

General Chairpersons' Association of Canadian Pacific Kansas City Railway (CPKCR Canada)



Keith Creel
CEO and President
Canadian Pacific Kansas City

January 3, 2024

Mr. Creel,

The *General Chairpersons Association* of CPKC Canada met recently, and one of the items we discussed was the CPKC discipline Policy.

More specifically, we discussed the detrimental effects the Policy has on our members and that the Policy is not, as it should be, a means to correct behavior but, rather, a punitive instrument used to intimidate, demean, and threaten our members - for no other reason than they made unintended mistakes. As you ought to know, our members certainly do not come to work intending to make mistakes.

The current iteration of the Policy, which has changed dramatically over the years, dates to the implementation of the regular use of suspensions about a decade ago, is harsh and serves no real purpose other than to inflict a traumatic emotional event and financial hardship on our members.

We hear often that the purpose of the Policy is to make CPKC the safest railroad in North America. However, if you look at the stats for safety since CPKC began regularly imposing suspensions, there has not been any drastic improvement. In other words, the evidence is clear that harsh disciplinary penalties do not produce better safety records, and negatively impacts employee performance, productivity, and trust. In fact, what these large punitive and unreasonable assessments of discipline have cost the Company is employee morale such to an extent that our members often find it difficult to feel good about being CPKC employees. It seems many of our members are losing the pride they once carried as CP, now CPKC, railroaders, and have lost any desire to exercise discretionary efforts, or strive toward excellence to advance CPKC.

Simply put, punishment for its own sake is a morale killer; being in the position of having to miss a car payment, a mortgage payment, or of not being able to pay for your child's sports activities is cruel and excessive punishment. We see you assessing large and punitive assessments of discipline that do not promote learning nor corrective action but conversely cause work related stressors that are unfortunately contributing to a workplace

where the absence of promoting fair, safe, and productive environments negatively impacts the psychological health of our members.

We want our members to be loyal to CPKC, we want them to strive toward excellence, and we want them to catapult CPKC to being the top performing Class 1 railway in North America, but this is difficult when they are being treated unfairly.

How can employees feel good about their jobs when they have been unfairly treated? It is unreasonable to expect them to. It removes many employee's discretionary effort which, as you should be aware, drives loyalty and excellence. This is the effort that employees put forward to push organizations to meet and exceed their goals. Discretionary effort comes back to a culture of trust though and unless an employee completely trusts an organization, they won't be putting in extra effort at work. Our members more often than not do not trust CPKC management, based largely because of your disciplinary policy.

And, if that isn't enough, the harsh disciplinary penalties CPKC has adopted produce significant cost because of disciplinary assessments being overturned or reduced through arbitration and grievance resolves. It would not be an overstatement to state that the Policy has and continues to cost CPKC millions of dollars in payouts to members who have been unjustly treated. It seems counterproductive that CPKC would continue to punish its employees to this extent while paying out large sums of money and resources—all at the cost of losing trust and working relationships with your employees, and their bargaining agents. It certainly is not sustainable, especially if your desire is to retain quality labour or advance labour relations with Union stakeholders.

The days of running a railway through bullying and intimidation must stop. Its effects are detrimental to the mental health and safety of our members, to their productivity while at work, and to the Company's overall success.

Canadian Labour Law— the product of over a century of arbitration decisions— stipulates a number of principles that do not seem to be recognized by your Policy, at least not in its practical application. Canadian labour jurisprudence holds squarely for the proposition that discipline must not be used simply to impose punishment but must be an instrument designed to correct behavior and to educate. Furthermore, the Model recognizes (1) that discipline must be progressive and meted out fairly and evenly, (2) that mitigating circumstances and long service matter and (3) that clear and cogent evidence of wrongdoing is required before discipline may be legitimately assessed.

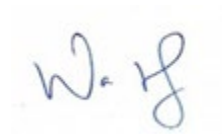
None of these principles which, to repeat, are the products of numerous arbitration awards over many years are normally utilized in the practical application of your discipline Policy. Rather, discipline is often imposed for what seem to be purely emotional reasons, with excessive discipline handed out even for first time offenses by employees who have worked for years without incident and, in many cases, were on the periphery of the incident that occurred. To make matters worse, often these members are required to undergo drug and alcohol testing which, as a general principle of Canadian law, is a

violation of their privacy rights. And while this last issue is currently being arbitrated, it remains intertwined in your overall discipline policy.

It is our position that the discipline Policy of CPKC has been developed and used as a weapon against our memberships, is largely unreasonable and is affecting the well-being of our members- which includes their families as they too are not immune to the financial, mental, and emotional impacts of unreasonable heavy handed fiscally punitive discipline penalties.

Respectfully, we request that you take the time to meet with us to discuss this very important matter. We can provide you with data that shows the extent to which our members have been impacted, as well as some of the heavy financial impacts this has had on CPKC and its shareholders.

It is our request that a meeting be scheduled during which we may talk openly and freely with you and your leadership team. The current path that we are on is not working and to keep on doing the same thing with the expectation of a different outcome is, as we all know, counterproductive to our relationship, your relationship with your employees and counterproductive to CPKC's overall success.



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President



Dave Fulton
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cc: Mark Redd
Myron Becker
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