



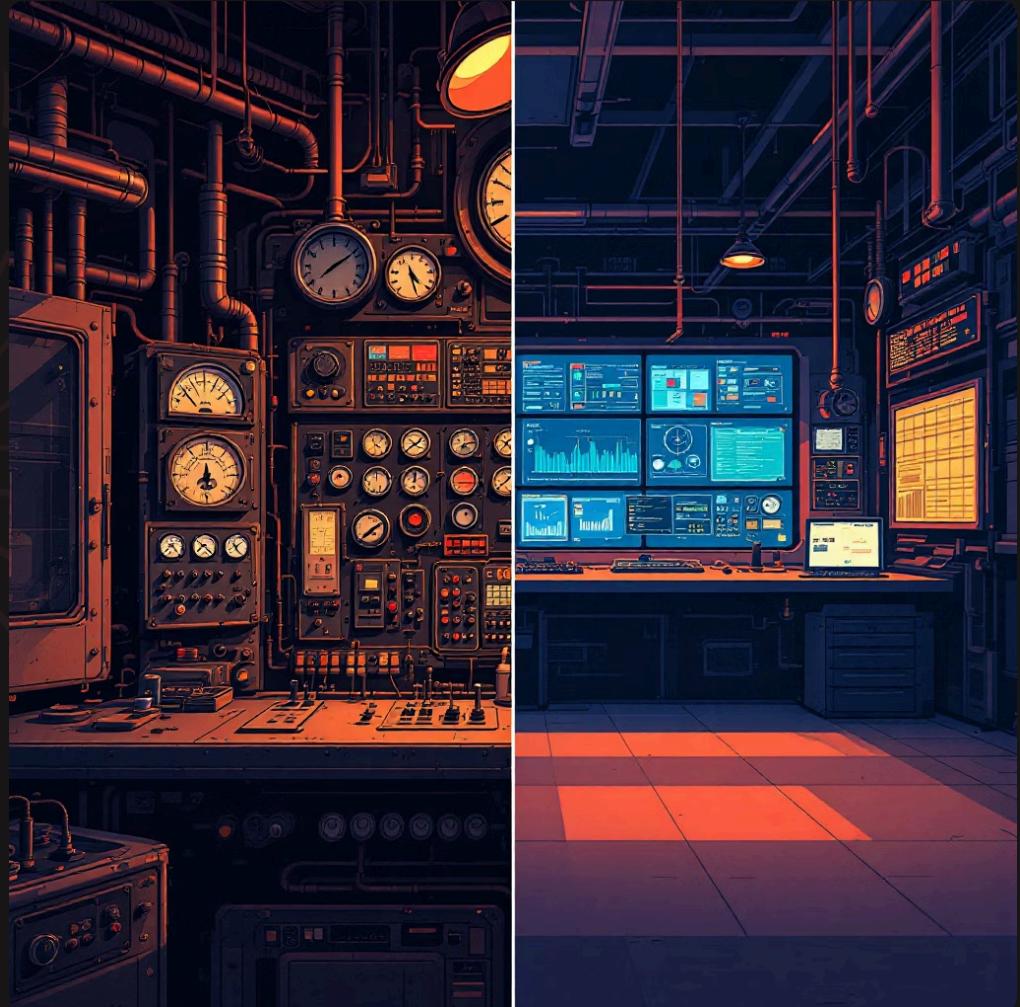
# The Unwavering Steel: CPKC's AI-Powered Future

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.



Our competitors aren't just other rail companies—they're disruptors, data-driven logistics firms, and technology giants redefining how goods move across continents.

# The Ikigai of CPKC: Finding Our Center

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

**What we love**

The legacy of moving a nation, the pride of overcoming monumental challenges

**What we can be paid for**

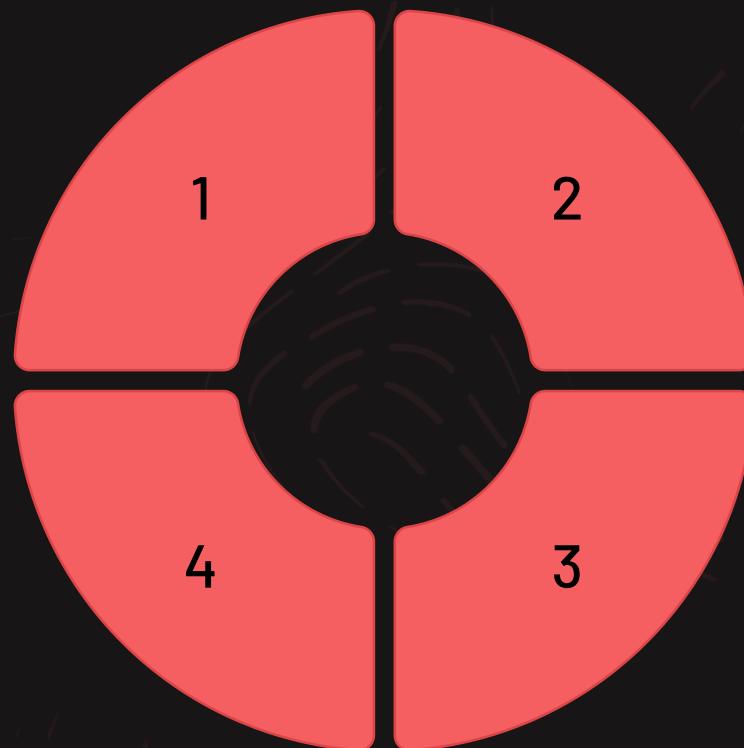
A profitable enterprise that serves customers and creates shareholder value

**What we're good at**

Engineering excellence, safety protocols, and a vast physical network

**What the world needs**

Efficient, sustainable, and reliable transportation of goods



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

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

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

# 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.

