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Surface Transportation Board EP 770 Hearing

April 27th 2022

CP's Resource Planning Approach and Philosophy

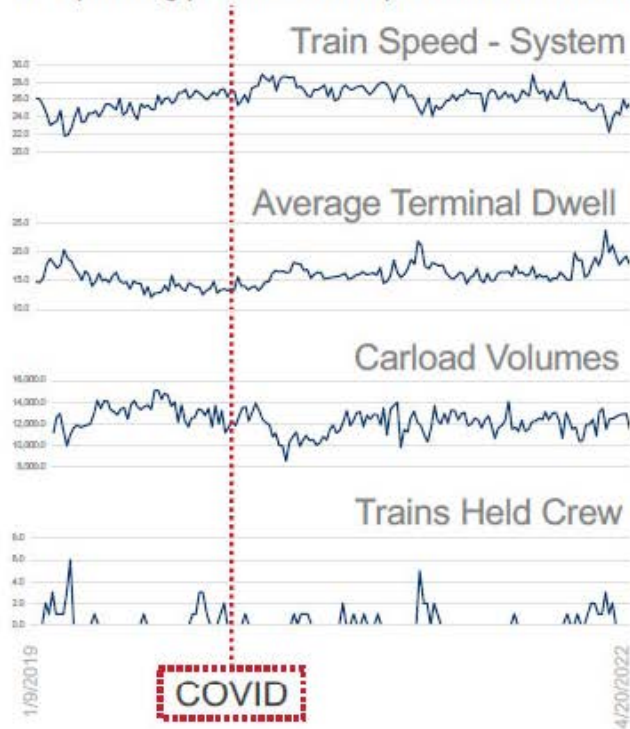
CP has robust processes for planning resources

- **The art to resource planning: responding to increases in demand can be harder than cutting**
 - Lead times: **infrastructure** = 1-3 years // **locomotives** = many months to > 1 year // **crews** = 6-8 months
- **CP organization structure designed to enable responsive resource planning in up and down cycles**
 - VP of Market Strategy and Asset Management reports directly to the CEO
 - Accountable for all aspects of resource planning - crew planning, locomotives, railcars and network capacity
- **CP resource planning process – advance planning and continual adjustment**
 - 3 year plan** - refreshed annually, to develop multi-year view of resource needs and address long lead time resources
 - Focus on long-lead time resources: network capacity, locomotives, railcars, IT systems, etc
 - Annual plan** - Align plans to current economic environment – markets can change a lot over 3 years
 - Includes all needed resources, including human resources
 - Monthly demand refresh** - Adjust resourcing dynamically to changes in marketplace
 - Ensure sizing appropriately, up or down, to customer demand levels, new or expiring contracts, other developments
 - Weekly and daily tactical planning**
 - Ensuring all steps are taken to put the right resources in the right places to meet demand across the network

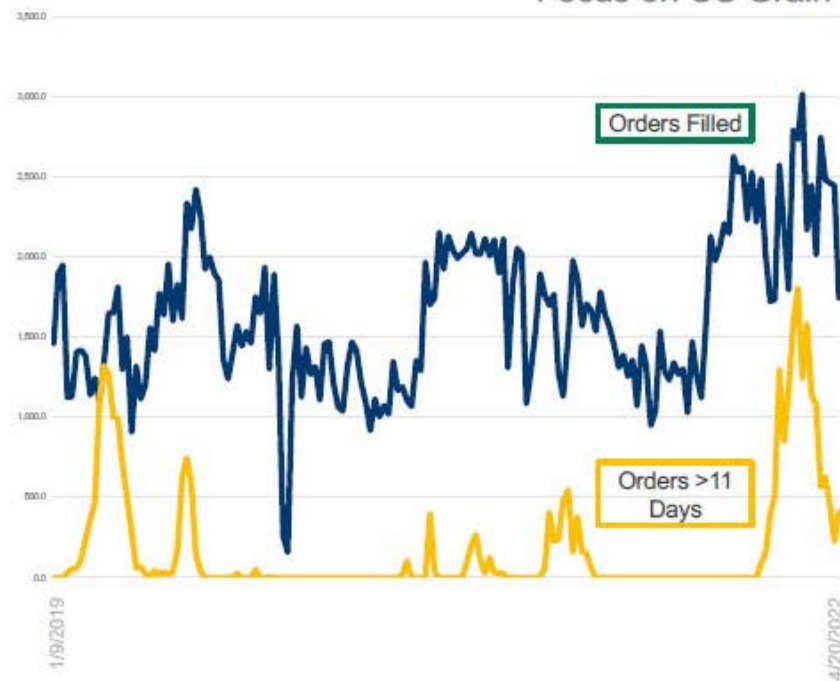
CP Performance Metrics

CP has maintained US performance levels in 2022

CP's planning processes have protected service levels



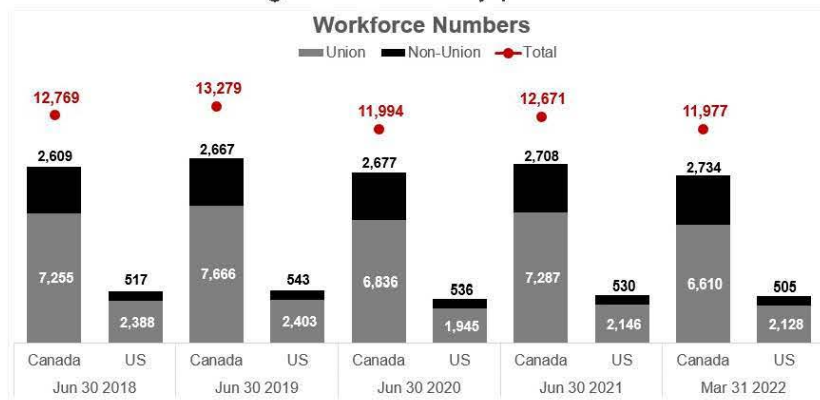
Focus on US Grain



CP Workforce and Hiring

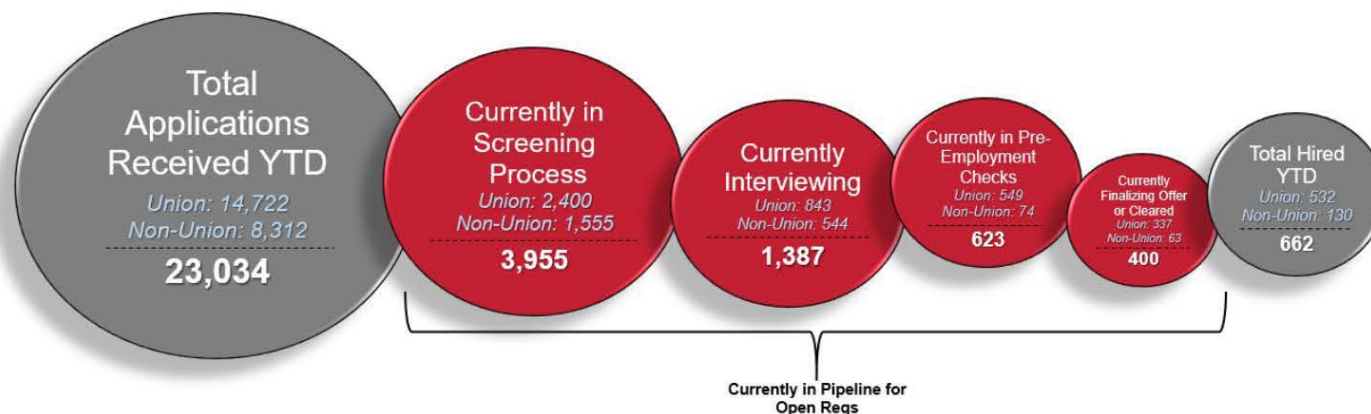
CP has maintained appropriate workforce and has robust hiring plans

- CP workforce has grown from early pandemic lows



- Labor market has tightened and is back to pre-pandemic levels with about 3.8% unemployment
- CP has taken action to improve recruiting process
 - Focus on candidate experience
 - Leveraging technology such as virtual interviews, social media campaigns, automated recruiting workflows
 - Improved data analytics to drive recruitment and hiring decisions
 - Expanded marketing and sourcing tools

- CP is very active in hiring to meet attrition and growth requirements

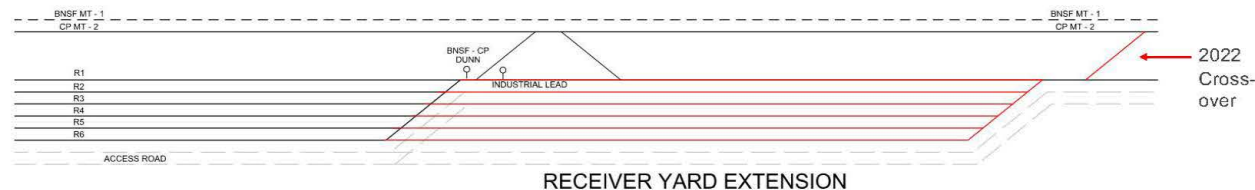


Foundation for Successful Execution

Network configured to support PSR operations

- **Network infrastructure to support PSR operating model:**
 - Yards with long tracks to efficiently handle trains
 - Siding infrastructure between terminals
- **CP has spent over \$750 million dollars over the last decade on creating the infrastructure needed**
 - New sidings and siding extensions
 - Centralized traffic control
 - Yard reconfigurations across network
 - St Paul yard is illustrative with track extensions from 6,800' – 7,200' up to 9,800' – 10,300'

2015 Yard Improvements



- **Effective implementation yields safe growth and customer satisfaction**
 - Continued improvements in safety
 - 1.80 to 0.99 on FRA reportable train accidents since 2013
 - Customer Satisfaction going from 6.5 in 2014 to 7.3 in 2021

