

2017



CN in Your Community

PARTNERING WITH
our neighbours



cn.ca/community

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Except where otherwise indicated, all financial information reflected in this document is expressed in Canadian dollars.

Partnering with Our Neighbours

Great community relations are vital to the running of our transcontinental railroad. That's why we strive to be a good neighbour – not only in our commitment to safety and environmental sustainability, but also in making our communities better and safer places to live, work and play.

Building positive relationships with the people across our rail network starts with maintaining open and timely communications to address the issues that matter most to you. Our stakeholder outreach colleagues play an integral role in keeping CN connected to regional issues, and identifying impactful community partnership programs that align with local needs and create real benefits. Our Aboriginal Affairs staff work alongside Aboriginal communities to strengthen our ties, cultivate economic opportunities and set an example among our industry peers.

CN continues to support many national and community-based non-profit organizations throughout Canada and the U.S. Our community partnership program is focused on promoting safety, the environment, diversity, and education as well as caring and solidarity with communities. Locally, hundreds of CN employees give generously of their time to hundreds of worthy causes, supported by CN grants to those organizations.

The CN Police Service also plays a vital role in ensuring stronger, safer communities. Through education, enforcement, and Operation Lifesaver®,



CN Police officers strive to protect not only our employees and assets, but also the residents of the communities in which we operate. We continue to provide information to civic leaders and first responders across our network about dangerous goods traffic and help train them on how to safely and effectively respond to incidents.

You can find information on all these initiatives in this report, including our positive economic impact through our sizeable investments in employment, infrastructure, goods and services, sponsorships and donations, as well as the taxes we pay to all levels of government.

Please contact our *Public Inquiry Line* at 1.888.888.5909 or your local Corporate Services staff member (see page 4 for their contact information) should you have questions or concerns about any aspect of CN's business and operations.

We at CN thank you for your continued support.

A handwritten signature in black ink that reads "Sean".

Sean Finn

Building positive relationships with the people across our rail network starts with maintaining open and timely communications.

Public and Government Affairs

CN's Public and Government Affairs staff play an integral role in keeping CN connected to regional issues and ensuring we participate in impactful community partnership programs that align with local needs and create real benefits. We select causes, organizations, projects and events where we can share our knowledge and experience to really make a difference.



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CN Public Inquiry Line

Your Portal to CN

CN is committed to maintaining a positive and proactive approach in the communities in which we operate. To keep the lines of communication open and deliver accurate, consistent information to the general public, we have established a public inquiry line to respond to the questions or issues that matter most to you.

CN's *Public Inquiry Line* handles calls and emails about every aspect of CN's business. The CN *Public Inquiry Line* is the central point of contact for the public with non-emergency concerns. Whether your question is about our physical plant or operations, CN *Public Inquiry Line* staff have the expertise to provide the answer.



CN Public Inquiry Line Contact Information

8 a.m. to 5 p.m. ET, Monday to Friday

Toll-free: 1.888.888.5909

Email: contact@cn.ca

In case of emergency, call the CN Police Service at 1.800.465.9239

CN is committed to maintaining a positive and proactive approach in the communities through which we operate.

Focused on Safety

Safety is not just a priority at CN, but a deeply held value. Our vision is to be the safest railroad in North America by establishing an uncompromising safety culture. Each year, we invest a significant percentage of revenues – 18 to 20 per cent – into capital investments, with a significant portion dedicated to safety, training and infrastructure to ensure a safe and secure working environment.



Safety Management System

CN's *Safety Management System* incorporates safety into daily operations by focusing on initiatives in three key areas:

People

Here at CN, our goal is very simple – we all go home safe. We strongly believe in creating and embedding a safety culture of trust, pride, teamwork and innovation, in which everyone has a role as a leader. In 2016, over 15,000 CN employees received their third annual course on Looking Out for Each Other, a safety mindset that focuses on peer-to-peer communications and having each other's back. A joint union-management initiative, the training teaches employees how to speak up in a positive and constructive way if they spot any unsafe behaviour at work.

CN sponsors training sessions for emergency responders across North America, including a Tank Car Specialist training course for firefighters, a one-week course for emergency response contractors, and a Crude-by-Rail course for firefighters.

Process

Process initiatives aim to make safety a systematic part of all railroad activities and to focus on the top causes of accidents, incidents and injuries.

We work closely with municipal officials and emergency responders all along our rail network to review our comprehensive safety programs, share information on the nature and volume of dangerous goods traffic moving through their communities, and discuss emergency response planning and training.

CN is encouraging communities to submit input on population and emergency response capabilities for corridor risk assessments along routes carrying significant amounts of dangerous goods. For more information, please visit cn.ca/en/delivering-responsibly/safety/key-route-risk-assessments.

Technology and Investment

CN uses a wide range of technologies to monitor the condition of track and rolling stock in order to proactively minimize risks. Our industry-leading wayside detection assets are driving opportunities to improve service, safety and reliability.



More than 2,100 firefighters, police officers and emergency managers across CN's North American network have downloaded the AskRail™ mobile app, which provides real-time information about the contents of railcars in their communities.

Safety Innovation Program

Now in its third year, CN's *Safety Innovation Program* aims to develop more lines of defense against accidents. The 2016 program involved spending \$20 million on a series of initiatives, including:

- New wayside inspection systems (WIS) at locations specifically identified by CN's *Corridor Risk Assessment* program. Having installed its first wheel impact load detector site nearly 15 years ago, CN has the densest network of wayside detection technology in North America and has increased the number of WIS by more than 25 per cent over the past decade.
- New hi-rail trucks that measure track geometric parameters like rail gauge and cross-level.
- Predictive analytics and data management to assess trends and identify opportunities for pre-emptive maintenance work and capital projects.

Awards and Recognition

CN is one of three recipients of the prestigious Responsible Care® Partner of the Year award of the American Chemistry Council. The award recognizes the strong performance and safety record of companies involved in the transportation, handling and marketing of chemicals.

CN also earned a National Achievement Award from Transportation Community Awareness and Emergency Response (TRANSCAER®) in recognition of our ongoing work to help communities understand the movement of dangerous goods and what is required in the event of transportation incidents.

For more information on CN's leadership in safety, please visit cn.ca/safety.



CN trains emergency response personnel in communities near rail lines where dangerous goods are transported.

CN Police Service and Risk Mitigation

Proud of our history in railway policing that dates back to the early 19th century, the CN Police Service is committed to making CN the safest railway in North America by protecting its people, property and resources, and by helping ensure the safety and security of the communities that CN serves.

CN's Risk Mitigation Officers are strategically positioned throughout the U.S. to engage with CN's community stakeholders and promote educational activities to help ensure awareness and safety.



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Rail Crossing Safety and Rail Safety Week

As rail safety is a shared responsibility, the cities, towns and Aboriginal communities we serve are powerful allies by promoting rail safety in their communities. By looking out for each other and working together, CN employees, retirees, stakeholders and communities focus on preventing fatalities and injuries on or near railroad property through continuous enforcement, education and effective use of technology and engineering initiatives.

Safety always comes first at CN and particularly during Rail Safety Week (RSW). During the 2016 campaign, CN Police officers and employees across CN's network, in partnership with Operation Lifesaver®, conducted more than 200 safety blitzes at commuter stations and railway crossings in Canada and the U.S. Officers shared information with motorists and commuters about the importance of safety at grade crossings and of not trespassing on railway property. They reminded the public: "See tracks? Think trains!"



CN Police officers used custom Google Cardboard viewers to demonstrate the 360° rail safety videos throughout Rail Safety Week. (CNW Group/CN) – La Prairie, Quebec

CN is the first railway in North America to introduce immersive virtual reality 360° videos to educate viewers about the potentially devastating consequences of trespassing and disregarding railway safety equipment. Visitors to mysafetypledge.com can view the videos on any device.

Together, we can save lives. CN is proud to partner with Operation Lifesaver® to support Rail Safety Week in Canada from **April 24 to 30, 2017** and in the U.S. from **September 24 to 30, 2017**. You can get involved at any time throughout the year.

- Take the safety pledge at mysafetypledge.com
- Share safety tips with your family, friends and in your community
- Encourage your community to pass a resolution supporting Rail Safety Week
- Say something! Save the CN Police Service phone number and call if you witness any unsafe situation on or near the railroad: 1.800.465.9239

For more information, please visit cn.ca/railsafety.

CN has been working with road authorities and communities across Canada to exchange information about public grade crossings and to advance our shared responsibility of railway safety.



CN created virtual reality 360° videos that educate viewers about the potentially devastating consequences of trespassing and disregarding railway safety devices. (CNW Group/CN)



CN Police officers participate in numerous educational activities, many in cooperation with Operation Lifesaver®. More than 300,000 children and adults benefit from CN presentations every year via our All Aboard for Safety program.

CN Police Service emergency line:
1.800.465.9239

Rail Safety Week is a collaborative effort involving CN employees and communities across Canada and the U.S.

Canadian Communities Supporting Rail Safety Week

The following Canadian communities from across CN's network passed resolutions in 2016 supporting Rail Safety Week:

British Columbia

Chetwynd
Fort St. John
Kitimat
North Vancouver
Squamish
Surrey
Whistler

Alberta

Big Lakes
Jasper
Lloydminster
Spruce Grove

Saskatchewan

Corman Park
Ituna
Lloydminster
Melfort
Regina
Saskatoon

Manitoba

La Broquerie
Portage la Prairie
Riverdale
Ste. Anne
Westlake-Gladstone

Ontario

Ajax
Blandford-Blenheim
Brant
Brantford
Cornwall
Fort Erie
Fort Frances
Georgina
Kenora
Leeds and the Thousand Islands
Milton
Oshawa
Parry Sound
Pickering
Port Colborne
Port Hope
Quinte West
Severn
Sioux Lookout
Tecumseh
Thunder Bay
Vaughan
Whitby
Woodstock

Quebec

Belœil
Bécancour
Boisbriand
Cacouna
Chambord
Coteau-du-Lac
Crabtree
L'Assomption
La Pocatière
Les Coteaux
Longueuil
Mariville
McMasterville
Métis-sur-Mer
Mont-Saint-Hilaire
Pohéngamook
Quebec-Labrador First Nations
Rimouski
Rivière-Bleue
Rivière-du-Loup
Roberval
Saint-Basile-le-Grand
Saint-Blaise-sur-Richelieu
Saint-Bruno
Saint-Félicien
Saint-Hyacinthe
Saint-Jean-sur-Richelieu
Saint-Lambert
Saint-Pacôme
Saint-Pascal
Saint-Tite
Sainte-Anne-de-Bellevue
Salaberry-de-Valleyfield
Sorel-Tracy
Vaudreuil-Soulanges
Wemotaci First Nation
Wôlinak First Nation

New Brunswick

Quispamsis
Rothesay
Saint John



Philippe Couillard (4th from left), Premier of Quebec, took the Rail Safety Pledge in 2016. – Chambord, Quebec

Aboriginal Affairs

Working alongside Aboriginal communities across the CN network, we strive to strengthen our ties, cultivate economic opportunities and set an example among our industry peers.

Aboriginal Vision

In 2013, CN adopted its Aboriginal Vision, which is a two-fold commitment to:

- Develop respectful and mutually beneficial relationships with all Aboriginal people, while ensuring service to our customers.
- Be recognized by key stakeholders, including customers and governments, as having a sound approach to engaging with Aboriginal communities and having a respectful and sustainable relationship with Aboriginal people across the CN network.

Cultural Awareness Training

CN Aboriginal Affairs' *Cultural Awareness Training* program, developed in 2014 with the Aboriginal consulting firm Amik and recently converted to an eLearning format, enlightens employees on Aboriginal history, culture and developing relationships with Aboriginal communities for mutual success.

Community Partnerships

Examples of our contribution to Aboriginal communities:

- CN's five-year involvement in an annual week-long "Pulling Together" canoe event has enhanced understanding between Aboriginal and non-Aboriginal communities.
- CN's sponsorship of the "Dare to Dream" youth outreach program will ensure the delivery of innovative education workshops aimed at making the justice system more accessible, while at the same time instilling confidence and cultural pride in Aboriginal participants.
- Funds donated to the Marie-Vincent Foundation are used to educate case workers in Aboriginal communities who treat children and adolescents who are victims of sexual abuse.
- A total of \$1.2 million was donated by CN to the Kidney Foundation of Canada's nationwide targeted kidney screening clinics since 2011. A key focus for the screening clinics is the Aboriginal community, where the incidence of kidney disease has risen to alarming levels.



The 2016 Pulling Together Canoe Journey in British Columbia began with a send-off in Mount Currie and ended with celebrations in Mission, touching the traditional territories of the Lil'wat, Samahquam, Skatin, Xa'xtsa, Sts'ailes, Sq'ewlets and Leq'a:mel Nations travelling along Lillooet River and Lillooet and Harrison Lakes to the Fraser River.

Safety

Safety is CN's number 1 priority, and we share that message with Aboriginal communities across the CN network. For example, in 2016, the CN Aboriginal Affairs team worked with CN Police to hold Rail Safety Week information events in six Aboriginal communities. We also developed an emergency rail safety presentation tailored to Aboriginal communities.



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Education

Education is an important part of the CN Aboriginal Affairs team's work. Through CN's support, the University of Winnipeg has established the CN Indigenous Resource Centre, a hub for learning about Indigenous development practices in Canada and around the world. We also offer annual scholarships to Aboriginal students to assist them in pursuing a field that is closely related to our business. In addition, the CN Corporate Services group offers three Aboriginal students per year the opportunity to spend a summer working with the CN Police, the Law Department, or the Public and Government Affairs Department. This internship program allows them to gain practical experience as well as teach CN employees about their communities.



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Progressive Aboriginal Relations

In 2015, CN enrolled in the Canadian Council for Aboriginal Business' Progressive Aboriginal Relations (PAR) program, and officially became a PAR Committed company in September 2016. This designation signals to Aboriginal communities that CN is a good business partner, a great place to work, and dedicated to the prosperity of Aboriginal communities.



For more on CN's work with Aboriginal communities and our vision statement, please visit cn.ca/aboriginalvision



Delivering Responsibly

Promoting Environmental Sustainability

At CN, environmental protection has become integral to doing business. Not only do we respect all applicable laws and regulations, we take the necessary measures to prevent pollution, reduce our greenhouse gas (GHG) emissions, conserve resources and protect ecosystems.



Rail emits
4 times less
greenhouse gas emissions
— than heavy trucks —



Rail is the most environmentally friendly way of moving goods over land, and we are the North American industry leader in fuel efficiency, consuming approximately 15 per cent less fuel than our peers. In the last decade, we have reduced our locomotive GHG emission intensity (tonnes of CO₂e per revenue ton mile) by 19 per cent.

Rail offers a sustainable solution to reduce the environmental impact of transportation. Canada's transportation sector generates 28 per cent of the country's greenhouse gasses (GHG); however, railways produce just one per cent with all other modes producing the other 27 per cent of the country's overall GHG emissions.

CN is making a positive contribution in the fight against climate change. We invest in initiatives that protect the natural environment, in line with our environmental sustainability strategy. We engage with various organizations, including Earth Day Canada, Ducks Unlimited, Trans Canada Trail, Tree Canada and Communities in Bloom.

Awards and Recognition

CN has received many accolades for its sustainability efforts. 2016 marked the fifth consecutive year that CN has been listed on the Dow Jones Sustainability World Index (DJSI) and the eighth consecutive year that CN has been listed on the DJSI North America Index. We have also been named eight years running to CDP's exclusive A List. Additionally, CN has been ranked one of the "Best 50 Corporate Citizens in Canada" by *Corporate Knights* for the past eight consecutive years.

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM



EcoConnexions®

CN's *EcoConnexions® Employee Engagement* program encourages and supports CN's environmental values and initiatives among CN employees across North America, and includes targeted reductions in energy consumption, waste management and improved housekeeping practices at our yards and offices. Since the program began in 2011, we have reduced energy consumption by over 20 per cent and saved 55,000 tonnes of carbon at key yards and facilities, diverted over 90 per cent of operational waste from landfill and completed over 1,000 projects to improve housekeeping and create safer workplaces.

In 2012, we expanded *EcoConnexions®* with our *From the Ground Up* program, which provides grants of up to \$25,000 to promote the greening of municipal properties in communities along our rail lines. So far, more than 60,000 trees and shrubs have been planted, helping to enhance the environmental and social health of 150 communities in Canada. We are also sponsoring mass reforestation programs to improve biodiversity in the communities we serve. Through our various tree planting initiatives, we have planted 1.6 million trees across North America, making CN the leading private non-forestry company tree planter in Canada.

In 2014, the *EcoConnexions® Partnership* program was launched to help customers reduce carbon emissions and increase energy efficiency. The goal of this program is to deepen relationships with valued customers and learn from each other as we continue to reduce our impact on the environment. In 2016, we planted 100,000 trees to recognize 22 of our customers for their sustainable business practices.



Edmonton, Alberta

The Honourable Amarjeet Sohi (right), Member of Parliament for Edmonton Mill Woods and Minister of Infrastructure and Communities, and Brent Kossey, CN Public and Community Affairs for Alberta and Saskatchewan.

Celebrating Canada 150 – CN *EcoConnexions®* *From the Ground Up*

In 2017, we will celebrate the sixth year of our *EcoConnexions® From the Ground Up* program and Canada's 150th birthday by doubling from 25 to 50 the number of communities awarded a \$25,000 grant. Each grant will include the donation of a commemorative plaque and the planting of a ceremonial tree.

The 50 communities are:

Whitehorse, YT
Yellowknife, NT
Iqaluit, NU
Burnaby, BC
Kamloops, BC
Lytton First Nation, BC
Prince George, BC
Prince Rupert, BC
Vancouver, BC
Victoria, BC
Calgary, AB
Edmonton, AB
Jasper, AB
Red Deer, AB
St. Albert, AB
Canora, SK
Melville, SK

Regina, SK
Saskatoon, SK
Brandon, MB
Dauphin, MB
Portage la Prairie, MB
Winnipeg, MB
Fort Williams First Nation, ON
Halton Hills, ON
Hamilton, ON
London, ON
Niagara Falls, ON
Oakville, ON
Oshawa, ON
Ottawa, ON
Southwest Middlesex, ON
Toronto, ON
Vaughan, ON
Amos, QC
Baie-Comeau | Matane, QC
Lévis, QC
Montmagny, QC
Montreal, QC
Saint-Bruno-de-Montarville, QC
Saint-Félicien, QC
Bathurst, NB
Edmundston, NB
Fredericton, NB
Moncton, NB
Saint John, NB
Halifax, NS
Truro, NS
Charlottetown, PE
St. John's, NL

Total CN Network



CN IN NUMBERS

As at December 31, 2016

22,249 Railroaders employed

19,483 Route miles operated

5.2M Carloads

\$37.1B Assets

\$12.0B Revenues

\$9.0B Local spending¹

\$2.7B Capital investments²

\$1.3B Cash taxes paid³

\$15.6M Community partnerships

¹ Includes payroll, benefits and pensions

² Includes rolling stock, capital leases, IT and other

³ Includes federal, provincial, state, property, sales and other taxes



CN is North America's Railroad

In business for nearly 100 years, CN is a world-class transportation and logistics company, and the only transcontinental railway in North America. Our 19,500-mile network spans Canada and Mid-America, connecting ports on three coasts: the Atlantic, the Pacific and the Gulf of Mexico. Our resource-rich, manufacturing-intensive network, along with our co-production arrangements, routing

protocols, marketing alliances and interline agreements, provide connections to 75 per cent of consumers across North America and beyond.

When we say CN is a true backbone of the economy, it is a reflection of the key role we play in fostering the prosperity of the markets we serve. We offer fully integrated rail and other transportation services, including intermodal, trucking, freight forwarding, warehousing and distribution. With annual revenues of \$12.0 billion, we transport over 300 million tonnes of cargo worth about \$250 billion each year, including about 20 per cent of Canada's

exports. Serving exporters, importers, retailers and manufacturers, we move raw materials, intermediate goods and finished products to market, touching the lives of millions of people every day. If you eat it, drive it or use it, chances are we move it.

If you eat it, drive it or use it, chances are we move it.

Canadian Network

CANADA IN NUMBERS

As at December 31, 2016

14,770 Railroaders employed

13,488 Route miles operated

\$5.4B Local spending¹

\$1.2B Capital investments²

\$1.1B Cash taxes paid³

\$13M Community partnerships

¹ Includes payroll, benefits and pensions

² Includes IT and other

³ Includes federal, provincial, property, sales and other taxes



Dundas Subdivision, Ontario



CN's Canadian network extends from Halifax on the east coast to Vancouver and Prince Rupert on the west coast, with access to every major Canadian market. CN has long been an indispensable supplier for many key economic drivers, from grain and forest products to consumer goods and automobiles, moving raw materials, intermediate goods and finished products to market. And, with the endless variety of food products we carry, from animal feed and fertilizer to canned goods and fresh produce, chances are we helped transport a lot of what you eat at your kitchen table or in your favourite restaurant.

Community Partnerships

CN contributed to many national non-profit organizations in Canada in 2016, including:

2017 Canada Games in Winnipeg, MB

4-H Canada

Assembly of First Nations

Canadian Association for Disabled Skiing

Canadian Agricultural Safety Association

Canadian Blood Services

Canadian Cancer Society

Canadian Rail Research Laboratory

Canadian Red Cross Society

Chambers of Commerce (national, provincial and local)

Earth Day Canada

Federation of Canadian Municipalities

Golf Canada

Kidney Foundation of Canada

Kids Help Phone

Operation Lifesaver

Partners for Mental Health

Trans Canada Trail Foundation

Tree Canada and Communities in Bloom

United Way

Confederation Centre of the Arts

CN is very pleased to support the Confederation Centre of the Arts' youth theatre program, which commemorates the 1864 Charlottetown Conference and the origins of the nation. The players will also appear in Ottawa for the 150th anniversary of Canadian Confederation.



Western Region

CN's network in Western Canada is extensive. From two ports on the Pacific in Vancouver and Prince Rupert, the rails push eastward through every major western Canadian city including Edmonton, Calgary, Saskatoon, Regina and Winnipeg, extending as far east as Thunder Bay. CN also reaches north to the resource-rich towns of Fort Nelson, BC, and Hay River, NT. CN is an important link to the Fort McMurray region.

We are building for the future with large capital investments in long-term safety and capacity improvements to ensure we continue to play our role as a true backbone of the economy. We see significant long-term potential in our customer base located on our Western Canada feeder network. We want to provide our customers with the capacity for continued efficient freight transportation services that increase their competitiveness in North American and global markets, as well as ensure our rail infrastructure is as safe as possible. That's why we're investing approximately \$500 million in infrastructure improvements to our Western Canada feeder rail lines in Alberta, Saskatchewan and Manitoba.

WEST IN NUMBERS

As at December 31, 2016

7,335 Railroaders employed

8,128 Route miles operated

\$1.7B Local spending¹

\$683M Capital investments²

\$228M Cash taxes paid³

\$2.2M Community partnerships

¹ Includes payroll, benefits and pensions

² Includes IT and other

³ Includes provincial, property, sales and other taxes





Lillooet, British Columbia

BRITISH COLUMBIA



The bustling ports of Vancouver and Prince Rupert are dynamic gateways to international trade, offering shorter transit times to Asia. Keeping pace with growing imports and exports, we have established numerous transload facilities to enable our customers to move a variety of goods on and off the rail system. At the Port of Vancouver, we serve terminals for coal, grain, potash and intermodal containers. In the Vancouver area, we have two forest products distribution centres, two metals distribution centres, one automotive distribution facility and a CN CargoFlo® bulk handling centre. In Prince George, we have another intermodal terminal. We also maintain large employee and shop facilities at Vancouver's Thornton Yard and at our CargoFlo® bulk handling facility near Kamloops.

In 2016, we invested about \$180 million to strengthen our rail network and support safety, efficiency and long-term growth in BC. The program focused on the replacement and upgrade of rail, ties and ballast, plus bridge maintenance, level crossing rehabilitations, and signal improvements.

Community Partnerships

In 2016, CN invested close to \$1 million in 88 BC-based organizations, including:

Vancouver Foundation

The Vancouver Foundation is Canada's largest community foundation, working throughout British Columbia to harness the gifts of ideas, money, time and energy to build a lasting legacy: healthy, vibrant, livable communities.

VGH + UBC Hospital Foundation

Together, the Vancouver General Hospital, University of British Columbia Hospital, GF Strong Rehab Centre, Vancouver Community Health Services, and Vancouver Community Health Research Institute are acclaimed for exceptional care and breakthrough treatments.

2017 TELUS Cup

Canada's national Midget hockey championship is headed back to northern British Columbia. The host Cariboo Cougars will make their TELUS Cup debut in April against the Pacific champions when the puck drops for the first time at the CN Centre in Prince George.

The Sarah McLachlan School of Music

The Sarah McLachlan School of Music provides free high-quality music education to at-risk children and youth, as well as seniors who face barriers in their access to music education.

BRITISH COLUMBIA IN NUMBERS

As at December 31, 2016

2,065 Railroaders employed

2,805 Route miles operated

\$437M Local spending¹

\$219M Capital investments²

\$76M Cash taxes paid³

\$959K Community partnerships

¹ Includes payroll, benefits and pensions

² Includes IT and other

³ Includes provincial, property, sales and other taxes



"CN's infrastructure investments ... help strengthen local economies, support good-paying, family-supporting jobs, and further solidify BC's economic advantage as Canada's Pacific Gateway."

Christy Clark,
Premier of British Columbia



Henry House, Alberta

Alberta generates substantial volumes of forest and agricultural products. We also handle growing amounts of intermodal container traffic through our Calgary and Edmonton intermodal terminals. In Calgary, you'll also find our logistics park, an automotive distribution facility, a forest products distribution centre and a CN CargoFlo® bulk handling centre. In Edmonton, we also have automotive distribution and CargoFlo® bulk handling facilities as well as metals and forest products distribution centres. In Fort McMurray, there's a second metals distribution centre and a third CargoFlo® bulk handling facility. We also have another CargoFlo® bulk handling facility and a forest products distribution centre in Edson. We have one more CargoFlo® bulk handling facility in Hay River, NT.

In 2016, we invested about \$180 million to strengthen our rail network and support safety, efficiency and long-term growth in Alberta. The program focused on the replacement and upgrade of rail, ties and ballast, plus bridge maintenance, level crossing rehabilitations, and signal improvements.



"I'd like to profess my profound gratitude for the quick work our colleagues at CN did in getting potentially hazardous and flammable rail cars out of the area as quickly as possible during the Fort McMurray emergency."

Rachel Notley,
Premier of Alberta

Community Partnerships

In 2016, CN invested over \$750,000 in 53 Alberta-based organizations, including:

The Calgary Stampede

The Calgary Stampede is a not-for-profit community organization that preserves and promotes Western heritage and values. Held annually in July, the Stampede is a 10-day arts, culture and rodeo event with more than 1.2 million guests annually.

Stollery Children's Hospital Foundation

CN continued its support of the Tee Up For Tots Golf Invitational. Raising more than \$9 million since its inception in 2000, the tournament has led to ground-breaking innovation, research opportunities, and technological advancements at the Stollery Children's Hospital in Edmonton.

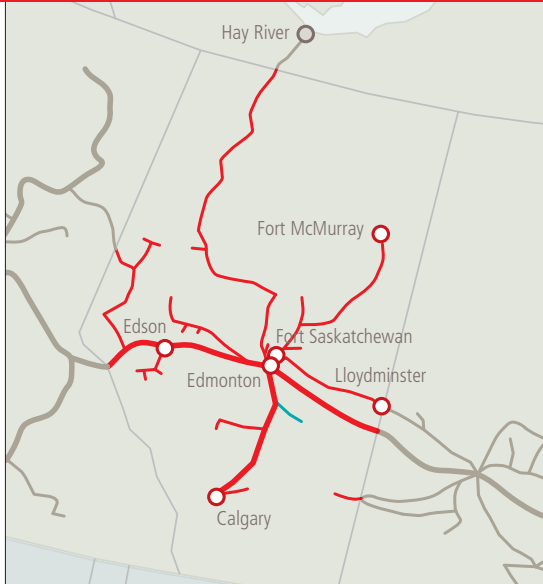
Tour of Alberta 2016

The Tour of Alberta is Canada's first and highest ranked professional road cycling stage race. CN sponsored Stage 4 of this five-day cycling race across the diverse and beautiful landscape of Alberta's urban and rural roads.

Operation ReLeaf Fort McMurray

CN is donating \$1 million to support TreeCanada's efforts to restore forests and green spaces in Fort McMurray and adjacent First Nations communities following the devastating wildfire.

ALBERTA



ALBERTA IN NUMBERS

As at December 31, 2016

2,390	Railroaders employed
2,473	Route miles operated
\$574M	Local spending ¹
\$261M	Capital investments ²
\$85M	Cash taxes paid ³
\$754K	Community partnerships

¹ Includes payroll, benefits and pensions

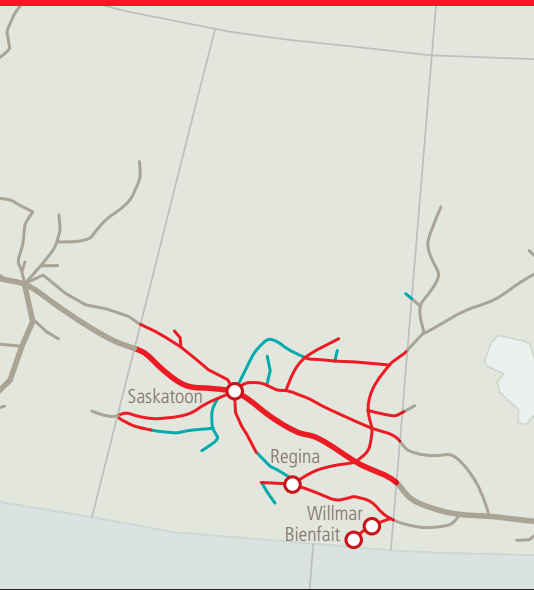
² Includes IT and other

³ Includes provincial, property, sales and other taxes



Oban, Saskatchewan

SASKATCHEWAN



SASKATCHEWAN IN NUMBERS

As at December 31, 2016

876 Railroaders employed

1,937 Route miles operated

\$96M Local spending¹

\$79M Capital investments²

\$36M Cash taxes paid³

\$158K Community partnerships

¹ Includes payroll, benefits and pensions

² Includes IT and other

³ Includes provincial, property, sales and other taxes

Grains and fertilizers, especially potash, make up a substantial portion of the traffic handled by CN in this prairie province. Our traffic also reflects the increasing diversification of the Saskatchewan economy by handling growing volumes of consumer goods and specialty crops through our intermodal terminal in Saskatoon. Both Saskatoon and Regina boast metals distribution facilities. Regina also has an automotive distribution facility and will host CN's Annual General Meeting on April 25, 2017. In Bienfait, we have a CargoFlo® bulk handling facility as well as forest products and metals distribution centres. Finally, in North Battleford, there is an additional forest products distribution centre.

In 2016, we invested about \$60 million to strengthen our rail network and support safety, efficiency and long-term growth in Saskatchewan. The program focused on the replacement and upgrade of rail, ties and ballast, plus bridge maintenance, level crossing rehabilitations, and culvert replacements.



"Our province produces the food, fuel and fertilizer the world needs. I am thankful for CN's infrastructure investments in Saskatchewan, which play a pivotal role getting our goods to market."

David Marit, Minister of Highways and Infrastructure

In 2016, CN was proud to join the Canadian Agricultural Safety Association (CASA) as a Safety Investor to promote farm safety during Canadian Agricultural Safety Week. CN understands maintaining a constant focus on safety is absolutely essential when working with heavy machinery, which is part of daily life on both farm and railway.

Community Partnerships

In 2016, CN invested about \$150,000 in 21 Saskatchewan-based organizations, including:

Canadian Western Agribition

CWA is the largest livestock show in Canada. One of its programs is Agri-Ed, which included the Making Your Way Safer campaign to promote safety education for more than 6,000 young people. CN also supported the CWA Grain Expo, Canada's fourth-largest trade show.

4-H Canada

CN has partnered with 4-H Canada, the country's biggest rural youth association, to promote farm and community safety as well as rural leadership.

Children's Hospital Foundation of Saskatchewan

With the help of *CN Miracle Match*, the Regina Radiothon was record breaking, raising \$540,727, and independently organized events from June to December totaled \$352,229. The funds raised through both of these initiatives will help the children of Saskatchewan receive the best healthcare possible.

Shock Trauma Air Rescue Service

STARS is dedicated to providing safe, rapid, highly specialized emergency medical transport. With STARS, those living and working in remote areas, travelling on highways or being transported from community medical centres to major hospitals, receive the very best in critical care.



Portage la Prairie, Manitoba

MANITOBA

Manitoba is a major hub of CN's transcontinental rail network. Much of our traffic passes through Winnipeg's Symington Yard. Winnipeg is also home to Transcona Shops, our main Canadian railcar and locomotive repair facility, and our rail plant. In Winnipeg, we also have CargoFlo® bulk handling, forest products and automotive distribution facilities, and an intermodal terminal.

CN signed a 10-year contract with Amsted Rail to produce one million railcar wheels for Transcona Shops. The new wheels will be produced using 100 per cent recycled steel in Winnipeg, providing high-quality jobs there.

In 2016, we invested about \$90 million to strengthen our rail network and support safety, efficiency and long-term growth in Manitoba. The program focused on the replacement and upgrade of rail, ties and ballast, plus bridge maintenance, level crossing rehabilitations, signal upgrades, and improvements at Transcona Shops.



"We welcome these investments and look forward to working collaboratively with CN on improving the safety and quality of railway infrastructure in our communities."

Mayor Chris Goertzen,
President, Association of
Manitoba Municipalities

Our state-of-the-art national training centre in Winnipeg is delivering our enhanced railroader training program focused on instilling and reinforcing a strong safety culture. More than 15,000 employees have completed a range of railway training programs in Winnipeg and at our sister training facility in Homewood, IL.

In 2016, we launched the *CN Campus Partnership Program* to offer safety-focused courses to our largest carload customers. We plan to roll out the program to smaller carload customers, shortline railways, and intermodal customers. This collaboration will help ensure safer operations throughout the entire railway supply chain.

Community Partnerships

In 2016, CN invested almost \$400,000 in 32 Manitoba-based organizations, including:

Canadian Mental Health Association

The CMHA held its first ride-a-thon in Winnipeg to help people in the community get the best possible care and support in their recovery from mental illness.

FortWhyte Alive

FortWhyte's roster of 40 leading-edge outdoor environmental educational programs incorporate key themes of sustainable development and rail safety into Manitoba's education system.

Royal Manitoba Theatre Centre

Deeply rooted in the province of Manitoba, the centre aspires to both reflect and inform the community it serves by providing affordable and accessible performances of the highest calibre.

Yes! Winnipeg

CN hosted a delegation from Economic Development Winnipeg, including Mayor Brian Bowman, in Montreal. Over the three-day mission, CN facilitated meetings with local business leaders who have interest in developing business opportunities in Winnipeg.



MANITOBA IN NUMBERS

As at December 31, 2016

2,001	Railroaders employed
837	Route miles operated
\$657M	Local spending ¹
\$123M	Capital investments ²
\$31M	Cash taxes paid ³
\$387K	Community partnerships

¹ Includes payroll, benefits and pensions

² Includes IT and other

³ Includes provincial, property, sales and other taxes



Eastern Region

Our Eastern Region extends from Winnipeg eastwards and southwards, interconnecting with our U.S. network at several points in Ontario and south of the Port of Montreal. CN's network extends deep into the mineral and timber producing regions of northern Quebec. The rails continue east into the Maritimes and the Port of Halifax.

Given expectations of solid freight volumes in the years ahead, we invested close to \$400 million in Eastern Canada to build for the future, increasing safety, capacity and fluidity across our networks in Ontario, Quebec and the Maritimes. The program focused on the replacement and upgrade of rail, ties and ballast, plus bridge maintenance, level crossing rehabilitations, and signal improvements.

EAST IN NUMBERS

As at December 31, 2016

7,435 Railroaders employed

5,360 Route miles operated

\$3.7B Local spending¹

\$561M Capital investments²

\$204M Cash taxes paid³

\$11.1M Community partnerships

¹ Includes payroll, benefits and pensions

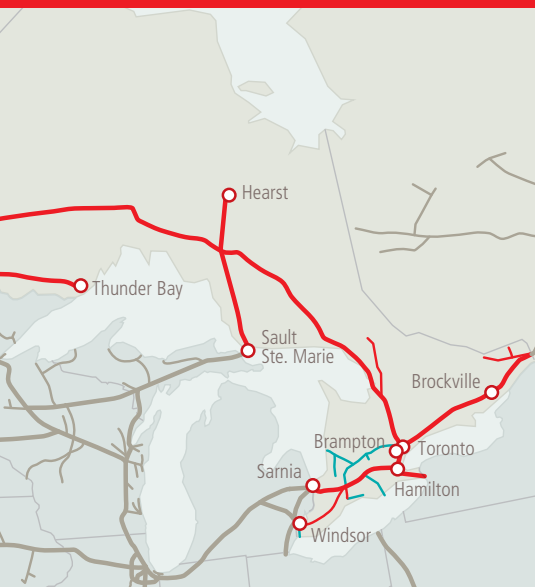
² Includes IT and other

³ Includes provincial, property, sales and other taxes



Brampton, Ontario

ONTARIO



ONTARIO IN NUMBERS

As at December 31, 2016

3,468 Railroaders employed

2,596 Route miles operated

\$2.2B Local spending¹

\$238M Capital investments²

\$111M Cash taxes paid³

\$6.3M Community partnerships

¹ Includes payroll, benefits and pensions

² Includes IT and other

³ Includes provincial, property, sales and other taxes

Large volumes of industrial, automotive and petrochemical traffic is handled in Ontario, much of it at the Toronto-area MacMillan Yard – CN's largest rail classification facility. The fast-growing population of the Greater Toronto and Hamilton Area (GTHA) fuels heavy demand for food and consumer products, largely handled in containers at our intermodal terminal in Brampton. The GTHA also boasts a logistics park, two automotive distribution facilities as well as a forest products distribution centre, two CargoFlo® bulk handling facilities and two metals distribution centres. In addition, CN has forest products and metals distribution centres in Brockville as well as forest products distribution centres in Thunder Bay and Atikokan.

In 2016, we invested about \$225 million to strengthen our rail network and support safety, efficiency and long-term growth in Ontario. The program focused on the replacement and upgrade of rail, ties and ballast, plus bridge maintenance, level crossing rehabilitations, and signal improvements.

With our intermodal terminal in Brampton nearing capacity, we have proposed to build a new \$250-million intermodal terminal in Milton. The new Milton Logistics Hub will improve access to key markets. The facility will create more than 1,000 direct and indirect jobs, and generate up to \$230 million in new tax revenue. In 2016, CN took steps to satisfy the regulatory requirements for this project by submitting a number of applications. These documents and other information on the project are available at cnmilton.com.

In 2016, CN signed an agreement with Metrolinx, the regional transportation authority for the GTHA, which will allow express commuter rail service to

be built along the Brampton-Kitchener GO corridor. The agreement also begins analysis to build a new freight corridor for CN to shift freight traffic away from the commuter rail corridor.



"We need to give a lot of credit to CN and Metrolinx for clearing this major hurdle."

Kathleen Wynne,
Premier of Ontario

Community Partnerships

In 2016, CN invested more than \$6 million in over 200 Ontario-based organizations, including:

William Osler Health System Foundation

Through the *CN Miracle Match* program, CN contributed \$300,000 to the William Osler Health System, an acute care community hospital serving Brampton and North Etobicoke.

Brockville Railway Tunnel

This five-year project will restore Canada's first railway tunnel and neighbouring heritage railway property for the benefit of recreation, tourism and economic development in Brockville.

CN Cycle for CHEO

The Children's Hospital of Eastern Ontario's largest annual fundraiser in support of kids with cancer has raised almost \$6 million over the last seven years.



Saint-Zotique, Quebec

QUEBEC

Our extensive rail network stretches across Quebec, where we have a strong supply chain infrastructure to serve the needs of our customers. Montreal is home to CN's headquarters. CN serves the Port of Montreal, where we handle growing numbers of import/export containers. We also have an intermodal terminal in Saint-Laurent. Other CN facilities in Montreal include a logistics park, forest products, automotive and metals distribution centres, and a CargoFlo® bulk handling facility. Quebec City boasts access to a deep-water port as well as metals, automotive and forest products distribution centres.

In 2016, we invested about \$110 million to strengthen our rail network and support safety, efficiency and long-term growth in Quebec. The program focused on the replacement and upgrade of rail, ties and ballast, plus bridge maintenance, level crossing rehabilitations, and signal improvements. In addition, CN is also investing to ensure the safety and long-term viability of the Quebec Bridge.



"CN is a great economic partner of the City of Montreal with some 2,000 employees at its Montreal headquarters alone. Its North American network is also a key enabler for our businesses." – Denis Coderre, Mayor of Montreal

CN has been working closely with the City of Montreal on safety. For example, CN and Montreal emergency responders conducted a joint training exercise in 2016. The Montreal Police and CN Police are also taking steps to improve rail safety around railroad crossings and to protect the rail network against malicious acts.

Community Partnerships

In 2016, CN invested over \$4 million in 142 Quebec-based organizations, including:

Montreal 375

As part of the celebrations of Montreal's 375th anniversary, CN is producing an interactive multimedia slide show with connectivity to social media, which will be projected onto the façade of historical buildings in Old Montreal.

Heartbeat for the Future

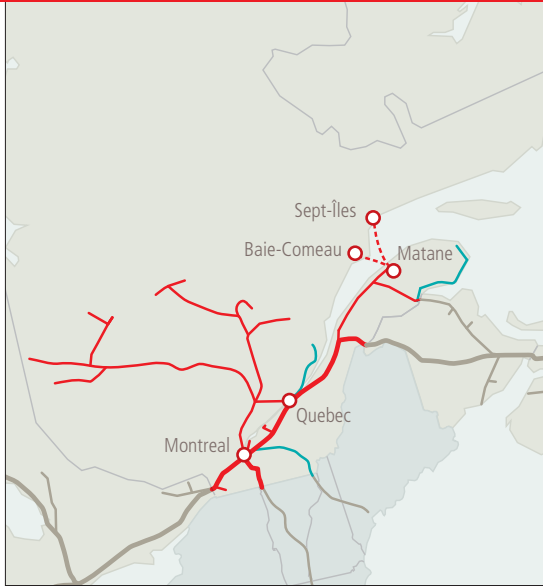
CN has made a 10-year commitment to support the Montreal Heart Institute's position as an international centre of excellence in cardiovascular medicine.

51st Quebec Games Finals

The Quebec Games, an Olympic-style athletic event, brought together 3,700 athletes aged 12 to 17 from across Quebec. CN's contribution provided event security and encouraged environmental sustainability.

Pro Bono Quebec for Syrian Refugees

Pro Bono Quebec provides legal services free of charge to Syrian refugees and their immediate families in order to facilitate their integration into Quebec society.



QUEBEC IN NUMBERS

As at December 31, 2016

3,534	Railroaders employed
2,007	Route miles operated
\$1.4B	Local spending ¹
\$282M	Capital investments ²
\$88M	Cash taxes paid ³
\$4.3M	Community partnerships

¹ Includes payroll, benefits and pensions

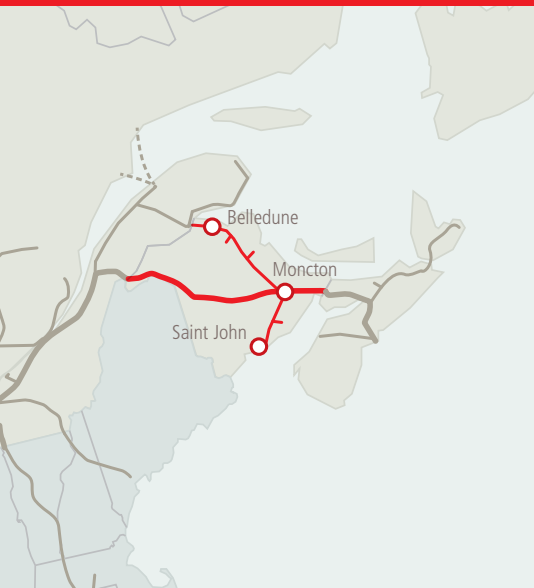
² Includes IT and other

³ Includes provincial, property, sales and other taxes



Salisbury, New Brunswick

NEW BRUNSWICK



NEW BRUNSWICK IN NUMBERS

As at December 31, 2016

327 Railroaders employed

598 Route miles operated

\$62M Local spending¹

\$28M Capital investments²

\$2M Cash taxes paid³

\$142K Community partnerships

¹ Includes payroll, benefits and pensions

² Includes IT and other

³ Includes provincial, property, sales and other taxes

Forest products make up a significant part of the traffic originating or terminating in the province of New Brunswick. We also handle consumer goods and other intermodal traffic through our terminal in Moncton. Other CN facilities in Moncton include an automotive distribution centre and a CargoFlo[®] bulk handling facility. CN's network extends to the Port of Saint John where we also have another CargoFlo[®] bulk handling facility.

In 2016, we invested about \$20 million to strengthen our rail network and support safety, efficiency and long-term growth in New Brunswick. The program focused on the replacement and upgrade of rail, ties and ballast, plus bridge maintenance, level crossing rehabilitations, and signal improvements. For example, a culvert at Jonathan Creek was replaced to reduce the risk of flooding in the area. Also, the Hampton Overhead Bridge at Kennebecasis River Road was replaced with a new bridge providing improved pedestrian and automobile access.



"CN's commitment in New Brunswick reflects their belief in the potential of the province by creating employment opportunity and providing a boost to our economy."

Dominic LeBlanc, Member of Parliament for Beauséjour and Minister for Fisheries, Oceans and the Canadian Coast Guard

Community Partnerships

In 2016, CN invested about \$140,000 in 14 NB-based organizations, including:

Edmundston Fire Department

CN contributed seven intermodal shipping containers for a multi-functional training site. The site is used for both theory and practical training purposes, and contains a variety of stations to simulate many scenarios.

New Brunswick Youth Orchestra

CN made a four-year commitment to support Sistema NB, a free daily after-school program that transforms the lives of disadvantaged children by improving literacy, numeracy, behaviour and self-esteem through music.

YWCA of Moncton

CN made a two-year commitment towards the creation of a new Centre for Women and Children. The centre will provide 15 units of affordable and supportive housing for pregnant and parenting young women and their children, create an Early Learning and Childcare Centre, and provide training programs.

Food DEPOT Alimentaire

Working in southeastern NB, FDA distributes food to over 30 food banks, kitchens, shelters and school programs; organizes the annual Christmas food drive for 1,800 families; and operates the Peter McKee Community Food Centre comprising a food bank, thrift store, community garden and community kitchen serving over 1,500 families.



Halifax, Nova Scotia

NOVA SCOTIA

Nova Scotia is home to the Port of Halifax, where CN handles all rail-served containers imported and exported through the marine facility. Halifax is the site of a major autoport, where automotive vehicles imported from overseas enter North America for distribution across the continent. One of our intermodal terminals is also located in Halifax.

In 2016, we invested about \$10 million to strengthen our rail network and support safety, efficiency and long-term growth in Nova Scotia. The program focused on the replacement and upgrade of rail, ties and ballast, and level crossing rehabilitations. For example, CN rehabilitated seven railway crossings in the province, delivering significant safety improvements in the communities of Truro, Stewiacke, Lantz, Enfield, Milford and Winter Junction. Also, CN completed the planning and design work for the rehabilitation of the Oakland Road Arch Bridge in Halifax in 2017. The renovated bridge will provide improved access for pedestrians and motorists.



"CN's infrastructure investments help strengthen local economies, support good-paying jobs, and further solidify the economic advantage of Nova Scotia and our key Port of Halifax gateway."

Geoff MacLellan,
Transportation and Infrastructure
Renewal Minister

Community Partnerships

In 2016, CN invested about \$260,000 in 14 NS-based organizations, including:

Halifax Women's History Society

Through its website and public talks, the society has been providing the public with stories of women's massive contribution during World War II. CN's three-year commitment will help erect a monument, situated on the Halifax waterfront, to bring this history to a large audience.

Mental Health Foundation of Nova Scotia

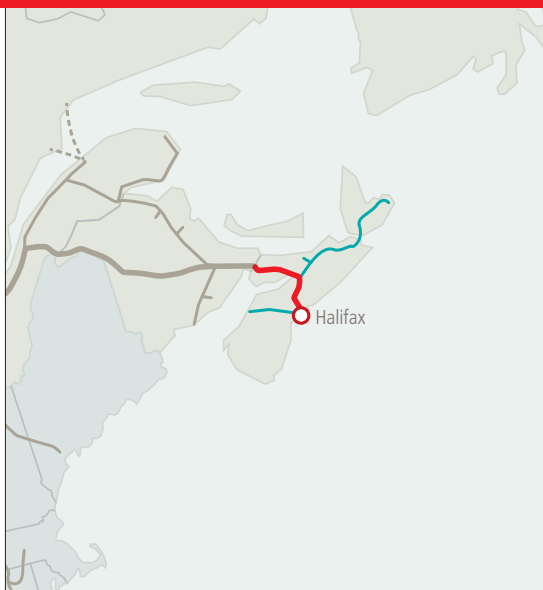
CN contributed to the Festival of Trees, which is dedicated to improving the lives of Nova Scotians living with mental illness and their loved ones, and increasing access to mental health education and awareness for all Nova Scotians.

Royal Nova Scotia International Tattoo

CN has made a two-year commitment to support the Tattoo, one of the world's premier cultural and entertainment events. It features more than 2,000 participants from military, police and civilian groups from around the world.

Canadian Museum of Immigration at Pier 21

The Canadian Museum of Immigration at Pier 21 aims to inspire and enable Canadians to explore their relationships with the migrations that have shaped Canada. CN has made a three-year contribution toward opening that conversation on a national scale.



NOVA SCOTIA IN NUMBERS

As at December 31, 2016

106 Railroaders employed

160 Route miles operated

\$27M Local spending¹

\$12M Capital investments²

\$3M Cash taxes paid³

\$266K Community partnerships

¹ Includes payroll, benefits and pensions

² Includes IT and other

³ Includes provincial, property, sales and other taxes

United States Network

UNITED STATES IN NUMBERS

As at December 31, 2016

7,479 Railroaders employed

5,995 Route miles operated

US\$3.6B Local spending¹

US\$713M Capital investments²

US\$176M Cash taxes paid³

C\$2.2M Community partnerships

¹ Includes payroll, benefits and pensions

² Includes IT and other

³ Includes federal, state, property, sales and other taxes



Marcus, Iowa



Southern Region

CN's extensive network in the United States runs north-south from the northern border of Minnesota down to New Orleans, through the Chicago area, with lines extending west to Nebraska and east through Michigan. About one-third of our rail network and employees are located in the U.S. CN directly serves industrial, petrochemical, coal, grain, fertilizer, automotive and consumer goods markets in 16 states.

Our substantial investments in our U.S. Midwest operations, particularly the former Elgin, Joliet and Eastern Railway (EJ&E), are keeping our network fluid, helping us accommodate increased demand for freight services, and freeing up rail capacity inside Chicago. Our sizable presence in the U.S. Midwest is the product of a series of rail acquisitions and investments that have extended our network reach south, north and west of Chicago, as well as around the city. Since 2010, we have invested well over C\$1 billion in our Midwest operations.

Today, CN has about 5,400 employees in the Midwest, roughly 1,400 of whom live and work in the Chicago region. With approximately 25 per cent of our freight traffic touching the city, CN's Chicago focus is on network efficiencies, close collaboration with other freight and passenger carriers, and delivering solid customer service.

Community Partnerships

CN contributed to many national non-profit organizations in the U.S. in 2016, including:

- American Red Cross**
- Boy Scouts of America**
- Canadian American Business Council**
- Chambers of Commerce (national, state and local)**

- Ducks Unlimited**
- National Civil Rights Museum**
- Operation Lifesaver**
- The Salvation Army**
- United Way**

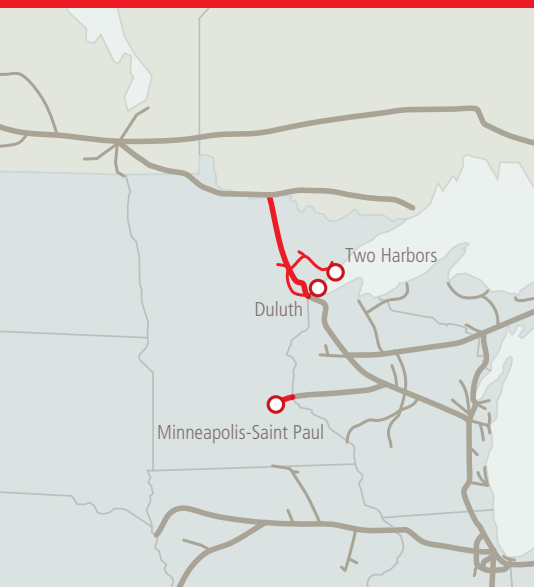
In 2016, CN and **America in Bloom** continued to work together to bring quality landscaping to public spaces in communities along CN's U.S. network, including:

- Combined Locks, WI
- Duluth, MN
- Ferndale, MI
- Joliet, IN



Duluth, Minnesota

MINNESOTA



MINNESOTA IN NUMBERS

As at December 31, 2016

415 Railroaders employed

422 Route miles operated

US\$87M Local spending¹

US\$73M Capital investments²

US\$12M Cash taxes paid³

C\$83K Community partnerships

¹ Includes payroll, benefits and pensions

² Includes IT and other

³ Includes state, property, sales and other taxes

Minnesota is an important gateway linking Asia, Western Canada and the U.S. Midwest via Ranier and then south to the port city of Duluth on Lake Superior. Turning west near Longwood, WI, CN's track heads towards the Twin Cities of Minneapolis-Saint Paul, the largest city in Minnesota and state capital, respectively, and one of the top 15 markets in the U.S.

The North Star State is home to CN's Iron Ore Supply Chain, which brings taconite pellets from the Minnesota Iron Range mines to the CN docks in Duluth and Two Harbors. There, the pellets are loaded onto Great Lakes ships for transport to the lower Great Lakes. CN's major facilities in Minnesota include a rail classification yard and mechanical facility in Proctor, a yard near the Two Harbors iron ore dock, and the Duluth iron ore dock itself. There is also a yard in Ranier where CN trains cross the U.S.-Canadian border.



"CN's investment in Minnesota means more imports and exports coming through Duluth – and most importantly, economic stability and thousands of good-paying jobs for our region."

*Congressman **Rick Nolan**, Minnesota*

Community Partnerships

In 2016, CN invested about C\$80,000 in six Minnesota-based organizations, including:

United Way

CN donated over C\$58,000 to the United Way in 2016 to support communities in Northeastern Minnesota and Head of Lakes.

Community Action Duluth – Stream Corps

CN continued its support of Stream Corps, which works with the City of Duluth to restore stream-side habitat after the record-breaking flood of 2012.

Two Harbors Kayak Festival

CN supported the 19th annual Two Harbors Kayak Festival held at Burlington Bay. The event runs three long-distance races for both kayaks and stand-up paddle boards.

Proctor Public Schools (District 704)

Proctor Public Schools has a proud tradition of being a leader in promoting outstanding learning opportunities for students in a welcoming atmosphere. The district's vision is to: Educate, Engage, Inspire. The high school's varsity teams are called the Proctor Rails and their logo is a steam locomotive.

Wounded Warriors United

Wounded Warriors United helps combat-injured veterans struggling with post-traumatic stress disorder, brain injuries and other issues by organizing outdoor and social events. CN dump truck driver Logan Shiflett volunteered hundreds of hours to this organization and CN provided a grant through our *CN Railroaders in the Community* program.



Allenton Marsh, Wisconsin

WISCONSIN

Wisconsin is a central part of CN's core route between Western Canada and Chicago, IL. CN serves a number of local forest product and general merchandise customers around the state, most notably from Milwaukee and Green Bay on Lake Michigan. We also have intermodal terminals in Chippewa Falls and Arcadia. Wisconsin is an important source of frac sand, which CN delivers to shale energy producers across North America.

CN's rail operations in the Badger State are mainly made up of those of the former Wisconsin Central, acquired in 2001. Our two biggest rail facilities in the state are classification yards in Stevens Point and North Fond du Lac. Stevens Point is the heart of CN's North Division and a key location on CN's core route between the U.S.-Canadian border and Chicago. North Fond du Lac is a second major facility that serves as the gateway to Green Bay where CN has another rail yard. Additionally, CN has made significant reinvestment in two subdivisions: Barron and Whitehall.



"We recognize CN's commitment to safety of railroad operations in Wisconsin and their willingness to work together alongside Wisconsin communities on resolving safety-related issues."

Yash P. Wadhwa, P.E.,
Commissioner of Railroads

Community Partnerships

In 2016, CN invested about C\$150,000 in 29 Wisconsin-based organizations, including:

United Way

CN donated over C\$79,000 to the United Way to support the following communities:

- Greater Chippewa Valley
- Fond du Lac Area
- Brown County
- Manitowoc County
- Tri-City Area
- Fox Cities
- Greater Milwaukee & Waukesha County
- Oshkosh Area
- Racine County
- Portage County
- Marathon County

North Fondy Fest

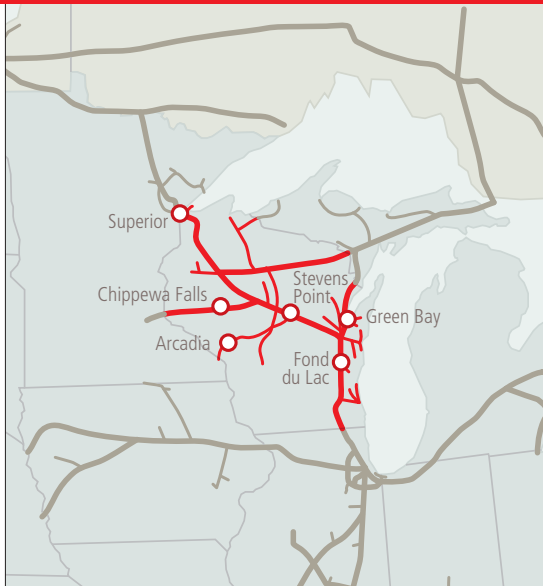
North Fondy Fest includes many fun community activities to help raise funds for new safety equipment for youth sports teams and clubs as well as updating local parks with new playgrounds, bleachers, etc.

Waupaca County Fair

The Waupaca County Fair is a family-friendly event that promotes education, family and fun through exhibits, events that honor senior citizens and veterans, an interactive area featuring Wisconsin agriculture and careers, as well as music, food, rides, motor sports and other family-based events.

Three Rivers United Temporary Housing

CN's support goes to TRUTH's Our Sisters' House, Lincoln County's first temporary homeless shelter, which provides food, shelter and guidance onto the path to independence.



WISCONSIN IN NUMBERS

As at December 31, 2016

1,118 Railroaders employed

1,432 Route miles operated

US\$139M Local spending¹

US\$124M Capital investments²

US\$21M Cash taxes paid³

C\$158K Community partnerships

¹ Includes payroll, benefits and pensions

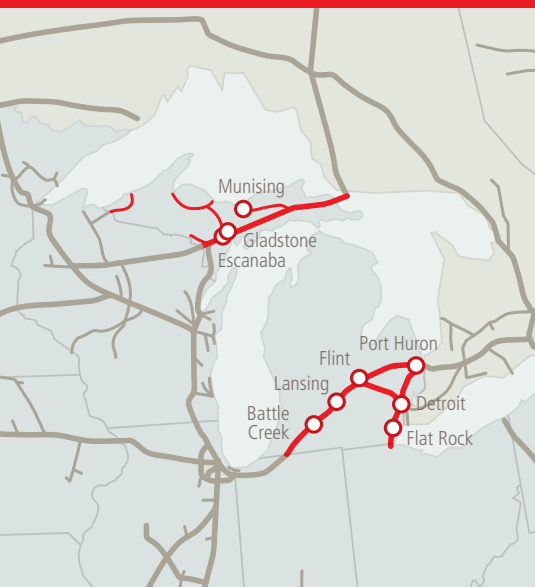
² Includes IT and other

³ Includes state, property, sales and other taxes



Battle Creek, Michigan

MICHIGAN



MICHIGAN IN NUMBERS

As at December 31, 2016

843 Railroaders employed

925 Route miles operated

US\$77M Local spending¹

US\$98M Capital investments²

US\$3M Cash taxes paid³

C\$87K Community partnerships

¹ Includes payroll, benefits and pensions

² Includes IT and other

³ Includes state, property, sales and other taxes

CN is the largest of three Class I railroads operating in Michigan. CN's operations cross the state's Lower Peninsula with rail yards in Battle Creek, Flint, Port Huron and Flat Rock. CN also has a mechanical shop in Battle Creek. One in four finished automobiles built in Michigan is moved on a CN train. CN has two automotive distribution facilities in the state, including one at Cory Yard outside Lansing at the Delta Township General Motors plant, two CN CargoFlo® bulk handling centers as well as forest products and metals distribution facilities.

Michigan is home to the Paul Tellier tunnel between Port Huron and Sarnia, which serves as the border crossing for CN train traffic moving between Eastern Canada and the U.S. Midwest. CN also has an intermodal facility in Ferndale, in suburban Detroit. CN hosts several Michigan Amtrak trains, including trains terminating in Port Huron and Pontiac. In the Upper Peninsula of the Wolverine State, CN has rail yards in Escanaba and Gladstone. CN has another international rail crossing at Sault Ste. Marie.



"Great seeing how the railroads and auto companies work together to ship cars across the country!"

Attorney General **Bill Schuette**, Michigan

Community Partnerships

In 2016, CN invested almost C\$90,000 in 10 Michigan-based organizations, including:

United Way

CN donated over C\$75,000 to the United Way to support the following communities:

- Southeastern Michigan
- Capital Area
- Delta County
- Genesee County
- Battle Creek and Kalamazoo Region
- St. Clair County
- Eastern Upper Peninsula

Northern Lights YMCA - Delta Center

CN supported the YMCA's annual Strong Kids program, which ensures that all children in the region have the opportunity to learn to swim. The program also provides safe before/after school care where children are provided a snack, homework help and physical activity.

Oakland County Hazmat Response Team

OCHMRT is a public safety special operations response team providing hazardous materials and weapons of mass destruction emergency response service to 30+ communities in Oakland County and statewide. Membership includes 40 hazmat technicians, specialists, and officers from multiple participating fire departments, police departments, and public safety agencies.

Gladstone High School

CN locomotive engineer Mike Krycia and his wife Jolene volunteer hundreds of hours to the Gladstone High School varsity cheerleading squad by helping out with practice, fundraising, chaperoning away meets, and more. CN's grant through the *CN Railroaders in the Community* program helped pay for uniforms, transportation and hotel stays.



Winthrop, Iowa

IOWA

Through our subsidiary, the Chicago, Central & Pacific Railroad, CN's rails stretch the breadth of Iowa, from the Missouri River in the west to the Mississippi in the east. We carry a wide variety of manufactured and industrial products like food, machinery, electrical equipment, chemical products and primary metals. In addition to serving local businesses, CN's ethanol franchise is centered in the Hawkeye State with several plants along the route between Dubuque and Sioux City and Council Bluffs. The largest rail yard and facility on CN's Iowa network is located in Waterloo.

Community Partnerships

In 2016, CN invested almost C\$150,000 in six Iowa-based organizations, including:

United Way

CN donated over C\$14,000 to the Cedar Valley United Way to support its programs in Waterloo.

Tanager Place Health Clinic

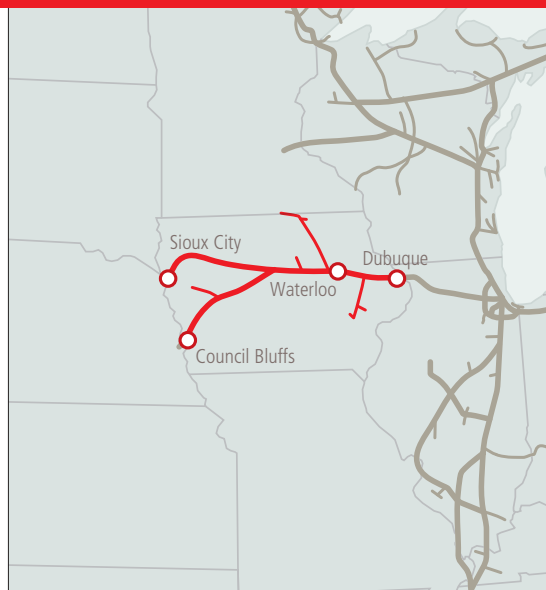
Tanager Place in Cedar Rapids helps children and families succeed through pioneering behavioral health programs. CN's support goes to the training and certification of therapists in Tanager's Collaborative Problem Solving (CPS), the ground-breaking, evidence-based approach to understanding and addressing challenging behaviors in children and adolescents.

Olivet Neighborhood Mission

Olivet Neighborhood Mission helps restore hope to families and individuals in need by providing basic necessities such as food, clothing and household items. The mission also provides youth programs that encourage self-esteem, independence, and community service. With CN's support, Olivet's food distribution service has increased 66 per cent over the last two years. Olivet is now the largest food pantry in Linn County.

The Salvation Army

Among the many services provided by the Salvation Army of Fort Dodge, CN supports its Compassion Kitchen Feeding Program. The program provides emergency nutrition to disadvantaged people in the county (and beyond). Each individual/family receives enough food to sustain them for about a week. Besides non-perishable food items, meat, fresh produce and dairy are included.



IOWA IN NUMBERS

As at December 31, 2016

219 Railroaders employed

574 Route miles operated

US\$21M Local spending¹

US\$19M Capital investments²

US\$5M Cash taxes paid³

C\$147K Community partnerships

¹ Includes payroll, benefits and pensions

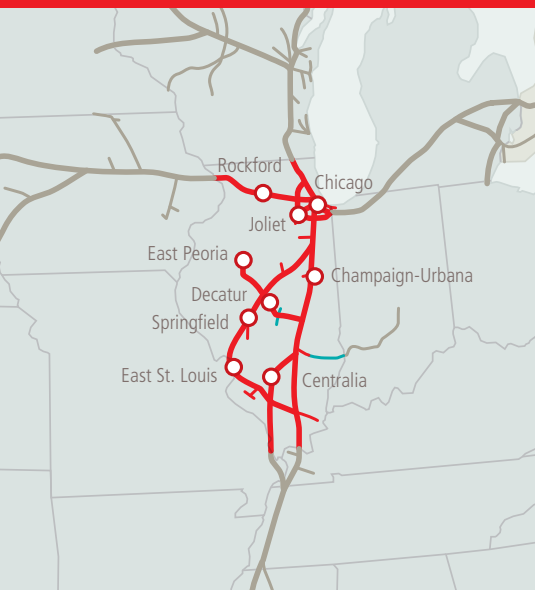
² Includes IT and other

³ Includes state, property, sales and other taxes



Near Chicago, Illinois

ILLINOIS



ILLINOIS IN NUMBERS

As at December 31, 2016

1,660 Railroaders employed

1,279 Route miles operated

US\$971M Local spending¹

US\$185M Capital investments²

US\$39M Cash taxes paid³

C\$467K Community partnerships

¹ Includes payroll, benefits and pensions

² Includes IT and other

³ Includes state, property, sales and other taxes

The home of Illinois Central, acquired by CN in 1998, the Prairie State is CN's largest state in terms of operations and employees. Our routes from the north, west, south and east converge at the Chicago Terminal and link to the former Elgin, Joliet and Eastern Railway, acquired in 2009, which today forms CN's core route around Chicago.

Homewood, a Chicago suburb, is home to CN's U.S. corporate headquarters and a US\$25-million state-of-the-art training center, which opened in 2014. This CN Campus delivers our enhanced railroader training program focused on instilling a strong safety culture. More than 15,000 employees have completed a range of railway training programs in Homewood and at our sister training facility in Winnipeg, MB.



"Homewood is proud to be the home of CN's U.S. headquarters. They have proven time and time again to be a good business and neighborhood partner."

Richard Hofeld,
Mayor of Homewood

Adjacent to the CN Campus is Markham Yard and Woodcrest Shop, the center of CN's mechanical function in the U.S. We have significant facilities in Centralia as well. To the north is CN's Chicago Intermodal Terminal, which handles traffic from both the west and east coasts. Smaller intermodal facilities are located in Joliet and Decatur. South of the Chicago area, CN has a classification yard in Champaign-Urbana, the rail yard that handles traffic moving around Illinois and between Chicago and Memphis. The Chicago area also boasts three CN CargoFlo® bulk handling centers

as well as forest products and metals distribution centers and a logistics park. CN's Illinois network serves some of the state's biggest cities with rail yards and operations in Carbondale, Decatur, Springfield, Rockford, near Peoria, and suburban St. Louis. CN also hosts Amtrak intercity passenger trains in Illinois and Metra commuter trains in suburban Chicago.

Community Partnerships

In 2016, CN invested almost C\$460,000 in 26 Illinois-based organizations, including:

United Way

CN donated over C\$113,000 to the United Way to support the following communities:

- Champaign County
- Metropolitan Chicago
- Decatur & Mid-Illinois
- Will County
- Southern Illinois

Forest Park Community Center

FPCC provides a wide variety of programs and services to improve the quality of life for area residents.

Homewood School District 153

CN supports the school district's new science, technology, engineering and math (STEM) curriculum to encourage students to pursue careers in STEM-related fields.

Cancer Support Center

CN's contribution provides psychosocial counselling and wellness interventions for cancer patients and survivors as well as their families.



Porter County, Indiana

INDIANA

Our main line from the Detroit area to our main U.S. hub in Chicago passes through the northwest corner of Indiana. While the number of track-miles CN operates in Indiana is relatively small, the impact of the state could not be more significant. Gary is home to Kirk Yard, CN's largest rail yard in the U.S., located on the former Elgin, Joliet and Eastern Railway. CN invested US\$165 million to modernize and expand Kirk Yard, one of only two CN hump yards in the U.S. (CN has four hump yards on its entire network). In collaboration with the Indiana Railroad, CN opened an intermodal facility in Indianapolis in 2013.

Community Partnerships

In 2016, CN invested about C\$90,000 in five Indiana-based organizations, including:

United Way

CN donated almost C\$31,000 to the United Way to support the following communities in Indiana:

- Lake Area
- St. Joseph County
- Porter County

Edgewater Behavioral Health Services

Edgewater Behavioral Health Services has been successfully providing mental health treatment services since 1974 and substance abuse treatment since 1980 for the most vulnerable children and adults in Northwest Indiana. CN's contribution is going to the Crisis Stabilization Unit (CSU), a community collaboration of local stakeholders (law enforcement, first responders, hospitals, mental health and human services

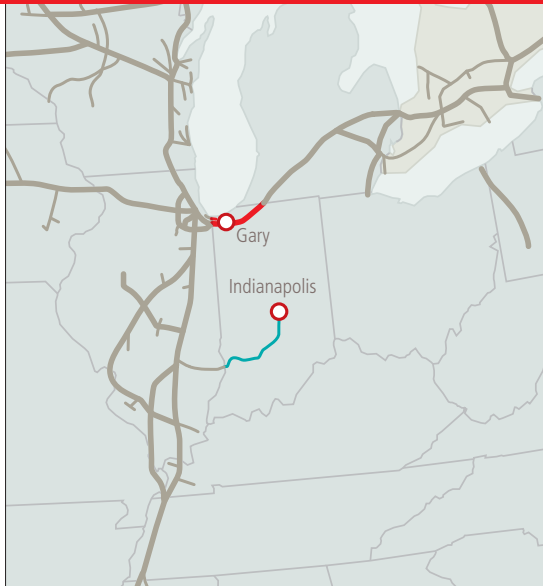
staff, and others). The CSU provides a proactive approach to dealing with those in mental health crisis who are currently being boarded in emergency rooms and jails.

City Life Center

City Life provides a holistic model for reaching students in the inner city. Its programs are designed to help students with their education by addressing their spiritual, moral, health, safety, economic, and civic literacy needs.

Gary Chamber of Commerce

CN is a member of the Gary Chamber of Commerce, an organization that represents and promotes the interests of its members, develops and deepens local business networks, and engages in charitable activities that focus on local needs.



INDIANA IN NUMBERS

As at December 31, 2016

318 Railroaders employed

103 Route miles operated

US\$55M Local spending¹

US\$23M Capital investments²

C\$91K Community partnerships

¹ Includes payroll, benefits and pensions

² Includes IT and other



Tipton County, Tennessee

TENNESSEE



Western Tennessee is CN's gateway to the south. CN's yard in Memphis is a major freight handling point and the center of CN's U.S. operations south of Chicago. It is one of only two hump yards in the U.S. (CN has four hump yards on its entire network) and serves as an interchange point with four other Class I railroads. The Memphis Yard is also the location of a major CN mechanical shop. An important CN intermodal terminal is located in Memphis in the Frank Pidgeon Industrial Park. CN also serves President's Island, a center of industry in Memphis. The birthplace of rock 'n' roll also boasts distribution facilities for forest products, metals and automobiles as well as a CN CargoFlo® bulk handling center and a logistics park. Amtrak's *City of New Orleans* service operates on CN tracks and stops in Memphis. Since 2005, we have invested more than US\$140 million in our yards in Memphis.

United Way of the Mid-South

CN donated almost C\$38,000 to the United Way of the Mid-South in 2016. The United Way improves lives by mobilizing the caring power of the community to advance the common good.

University of Memphis Intermodal Freight Transportation Institute

The IFTI addresses critical issues affecting the planning, design and operation of the nation's intermodal freight transportation systems. CN's funding helps the IFTI develop solutions in freight and logistics through research, education and technology transfer activities.

Memphis in May International Festival

A feature at every major museum and gallery in the Memphis area, International Week includes breathtaking visual arts exhibits, delicious food samplings, culinary programs as well as musical and dance performances by artists from a selected country.

National Civil Rights Museum

The National Civil Rights Museum is located at the former Lorraine Motel in Memphis, where civil rights leader Dr. Martin Luther King Jr. was assassinated in 1968. The museum offers visitors a chance to walk through history and learn more about a tumultuous and inspiring period of change. CN has a long-standing relationship with the museum related to Black History Month.

TENNESSEE IN NUMBERS

As at December 31, 2016

562 Railroaders employed

161 Route miles operated

US\$35M Local spending¹

US\$40M Capital investments²

US\$9M Cash taxes paid³

C\$598K Community partnerships

¹ Includes payroll, benefits and pensions

² Includes IT and other

³ Includes state, property, sales and other taxes

Community Partnerships

In 2016, CN invested about C\$600,000 in six Tennessee-based organizations, including:

Le Bonheur Children's Hospital Foundation

Le Bonheur Children's Hospital is the only comprehensive pediatric medical center in the Memphis region. Le Bonheur is recognized as a leader in pediatric medicine in the U.S. for providing the highest level of care and research into the diseases that affect children. CN's support will help to expand the Children's Foundation Research Institute and contribute to important research to advance the field of pediatrics.



Brookhaven, Mississippi

MISSISSIPPI

CN's rail network criss-crosses the Magnolia State, with a major classification yard in Jackson serving as an important hub for petroleum headed to the western part of the state, coal moving east to Alabama, grain shipping south to the Gulf Coast for export, chemical products headed north to the Midwest, and intermodal products destined throughout North America. Amtrak's *City of New Orleans* service stops in Jackson at CN's rail yard. CN also has an automotive distribution facility serving the Nissan assembly plant in Canton.

Community Partnerships

In 2016, CN invested about C\$130,000 in six Mississippi-based organizations, including:

United Way

CN donated over C\$21,000 to the United Way to support communities in Southeast Mississippi and the Capital Area.

Hope Enterprise Corporation

Hope provides affordable financial services to fulfill its mission of strengthening communities, building assets, and improving lives in distressed communities in the Mid-South.

Mississippi Children's Museum

The MCM strives to ignite a thirst for discovery, knowledge and learning in all children through hands-on and engaging exhibits and programs focusing on literacy, the arts, science, health and nutrition. CN's support is earmarked for the "Thomas and Friends: Explore the Rails" exhibit, which focuses on education in science, technology, engineering and math during early elementary grades.

Acona Community Outreach

CN is supporting the Caring for Our Youth project, which provides activities and programs to promote health and safety of children in the community. The goal is to educate parents on the prevention of childhood injuries and the importance of good nutrition and exercise.

The Good Samaritan Center

The Good Samaritan Center's mission is to assist families and individuals in emergency situations. CN Account Manager Jayne Phillips volunteered 60 hours at the organization's thrift store located right across the street from CN's yard in Jackson. CN provided a grant under its *CN Railroaders in the Community* program.



MISSISSIPPI IN NUMBERS

As at December 31, 2016

320 Railroaders employed

575 Route miles operated

US\$66M Local spending¹

US\$68M Capital investments²

US\$14M Cash taxes paid³

C\$134K Community partnerships

¹ Includes payroll, benefits and pensions

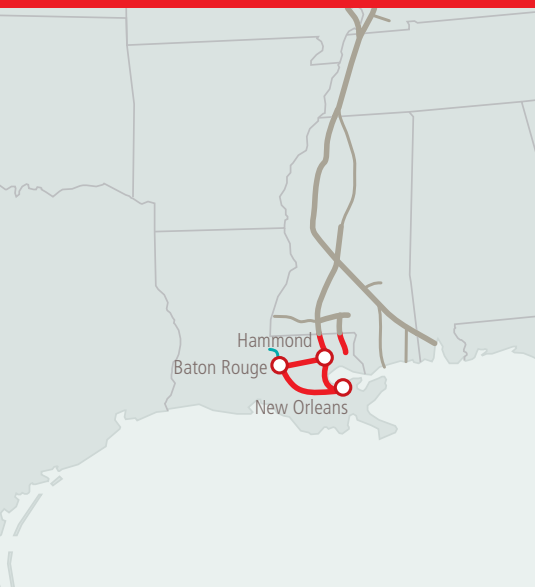
² Includes IT and other

³ Includes state, property, sales and other taxes



Manchac, Louisiana

LOUISIANA



At the southern terminus of CN's North American network, Louisiana originates and terminates growing volumes of petrochemical, coal and grain rail traffic, most notably in the triangle formed by Hammond, Baton Rouge and the Port of New Orleans. CN's major yards are in Baton Rouge, Geismar and Harrahan (Mays Yard) outside of New Orleans. At Mays Yard, CN connects to the New Orleans Public Belt Railroad (NOPBR), which links the city's six Class I railroads. New Orleans also has a modern intermodal facility that receives consumer goods via containers for distribution across North America. Amtrak's *City of New Orleans* service terminates in New Orleans, south of Mays Yard. In Louisiana, CN has two bridges over the Bonnet Carré Spillway.

Community Partnerships

In 2016, CN invested about C\$120,000 in 10 Louisiana-based organizations, including:

United Way

CN donated over C\$26,000 to the United Way to support communities in Southeast Louisiana and the Capital Area.

Knock Knock Children's Museum

The aim of the Knock Knock Children's Museum is to deliver extraordinary play experiences and programs to inspire young children and promote their intellectual curiosity, self-expression and early literacy development.

Louisiana Art and Science Museum

Housed in the Yazoo and Mississippi Valley Railroad Company Depot in Baton Rouge, the museum seeks to enhance the understanding and appreciation of art and science for general audiences and students by presenting unique, educational and entertaining experiences that encourage discovery, inspire creativity, and foster the pursuit of knowledge.

Community Foundation of Acadiana

The Community Foundation of Acadiana is the trusted philanthropic leader and resource for donors and philanthropists, non-profits, and community leaders in southern Louisiana. The Foundation focuses on connecting donors to community needs and opportunities, and positively impacting the community.

LOUISIANA IN NUMBERS

As at December 31, 2016

294 Railroaders employed

239 Route miles operated

US\$24M Local spending¹

US\$33M Capital investments²

US\$6M Cash taxes paid³

C\$119K Community partnerships

¹ Includes payroll, benefits and pensions

² Includes IT and other

³ Includes state, property, sales and other taxes



"CN is helping move Louisiana's economy forward, creating jobs and linking our state to national and global marketplaces."

Congressman **Garret Graves**, Louisiana

The Port of New Orleans has an intermodal rail terminal adjacent to its Napoleon Avenue Container Terminal providing on-dock access for all rail shipments. The new US\$25-million Mississippi River Intermodal Terminal is a modern, efficient intermodal transfer terminal located within the container yard, offering on-dock access and improving our link to the terminal and helping to grow our container volumes.



Graves County, Kentucky

KENTUCKY

CN has two main line corridors running through the western tip of Kentucky, linking CN's network in Illinois to Tennessee and points south to the Gulf Coast. Of the many commodities originating in the Bluegrass State are coal and automobiles. Amtrak's *City of New Orleans* passenger rail service operates on CN tracks and stops in Fulton.

Community Partnerships

Mayfield-Graves County United Way

The Mayfield-Graves County United Way improves lives by mobilizing the caring power of the community to advance the common good.

KENTUCKY IN NUMBERS

As at December 31, 2016

17 Railroaders employed

98 Route miles operated

US\$17M Local spending¹

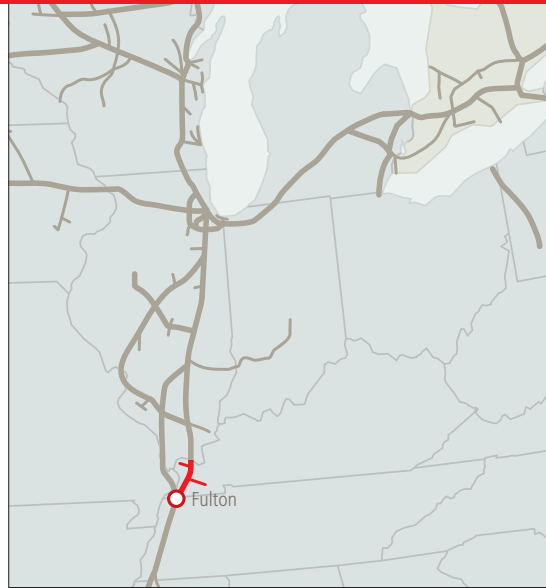
US\$7M Capital investments²

US\$2M Cash taxes paid³

¹ Includes payroll, benefits and pensions

² Includes IT and other

³ Includes state, property, sales and other taxes



CN's rail network in Alabama is centered around access to the Port of Mobile, where until recently activities have been focused on the import and export of coal.

With increased Panama Canal capacity and new facilities at the Port of Mobile, CN is looking to draw increased volumes of container traffic entering North America via the Gulf of Mexico.

Community Partnerships

Christmas for Kids

CN sponsors Progress Rail's annual Christmas for Kids golf tournament. Progress Rail employees use the funds raised to buy Christmas gifts for children in need in Northeast Alabama.

ALABAMA IN NUMBERS

As at December 31, 2016

6 Railroaders employed

26 Route miles operated

US\$6M Local spending¹

US\$1M Capital investments²

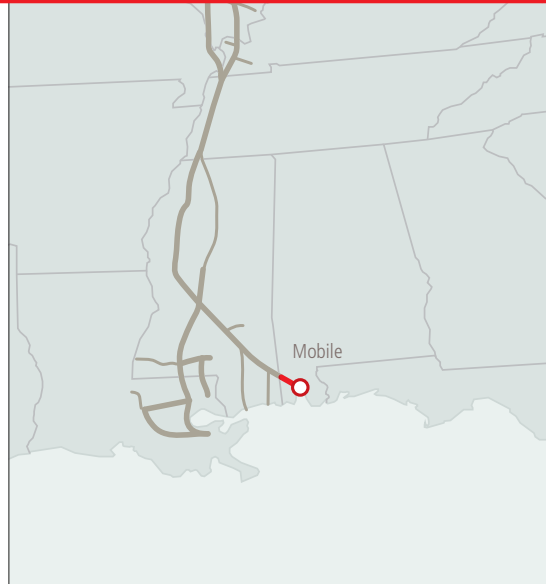
US\$335K Cash taxes paid³

¹ Includes payroll, benefits and pensions

² Includes IT and other

³ Includes state, property, sales and other taxes

ALABAMA





Greenville, Pennsylvania

OTHER STATES

Extending Our Reach

CN has facilities in several other U.S. states, including:

Ohio

CN's track extends to a yard in Toledo for interchange with eastern railroads. With a focus on serving local interests, linking industries, expanding our reach and providing flexibility, we count on our subsidiaries, the Bessemer and Lake Erie Railroad (BLE) and Grand Trunk Western Railroad (GTW), to help us deliver in Ohio. The BLE connects at Conneaut docks.

Pennsylvania

Our main line runs from our marine bulk facilities in Conneaut, OH, on Lake Erie, moving iron ore to steel plants in the Pittsburgh area. We also have a forest products distribution center in DuBois.

New York and New Jersey

CN's network includes two forest products distribution centers, one in North Buffalo, NY, and another in North Bergen, NJ, just north of New York City.

Community Partnerships

In 2016, CN invested about C\$260,000 in nine organizations based in these states, including:

United Way of Ashtabula County, OH

United Way of Greater Toledo, OH

United Way of Butler County, PA

United Way of Mercer County, PA

United Way of Buffalo and Erie County, NY

CAN/AM Border Trade Alliance (NY)

The Peddie School (NJ)

CN directly serves industrial, petrochemical, coal, grain, fertilizer, automotive and consumer goods markets in 16 states.





CN Stronger Communities Fund

At CN, we take pride in how we do our job of moving customers' goods safely and efficiently. We are also proud of what the company stands for: a set of core beliefs that drive how we conduct our business every day and that support our continuing transformational journey.

We recognize our responsibility to the communities in which we operate – not only in our commitment to safety, but also in making communities better places to live and work. This spirit of caring is expressed in the *CN Stronger Communities Fund*, a community investment program that focuses on five core areas:

- Caring and Solidarity
- Safety and Sustainability
- Diversity
- Transportation Education
- *CN Railroaders in the Community*

CN STRONGER Communities Fund

How to apply for sponsorship or donation from the *CN Stronger Communities Fund*:

Please visit our website at cn.ca/community for more information on our eligibility requirements and community investment areas of focus.

Caring and Solidarity

We believe that one of the best ways to build stronger communities is to actively contribute to organizations, programs and initiatives that promote caring and solidarity.

Welcome Fund for Syrian Refugees

CN led the way among Canada's business community by pledging \$5 million to assist Syrian refugees resettling in Canada. The Welcome Fund supported community-driven solutions to help government-sponsored families who recently arrived from Syria transition into suitable permanent housing.

United Way

CN donated \$1.6 million to the United Way in 2016 to support communities all along its network, in both Canada and the U.S.

On the Tip of the Toes Foundation

CN supports the foundation's mission to help young people living with cancer regain their well-being by facing the challenge of an exceptional therapeutic adventure expedition. Supervised by medical and outdoor experts, these expeditions aim to change the image of cancer for the participants and the general public alike.

CN Miracle Match

CN encourages individuals and corporations to make charitable donations in support of children's hospitals by matching funds raised through the fundraising campaigns of three selected hospitals each year. CN has helped raise approximately \$13 million for pediatric care since *CN Miracle Match* was launched in London, ON, in 2006. Through *Miracle Match*, CN enables children's hospitals to purchase much-needed equipment, expand their programs and facilities and continue to make an important difference to families and communities.



Safety and Sustainability

We are focused on conducting our operations safely and in a manner that protects the natural environment, and we support organizations that further this end.

All Aboard for Safety Program

For more than 25 years, *All Aboard for Safety* has been our flagship community education program to help prevent accidents on or near railroad property. Every year, CN employees make hundreds of presentations and talk to more than 300,000 children and adults at schools and community events in Canada and the U.S. about the importance of safety and the dangers of walking or playing on or near railway tracks.



Tree Canada

Since 2011, CN has planted 1.6 million trees in partnership with Tree Canada. CN supplies the funds and ideas for where trees should go and Tree Canada takes care of the planning and sourcing. It's a smart partnership that means major benefits for the communities these new trees call home.

In addition to their obvious ecological benefits, trees can provide economic benefits to neighbourhoods. They can help save on home heating and air conditioning bills, shielding homes from the wind and cold in winter and offering shade in the summer. Neighbourhoods with trees also tend to have a greater real estate value. Another key factor is that many studies point to the fact that trees play a large role in providing psychological and physical well-being to people.

FCM/RAC Proximity Initiative

CN works with the Federation of Canadian Municipalities (FCM) and the Railway Association of Canada (RAC) to prevent and resolve issues that may arise when people live and work in close proximity to railway operations. The FCM/RAC Proximity Initiative was established in 2003 and is co-chaired by Sean Finn, EVP of Corporate Services and Chief Legal Officer at CN, and Bob Long, Councillor for the Township of Langley, BC. By developing proximity guidelines and improving stakeholder awareness, the Initiative aims to address railway-community issues, including safety, noise and vibration.

Several Canadian municipalities have already adopted the guidelines, and several others are looking to implement them. Preventing proximity issues is a shared responsibility.

For more information, go to:
proximityissues.ca





Diversity

Having a workforce with unique talents that reflects the diversity of the communities in which we operate is a key contributor to CN's success. We invest significant efforts in attracting and hiring a diverse workforce. CN's policy of inclusion, diversity and tolerance also provides support to organizations that promote the advancement of women, Aboriginal communities and other groups. For example:

Assembly of First Nations

The AFN is a national advocacy organization representing First Nation citizens in Canada, which includes more than 900,000 people living in 634 First Nation communities and in cities and towns across the country.

Canadian Association for Disabled Skiing

CADS provides opportunities for people with disabilities to experience the joy of participating and competing in alpine adaptive snow sports. CADS does this by developing and promoting adaptive snow sports through partnerships, training, and instructor certification programs.

Alberta Council of Women's Shelters

ACWS supports its members to end domestic violence by conducting action-based research, educating the public about domestic violence and women's shelters, as well as creating tools and professional development opportunities.

Transportation Education

By supporting transportation education, CN is inspiring and helping today's youth to become tomorrow's railroaders – and leaders. We promote and support transportation-related education in the following areas:

- Trade and apprenticeship programs
- College and university programs
- Scholarship and bursary programs

Canadian Rail Research Laboratory

The Canadian Rail Research Laboratory (CaRRL) is Canada's premier education and research program in railway engineering. CaRRL is also part of the affiliated lab program of the Association of American Railroads' Transportation Technology Center.

Housed within the University of Alberta's Department of Civil and Environmental Engineering, CaRRL offers railway-specific courses and features a large dedicated laboratory space inside the Natural Resources Engineering Facility. The CaRRL research program focuses on scientific and technological research to support key Canadian and North American priorities of ground hazards (subgrade) and winter service reliability and capacity.

Queen's University

Queen's University, one of Canada's oldest degree-granting institutions, is a full-spectrum, research-intensive university that conducts leading-edge research in a variety of areas.

AREMA Educational Foundation

The AREMA Educational Foundation was established by the American Railway Engineering and Maintenance of Way Association (AREMA) to promote educational activities related to railway engineering. The Foundation provides scholarships to engineering students specializing in the railway industry and supports other educational and training endeavors that help ensure the future of the profession.



AREMA 2016 Annual Conference & Exposition, Orlando, Florida

CN Railroaders in the Community

We are proud of our employees, retirees and their families who volunteer their time to make their communities stronger and better places to live and work. Over the past five years (2011-2016), the *CN Railroaders in the Community* program has recognized these acts of kindness by providing \$4.5 million in grants to the community-based charitable organizations volunteers choose to support through their efforts.



"It's very heartwarming that CN gives to charities that employees care about." – Everett Craig

Everett Craig: On call for a tight-knit community

Growing up watching his father volunteer for the Valemount Volunteer Fire Department, Everett Craig couldn't wait to turn 18 and get involved.

"Coming from a small town of 800 people, everyone knows each other, so helping out feels natural," says Everett, who joined CN in 2011 and currently works as a Foreman – Engineering in Valemount, BC.

Everett spends 100 hours each year on call or training. The *CN Railroader in the Community* grant of \$5,000 means his fire department can pay for tools and equipment used in advanced training, like live-burn training. This training is essential for firefighters to enter a burning building and do fire suppression from the inside. "Without this facility, the department would spend thousands sending everyone out of town to train," Everett explains.

Dora Nelson: A big heart leads to big donations

CN Railroader in the Community Dora Nelson believes in paying it forward, and enjoys getting involved in grassroots projects that help less fortunate families in her neighbourhood. So, when she learned that The Haven House, a local shelter for battered women and their children, needed clothing for its residents, she got to work.

"I organized a clothing drive and, with the support of my generous CN co-workers, we donated about 10 large garbage bags of women's and children's clothing," explains Dora, Chief Intermodal Clerk in Harvey, IL, who joined CN in 2008.

In recognition of Dora's volunteer efforts, the *CN Railroader in the Community* program contributed \$1,000 to The Haven House for personal items, clothing, shoes, school supplies and other necessities for the women and children staying at the shelter.

CN Employees open their hearts to a Syrian refugee family

As CN Railroader in the Community Caroline Drouin watched footage of the hardships facing Syrian refugees, she felt compelled to act. Together with CN colleagues Johanne Cavé, Senior Counsel, and Christine Deschamps, Insurance Manager, and CN retiree Marie-Andrée Vaillancourt as well as other friends and family, the group decided to welcome and support a refugee family of five from Syria.

"When I read the story of the Okla-Ataya family, I knew we were doing the right thing: giving a whole family a second chance at a decent life," says Caroline, Director of Workforce Planning based in Montreal, QC.

Caroline and Johanne worked with Missions Jésuites, a church organization, to prepare for the family's arrival in Montreal. The organization received a *CN Railroader in the Community Welcome Refugee* grant for the Okla-Ataya family.





*"Being able to give back makes me feel wonderful,
and I'm excited we have CN's support." – Dora Nelson*

"Sometimes we forget how lucky we are to be working for a company like CN. It is our responsibility to give back to those in need. By supporting charities, we also make our own lives better and build healthier communities." –
Chantale Lauzon, CN Employees' and Pensioners' Community Fund



CN Employees' and Pensioners' Community Fund



The CN Employees' and Pensioners' Community Fund is celebrating 50 years of giving. Today, the Fund is one of the largest and most successful of its kind in Canada thanks to the generosity of CN's active and retired employees and the hard work of many volunteers who have helped over the years. Run by CN employees and pensioners acting on behalf of their colleagues, the Fund is a non-profit organization that organizes fundraising activities and an annual campaign in support of various charities across Canada.

Last year's campaign met with unprecedented success, raising more than \$1.9 million. Over the past 10 years, the Fund has raised more than \$14.7 million to benefit non-profit organizations dedicated to helping those in need. The Fund:

- Supports more than 500 health care, research, and charitable groups
- Directs every dollar donated directly to the designated organizations

Ride for Research

On September 30, 2016, for the seventh year in a row, the Fund took part in the Ride for Diabetes Research at Place Bonaventure in Montreal, QC. The Ride is a unique event that brings together downtown Montreal businesses in the fight against a disease that affects more than three million Canadians and a growing number of children every year. During the event, participants on each team of five CN employees rode a stationary bike for seven minutes at their own pace. This year, 35 CN employees joined forces for the Ride, raising \$12,857.

CN Employees' and Pensioners' Community Fund

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CN's Christmas Express

The CN Christmas Express adventure took place in Edmonton, AB, on November 25, 26 and 27, 2016. CN's helpful and enthusiastic volunteers decorated the locomotives with Christmas lights and the lead engine's lights were programmed to flash to the beat of Christmas music. In all, over 2,000 passengers departed CN's Walker Yard and enjoyed one of the eight 16-km rides. Santa Claus made an appearance and handed out gifts to the children. The activity helped raise \$21,925 to benefit the Stollery Children's Hospital Foundation in Alberta.



"Turnout was great! And many across St. Albert simply came out to watch the train go by." – Brittany Rendell, CN Operations Analyst, Edmonton

Frequently Asked Questions

The following questions address the most frequent concerns raised through the CN Public Inquiry Line. For information about any other aspect of CN's business and operations, we encourage you to contact our Public Inquiry Line at **1.888.888.5909**.

Trains blocking roadways for extended periods are a real concern in my community and residents find them inconvenient. What can be done to reduce the number of blocked crossings?

According to Canadian Rail Operating Rule (CROR) 103(d), no part of a train or engine may stand on any part of a public crossing for longer than five minutes when vehicular or pedestrian traffic requires passage. However, this does not apply to private crossings. When emergency vehicles require passage, railways must clear both public and private crossings as quickly as possible.

While CN makes every effort not to block crossings, there are unforeseen instances such as weather, mechanical failure or loss of air pressure that can cause a train to stop, which may result in a blocked crossing. CN crews are immediately aware when a train is blocking a road crossing and make every effort to clear the passage as soon as possible.

In case of emergency, motorists are encouraged to contact the CN Police Service emergency number – **1.800.465.9239** – which is posted at every public crossing on our network. In addition to the phone number, the sign includes the CN subdivision name and mileage point. This information may be used by emergency responders as well as the public to report an emergency. This phone number is staffed 24 hours a day, seven days a week.

For further rules surrounding blocked crossings, please visit the Transport Canada website at tc.gc.ca where this information can be found under the Rail heading.

Railroads are federally regulated in the U.S. However, the Federal Railroad Administration does not regulate the length of time a train may block an at-grade crossing.

The crossings in my community are in poor condition. What is CN doing to address this?

We recognize the importance of maintaining the condition of all crossings for which we are responsible and inspect our public crossings on a regular basis. Should you have any concerns about the condition of a particular crossing, please call our Public Inquiry Line at **1.888.888.5909**. We will refer your call to the local track supervisors who will assess the crossing and make the necessary repairs. CN also works in partnership with road authorities to maintain crossings and brings to their attention those crossings that require maintenance for which they are responsible.

Residents in my community are complaining about trains whistling at all hours. Can CN stop using whistles?

While we understand that whistling may be disturbing at times, CN is federally regulated and governed by Canadian Rail Operating Rules (CROR), which mandate whistling regulations.

Under CROR, Rule 14 (l), train crews are required to whistle at all public crossings. Train whistles are safety devices that alert motorists and pedestrians to the presence of an approaching train and warn trespassers away from the rail right-of-way. Locomotive engineers follow a detailed set of instructions under the CROR that outline when a whistle must be sounded and the whistling sequence to be used. Train crews will also use the whistle if there is a work project in the area to notify the work gang on or near the track that a train is approaching.

In certain circumstances, a particular crossing may be exempt from whistling requirements. In order to obtain this exemption, a municipality must take a number of steps:

- 1) The municipality needs to submit a request to the railway including a detailed crossing safety assessment on the conditions at the crossing by a qualified external consultant.
- 2) If it is determined that safety will not be compromised and that the crossing meets the prescribed conditions of Transport Canada, the municipality must then give public notice and notify each relevant association of its intent to pass a resolution declaring that it agrees that whistles should not be used at the crossing.
- 3) Finally, the municipality must pass the resolution.

The complete application procedure to pursue anti-whistling measures may be found on the Transport Canada website at tc.gc.ca under Rail Safety.

In the United States, CN is federally regulated and governed by the Train Horn Rule issued by the Federal Railroad Administration. Locomotive engineers must begin to sound train horns at least 15 seconds, and no more than 20 seconds, in advance of all public at-grade crossings. Further information on the process surrounding the establishment of Quiet Zones can be found on the Federal Railroad Administration website at fra.dot.gov.

What can be done about idling trains? My community has raised concerns about the noise and/or diesel fumes.

Our crews are trained on fuel conservation practices to reduce our carbon footprint, including locomotive shutdowns in our yards. However, locomotives may need to be left idling due to various operating requirements such as weather and maintaining air pressure for braking and starting systems.

Where possible, many CN locomotives make use of SmartStart technology, which is an Automatic Engine Start Stop system for locomotives. Over half of the locomotives in our active fleet are equipped with SmartStart technology. This system automatically triggers the locomotive to either safely shut down or restart when certain parameters have been met.

Should you have concerns regarding idling or diesel fumes, please call our Public Inquiry Line at **1.888.888.5909**. We will ensure our Operations personnel are aware of your concerns. They will assess the location to determine if options exist.

The CN property in my community is not being maintained adequately. Who should I contact?

We make every effort to maintain our property and we are committed to business practices that protect the natural environment, prevent pollution, reduce our greenhouse gas emissions and conserve natural resources. Waste management is important to us and we are addressing this issue with two key initiatives: removing old rail ties from our rights-of-way and establishing an aggressive waste reduction program for our buildings and yards. Should you have concerns regarding property maintenance, please call our Public Inquiry Line at **1.888.888.5909**. A member of the team will communicate your concerns to our Engineering personnel.

How do I stay connected with CN?

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Email: contact@cn.ca

cn.ca

 facebook.com/CNrail

 linkedin.com/company/cn

 twitter.com/CN_Comm





At CN, we take pride in how we do our jobs to move customers' goods safely and efficiently. We are also proud of what our company stands for: a set of five core beliefs that drive how we conduct our business every day and support our commitment to be the best railway in North America.



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