Module: Introduction

Page: Introduction

CC0.1

Introduction
Please give a general description and introduction to your organization.

Canadian Pacific strives to be the North American rail industry leader in environmental protection. Our commitment to conduct environmentally responsible and sustainable business operations is at the core of our franchise and it is the collective responsibility of our employees to ensure that we protect our environment. Our pledge to clean operations benefits our land, our water and our air. Good environmental practices don't just make sense from a corporate responsibility perspective; they are inseparable from sound business practices.

The transportation sector accounts for slightly more than one quarter of the greenhouse gas emissions in Canada and the United States. Railways move approximately 70% of all freight on a tonne-kilometre basis in Canada but only account for 3.6% of the greenhouse gas emissions from the transportation sector. Despite this inherent efficiency, Canadian Pacific recognizes the importance of continuing to strive for improvements in our operations to drive down emissions of greenhouse gases.

Canadian Pacific is driving change as it moves through its transformational journey to become the best railroad in North America, while creating long-term value for shareholders. The company is focused on providing customers with industry leading rail service; driving sustainable, profitable growth; optimizing our assets; and reducing costs, while remaining a leader in rail safety.

CC0.2

Reporting Year
Please state the start and end date of the year for which you are reporting data.
The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.
Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed
Tue 01 Jan 2013 - Tue 31 Dec 2013

CC0.3

Country list configuration

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response.

Select country
Canada
United States of America

CC0.4

Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

USD($)

CC0.6

Modules

As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sectors, companies in the oil and gas industry, companies in the information technology and telecommunications sectors and companies in the food, beverage and tobacco sectors should complete supplementary questions in addition to the main questionnaire.

If you are in these sectors (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will not appear below but will automatically appear in the navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net.

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see https://www.cdp.net/en-US/Programmes/Pages/More-questionnaires.aspx.

Further Information

This report contains certain forward-looking statements relating but not limited to our operations, anticipated financial performance, planned capital expenditures, and business prospects. Undue reliance should not be placed on forward-looking information as actual results may differ materially. By its nature, CP's forward-looking information involves numerous assumptions, inherent risks and uncertainties, including but not limited to the following factors: changes in business strategies; general North American and global economic, credit and business conditions; risks in agricultural production such as weather conditions and insect populations; the availability and price of energy commodities; the effects of competition and pricing pressures; industry capacity; shifts in market demand; inflation; changes in laws and regulations, including regulation of rates; changes in taxes and tax rates; potential increases in maintenance and operating costs; uncertainties of investigations, proceedings or other types of claims and litigation; labour disputes; risks and liabilities arising from derailments; transportation of dangerous goods; timing of completion of capital and maintenance projects; currency and interest rate fluctuations; effects of changes in market conditions and discount rates on the financial position of pension plans and investments; and various events that could disrupt operations, including severe weather, droughts, floods, avalanches and earthquakes as well as security threats and governmental response to them, and technological changes. Other risks are detailed from time to time in reports filed by CP with securities regulators in Canada and the United States. Reference should be made to "Management's Discussion and Analysis" in CP's annual and interim reports, Annual Information Form and Form 40-F. Except as required by law, CP undertakes no obligation to update publicly or otherwise revise any forward-looking information, whether as a result of new information, future events or otherwise.

Module: Management

Page: CC1. Governance

CC1.1

Where is the highest level of direct responsibility for climate change within your organization?

Individual/Sub-set of the Board or other committee appointed by the Board

CC1.1a

Please identify the position of the individual or name of the committee with this responsibility

Name of the Committee: Safety, Operations and Environment Committee of the Board of Directors

The Safety, Operations and Environment Committee provides oversight on, and assists the Board of Directors in discharging its oversight responsibilities with respect to health, safety, security and environmental issues including climate change.

The committee is provided with information on regulatory developments and emissions information with respect to climate change by the Environmental and Hazardous Materials Transportation group.

CC1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

CC1.2a

Please provide further details on the incentives provided for the management of climate change issues

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator
Corporate executive team	Monetary reward	Internal fuel efficiency and greenhouse gas efficiency target
Management group	Monetary reward	Internal fuel efficiency and greenhouse gas efficiency target
Other: Operations Employees	Monetary reward	Internal fuel efficiency and greenhouse gas efficiency target

Further Information

Page: CC2. Strategy

CC2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Individual/Sub-set of the Board or committee appointed by the Board	Canada and the United States	3 to 6 years	

CC2.1b

Please describe how your risk and opportunity identification processes are applied at both company and asset level

In the normal course of our operations, we are exposed to various climate change risks and opportunities that can have an effect on our financial condition.

As part of the preservation and delivery of value to our shareholders, we have developed an integrated Enterprise Risk Management framework to support consistent achievement of key business objectives through daily pro-active management of risk and recognition of opportunities.

Company Level:
At the company level potential climate change risks and opportunities are identified through an interdisciplinary approach involving a number of different departments. The Environment and Regulatory group monitors regulatory and policy developments at the international, national and state/provincial level to identify any changes that may either affect or present opportunity for the company with respect to climate change. Other developments such as carbon taxation systems may also involve Finance, Marketing and Sales and the Enterprise Risk Management group.

Notable developments are reported bi-annually to the Safety, Operations and Environment Committee of the Board of Directors as well as other company departments as required by the Environment and Regulatory group.

Asset Level:

Potential physical risks associated with climate change include damage to railway infrastructure due to extreme weather effects, (e.g. increased flooding, winter storms) are identified and evaluated by Engineering. Improvements to infrastructure design and planning are used to mitigate the potential risks posed by weather events. Canadian Pacific maintains flood plans, winter operating plans, an avalanche risk management program and geotechnical monitoring of slope stability.

CC2.1c

How do you prioritize the risks and opportunities identified?

Each risk or opportunity identified is assessed based on the potential impact and likelihood, taking account of financial, environmental, and reputational impacts, and existing management control. Risk mitigation strategies are formulated to accept, treat, transfer, or eliminate the exposure to the identified events or to take advantage of noted opportunities.

CC2.1d

Please explain why you do not have a process in place for assessing and managing risks and opportunities from climate change, and whether you plan to introduce such a process in future

Main reason for not having a process	Do you plan to introduce a process?	Comment

CC2.2

Is climate change integrated into your business strategy?

Yes

CC2.2a

Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process

i) How the business strategy has been influenced:

CP's philosophy is that effective governance involves more than policies, procedures and protocols; it must be integrated into the everyday business practices of all those who work for CP. We believe that corporate sustainability creates shareholder value. It is a part of everything we do.

Information on climate change is identified by different groups within the company and then communicated as required. The Environment and Regulatory group monitors climate change related policy and regulatory developments and communicates these to senior management in potentially affected departments including Operations, Marketing and Sales, Finance and Taxation. Engineering is responsible for evaluating changes to infrastructure and the related environmental factors such as water levels, avalanche risk, storm potentials, etc. This information is then relayed to planning teams that factor in capital upgrade requirements and operating strategies. The company has a multi-year fuel intensity target that reflects 95% of our greenhouse gas emissions. This target is one of our corporate key performance indicators and is based on extensive analysis including the information discussed above.

ii) What aspects of climate change have influenced the strategy:

Regulatory Changes: The most influential changes in regulations related to emissions from our locomotive fleet which represent 95% of our GHG emissions. However others include the introduction of carbon taxation systems and regulatory changes that affect our customers.

Need for Adaptation: The physical risks of climate change such as natural disasters, flooding, and extreme weather events require a continuous evaluation of our 14,000 miles of track and associated infrastructure. They influence our day to day operating plans as well as our capital planning process.

Opportunities for Sustainable Business: Over 25% of national greenhouse gas emissions come from the transportation sector. The movement of freight is critical to the national economy and CP believes that rail provides a sustainable alternative to other forms such as long haul trucking. As part of our strategy we promote the fact that modal shift to rail offers shippers the opportunity to move their goods in a less carbon-intensive manner.

iii. The most important components of the short term strategy that have been influenced by climate change.

Our short term strategy looks at initiatives in the next four years.

Locomotive Fleet Renewal:
In 2013 we acquired 20 new EMD SD-30 locomotives to help modernize our road switching locomotive fleet. These locomotives use older locomotive bodies and replace the engine with one that is 15-20% more fuel efficient than their predecessors and improve air pollutant emissions as well.

Operational Strategy:
In 2013, we continued to increase the length of trains in key product groupings which helps to reduce train starts, the number of locomotives required and increases network speed and productivity. All of this results in improvements in fuel efficiency (8% improvement). A number of longer track sidings also came on line in 2013 which reduces the need for idling at train meets in single-track locations.

These initiatives all form part of our 2016 goals for network velocity and fuel efficiency.
iv) The most important components of the long term strategy that have been influenced by climate change.

Looking further ahead we continue to explore alternative fuels for locomotive operations such as liquefied natural gas as well as new locomotive technologies.

v) Strategic advantage over competitors: CP's main competition for freight transportation in Canada and the U.S. includes other railways, trucking and barge companies. Our focus on climate change through improvements in locomotive fuel efficiency has allowed us to present a low carbon intensive option to remain competitive with other modes of transportation. In fact, on average rail is 3-4 times more fuel efficient than truck which offers shippers an opportunity to move their products with less greenhouse gas emissions. We continue to emphasize the need to improve our operational efficiency which will allow us to maintain this advantage into the future. This involves a continual review of operational plans, locomotive fleet sizing and renewal and exploration of alternative fuels such as liquefied natural gas.

We report on our progress, challenges and
future plans involving climate change through our biennial sustainability report, as well as through our company website, www.cpr.ca. Our website also includes a carbon footprint calculator that allows shippers to understand the difference in greenhouse gas emission between long haul truck and rail movements.

vi) The most substantial business decisions during the year were:

- $1.2B in capital improvements to infrastructure to ensure an efficient network (adaptation and physical risks)
- Acquisition of new SD-30 locomotives (opportunity for sustainable business)
- Increased length and weight of trains to drive further efficiencies (improved fuel efficiency).

CC2.2b

Please explain why climate change is not integrated into your business strategy

CC2.3

Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)

Direct engagement with policy makers
Trade associations
Other

CC2.3a

On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Energy efficiency	Support	Canadian Pacific is participating with other Class 1 railways in the US-Canada Regulatory Cooperation Council on greenhouse gas emissions in the rail sector. This involves direct engagement with policy makers from the US EPA and Transport Canada.	Exploring voluntary agreements to cover rail sector emissions in Canada and the United States between the Canadian and U.S. governments and the rail sector as represented by the Railway Association of Canada, the Association of American Railroads and individual member companies, including Canadian Pacific. The agreement will include a railway industry target for reduction in greenhouse gas intensity.
Energy efficiency	Support	Canadian Pacific is participating in a voluntary memorandum of understanding (2011-2015) on reducing locomotive emissions in Canada. Canadian Pacific is an active member on both the management and technical committees (chair) under the Memorandum of Understanding. This involves direct engagement with policy makers from Transport Canada and Environment Canada.	The agreement includes a target of reducing greenhouse gas emission intensity by 6% from 2010 levels by the end of 2015.

CC2.3b

Are you on the Board of any trade associations or provide funding beyond membership?

Yes

CC2.3c

Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
Railway Association of Canada	Consistent	From the RAC website: "Environmental policies in Canada, at federal and provincial levels of government, are being developed in response to public demands for improved air quality, reductions in greenhouse gas (GHG) emissions and increased energy efficiency. Overall, Canada is faced with the challenge of reducing emissions growth in a highly competitive global economy. At the same time, Canada's economic strength and community wellbeing must be assured. A key component in an environmental strategy must be the role the rail sector can play in reducing emissions associated with transportation activity. Currently, the transportation sector, the largest single source of GHGs, contributes 27 per cent of GHGs produced in Canada. Rail is well positioned as a solution to reducing GHG emissions associated with transportation activities. Canada's rail business moves 70 per cent of the surface freight on a tonne-kilometer basis but produces only 3 percent of transportation sector GHGs. Canadian rail is in a unique position to meet the challenge facing Canadian communities and industries by offering environmentally sustainable transportation today and into the future. Canada must encourage and enable an effective and sustainable transportation system to serve the nation and its regions. A system that enhances movement of freight and passengers by rail and continually strengthens Canada's and competitiveness is critical to our nation's economic well-being. Canada's Rail business has made a significant contribution to environmental sustainability in the past and it is well positioned to play an important role in the future. In an effort to management locomotive emissions, the RAC and its member railways entered into a Memorandum of Understanding with Transport Canada and Environment Canada. Under this agreement, the rail industry committed to greenhouse gas (GHG) reduction targets, on an	Canadian Pacific is actively engaged as members of the following relevant committees of the Board of Directors: Environment Committee and as the current chair of the Safety and Operations Management Committee. Through our participation in these committees we are engaged directly with the association and support the position as described.

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
		intensity basis, for Class 1 freight railways, short line freight railways, intercity passenger rail, and commuter rail as well as efforts to reduce emissions of criteria air containments. The industry is ready to continue to work with governments, communities and other private sector partners to increase the sustainability of the Canadian economy."	
Association of American Railroads	Consistent	From the AAR website: "Expanded use of freight rail offers a simple, inexpensive, and immediate way to meaningfully reduce greenhouse gas emissions without harming the economy. On average, railroads are four times more fuel efficient than trucks. That means moving freight by rail instead of truck reduces greenhouse gas emissions by 75 percent. According to Environmental Protection Agency (EPA) data, freight railroads account for just 0.6 percent of U.S. greenhouse gas emissions from all sources and just 2.2 percent of emissions from transportation-related sources."	Canadian Pacific is actively engaged as a member of the Environmental Affairs Committee. Through our participation on this committee we are engaged directly with the association and support the position as described.

CC2.3d

Do you publically disclose a list of all the research organizations that you fund?

CC2.3e

Do you fund any research organizations to produce or disseminate public work on climate change?

CC2.3f

Please describe the work and how it aligns with your own strategy on climate change

CC2.3g

Please provide details of the other engagement activities that you undertake

i) Method of Engagement:
On November 14th, 2013, CP participated along with others from the transportation industry, federal, provincial and territorial departments and other organizations from across Canada to scope out an assessment of climate change impacts and adaptation for the Canadian transportation sector. This involved direct engagement with policy makers from Transport Canada, Natural Resources Canada and Environment Canada.

The assessment will gauge the current state of knowledge on climate change risks and opportunities, and adaptation measures for the Canadian transportation sector. Transport Canada and Natural Resources Canada are the project co-leads.

ii) Topic of the Engagement: Climate Change Adaptation
iii) The scoping meeting included an overview presentation from Dr. Jean Andrey of the University of Waterloo, as well as several presentations from jurisdictions and industry highlighting key issues and actions taken to address climate change risks. Discussions took place within break-out groups, and a plenary discussion focused on key issues and needs with respect to climate change adaptation for the transportation sector.

iv) Actions advocated as part of engagement:
Primary climate change concerns identified by participants during the meeting included service disruptions, safety concerns, and damage to infrastructure. Needs identified included: improved data; information sharing; science to support the business case for action and investment; as well as best practices, guidance, and tools to help the sector adapt in the near term. Where participants already accepted that climate change presents risks, they emphasized the need to move beyond the climate impact assessment process to practical guidance and policy.

CC2.3h

What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Individuals that play a role in the engagement activities mentioned are responsible for communicating all actions and policy developments to senior management within the company. Activities are also reported to the Safety, Operations and Environment Committee of the Board of Directors to ensure consistency with the company's climate change strategy.

CC2.3i

Please explain why you do not engage with policy makers

Further Information

Page: CC3. Targets and Initiatives

CC3.1

Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

Intensity target

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment

CC3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment
Int1	Scope 1	96%	1.38%	Other: kilograms of CO2e per thousand gross-ton-mile	2012	13.0811	2013	

CC3.1c

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
Int1	Increase	3.8	No change		

CC3.1d

For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
Int1	100%	100%	Our normalized 2013 emissions were 12.12 kilograms per gross-ton mile. We therefore beat our target by 0.96 kg/GTM. As a result we reduced absolute emissions by 2.5% over the base year of 2012.

CC3.1e

Please explain (i) why you do not have a target; and (ii) forecast how your emissions will change over the next five years

CC3.2

Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

No

CC3.2a

Please provide details of how the use of your goods and/or services directly enable GHG emissions to be avoided by a third party

CC3.3

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and implementation phases)

Yes

CC3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	
To be implemented*	0	
Implementation commenced*	0	
Implemented*	4	83198
Not to be implemented	0	

CC3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative, years	Comment
Transportation: fleet	The projects implemented involve the acquisition of new fuel efficient locomotives, operational changes to lengthen trains and increase train weights, fuel trip optimizer software installations and other initiatives as part of our corporate locomotive fuel efficiency program. All projects involve reductions in Scope 1 emissions. They are all voluntary in relation to external regulators.	83198	18681807		1-3 years	25 Years	

CC3.3c

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Standards for locomotive emissions are set by the US EPA in the United States and shortly by Transport Canada in Canada. These standards are the baseline and drive investment in locomotive overhaul emission kits, idle-reduction technology at purchase and other technological initiatives.
Dedicated budget for energy efficiency	A continuous goal of improving fuel efficiency is in place at Canadian Pacific. In order to support this goal we allocate funds for obtaining new equipment (e.g. locomotives, railcars, lubrication systems, software systems) and to promote fuel conservation programs in house.

CC3.3d

If you do not have any emissions reduction initiatives, please explain why not

Further Information

Page: CC4. Communication

CC4.1

Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s)

Publication	Page/Section reference	Attach the document
In voluntary communications (underway) – previous year attached	Sections 1.4, 1.6, 2.2, 2.4, 2.5,3.3	https://www.cdp.net/sites/2014/66/2666/Investor CDP 2014/Shared Documents/Attachments/CC4.1/cp-csr-2013.pdf
In mainstream financial reports (complete)	Sections 4.8, 4.12, 4.15,	https://www.cdp.net/sites/2014/66/2666/Investor CDP 2014/Shared Documents/Attachments/CC4.1/Canadian Pacific - Annual Information Form (2013).pdf
In mainstream financial reports (complete)	Pages 31, 32, 69 and 70	https://www.cdp.net/sites/2014/66/2666/Investor CDP 2014/Shared Documents/Attachments/CC4.1/Canadian Pacific - Annual Report (2013).pdf

Further Information

Attachments include our 2013 Corporate Social Responsibility Report which is updated annually, our Annual Information Form and corporate Annual Report.

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

Have you identified any climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Risks driven by changes in regulation
Risks driven by changes in physical climate parameters
Risks driven by changes in other climate-related developments

CC5.1a

Please describe your risks driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Carbon taxes	Effective 1 July, 2008, pursuant to the Carbon Tax Act, S.B.C. 2008. c. 40, the province of British Columbia (“BC”) initiated a carbon tax on a wide range of fossil fuels. The assessment of this tax is based on the amount of fossil fuel consumed or burned within the province. As CP consumes locomotive diesel fuel within the province we are directly affected by this legislation in that we must pay the tax for each litre of fuel that we consume. There is the potential that this tax could increase in the future.	Increased operational cost	1 to 3 years	Direct	Likely	Low-medium	CP currently pays 7.67 cents for each litre of locomotive diesel fuel consumed within the province. Any potential increase in this charge would result in an increase in costs for fuel purchased for rail operations.	Canadian Pacific has created a tariff that addresses the BC Carbon Tax. Through CP tariff 9800, we require that all freight customers, with the exception of CTA regulated grain movements, pay a carbon tax surcharge per mile or container for movements within the province of British Columbia. Carload customers are charged 4.2 cents per mile while Intermodal customers are charged based on each unit that is shipped within the boundaries of BC dependant on the size of the unit and the distance it travels. Long distance (250 miles or more): $5.48 per twenty foot equivalent unit (TEU) Short haul (<250 miles): $1.58	The cost of management involves the manpower and IT costs to collect the carbon tax surcharge as outlined as well as monitoring regulatory changes.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								per TEU CP continues to monitor any regulatory developments with respect to an increase in the carbon tax.	
Uncertainty surrounding new regulation	CP is not currently regulated in Canada or the United States on emissions of greenhouse gases from locomotive operations. A potential regulation could take the form of a cap, mandatory emission intensity levels or other similar requirement. This would have a direct impact the cost of delivering freight service to our customers. It could potentially require modifications or newly designed locomotives or alternative fuels.	Increased operational cost	3 to 6 years	Direct	More likely than not	High	The financial implications of such a regulatory instrument are difficult to forecast without specific details. Potential impacts could range from simple modifications to existing approaches which may not increase the cost of business to the requirement for new locomotive designs, fuel types and associated infrastructure which could potentially result in costs in the billions.	CP Environment and Regulatory personnel monitor developments in locomotive emission regulations and are in regular contact with regulators in both Canada and the US on this matter. CP is actively participating in the development of a voluntary agreement on greenhouse gas emission from the rail sector with Transport Canada and the US EPA which would include an intensity target to be achieved within five years. By participating in this process we are better able to inform the process to	The cost of management involves work time and traveling costs to participate in discussions with the regulatory agencies for one FTE in the Environment and Regulatory group.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								ensure there is a balance between improvements in emissions and the cost of achieving those improvements.	

CC5.1b

Please describe your risks that are driven by change in physical climate parameters

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in precipitation extremes and droughts	This is both a current and anticipated risk which is felt throughout the network but focused in floodplains or in areas that present unique risks such as snow avalanche, landslide or subgrade	Reduction/disruption in production capacity	Up to 1 year	Direct	Very likely	High	In June 2013, both of CP's main routes to the Western Canadian ports were out of service due to flooding. Floods resulted in more than 40 washouts over a four-day period of historic flooding in Calgary and	Improvements to infrastructure design and planning are used to mitigate the potential risks posed by weather events. The Company maintains flood plans, winter operating plans, an avalanche risk management	In 2013, CP spent an estimated $1.2 billion on improving our track network to address the need for these types of improvements and to ensure the safety of our operations.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	failure. Experience over the past several years has shown the impact of these natural events and their capacity to affect the business. Flood events such as those seen in Calgary can shut down the rail line for extended periods of time, require complete track replacements, and increase the risk of derailments.						Southern Alberta. Network interruptions during the quarter impacted revenue growth by approximately $25 million or 2 per cent. This included the flood and a main line derailment in Ontario.	program and geotechnical monitoring of slope stability. Post-flood in 2013 projects were completed to improve slope stability and armoring on the Bow River in Southern Alberta.	
Change in temperature extremes	Extreme temperatures represent risks to railway infrastructure. Track buckling, unacceptable levels of rail movement, increased frequency of broken rails,	Reduction/disruption in production capacity	Up to 1 year	Direct	Very likely	High	The most likely financial implication due to extreme temperatures is due to the increased risk of derailments which carry the cost of recovery and clean-up as well as	Track infrastructure is monitored on a regular basis both visually by our track inspection personnel but also through newer scanning technology that we have been	In 2013, CP spent an estimated $1.2 billion on improving our track network to address the need for these types of improvements and to ensure the safety of

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	frozen switches and resulting need to replace track and equipment more frequently are all possible outcomes. Several of these can result in derailments or other incidents requiring shutdown of portions of the network exposing the company to financial risks.						disruption of operations and impact on reputation.	acquiring over the last number of years. Such technology includes track evaluation cars, hi-rail trucks that measure track geometry and rail wear and ultrasonic rail detection. This technology identifies defects prior to in-service failure. Other wayside technology is being acquired and installed to identify issues at the point of the wheel/rail interaction.	our operations.

CC5.1c

Please describe your risks that are driven by changes in other climate-related developments

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated Financial Implications	Management method	Cost of management
Other drivers	CP is exposed to commodity risk related to purchases of diesel fuel and the potential reduction in net income due to increases in the price of diesel. Fuel expense constitutes a large portion of our operating costs and volatility in diesel fuel prices can have a significant impact on income. Items affecting volatility in diesel prices include, but are not limited to, fluctuations in world markets for crude oil and distillate fuels, which can be affected by supply disruptions, geopolitical events and climate change related developments.	Increased operational cost	Up to 1 year	Direct	Very likely	High	Any increase in the price of fuel can impact the potential for revenues. Based on 2013 fuel costs an increase in pricing of even 1% would result in an additional $10M in fuel costs for the company.	CP employs a fuel cost recovery program designed to automatically respond to fluctuations in fuel prices and help mitigate the financial impact of rising fuel prices. Fuel surcharge revenue is earned on individual shipments; as such, our fuel surcharge revenue is a function of our freight volumes. In addition, we manage fuel expenditures through a continual focus on fuel efficiency programs in our operating plan. In 2013 we acquired 20 new EMD SD-30 locomotives to help modernize our road switching locomotive fleet. These locomotives use older locomotive bodies and replace the engine with one that is 15-20% more fuel efficient than their predecessors.	The short-term volatility in fuel prices may adversely or positively impact expenses and revenues due to fuel surcharge revenue as described.

CC5.1d

Please explain why you do not consider your company to be exposed to risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1e

Please explain why you do not consider your company to be exposed to risks driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1f

Please explain why you do not consider your company to be exposed to risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

Have you identified any climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Opportunities driven by changes in regulation
Opportunities driven by changes in physical climate parameters
Opportunities driven by changes in other climate-related developments

CC6.1a

Please describe your opportunities that are driven by changes in regulation

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
General environmental regulations, including planning	Increased attention on environmental assessment regulations and greenhouse gas emissions for new pipeline projects has led to opportunities for Canadian Pacific to provide service to shippers who would otherwise move product on these new pipelines.	New products/business services	1 to 3 years	Indirect (Client)	Virtually certain	High	The increased demand for crude by rail services has led to a significant increase in revenues associated with crude oil movements. Over the next few years there is the potential for the overall percentage of revenue from crude by rail to double to 10%. Based on current	1. Description of the methods used to manage the opportunity: CP is managing this opportunity through working with crude oil shippers and transloading companies to develop transload facilities near point of origin to allow for the transfer of crude oil from truck to rail. 2. Specific	Costs associated with this opportunity include human resources to manage transload opportunities as well as any necessary construction costs.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							revenues this could potentially add an additional $300M in revenue.	activities aiming to manage the opportunity: Currently over 100 of these facilities are operational with more expected to come on line as this line of business increases.	

CC6.1b

Please describe the opportunities that are driven by changes in physical climate parameters

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Snow and ice	Reductions in snowpack levels in mountain environments would reduce the avalanche risk associated with the current environment. This	Increased production capacity	>6 years	Direct	Very likely	Medium	Decreased avalanche risk would significantly reduce the need to spend funds on avalanche control as well as snow-clearing budgets during the winter in	Snowpack information is collected and used to guide maintenance in the at-risk regions. Noted reductions in risk or snowpack	Costs of management include a decrease in manpower required to conduct avalanche control and in

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	is particularly relevant to CP with our mainline running through several mountain chains in Western Canada. Further, larger snow pack levels can lead to problems with subgrade failures or drainage issues in the spring.						the mountain regions. Subgrade failures and water pooling led to an April 2013 derailment in Saskatchewan.	result results in changes to operational practices.	the development of annual avalanche plans.
Change in mean (average) temperature	Increased winter temperatures would reduce the impact on CP operations in the winter resulting in improved fuel efficiency. As an example, extreme low temperatures prevent the use of idle control technology for locomotives.	Increased production capacity	3 to 6 years	Direct	Very likely	Medium-high	The most likely financial implication due to increased temperatures in winter months is due to the decreased risk of derailments due to winter conditions. Derailments carry the cost of recovery and clean-up as well as disruption of operations and impact on reputation.	Winter temperatures are monitored and then used to determine operational limitations. This can include track speed and maintenance required.	In 2013, CP spent an estimated $1.2 billion on improving our track network to address the need for these types of improvements and to ensure the safety of our operations.

CC6.1c

Please describe the opportunities that are driven by changes in other climate-related developments

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Other drivers	The effects of climate change are expected to result in an increase in renewable energy growth. This presents an increased opportunity for CP in terms of transporting wind power generation equipment such as hubs, nacelles, tower sections and blades.	Increased demand for existing products/services	Up to 1 year	Direct	Virtually certain	Medium	An increase in business related to wind energy would increase revenues by the same percentage. In 2013, CP moved 2,826 carloads of wind power equipment.	CP publicly communicates our expertise in the transportation of wind energy equipment to potential shippers through our website and our sustainability report. We have built partnerships with transload facilities to provide access to major new wind farm developments in the U.S. Midwest and Canada with direct access to four wind tower manufacturers in Canada (DMI, Marmen, Hitachi, CS Wind).	Potential costs for management include interchange costs with other railways where relevant and personnel costs for our logistics team.

CC6.1d

Please explain why you do not consider your company to be exposed to opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1e

Please explain why you do not consider your company to be exposed to opportunities driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1f

Please explain why you do not consider your company to be exposed to opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: CC7. Emissions Methodology

CC7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base year emissions (metric tonnes CO2e)

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base year emissions (metric tonnes CO2e)
Sun 01 Jan 2012 - Mon 31 Dec 2012	3376582.85	107772

CC7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use
ISO 14064-1
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

CC7.2a

If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Not Applicable

CC7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CO2	IPCC Second Assessment Report (SAR - 100 year)
CH4	IPCC Second Assessment Report (SAR - 100 year)
N2O	IPCC Second Assessment Report (SAR - 100 year)
HFCs	Other: ASHRAE Standard 34
Other: HCFCs (R-22)	Other: IPCC (2007), Changes in Atmospheric Constituents and in Radiative Forcing

CC7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page

Fuel/Material/Energy	Emission Factor	Unit	Reference
Biodiesels	2.79315	kg CO2e per liter	Canada - National Inventory Report (1990-2012)
Diesel/Gas oil	3.00715	kg CO2e per liter	(Non Road Diesel) - Canada - National Inventory Report (1990-2012)
Diesel/Gas oil	2.72953	kg CO2e per liter	(Road Diesel) - Canada - National Inventory Report (1990-2012)
Diesel/Gas oil	2.72293	kg CO2e per liter	Solid, gaseous, liquid and biomass fuels; Federal Register (2009) EPA; 40 CFR Parts 86,87 87 et al; Mandatory Reporting of Greenhouse Gases; Final Rule, October 30, 2009, Tables C-1 and C-3
Motor gasoline	2.38599	kg CO2e per liter	(Road Gasoline) - Canada - National Inventory Report (1990-2012)
Motor gasoline	2.3612	kg CO2e per liter	(Non Road Gasoline) - Canada - National Inventory Report (1990-2012)
Motor gasoline	2.34022	kg CO2e per	Solid, gaseous, liquid and biomass fuels; Federal Register (2009) EPA; 40 CFR Parts 86,87 87

Fuel/Material/Energy	Emission Factor	Unit	Reference
		liter	et al; Mandatory Reporting of Greenhouse Gases; Final Rule, October 30, 2009, Tables C-1 and C-3
Distillate fuel oil No 2	2.73587	kg CO2e per liter	Heating Oil (Canada - National Inventory Report (1990-2012)
Electricity	306	kg CO2e per MWh	Average of BC, AB, SK, MB, ON and QC from Canada - National Inventory Report (1990-2012)
Electricity	701	kg CO2e per MWh	MRO - West eGRID (2010) from World Resources Institute (2014) GHG Protocol Tool for Stationary Combustion Version 4.5
Electricity	249	kg CO2e per MWh	NPCC Upstate NY eGRID (2010) from World Resources Institute (2014) GHG Protocol Tool for Stationary Combustion Version 4.5
Propane	1.54098	kg CO2e per liter	Canada - National Inventory Report (1990-2012)
Natural gas	1.881	Other: kg CO2e per m3	Average of Marketable Natural Gas (BC, AB, SK, MB, ON, QC) from Canada National Inventory Report (1990-2012)
Natural gas	54.55	Other: g CO2e per scf	Solid, gaseous, liquid and biomass fuels; Federal Register (2009) EPA; 40 CFR Parts 86,87 87 et al; Mandatory Reporting of Greenhouse Gases; Final Rule, October 30, 2009, Tables C-1 and C-3

Further Information

Page: CC8. Emissions Data - (1 Jan 2013 - 31 Dec 2013)

CC8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Financial control

CC8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e

3313501.37

CC8.3

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e

92835.41

CC8.4

Are there are any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

CC8.4a

Please provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure

Source	Relevance of Scope 1 emissions from this source	Relevance of Scope 2 emissions excluded from this source	Explain why the source is excluded
Purchased electricity in leased space.	No emissions from this source	Emissions are not evaluated	Data not available.

Source	Relevance of Scope 1 emissions from this source	Relevance of Scope 2 emissions excluded from this source	Explain why the source is excluded
Halocarbon emissions from US operations.	Emissions are relevant but not yet calculated	No emissions from this source	Data not currently being collected as part of US operations, emissions are anticipated to account for less than 0.001% of total Scope 1 emissions.
Propane consumption from US operations.	Emissions are relevant but not yet calculated	No emissions from this source	Data was unreliable and therefore excluded. It is anticipated to reflect less than 0.1% of total Scope 1 emissions.
Non-contract off-road fuel consumption	Emissions are relevant but not yet calculated	No emissions from this source	Gasoline and diesel purchased locally by facilities not under corporate contracts are not currently tracked and are therefore not included. Expected volumes would represent less than 0.1% of total Scope 1 emissions.

CC8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
More than 2% but less than or equal to 5%	Data Gaps Assumptions	Small volumes of off-road fuels (gasoline and diesel) are not included in the analysis as purchases are made directly and volumes not recorded. As stated the emissions would represent less than 0.1% of total Scope 1 emissions. Locomotive diesel volumes in Canada can include up to 5% renewable content however this information is not provided by suppliers. All locomotive fuel consumed in Canada was therefore calculated assuming it was diesel. This would result in higher than expected emissions	More than 2% but less than or equal to 5%	Data Gaps	Scope 2 purchased electricity is based on monthly billing records collected and summarized by a third party vendor. Not all billing is collected in this manner which then represents an under-reporting situation. This billing is anticipated to represent less than 5% of purchased electricity.

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
		due to the higher emission factor for diesel as compared to biodiesel blends. The renewable portion that is reported in 8.9a is known as it is purchased separately in the United States as part of imports into Canada. Certain sources of off-road diesel are used in mixed service as far as the equipment consuming the fuel. Emissions were assumed to be for off-road mobile equipment in order to perform calculations. However it can be used for smaller equipment as well such as chainsaws, generators, etc. These volumes would be expected to be very small and the different in emission factor minimal thus resulted in a negligible impact on the overall reported total.			

CC8.6

Please indicate the verification/assurance status that applies to your reported Scope 1 emissions

Third party verification or assurance underway for the reporting year but not yet complete - last year’s statement attached

CC8.6a

Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Limited assurance	https://www.cdp.net/sites/2014/66/2666/Investor CDP 2014/Shared Documents/Attachments/CC8.6a/078384-RPT2-VERIFICATION REPORT.pdf	Opinion: Pages 37-40	ISO14064-3	100

CC8.6b

Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emissions Monitoring Systems (CEMS)

Regulation	% of emissions covered by the system	Compliance period	Evidence of submission

CC8.7

Please indicate the verification/assurance status that applies to your reported Scope 2 emissions

Third party verification or assurance underway for the reporting year but not yet complete - last year’s statement attached

CC8.7a

Please provide further details of the verification/assurance undertaken for your Scope 2 emissions, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 2 emissions verified (%)
Limited assurance	https://www.cdp.net/sites/2014/66/2666/Investor CDP 2014/Shared Documents/Attachments/CC8.7a/078384-RPT2-VERIFICATION REPORT.pdf	Opinion: Pages 37-40	ISO14064-3	100

CC8.8

Please identify if any data points other than emissions figures have been verified as part of the third party verification work undertaken

Additional data points verified	Comment
No additional data verified	

CC8.9

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

Yes

CC8.9a

Please provide the emissions from biologically sequestered carbon relevant to your organization in metric tonnes CO2

542.8

Further Information

Page: CC9. Scope 1 Emissions Breakdown - (1 Jan 2013 - 31 Dec 2013)

CC9.1

Do you have Scope 1 emissions sources in more than one country?

Yes

CC9.1a

Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO2e
Canada	2592059.69
United States of America	721441.67

CC9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

By GHG type
By activity

CC9.2a

Please break down your total gross global Scope 1 emissions by business division

Business division	Scope 1 emissions (metric tonnes CO2e)

CC9.2b

Please break down your total gross global Scope 1 emissions by facility

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude

CC9.2c

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 emissions (metric tonnes CO2e)
HFCs	20
Other: HCFCs	264.83
CO2	3016114.82
N2O	293198.37
CH4	3903.34

CC9.2d

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 emissions (metric tonnes CO2e)
Locomotives	3183002.74
On-Road Vehicle Fleet	59209.42
Off-Road Equipment	26843.49
Off-Road On-Track Equipment	11879.61
Heating Oil	455.55
Propane (Canada)	4611.12
Natural Gas (Building Heat)	27214.61
Halocarbon Emissions	284.83

CC9.2e

Please break down your total gross global Scope 1 emissions by legal structure

Legal structure	Scope 1 emissions (metric tonnes CO2e)

Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Jan 2013 - 31 Dec 2013)

CC10.1

Do you have Scope 2 emissions sources in more than one country?

Yes

CC10.1a

Please break down your total gross global Scope 2 emissions and energy consumption by country/region

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted for CC8.3 (MWh)
Canada	75083.07	242203.46	0
United States of America	17752.34	27793.14	0

CC10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

CC10.2a

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2 emissions (metric tonnes CO2e)

CC10.2b

Please break down your total gross global Scope 2 emissions by facility

Facility	Scope 2 emissions (metric tonnes CO2e)

CC10.2c

Please break down your total gross global Scope 2 emissions by activity

Activity	Scope 2 emissions (metric tonnes CO2e)

CC10.2d

Please break down your total gross global Scope 2 emissions by legal structure

Legal structure	Scope 2 emissions (metric tonnes CO2e)

Further Information

Page: CC11. Energy

CC11.1

What percentage of your total operational spend in the reporting year was on energy?

More than 20% but less than or equal to 25%

CC11.2

Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh
Fuel	12464072.00
Electricity	269996.60
Heat	0
Steam	0
Cooling	0

CC11.3

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Diesel/Gas oil	12148812.84
Motor gasoline	133025.83
Natural gas	159454.68
Propane	20946.27

CC11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the Scope 2 figure reported in CC8.3

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comment
No purchases or generation of low carbon electricity, heat, steam or cooling accounted with a low carbon emissions factor	0	

Further Information

Page: CC12. Emissions Performance

CC12.1

How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

CC12.1a

Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	2.24	Decrease	Locomotive fuel conservation activities and facility energy conservation work led to a decrease on Scope 1 and 2 combined for the reporting year.
Divestment	0		

Reason	Emissions value (percentage)	Direction of change	Comment
Acquisitions	0		
Mergers	0		
Change in output	0		
Change in methodology	0		
Change in boundary	0		
Change in physical operating conditions	0		
Unidentified	0		
Other	0		

CC12.2

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.00056	metric tonnes CO2e	unit total revenue	9.22	Decrease	Primary reason is emission reduction initiatives: Locomotive fuel conservation activities and facility energy conservation work led to a decrease on Scope 1 and 2 combined for the reporting year.

CC12.3

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
226.92	metric tonnes CO2e	FTE employee	4.95	Decrease	Primary reason is emission reduction initiatives: Locomotive fuel conservation activities and facility energy conservation work led to a decrease on Scope 1 and 2 combined for the reporting year.

CC12.4

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
23.61	metric tonnes CO2e	Other: Million Revenue Ton-Miles	8.5	Decrease	Primary reason is emission reduction initiatives: Locomotive fuel conservation activities and facility energy conservation work led to a decrease on Scope 1 and 2 combined for the reporting year.

Further Information

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years

CC13.1a

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership

CC13.1b

What is your strategy for complying with the schemes in which you participate or anticipate participating?

CC13.2

Has your organization originated any project-based carbon credits or purchased any within the reporting period?

No

CC13.2a

Please provide details on the project-based carbon credits originated or purchased by your organization in the reporting period

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance

Further Information

Page: CC14. Scope 3 Emissions

CC14.1

Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
Purchased goods and services	Relevant, not yet calculated				Information is not collected in a form that allows for calculation of emissions at this time.
Capital goods	Relevant, not yet calculated				Information is not collected in a form that allows for calculation of emissions at this time.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, not yet calculated				Information is not collected in a form that allows for calculation of emissions at this time.
Upstream	Relevant, not				Information is not collected in

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
transportation and distribution	yet calculated				a form that allows for calculation of emissions at this time.
Waste generated in operations	Relevant, not yet calculated				Information is not collected in a form that allows for calculation of emissions at this time.
Business travel	Relevant, calculated	21001	Air Travel: Emission factor for air travel comes from: 2013 Government GHG Conversion Factors for Company Reporting: Methodology Paper for Emission Factors July 2013, UK Department for Environment, Food and Rural Affairs Total: 4,499 Metric Tonnes Car Rentals: The total mileage for each class of rental vehicle is provided by our third party travel management company. Then using the average km/L for that class the litres of fuel is derived and multiplied by the corresponding emission factor in kg CO2e per litre of fuel. These emission factors are from the Canadian National Inventory Report for Gasoline (Tier 1 Vehicles) and Solid, gaseous, liquid and biomass fuels: Federal Register (2009) EPA; 40 CFR Parts 86, 87, 89 et al; Mandatory Reporting of Greenhouse Gases; Final Rule, October 30, 2009, Tables C-1 and C-3 for the US. Rental Cars = 262.08 Metric Tonnes Hotel Accommodation Total hotel nights obtained directly from third party travel management company and then multiplied by an average emission factor for all hotel types obtained from "Hotel Energy and Carbon Efficiency Report, Brighter Planet (2012)" Total: 16240 Metric Tonnes	100.00%	
Employee commuting	Relevant, not yet calculated				Information is not collected in a form that allows for calculation of emissions at this time.
Upstream leased assets	Not relevant, explanation provided				CP does not have any relevant upstream leased assets.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
Downstream transportation and distribution	Relevant, not yet calculated				Would include situations where goods are not delivered directly to customer but require another carrier. This information is not currently calculated.
Processing of sold products	Not relevant, explanation provided				Canadian Pacific is a railway freight service provider and does not sell any products.
Use of sold products	Not relevant, explanation provided				Canadian Pacific is a railway freight service provider and does not sell any products.
End of life treatment of sold products	Not relevant, explanation provided				Canadian Pacific is a railway freight service provider and does not sell any products.
Downstream leased assets	Relevant, not yet calculated				Information is not collected in a manner to determine emissions.
Franchises	Not relevant, explanation provided				Canadian Pacific does not have any franchises.
Investments	Relevant, not yet calculated				Information is not collected in a manner to determine emissions.
Other (upstream)	Not evaluated				Evaluation has not taken place for this source of emissions.
Other (downstream)	Not evaluated				Evaluation has not taken place for this source of emissions.

CC14.2

Please indicate the verification/assurance status that applies to your reported Scope 3 emissions

Third party verification or assurance underway for the reporting year but not yet complete - last year's statement attached

CC14.2a

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 3 emissions verified (%)
Limited assurance	https://www.cdp.net/sites/2014/66/2666/Investor CDP 2014/Shared Documents/Attachments/CC14.2a/078384-RPT2-VERIFICATION REPORT.pdf	Pages 37-40 provide the assurance opinion.	ISO14064-3	100

CC14.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

CC14.3a

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Business travel	Other: Reduction in the number of employees at the company.	9.3	Decrease	
Business travel	Emissions reduction activities	9.3	Decrease	Emphasis on conference calls and video meetings has reduced business travel usage.

CC14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

Yes, our customers

CC14.4a

Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

Customers approach our customer account managers who in turn work with the Environment and Regulatory group to provide information on our climate change program and initiatives. Either a member of the Environmental group or the customer account manager then present this information directly to the customer at their offices.

Prioritization is based on demand from customers and success is measured based on timely response and any feedback received from the customer.

CC14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Number of suppliers	% of total spend	Comment

CC14.4c

If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data

How you make use of the data	Please give details

CC14.4d

Please explain why you do not engage with any elements of your value chain on GHG emissions and climate change strategies, and any plans you have to develop an engagement strategy in the future

Further Information

Module: Sign Off

Page: CC15. Sign Off

CC15.1

Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category

Name	Job title	Corresponding job category
Ken Roberge	Manager, Environment & Regulatory	Environment/Sustainability manager

Further Information

CDP 2014 Investor CDP 2014 Information Request