	21.5	21.9	405-1	–
Men	% Management – Non-Union	81.7	81.8	78.4	78.5	78.1	405-1	–
< 30 Years Old	% Management – Non-Union	8.4	8.0	5.1	5.6	5.6	405-1	–
30–50 Years Old	% Management – Non-Union	65.0	66.7	63.6	64.1	64.4	405-1	–
Over 50 Years Old	% Management – Non-Union	26.6	25.3	31.3	30.3	30.0	405-1	–
Non-Management – Non-Union	# of Employees	593	601	1,109	1,051	1,117		
Women	% Non-Management Non-Union	37.3	37.4	24.0	20.9	22.4	405-1	–
Men	% Non-Management Non-Union	62.7	62.6	76.0	79.1	77.6	405-1	–
< 30 Years Old	% Non-Management Non-Union	19.1	18.5	16.2	16.4	18.0	405-1	–
30–50 Years Old	% Non-Management Non-Union	54.6	56.9	62.6	62.3	59.9	405-1	–
Over 50 Years Old	% Non-Management Non-Union	26.3	24.6	21.2	21.3	22.1	405-1	–
Non-Management – Union	# of Employees	9,618	9,390	8,587	8,642	9,480		
Women	% Non-Management – Union	5.5	5.4	5.3	5.2	5.0	405-1	–
Men	% Non-Management – Union	94.5	94.6	94.7	94.8	95.0	405-1	–
< 30 Years Old	% Non-Management – Union	20.5	19.8	18.4	18.6	21.4	405-1	–
30–50 Years Old	% Non-Management – Union	54.4	55.9	54.6	55.9	56.0	405-1	–
Over 50 Years Old	% Non-Management – Union	25.1	24.3	27.0	25.5	22.6	405-1	–

[1] Management at CP includes Director, Superintendent, Assistant Chief, General Superintendent, Manager, Assistant Superintendent, Trainmaster, Roadmaster, Assistant Trainmaster and Specialist positions.

Other Diversity Metrics	Units	2018	2019	2020	2021	2022	GRI	SASB
Canada								
Women	% Cdn Employees	10.8	11.0	11.2	10.9	10.7	405-1	–
Indigenous[1]	% Cdn Employees	4.2	4.5	4.2	4.4	4.3	405-1	–
Persons with Disabilities[2]	% Cdn Employees	2.4	2.8	2.9	3.0	3.2	405-1	–
Visible Minorities[3]	% Cdn Employees	11.8	12.8	13.2	14.4	15.9	405-1	–
U.S.								
Women	% U.S. Employees	4.8	5.0	5.2	4.9	4.2	405-1	–
Persons with Disabilities[3]	% U.S. Employees	1.6	1.6	1.7	2.0	2.5	405-1	–
Minorities[4]	% U.S. Employees	12.5	11.8	11.6	12.9	14.5	405-1	–
American Indian or Alaskan Native	% U.S. Employees	0.4	0.4	0.4	0.6	0.6	405-1	–
Asian	% U.S. Employees	1.2	1.2	1.3	1.2	1.2	405-1	–
Black or African American	% U.S. Employees	5.6	5.2	5.0	5.6	6.4	405-1	–
Hispanic or Latino	% U.S. Employees	3.8	3.9	3.7	4.0	4.2	405-1	–
Native Hawaiian or Other Pacific Islander	% U.S. Employees	0.1	0.1	0.1	0.1	0.1	405-1	–
Two or More Races	% U.S. Employees	1.4	1.4	1.2	1.5	1.9	405-1	–
Caucasian	% U.S. Employees	87.5	87.7	88.4	87.1	85.5	405-1	–
Women in STEM Positions[5]	% Women in STEM Positions	15.5	17.1	18.2	18.8	21.9	405-1	–
Women in Revenue Generating Functions[6]	% Women in Revenue Generating Functions	29.5	30.7	33.9	33.3	34.7	405-1	–

[1] Indigenous is defined as all First Nations, Inuit, Métis and North American Indian peoples. This metric is not tracked in the U.S.

[2] Persons with Disabilities is defined as individuals who have self-identified as having a long-term or recurring physical, mental, sensory, psychiatric or learning impairment and who (a) consider themselves to be disadvantaged in employment by reason of that impairment, or (b) believe that an employer or potential employer is likely to consider them to be disadvantaged in employment by reason of that impairment, and includes persons whose functional limitations owing to their impairment have been accommodated in their current job or workplace.

[3] Visible Minorities are persons, other than Indigenous who self-identify as non-White in color.

[4] Minorities are persons who self-identify as African American, Hispanic, Native American, Asian Pacific, or Asian Indian, or minorities not included elsewhere, including one or more minorities.

[5] Women in STEM positions is defined as women in non-union positions in Information Services, Railway Technology, Operations (Engineering, Mechanical and Support) and Corporate Risk (Regulatory & Environmental) teams that have roles that require a background and/or education in Science, Technology, Engineering or Mathematics (STEM) as a percentage of all such positions.

[6] Women in management positions in revenue generating functions (i.e. sales and marketing) as a percentage of all such positions.

New Hires	Units	2018	2019	2020	2021	2022	GRI	SASB
Total Positions Hired	# Positions	4,181	3,871	2,312	2,463	4,291	401-1	–
Total New Hires	# Employees	2,402	1,756	1,166	1,610	3,164	401-1	–
Internal Hires[1]	# Employees	1,779	2,115	1,146	853	1,127	401-1	–
Rate of Internal Hires	% Total Positions Hired	42.5	54.6	49.6	34.6	26.3	401-1	–
Gender								
Women	% New Hires	9.6	11.2	10.5	10.2	9.7	401-1	–
Men	% New Hires	90.4	88.8	89.5	89.8	90.3	401-1	–
Age								
< 30 Years Old	% New Hires	44.7	52.6	46.6	41.9	44.3	401-1	–
30–50 Years Old	% New Hires	48.3	41.5	44.6	51.9	49.0	401-1	–
Over 50 Years Old	% New Hires	7.0	6.0	8.8	6.2	6.7	401-1	–
Region								
Canada	% New Hires	78.6	86.0	84.0	73.3	76.6	401-1	–
U.S.	% New Hires	21.4	14.0	14.0	26.7	23.4	401-1	–

[1] Internal Hires is defined as an existing employee moving to a new position, including all promotions and lateral moves within CP during the reporting year.

Employee Turnover	Units	2018	2019	2020	2021	2022	GRI	SASB
Total Employee Turnover[1]	# Employees	1,785	1,705	1,446	1,951	2,750	401-1	–
Employee Turnover Rate[2]	% Total Employees	14.0	13.6	12.2	16.5	21.6	401-1	–
Voluntary Employee Turnover Rate[3]	% Total Employees	7.0	7.0	5.8	9.8	14.2	401-1	–
Gender								
Women	% Women Employees	15.7	15.3	12.0	18.8	21.2	401-1	–
Men	% Men Employees	13.8	13.4	12.2	16.2	25.0	401-1	–
Age								
< 30 Years Old	% Age Group	16.4	19.1	15.6	21.8	30.7	401-1	–
30–50 Years Old	% Age Group	10.0	8.9	8.4	13.1	17.9	401-1	–
Over 50 Years Old	% Age Group	20.0	20.7	18.1	20.8	23.3	401-1	–
Region								
Canada	% Region	13.7	13.7	11.7	15.6	21.1	401-1	–
U.S.	% Region	15.2	13.2	13.8	19.5	23.1	401-1	–

[1] Total Employee Turnover refers to the number of workers who left CP during the reporting period. This includes retirements and voluntary and involuntary attrition.
[2] Employee Turnover Rate is calculated as total turnover by employee category divided by the total number of employees in each category.
[3] Voluntary Employee Turnover Rate refers to employees who leave CP of their own volition, and does not include departures due to retirement. These values are calculated as total voluntary turnover divided by total number of employees.

Employee Training and Development[1]	Units	2018	2019	2020	2021	2022	GRI	SASB
Union Employees	Avg. Hours / Employee	41	65	30	50	52	404-1	–
Non-union Employees	Avg. Hours / Employee	67	55	46	46	40	404-1	–
Women	Avg. Hours / Employee	*	*	28	35	34	404-1	–
Men	Avg. Hours / Employee	*	*	42	48	53	404-1	–
Total Training Cost[2]	$ Millions	51.2	58.5	29.7	56.6	61.9	–	–
Average Spend on Training per Full-Time Employee	$	4,006	4,657	2,497	4,786	4,856	–	–

Community Investment

Investments and Donations	Units	2018	2019	2020	2021	2022	GRI	SASB
Canada								
Community Investments by CP	$	4,000,947	3,531,458	4,018,341	4,232,459	5,499,332	–	–
Monetary Donations by CP	$	3,617,418	3,447,379	3,698,021	3,816,220	5,307,108	–	–
In-kind Donations by CP	$	383,529	84,079	320,320	416,239	192,224	–	–
Community & Employee Donations – CP Led	$	1,367,233	1,930,783	1,671,521	2,541,584	2,210,022	–	–
U.S.								
Community Investments by CP	U.S.$	415,086	553,676	2,174,680	1,055,841	962,997	–	–
Monetary Donations by CP	U.S.$	415,086	553,676	2,170,280	1,054,841	962,997	–	–
In-kind Donations by CP	U.S.$	0	0	4,400	1,000	0	–	–
Community & Employee Donations – CP Led	U.S.$	303,459	321,261	570,530	306,754	169,056	–	–

[1] Training Hours include training related to in-class training provided by internal trainers; CP's web-based learning management system; and external consultants. Hours do not include on-the-job employee training. The decrease in CP's training-related metrics from 2019-2021 is largely a result of the impacts from the COVID-19 pandemic on in-person training and the associated reduction in hiring.

[2] Training Costs include expenses related to the management of CP's Training and Learning and Development departments; costs for internal trainers; CP's web-based learning management system; external consultants; online learning platforms such as Harvard ManageMentor; and compensation for employee time while training. Costs do not include field-based or on-the-job employee training.

KCS 2022 SUSTAINABILITY METRICS

Information in this section of the report is with respect to KCS on a standalone basis. This report includes and relies upon sustainability information prepared by or on behalf of KCS, which may have been prepared using methodologies, data and assumptions that are different than those used by CP. Therefore, information we include in this report with respect to KCS may not be directly comparable to the corresponding CP information (see "About This Report"). In this section, currency-related values for KCS are reported in U.S. dollars (U.S.$) unless otherwise stated.

GOVERNANCE AND BUSINESS ETHICS

Board of Directors Composition[1]	Units	2018	2019	2020	2021	2022	GRI	SASB
Number of Directors	# Directors	12	10	10	10	10	2-9	–
Board Independence[2]	% Directors	92	90	90	90	90	2-9	–
Average Tenure	0-5 years	6	6	6	6	1	2-9	–
	6-10 years	2	2	2	0	5	2-9	–
	11+ years	4	2	2	4	4	2-9	–
Region[3]								
Mexico	# Directors	1	1	1	1	1	405-1	–
U.S.	# Directors	11	9	9	9	9	405-1	–
Race or Ethnicity[4]								
Hispanic	% Directors	2	2	2	2	2	405-1	–
Black or African American	% Directors	1	0	0	0	0	405-1	–
Caucasian	% Directors	6	5	5	5	5	405-1	–
Gender								
Women	% Directors	25%	30%	30%	30%	30%	2-9	–
Men	% Directors	75%	70%	70%	70%	70%	2-9	–

[1] Board of Directors Composition is reported as of December 31 for all reporting years.

[2] KCS refers to directors who meet the NYSE independence standards as "Independent Directors." All directors of KCS (other than Mr. Ottensmeyer, KCS's President and Chief Executive Officer) are Independent Directors. The KCS Board has affirmatively determined that each Independent Director has no material relationship with KCS and is independent in accordance with applicable NYSE listing standards.

[3] Regional metrics are calculated based on each director's country of residence.

[4] For Board of Directors Composition, Race and Ethnicity refers to persons who self-identify. Minorities are persons who self-identify as African American, Hispanic, Native American, Asian Pacific, or Asian Indian, or one or more minorities.

Board of Directors Composition[1]	Units	2018	2019	2020	2021	2022	GRI	SASB
Age								
Average Age	Years	63	63	64	65	66	405-1	–
< 30 Years Old	% Directors	0%	0%	0%	0%	0%	405-1	–
30–50 Years Old	% Directors	8%	10%	10%	10%	0%	405-1	–
Over 50 Years Old	% Directors	92%	90%	90%	90%	100%	405-1	–

Business Ethics	Units	2018	2019	2020	2021	2022	GRI	SASB
Confirmed incidents of corruption[2]	Total number	0	0	0	0	0	205-3	–
Incidents in which employees were dismissed or disciplined for corruption	Total number	0	0	0	0	0	205-3	–
Incidents when contracts with business partners were terminated/not renewed due to violations related to corruption	Total number	0	0	0	0	0	205-3	–

[1] Board of Directors Composition is reported as of December 31 for all reporting years.

[2] Corruption is defined as "abuse of entrusted power for private gain" which can be instigated by individuals or organizations. Corruption includes practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, load, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the enterprise's business.

ECONOMIC IMPACT

Operational Performance Metrics	Units	2018	2019	2020	2021	2022	GRI	SASB
Revenue Ton-Miles[1]	Millions	50,233	51,336	48,265	52,549	54,438	201-1	TR-RA-000.D
Gross Ton-Miles[2]	Millions	100,457	101,819	94,434	101,890	105,626	201-1	–
Carloads Transported	Thousands	2,305.6	2,291.0	2,153.4	2,266.2	2,382.6	201-1	TR-RA-000.A
Intermodal Units Transported	Thousands	1,030.4	979.8	924.5	952.8	1,034.1	201-1	TR-RA-000.B
Train Miles Travelled	Thousands	17,091	16,720	13,750	14,801	16,071	201-1	TR-RA-000.C

Economic Value Generated	Units	2018	2019	2020	2021	2022	GRI	SASB
Total Revenue[3]	$ Millions	2,714	2,866	2,632.6	2,947.3	3,370.4	201-1	–

Economic Value Distributed	Units	2018	2019	2020	2021	2022	GRI	SASB
Total Operating Expenses	$ Millions	1,727.7	1,979.7	1,629.6	2,063.5	2,143.3	201-1	–
Capital Expenditures[4]	$ Millions	512.3	584.3	410.2	489.4	505.3	201-2	–

[1] Revenue Ton-Mile (RTM) refers to the movement of one revenue-producing ton of freight over a distance of one mile. RTMs measure the relative weight and distance of rail freight moved by KCS.

[2] Gross Ton-Mile (GTM) refers to the movement of one ton of train weight over a distance of one mile. GTMs are calculated by multiplying total train weight by the distance the train moved. Total train weight comprises the weight of the freight cars, their contents and any inactive locomotives. An increase in GTMs indicates additional workload. GTMs exclude locomotive gross ton-miles.

[3] Total Revenue includes all freight and non-freight revenue. Freight revenues are generated from goods or property transported. Non-freight revenues are generated from leasing certain assets; other arrangements, including logistical services and contracts with passenger service operators; and switching fees.

[4] Capital Expenditures are additions to properties. Capital Expenditures include expenditures to expand and enhance the rail network, rolling stock and other infrastructure. These expenditures are aimed at improving efficiency and safety of KCS's operations. Such investments are also an integral part of KCS's multi-year capital program and support growth initiatives.

Supply Chain	Units	2018	2019	2020	2021	2022	GRI	SASB
Total Supplier Spend	$ Millions	1,166	1,277	907	1,102	1,639	204-1	–
KCSR	$ Millions	594	670	493	488	1,039	204-1	–
KCSM	$ Millions	572	607	414	614	600	204-1	–
Supplier Diversity[1]								
Hispanic/Latino-owned Enterprises	% Diverse Suppliers	51%	56%	61%	75%	72%	–	–
Woman-owned Enterprises	% Diverse Suppliers	21%	27%	15%	18%	17%	–	–
Woman-owned Non-Minority Business Enterprises	% Women-owned Enterprises	68%	81%	83%	95%	92%	–	–
Woman-Owned Minority Business Enterprises	% Women-owned Enterprises	32%	19%	17%	5%	8%	–	–
Disadvantaged-owned Enterprises	% Diverse Suppliers	2%	3%	1%	0.3%	1%	–	–
Veteran/African-American/Native-American/ Asian-American Owned Enterprises	% Diverse Suppliers	26%	14%	23%	7%	10%	–	–

[1] Supplier diversity refers to enterprises that self-identify as diverse. Diverse suppliers are enterprises owned by individuals who self-identify as African American, Women, Hispanic, Native American, Asian Pacific, Asian Indian, Disadvantaged or one or more minorities.

SAFETY

Work-Related Incidents	Units	2018	2019	2020	2021	2022	GRI	SASB
Hours Worked	Thousands	16,994.2	16,914.4	15,463.1	15,682.8	16,217.6	403-9	–
Reportable Injuries								
KCS Reportable Injuries[1]	#	228	208	139	133	145	403-9	–
FRA Reportable Injury Frequency Rate[2]	Injury Rate	2.68	2.46	1.80	1.70	1.79	403-9	–
High-consequence Injuries[3]	#	*	*	22	25	13	403-9	–
High-consequence Injury Frequency Rate	Rate	*	*	0.28	0.32	0.16	403-9	–
Fatalities[4]								
Employee Fatalities	#	*	*	1	0	1	403-9	–
Fatality Frequency Rate (per 200,000 employee hours)	Rate	*	*	0.01	0.00	0.01	403-9	TR-RA-320a.1

Train Incidents	Units	2018	2019	2020	2021	2022	GRI	SASB
Accidents and Incidents[5]	# Accidents	635	605	465	464	507	–	TR-RA-540a.1
FRA Train Accidents[6]	# Accidents	82	60	59	54	44	–	TR-RA-540a.1
FRA Train Accident Rate[7]	# Accidents/ Million Train Miles	4.34	3.20	3.78	3.30	2.48	–	TR-RA-540a.1
Train Accidents Involving the Release of Hazardous Materials[8]	# Accidents	*	*	2	3	3	–	TR-RA-540a.2
Non-accident Release of Hazardous Materials[9]	# Accidents	*	*	7	162	71	–	TR-RA-540a.2

[1] KCSR on-duty injuries are reportable to the FRA per 49 C.F.R. Section 225.19(d). KCSM on-duty reportable injuries are those that involve lost time and are otherwise reportable to the Mexican Institute of Social Security (IMSS). Commuting injuries are excluded.

[2] The Federal Railroad Administration (FRA) Personal Injury Rate Frequency reflects the frequency of personal injuries, multiplied by 200,000, divided by total employee hours. FRA Personal Injuries are limited to personal injuries that require employees to lose time away from work, modify their normal duties or obtain medical treatment beyond minor first aid. FRA Personal Injury employee hours are the total hours worked, excluding vacation and sick time, by all employees, excluding contractors.

[3] High-consequence injuries are defined as work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months (>180 days). High-consequence injury rate refers to high-consequence injuries as defined divided by 200,000 employee work hours.

[4] KCS began reporting this data in 2020 but did not track previously.

[5] Train-Related Incidents and Accidents refers to any event that causes damage to mobile on-track equipment during the course of railway operations.

[6] FRA Train Accident refers to a subset of reported train-related incidents and includes only those events involving damage exceeding a specific monetary value set by the FRA. The reporting threshold for 2017–2020 was U.S. $10,700 in damage and U.S. $11,200 in damage for 2021.

[7] FRA Train Accident Rate reflects the number of train accidents resulting in damage exceeding a specific monetary threshold (set by FRA), multiplied by 1,000,000, divided by total train miles travelled during the reporting period.

[8] Train-Related Accidents Involving the Release of Hazardous Materials refers to incidents involving the release of hazardous materials (U.S.) from a means of containment during transportation by rail.

[9] Non-accident Release of Hazardous Materials refers to an unintentional release of hazardous materials (U.S.) from a means of containment during transportation. These events do not involve a train-related accident and can result from equipment failure or improperly secured materials. Reported 2020 data was lower as we only reported U.S. data. In 2021, we included KCSM accident releases and non-accident releases (NARs). NARs are out of the operational control of KCSR and KCSM, and are directly related to KCS's customers' business practices, not that of the railroad's.

Asset and Network Resiliency	Units	2018	2019	2020	2021	2022	GRI	SASB
Total Main Track Miles	Miles	KCSM: 3,819	KCSM: 3,820	KCSM: 3,834	KCSM: 3,867	KCSM: 3,869	201-1	TR-RA-000.C
		KCSR: 3,397	KCSR: 3,397	KCSR: 3,285	KCSR: 3,262	KCSR: 3,262	201-1	
Frequency of Internal Railway Integrity Inspections[1]	Ratio	2 inspections per week (per FRA requirements)	2 inspections per week (per FRA requirements)	2 inspections per week (per FRA requirements)	2 inspections per week (per FRA requirements)	2 inspections per week (per FRA requirements)	–	TR-RA-540a.4
Number of Federal Railroad Administration (FRA) Recommended Violation Defects	Total Number	See Safety Section	See Safety Section	See Safety Section	See Safety Section	See Safety Section	–	TR-RA-540a.3

[1] The FRA requires twice-weekly inspections, with at least one calendar-day interval between inspections if the track has carried passenger trains, or more than 10 million gross tons of traffic during the preceding calendar year. KCS inspects all track at the FRA regulatory levels based on million gross ton-miles and class of track operated. The majority of KCS tracks do not run passenger trains.

ENVIRONMENT

Energy Efficiency and Emissions

Energy	Units	2018	2019	2020	2021	2022	GRI	SASB
Fuel								
Total Locomotive Fuel	Million U.S. Gallons	135.8	134.2	116.5	125.9	133.2	–	–
Total Locomotive Fuel	Million Litres	514.2	507.8	441.0	476.5	504.3	–	–
Locomotive Fuel Efficiency[1]	U.S. Gallons/ 1,000 GTMs	1.35	1.31	1.23	1.23	1.26	305-4	–

Energy Consumption	Units	2018	2019	2020	2021	2022	GRI	SASB
Total Energy Consumption[2]	1,000 MWh	5,606	5,593	4,860	5,245	5,615	302-1	–
Locomotive Diesel	1,000 MWh	5,470	5,402	4,690	5,068	5,363	302-1	–
Locomotive – Renewable Fuel	1,000 MWh	0	0	0	0	0	302-1	TR-RA-110a.3
Other Liquid Fuel[3]	1,000 MWh	70	112	96	110	184	302-1	–
Natural Gas and Propane	1,000 MWh	3.5	2.6	1.8	2.7	4.8	302-1	–
Electricity Consumption	1,000 MWh	63	77	72	64	63	302-1	–
Self-Generated Renewable Electricity	1,000 MWh	0	0	0	0	0	302-4	–
Energy Intensity – Total Company	kWh/1,000 GTMs	55.8	54.9	51.5	51.5	53.0	302-3	–
Energy Intensity – Locomotive Fuel	kWh/1,000 GTMs	54.4	53.1	49.7	49.7	50.7	302-3	–

[1] Fuel efficiency is calculated by taking locomotive fuel consumed in gallons divided by thousand gross ton miles (GTMs) net of detours with no associated fuel gallons. GTMs are the movement of one ton of train weight over one mile calculated by multiplying total train weight by distance the train moved. GTMs exclude locomotive gross ton-miles.

[2] Total Energy Consumption includes all liquefied gas, fuel and electricity consumed inside the organization during the reporting year.

[3] Other Liquid Fuel includes all liquid and gaseous fuel, excluding locomotive diesel, consumed by the organization during the reporting period. Common fuel reported here includes gasoline, diesel, heating oil, and jet fuel.

Emissions	Units	2018	2019	2020	2021	2022	GRI	SASB
Total Direct & Indirect Greenhouse Gas (GHG) Emissions: Scope 1 & 2[1]	1,000 Metric Tonnes CO_2e	1,441.8	1,451.3	1,262.0	1,369.1	1,450.2	–	–
Direct (Scope 1) GHG Emissions	1,000 Metric Tonnes CO_2e	1,409.4	1,412.3	1,225.8	1,339.2	1,421.4	305-1	TR-RA-110a.1
Locomotive	1,000 Metric Tonnes CO_2e	1,391.2	1,382.8	1,200.7	1,297.5	1,375.3	305-1	TR-RA-110a.1
Other Scope 1[2]	1,000 Metric Tonnes CO_2e	18.2	29.5	25.1	41.8	46.1	305-1	TR-RA-110a.1
Direct Scope 1 Emissions[3]								
CO_2	1,000 Metric Tonnes CO_2e	1,396.3	1,398.7	1,214.0	1,314.1	1,407.6	305-1	TR-RA-110a.1
CH_4	1,000 Metric Tonnes CO_2e	0.04	2.90	2.54	2.74	2.89	305-1	TR-RA-110a.1
N_2O	1,000 Metric Tonnes CO_2e	0.11	10.60	9.21	10.11	10.83	305-1	TR-RA-110a.1
HFC	1,000 Metric Tonnes CO_2e	*	0.11	0.05	0.06	0.12	305-1	TR-RA-110a.1

[1] Values reflect a combined total of Direct (Scope 1) GHG emissions from KCS owned or controlled sources (primarily locomotives) and Indirect (Scope 2) GHG emissions from the generation of purchased energy (KCS's electricity consumption.)

[2] Other Scope 1 GHG emissions include GHG emissions related to off-road vehicles, vehicle fleet, work equipment and stationary sources such as propane and natural gas for heating facilities.

[3] Direct (Scope 1) GHG Emissions are calculated following The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition). Total gas emissions are presented as 1,000 Metric Tonnes CO_2e and have been converted following global warming potentials from IPCC Fourth Assessment Report (AR4).

Air Emissions[1]	Units	2018	2019	2020	2021	2022	GRI	SASB
NO_x	Metric Tons	16,773	14,126	11,734	11,969	11,999	305-7	TR-RA-120a.1
SO_x	Metric Tons	12.4	14.4	11.6	12.9	14.8	305-7	–
Carbon monoxide (CO)	Metric Tons	3,528	3,856	3,326	3,581	3,779	305-7	–
Ozone Depleting Substances (ODS)[2]	Metric Tons	0	0.05	0.02	0.0	0.01	305-6	–
Volatile Organic Compounds (VOC)	Metric Tons	571	587	460	572	590	305-7	–
Hydrocarbons	Metric Tons	824	604	489	504	506	305-7	–
Particulate matter (PM)	Metric Tons	484	357	282	286	276	305-7	TR-RA-120a.1
Indirect Emissions Scope 2 & 3								
Indirect (Scope 2) GHG Emissions[3]	1,000 Metric Tonnes CO_2e	32.4	39.0	36.1	29.9	28.8	305-2	–
Other Indirect (Scope 3) GHG Emissions[4]	1,000 Metric Tonnes CO_2e	*	946.1	782.5	891.4	972.6	305-3	–
Purchased Goods & Services and Capital Goods[5]	1,000 Metric Tonnes CO_2e	*	591.0	448.8	537.8	598.9	305-3	–
Fuel and Energy-Related Activities[6]	1,000 Metric Tonnes CO_2e	*	310.2	279.2	306.7	328.7	305-3	–
Upstream Transportation and Distribution[7]	1,000 Metric Tonnes CO_2e	*	4.1	3.3	4.8	3.4	305-3	–
Waste Generated in Operations[8]	1,000 Metric Tonnes CO_2e	*	1.6	15.3	12.9	14.0	305-3	–
Business Travel[9]	1,000 Metric Tonnes CO_2e	*	5.3	4.0	4.3	4.5	305-3	–
Employee Commuting[10]	1,000 Metric Tonnes CO_2e	*	33.9	32.0	25.0	23.1	305-3	–

[1] Locomotive Air Emissions refers to common contaminants associated with the combustion of fuel by KCS's locomotive fleet. Calculations are specific to each locomotive's corresponding EPA emissions tier class. Air emissions are derived by combining KCS active locomotive fleet data with EPA tier class emissions factors, total fuel consumed and nature of locomotive use (line haul or switching).

[2] Ozone Depleting Substances (ODS) are not considered GHG emissions and are not included in the Kyoto list of gases. ODS are reported separately from Scope 1 emissions.

[3] Indirect (Scope 2) GHG Emissions consist of market-based emissions from the generation of electricity purchased by KCS. U.S. emissions are based on the U.S. Green-e Residual Mix emissions factors and Mexico emissions are based on the National Registry of RENE Emissions Electricity emission factor for 2022. Electricity usage is based on electric utility billing data.

[4] Prior to 2019, KCS's Other Indirect (Scope 3) GHG Emissions was not calculated. In 2019, KCS expanded GHG reporting to include additional relevant Scope 3 emissions categories of Purchased Goods & Services and Capital Goods, Fuel and Energy-Related Activities, upstream transportation and distribution, waste generated in operations, business travel, and employee commuting for 2019.

[5] An estimate of GHG emissions related to Purchased Goods & Services and Capital Goods was derived from using the GHG Protocol Scope 3 Evaluator Tool. Emissions are highly estimated based on simplified approaches acceptable by the GHG Protocol.

[6] Fuel and Energy-Related Activities include upstream emissions associated with the fuel that KCS uses to operate, from fuel combusted for generation of electricity purchased by KCS and transmission and distribution losses from electricity consumed.

[7] Upstream Transportation and Distribution refers to GHG emissions related to the transport of purchased material, truck transport of intermodal containers, and postage and couriers. Emissions from transport of purchased material were calculated using each order's weight and transport distance with ton-mileage emissions factors for trucks. For all Upstream Transportation and Distribution, U.S. EPA Center for Corporate Climate Leadership Emission Factor Hub emission factors for transportation and distribution were used.

[8] Waste Generated in Operations refers to GHG emissions associated with annual waste generated by KCS, which are derived using factors from the U.S. EPA Center for Corporate Climate Leadership Emission Factor Hub. KCS waste management data reported may include operational, office, incidents, construction, and other factors. KCS is always striving to improve its data completeness and in 2019 began introducing KCSM waste data (used oil and batteries). In this way, KCS has also included additional waste data sources and further separated out components where it is possible.

[9] Business Travel refers to GHG emissions associated with business travel including vehicle rentals, personal travel miles, crew shuttle services, and flights. Emissions factors for vehicle rentals, personal travel miles, crew shuttles and passenger flights from the U.S. EPA Center for Corporate Climate Leadership were used to calculate GHG emissions.

[10] Employee Commuting emissions were estimated using employee home and work zip codes data in the U.S. and Mexico. GHG emissions were calculated following emissions factors from the U.S. EPA Center for Corporate Climate Leadership.

GHG Emissions Intensity[1]	Units	2018	2019	2020	2021	2022	GRI	SASB
Company (Scope 1 and 2)	kg CO_2e/1,000 GTMs	14.4	14.3	13.4	13.4	13.7	305-4	–
Locomotive (Scope 1)	kg CO_2e/1,000 GTMs	13.8	13.6	12.7	12.7	13.0	305-4	–
Company (Scope 1 and 2)	kg CO_2e/1,000 RTMs	28.7	28.3	26.1	26.1	26.6	305-4	–
Locomotive (Scope 1)	kg CO_2e/1,000 RTMs	27.7	26.9	24.9	24.7	26.6	305-4	–
Revenue (Scope 1 and 2)	MT CO_2e/ $ Million Revenue	531.3	506.4	479.4	464.5	430.3	305-4	–
Employee (Scope 1 and 2)	kg CO_2e/Employee	200,004	206,261	193,492	197,594	206,261	305-4	–

Science-Based Emissions Targets	Units	2018	2019	2020	2021	2022	GRI	SASB
GHG Intensity (Scope 1 and 2)	SBTi Approved 2034 Target – metric tonnes CO_2e/MGTM	*	14.25	13.36	13.44	13.70	305-5	TR-RA-110a.2
GHG Science-Based Target Progress	% of 2030 Target Achieved	*	Base Year	14.9%	13.5%	9.3%	305-5	TR-RA-110a.2

[1] GHG Emissions Intensity values represent those most commonly presented or publicly requested within the freight rail sector. Company GHG Emissions Intensity includes total Scope 1 and 2 emissions divided by gross ton-miles (GTMs), revenue ton-miles (RTMs), revenue, and total number of employees during the reporting period. Intensity metrics are also provided specific to locomotive GHG emissions.

Environmental Footprint

Environmental	Units	2018	2019	2020	2021	2022	GRI	SASB
Environmental Audits Completed[1]	# Audits	0	1	2	1	3	2-27	–
Number of Environmental Fines	# Fines	0	1	0	2	0	2-27	–
Environmental Fines	$ Total Spent	0	0	0	$23,892	0	2-27	–
Environmental Liability for Fines Accrued at Year-End[2]	$ Total Accrued	0	$15,204	$15,024	$127,704	$127,704	2-27	–
Significant Spills[3]	# Spills	0	0	0	0	0	–	–

Water	Units	2018	2019	2020	2021	2022	GRI	SASB
Water Discharge[4]	ML	358.5	430.8	507.2	497.4	260.30	303-4	–
Discharge to Surface Water	ML	*	*	314.9	272.9	74.7	303-4	–
Discharge to POTW's	ML	*	*	192.3	224.5	185.6	303-4	–

[1] Environmental audits are defined as self-audits or third-party internal audits performed on behalf of KCS (e.g., Responsible Care, ISO, pre-audit for certification).

[2] Environmental Liability for Fines Accrued at Year-End includes the dollar amount of any outstanding or expected environmental fines or penalties not paid by KCS by the end of the annual reporting period.

[3] Significant spills are defined as a spill that is included in the organization's financial statements, for example due to resulting liabilities, or is recorded as a spill by the organization.

[4] KCS discharges industrial wastewater in a responsible manner according to local regulations and permits. All wastewater discharges are planned. Where applicable, KCS processes industrial wastewater through treatment plants, including oil water separators, dissolved air flotation, chemical injection and activated carbon systems. Treated effluent is typically discharged to publicly owned sewage treatment works for further treatment. Currently, treated effluent from KCS wastewater treatment plants is not reused for other purposes. KCS does not currently report on water discharge quality.

Waste[1]	Units	2018	2019	2020	2021	2022	GRI	SASB
Total Waste Generated[2]	Metric Tonnes	43,439	90,735	45,921	49,126	55,000	306-3	–
Hazardous Waste Generated	Metric Tonnes	1,185	796	1,108	1,961	1,582	306-3	–
Non-Hazardous Waste Generated	Metric Tonnes	42,254	89,939	44,812	47,165	53,418	306-3	–
Hazardous Waste								
Diverted	Metric Tonnes	1,185	759	653	510	694	306-4	–
Recycled	Metric Tonnes	1,185	*	8	2	2	306-4	–
Recovered/Energy Recovery	Metric Tonnes	*	759	645	507	692	306-4	–
Other Offsite Recovery Operations[3]	Metric Tonnes	*	*	*	*	*	306-4	–
Disposed	Metric Tonnes	*	37	455	1,452	888	306-5	–
Incinerated	Metric Tonnes	63	37	69	80	27	306-5	–
Landfill	Metric Tonnes	*	*	*	1,372	862	306-5	–
Non-Hazardous Waste								
Diverted	Metric Tonnes	34,231	23,445	27,443	32,143	38,986	306-4	–
Other Offsite Recovery Operations	Metric Tonnes	13,594	7,144	3,475	6,847	18,900	306-4	–
Recycled	Metric Tonnes	11,634	7,299	21,371	16,655	16,481	306-4	–
Recovered/Energy Recovery	Metric Tonnes	9,003	9,003	2,597	8,640	3,605	306-4	–
Disposed	Metric Tonnes	8,023	66,494	17,370	15,022	14,432	306-5	–
Incinerated	Metric Tonnes	19	*	*	*	*	306-5	–
Landfill	Metric Tonnes	8,004	66,494	17,370	15,022	14,432	306-5	–

[1] KCS waste management data reported may include operational, office, incidents, construction, and other factors. KCS is always striving to improve its data completeness and in 2019 began introducing KCSM waste data (used oil and batteries). In this way, KCS has also included additional waste data sources and further separated out components where it is possible. All KCS waste is diverted or disposed of offsite unless specifically noted.

[2] Definitions of hazardous and non-hazardous waste are aligned with Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal. Waste disposal methods and associated quantities are provided to KCS by third party waste disposal contractors and tracked by KCS's third party consultant.

[3] KCS's offsite recovery operations include deep-well injection, fuel-blending, on-site storage and other recovery methods.

SOCIAL IMPACT

Workforce Diversity and Inclusion

Workforce Composition[1]	Units	2018	2019	2020	2021	2022	GRI	SASB
Total Employees[2]								
Full-time Employees	Total Number	7,209	7,036	6,522	6,929	7,031	2-7	–
Women	Total Number	368	365	333	374	422	2-7	–
Women	% Workforce	5%	5%	5%	5%	6%	2-7	–
Men	Total Number	6,841	6,673	6,189	6,555	6,609	2-7	–
Men	% Workforce	95%	95%	95%	95%	94%	2-7	–
Non-Agreement Employees	Total Number	1,706	1,712	1,614	1,801	1,844		
Women	Total Number	316	317	299	322	351	2-7	–
Women	% Non-Agreement Workforce	19%	19%	19%	18%	19%	2-7	–
Men	Total Number	1,390	1,395	1,315	1,479	1,493	2-7	–
Men	% Non-Agreement Workforce	81%	81%	81%	82%	81%	2-7	–
KCSR	% Workforce of KCSR	28%	29%	30%	30%	30%	2-7	–
KCSM	% Workforce of KCSM	21%	21%	21%	23%	24%	2-7	–

[1] Demographics data sourced from the KCS December 2022 mid-month payroll headcount.

[2] Total Employees refers to individuals currently engaged in full-time employment with KCS. The count is based on employees as of December 2022 mid-month payroll headcount.

Workforce Composition	Units	2018	2019	2020	2021	2022	GRI	SASB
Agreement Employees	Total Number	5,503	5,324	4,908	5,128	5,187		
Women	Total Number	52	46	34	52	52	2-7	–
Women	% Agreement Workforce	1%	1%	1%	1%	1%	2-7	–
Men	Total Number	5,451	5,278	4,874	5,076	5,135	2-7	–
Men	% Agreement Workforce	99%	99%	99%	99%	99%	2-7	–
KCSR	% Workforce of KCSR	72%	71%	70%	70%	70%	2-7	–
KCSM	% Workforce of KCSM	79%	79%	79%	77%	76%	2-7	–
Full-time Employees by Age								
< 30 Years Old	% Workforce	14%	13%	11%	12%	12%	405-1	–
30–50 Years Old	% Workforce	59%	60%	61%	60%	60%	405-1	–
Over 50 Years Old	% Workforce	27%	27%	28%	28%	28%	405-1	–

Employment Equity	Units	2018	2019	2020	2021	2022	GRI	SASB
Minorities[1] U.S.[2]								
American Indian or Alaskan Native	% U.S. employees	1.1%	1.2%	1.1%	1.2%	1.5%	405-1	–
Asian or Asian-American	% U.S. employees	1.2%	1.2%	1.4%	1.3%	1.4%	405-1	–
Black or African-American	% U.S. employees	21.1%	21.1%	20.7%	21.0%	20.2%	405-1	–
Hispanic or Latino(a)	% U.S. employees	8.0%	8.7%	9.1%	9.5%	10.0%	405-1	–
Native Hawaiian or Other Pacific Islander	% U.S. employees	0.1%	0.1%	0.1%	0.1%	0.1%	405-1	–
Two or More Races	% U.S. employees	0.9%	0.9%	0.9%	0.7%	0.9%	405-1	–

[1] Minorities are based on self-identification of employee status at KCS.
[2] Employee diversity is only reported for the U.S.

New Hires	Units	2018	2019	2020	2021	2022	GRI	SASB
Total New Hires	Total Number	515	540	146	883	757	401-1	–
U.S. Management Women & People of Color	% New Hires	44%	46%	57%	34%	49%	401-1	–
Mexico Management Women	% New Hires	15%	16%	28%	16%	30%	401-1	–
New Hires by Age & Country								
KCSR								
< 30 Years Old	% KCSR New Hires	37%	39%	21%	19%	36%	401-1	–
30-50 Years Old	% KCSR New Hires	55%	52%	67%	56%	54%	401-1	–
Over 50 Years Old	% KCSR New Hires	8%	9%	12%	25%	10%	401-1	–
KCSM								
< 30 Years Old	% KCSM New Hires	49%	35%	35%	28%	36%	401-1	–
30-50 Years Old	% KCSM New Hires	49%	52%	56%	68%	52%	401-1	–
Over 50 Years Old	% KCSM New Hires	2%	13%	9%	4%	12%	401-1	–
Tenure and Attrition								
Attrition Rate	%	7.0%	9.5%	8.0%	8.8%	8.5%	401-1	–
Average Employee Tenure	Years	11.9	12.0	12.6	12.4	12.5	401-1	–

Employee Turnover[1]	Units	2018	2019	2020	2021	2022	GRI	SASB
Total Turnover Rate[2]	% Total Employee Population	*	*	8.1%	8.7%	8.5%	401-1	–
Voluntary Turnover Rate[3]	% Total Employee Population	*	*	5.8%	5.9%	5.7%	401-1	–
Involuntary Turnover Rate[4]	% Total Employee Population	*	*	2.3%	2.8%	2.8%	401-1	–

[1] Total Employee Turnover refers to the number of workers who left KCS during the reporting period. This includes retirements and voluntary and non-voluntary terminations.
[2] Employee Turnover Rate is calculated as total turnover by employee category divided by the total number of employees in each category.
[3] Voluntary Employee Turnover Rate refers to employees who leave KCS of their own volition and does not include departures due to retirement. These values are calculated as total voluntary turnover divided by total number of employees.
[4] Involuntary Employee Turnover Rate refers to employees who are terminated from KCS. These values are calculated as total involuntary turnover divided by total number of employees.

Employee Turnover	Units	2018	2019	2020	2021	2022	GRI	SASB
Voluntary Turnover Rate by Gender								
Women	% Total Voluntary Terminations	*	*	9%	10%	6%	401-1	–
Men	% Total Voluntary Terminations	*	*	91%	90%	94%	401-1	–
Involuntary Turnover Rate by Gender								
Women	% Total Involuntary Terminations	*	*	3%	8%	4%	401-1	–
Men	% Total Involuntary Terminations	*	*	97%	92%	96%	401-1	–
Voluntary Turnover Rate by Age								
< 30 Years Old	% Total Voluntary Terminations	*	*	10%	15%	15%	401-1	–
30–50 Years Old	% Total Voluntary Terminations	*	*	33%	40%	43%	401-1	–
Over 50 Years Old	% Total Voluntary Terminations	*	*	57%	45%	42%	401-1	–
Involuntary Turnover Rate by Age								
< 30 Years Old	% Total Involuntary Terminations	*	*	21%	19%	19%	401-1	–
30–50 Years Old	% Total Involuntary Terminations	*	*	65%	59%	57%	401-1	–
Over 50 Years Old	% Total Involuntary Terminations	*	*	14%	23%	24%	401-1	–
Voluntary Turnover Rate by Region								
KCSR	% Total U.S. Employee Population	*	*	7.5%	8.6%	7.5%	401-1	–
KCSM	% Total Mexico Employee Population	*	*	4.4%	3.8%	4.4%	401-1	–
Involuntary Turnover Rate by Region								
KCSR	% Total U.S. Employee Population	*	*	2.6%	4.1%	4.2%	401-1	–
KCSM	% Total Mexico Employee Population	*	*	2.0%	1.9%	1.8%	401-1	–

Community Investment

Investments and Donations	Units	2018	2019	2020	2021	2022	GRI	SASB
KCSR								
Total Contributions	U.S.$	2,492,519	1,195,671	1,536,047	1,267,674	2,943,805	–	–
KCS Discretionary Contributions[1]	U.S.$	1,319,875	328,850	500,250	623,655	2,218,417	–	–
KCS Matching Gifts Program	U.S.$	1,121,178	822,133	635,877	604,954	689,061	–	–
United Way	U.S.$	51,466	44,688	49,920	39,065	36,327	–	–
KCSR COVID-19 Relief Efforts	U.S.$	*	*	350,000	*	–	–	–
Holiday Express Fundraising Campaign	U.S.$	175,256	170,450	277,924	290,078	217,571	–	–

[1] Restatement: Value was reported incorrectly for 2020; KCS Charitable Fund has been updated to reflect the accurate figure.

CPKC

www.cpkcr.com/en-ca/sustainability

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OTHER CONTACTS
Report any suspicious activity or emergencies as soon as you see them.

Canadian Pacific (CP):
1-800-716-9132

Kansas City Southern (KCS):
U.S.: 1-877-527-9464
MX: 011-52-82-8305-7911

COMMUNITY CONNECT
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