



Delivering Responsibly for a Sustainable Future

03/ 2011 • MONTREAL, QUEBEC



OUTLINE

**CN's Sustainability Efforts –
Delivering Responsibly**

**Focusing on Climate Change,
Waste and Environmental
Stewardship**

**Opportunities for Supply Chain
Collaboration**

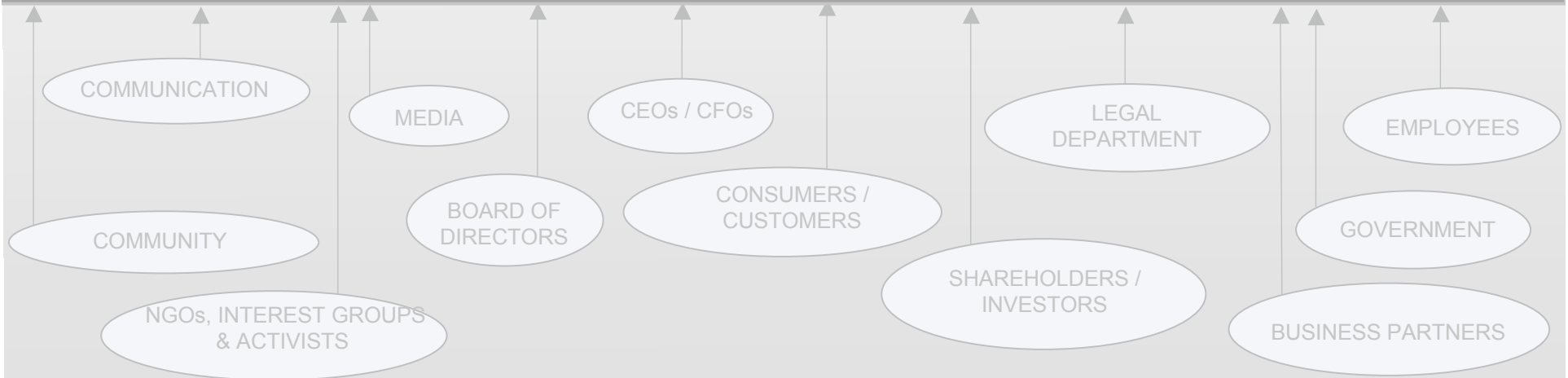


Driven by a diverse group of stakeholders

Profit	Planet	People
<ul style="list-style-type: none"> Revenue Growth Cost Management Operational Efficiency Brand Value / Reputation 	<ul style="list-style-type: none"> Environmental Footprint Climate Change Supply Chain Transparency Biodiversity and Conservation 	<ul style="list-style-type: none"> Social Footprint Diversity Outsourcing / Offshoring Labour Relations



Profit – Planet – People



Managing risks and maximizing opportunities

Risk Mitigation	Cost Reduction	Revenue Enhancement
<ul style="list-style-type: none"> • Regulatory compliance • Supply chain security • Community impacts • Brand value / reputation 	<ul style="list-style-type: none"> • Resource efficiency • Energy use reduction • Waste management • Supply chain management 	<ul style="list-style-type: none"> • Stronger relationships with key customers based on sustainability credentials • “Sustainable” services • Growing new markets • Carbon credits

CN's Sustainability Efforts – Delivering Responsibly

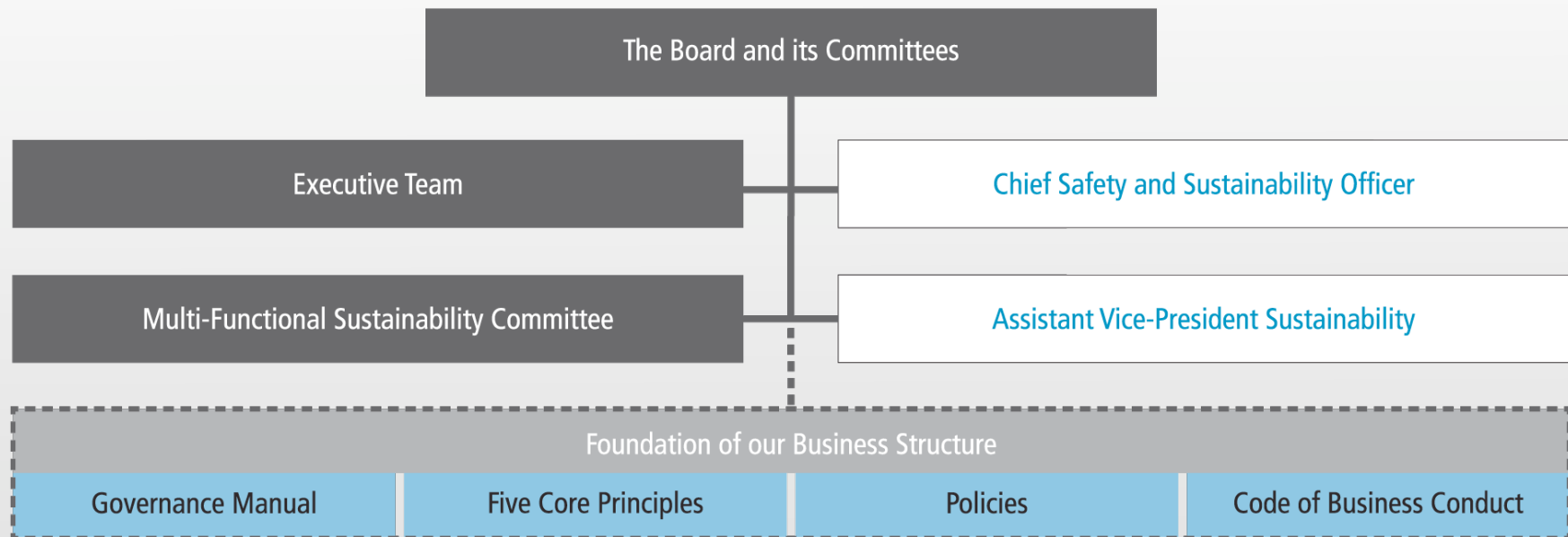


Delivering Responsibly

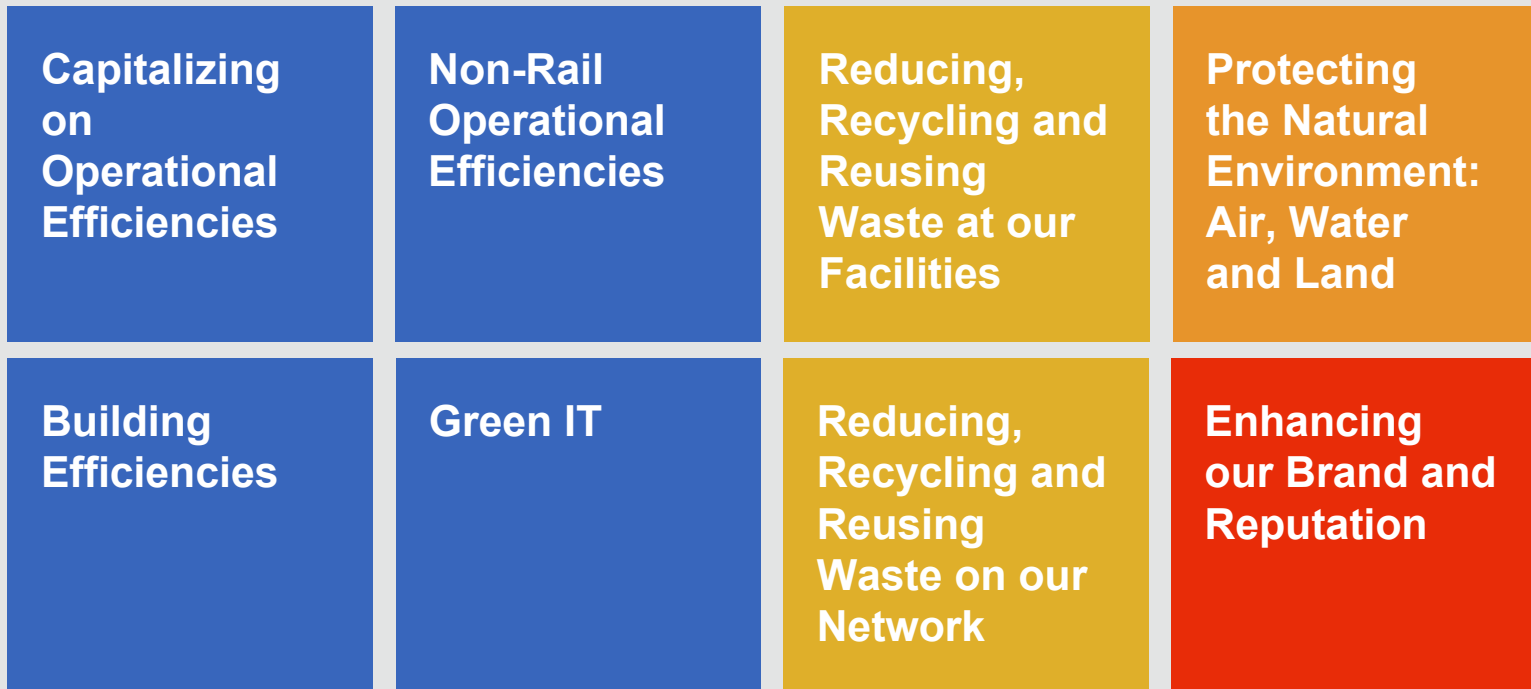
Social, economic and environmental responsibility



Governance structure



Sustainability Action Plan



SUSTAINABILITY STRATEGY

Strategic focus

Communications and Stakeholder Outreach

**Climate
Change**

Waste

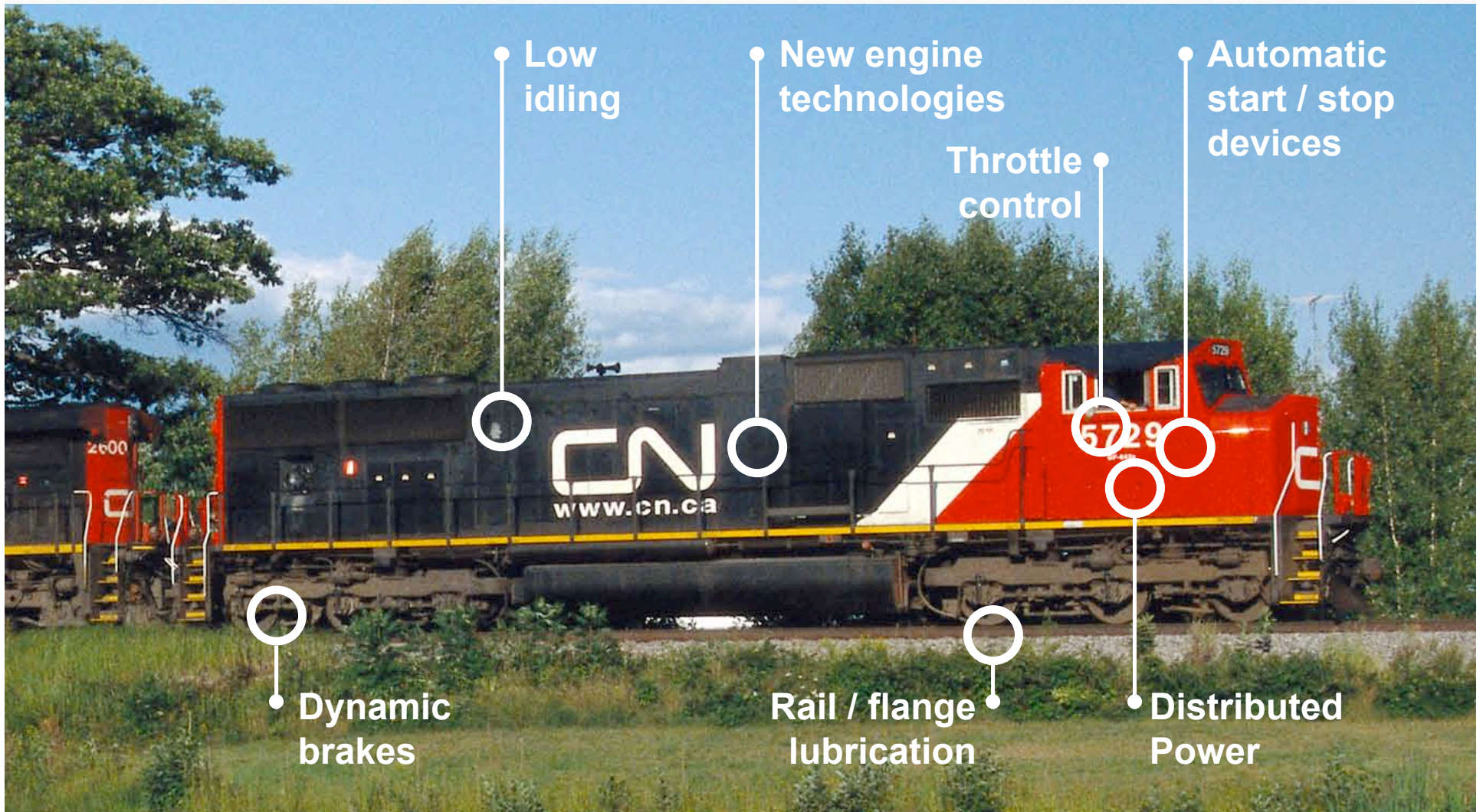
**Environmental
Stewardship**

SUSTAINABILITY STRATEGY

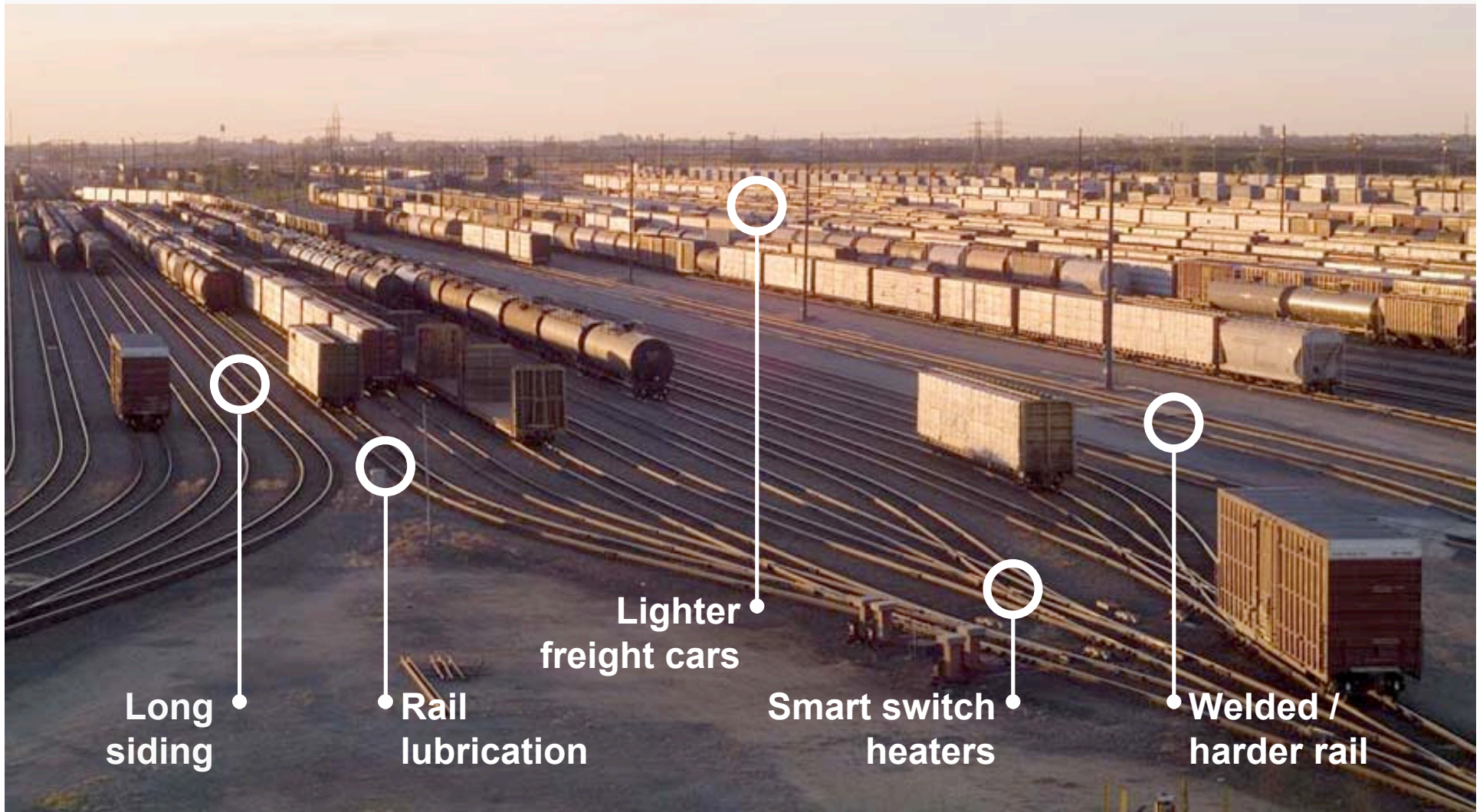
Climate Change – Improving Efficiency



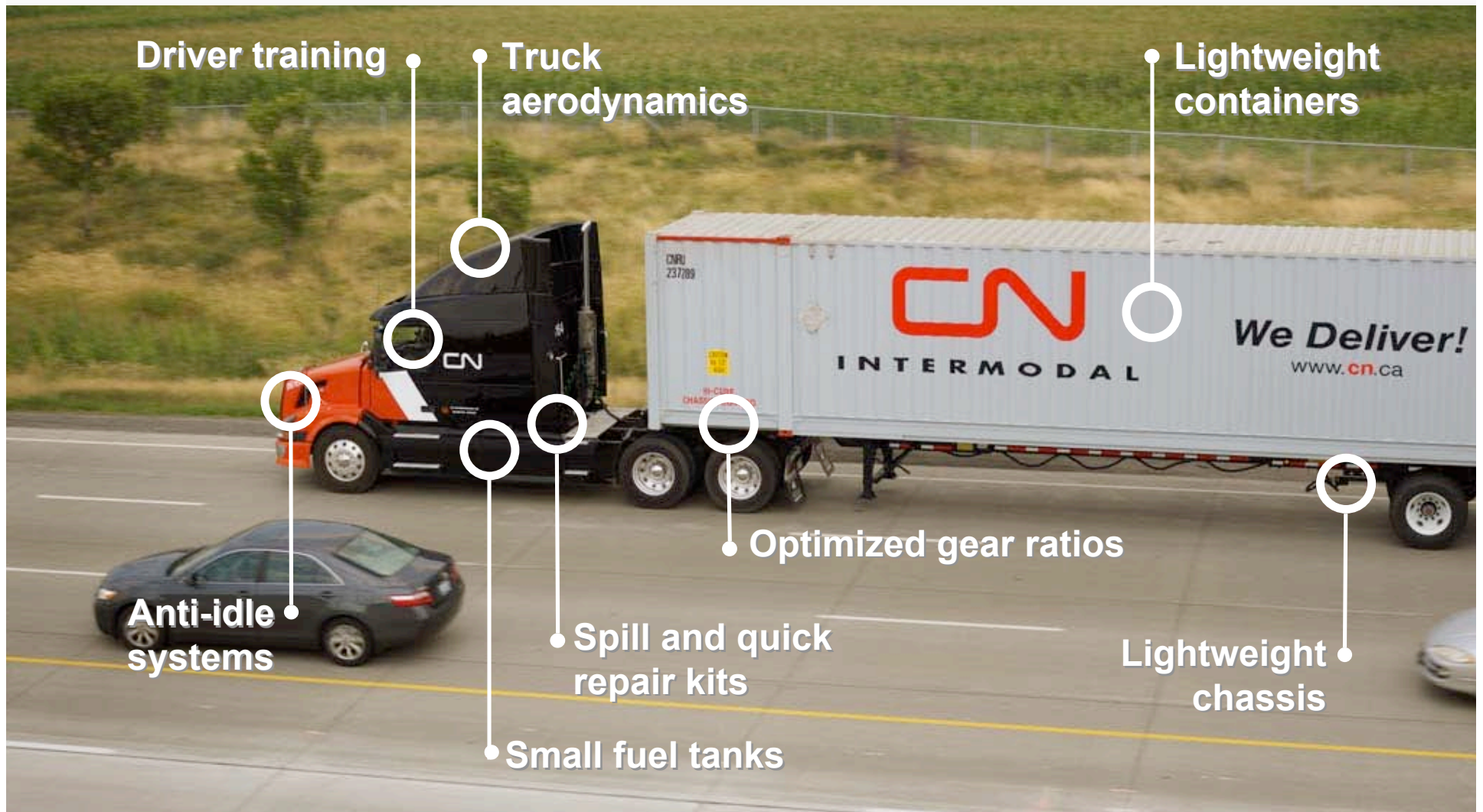
Improving operational efficiency – on the mainline



Improving operational efficiency – in yards



Improving operational efficiency – in other fleets and at our facilities



Measuring and reporting results, increasing our disclosure

Carbon Disclosure Project

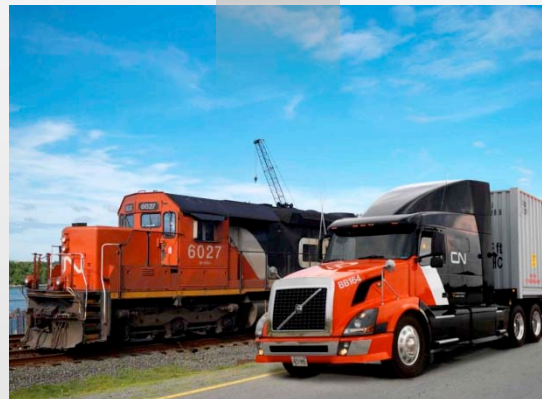
GREENHOUSE GASES



SCOPE TWO **INDIRECT**

Indirect emissions via consumption of energy (electricity, heat and cooling)

Example: CN facilities



SCOPE ONE **DIRECT**

Direct emissions owned and controlled by CN

Example: CN locomotives and fleet vehicles



SCOPE THREE **INDIRECT**

Indirect emissions from sources owned and controlled by others

Example: CN employee travel

Reducing, reusing and recycling waste

Clean Right of Way Policy

- Scrap tie removal program and legacy:
2011 target: 4.5 million

Housekeeping & Waste Streams

- Clean workplace
- Minimizing waste - Reducing, Reusing, Recycling

Environmental Stewardship

- Environmental assessments
- Air emissions (Criteria Air Contaminants)
- Protecting biodiversity
- Noise mitigation program
- Clean-up and remediation activities

Opportunities for collaboration:

-  **Leveraging new technologies**
-  **Minimizing packaging**
-  **Increasing product density**
-  **Increasing recyclable content**
-  **Product life cycle**
-  **Bio-degradable products**

Opportunities:

How to contribute

-  **Technologies to reduce footprint**
-  **Look at packaging**
-  **Track changes and new efficiencies**
-  **Increasing recycling efforts**
-  **New Ideas?: **Lets share them****