

Waste Management

Why It Matters

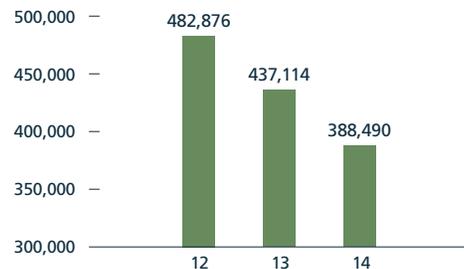
Reducing the environmental impacts associated with resource consumption is an important part of our environmental stewardship responsibilities. The growing demand for products and services is placing considerable strain on resources, as well as the land space to accommodate waste accumulation. This is why we are focused on doing more with less, while preventing and reducing our waste consumption.

Responsible material stewardship and better waste management strategies enable us to realize cost efficiencies, lessen our environmental impact, increase productivity, and give our employees a sense of pride for being part of a company that cares about the future.

20% reduction since 2012

Total Operational Waste Generated⁽¹⁾

Metric tonnes



(1) Including all operational waste streams.

Our Initiatives

Reducing Waste at Source

Over the past few years, we continued to establish a more robust waste inventory. The new waste inventory has enabled us to target resource materials that generate significant quantities of waste. With a clearer focus, we partner with our suppliers to promote more sustainable materials, reduce packaging and increase recycling and reuse.

Reusing Materials

We continue to reuse materials from our buildings and yards, including used oil, concrete ties, engine coolants, and wastewater from treatment plants to wash locomotives.

Recycling Waste

Through our EcoConnexions Program, we are engaging our employees and strengthening our culture of waste management. We continue to increase awareness of waste sorting and recycling opportunities, while sharing best practices across the network. Our recycling initiatives include paper and cardboard, plastic, batteries, electronic waste, scrap metals, rail, railcars and rail ties.



STAKEHOLDERS ASK:

Q. What is CN doing to prevent and address waste from accidental spills?

A. Our environmental management program provides procedures to prevent and minimize spills, including direction on shipping and receiving dangerous goods, storage tank management and truck to locomotive fuelling.

When incidents do occur, we have in place robust emergency response plans to minimize the impact of spills and releases of hazardous materials in surrounding communities and the natural environment. We continue to track our environmental liability performance, and are proactively managing and reducing our risks.

STELLA KARNIS

Senior Manager, Environmental Affairs

IN FOCUS:

Sustainable Procurement Promoting Cleaner Products and Services

OBJECTIVE:

We are committed to engaging with our suppliers to promote and encourage sustainable procurement options that consider the entire life cycle of the products and services we use.

We integrate environmental, social and governance considerations during the selection and assessment of our suppliers and subcontractors. All our third-party business partners are required to comply with the law, adopt the strongest ethical standards and are encouraged to adhere to our Code of Business Conduct.

We encourage initiatives that prevent the generation of waste at source, and collaborate with our suppliers to promote sustainable procurement options that consider the entire product life cycle. We've introduced environmental product innovations such as Bio-Circle, collaborated on packaging optimization such as boomerang boxes and pallets, and encouraged bulk packaging.

In 2014, we signed a contract with a new waste service provider with an innovative waste reduction service agreement, which will enable us to better track our waste volumes and meet our waste reduction targets.

RESULTS:
**Approximate Boxes
Avoided**

5,200

one-time-use boxes avoided at CN headquarters

**Hazardous Waste
Eliminated**

30,000

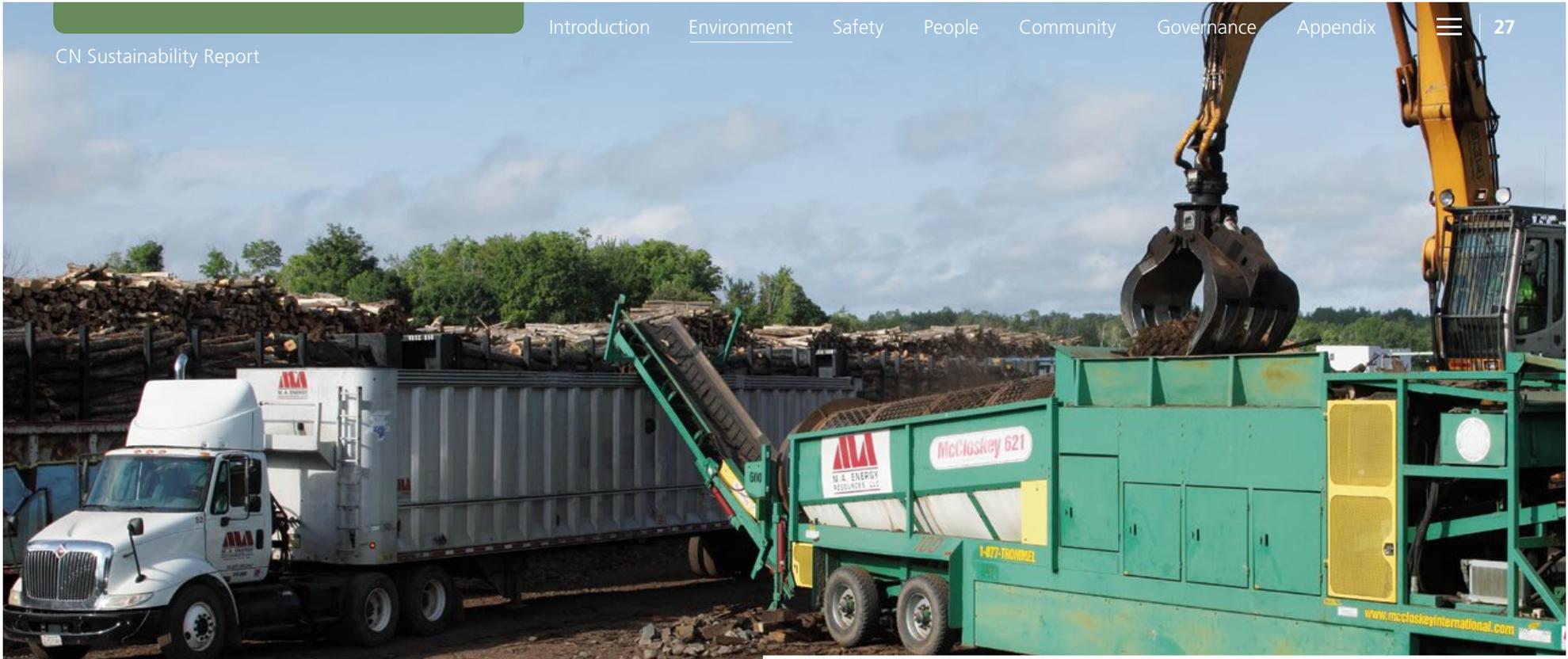
estimated litres of hazardous chemical waste eliminated by using a solvent-free parts cleaning system

**ABOVE (FROM TOP):**

Mike Barsby and Alain Theriault, heavy duty mechanics and EcoChampions, using bulk 200-L drums, eliminating the use and need to recycle an estimated 781 small 4-L oil jugs annually.

Brigitte Michaud, Senior Agent, Supply Management and EcoChampion, using a reinforced, reusable cardboard box that is bar coded and tracked for return to the supplier – for reuse up to 12 times.

Matthew Van Severen, Work Equipment Supervisor and EcoChampion, using Bio-Circle, a safe, solvent-free parts cleaning system that eliminates hazardous waste.



ABOVE:
Mike Singelyn, Senior Manager Materials and Facilities (second from right), with M.A. Associates employees and screening machine in the background.

Recycling Waste Our New Solution for Scrap Tie Debris Disposal

We generate over two million scrap rail ties every year and send them to power plants, which burn the chips to create electricity (co-generation). However, one of the challenges is that badly deteriorated rail ties break down and often mix with debris, making them unusable for co-generation.

Mike Singelyn, Senior Manager Materials and Facilities, together with Reid Bodley, Manager Waste and Resource Conservation, and Heritage Interactive, CN's waste service provider, collaborated on an innovative solution to reduce waste from rail tie debris at our rail tie disposal hub in L'Anse, Michigan. "We worked with local main vendor M.A. Associates to implement a screening solution to capture wood fragments and send them for co-generation – we expect to reduce waste to landfill by over 1,000 tons this year," says Mike Singelyn.