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# SUPPLIER CODE OF CONDUCT

Approved by: President & CEO  
Effective: July 27, 2020

## 1.0 Objective

The Supplier Code of Conduct (the “Policy”) provides a framework to establish a commitment to environmentally and socially responsible practices throughout the operations of Canadian Pacific Railway Limited (“CPRL”) and Canadian Pacific Railway Company (“CPRC”) and their respective subsidiaries (collectively, “CP”), including the sourcing of goods and services. The Policy confirms CP’s broader commitment to uphold human rights, environmental stewardship and responsible business practices and outlines the type of commitments CP expects its suppliers and contractors of goods and services (collectively, “Suppliers”) to make.

## 2.0 Policy Statement

CP is committed to conducting business in an ethical, legal and socially responsible manner and we strive to extend these same commitments to our Suppliers. Our management has set out protocols aimed at ensuring that Suppliers work responsibly, and align with CP’s social and environmental commitments.

## 3.0 Scope

The Policy applies to all CP employees, directors, officers, agents, contractors and representatives (collectively “CP Personnel”) and Suppliers who provide goods and/or services to CP regardless of geography. With respect to CP Personnel or Suppliers who provide goods and/or services for CP and who are not in a direct employment relationship with CP, to the extent applicable, it is expected that such CP Personnel will either abide by the Policy or undertake, as a condition of their engagement with CP, to adhere to the principles and standards of business conduct consistent with the Policy.

## 4.0 Commitments

- CP commits to working and engaging with economically, socially and environmentally responsible Suppliers.
- CP is committed to developing relationships with Suppliers who proactively integrate ethical, legal and socially responsible commitments and standards into their organizations that are aligned with those of CP.
- CP is committed to working with and developing relationships with Suppliers who:

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- Align with CP's Environmental Policy and commitments and maintain practices that promote environmental health, including monitoring the use of water, energy and natural resources, measuring and reducing the impact from operational waste and greenhouse gas emissions, and complying with all applicable environmental laws and regulations.
- Maintain a sustainable procurement policy for themselves and their own suppliers and contractors.
- Uphold strong standards of business ethics in accordance with applicable laws and CP's Code of Business Ethics, and will not tolerate corruption, insufficient protection of confidential information, anti-competitive practices, bribery or fraud in any form.
- Uphold the fundamental human rights of its workforce in alignment with CP's Human Rights Policy, including but not limited to:
  - Promoting employment equity, inclusivity and diversity across its workforce;
  - Maintaining a workplace that is free from harassment, discrimination or violence;
  - Respecting the fundamental human rights of the communities in which they operate; and,
  - Respecting the cultures, customs and values of the communities in which they operate, including respecting the rights of Indigenous peoples.

## 5.0 Implementation

- Implementation of this Policy is led by CP's Assistant Vice-President, Procurement. A team (the "Supplier Compliance Team") consisting of senior leadership, middle level managers and personnel of the CP procurement group is responsible for coordinating the implementation of this Policy.
- The Supplier Compliance Team is responsible for collaborating with CP's Sustainability and Environmental group for regular updates and feedback on this Policy. The Supplier Compliance Team also provides formal training to all procurement personnel regarding this Policy and updates on any developments to this Policy.
- Full implementation of all commitments and appropriate monitoring and reporting requires a period of transition. CP will review procedures, communication and training needs and other documents or processes to provide for alignment, consistency and effective governance of the Policy. Accordingly, the current projected completion date for implementation of the Policy will be July 29, 2022.

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## 6.0 Monitoring

- CP requires that all Suppliers read and understand this Policy. CP's Supplier Compliance Team is available to facilitate Supplier access to resources that can help Suppliers meet these commitments. CP will leverage the following measures to assure Supplier compliance:
  - A formal auditing process (including monitoring and regular reporting) conducted annually by the Supplier Compliance Team to address the performance of our Suppliers (using internally developed Key Performance Indicators) regarding compliance with the Policy.
  - CP's employees and Suppliers can report known or suspected issues of non-compliance with this Policy by sending an email to [suppliers@cpr.ca](mailto:suppliers@cpr.ca) or anonymously by using CP's independently managed Alert Line (A-Line) at 1-888-279-6235 or filing a report at <http://secure.ethicspoint.com/domain/media/en/gui.22547/index.html>.

## 7.0 Compliance

- All CP Personnel and Suppliers are expected to comply with the Policy in the context of their work for CP. Any non-compliance with the Policy may result in a disciplinary action, up to and including termination of agreement, contract, relationship, employment, or legal action as appropriate, or both.

## 8.0 Reporting

- Monitoring and reporting periodically on CP's performance and compliance with the Policy is overseen by the CP procurement group and reported to CP's Sustainability Steering Committee, Executive Committee, President and CEO, and the Risk and Sustainability Committee of the Board of Directors by the Assistant Vice-President, Procurement and Executive Vice-President, Operations.
- Results of supply chain performance are communicated through CP's annual reports, sustainability reports, website, submissions to CDP and other public disclosures.

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