



# Working Together to Get Product to Market

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WPAC, OTTAWA | Sep 19, 2023





# BE RAIL SMART

STOP. LOOK. LISTEN.  
LIVE.

## Tips to “BE RAIL SMART”

- **Stop** a safe distance from tracks and crossings.
- **Look** both ways to ensure trains are not approaching.
- **Listen** for approaching trains.

## How can you help?

- Say something! Save the CN Police phone number and call if you witness any unsafe situation near the railroad: **1-800-465-9239**.
- Act as a role model around trains and tracks.
- Share [rail safety tips](#) with your family, friends, colleagues and community.
- If you live in a CN-served community email [CN Safety](#) to organize a safety presentation in your local school.



**Rail Safety Week: September 18 - 24, 2023**

# CN at a glance

CN is a **world-class transportation leader and trade-enabler**. Essential to the economy, to the customers, and to the communities it serves, CN safely transports more than 300 million tons of natural resources, manufactured products and finished goods throughout North America every year

CN is committed to **creating value for customers and shareholders** by deepening customer engagement, leveraging the strength of our franchise and delivering operational and service excellence

## 2022 HIGHLIGHTS <sup>(1)</sup>

<b>23,900+</b> employees (at end of year)	<b>\$109B</b> market capitalization
<b>18,600</b> route miles	<b>5.7M</b> carloads
<b>\$17.1B</b> total revenues	<b>\$50.7B</b> total assets
<b>\$2.75B</b> capital investments	

(1) Data is as at or for the year ending December 31, 2022, unless otherwise indicated.

(2) This non-GAAP measure does not have any standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies. See the section entitled "Free cash flow" in the Q4 2022 Quarterly Review filed on January 24th, 2023, which are incorporated by reference herein, for an explanation of this non-GAAP measure.

# Our Operating Model

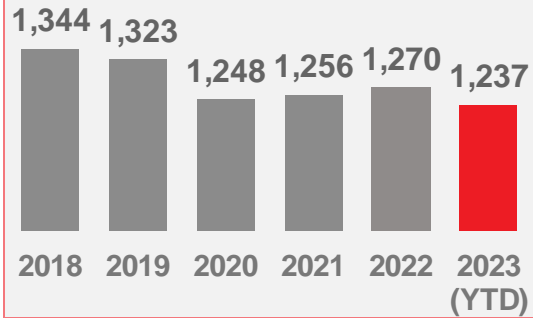


**VELOCITY** → **CAPACITY** → **RELIABILITY**

# State of the Network: Operating and service metrics

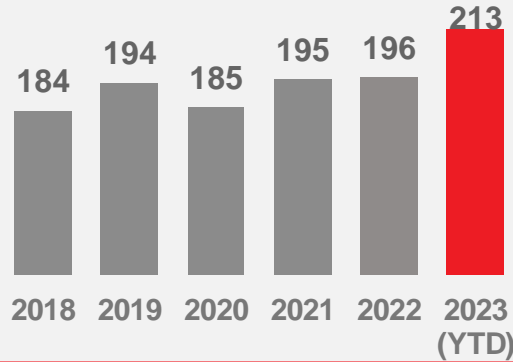
## Workload

average daily GTMs (in millions)



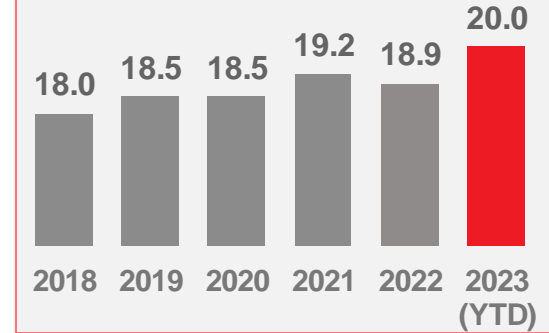
## Car velocity

car miles per day



## Through network train speed

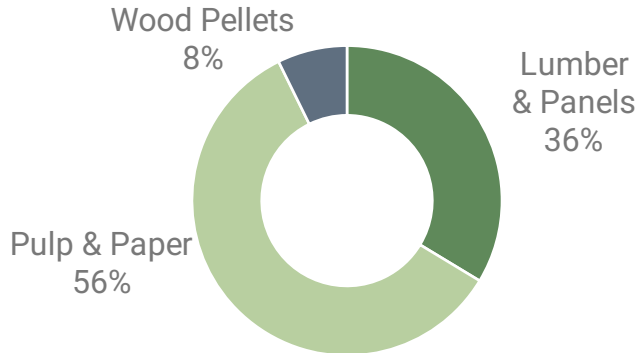
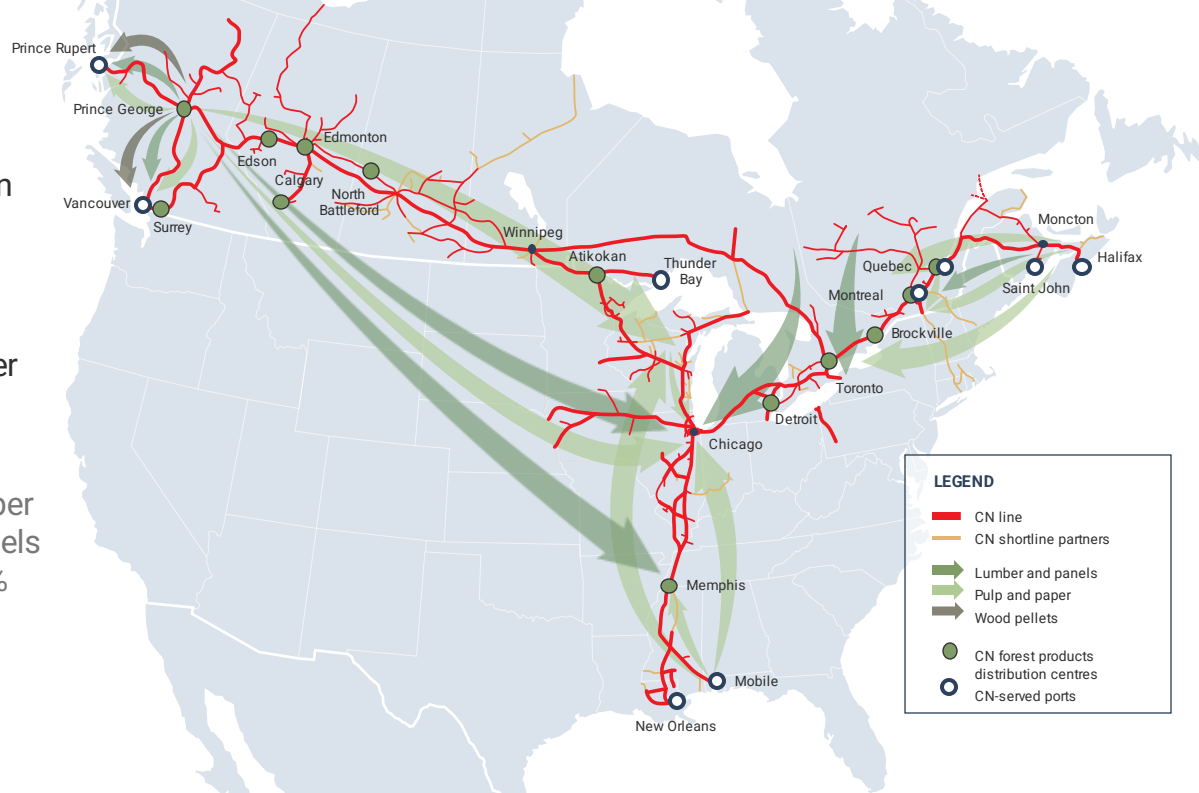
miles per hour



# Forest products

CN Network serves key fiber sourcing regions

- **Largest North American forest products railcar fleet: 10,000+ centerbeams and 10,000+ boxcars**
- Driven by new housing, repair and renovation
- Packaging demand backed by growing internet sales and general deliveries
- Continued expansion of Canadian wood pellet franchise for overseas industrial power generation



**Annual Wood Pellet Growth Rate of 10% since 2005.**

# Delivering safely and responsibly

Our safety management system mitigates risk through people, process, technology and investment



## People

Investing in training and embedding a culture of safety

Recognition program to reward employees who have shown initiative in safety practices



## Process

Risk assessment and mitigation, audits, safety analysis



## Technology

Employing a wide range of inspection and detection technologies



## Investment

Investing for a safe and efficient network

# 2022 Capital Investments

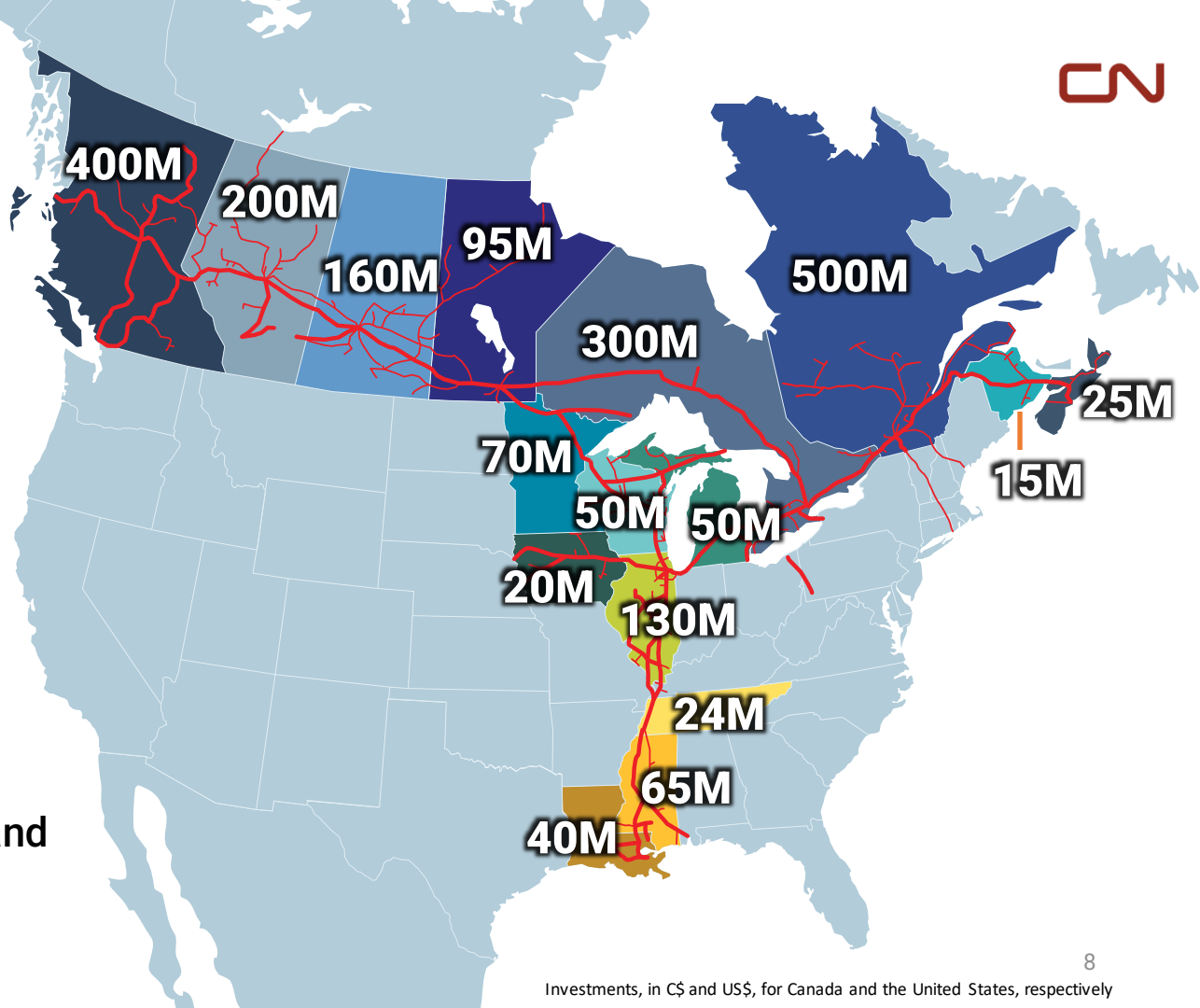
**16%**

of total revenues

**C\$27B**

in capital investments  
in the last 10 years

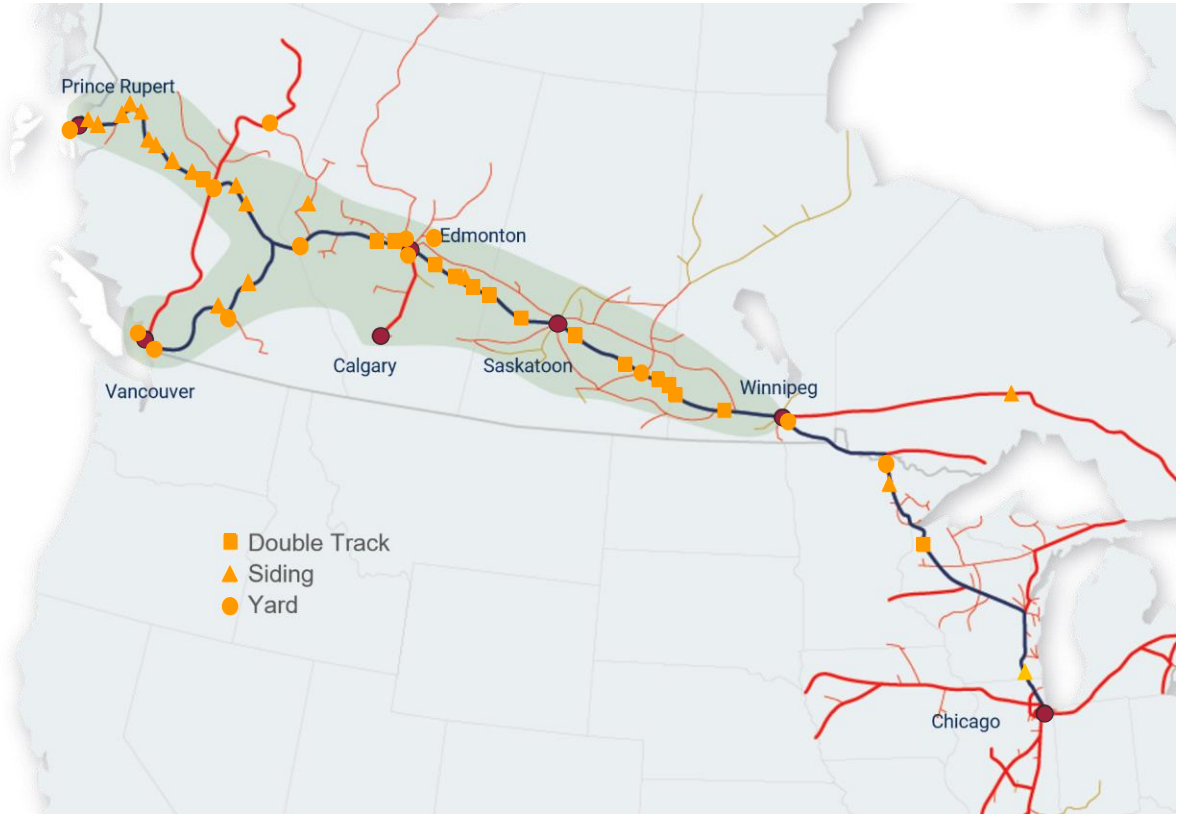
Investing for a strong  
network to enable safe and  
reliable supply chains.





# Investing in infrastructure and equipment to support growth

- Siding projects enhance Prince Rupert corridor capacity
- Double track projects improve network capacity and fluidity
- Continuously adapting fleet needs to accommodate expected demand
- Nearly 300 locomotives added since 2019 to increase capacity and upgrade the fleet



**20+ siding projects and 150+ miles of double track since 2016.**

# Increasing network productivity

Addressing bottlenecks

Supporting road and rail infrastructure investment - over \$350M jointly funded by CN, PRPA, and Government of Canada

2022 – 4 New Sidings Put Into Services

- ❑ 2 – 12,500 ft (BC North)
- ❑ 1 – 16,400 ft (BC North)
- ❑ 1 – 16,100 ft (BC South)

Rail investments (over \$400M) jointly funded by CN, Port Metro Vancouver, and Government of Canada

- ❑ 4.3 km extension of double track (2021)
- ❑ Improving rail access to North Shore
  - 5.8 km staging track, tunnel ventilation improvements (2021)
  - Grade separation (2024)
  - 5.6 km double track (2021)



# Training the next generation of railroaders

## \$60M

investment in CN Campus centers in Winnipeg, MB and Homewood, IL

## 17,000+

employees have completed rail courses at both campuses

## Coaching, mentoring, monitoring

that extends into the field

## 200

customers have completed training in 2019 at both facilities through our **Partnership Program** and training sessions will resume in the fall of 2023



CN Campus

Homewood, IL



Claude Mongeau National Training Centre

Winnipeg, MB

# Embracing technology

Our next strategic driver of value

Improving safety, creating capacity, reducing costs and driving service reliability



**Autonomous Track Inspection Program**



**Automated Inspection Portals**



**Handheld Technology for Conductors**



 **Enterprise Automation**



**Handheld Technology for Car Mechanics**



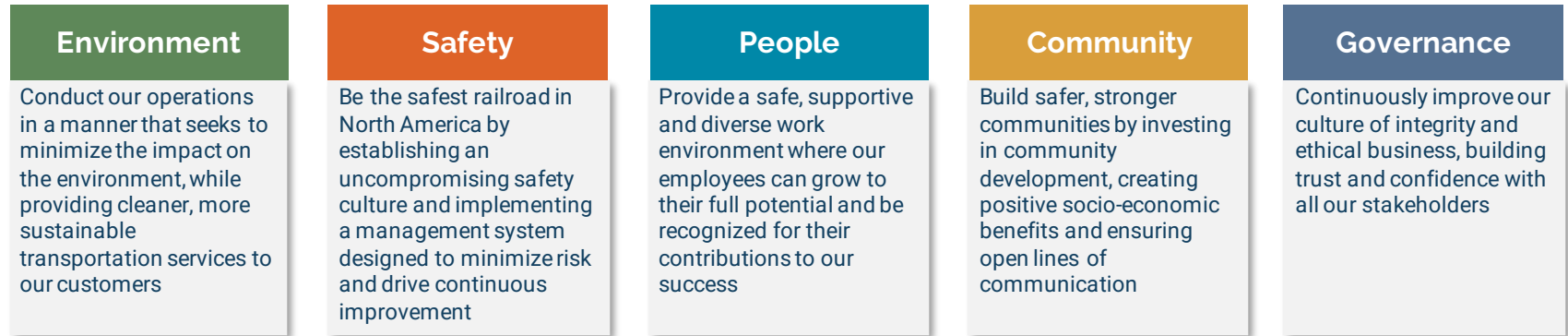
**Cloud Transformation Program  
(Google Cloud Partnership)**

# Delivering Responsibly

CN's approach to a more sustainable future

Delivering Responsibly is at the heart of how CN is building for a sustainable future. At CN, our objective is to be the safest and most carbon-efficient, operationally effective, and customer-centric railroad in North America.

**Five principles of Delivering Responsibly to anchor our sustainability commitment:**



**Our approach to sustainability is also aligned with SDGs\*. In 2022, CN joined the United Nations Global Compact, committing to making its principles a key part of our strategy, culture and day-to-day operations.**

\* United Nations Sustainable Development Goals

# Questions?

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