



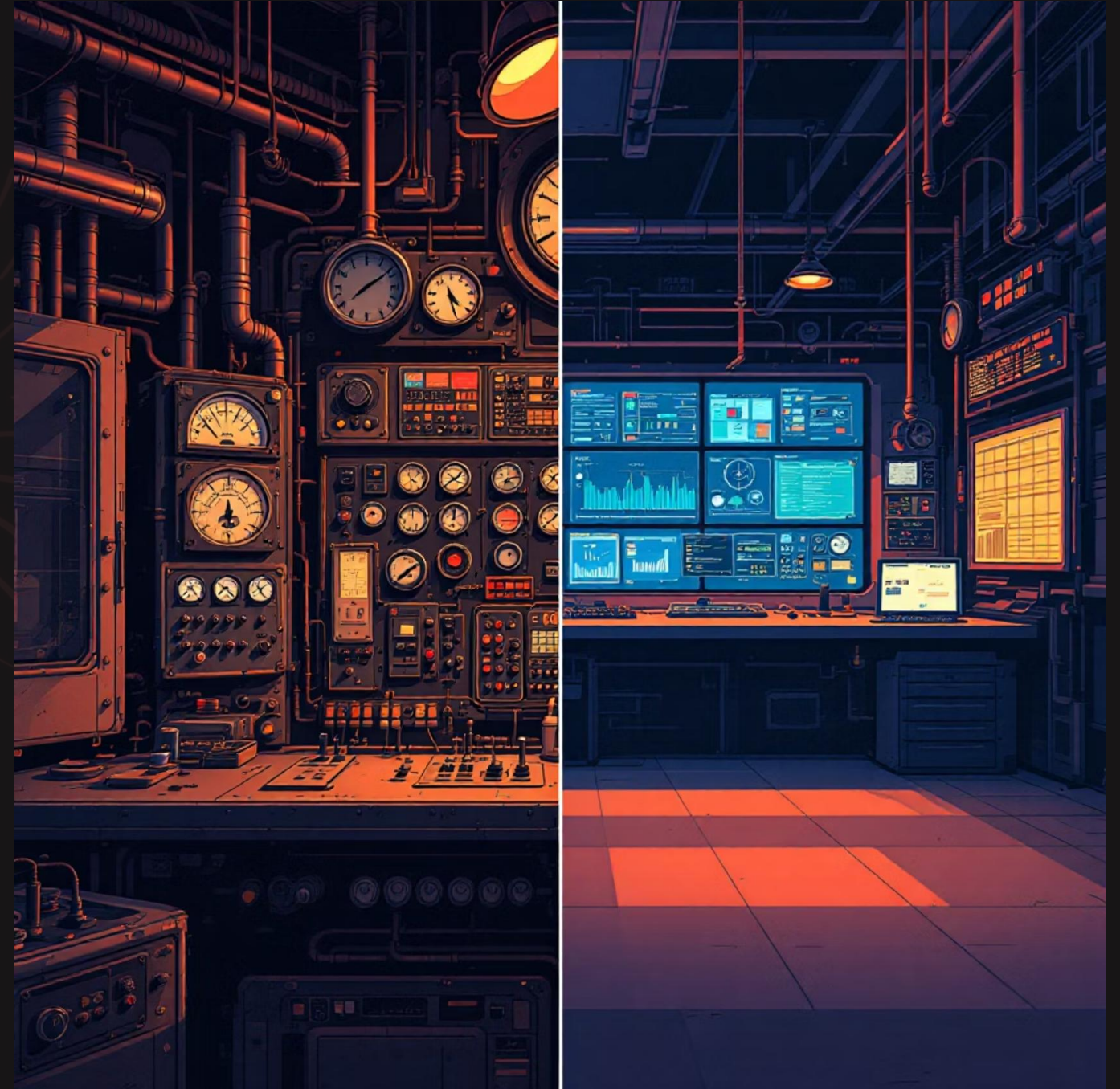
The Unwavering Steel: CPKC's AI-Powered Future

A legacy spanning 140+ years. A titan that has moved history itself. But today, the disruptive force reshaping our industry isn't made of water—it's made of data, intelligence, and lightning-fast innovation.

Our Proud Legacy: Not a Guarantee

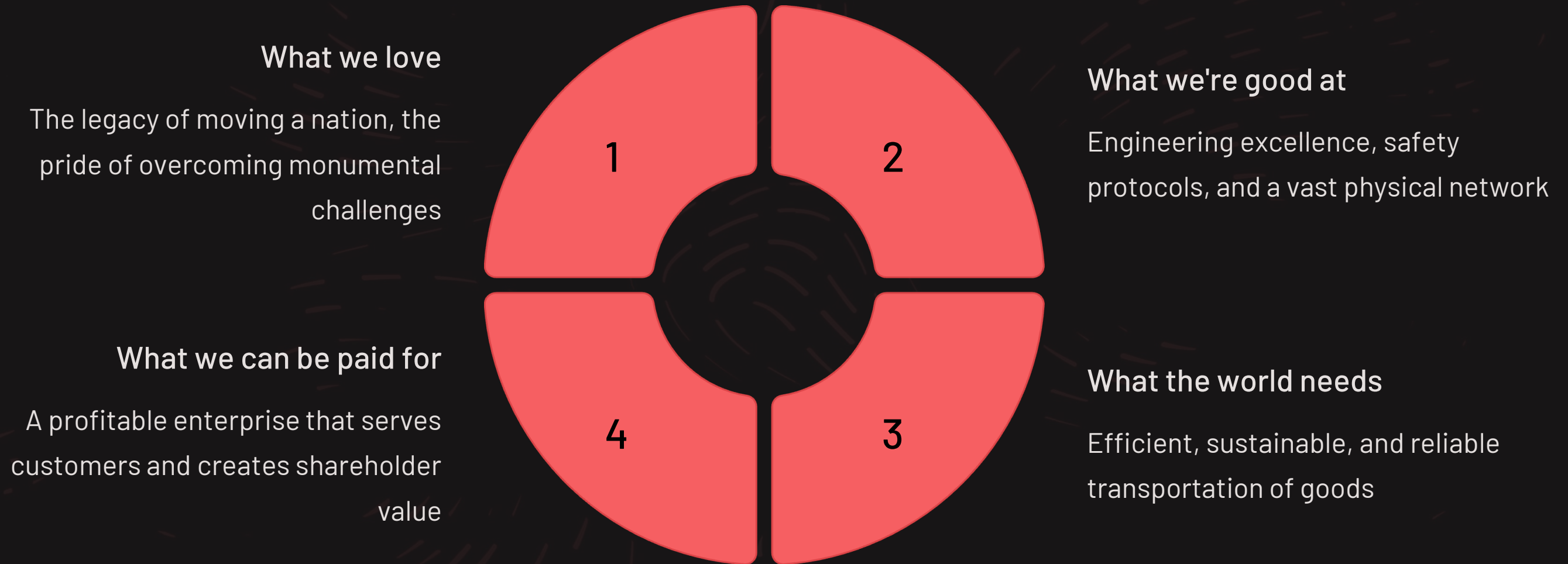
Since 1881, CPKC has stood as the backbone of North American commerce. Through world wars, economic depressions, and countless technological shifts, our resilience has been our hallmark.

But **even the mightiest mountain can be reshaped** by the slow, inexorable force of a river. Today's river is made of data and AI-driven innovation.



The Ikigai of CPKC: Finding Our Center

The Japanese concept of Ikigai represents our "reason for being"—the intersection of four essential elements:



Our core Ikigai is sound—but the intersection is being challenged by competitors who match our strengths with greater speed and precision.

SWOT: Our Bedrock Strengths

Unparalleled Legacy

A trusted name across North America for over 140 years, with deep customer relationships and institutional knowledge

Vast Infrastructure

An extensive rail network spanning the continent, representing physical assets that can't be easily replicated

Operational Expertise

Decades of experience in complex logistics operations across diverse environments and conditions

Merger Synergies

The combined strength of CP and KCS offers new routes and unprecedented market access

SWOT: The Chinks in Our Armor

Legacy Mindset

The perception of being "too big to fail" has created resistance to change and complacency

Slow Technology Adoption

Traditional processes are less agile than competitors', limiting our ability to innovate quickly

Risk of Disruption

Vulnerable to competitors offering more personalized, data-driven logistics solutions

Operational Inefficiencies

Without AI and automation, hidden inefficiencies persist in routing, maintenance, and resource allocation





The question isn't whether our competitors
will catch up—

It's whether they will surpass
us.

CN Rail: Not Standing Still

While we focus on our past achievements, CN is building the railway of the future:

- Actively exploring AI implementation for years
- Using data to optimize routes and predict maintenance needs
- Improving customer service through digital transformation
- Reducing major derailments through predictive analytics

This is not a hypothetical threat— it's happening right now.

1%

Derailment Reduction

Even this small improvement through AI creates enormous safety and cost benefits

65%

Faster Resolution

AI-powered customer support resolves issues in minutes vs. hours

The Smart Rail Initiative: Our Path Forward

This isn't about replacing our people or legacy—it's about empowering them through strategic, phased adoption of Generative AI:



Transformational Benefits



Operational Excellence

30-40% reduction in unscheduled downtime through predictive maintenance

Customer Loyalty

Real-time visibility and proactive issue resolution creating unmatched experience

Employee Empowerment

AI handling routine tasks, freeing skilled workers for high-value decisions

Competitive Advantage

Establishing CPKC as the innovation leader in North American rail

The Legacy of Innovation

CPKC's legacy isn't just about what we've done; it's about our capacity to adapt and overcome. Our past triumphs were built on innovation—the steam engine, the transcontinental railway.

Today, our engine is data, and our railway is the digital network. To continue as the backbone of North America, we must embrace the intelligence that will make us stronger, safer, and more indispensable than ever before.

This is not a threat—it's our next great chapter.

