

2019

**Environmental,
Social, and
Governance
Report**



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A Message From our President and Chief Executive Officer, James M. Foote



CSX's goal is to be the best-run railroad in North America. Fundamental to that goal is strong environmental, social, and governance (ESG) performance.

As a railroad, we have the opportunity and the imperative to help decrease transportation-related greenhouse gas (GHG) emissions. Trains are on average three to four times more fuel efficient than trucks – producing up to 75% fewer GHG emissions. Not only is this an enormous environmental advantage for freight rail, it is a significant opportunity for customers looking to reduce their own carbon footprints.

At CSX, we take this advantage as a baseline. We are constantly searching for and applying new ways to achieve greater environmental savings. In 2019, CSX became the first U.S. Class I railroad to operate at a fuel efficiency rate of less than one gallon of fuel per thousand gross ton miles for a quarter.

We are proud of this achievement, but we press forward with urgency to improve further, not only on

environmental performance, but also within each of our ESG priorities, including keeping our employees and communities safe; delivering excellent customer service; building a diverse, world-class workforce; and upholding high ethical standards.

The Future of Freight

Since 2017, CSX has undergone a significant transformation. We revolutionized our operating model, wholly transforming the company's financial and ESG profile. The transformation has allowed us to achieve new levels of reliability, customer service, safety, and environmental efficiency. It has allowed CSX to be more adaptable and more nimble, qualities that are ever more critical today.

Our company's remarkable transformation over the past three years has shown us how freight rail can provide significant benefits to the country's supply

chain. We are on a mission to demonstrate that the future of freight rail is delivering safe, efficient, reliable, and sustainable service to all of our customers.

2019: A Milestone Year

While transformation initiatives continue, the results of our hard work truly began to show this past year. In 2019, CSX set a new company safety record for the fewest Federal Railroad Administration (FRA) reportable personal injuries and had the lowest injury rate of all Class I railroads. We also set a new company record for fewest FRA-reportable train accidents.

We delivered superior customer service, achieving faster transit times, greater schedule reliability, and transparency of network performance.

In addition to achieving record fuel efficiency, we exceeded our 2020 GHG emissions reduction target ahead of schedule. Further, CSX became the first railroad in the U.S. to align with the [Science Based Targets initiative](#), setting a goal to reduce GHG emissions intensity by 37.3% by 2030, using 2014 as our baseline.

Smart use of data and technology is a key pillar of the transformation. Upgraded and expanded use of data and technology across our business have helped us advance a range of business priorities – including increasing efficiency, optimizing workplace safety, enhancing customer service, and achieving environmental gains. For example, through our Trip

Plan Performance Tool, CSX customers can now see detailed delivery performance data on every container and trailer they ship. Also, by the end of this year, autonomous track assessment cars will conduct regular track inspections on more than half of our core mainline tracks. These cars and their data collection capabilities have already been instrumental in reducing accidents and we are optimistic that we will see even greater safety gains as we expand their use.

This past year, we celebrated the first anniversary of CSX Pride in Service, our company-wide commitment to honor and serve those who serve our country and our communities – our nation's veterans, military, and first responders. While Pride in Service is a long-term commitment, our initial goal was to positively impact more than 100,000 heroes and family members by the end of 2020. With the enthusiastic involvement of CSX employees, by the end of 2019 we had already reached 85,000 individuals.

This report discusses these achievements and other milestones, as well as the opportunities still ahead. We are proud of the progress we have made and are ready to undertake the challenges that remain.

A Thank You

Foremost among the challenges ahead will be continuing to support our nation's recovery from unprecedented disruption. The coronavirus pandemic, in addition to upending our daily lives, has

created supply chain challenges across the global economy. CSX has been privileged to ensure timely delivery of essential goods and keep America's economy moving. Now more than ever, our ability to provide safe, reliable, and efficient rail service will be essential to our nation's economic vitality.

As we navigate through the crisis, my top priority is our people. Over the past several months, we have implemented rigorous measures to protect their health and safety and that of their families. As 2020 continues to unfold with all of its unknowns, safeguarding our employees is foremost in our decision-making.

I want to take this moment to extend my gratitude to all of the CSX employees who are answering the call to duty with unwavering dedication. This remarkable group of railroaders does the essential jobs, day in and day out, that need to be done to keep a great freight railroad running at peak performance. It is their dedication and commitment that gets critical supplies where they need to go during these difficult times. Thank you for your service, thank you for your grit and perseverance, thank you for your teamwork. I am honored to be part of this resilient group. Looking ahead, we are ready to embark on the next phase of sustainable growth and to make CSX the sustainable transportation mode of choice. While the path ahead may be challenging, the people of CSX are resolved to continue our momentum as we transform the future of rail freight transportation.

A Message From our President and CEO

Responding to the COVID-19 Crisis

As the COVID-19 pandemic continues to unfold, CSX is implementing a rigorous plan to manage the situation and do right by our stakeholders. A brief overview of our activities is below. For more information, visit [CSX's coronavirus prevention and response strategy page](#).

For employees: CSX issued a Coronavirus Prevention and Response Policy and implemented measures to safeguard employees' health, such as deploying automation technologies where possible to help our employees maintain physical distancing while ensuring our network operates as safely and efficiently as possible. We have also implemented remote work arrangements for employees whose job functions permit.

For customers: CSX has implemented protective protocols designed to ensure our rail system continues to perform at a high level and is ready to meet the needs of our customers as the situation unfolds. We remain committed to providing efficient and reliable rail service to keep supply chains fluid as the nation responds to this challenge. In addition, we remain steadfast in our commitment to safely moving our customers' freight, while working with them on any supply chain adjustments needed during this time. In Q1 of 2020, even in the midst of the pandemic, our levels of service with regard to efficiency and on-time delivery were the best they have ever been.

For communities: We are working closely with our Pride in Service nonprofit partners to ensure that military families, veterans, and first responders still receive the support they need – even and especially in the midst of social distancing restrictions and closures. We have also joined with Pride in Service partners [Operation Gratitude](#) and the [First Responders Children's Foundation](#) to establish new coalitions and funds to provide special support to frontline responders in the coronavirus crisis, including hospital workers, paramedics, emergency medical technicians, and 911 dispatchers.



James M. Foote
President and Chief Executive Officer





About CSX

CSX, a Class I railroad, is one of the nation's leading transportation suppliers. The company's rail and intermodal businesses provide rail-based transportation services including traditional rail service and the transport of intermodal containers and trailers.

The CSX transportation network encompasses approximately 20,000 route miles of track in 23 states, the District of Columbia, and the Canadian provinces of Ontario and Quebec.

We move a broad portfolio of products across the country in a way that reduces our impact on the environment, takes traffic off congested roads, and minimizes fuel consumption and transportation costs. We provide key freight services across an array of markets, including energy, industrial, construction, agricultural, and consumer products.

For nearly 200 years, CSX has played a critical role in North America's economic expansion and industrial development.

As a pioneer in the most energy-efficient form of land-based freight transportation, CSX is dedicated to ESG and innovation in the freight industry. As the demand for reliable, efficient freight services grows and technology advances, we intend to take a leadership role in demonstrating that rail transportation has a growing part to play in North American supply chains in the decades to come.

Our transportation network serves some of the largest population centers in the nation. Nearly two-thirds of Americans live within CSX's service territory.



- Major Terminal
- CSX Rail Service
- - - CSX Operating Agreement



Our Vision

To be the best-run railroad in North America

Our Business

Our network connects every major metropolitan area in the eastern United States, more than 230 short line railroads, and more than 70 port terminals along the Atlantic and Gulf coasts, the Mississippi River, the Great Lakes, and the St. Lawrence Seaway.

20,908



Employees

193

Years in operation

More than

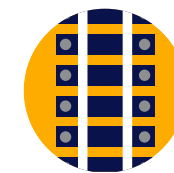
3,500

locomotives



20,000

Route-mile rail network



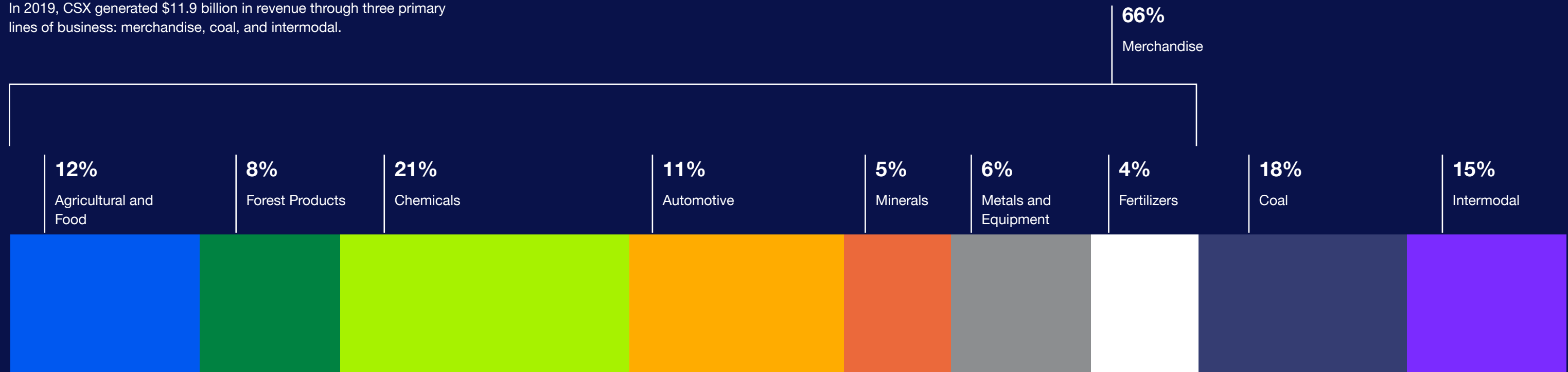
1,848

Average trains per day

More than **3.5M** carloads and **2.7M** intermodal units shipped in 2019

Our Revenue Mix

In 2019, CSX generated \$11.9 billion in revenue through three primary lines of business: merchandise, coal, and intermodal.



Awards and Accomplishments

In 2019, CSX was recognized with several high-profile awards, rankings, and other honors for our sustainable business practices.



2019 Dow Jones Sustainability Index

CSX received this top sustainability honor for the ninth consecutive year for high performance in environmental management, corporate governance, supply chain management, and corporate citizenship and philanthropy.



Women's Forum of New York — Corporate Champion for Board Diversity

CSX received this top recognition for our commitment to board diversity and inclusion, ensuring a variety of voices have decision-making power in our business.



Inbound Logistics — 75 Green Supply Chain Partners

CSX earned a spot on the list of 75 Green Supply Chain Partners selected by the editors of Inbound Logistics in its June 2019 issue recognizing companies that are committed to sustainable, eco-friendly supply chain services.



U.S. Veterans Magazine – Top Veteran-Friendly Company

The U.S. Veterans Magazine identified CSX as a Top Veteran-Friendly Company in 2019 for our efforts in welcoming veterans to our company to join the 3,700 veterans, active-duty military, and first responders who currently work at CSX.



Progressive Railroading – 2019 Rising Stars

James Schwichtenberg, chief safety officer at CSX, was selected as one of 25 rising stars within the North American railroad industry.



World Finance Magazine — 2019 Most Sustainable Company in the Logistics Industry

CSX was selected by World Finance magazine as the winner in the logistics category for our commitment to ESG policies in all aspects of our operations.



CDP — Leadership Status

For seven consecutive years, CSX has been awarded leadership status by CDP, an independent, global non-governmental organization that scores 8,400 companies on their efforts to address environmental issues. CSX is the only Class I railroad in the United States to consistently receive this highest CDP ranking.



International Cargo Handling Coordination Association (ICHCA) — Safety Award

A system developed by CSX and two technology partners for semi-automated crane operations at the Winter Haven (Fla.) Intermodal Terminal received a prestigious safety award from the ICHCA for achieving significant safety improvements.



Association of American Railroads — 2019 John H. Chafee Environmental Excellence Award

Gary Van Tassel, director of operations planning, received this award for leadership in innovating terminal modifications to improve energy and network efficiency and reduce CSX's environmental impacts.



Association of American Railroads — 2019 North American Environmental Employee Excellence Award

Brian M. Zacker, regional manager of environmental field services, received this award for establishing a materials collection and recycling program, improving hazardous waste processes, and standardizing risk-reduction processes for hurricane preparation and recovery.



Disability: IN — Best Place to Work for Disability Inclusion

CSX was named a “Best Place to Work for Disability Inclusion” by Disability:IN and American Association of People with Disabilities, scoring 100% on the 2019 Disability Equality Index.



ISS ESG — Prime Company and U.S. Transport and Logistics Industry Leader

CSX achieved “prime” status by leading rater ISS ESG for our strong ESG performance across our operations.



Engage for Good Halo Awards – Gold Employee Engagement

CSX was awarded the Gold level for the Employee Engagement category for the meaningful work Pride in Service has been doing to engage employees through cause-focused initiatives.



Insight Success – The Most Admired Women Leaders in Business

CSX's Kathleen Brandt, senior vice president of technology and chief information officer, was one of ten women selected by Insight Success as part of its 2019 Most Admired Women Leaders in Business list.



ESG at CSX

Our leadership in the freight rail industry and our aspiration to be the best-run railroad in North America rely on our ability to conduct business in a sustainable way that does right by our customers, employees, communities, and shareholders.

OUR APPROACH

We have an unwavering commitment to the safety of our employees and the general public; the service of our customers; the disciplined utilization of assets; the support of our people and the communities where we operate; and the protection of our natural environment.

The [Governance Committee](#), whose members and chair are elected annually by the Board, oversees the development and execution of CSX's ESG strategy and reporting. Additionally, the Audit Committee of the Board has responsibility for risk oversight and evaluation of climate-related issues, including risks associated with energy and environmental policy. On a daily basis, ESG is collaboratively managed by the respective operational departments. Operational leaders are responsible for measuring and monitoring progress against key performance indicators and for reviewing and applying stakeholder feedback and insights.

“Looking ahead, we are ready to embark on the next phase of sustainable growth by making CSX rail the ground transportation mode of choice. By providing best-in-class service and unprecedented reliability to our customers, we’re able to convert freight from the highway to rail and significantly reduce carbon emissions.”



James M. Foote
President and
Chief Executive Officer



“Ensuring that our company is a responsible corporate citizen extends far beyond one department or function. It’s embedded in our corporate culture, which recognizes that good governance is more than a structure of policies and best practices. It means constantly asking what’s in the long-term best interest of our stakeholders, including employees, customers, shareholders, government agencies, and communities we serve. Understanding and addressing those interests is consistent with and supports sustainable growth.”



Nathan D. Goldman
Executive Vice President, Chief Legal Officer
and Corporate Secretary



Priority Issues

As determined by the 2020 materiality assessment:

- › Delivering excellent customer service
 - › Ethical business conduct
 - › Employee and community safety
 - › Hazard management and emergency preparedness
 - › Employee health and well-being
 - › Cyber and information security
 - › Compliance with legislation and regulations
 - › Energy and fuel efficiency
 - › Talent management
 - › Physical security
 - › Business model disruption
 - › Governance and risk management
- For more details about our latest materiality assessment, including the full materiality matrix, please see the ESG Fundamentals section.*

OUR ESG PRIORITIES

In early 2020, we refreshed our materiality assessment, engaging both internal and external stakeholders to identify the issues most material to CSX. The outcome of this assessment informed the content and structure of the 2019 ESG Report, and it will guide the evolution of our ESG strategy and approach over the coming years.

ABOUT THIS REPORT

CSX’s 2019 ESG report shares information on the environmental, social, and governance topics that CSX and our stakeholders view as the most significant to our business. The report documents CSX’s activities and impact in calendar year 2019, unless otherwise noted.

The report is prepared in accordance with the [Global](#)

[Reporting Initiative \(GRI\) Standards](#): Core option and contains indicators from the [Sustainability Accounting Standards Board \(SASB\)](#) framework. We have also aligned our climate-related disclosures with the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#).

Please reference the relevant [GRI Standards](#), [SASB](#), and [TCFD](#)

indices for the detailed overview of disclosures. Please also reference our latest [CDP climate change submission](#) for additional climate disclosures.

Thank you for your interest in CSX’s 2019 ESG performance. The purpose of this report is to support a dialogue with our stakeholders. Please email us your thoughts, questions, and feedback at ESG@csx.com.



The Future of Freight

In 2017, CSX embarked on a transformative journey to revolutionize our operating model to become the safest, most efficient, best-run railroad in North America, offering unparalleled service and environmental benefits to customers.

The goal of CSX's operating model is to improve transit times and enhance reliability, resulting in more consistent freight flows, a more sustainable use of resources across the CSX network, a superior service product for our customers, and a safe and rewarding work environment for CSX employees.

At its core, the CSX model is about maximizing efficiencies and identifying and eliminating waste. Every extra mile and every extra asset that does not contribute to the quality and consistency of our transportation product is removed from the system.

Three years since our journey began, this operational transformation has made CSX a nimbler, more adaptive, and more sustainable company that can handle growth and change quickly and efficiently. As a result of the transformation, we now operate far more cohesively, without competing internal priorities. We are powered by technology and innovation and driven by a safety-first and service-oriented mindset – always grounded in data insights and proven best practices.

Customers are the primary beneficiaries of these changes. CSX can now uniquely partner with customers

to provide end-to-end transportation solutions with industry leading environmental benefits, enabling customers to achieve both an increase in efficiency and a decrease in their environmental footprint.

“In addition to decreasing transit times and increasing reliability, the CSX operating model drives greater efficiency and improved safety. It enables us to reduce waste and move more freight per gallon of fuel.”



Jamie Boychuk
Executive Vice President
of Operations

HOW WE'VE STREAMLINED THE CSX NETWORK

A major element of our transformation has been the integration of the operations of CSX's many predecessor railroads. As these railroads merged to form CSX's current footprint, often the operations of each heritage railroad remained different and distinct. Each predecessor railroad was aligned with one of 11 divisions, typically maintained its own large processing hump yard, and operated with a high degree of autonomy. Thus, train operations were often based on inefficient schedules, as cars would often be directed to multiple hump yards as they traversed through divisions. This typically took the car out of its most direct route, added unnecessary steps, increased dwell, added excess costs, and degraded service reliability and transit times.

The CSX Operating team consolidated these divisions and removed the anachronistic barriers to network planning. Operations were restructured around just three regions, and 7 of the 12 asset-intensive hump yards were closed. The team also centralized dispatching to a single location and redesigned the network plan to create hourly trip plans for each car on the railroad. The new plan focuses on how each car can be moved along the most direct possible route with as few touches as possible. These changes resulted in a reduction of more than two days in average transit time and a significantly more fluid and reliable network.

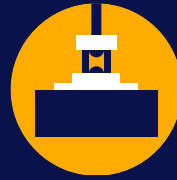


Our Guiding Principles

Our transformed operating model is rooted in five guiding principles: Improve Customer Service, Operate Safely, Value and Develop Employees, Optimize Asset Utilization, and Control Costs.



Improve Customer Service:
Do what we say we are going to do. Know your customer and understand how you can drive value. Proactively communicate at all times including when we cannot meet our commitments.



Operate Safely:
Maintain 100% compliance with safety and operating rules 100% of the time to protect our employees, our customers' freight, and the communities in which we operate.



Value and Develop Employees:
Act with integrity, make sure employees know what is expected of them and reward them when they do the right things, and always strive to get better.



Optimize Asset Utilization:
Do more with less by maximizing the value of our assets through increased transit speed and lower dwell.



Control Costs:
Eliminate unnecessary steps that add complexity and costs.

ADVANCING ESG THROUGH TRANSFORMATION

Our operational transformation enabled us to drive improvements across the business, including our ESG performance. Most significantly, we have been able to:

- Improve safety performance across the network through enhanced safety training, processes, and technology

- Achieve faster transit times, greater schedule reliability, increased transparency of network performance, and more consistent freight flows, resulting in a superior service for customers

- Reduce fuel usage and emissions by converting more road miles to rail miles and realizing higher utilization of assets across the network – reducing CSX's

carbon footprint as well as our customers' footprints

WHAT'S AHEAD

The next phase of CSX's transformation focuses on capturing the full value of the improved service by generating profitable and sustainable growth. Increased fluidity and efficiencies across the network allow us to provide a level of service,

Transformation ESG Performance Highlights Progress from 2016-2019*

↓ **15%**

Reduction in FRA personal injury rate

↓ **18%**

Reduction in FRA train accident rate

↓ **23%**

Less terminal car dwell time

1.0 gallon/
kGTM

First U.S. Class I railroad to cross this fuel efficiency threshold

↑ **7.1%**

Better fuel efficiency

↓ **6.5%**

Less GHG emissions

*Safety statistics are estimated and continue to be updated as actuals settle.

transparency, efficiency, and reliability that was not previously possible.

With continued investments in rail assets, accident prevention, environmental technology, fuel efficiency, and more, we continue to look for opportunities to better serve our customers and employees and to make rail the sustainable transportation mode of choice.

“CSX is proving that sustainable transportation has many facets that fit together to benefit all of our stakeholders. Operating efficiency supports improved service, which drives sustainable growth and ultimately provides the financial strength to further grow the business and benefit communities through the safety and environmental advantages of rail.”



Kevin Boone
Executive Vice President and
Chief Financial Officer



Customer Experience

Our Approach

Transforming How We Deliver Excellent Customer Service

Technology and Tools

Customer Feedback and Engagement

Operations Support

Enabling Growth and Sustainability

OUR APPROACH

We are committed to providing best-in-class service and reliable, cost-efficient transportation solutions that are safe, smart, and sustainable to our more than 3,300 customers across 6,000 locations.

At CSX, we all own the customer experience. Every employee, whether customer-facing or not, is expected to meet or exceed our customers' needs. Maintaining open lines of communication and actively listening to our customers' needs and challenges is essential to our ability to provide exceptional customer service. Our Sales and Marketing teams are responsible for overseeing customer experience and addressing customer feedback, partnering closely with Operations and other teams to offer an industry-leading service product.

In 2019, we restructured our Sales and Marketing organization to better utilize resources and facilitate knowledge sharing to improve how we serve customers. We also intensified efforts to partner with customers to help them achieve their unique logistical and environmental goals.

“Ultimately, CSX succeeds when our customers succeed. By doing our jobs well, we enable our customers to grow and support strong communities. We give our customers incentive to choose rail, which is safe and sustainable. And we support a more efficient and productive U.S. economy.”



Mark K. Wallace
Executive Vice President
of Sales and Marketing



TRANSFORMING HOW WE DELIVER EXCELLENT CUSTOMER SERVICE

Improving customer service is one of the five guiding principles at the center of our transformation. Thanks to greater efficiencies resulting from the implementation of CSX's new operating model, including the smart application of technology, CSX is now better positioned to be a best-in-class supply chain partner to customers. Since the beginning of the transformation, average transit time for merchandise carloads has been reduced by more than two days. Carload trip plan performance jumped from 67.3% in 2018 to 82.6% at the end of 2019 and intermodal trip plan performance increased from 73.4% to 95.5%. This new efficiency results in faster transit times and greater environmental benefits due to decreased fuel usage and

emissions. In addition, we are able to offer customers a higher level of reliability, predictability, and transparency than has ever been possible through rail, while meeting surges in customer demand and adapting with agility to unforeseen events and needs.

In 2019, CSX became the first railroad to offer a **Trip Plan Performance** tool to customers, providing an unprecedented level of transparency into our service. Originally created as an internal measurement tool to support operations improvement, Trip Plan Performance tool now enables customers to see detailed data on our delivery performance for every carload, container and trailer shipped on CSX. Each trip plan is an end-to-end customer commitment based on the original estimated time of notification of shipment arrival or the estimated time of interchange with another

carrier. A shipment's trip plan is created based on train schedules, terminal handling standards, terminal hours of operation, and for Intermodal customers, the intermodal reservation system.

Sharing this information with our customers enables the Sales and Marketing team to have transparent conversations about service performance and routing decisions.



SUBARU

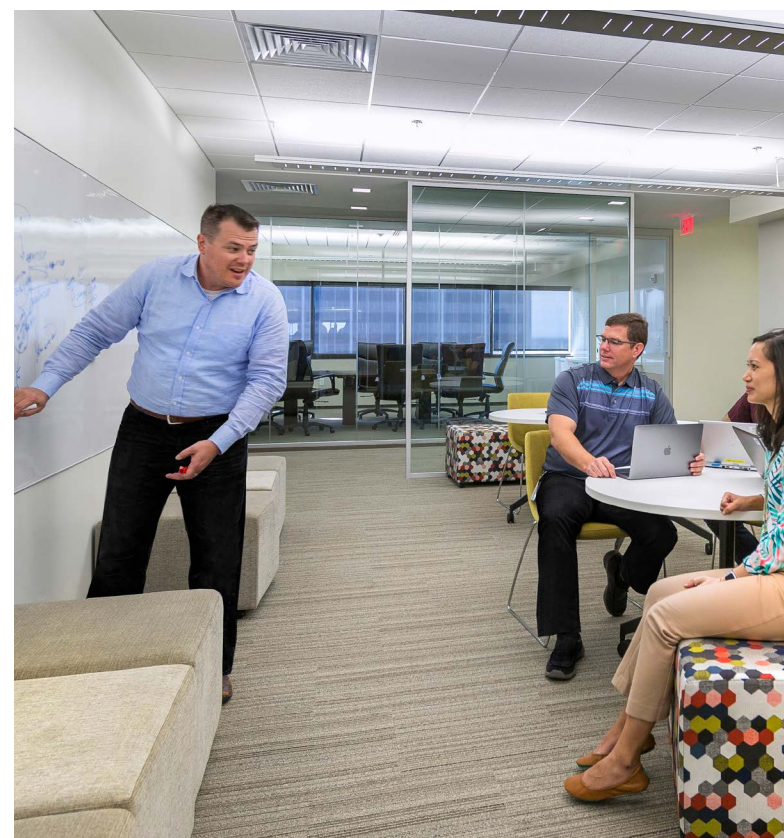
"Subaru has now added an additional railhead in Lordstown, Ohio, in order to improve our supply chain efficiency and reduce the environmental impact. The location of this new ramp will better serve our market due to its close proximity to the retailers in that area. This also results in reduced mileage and emissions for our truck carriers. CSX has always provided great service and as a result has had a long standing partnership with Subaru."

Subaru of America, Inc.



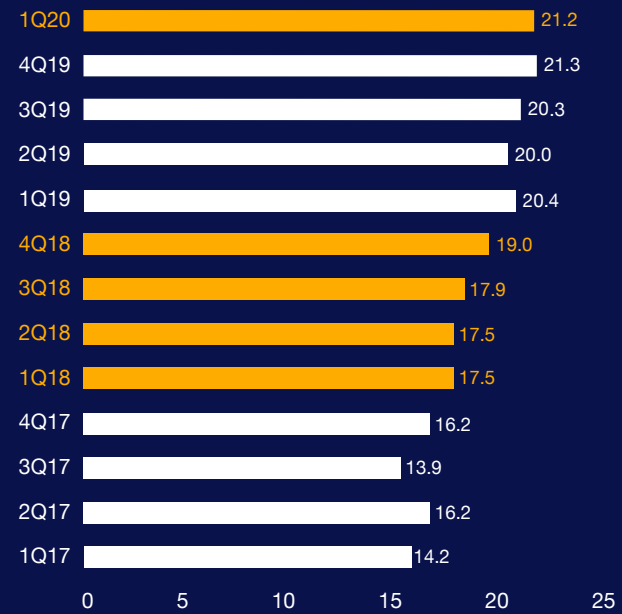
"CSX's high level of on-time service, predictability, and dependability has helped Schneider compete with an ultra-competitive truck market. CSX's on-time service performance for the past year has been dependable, consistent, and reliable. This performance, combined with the benefits of an asset-based intermodal provider, gives shippers a true truck-like experience."

Schneider

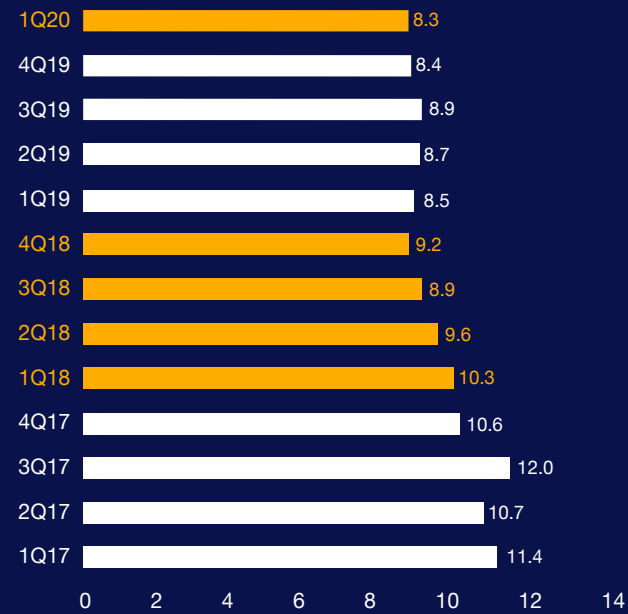


Raising the Bar on Rail Service

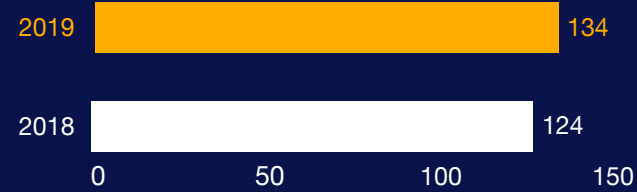
Train Velocity
(miles per hour)



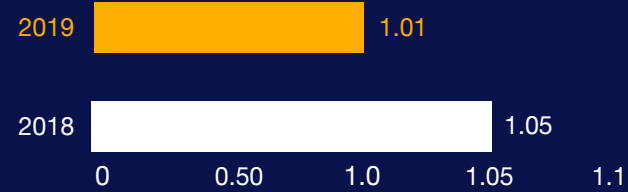
Terminal Car Dwell
(hours)



Car Miles per Day



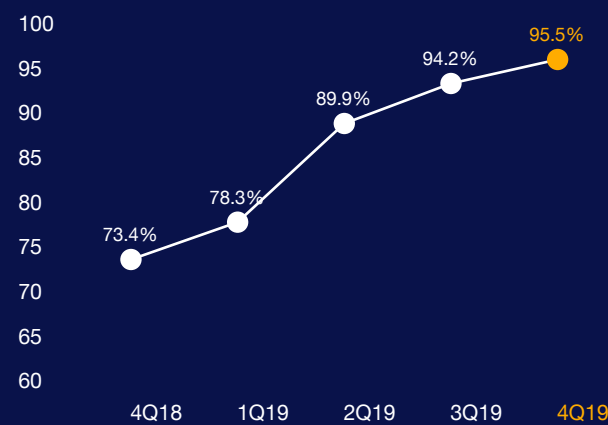
Gallons of Fuel per kGTM



Carload Trip Plan Performance



Intermodal Trip Plan Performance



TECHNOLOGY AND TOOLS

To provide the best possible experience for our customers, CSX continues to use and invest in multiple technologies to streamline supply chains and create more efficient modes of delivery.

XGate, in addition to providing significant environmental benefits, has increased the pace of customer deliveries by scanning and inspecting containers in a fraction of the time it takes a team of workers to do so.

Our **ShipCSX** platform allows customers to plan, ship, trace, and pay for shipments quickly with secure data that is specific to the customer. With ShipCSX's reservation system, intermodal customers benefit from prioritized handling that provides improved shipment planning as well as enhanced terminal fluidity as assets are balanced network-wide.

In 2019, CSX became the first North American railroad to join **TradeLens**, a global shipping information platform that provides

customers with improved supply chain transparency and shipment-status visibility. Using secure blockchain technology, TradeLens overcomes data processing silos to support collaboration across the supply chain and provide customers with timely updates.

CUSTOMER FEEDBACK AND ENGAGEMENT

Our Sales, Marketing, and Customer Engagement teams all partner closely with the Operations team to ensure an excellent customer experience. Both the Sales and Marketing teams are aligned around commodities and end-market segments, all designed to support out-sized market growth.

Our Customer Engagement team works directly with our Operations departments on a daily basis to resolve customer issues and is comprised of our E-Solutions, Customer Solutions, and Marketing Services functions, all of which support our internal and external customers through the

development of solutions, such as our industry leading ShipCSX platform.

- › E-Solutions is delivering tools to transform Sales and Marketing core work as well as drive ease of doing business with CSX.
- › Customer Solutions and Supplemental teams are the conduit between Operations, Sales, and our customers to resolve service and demurrage concerns.
- › Marketing Services supports our core Marketing team in pricing, publishing, and billing work.

We host customer-engagement forums twice a year, bringing together customers and CSX leaders for constructive discussions about customers' business needs and how CSX can meet them. Through this dialogue, we share information about the latest service enhancements and network adjustments, as well as discuss new ways for CSX to be an optimal supply chain partner.

OPERATIONS SUPPORT

The CSX Operations team plays a critical role in delivering excellent customer service. By designing optimal routes that maximize both efficiency and reliability, we are able to meet or exceed our customers' needs. The customer-facing Trip Plan Performance (TPP) tool drives accountability as it tracks and measures our service performance on a lane-by-lane basis. Through close partnerships with Sales and Marketing, the Operations team continually improves service for existing customers while allowing for new service products that enable incremental growth.

The Customer Solutions team also works hand in hand with Operations to ensure customer feedback is being heeded at the corporate level and throughout the field. The Operations team supports customer service in a variety of ways, including:

- › Monitoring service performance via Trip Plan
- › Providing action plans to the Customer Solutions and Commercial teams to serve customer needs
- › Adjusting serving days, times, and capacities to align with customer needs
- › Participating in daily network operations meetings to discuss any customer feedback received



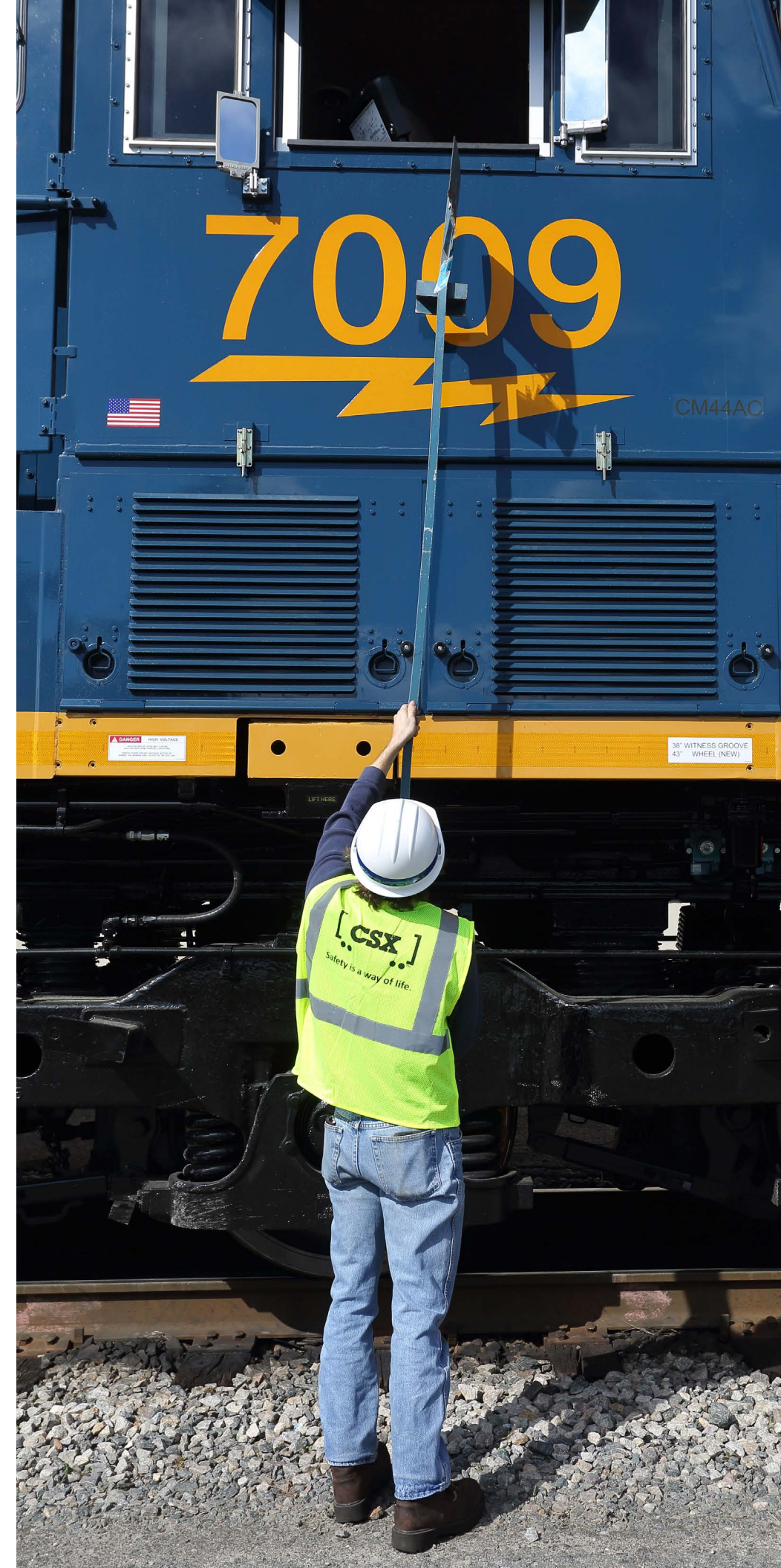
"CSXT has been the pioneer when it comes to enhancing their web tools as it compares to our other Class 1 carriers. They are providing better visibility to our shipments and allowing us more insight to their transit performance. This is helping not only Cargill but our customers."

Cargill



"Scheduled railroading has allowed Cameron and its customers to avoid extra investment in facilities and handle the increasing volumes through responsive alterations to days and frequency of service."

Cameron Ag Products





ENABLING GROWTH AND SUSTAINABILITY

Partnering for Growth

By partnering with customers to design innovative supply chain solutions and providing new services, CSX is generating opportunities that enable growth and innovation across our network and beyond. The following are examples of key initiatives:

› TRANSFLO

CSX [TRANSFLO](#) helps customers take advantage of the economic and environmental benefits of rail without having rail infrastructure at their facility. At each of the 40-plus TRANSFLO transloading terminals,

bulk products are safely transferred between railcars and trucks, giving customers flexibility to access new markets and suppliers. TRANSFLO has experience with more than 300 different products, including chemicals, crude oil, dry bulk, ethanol, food-grade products, plastics, and waste materials.

› CSX Select Sites

[CSX Select Sites](#) are development-ready properties ideal for industrial development and expansion. These sites have been independently certified by The Austin Company and are prime locations for rail-served industrial customers who are looking to purchase a property with lower upfront development risk and faster speed to market.

› Carolina Connector (CCX)

CSX is expanding into eastern North Carolina with the construction of a new intermodal terminal in Rocky Mount. Strategically located on the CSX network and near the major consumption market in the Triangle Region, the [Carolina Connector](#) terminal will provide regional industries with convenient access to rail, helping connect products to consumers nationwide.

CSX Intermodal Terminals (CSXIT) is a leader in technologically advanced and environmentally friendly intermodal rail terminals. [The Carolina Connector](#) terminal will feature three wide-span, zero emission electric cranes with an annual lift capacity of 110,000 containers. The majority of container handling will be completely automatic with operators remotely controlling the initial lift and final placement from inside the terminal building.

Construction on the new facility is expected to be completed by early 2021.

› Northwest Ohio Investments

CSX's [Northwest Ohio intermodal terminal](#) in North Baltimore, Ohio is a state-of-the-art facility with leading-edge equipment and technology. The terminal's centerpieces are seven zero-emission and nearly silent wide-span electric cranes. Each crane has a 46-ton capacity, allowing ultra-efficient container movement from train to truck and truck to train. Together crane, gate and terminal operating system technology maximize efficiency and create a driver experience that reduces turn time.

To capture growth in the region and provide supply chain solutions for shippers, CSX partnered with NorthPoint Development on a scalable, phased logistics park to be built adjacent to the Northwest Ohio terminal. With access to over 500 acres, the logistics park will provide value-added services for shippers, offering opportunities to reduce transportation costs and augment distribution footprints by moving goods from train to truck to warehouse all at one location. Construction on the logistics park is currently underway.

In addition to traditional warehousing and distribution capabilities created by the logistics park, the Northwest Ohio growth initiative comes with an

enhanced intermodal service offering. CSX added a premium service between Los Angeles and Northwest Ohio as well as expanded service to East Coast ports, strengthening CSX's commitment to sustainable growth for the future.

› Inland Ports

Inland ports are intermodal facilities that alleviate truck congestion in high-traffic port areas by connecting directly to marine terminals via rail. CSX currently connects to three inland ports — in northwest Georgia, northeastern South Carolina, and Syracuse, New York — that offer shippers a strategic alternative to trucking in reaching key markets. These terminals, developed by states and port authorities on the CSX system, take advantage of the efficiency of rail and provide importers and exporters with an efficient transportation solution that works within the global supply chain while helping to reduce each shipment's carbon footprint.

Inland port service also taps directly into CSX's focus on increasing intermodal capacity, expanding reach into new markets and providing superior supply chain solutions for our customers.

These inland terminals not only generate economic opportunities in the regions they serve, but also convert freight from highway to rail. CSX is dedicated to helping intermodal customers find new ways to convert more freight to achieve socially responsible outcomes. Every container that converts to rail advances a shipper's interest in reducing their carbon footprint, minimizing their impact on the environment and creating a greener, more efficient supply chain.



Driving Local Economic Opportunities

Throughout our 23-state network, we contribute to the wealth and prosperity of the local communities where we operate by driving economic value and opportunities.

With our infrastructure capital expenditures and community investments, CSX creates jobs, supports economic growth, and builds better communities across our value chain.

State	Employees*	Annual Payroll	Track Miles**	System Capital Investments
Alabama	853	\$98,029,561	1,472	\$89,780,633
Connecticut	2	\$1,414,661	221	\$31,000
Delaware	41	\$5,218,725	129	\$871,000
District of Columbia	21	\$4,578,000	71	\$26,662,000
Florida	3,274	\$559,261,430	2,465	\$179,819,583
Georgia	1,803	\$194,886,658	2,645	\$210,276,810
Illinois	502	\$50,524,361	1,189	\$58,662,121
Indiana	966	\$136,901,689	2,527	\$85,752,367
Kentucky	1,100	\$152,128,879	2,870	\$61,933,337
Louisiana	90	\$6,558,856	136	\$29,408,000
Maryland	818	\$82,360,622	1,364	\$55,299,511
Massachusetts	200	\$16,300,984	657	\$15,382,126
Michigan	301	\$32,842,258	1,142	\$29,173,105
Mississippi	32	\$7,492,237	130	\$8,821,000
New Jersey	92	\$12,886,350	994	\$16,585,478
New York	1,426	\$158,858,693	2,777	\$75,539,073
North Carolina	605	\$74,442,454	1,752	\$71,175,982
Ohio	2,056	\$209,008,320	4,010	\$131,310,551
Pennsylvania	582	\$68,062,921	2,019	\$50,422,305
South Carolina	536	\$74,193,785	1,792	\$71,093,791
Tennessee	954	\$122,469,533	1,547	\$104,267,731
Virginia	665	\$79,532,476	2,018	\$51,691,015
West Virginia	877	\$97,540,833	1,991	\$53,026,000

* Does not include employees of subsidiary companies, # of employees who don't have long-term state assignment but report into various locations as assigned, and those assigned to locations outside the above listed states

** Including yard, sidings, and mainline track



Safety

Our Approach

Transforming Our Safety Approach

Safety Performance

Physical Protection and Security

Hazard Management and Emergency Preparedness

Customer Collaboration

Community Safety

OUR APPROACH

Every employee at CSX is part of the Safety team – regardless of title, job responsibilities, or geographic location. We foster a culture of learning and take a network approach to safety, with a goal of together identifying best practices to eliminate risk and sharing those practices across the system. We take a preventive approach, working to proactively limit any risk to our employees or anyone in the vicinity of our rail network. When an incident does occur, whether minor or significant, we actively look for opportunities to remove or reduce the risk associated with the incident.

Following the appointment of a new chief safety officer in 2018, we strengthened our safety organization and added comprehensive measures to fortify our safety culture. We also solidified our Operational Training, Operating Practice and Rules, and Field Safety groups by appointing new leaders tasked with identifying gaps and making improvements in their respective areas.

Train Accident Prevention and Train Handling added field positions focused on engineer certification and main line train performance.

We additionally established an Executive Safety Council to increase leadership engagement and involvement in CSX’s system-wide safety plan. The Council also oversees Regional Safety Councils in each field region to promote knowledge-sharing and ensure alignment to the overall safety plan.

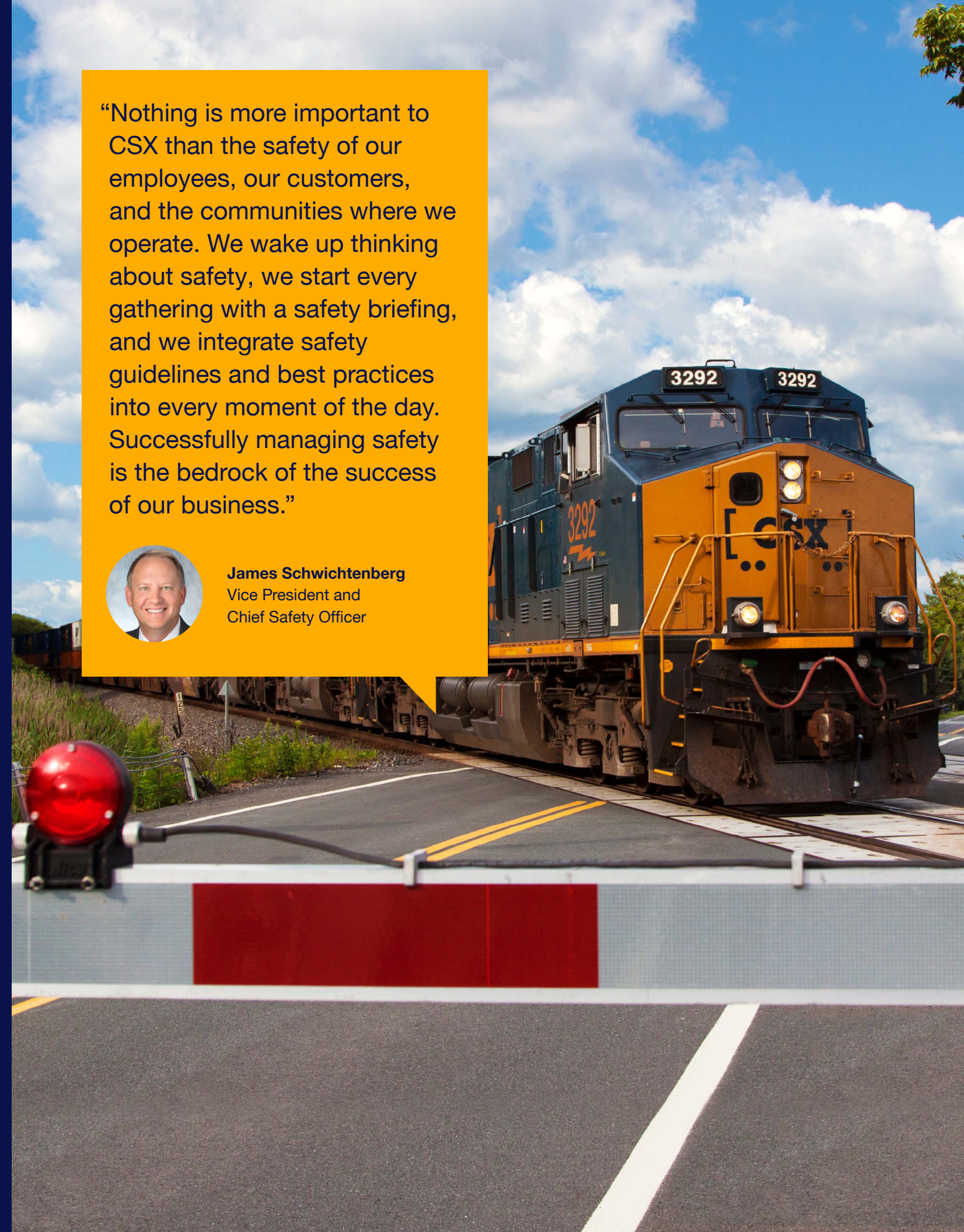
We uphold our safety culture through effective management systems; ongoing training; robust hazard management and emergency preparedness and response mechanisms; and continuous collaboration and communication with employees, customers, suppliers, communities, and industry peers.

Every day we track practices and procedures through our Public Safety, Health, and Environment (PSH&E) Management System, which is regularly updated under the requirements of the [American Chemistry Council’s Responsible Care Management System](#) and informed by ISO 14001. In 2019, we completed a full system audit and achieved Responsible Care Management System recertification.

“Nothing is more important to CSX than the safety of our employees, our customers, and the communities where we operate. We wake up thinking about safety, we start every gathering with a safety briefing, and we integrate safety guidelines and best practices into every moment of the day. Successfully managing safety is the bedrock of the success of our business.”



James Schwichtenberg
Vice President and
Chief Safety Officer



Safety

Also in 2019, we invested \$1.3 billion out of a total of \$1.7 billion capital spending in critical infrastructure to maintain our safety standards, including installing nearly 3 million new ties and nearly 1,000 linear miles of new rail, as well as surfacing more than 4,700 miles of track.

	2019	2018	2017	2016
Money invested in infrastructure	\$1.3B	\$1.3B	\$1.3B	\$1.15B
Total capital spending	\$1.7B	\$1.7B	\$2.0B	\$2.7B
New ties installed	3.02M	2.66M	2.58M	2.76M
New rail installed	996 linear miles	866 linear miles	914 linear miles	874 linear miles
Surfacing	4,712 miles	4,408 miles	4,098 miles	4,591 miles

Clean Sweeps

Safety is everyone’s responsibility. Throughout our network, CSX employees have gathered periodically to perform informal “Clean Sweeps” at their worksites – making sure their spaces are neat and orderly. Clean Sweeps can include organizing amenities and materials, repainting walkways and parking lots, enabling recycling, and more. With great benefits for safety, environmental sustainability, and on-site employee culture, Clean Sweeps became a strategic corporate initiative in 2019. More than 700 employees, representing all CSX departments, conducted Clean Sweeps at 15 locations across the network last year, creating healthier and safer work environments for all.



“Clean Sweep supports our safety initiatives by really taking things to the next level – getting things out of the way of harm and off the ground.”

Asher Lohman
Sr. Technical Director, CSX Technology

“Clean Sweep is an important way to support safety. All the material we pick up prevents slips, trips, and falls. It also raises the morale of employees when they see coworkers from across the network coming together as a team to enhance the work environment for the men and women who walk these rocks every day.”

Rob Garofolo
Superintendent, Northeast Region, Northern Zone

TRANSFORMING OUR SAFETY APPROACH

Safety was a major pillar of the transformation and since 2017, we have made significant advancements in our safety approach.

Training

We updated our training programs to improve employee and community safety knowledge. All employees are required to complete the full updated training curriculum.

Active Communication

We made efforts to improve communications with and between our Operations and Safety teams and began monthly meetings with operations and Executive team members to discuss ongoing safety performance and improvements and increase leadership’s visibility into safety operations. At the field level, we gave supervisors localized, data-driven safety plans, complete with detailed information on how to handle specific situations. Looking ahead, we will continue to administer regular culture and safety surveys to gather employee feedback in creating best practices for continuous safety improvements on the front lines.

Innovation and Technology

We significantly invested in new safety technologies, including autonomous track assessment cars, which automate issue detection and significantly reduce train accidents; drones, which give more complete visual data for operational testing; and Train Inspection Portals, an automated system that produces 360-degree scans of railcars passing through the portal at track speed.

Comprehensive Assessment

In 2018, we completed a large-scale safety and culture assessment with a third-party research group to identify areas for improvement. More than 60% of CSX employees participated in the employee survey portion of the assessment. Employee feedback emphasized the importance of strong leadership, frequent and transparent communication, and the proper upkeep of work environments.

Leadership

In 2018, we hired a recognized industry professional as our new chief safety officer, James Schwichtenberg, to revitalize the CSX safety approach. Bringing more than 20 years of railroad experience, including 15 years leading rail safety and regulatory initiatives, Schwichtenberg dove into an analysis of safety performance data and procedures and, based on his findings, led a full redesign of the CSX safety strategy.

Employee Compensation

In 2019, we made an important move to tie safety performance to employee bonuses. Ten percent of employee bonus potential is now dependent on CSX’s attainment of key safety targets.

SAFETY PERFORMANCE

CSX had fewer train accidents in 2019 than in any other year in the history of the company, with safety metrics improving quarter over quarter. We were also proud to lead Class I railroads with an FRA personal injury rate of 0.89 in 2019 — a 14% decrease from 2018.

While we are proud of our progress, we will not be satisfied until we have achieved zero accidents and injuries. In 2019, we suffered two fatalities on our rail lines, which were the result of two separate incidents. Both were thoroughly investigated to determine the cause and identify any changes that should be made to prevent tragic incidents in the future.

We are committed to continuous safety improvements and remain focused on reducing risks across our rail network.

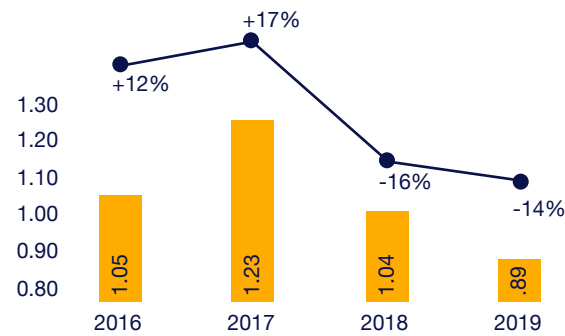
PHYSICAL PROTECTION AND SECURITY

CSX takes the protection of its physical and operational assets seriously. We serve as a primary mode of transport for the goods that businesses and consumers use every day. Security is therefore essential to our operations. We also share sections of tracks with passenger trains and maintain secure infrastructure for these trains and passengers.

The CSX Infrastructure Protection team works to guarantee the safety and security of the rails, yards, bridges and tunnels, as well as fuel centers, aviation divisions, and corporate buildings. Additionally, CSX employs its own police force of special agents charged with the protection of our personnel and property. The force works across our 23-state footprint and maintains close relationships with local and state law enforcement.

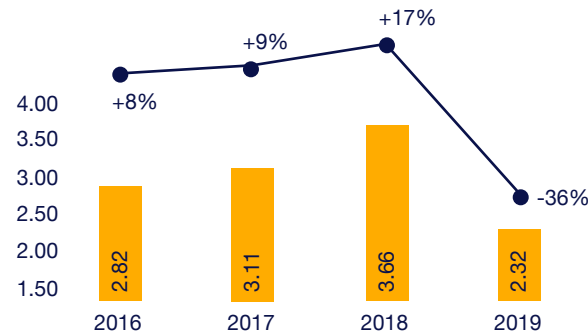
CSX’s approach to addressing physical security risks is two-fold: We conduct regular assessments involving a variety of up-to-date scenarios, and we use the latest tools and technology to support our activities.

FRA Personal Injury Rate¹



¹ FRA Personal Injury Rate calculated as cases/200,000 employee hours. Safety statistics are estimated and continue to be updated as actuals settle.

FRA Train Accident Rate²



² FRA Train Accident Rate tracks FRA reportable train accidents per million train miles. Safety statistics are estimated and continue to be updated as actuals settle.

Assessment Testing

Regular assessment testing is a central practice of the CSX Infrastructure Protection team. Each year, CSX participates in a comprehensive industry risk assessment, or Threat Risk Assessment, in conjunction with the Association of American Railroads (AAR) Rail Security Working Committee. CSX also conducts an annual terrorism- focused stress test, which includes terrorist threats as well as other physical security threats.

The CSX Infrastructure Protection team complies with, and is trained in, relevant business continuity and pandemic response regulations and exercises set forth by the FRA and the Transportation Security Administration (TSA). All scenario-based tests are designed from real-life situations gathered from the FRA, TSA, and the AAR Rail Security Working Group.

The team also performs physical assessments in response to any issues raised by local teams. In 2019, CSX experienced an unusual number of break- ins at our car distribution centers and our special agents performed evaluations of these incidents. The evaluations identified ways to increase security at each facility and provided guidance to local management for implementation of new security measures.



A New Chapter in Safety: A Proactive, Risk Based Approach

In 2018, CSX appointed 22-year industry veteran James Schwichtenberg as chief safety officer. Upon his arrival, Schwichtenberg’s first step was to analyze historic incident data to understand trends and key problem areas. In studying the data, Schwichtenberg and team identified the need for a renewed focus on rule compliance and on eradicating the underlying actions statistically most likely to lead to an incident or injury. Schwichtenberg and his team, armed with the findings of the data study, issued a new operating rules manual and trained management and union employees on the rules and the importance of

following them diligently. CSX also worked with the FRA to create a new operational testing program to help drive an even higher level of safety compliance.

As a result of this effort, CSX was able to evolve its approach to safety incidents and shift from a reactive approach to a proactive approach, minimizing the risks most likely to cause incidents. In 2019, CSX had fewer train accidents than any year in the history of the company, with train accident rate improving quarter over quarter from Q4 2018 to Q4 2019.

For his efforts, Schwichtenberg was selected by Progressive Railroading to be one of 25 individuals recognized as a 2019 Rising Star of the North American rail industry.

“At CSX, there’s a family-like emphasis on protecting one another. For us, safety is important because it can be literally life changing in this industry,” Schwichtenberg said.



Tools and Technology

A high-performing safety organization requires diligence on the part of every employee, but it also requires the application of cutting-edge technology. We have vastly upgraded our use of technology over the past few years and we have seen the results in our safety performance. We view the continued implementation of new tools and technologies as a key component of further improving the safety and efficiency of our operations going forward. The following are some of the technologies we use to optimize our safety performance.

Positive Train Control

Positive Train Control (PTC) is an advanced nationwide system of technologies designed to automatically stop a train before certain incidents occur. To work properly, PTC needs to function seamlessly within and between railroads. In 2019, CSX achieved 100% operability on the designated subdivisions on our network. CSX is also interoperable with every Class I railroad, with the exception of Canadian Pacific. We plan to achieve interoperability with Canadian Pacific in July 2020. In addition to the Class I railroads, CSX is interoperable with

other railroads, including the Belt Railway of Chicago, Metra, Conrail, Amtrak, South Florida Regional Transportation Authority (Tri-Rail), Wheeling and Lake Erie Railway, KWT Railway and Virginia Railway Express.

Every day, CSX averages 98.6% of trains operating with PTC in territory equipped with the technology, with an overall enforcement rate of 0.8%. Significant upgrades were made to the PTC system in 2019, resulting in improvements to both safety and efficiency. For example, engineer revocations were down



to 56 for 2019, a decrease from 96 in 2018. As the system grows and additional improvements are made, we expect PTC will yield even further safety improvements.

Inward Facing Camera and Cell Detection Technology

Inward facing camera and cell detection technology allows CSX to streamline the detection and dissemination of safety alerts by taking the locomotive diagnostic information and remotely transmitting alerts to CSX personnel when it senses problems outside of CSX operating and safety parameters.

In 2019, nearly 400 Locomotive Data Acquisition and Recording Systems (LDARS), which combine event recorder, PTC and video data into one location, were installed on CSX locomotives.

Issues such as cell phone usage on a moving train, engineer-initiated emergency brake applications, PTC enforcements, and severe train slack are just a few examples of alerts the system recognizes and flags. Once an alert is received, it is thoroughly reviewed by Safety Department employees who coordinate with

local field officers to address any risky behavior or unsafe actions.

The Safety Department additionally uses this technology to randomly audit train crews for compliance even when no alerts are received. The system also provides a remote, real-time solution for retrieving event recorder and video downloads. In 2019, CSX performed more than 300 audits helping to ensure crew compliance with CSX rules and policies.

Drones

In 2019, CSX launched an unmanned aerial vehicle (UAV or drone) program to enhance federally mandated operational testing and observations. As part of the program, we designated drones to each region with trained and qualified pilots using Federal Aviation Administration guidelines.

Drones provide better visual data through their ability to capture views from between rail tracks and deeper into railyards than was previously possible. The data enable more thorough operational testing and more detailed employee training and education. Following successful testing

in 2019, we have deployed 44 drones across the CSX system.

Asset Monitoring and Detection Technology

CSX uses sensing cameras and access controls to monitor access to its properties and assets, including an upgraded badge access system installed in early 2020. Technology platforms used include the Security Countermeasure System (SCMS), which maps out each company location, the critical assets onsite and the employee assigned to the asset, and then assigns countermeasures. In emergency situations where the security plan is invoked, SCMS can raise security alerts to CSX management. The Crisis Alert Response System (CARS) is also used to measure and assess environmental risks (such as weather threats and hazardous material plumes) and project the expected impact on a community. To communicate with all employees by email, phone, and text in a matter of seconds, CSX uses the MIR3 communication platform.



Autonomous Track Assessment Cars

One of the most important additions to our technology in the past several years has been autonomous track assessment cars (ATAC). After successfully deploying three cars between 2018 and 2019, we plan to add an additional two in 2020, covering 55% of our core main line track miles, totaling 300,000 miles of coverage.

These cars and their data collection capabilities, enabled by advanced optical and laser sensors, have already been instrumental in reducing accidents.

With the success of proof of concept, the CSX ATAC pilot program was approved by the FRA in March 2020, and cars will be running two routes in intermodal commercial service with the goal of reducing track exceptions per mile by 12% by October 2020.



17 ultra-high definition cameras scan trains at rail speed. <<

Train Inspection Portal: Seeing Every Angle of Safety

CSX trains are inspected for safety on both inbound and outbound trips. This process typically takes one-and-a-half to two hours and involves two or more carmen walking the length of the stopped train searching for loose bolts, wheel wear, or other safety hazards. Even with these thorough manual inspections, identifying defects on top and beneath freight cars manually can be a challenge.

CSX's new [Train Inspection Portal \(TIP\)](#) — introduced in December 2019 just outside of Waycross, Georgia where train traffic is the densest — was created to increase inspection efficiency and efficacy. Designed as an open “gate” over the train track, the portal has 17 ultra-high definition cameras capturing 360-degree scans of passing trains at track speed. The captured images are processed through multiple algorithms in just two minutes, giving inspectors at a central location the ability to review all angles of trains, valuably supplementing information received from manual inspections.

The TIP has the potential to reduce the time a train spends at each inspection location by almost 97%. The system reduces human error and protects our carmen from safety hazards during inspection while building a database of images to be used for further innovation.

Given the success of TIP to date, we are adding one more portal to our network in 2020. We are also

upgrading TIP, enabling even faster and more thorough detection of safety hazards and abnormalities. We are additionally exploring the possibilities of adding thermal imaging or heat sensor technology to identify when a component may be in distress.

We are continuing to work with our partners to identify new ways to apply technology to advance employee and community safety. We see promise in increasing automation of other routine inspections to be able to provide more and better data to our maintenance personnel, allowing them to make real-time decisions on asset health.

HAZARD MANAGEMENT AND EMERGENCY PREPAREDNESS

CSX works closely with our employees, customers, regulators, and suppliers to deliver and handle chemicals and hazardous materials safely, reliably, and with care.

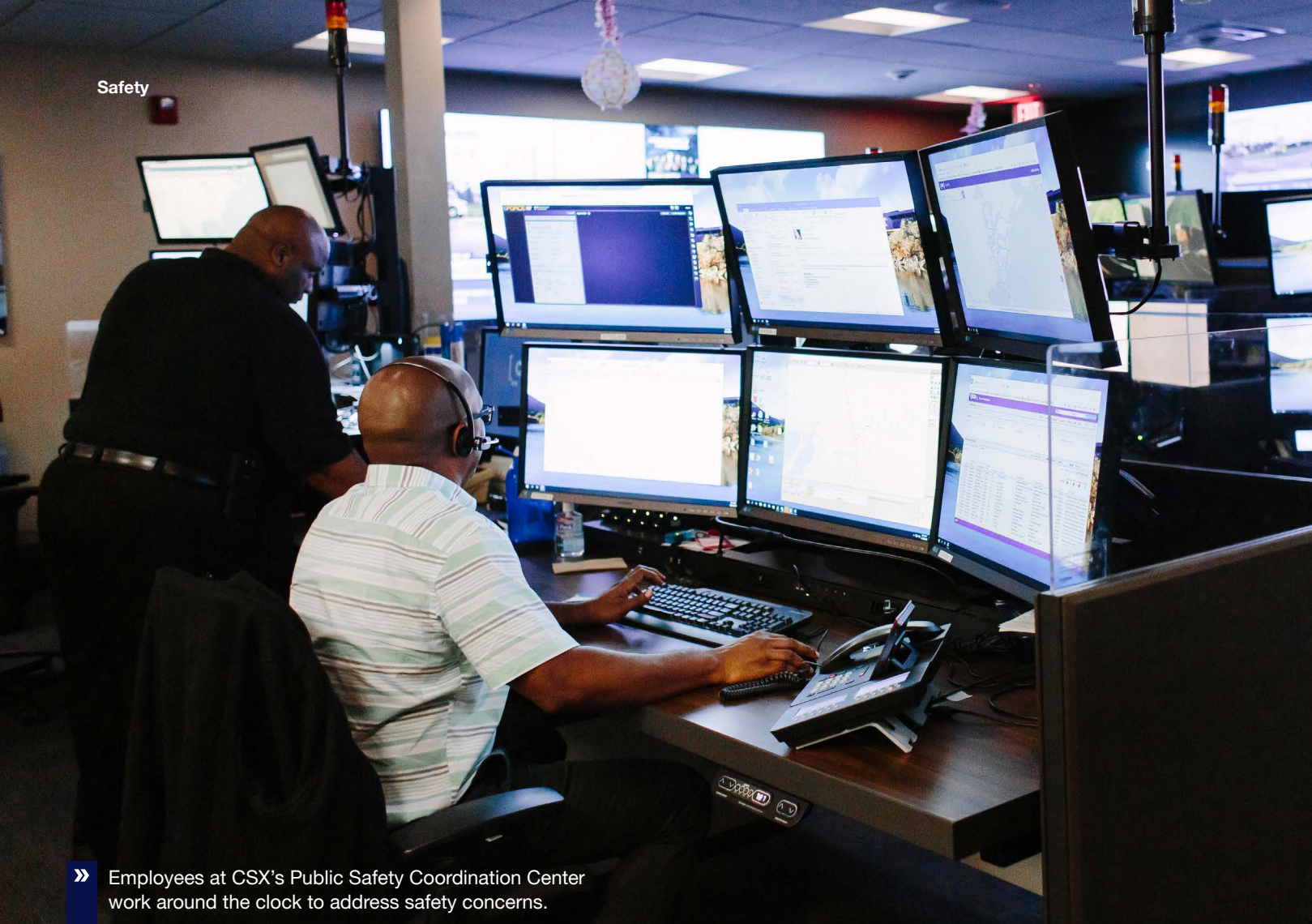
Our approach to hazardous materials transportation relies on company-wide preparedness using the principles of a 3R methodology – recognize, record and report. We have robust guidelines, protocols, and training in place to ensure the safe handling of hazardous materials. This includes how to respond to hazardous material incidents as well as non-hazmat events, such as those related to the transportation of food ingredients.

The 3R approach is taught in annual employee training as well as in onboarding training

for all new employees. Training includes online and in-person instruction and is tailored to the needs of each locality. The approach covers how and to whom to report hazards and emergency events and is based on regulatory requirements, including how to conduct package inspections specified in FRA and AAR standards M-1002 Technical Approval Requirements and M-1003 Quality Assurance Program Requirements. The 3R approach is also codified in our security policy and operating manual.

CSX contractors also participate in 3R classroom training programs. By the end of 2019, more than 75% of our contractors had completed training, and we are working toward achieving 100% trained.

CSX is committed to increasing public transparency around the safe movement of hazardous materials on the company's network, balancing publicly available information with the ongoing need to protect rail security and customer proprietary information. We regularly update our website with the types of commodities we transport. For detailed information on the hazardous commodities classifications and transportation materials by state, visit our [Hazardous Materials webpage](#).



» Employees at CSX's Public Safety Coordination Center work around the clock to address safety concerns.

First Responder Engagement and Training

In the event of a rail emergency, quick and decisive action by first responders is critical. CSX works in close partnership with first responders throughout our network to provide them with the necessary information, training, and coordination of resources to respond effectively in an incident or emergency.

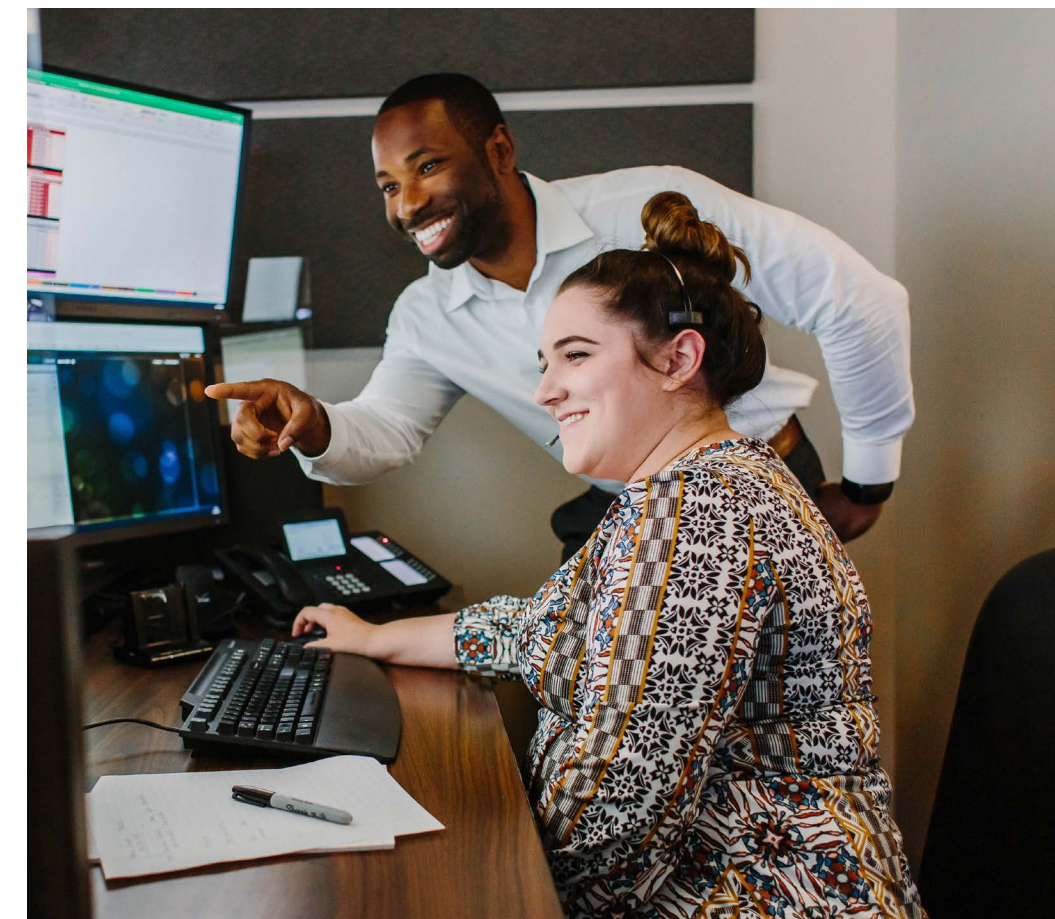
» Training

One of the primary ways CSX provides training to first responders is through the CSX Safety Train Classroom, a rolling classroom railcar that visits communities across the network to share incident response expertise with local first responders. In 2019, through a partnership with 40 fire departments, we provided training at the Annual Hazmat Conference in Yorktown, Virginia, reaching first responders as well as federal regulators from across the country.

» Communication and Coordination

The CSX Public Safety Coordination Center (PSCC) is our communications hub for coordinating with first responders and dispatchers 24 hours a day. Anyone can report railroad incidents by calling the PSCC to provide information on blocked crossings, crossing collisions, signal problems, materials released, theft, vandalism, or trespassing. The PSCC engages directly with local authorities and CSX internal resources to address issues promptly.

To increase communication and coordination further with the first responder community, CSX joined [AskRail](#) in 2019. A collaborative effort between railroads and the emergency response community, AskRail is a mobile app that provides more than 25,000 first responders with immediate access to accurate, timely data about what type of hazardous materials a railcar is carrying so they can make an informed decision about how to respond to a rail emergency.



In 2019:

 **3,353**
received Hazardous
Material Training

 **287**
Operation Lifesaver
activities undertaken

 **27,944**
community members
reached through
these activities

CUSTOMER COLLABORATION

Strong partnerships with customers are essential to optimizing safety performance. Many of our customers own their own rail tracks and we are dedicated to helping them learn and apply our proven best practices for maintaining rail equipment. The CSX Safety team regularly provides customers with updated safety information through one-on-one outreach, brochures, and our [Customer Safety website](#). We also recognize customers for high levels of safety performance regarding the transportation of hazardous materials through our annual Chemical Safety Excellence Awards. In 2019, 70 CSX customers earned this recognition.

COMMUNITY SAFETY

The CSX commitment to safety extends beyond our employees and facilities into the communities served by our rail network. We are committed to educating citizens — and particularly children — about the importance of staying away from railroad tracks and practicing safe behaviors at railroad crossings.

We have a multi-year partnership with [Operation Lifesaver](#), an education and awareness organization committed to ending collisions, fatalities, and injuries at highway-rail grade crossings and along railroad rights-of-way.

Each year, we work with Operation Lifesaver to conduct free rail-safety education programming for schoolchildren, community organizations, driver's education students, and professional truck and bus drivers. We also partner with Operation Lifesaver to provide specialized training for the law enforcement officers who investigate highway-rail grade crossing collisions, as well as first responders to help them apply personal safety practices when responding to a rail incident.

In addition to our work with Operation Lifesaver, CSX actively participates in Rail Safety Week, held in 2019 from September 23 to 29. During the week, CSX conducted 50 awareness activities, including trespassing and traffic enforcement blitzes, school and community presentations, and truck driver outreach.



» Employees educated motorists at a busy crossing about safe driving practices



» Employees distribute safety materials to drivers



» CSX employees engaged thousands of school children during the 2019 Rail Safety Week



Environment

Our Approach

Progress Toward 2020 Goals

Compliance

Climate Change

Energy Performance

Recycling, Reuse, and Waste Disposal

Water Management

OUR APPROACH

Environmental sustainability is at the core of CSX's value proposition. As the most fuel-efficient mode of freight transportation on land, rail continues to enable significant emission reductions for customers, while driving economic prosperity. That's why we're actively working to innovate our approach and drive efficiencies, while setting unprecedented goals and pursuing opportunities for continued improvement as part of our commitment to sustainable business practices.

On average, trains are three to four times more fuel-efficient than trucks, giving trains the potential to lower greenhouse gas (GHG) emissions by 75%. At CSX, we take this advantage as a baseline and are always looking for and applying new ways to empower our customers to achieve greater environmental savings.

As a result of our new operating model, we have continued to improve our environmental footprint. In 2019, CSX became the first U.S. Class I railroad to operate at a fuel efficiency rate of less than one gallon of fuel per thousand gross ton miles for a quarter.

To minimize our environmental impact, we work across the organization to thoughtfully manage energy, waste, water, and air emissions.

Our Environmental team works closely to track, monitor, and communicate environmental management and compliance strategies across the organization using the Public Safety, Health, and Environment (PSH&E) Management System. We use the PSH&E Management System to drive a culture of environmental impact minimization throughout our organization. The system incorporates major elements of ISO 14001, the Environmental Protection Agency's Compliance-Focused Environmental Management System, and other industry-specific standards. In 2019, it underwent a full system audit which resulted in certification of compliance with the American Chemistry Council's Responsible Care Management System.

Additional details on our environmental management approach, including our Environmental Policy, can be found on our [Environment & Efficiency page](#).



PROGRESS TOWARD 2020 GOALS

In 2012, we set a series of environmental goals to achieve by the end of 2020, most of which we have reached or are on track to achieving.

While we continue to work toward our 2020 objectives, we are also working to set new environmental goals to guide our strategy through 2030. In this process, we will continue to build on our success in moving more freight with less asset intensity and reducing fuel consumption to

“Setting a science-based target is one of the most ambitious actions a company can take to fight the climate crisis. We congratulate CSX for demonstrating its commitment to strong emissions reductions, and for being the first railroad in North America to have a target this ambitious approved. We look forward to seeing other railroad companies follow their example, which is crucial for achieving the goals of the Paris Agreement.”

Bruno Sarda
President of CDP North America

optimize our customers’ and our own environmental footprint. Also, as part of this process, we are looking to set an internal price on carbon within the next two years.

COMPLIANCE

The Environmental Operations team prioritizes, and consistently achieves, compliance with local and federal regulations. We are constantly working to find new methods, technologies, and training opportunities to better enable us to meet and exceed regulatory standards.

In 2019, we underwent nearly 100 internal reviews of our facilities to ensure compliance with local, state, and federal regulations, including more than 40 Clean Air Act and 155 Clean Water Act permits system-wide. CSX implements a review program that includes self-review, peer-review, and third-party reviews conducted by consultants using a complete multi-media protocol. Findings and corrective actions from these reviews are tracked in an electronic management system. Complete risk profiles of every facility are conducted annually. The electronic management system helps determine review frequency for large and small facilities.

Taking Charge to Reduce Emissions

In April 2019, the [Association of American Railroads](#) (AAR) awarded CSX’s Gary Van Tassel, director of operations planning, the John H. Chafee Environmental Excellence Award. The award recognized Van Tassel’s role in the development and implementation of XGate — a revolutionary new system that reduces potential emissions at intermodal terminals by up to 90%.

XGate is an automated, drive-through system that scans and inspects containers for damage in a fraction of the time it takes a team of workers to do so. The accompanying mobile app also allows drivers to pre-plan terminal stops, enabling CSX to configure containers for optimal loading and unloading. This system minimizes emissions by significantly reducing truck idle time, reduces human labor, and cuts customer wait time from minutes to just seconds.



XGate has played a significant role in our ability to reduce our emissions — and will continue to help us make reductions in the future. The reduction in human interaction enabled by XGate has also helped decrease employee risk from health and safety hazards, most recently from the coronavirus pandemic.

Goal	Status	2019 Progress
Reduce GHG emissions intensity by 6-8%	ACHIEVED	This goal was achieved in 2018, and emissions intensity in 2019 was 10.8% below 2012 levels. We anticipate 2020 emissions intensity will be lower still.
Increase energy blend to 10% renewable sources	NOT ACHIEVED	CSX continues to invest in on-site renewable energy for assets and facilities, where it makes the most sense. We are investigating multiple avenues for increasing our renewable portfolio in the future.
Reduce hazardous waste generator status by 25%	NEARLY ACHIEVED	By the end of 2019, we decreased our hazardous waste by 21% and are on track to achieve a 25% reduction by the end of 2020.
Decrease asphalt, concrete, and brick to landfill to zero	NEARLY ACHIEVED	We successfully decreased our concrete and brick to landfill to zero. 7% of asphalt generated in 2019 went to landfill, but we are on track to get to zero by the end of the year.
Reduce quantity of water consumed	ACHIEVED	We successfully reduced our water consumption by 60%.
Improve the quality of effluent water	ACHIEVED	CSX reduced the number of environmental deviations pertinent to the Clean Water Act by nearly 37%.
Continue to elevate sustainable standards of construction	ACHIEVED	CSX has built several LEED certified buildings in recent years and is also making the best use of existing buildings. There have been significant lighting retrofits in car shops, office buildings, and throughout railyards – improving the quality of light and reducing the energy required.
Encourage employees to take sustainable actions in their everyday jobs, such as conserving energy, reducing waste, and identifying efficiencies	ACHIEVED	As part of CSX’s transformation, we have reduced the footprint and number of buildings where we operate, while continuing to identify ways to create new efficiencies.

CLIMATE CHANGE

CSX understands that we have an important role to play in addressing the complex global challenge of climate change. We are working to be part of the solution for our communities, employees, and stakeholders. That is why we set the most aggressive greenhouse gas reduction target among the Class 1 railroads.

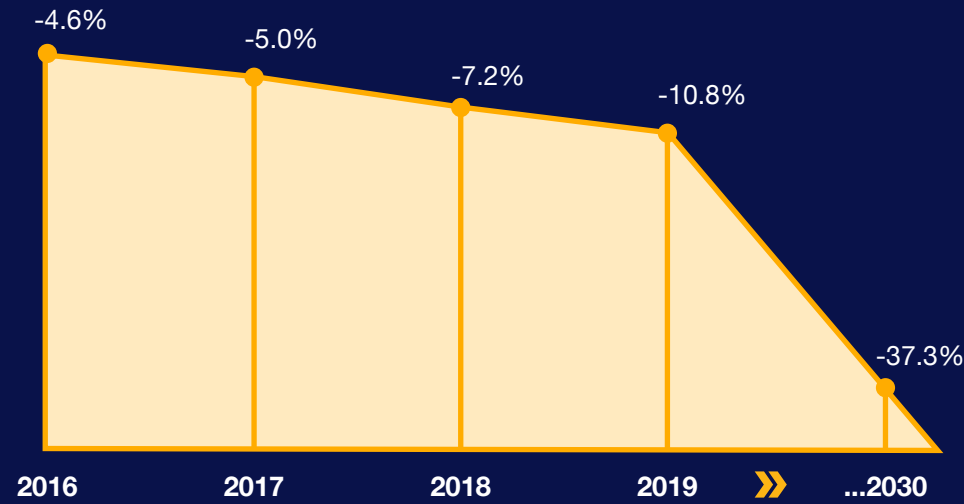
In 2019, we partnered with the [Science Based Targets initiative \(SBTi\)](#), an organization dedicated to supporting commitments that are consistent with the goal of limiting global warming to well-below 2°C above pre-industrial levels. Through this partnership, CSX has made an ambitious new commitment to reduce GHG intensity emissions by 37.3% by 2030, using 2014 as our baseline. CSX is the first railroad in the U.S. to align with SBTi. As part of our commitment, we are working to identify and implement new technologies, including enhanced automatic control improvements for the trip optimizer infrastructure with plans to install the technology on approximately 2,100 locomotives to reduce Scope 1 emissions. We are also considering expanded use of compressed natural gas — a cleaner option than diesel.

Continued Investment

Between 2017 and 2019, as part of the transformation, CSX invested a total of \$24 million into fuel efficiency measures, including increasing automation and streamlining locomotive use.

As a result, CSX recorded its

Tracking our GHG Intensity Emission Reduction Progress (% reduction)



Locomotives by Type

Year	2016	2017	2018	2019
Freight	3,880	3,659	3,440	3,162
Switching	311	299	254	220
Auxiliary	209	208	204	179
Total	4,400	4,166	3,898	3,561

highest-ever fuel efficiency in 2019 — more than a 7% increase from 2016 — and marked the greatest number of miles traveled per gallon of fuel in our history.

Automation

As part of the transformation, we implemented multiple initiatives to increase both efficiency and sustainability.

One of these initiatives is the newly formed **24/7 Fuel Conservation Desk** — a team that manages train speed and efficiency on a minute-by-minute basis. The team monitors trains for speed and horsepower

and communicates automatically with locomotive operators in real time if locomotives need to be shut down to save fuel.

Additionally, we invested in the **Trip Optimizer** tool, an automated locomotive cruise control device that helps locomotive engineers achieve optimal fuel burn by automatically controlling speed and acceleration in real-time. In 2018, CSX saved approximately 4 million gallons of fuel as a result of this program — increasing fuel efficiency by 10%. The technology is operable for the life of the locomotive, which is typically 30 years.



We have also prepared to implement the **Meet Pass Planner (MPP)** — a locomotive monitoring technology — in early 2020. The MPP determines the least fuel intensive action for two approaching trains, i.e., whether they should slow down to pass each other, or whether the emptier train should stop to let the other pass. The plan integrates automatic control functions that allow for train pace to be controlled remotely. The MPP will also be integrated with train pacing and trip optimization capabilities that generate data on the trip plan for each railcar and container on every single shipment.

Locomotive Use

The CSX operating model has also helped to significantly increase environmental efficiency by reducing the number of trains needed to transport the same amount of cargo.

Since 2017, we have continued to look at our owned fleet to identify efficiencies and decrease the number of locomotives in our portfolio. At the same time, with our automation technology, we are now able to better manage our owned fleet and, based on demand, determine which locomotives should be kept in storage rather than remain idle on the track. Using fewer locomotives also means using less material and energy on repair and maintenance. This was especially significant in the winter when locomotives were stored rather than parked in idle states, preventing unnecessary fuel consumption of up to 4 gallons of fuel per hour.

These combined initiatives of improved trip optimization technology and reduced locomotive fleet and usage decreased total direct fuel usage across all fuel types, as measured in gigajoules, by more than 7% from just 2018 to 2019.

508 miles

Distance moved for one ton of freight on a single gallon of fuel; a 7% increase from 474 miles in 2016

1.0 gallon/kGTM

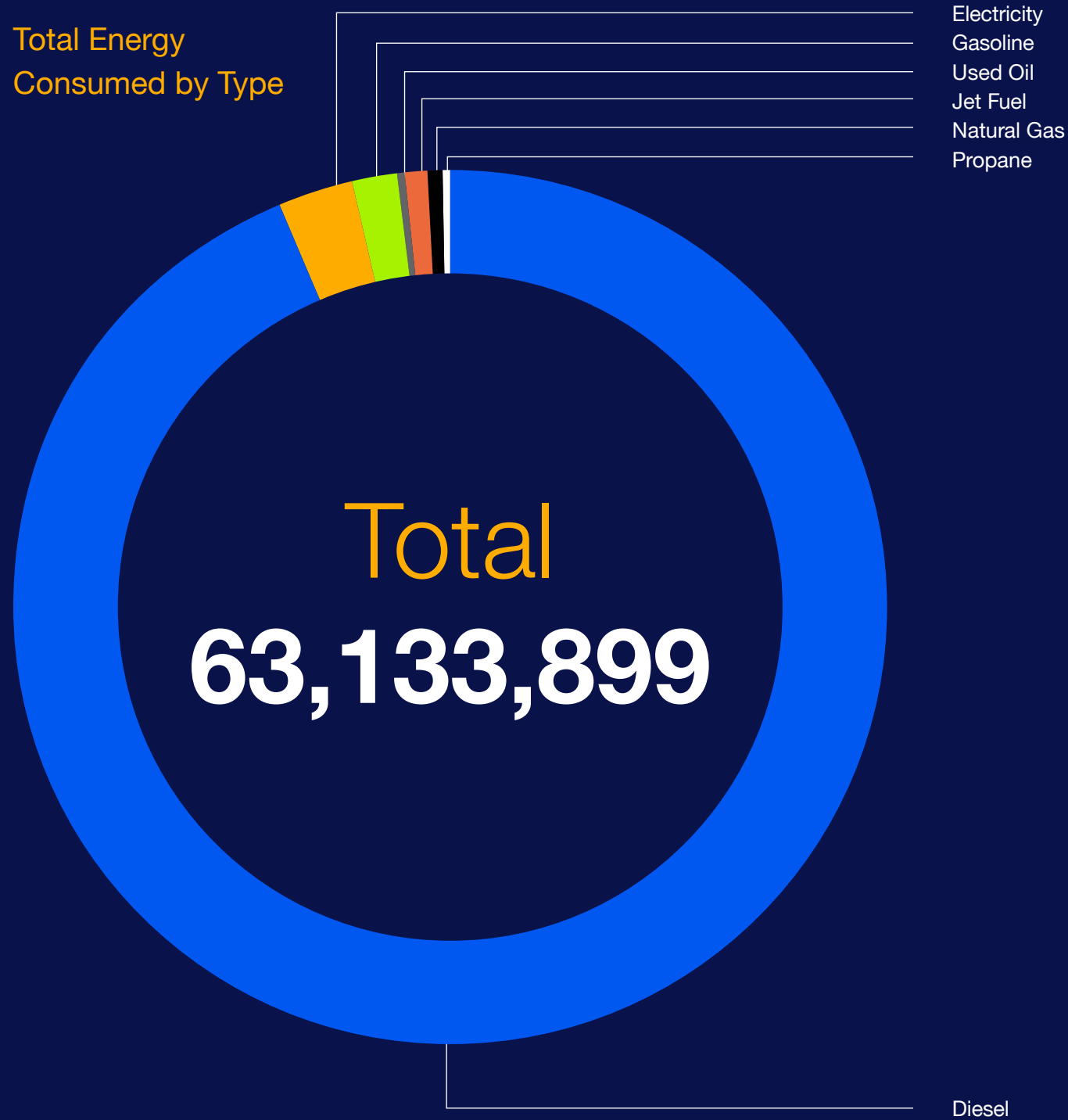
First U.S. Class I railroad to cross this fuel efficiency milestone

ENERGY PERFORMANCE

Diesel remains the primary fuel type consumed by CSX, but the total amount consumed has decreased significantly each year. We are

collaborating with industry partners to research and identify new solutions that will be the fuel of the future.

Total Energy Consumed by Type



Values include direct and indirect (electricity) energy usage. Values based on energy/fuel consumed in gigajoules (GJ), where 1 gigajoule = 0.28 MWh.

CSX Annual Energy Consumption² (1,000 GJ)

Year	Value
2016	70,066
2017	68,794
2018	67,897
2019	63,134

CSX Annual Scope 1,2,3 GHG Emissions (1,000 metric tons CO₂e)

Year	Scope 1 Value	Scope 2 Value	Scope 3 Value
2016	4,775	229	301
2017	4,707	221	181
2018	4,649	205	154
2019	4,309	196	183

CSX Annual GHG Emissions Intensity Performance (metric tons CO₂e per GMTM³)

Year	Value
2016	11.55
2017	11.49
2018	11.23
2019	10.80

² Energy consumption includes all sources of direct and indirect energy from fuels (diesel, gasoline, natural gas, propane, etc.) and electricity consumed inside the organization.

³ A gross ton mile (GTM) represents the movement of one ton of train weight one mile. GTMs are calculated by multiplying total train weight by the distance the train moved.

Materials CSX Recycles

Type of Material	Unit of Measurement	2019	2018	2017	2016
Used oil	Million Gallons	1.34	1.83	2.41	2.57
Batteries	Short Tons	407	367	390	290
Steel	Short Tons	159,460	157,306	326,428	205,695
Crossties	Millions	2.64	2.25	2.11	3.00
Asphalt	Short Tons	34,617	92,993	32,831	94,577
Concrete	Short Tons	32,905	12,957	18,258	1,270

RECYCLING, REUSE, AND WASTE DISPOSAL

The majority of the waste CSX generates (such as scrap track materials, tires and batteries) derives from locomotive and equipment maintenance activities required for ongoing operations. CSX generates thousands of tons of recycled materials each year, maximizing recycling before anything goes to the landfill.

To reduce waste, we closely monitor the amount of volumes being generated at any given time, implement recycling and reduction measures wherever possible, and train employees on how to put recycling and reduction techniques into practice.

These recycling and reduction practices are also applied to waste generated from our office activities. In 2019, we instituted a new e-waste buyback program in partnership with [Urban Mining](#). As part of the program, CSX collects and separates e-waste so that it can be refurbished, resold, or recycled. By the end of 2019,

the program had collected 8,300 devices and successfully diverted more than 630,000 pounds of waste away from landfills — the equivalent of more than 150 cars. More than 70% of discarded laptops and 50% of discarded desktops were able to be refurbished and either resold or donated to those in need. In total, almost 98% of retired electronic assets were processed, resold, or recycled in 2019.

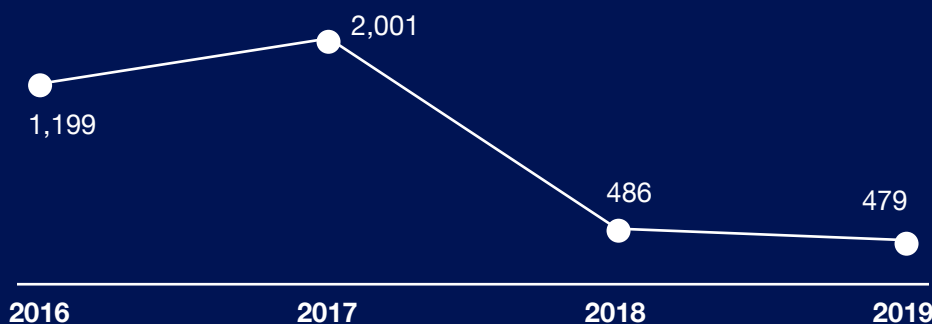
WATER MANAGEMENT

Our operational transformation has also led to environmental benefits – consolidation of facilities, locomotives, and other resources means we need less water to accomplish our business objectives.

The primary activities involving water at CSX include washing locomotives and other equipment and suppressing dust. In order to reduce the amount of water used in these activities, we take care to track our water use and apply water reduction, recycling, and reuse measures (e.g., rainwater collection and recycling) wherever feasible.

For example, we invested in a multi-million-dollar water reuse project at the Curtis Bay Coal Pier. The project increased the collection and use of storm water for dust suppression activities instead of potable water. Thanks to these types of projects, we have been able to reduce our overall water use by 60% since 2016.

Total Annual Water Consumption (millions of gallons)



Championing Environmental Action

With more than 25 years of experience in the environmental management industry, Brian Zacker is constantly reinventing operations to achieve better environmental results.

The regional manager of environmental field services and a 10-year veteran of CSX, Zacker has a deep understanding of the company that has helped him identify innovative, cross-departmental solutions to environmental and waste management problems.

For example, Zacker collaborated with the Operations department to create No Spike Left Behind (NSLB) program, which analyzes the design of railyards for efficiency and sets up an inventory system to improve material reuse or recycling and reduce surplus of material on railyards. NSLB resulted in more than 4,450 tons of scrap metal being collected, producing approximately \$500,000 in annual revenue.

Zacker has also made major contributions to our hurricane preparedness plans. Hurricanes can damage the rail network and cause runoff or spills of hazardous waste. As part of the preparedness plan, Zacker and his team developed a checklist for pre-and post-natural disaster considerations (such as turning off pumps, draining holding ponds to accommodate excess water, bolting down tanks and checking for loose waste wranglers). The checklist system was used for the first time in August 2019 with Hurricane Dorian, and CSX weathered the storm free of any waste related issues or complications.



People

Our Approach

The CSX Talent Strategy

Transforming Our Workforce

Talent Acquisition

Talent Development

Total Rewards

Employee Health & Wellbeing

Employee Engagement

Diversity & Inclusion

OUR APPROACH

Our business is fueled by the dedication of our employees and our shared commitment to be the best-run railroad in North America. Our people are the foundation of our success and keep us moving forward every day. That is why CSX offers rewarding careers with opportunities for learning, development and progression, including a compelling total rewards package that fosters a culture where employees are included and engaged.

In 2019, our Board of Directors' [Compensation and Talent Management](#) Committee expanded its oversight role beyond executive compensation to overall human capital management, including reviewing the company's leadership development, performance management, and talent acquisition programs, as well as expanded oversight of the company's plans and processes for promoting diversity, inclusion, and pay equity.

Our Administrative function includes dedicated Human Resources and Total Rewards departments that ensure the CSX talent strategy supports business objectives. These departments are responsible for workforce management, talent management and development, employee relations, diversity and inclusion, and compensation and benefits. Within Human Resources and Total Rewards, we also have a dedicated Learning and Development team that oversees employee training and professional growth, and a People and Analytics team that measures and evaluates our talent strategy performance.

THE CSX TALENT STRATEGY

As part of our company's transformation, we introduced a new talent strategy to better enable us to attract, develop, and retain the best railroaders. The new strategy rests on four pillars: every position and every person adds value; we value diverse experiences and skills; compensate our workforce well for their achievements; and motivate them to succeed.

“As CSX railroaders, we are proud of our role in keeping our country and economy moving. We embrace that being part of a company driving industry transformation requires every employee in every role to be a leader, have a service-mindset, and an intense curiosity to improve.”



Diana B. Sorfleet,
Executive Vice President and
Chief Administrative Officer





The CSX Workforce

20,908

workers strong

Workforce diversity*
(*calculated as the percentage of males of color and all females)

20% of overall workforce
37% of management
17% of union

Three generations of our workforce

68% Gen X
23% Gen Y
9% Boomers

Overall retention rate
92.4%

Average age and years of service
45 average age **14.4** years of service

Management new hires
49% diverse **21%** female

Management promotions
39% diverse **24%** female

Union new hires
34% diverse
4% female

17,146 union employees
3,292 management employees

470 subsidiary company employees

Veteran and active duty military status
3,323 veterans, active duty military, and first responders
16% of the workforce

RIGHT ROLE, RIGHT NUMBER
Every position adds value.

A primary objective of our talent strategy is to ensure that every position creates value. As part of our approach to workforce planning, we closely examined positions and skill sets, as well as the work needed for the future, to make the company more agile and better positioned for growth.

TRANSFORMING OUR WORKFORCE

The business transformation brought significant changes to our workforce. We eliminated redundancies in work and redefined roles and expectations, resulting in fewer positions, less bureaucracy and faster decision-making, clearer accountability and focus. We provided new opportunities to our employees, and in management alone, 472 employees received promotions in 2019. Of these promotions, 34% were union employees promoted to operations frontline supervisor positions.

This phase of our transformation has aligned our workforce to be well-positioned for future growth and industry leadership.

TALENT ACQUISITION

To be the best-run railroad in North America, we need the best people. We are fully dedicated to attracting top talent from different industries and backgrounds to bring in critical expertise, diverse experiences and skill sets that position our company for sustained growth. Critical to our ability to acquire top talent is our approach to hiring. From the beginning of the hiring process, we want to ensure that every candidate has a positive experience with CSX. We provide our interviewers with training in interviewing best practices and unconscious bias to ensure that they are equipped to identify high-potential talent. We also train interviewers to acquaint top candidates with our wide range of craft and management career opportunities as well as our unique service-oriented culture.



DIVERSE EXPERIENCES & SKILLS

Every person adds value.

To ensure employees are trained and supported, we have implemented initiatives designed to drive professional growth, further align our workforce with our operating model, strengthen our talent pipeline and embed our guiding principles.

TALENT DEVELOPMENT

Development and Growth Opportunities for All CSX Employees

We are deeply committed to fostering a culture and workplace where employees have a meaningful work experience; feel valued and supported; and have the right tools and resources to be successful. We focus on skill development at all levels of the organization through a combination of work assignments, on-the-job experiences and focused trainings, which help our team members acquire the necessary skills, experiences and competencies to take on increased responsibility.

From a skills development perspective, we adopted a 70-20-10 model in which 70% of development comes from on-the-job training, 20% from coaching and mentoring, and 10% from formal instruction. At all levels, we encourage employees to learn from

each other and share their unique skills and expertise. In response to employee interest in greater development opportunities and increased communication with managers, we continue to offer formal development programs, instructor led learning, on line learning and on the job training opportunities.

WELL-COMPENSATED

Competitive pay and benefits.

CSX offers a competitive compensation and benefits package for our railroaders to help drive our recruitment efforts, promote retention, and enhance engagement in the organization.

TOTAL REWARDS

CSX's total rewards packages for our management and union employees are designed to support employee recruitment, retention, and engagement, as well as our short and long-term growth objectives as a company. We regularly benchmark our compensation and benefits plans and offerings against railroad and general industry standards to ensure our total rewards remain at or above market.

In 2020, to continue to motivate management employees below the director career level, stock awards of performance units were granted to employees to recognize their efforts during the

business transformation and align all management employees to focus on long-term performance of the company. This is the first time employees in these career levels received a stock award grant; extending our pay-for-performance philosophy.

EMPLOYEE HEALTH AND WELL-BEING

We are committed to helping our employees stay healthy through tools, resources, and support programs. Starting in 2019, we shifted our focus from physical wellness to an overall well-being approach with four key pillars — physical, emotional, social, and financial support. The basis for this shift is to adapt our offerings to an increasingly diverse workforce with “a la carte” options instead of a “one size fits all” plan. Highlights include:

- › Enriched voluntary benefits that add flexibility and meet a wider range of employee needs, including accident, critical illness, hospital indemnity, and a pet insurance program
- › Tools and resources for employees with chronic conditions, such as diabetes and hypertension
- › Free access to Care@Work's platform for finding child, elder and pet care resources

To learn more about CSX benefits, visit our [2020 Benefits Summary page](#).



Training in Action

In 2018, we introduced our Frontline Supervisor Training. As part of the program, leadership facilitated training sessions with both operations and non-operations frontline supervisors that aimed to deepen their understanding of key organizational messages, strengthen leadership development skills, and empower them to impact change and deliver results. The program is facilitated by Executive Vice Presidents and Senior Vice Presidents and has already been completed by more than 70% of frontline supervisors.

In 2019, CSX created a development program called Switching Schools as part of an effort to maximize knowledge, efficiency and safety surrounding switching operations, operating rules and procedural requirements for employees who were previously involved in human factor incidents. The two-day course encompasses classroom and outside field training scenarios and competencies that help broaden employees' overall rules and operational skillset and minimize the potential for any future reoccurrence. Employees attending the training have had a 95% success rate in the prevention of additional incidents.

To foster a culture of integrity, respect and safety, we also unveiled a Professionalism Toolkit in 2019 to encourage meaningful discussions among leaders, managers and employees, with new topics being added every quarter. As part of this initiative, employees can nominate leaders who have demonstrated professionalism and stand out. Each quarter, leaders are selected and recognized for their contributions.

We provide Service and Sales Training to Sales and Marketing professionals to continually strengthen their skill sets, improve performance, and use cutting edge technology to promote CSX premier service.

Based on employee feedback, we also focused on enhancing our Talent and Learning Management System by introducing mobile access capabilities for employees to set and track performance and development goals; complete online training courses; and ensure alignment with organizational goals and expectations.

MOTIVATED TO SUCCEED

Diversity, inclusion and engagement.

Through inclusion and engagement initiatives, CSX works to ensure that employees feel they are part of the company culture and have a stake in the success of the business.

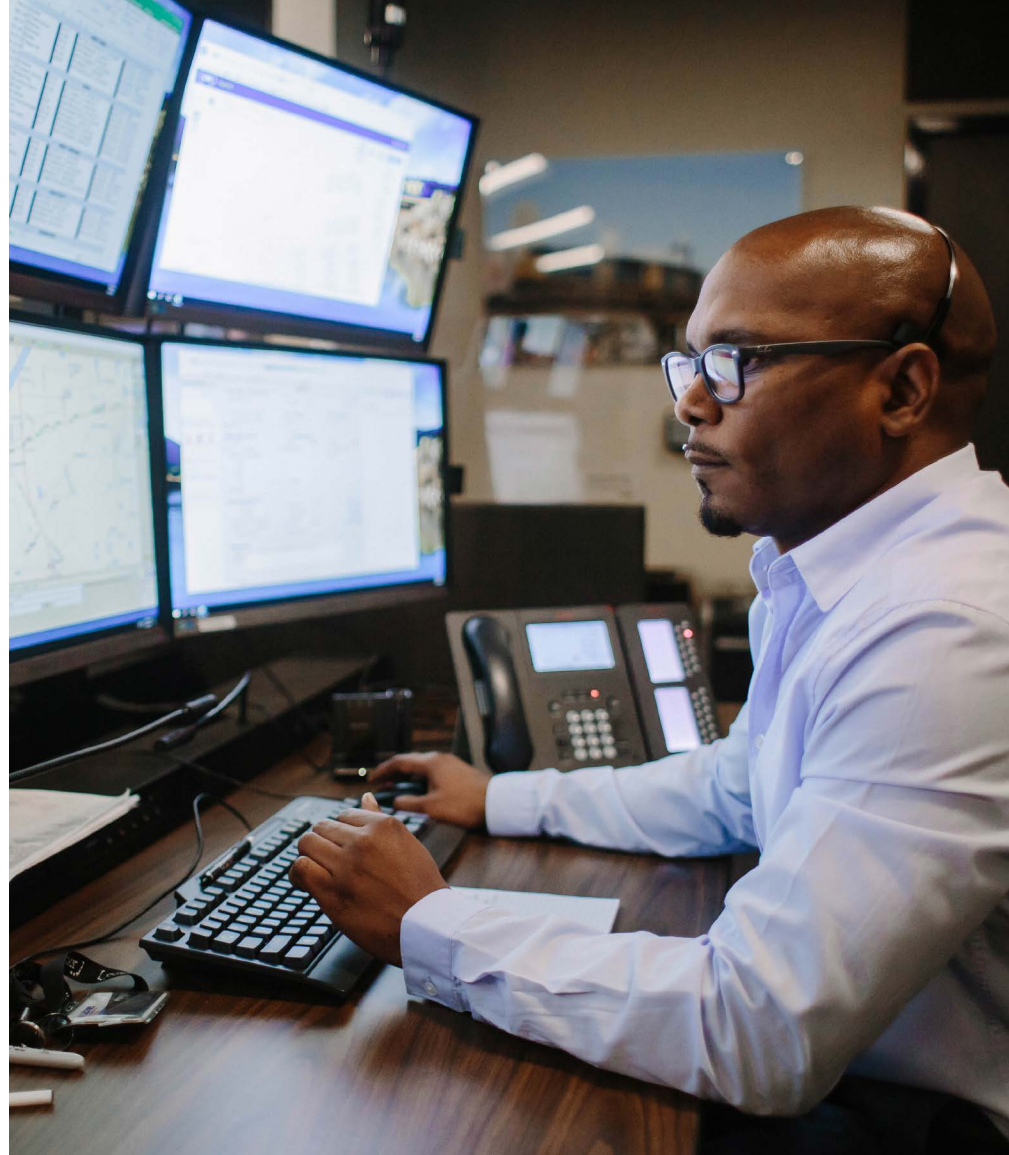
EMPLOYEE ENGAGEMENT

Our employees are at the core of our success, so it is important that they are engaged in the business, motivated to succeed and equipped with the skills necessary for their continued growth at the company. To foster engagement, we have implemented mechanisms to ask employees how we can improve their experience and provide formal training programs to support their development.

Employee Feedback

Our leadership is committed to a culture that empowers employees to deliver value and reach their full potential. To attain our vision to be the best-run railroad in North America, we want every employee to be motivated and inspired as a contributor to our collective success.

We recently conducted a broad-scale safety and culture survey to gauge employee engagement and identify areas for improvement. In addition, we gathered feedback through short pulse surveys to track our progress. While we have made significant progress in our efforts to be the best, we have



The CSX management workforce is **37% diverse**. Our unionized workforce is **17% diverse**, which places our **overall diversity at 20%**.

learned most recently that our employees would like additional career development resources that include how we enhance our service mindset. We are developing options that support their learning and engagement

DIVERSITY AND INCLUSION

We understand that promoting a diverse and inclusive culture — in which every employee is fully engaged and can reach his or her full potential — is integral to our future growth and success. To do that, we need to reflect the communities in which we operate. In late 2018, we updated our

formal diversity and inclusion strategy to align with our corporate strategy, based on the recognition that people are the foundation of our success and our commitment to developing a culture that inspires employee engagement and excellence.

While work remains to be done, we are proud of the strides that CSX has made toward building a diverse organization that celebrates different backgrounds and experiences. With support from our leaders, we maintain our focus on working collaboratively with our employees, communities and partners to create a diverse and inclusive workplace, with

a particular focus on disability inclusion, women in field positions and military-friendly programs and policies, as well as ensuring that every position adds value. As we work to increase the diversity of our workforce, CSX has built partnerships with organizations such as the [National African-American Women's Leadership Institute](#), [SOAR](#), [the Wounded Warrior Project](#), and [Generation W](#). Through our partnerships, we create stronger inclusion, provide opportunities and resources for our workforce, and enhance our access to exceptional talent.

“CSX sets high standards for an inclusive culture. We are committed to developing a diverse workforce and leveraging everyone’s unique backgrounds and skillsets for our collective success.”



Stephanie W. Noel,
Vice President of Human Resources and Chief Diversity Officer.

People

CSX Named a “Best Place to Work for Disability Inclusion”

One of our proudest achievements in 2019 was being recognized as a “Best Place to Work for Disability Inclusion” by [Disability:IN](#) and the [American Association of People with Disabilities](#) after receiving a 100% score on their disability equality index. This recognition is the result of stated policies on disability inclusion, support for disability initiatives in the company and community, healthcare benefits, and digital accessibility.

Business Resource Groups

CSX’s business resource groups (BRG) are employee initiated networks led by an executive-level sponsor to promote a diverse, inclusive, and engaged workplace culture. These volunteer groups connect individuals with shared interests and experiences and are focused on initiatives that apply their perspectives to business imperatives. BRG members are actively involved in both community service and business initiatives for CSX and they are making a difference.

> **ABLE Disability Inclusion Group:**

Promotes a culture that attracts and encourages individuals with disabilities to make a positive contribution to the company and society through informational sessions, volunteer events, and awareness campaigns.

> **African American Inclusion Group:**

Aims to build and sustain a community of African American employees; foster a culture of inclusion; and support African American representation in the company through community outreach, professional development and networking events.

> **Asian Professionals for Excellence:**

Helps build a network of support for Asian American professionals in the CSX community; promotes a better understanding of the diverse cultures of the Asian continent among the workforce; and helps recruit and promote top Asian American talent at CSX.

> **Interchange Women’s Leadership Network:**

Supports the growth and professional development of women at CSX through networking, mentoring, and other learning opportunities, including career development panels and “Lunch and Learns” with senior leadership.

Women at CSX

We are committed to increasing women’s representation in the workforce through targeted initiatives to attract, develop and engage female employees across CSX.

“At the end of 2019, 22% of management employees and 2% of union employees were women, accounting for 5.4% of CSX’s overall workforce.”

As we continue to identify opportunities to promote CSX as an attractive employer and strengthen our recruitment and hiring efforts, we also prioritize learning and development opportunities for women at all levels of the organization through targeted training opportunities. These include:

> **Women’s Leadership Development Program:**

A 12- to 18-month program for women at the senior leadership level that focuses on individual leadership capabilities, improving overall business acumen, and developing a shared point of view on how to build a culture of sustainable results.

> **Events through Interchange Women’s Leadership Network:**

Events that foster mentorship and provide opportunities to learn from other female leaders through our business resource groups.

> **Strategic Partnerships:**

Formal training programs for women in our workforce developed in collaboration with SOAR, National African-American Women’s Leadership Institute, and Generation W.



“I learned about SOAR through our General Manager Ray Canady and Human Resources Business Partner Tre Gamble,” said Amanda. “The best experiences have been learning about different leadership styles by studying other leaders such as Martin Luther King, Jr., and also learning from my peers’ experiences. Having the opportunity to meet women in leadership roles in other industries, who are facing the same challenges and opportunities, has been helpful in my own personal development as a leader.”

Amanda Dellinger,
Trainmaster, Buffalo Terminal, Northeast
Region Operations





CSX's Chief Information Officer Named One of "Most Admired Women Leaders in Business"

Kathleen Brandt
Senior Vice President of Technology and Chief Information Officer

Kathleen Brandt began her career at CSX in 1985 as a software developer. Over the years, she progressed to positions of increasing responsibility across many functions within CSX Technology, gaining a unique perspective of railroad operations and eventually earning a leadership role as senior vice president of technology and chief information officer.

In 2019, Brandt was named one of the "Most Admired Women Leaders in Business" by Insights Success, which recognized her leadership and strategic vision in guiding CSX's delivery of technology solutions to increase service agility, reliability and — above all — safety.

Brandt is involved in many organizations that focus on encouraging and engaging the next generation of professional women. She is on the Board of Directors of Railinc, Northeast Florida Regional STEM2 Hub, and Dreams Come True. She also serves on the executive advisory board of the Jacksonville University Davis College of Business, is a sponsor of SOAR, and is involved with the National African American Women's Leadership Institute and Women in IT.

Our Commitment to Veterans, Military, and First Responders

We pride ourselves on being a military-friendly company and celebrating our military population. We are honored to have more than 3,300 veterans, active-duty military and first responders at CSX. Together they form approximately one-fifth of the CSX workforce.

We actively seek veteran, military, and first responder candidates for CSX positions. In 2019, we increased our focus on sourcing, and recruiting talent among the service population. In addition to engaging with our Pride in Service partners, we created relationships with



» CSX's Ryan Walker presenting to 20 veterans at a Wounded Warrior Project informational hiring event.

local veterans employment representatives, student veterans groups, professional military associations and veteran's service organizations to support a robust pipeline of service talent.

In the fall of 2019, we relaunched our Count Me In campaign to encourage employees to self-identify either military or disability status. This confidential information helps us create strategies that improve and measure our progress toward our diversity programs; support our recruitment and retention efforts; and better tailor programming to employees' unique needs and interests.

From the Military to CSX: A Shared Culture of Dedication, Commitment, and Discipline

Carl Walker
Chief Engineer, Communications and Signals

Carl Walker began his career at CSX in 1999 as a manager of communications solutions in technology following 22 years of service in the U.S. Navy. Walker held various roles with increasing levels of responsibility at CSX before becoming chief engineer, communications and signals.

Walker began his military career as an enlisted service member in communications and was commissioned as an officer in 1989. He completed three deployments to the Persian Gulf on the U.S.S. George Washington during Operation Iraqi Freedom and the Gulf War. He learned about CSX while in the military, and



became interested in working for a railroad, more specifically, CSX, after his retirement. "What I like about going from the military to CSX is that the organizational structure is very similar," he said.

"Working for CSX, particularly in operations and engineering, you need a high level of dedication, commitment, and discipline in order to effectively execute the various projects."

Carl is also the sponsor of the African American Inclusion Group at CSX.



Communities

Our Approach

Pride in Service

Our Hometown

Disaster Relief

Employee Giving & Volunteerism

OUR APPROACH

Service defines CSX including service to our customers, service to each other and service to our communities. Across our 23-state network, we serve communities through monetary and in-kind giving as well as the dedicated and passionate volunteer work of our employees. In 2019, CSX contributed more than \$10 million and nearly 9,000 volunteer hours to our communities.

PRIDE IN SERVICE

A New Approach to Community Investment

As we reinvented our operations over the past several years, we also reexamined our approach to community investment. We wanted to ensure that our contributions served the critical needs of our communities; connected to our business and values; and aligned with our employees' passions. With these goals in mind, on the eve of Veterans Day 2018, CSX launched Pride in Service, a company-wide commitment to honor and serve those who serve our country and our communities – our nation's veterans, active military, and first responders.

Our headquarters in Jacksonville, Florida, and much of our rail network are near military bases and areas with high concentrations of military families. And in every town along our routes are heroes who serve or have served their community and their country – whether they are police officers, firefighters, National Guard members or veterans returning to civilian life. These heroes have faced danger and hardship in the line of duty as well as on the home front. These include financial struggles, disconnection and isolation from civilian communities.

CSX employees know these challenges well. One in every five CSX employees has a service background. The cultural connection between service and railroading is deep. Additionally, we employ our own CSX police force and hazmat team, more than 100 employees strong.

Our Commitment to Those Who Serve

Through Pride in Service, each year we connect thousands of servicemen, servicewomen and family members with the support they need – when they need it and where they need it.



Communities

As part of the initiative, we partner with the nation's leading veteran, military, and first responder organizations. Our founding partners include [Blue Star Families](#), [Operation Gratitude](#), [Operation Homefront](#), [First Responders Children's Foundation](#), and [Wounded Warrior Project](#) — each of which addresses a unique area of need within the service community.

In its first year, Pride in Service reached more than 85,000 servicemen, servicewomen, and family members.

Together with these organizations, we provide support in three areas: financial assistance, community connections, and gratitude.

Financial Assistance

Service can bring about financial struggles — both during service and when a service member returns home. Most military families do not have a second income and often struggle to make ends meet. First responders are frequently injured on the job, resulting in significant time away from work. Nearly 1.5 million veterans live in poverty nationwide.

CSX provides critical financial assistance to hundreds of service families in the moments they most need it. With the help of the First Responders Children's Foundation, in 2019 we provided 28 life-changing scholarships to children of fallen or injured servicemen and servicewomen. In partnership with Operation Homefront, we helped give more than 1,000 critical-relief grants that alleviate families' urgent financial pressures and mitigate the financial burden of joyful times of transition or periods of heavy expenses. Together, we connected more than 100 expectant mothers with the supplies and support networks they need to care for a newborn and helped nearly 2,000 families get back-to-school supplies and prepare for the classroom.

CSX's one-of-a-kind locomotives — the Spirit of our Law Enforcement, the Spirit of our Armed Forces, and the Spirit of our First Responders — that symbolize our gratitude to those who serve.





“In 2019, Operation Gratitude achieved unprecedented results in its 17th year as a nonprofit. Our ability to scale operations and reach can be attributed in large part to our partnership with CSX and their amazing employees who volunteered in a hands-on way and helped us make a difference for more than 370,000 military, veterans, and first responders in communities nationwide.”

Kevin M. Schmiegel
CEO, Operation Gratitude



“We’re so grateful to CSX for their commitment to serving wounded warriors and their families through Wounded Warrior Project Carry Forward. Their support has been instrumental in bringing these events to life – putting our mission in motion through the power and passion of communities across the country.”

Mike Linnington
CEO of Wounded Warrior Project



“The CSX-Blue Star Families partnership has provided extraordinary value to military families across the country, enabling Blue Star Families to open new chapter locations in places that need them most.”

Kathy Roth-Douquet
CEO and Board President of Blue Star Families



“We are incredibly proud to be part of CSX’s innovative Pride in Service initiative, through which CSX and their employees help us help military families who are facing unexpected financial hardships. With their continued support of our highly valued programs, we are able to serve those who have done, and continue to do, so much for all of us.”

Brig. Gen. (ret.) John I. Pray Jr.
President and CEO of Operation Homefront



“Because of CSX, First Responders Children’s Foundation has been able to award important grants to first responder agencies and life-changing scholarships to children of first responders. Thank you, CSX, for your tremendous dedication and support of first responders and their families. The partnership has also helped respond to the COVID-19 pandemic through our Emergency Response Fund, Mask & PPE program, and First Responder Happy & Healthy Child Program.”

Jillian Crane
President, First Responders Children’s Foundation



» Nashville, TN: CSX volunteers participated in a CSX-sponsored Wounded Warrior Project Carry Forward 5K in September 2019 to raise funds for veterans in need.



» New York, NY: CSX supported the First Responders Children's Foundation Annual Thanksgiving Day Parade Breakfast, hosting current scholarship recipients and their families from across the country and announcing a scholarship in honor of NYPD Detective Luis Alvarez, who passed away from a 9/11-related illness.



» Cincinnati, OH: Operation Gratitude and CSX joined forces in October 2019 to assemble 10,000 care pouches for first responders and active-duty service members in the Cincinnati area.



» Baltimore, MD: CSX and Blue Star Families hosted local military families for a day at the B&O Railroad Museum in July 2019 in celebration of the launch of a new CSX-sponsored Blue Star Families in Baltimore.



» Jacksonville, FL: CSX and Operation Homefront hosted a Back-To-School Brigade event in August 2019, at which CSX volunteers packed 250 backpacks filled with school supplies for local children of military families.



Community Connections

Too often, service families feel isolated from civilians. A majority of military families do not feel they belong in the communities where they live, and 92% of military families feel the public does not understand their sacrifices.

To help military families gain a sense of belonging and to bridge the service-civilian divide, CSX works with Blue Star Families to support thousands of families in select communities in need. In 2019, we partnered to host nearly 200 community events, reaching more than 30,000 family members and their neighbors, across the CSX-supported chapter locations in Baltimore, Maryland; Tennessee; Chicago, Illinois; and Jacksonville, Florida. In these areas, we also support year-round

activities to foster relationship-building, including civilian-service reading programs and book clubs; free and low-cost opportunities for family events, museum visits and cultural tours; hiking and outdoor recreation opportunities; wounded warrior caregiver peer support; military spouse walking groups; and other civilian-military engagement programs.

Gratitude

We come together as CSX employees to show our immense respect, honor, and appreciation for those who serve. With Operation Gratitude, we packed more than 43,000 care packages with more than 1 million items for 27,800 military members, 3,800 veterans, and 12,200 first responders and sent more than 2,000 CSX employee-written

letters of gratitude. We worked with Wounded Warrior Project to launch Carry Forward 5K run or walk events — community fundraisers designed to bring together civilians with those who served. In 2018 and 2019, CSX employees ran side by side with veterans and their families in Jacksonville and Nashville to recognize their service and raise needed funds for the cause.

While Pride in Service is a long-term CSX commitment, we set an initial goal to positively impact more than 100,000 heroes and family members by the end of 2020. Through 2019, we had already reached 85,000 servicemen, servicewomen and family members in all 11 branches of the military, deployed in 35 countries, across all seven seas and in all 23 states we serve.

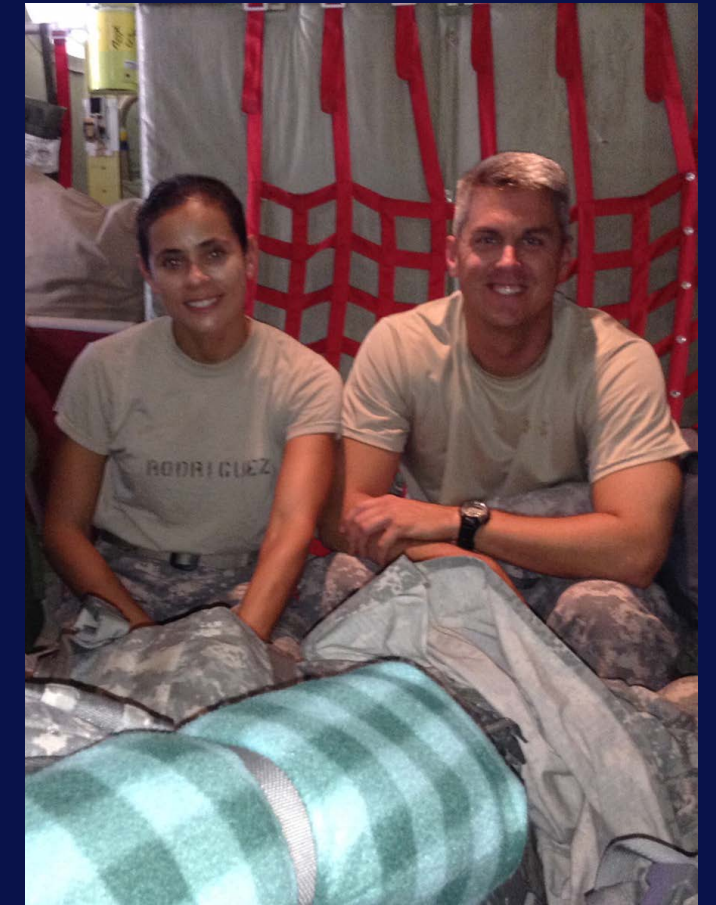


Paying It Forward: In Service of Service

Steve Hannesson
 Director of Safety and
 Operating Practices-Northeast Region

At age 17, I joined the Army Reserves after graduating from military high school. As chance would have it, I was accepted to the police academy on the very same day CSX offered me my first position. While I would have been happy to join law enforcement, I grew up in a railroad family and was even more excited to take after those I looked up to. I elected to remain a reservist, however, and I was called to serve as a military policeman in Bosnia in 1997 before returning to CSX. Since then, I've been deployed to El Salvador, Afghanistan, Romania, and more — and after each deployment, I've returned to CSX fully supported. No matter which "tour of duty" I was on, each role built upon the last, allowing me to expand upon my leadership and technical skills.

While deployed, I received an Operation Gratitude care package on two occasions — once in Afghanistan and once in Romania. As a younger man in Afghanistan, I'll never forget the personal comfort that package gave me. The idea that a stranger cared about me back home enough to send me a gift was incredibly touching and really helped get me through a difficult time. In Romania, several years later, I appreciated the Operation Gratitude care packages



delivered to my troops in a different way. While I had a supportive family back home and the means to obtain the resources I needed while deployed, some of the younger men and women weren't as fortunate. These care packages and the items inside were truly a lifeline for some of them. Both times, I realized how simple acts of gratitude could go an extremely long way.

In those moments, I'm not sure I expected I'd ever be in a position to pay forward that gratitude that I was so generously shown. I certainly couldn't have predicted that, five years later, I'd be standing side by side with my CSX coworkers in Baltimore, MD assembling care packages for local city first responders. When I heard CSX was organizing this opportunity through Pride in Service, there was just no way I would not be there.

The Baltimore assembly brought our CSX team together in service of others and gave me the chance to volunteer alongside my wife, an active member of the National Guard, and my two boys, passing the spirit of service down to the next generation.



OUR HOMETOWN

As an engaged member of our hometown community, we are dedicated to supporting the unique needs of the Jacksonville area through Pride in Service, Community Service Grants, and enthusiastic employee volunteerism. In addition to serving Jacksonville through our Pride in Service partners, in 2019 we supported a number of other organizations critical to Greater Jacksonville, including the Jacksonville Wolfson Children's Hospital, the North Florida Chapter of JDRF, Northeast Florida Regional STEM2 Hub, the Jacksonville Symphony, and St. Johns Riverkeeper.

DISASTER RELIEF

When Hurricane Dorian made landfall in September 2019, CSX and our employees provided aid to affected families through our long-time partner, the American Red Cross. To support employees affected by the storm, we also provided assistance from the CSX Employees Disaster Relief Fund. Created following Hurricane Katrina in 2005, the fund supports employees during catastrophic events to help alleviate disaster-inflicted financial expenses, such as property loss and medical bills.

EMPLOYEE GIVING & VOLUNTEERISM

CSX employees give generously to their communities, both through CSX community partners and through the organizations that mean the most to them and their families. We offer several programs to support CSX employees in giving back.

Dollars for Doers:

When a CSX employee volunteers at least 15 hours, the CSX Foundation donates \$10 per hour volunteered, up to 40 hours, to an eligible organization of the employee's choice.

Employee Gift Matching:

In 2019, we launched a matching gift program in which we match dollar-for-dollar any donation made by a CSX employee to a 501(c)(3) organization of the employee's choice, up to \$1,000.

Board Service:

CSX executives are eligible to serve on nonprofit boards of their choice through the CSX Foundation Board Service program. The Board Service program contributes to the organizations with which CSX executives are affiliated and provides counsel and guidance for CSX executives looking to become involved with a nonprofit board. In 2019, more than a third of CSX executives participated in the program.



Governance

Our Approach

Board of Directors

Business Ethics

Shareholder Outreach and Engagement

Executive Compensation

Risk Management and Business Disruption Prevention

Responsible Sourcing

Human Rights

Human Trafficking

OUR APPROACH

CSX has a comprehensive governance and compliance program that guides how we coordinate and implement our company policies, procedures, and values, as well as how we monitor adherence to laws and regulations. Our Executive team and our Board of Directors are responsible for developing and communicating the [CSX vision and purpose](#), and oversee the implementation of good governance practices.

Key elements of the CSX governance program include:

- › Annual election of directors
- › Majority voting standard for election of directors
- › Independent chairman of the board
- › Stock ownership guidelines for officers and directors
- › Policy against hedging and pledging of CSX shares
- › Proxy access
- › Pay-for-performance alignment

For more information, [CSX's Corporate Governance Guidelines](#) are available on our website.



BOARD OF DIRECTORS

At CSX, our corporate governance starts with our Board of Directors, which is charged with the responsibility of understanding the opportunities and challenges across our business and making decisions that drive the company's

long-term growth and success. In 2019, our board comprised of 11 individuals with diverse backgrounds and experiences. Each member of the board plays a critical role in developing the company's long-term strategy to deliver sustainable shareholder value, while monitoring and

mitigating against unnecessary risk. All directors are elected on an annual basis.

More information about our Board of Directors can be found in our [2020 Proxy Statement](#) and on our [Board of Directors page](#).

(left to right)

Donna M. Alvarado

Founder and President of Aguila International

Pamela L. Carter

(retired from CSX Board on May 22, 2020) | Retired President of Cummins Inc. and President of Cummins Distribution Business

James M. Foote

President and Chief Executive Officer of CSX

Steven T. Halverson

Retired Chief Executive Officer of The Haskell Company

Paul C. Hilal

Founder and Managing Member of Mantle Ridge GP LLC

John D. McPherson

Retired President and Chief Operating Officer of Florida East Coast Railway

David M. Moffett

Retired Chief Executive Officer and a Director of the Federal Home Loan Mortgage Corporation

Linda H. Riefler

Director of MSCI and Former Chairman of Global Research for Morgan Stanley

Suzanne M. Vautrinot

President of Kilovolt Consulting, Inc. and Retired U.S. Air Force Major General

James L. Wainscott

Retired Chairman, President and Chief Executive Officer of AK Steel Holding Corporation (joined July 8, 2020)

J. Steven Whisler

Retired Chairman and Chief Executive Officer of Phelps Dodge Corporation

John J. Zillmer

Chairman of the Board and Chief Executive Officer and Director of Aramark Corporation



Board Highlights*

7.0 years

Average director tenure

64.9 years

Average director age

Gender diversity:

36%

Women directors

Board size and independence:

- **9** out of **11** directors are independent
- Independent chairman of the board

83%

Meeting attendance

Other public company boards:

- **1.5** average board positions

*as of December 31, 2019

BUSINESS ETHICS

The [CSX Code of Ethics](#) is a guiding standard for ethical behavior at all levels of our company, including all employees and officers of CSX and its wholly-owned subsidiaries, as well as members of the Board of Directors and partners conducting business with or on behalf of CSX.

The code covers matters such as conflicts of interest; insider trading; confidential information misuse; compliance with laws and regulations; discrimination and harassment; whistle-blower protection; public and employee safety; and proper use of corporate assets.

We provide ethics training throughout the year, which is required for all of our management employees and highly recommended for union employees, on applying the code in all daily interactions. We additionally provide a 24/7 CSX Ethics Helpline, operated by an independent service,

through which employees are encouraged to anonymously report code violations or other ethical concerns. In 2019, we did not experience any significant violations to the code.

SHAREHOLDER OUTREACH AND ENGAGEMENT

To ensure that our company wholly understands and represents our shareholders' interests, we conduct shareholder outreach throughout the year and communicate thoughts and considerations to our board. Our senior leaders and subject-matter experts meet routinely with representatives from institutional shareholders and periodically with proxy advisory firms. We also invite shareholders and other interested parties to industry and investment community conferences, investor road shows, and analyst meetings.

EXECUTIVE COMPENSATION

CSX provides competitive total compensation in line with general market practices. Our Compensation and Talent Management Committee is responsible for reviewing CSX's annual and three-year business plans and global economic forecasts to set appropriate and challenging performance goals for our Executive team. To further drive safety outcomes and accountability, in 2019, we added safety performance metrics to our management incentive compensation plan.

For more information about our executive compensation practices, please refer to our [2020 Proxy Statement](#).

RISK MANAGEMENT AND BUSINESS DISRUPTION PREVENTION

As an integral link in the transportation of goods that businesses and consumers need day to day, we must anticipate risks and prepare for any disruption to our business. We have robust measures in place to predict and manage risks and ensure continuity of our operations. In 2019, we invested \$1.7 billion in capital expenditures to maintain and improve our existing infrastructure and help prepare for any eventualities.

The board's Audit Committee oversees our risk management strategy. This includes oversight of CSX's Enterprise Risk Management program, through which business and functional leaders collaborate to identify, assess and monitor risk, as well as implement needed mitigation actions.

Our approach to risk management focuses on activities we can control as well as those we cannot.

Network Resiliency and Climate-Related Risk Management

Under our centralized enterprise risk management processes, we have integrated a multi-disciplinary, company-wide climate change strategy that evaluates all types and sources of risks and opportunities. CSX applies an internal methodology to evaluate

Risk Oversight Process



any short- or long-term scenarios where climate change and other types of disruption may impact operations or safety. To mitigate the physical risk of climate-related extreme weather, we have established comprehensive business plans that are designed to ensure continuity of train operations and the adaptability of CSX's network.

We constantly work to strengthen our network to protect us from climate-related impacts, such as hurricanes or flooding, which can potentially cause damage to the CSX infrastructure and result in service interruption, train accidents, or other operational difficulties.

CSX's operations and public safety departments play critical roles in weather event preparedness,

from performing preventative maintenance to limiting service disruptions, to forming relationships with first responders and sharing resources with communities in need.

In September 2019, CSX's hurricane preparation was put to the test as tropical storm Dorian transformed into Hurricane Dorian and began to threaten the Eastern Seaboard of the United States. CSX's core leadership team and key decision makers worked to forecast impacts and to allocate resources across the East Coast to respond to operational needs and protect company assets. By making extensive preparations for the potential effects of the storm and proactively notifying impacted customers, we were able to minimize delays and service interruptions.

Cyber and Information Security Management

As it is for all organizations in today's society, cyber and information security is a priority for our business. The protection of customers' personal information, as well as the integrity of our own operations, is of the highest importance. In 2019, to provide added strategic guidance in this area, Suzanne M. Vautrinot, retired U.S. Air Force major general and president of a cybersecurity strategy and technology consulting firm, joined our board.

Through our Information Security team, we equip our systems with the latest cybersecurity tools, provide cybersecurity information to all employees, require annual cybersecurity awareness trainings,

2019 Ethics Data Highlights



and encourage employees to report any suspicious or unusual behavior observed on or around the use of electronic resources to the CSX Information Technology Service Desk. We also regularly collaborate with the Association of American Railroads and industry peers to exchange relevant threat intelligence, share best practices, and advance the overall industry approach to this issue.

As part of our October Cybersecurity Awareness Month campaign, we introduced a new training course that provides critical tips and guidelines to help employees better protect CSX systems and information from people who create online crimes.

Recently, we rolled out a new cybersecurity platform that provides employees with fast, secure access to internal resources and information from any location. In 2019, we experienced zero information security or other cybersecurity breaches.

RESPONSIBLE SOURCING

We view our suppliers as an extension of our company — equally dedicated to environmental stewardship, high ethical standards, and diversity. We work with approximately 4,900 suppliers domestically and internationally. We expect all of our suppliers to adhere to the CSX Code of Ethics.

Through our Supplier Diversity Program, CSX is committed to procuring all materials, supplies, and services in alignment with our Diverse Supplier Procurement

Policy. To that end, we offer opportunities for all suppliers, regardless of any social or economic distinction, such as age, race, creed, color, sex, ancestry, or national origin. While we do not award suppliers based on preferences that would result in unfair competitive advantages over other suppliers, we are committed to actively seeking and engaging diverse suppliers to compete for opportunities to support CSX.

HUMAN RIGHTS

Over the past several years, human rights has become an increasingly material issue to CSX and to CSX stakeholders. To further advance our commitment to upholding human rights in our operations, businesses, communities, and supply chains and to ensure compliance with all regulations, we are in the process of developing a formal CSX Human Rights Policy. We expect to release this policy later this year.

HUMAN TRAFFICKING

In January 2020, CSX joined a U.S. Department of Transportation initiative to fight human trafficking through increased education and public awareness.

CSX signed the U.S. DOT “Transportation Leaders Against Human Trafficking Pledge” and committed the company’s support to help raise awareness and collaboration across the transportation sector. Through its “Put the Brakes on Human Trafficking” campaign,

the U.S. DOT is enlisting the help of the transportation sector to combat human trafficking because transportation employees are often in a position to spot potential victims. The agency notes that as many as 24.9 million men, women, and children are held against their will and trafficked, yet the victims of human trafficking are often hidden in plain sight.

“Identifying the victims is one of the most significant challenges faced by law enforcement when combatting human trafficking,” said Sean Douris, CSX chief of police, at the initiative’s public launch. “Leveraging partnerships like this within the transportation sector exponentially increases the number of eyes that are trained to look for those signs and helps reach the ultimate goal of eliminating human trafficking.”

Key indicators of human trafficking include an individual’s physical state, demeanor, behavior and work conditions.

The Department of Transportation’s Transportation Leaders Against Human Trafficking initiative is comprised of transportation and travel industry stakeholders working jointly to maximize their collective impact. The partnership focuses on five key areas and connects transportation stakeholders to available resources on industry leadership; industry training and education; policy development; public awareness; and information sharing and analysis.





ESG Fundamentals

MATERIALITY ASSESSMENT

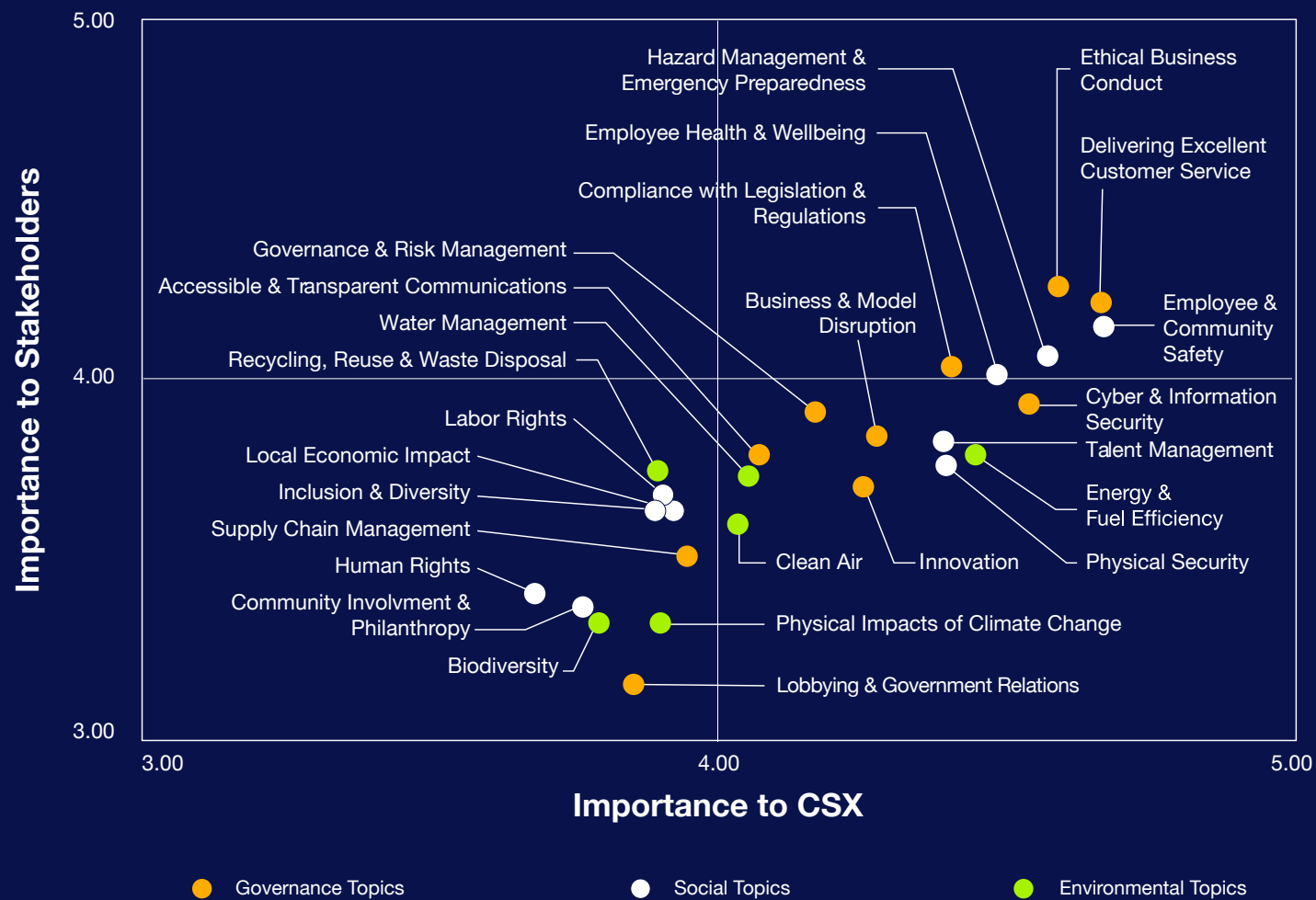
In early 2020, we conducted a new materiality assessment to identify the environmental, social and governance topics of highest priority to CSX and its stakeholders. Our process included reviewing multiple ESG reporting frameworks and guidelines, such as the United Nations' Sustainable Development Goals, Global Reporting Initiative, Sustainability Accounting Standards Board and the Task Force on Climate-related Financial Disclosures. We also reviewed our ESG ratings and rankings; benchmarked 10 peer companies; and conducted a media analysis to identify 26 potentially material topics. We then evaluated topics through surveys of 693 internal and external stakeholders, including employees, union members, customers, suppliers, investors, nonprofit organizations, and others.

This exercise led to a prioritization of the issues most material to our business and stakeholders, which were then scored from critical importance to low importance and combined into an average score. The results of our materiality assessment are displayed in the matrix below.

- 1 Identify relevant topics and develop measurement criteria.**
Understand current practices and industry trends, benchmark, and determine topics.
- 2 Assess how topics influence external stakeholder decisions.**
Identify relevant stakeholder groups and gather survey feedback.
- 3 Assess how topics impact CSX's business.**
Engage leadership and internal stakeholders through a facilitated workshop and survey.
- 4 Report results and seek alignment.**
Consolidate results and develop recommendations.



Materiality Matrix



The following table defines the top 12 material topics, or those with an average score above 4.0, identified through our materiality assessment process. These topics are discussed in further detail throughout this report based on these definitions.

Findings of the 2020 materiality assessment were relatively consistent with our previous materiality assessment, conducted in 2016. Both assessments flagged excellent customer service, ethical business conduct, and employee and community safety as top priority issues.

Issues that increased significantly in importance in the 2020 assessment include employee health and well-being, cyber and information security, and fuel and energy efficiency. We have increased our disclosures on these topics in this report.

CSX Priority Material Topics

Topic	Definition
Delivering excellent customer service	Delivering reliable, responsive, and cost-effective logistical services to CSX’s existing and future customers.
Ethical business conduct	Conducting business in an ethical manner and maintaining controls to prevent corrupt practices such as bribery or collusion, as well as maintaining a responsible tax strategy.
Employee and community safety	Protecting the safety of CSX’s employees and the communities that reside in the vicinity of our operations through the maintenance of effective management systems, training, developing a culture of safety, and minimizing disturbances from noise, vibration, and land use in the areas in which we operate.
Hazard management and emergency preparedness	Managing the hazards present in operational processes, including those from goods being transported, by maintaining effective controls and critical incident emergency response procedures, and ensuring that employees and local first responders are trained in these procedures.
Employee health and wellbeing	Supporting the holistic wellbeing of CSX’s employees and their ability to perform their roles to their greatest capacity by providing the benefits, resources and flexibility to improve their health, care for others and manage their work and home lives.
Cyber and information security	Maintaining effective cybersecurity infrastructure and data protection controls.
Compliance with legislation and regulations	Managing compliance with existing and emerging legislation and regulations.
Energy and fuel efficiency	Managing energy consumption, fuel use, and greenhouse gases (GHG) emitted through CSX’s operational activities by implementing energy, fuel, and GHG management and reduction measures, and providing business partners with transport services that enable them to lower their value chain greenhouse gas emissions.
Talent management	Conducting business in an ethical manner and maintaining controls to prevent corrupt practices such as bribery or collusion, as well as maintaining a responsible tax strategy.
Physical security	Protecting the safety of CSX’s employees and the communities that reside in the vicinity of our operations through the maintenance of effective management systems, training, developing a culture of safety, and minimizing disturbances from noise, vibration, and land use in the areas in which we operate.
Business model disruption	Anticipating, managing and responding to disruptive impacts that affect CSX’s strategy, business model, and operations. These impacts may include emerging climate-related policy, legal, technological, market, or reputational risks, such as changes in customer preferences, and the emergence of new competitors or technologies.
Governance and risk management	Governance structure and practices that enable effective oversight of strategy, risk management.

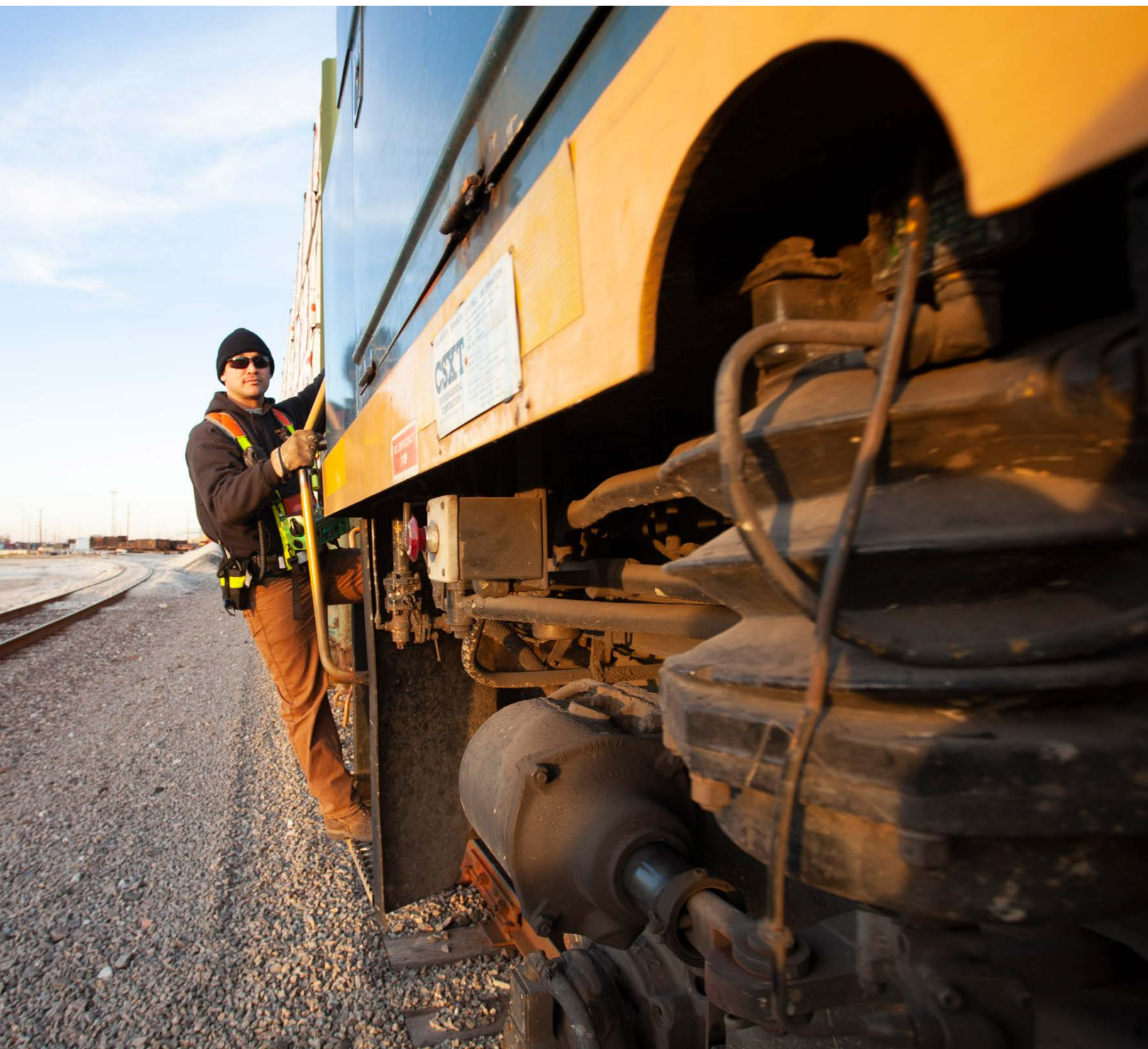
Stakeholder Engagement

Each of our stakeholders — employees, customers, communities, suppliers, investors, nonprofit organizations — is essential to our business. We are committed to engaging regularly with our stakeholders to understand their views and expectations and to best deliver

value for each of them over the short- and long-term.

We actively engage with stakeholders throughout the year using a variety of channels that range from informal (e.g., one-on-one conversations) to formal (e.g., materiality survey). We use these to both solicit feedback and provide relevant updates.

In addition to these activities, CSX understands our stakeholders are interested in specific ESG topics. Along with this 2019 ESG Report, we make this information available through our [CDP report](#) and other publicly available documents, including the [CSX annual report and proxy statement](#).



Stakeholder Engagement

Stakeholders	Issues of Highest Importance	Engagement Channels
Employees	Employee and community safety, delivering excellent customer service, ethical business conduct, cyber and information security, energy and fuel efficiency	Materiality survey, materiality facilitated workshop (management and leadership), surveys (e.g., safety and culture survey, pulse surveys), trainings (e.g., Frontline Training Program), Talent and Learning Management System, CSX Ethics Helpline, business resource groups, company’s intranet (Gateway)
Investors	Ethical business conduct, governance and risk management, accessible and transparent communications, compliance with legislation and regulations, employee and community safety	Materiality survey, quarterly earnings conference calls, industry and investment community conferences, investor road shows, analyst meetings and investor relations department outreach
Customers	Employee and community safety, delivering excellent customer service, ethical business conduct, compliance with legislation and regulations, hazard management and emergency preparedness	Materiality survey, safety brochures, e-business tools, Customer Advisory Council, events and trade shows, semi-annual customer engagement forums, J.D. Power surveys, Trip Plan Performance tool, individualized business unit outreach, visits to customers sites/ headquarters, Chemical Safety Excellence Awards
Suppliers	Delivering excellent customer service, ethical business conduct, compliance with legislation and regulations, employee and community safety, hazard management and emergency preparedness	Materiality survey, Customer Service Excellence & Partnership awards, procurement and supply chain management department outreach
Community (Residents & Nonprofits)	Ethical business conduct, community involvement and philanthropy, inclusion and diversity, employee and community safety, employee health and well-being	Materiality survey, annual volunteer safety efforts, ongoing communication with Pride in Service core partners, community volunteer events, CSX’s PSCC hotline
Others (Emergency responders, Union members, Industry associations)	Delivering excellent customer service, employee health and well-being, cyber and information security, employee and community safety, water management, ethical business conduct, supply chain management, human rights	Materiality survey, emergency responder training, AskRail mobile app, direct interactions



2019 ESG Performance Data

Business & Governance

Safety & Security

Employees

Community Giving and Involvement

Environment

Footnotes

“We strongly believe that transparent reporting is a key component of building strong relationships with our stakeholders. This ESG report is an important part of that transparency, as it encourages and informs our dialogue with stakeholders on how CSX can deliver greater societal, environmental and financial value.”



Bill Slater
Head of Investor Relations



Business & Governance

Business & Governance					
Data	Unit	2019	2018	2017	2016
Total Revenues	\$ Billions	11.9	12.3	11.4	11.1
Carload Volume by Market (in carloads)					
Merchandise	# Millions	2.7	2.7	2.7	2.8
Coal	#	843,053	886,870	854,942	825,110
Intermodal	# Millions	2.7	2.9	2.8	2.8
Supplier Data					
Number of suppliers	#	4,902	5,277	5,915	5,273
Diverse suppliers ¹ - spend	\$ Millions	90.3	60	~120	148
Diverse suppliers ¹ - number of businesses	#	131	151	~250	~250
CSX Ethics Helpline					
Total cases handled	#	1,066	1,091	1,239	1,393
Fraud-related investigations	#	41	44	84	100
Ethics Training Participation					
Management employees	%	100%	100%	100%	100%
Union employees trained	%	75%	24%	52%	77%
Capital Expenditures					
Total Investment	\$ Billions	1.7	1.7	2.0	2.7
Cybersecurity					
Number of information security incidents	#	12	10	4	3
Number of information security breaches	#	0	0	0	0
Additional Metrics					
Average locomotives per year	#	3,561	3,898	4,166	4,400
Average active trains per day ²	#	1,848	1,930	2,163	2,345

Safety & Security

Safety & Security					
Data	Units	2019	2018	2017	2016
Network Maintenance					
Ties replaced	# Millions	3.02	2.66	2.58	2.76
Rail replaced	Miles	996	866	914	874
Ballast installed	Million tons	2.1	1.9	1.6	1.6
Existing rail surfaced	Miles	4,712	4,408	4,098	4,591
Public Safety					
Safety train stops	#	13	13	9	15
Hazmat Responder training provided	#	3,353	3,385	3,096	6,844
Closed crossings	#	169	155	453	512
Frequency of internal railway integrity inspections ³	#	2.85			
Incidents					
FRA Personal Injury Rate ⁴	Injury Rate	0.89	1.04	1.23	1.05
FRA Train Accident Rate ⁵	Accident Rate	2.32	3.66	3.11	2.82
Work-related fatalities	#	2	2	2	0
Fatal trespassing incidents	#	72	77	68	74
Non-fatal trespassing incidents	#	91	85	85	81
Crossing accidents	#	345	356	344	345
Total Recordable Incident Rate (TRIR) ⁶	Incident Rate	0.88	1.01	1.23	1.05
Fatality Rate ⁷	%	0.01%	0.01%	0.01%	0.00%
Number of accidents and incidents ⁸	#	847	1,018	1,035	1,019
Number of accident releases and non-accident releases of hazardous material ⁹	#	46	56	75	70
Number of FRA Recommended Violations ¹⁰	#	613	596	755	588
Number of FRA Recommended Defects ¹¹	#	37,098	33,368	37,072	33,626

Employees

Employees					
Data	Units	2019	2018	2017	2016 ¹³
Snapshot Data					
Total full-time employees	#	20,908	22,475	24,006	27,288
Management employees	#	3,292	3,427	3,440	4,507
Union employees	#	17,146	18,590	20,076	22,270
Subsidiary company employees	#	470	458	490	511
Overall retention rate	%	92%	91%	87%	90%
Union New Hires					
Diverse ¹²	%	34%	31%	32%	30%
Female	%	4%	2%	3%	4%
Workforce Diversity					
Overall Workforce	%	20%	20%	20%	21%
Management	%	37%	38%	39%	39%
Union	%	17%	17%	17%	17%
Female	%	5%	6%	6%	6%
Three Generations of our Workforce					
Gen X	%	68%	66%	65%	63%
Gen Y	%	23%	23%	22%	21%
Boomers	%	9%	11%	13%	16%
Average Age and Years of Service					
Average Age	Years	45	45	44	44
Average years of service	Years	14.4	13.9	13.5	13.4
Management New Hires					
Diverse ¹²	%	49%	59%	59%	52%
Female	%	21%	24%	20%	29%

Employees					
Data	Units	2019	2018	2017	2016 ¹³
Management Promotions					
Diverse ¹²	%	39%	40%	36%	42%
Female	%	24%	27%	23%	27%
Number of promotions	#	472	407	679	389
% of promotions from union workers	%	37%	44%	15%	17%
Veteran and Active Duty Military Status					
Number of veterans, active duty military and first responders	#	3,323	3,607	3,738	4,327
Percent of total workforce	%	16%	17%	16%	16%
Employee Reviews					
Formal performance reviews for management employees	# of reviews	3,292	3,427	3,343	2,074
Frequency of formal performance reviews for management employees	# of times annually	2x/year	2x/year	2x/year	2x/year
Employees by State (does not include employees of subsidiary companies)					
Alabama	#	853	882	904	976
California	#	1	1	1	2
Colorado	#	0	0	1	0
Connecticut	#	2	5	8	8
District of Columbia	#	21	26	25	39
Delaware	#	41	44	43	50
Florida	#	3,274	3,583	3,730	4,220
Georgia	#	1,803	1,977	2,184	2,317
Illinois	#	502	558	656	835
Indiana	#	966	1,118	1,227	1,282
Kansas	#	0	0	1	0
Kentucky	#	1,100	1,302	1,313	1,353

Employees continued

Employees					
Data	Units	2019	2018	2017	2016 ¹³
Louisiana	#	90	97	104	115
Maine	#	0	0	0	1
Maryland	#	818	833	981	1,277
Massachusetts	#	200	169	172	174
Michigan	#	301	290	312	320
Mississippi	#	32	32	28	37
Missouri	#	1	1	1	1
New Jersey	#	92	104	106	143
New Mexico	#	0	0	1	1
New York	#	1,426	1,466	1,556	1,776
North Carolina	#	605	618	671	868
Ohio	#	2,056	2,156	2,373	2,601
Ontario (Canada)	#	20	24	26	31
Pennsylvania	#	582	667	700	746
Quebec	#	16	16	17	21
South Carolina	#	536	597	643	764
Tennessee	#	954	962	988	1,131
Texas	#	3	4	6	5
Virginia	#	665	731	705	758
Washington	#	0	0	0	3
West Virginia	#	877	950	1,006	1,118
Unassigned location	#	2,602	2,804	3,027	3,804

Community Giving and Involvement

Community Giving & Involvement					
Data	Units	2019	2018	2017	2016
Number of states where CSX has philanthropic giving	# Territories	23 states and DC	23 states and DC	23 states and DC	23 states and DC
Investment in capital expenditures	\$ Billions	1.7	1.7	2.0	2.7
Investment in capital expenditures - used for infrastructure improvement	\$ Billions	1.3	1.3	1.3	1.1
Total community giving	\$ Millions	10	10	12	16
Employee volunteer hours	Hours	9,000	7,500	9,800	18,000
Inquiries handled by TellCSX ¹⁴	#	20,500 webforms 19,000 emails	27,000 webforms 12,000 emails	38,000 webforms N/A phone calls	54,000 webforms 21,000 phone calls

Environment

Environment						
Data	Units	2019	2018	2017	2016	Category
Waste by Type of Disposal Method						
Hazardous waste from ongoing operations ¹⁵	Short Tons	42	6	12	12	Landfilled
		16	20	26	29	Incinerated
		19	9	38	35	Recycled
		77	35	76	76	Total
Hazardous waste from remediation and emergency response activities	Short Tons	4	56	66	53	Landfilled
		6	14	15	30	Incinerated
		7	5	11	30	Recycled
		17	75	92	114	Total
Non-hazardous waste from ongoing operations ^{15 16}	Short Tons	44,629	33,363	47,894	42,208	Landfilled
		318	407	126	538	Incinerated
		1,114	1,340	3,027	1,210	Recycled & Reuse
		46,061	35,109	51,047	43,956	Total
Non-hazardous waste from remediation and emergency response activities ¹⁷	Short Tons	57,705	39,755	89,400	166,524	Landfilled
		25	37	341	52	Incinerated
		6,879	36,515	193,010	146,596	Recycled & Reuse
		64,609	76,307	282,751	313,172	Total
Recycling	Million Gallons	1.34	1.83	2.41	2.57	Used oil
	Short Tons	407	367	390	290	Batteries
	Short Tons	159,460	157,306	326,428	205,695	Steel
	# Millions	2.64	2.25	2.11	3.00	Crossties
	Short Tons	34,617	92,993	32,831	94,577	Asphalt
	Short Tons	32,905	12,957	18,258	1,270	Concrete

Environment					
Data	Units	2019	2018	2017	2016
Greenhouse Gas Emissions					
Direct (Scope 1) GHG emissions ¹⁸	Metric tons CO ₂ Eq	4,309,317	4,648,738	4,706,707	4,774,800
Energy indirect (Scope 2) GHG emissions ¹⁹	Metric tons CO ₂ Eq	195,606	204,678	220,696	229,217
Other indirect (Scope 3) GHG emissions	Metric tons CO ₂ Eq	182,629	153,924	181,414	301,169
GHG emissions intensity for SBT ²⁰	Metric Tons CO ₂ Eq/ MGTM	10.80	11.23	11.49	11.55
Reduction of GHG emissions for SBT ²¹	% Reduction	-10.8%	-7.2%	-5%	-4.6%
Emissions of ozone-depleting substances (ODS)	Metric tons	0.09	0.10	0.17	0.17
Other Significant GHG					
Nitrogen Oxide (NO _x) ²²	Metric Tons	44,813	52,175	55,295	71,967
Sulfur Oxide (SO _x) ²²	Metric Tons	52	56	55	866
Carbon Dioxide (CO ₂) ²³	Metric Tons	4,578,540	4,932,045	5,010,068	5,121,387
Methane (CH ₄) ²⁴	Metric Tons	505	538	550	572
Nitrous Oxide (N ₂ O) ²⁵	Metric Tons	113	121	122	125
Hydrofluorocarbons (HFCs)	Metric Tons	0.12	0.12	0.11	0.16
Volatile Organic Compounds (VOC) ²⁶	Metric Tons	1,926	2,333	2,545	Not Calculated
Carbon Monoxide (CO) ²⁶	Metric Tons	11,919	12,844	12,961	Not Calculated
Particulate Matter (PM) ²⁶	Metric Tons	1,307	1,517	1,629	Not Calculated

Environment continued

Environment						
Data	Units	2019	2018	2017	2016	Category
Energy Consumption						
Energy consumption within CSX ²⁷	MMBTU	55,621,655	60,193,226	60,755,242	62,962,063	Diesel
		1,028,332	1,026,510	983,655	1,022,408	Gasoline
		550,684	540,418	783,393	457,954	Natural Gas
		398,632	357,025	437,526	174,859	Propane
		42,416	39,771	39,454	32,991	Jet Fuel
		16,090	22,394	34,120	32,339	Used Oil
		57,657,809	62,179,344	63,033,390	64,682,614	Total Direct Consumption
Energy consumption outside CSX ²⁸	MMBTU	1,550,239	1,497,678	1,486,022	1,549,209	
Energy Efficiency						
Energy Intensity ²⁹	MMBTU/MRTM	297	305	310	319	
Fuel Efficiency ³⁰	RTM/gal	508	492	488	474	

Environment						
Data	Units	2019	2018	2017	2016	Category
Fuel Use by Type						
Indirect Energy Consumption	Gigajoules	1,635,657	1,580,198	1,567,901	1,634,090	Electricity
Direct Fuel Usage	Gigajoules	59,291,134	64,164,301	64,763,394	66,607,953	Diesel
		1,124,647	1,122,654	1,075,786	1,078,698	Gasoline
		44,678	41,892	41,558	34,751	Jet Fuel
		580,864	570,035	826,326	483,051	Natural Gas
		439,768	393,867	482,675	193,078	Propane
		17,151	23,871	36,831	34,335	Used Oil
		61,498,242	66,316,621	67,226,570	68,431,866	Total Direct Fuel Usage
Water						
Water withdrawal by source ³¹	Kgal	479,490	486,466	2,000,790	1,199,491	

Footnotes

01 Diverse spend is defined as the amount, in dollars, spent with suppliers that are small, minority-owned or women-owned businesses.

02 Average active trains per day excludes passenger and foreign trains.

03 Frequency of internal railway integrity inspections is the number of inspections per week, weighted for the number of main track miles on which those inspections took place. Calculated as (weekly inspections × miles of track on which they took place) / (total main track miles)

04 FRA Personal Injury Rate calculated as cases / 200,000 employee hours. Safety statistics are estimated and continue to be updated as actuals settle.

05 FRA Train Accident Rate tracks FRA reportable train accidents per million train miles. Safety statistics are estimated and continue to be updated as actuals settle.

06 Rate of work-related injuries and illnesses. An injury or illness is considered a recordable incident if it results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness. Additionally, a significant injury or illness diagnosed by a physician or other licensed health care professional is considered a recordable incident, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

07 Fatality Rate is the rate of work-related fatalities / total number of full-time employees.

08 Number of accidents and incidents (combined) is any impact between railroad on-track equipment and a highway user at crossings. It includes any collision, derailment, fire, or other events involving the operation of railroad on-track equipment that results in reportable damage above thresholds established in 49 CRR 225.5; other incidents or exposures that result in fatality or injury to any person, or result in occupational illness of a railroad employee.

09 Number of accident releases and non-accident releases of hazardous material is the unintentional release of a hazardous material while in transportation, including loading and unloading while in railroad possession that is not caused by derailment, collision, or other rail-related accidents.

10 Number of violations resulting from the U.S. FRA or state inspections or audits. Violations include any safety-related issue including those related to accident reporting, grade-crossing signal safety, hazardous material regulations, industrial hygiene, motive power and equipment (e.g., freight car safety, locomotive safety, and passenger equipment safety), railroad operating practices (e.g., alcohol and drug use, hours of service laws, communications, and operating practices), signal system safety and track safety. Includes violation defects that both did and did not result in civil penalties.

11 Number of defects resulting from the U.S. FRA or state inspections or audits. Defects include any safety-related issue including those related to accident reporting, grade-crossing signal safety, hazardous material regulations, industrial hygiene, motive power and equipment (e.g., freight car safety, locomotive safety, and passenger equipment safety), railroad operating practices (e.g., alcohol and drug use, hours of services laws, communications, and operating practices), signal system safety and track safety. Includes violation defects that both did and did not result in civil penalties.

12 Diverse workforce is defined by CSX as males of color and all females.

13 2016 employee data has been updated from previously reported information.

14 Inquiries handled by TellCSX, CSX's contact hub for non-emergency issues.

15 Hazardous and non-hazardous waste from ongoing operations values have been corrected from the 2018 CSR data supplement report because LEADS data was reported in the wrong location in 2018 and has now been corrected. LEADS data will be reported with non-hazardous ongoing operations waste data moving forward.

16 Non-hazardous waste from ongoing operations in 2016-2018 was recalculated to include recycled and reuse waste.

17 Non-hazardous waste from remediation and emergency response activities in 2016-2018 was recalculated to include recycled and reuse waste.

18 Direct (Scope 1) GHG emissions data corrected from the 2018 CSR data supplement report due to change in utility management vendors and their calculation methodology. The increase reflects corrected natural gas usage.

19 Energy indirect (Scope 2) GHG emissions data corrected from the 2018 CSR data supplement report due to change in utility management vendors and their calculation methodology. This increase is due to the increase in corrected electricity usage.

20 GHG emissions intensity in line with science based target goal set in 2020. A gross ton mile (GTM) represents the movement of one ton of train weight one mile. GTMs are calculated by multiplying total train weight by the distance the train moved.

21 Reduction of GHG emissions based on 2014 value of 12.1 metric tons of carbon dioxide equivalent per MGTM.

22 Nitrogen Oxide and Sulfur Oxide values for 2017 and 2018 were recalculated to account for new emission factors in 2017 through December 31, 2019 that now includes values reported from stationary source.

23 Carbon Dioxide data has been corrected due to recalculated increase in Scope 1 and 2 emissions.

24 Methane data has been corrected due to recalculated increase in Scope 1 and 2 emissions.

25 Nitrous Oxide data has been corrected due to recalculated increase in Scope 1 and 2 emissions.

26 Volatile Organic Compounds, Carbon Monoxide and Particulate Matter values are newly calculated and reported using data from the corresponding inventory year.

27 Natural gas data has been corrected from the 2018 CSR data supplement report due to change in utility management vendors and their calculation methodology. Reported usage increased from 3,310,435 therms (349,186 GJ) to 5,404,183 therms (570,035 GJ).

28 Energy consumption outside CSX data has been corrected from the 2018 CSR data supplement report due to change in utility management vendors and their calculation methodology. Reported usage increased from 309,402 MWh to 438,944 MWh.

29 Energy intensity data has been corrected due to the increase in natural gas and electricity usage (MMBTUs).

30 Revenue ton mile (RTM) is calculated by multiplying the miles traveled on each leg by the number of tons of revenue traffic carried on that leg.

31 Water withdrawal data has been corrected from the 2018 CSR data supplement report due to change in utility management vendors and their calculation methodology.

GRI Standards Index

GRI Standard	Disclosure #	Response/Location Information
GRI 102: General Disclosures	Organization Profile	
	102-1: Name of the organization	CSX Corporation
	102-2: Activities, brands, products, and services	CSX, a Class I railroad, is one of the nation's leading transportation suppliers. The company's rail and intermodal businesses provide rail-based transportation services including traditional rail service and the transport of intermodal containers and trailers. All of the information contained in this report is fully representative of the company's principal operating subsidiary, CSX Transportation, as well as its other subsidiaries, including: CSX Intermodal Terminals, Inc. (CSX Intermodal Terminals); Total Distribution Services, Inc. (TDSI); Transflo Terminal Services, Inc. (TRANSFLO); and CSX Technology, Inc. (CSX Technology).
	102-3: Location of headquarters	Jacksonville, FL
	102-4: Location of operations	The company operates in two countries: the United States and Canada.
	102-5: Ownership and legal form	CSX is a publicly traded company, incorporated in Virginia. CSX's common stock is listed on the Nasdaq Global Select Market. The official trading symbol is "CSX."
	102-6: Markets served	About CSX , p. 8-9; CSX 2020 10-K , p. 3, 12-14 for revenue and volume by market served.
	102-7: Scale of the organization	CSX recorded \$11.9 billion in revenue in 2019. CSX serves three primary lines of business: merchandise, coal and intermodal. During 2019, the merchandise business shipped 2.7 million carloads (43 percent of volume), the coal business shipped 843 thousand carloads (14 percent of volume), and the intermodal business moved 2.7 million units (43 percent of volume). More information is available at About CSX , p. 8-9.
	102-8: Information on employees and other workers	People: The CSX Workforce , p. 58
	102-9: Supply chain	Governance: Responsible Sourcing , p. 86

102-10: Significant changes to the organization and its supply chain	Over the past three years, CSX Corporation's operating model has undergone a transformation to improve efficiency throughout the organization and the supply chain. For more, please see The Future of Freight , p. 16-19. CSX also utilizes a Supplier Diversity Program, Governance: Responsible Sourcing , p. 86, which encourages diversity throughout the supply chain.
102-11: Precautionary principle or approach	Governance: Risk Management and Business Disruption Prevention , p. 84
102-12: External initiatives	Governance: Business Ethics , p. 84 and Code of Ethics Safety: Community Safety , p. 44 Environment , p. 46
102-13: Membership of associations	Communities , p. 68-79
Strategy	
102-14: Statement from senior decision-maker	CEO Letter , p. 2-5
102-15: Key impacts, risks, and opportunities	ESG Fundamentals , p. 88-93; Task Force on Climate-related Financial Disclosures (TCFD) Index , p. 120-123
Ethics and integrity	
102-16: Values, principles, standards, and norms of behaviors	The Future of Freight: Our Guiding Principles , p. 18
102-17: Mechanism for advice and concerns about ethics	Governance: Business Ethics , p. 84 and Code of Ethics
Governance	
102-18: Governance structure	CSX discloses its governance structure in the 2020 Annual Proxy Statement
102-19: Delegating authority	CSX discloses its governance structure in the 2020 Annual Proxy Statement
102-20: Executive-level responsibility for economic, environmental, and social topics	ESG at CSX , p. 12
102-21: Consulting stakeholders on economic, environmental and social topics	ESG Fundamentals: Stakeholder Engagement , p.92- 93

Stakeholder Engagement	
102-40 List of stakeholder groups	ESG Fundamentals: Stakeholder Engagement , p. 92-93
102-41 Collective bargaining agreements	There are 13 different union organizations with whom CSX conducts business. Additionally, 84% percent of CSX's overall workforce are covered by one of the company's many collective bargaining agreements.
102-42 Identifying and selecting stakeholders	ESG Fundamentals: Stakeholder Engagement , p. 92-93
102-43 Approach to stakeholder engagement	ESG Fundamentals: Stakeholder Engagement , p. 92-93
102-44 Key topics and concerns raised through stakeholder engagement around the report	ESG Fundamentals: Stakeholder Engagement , p. 92-93
Reporting Practices	
102-45 Entities included in consolidated financial statements	In addition to CSX, the Company's subsidiaries include CSX Intermodal Terminals, Total Distribution Services, Transflo Terminal Services, CSX Technology, and other subsidiaries. CSX Corporation's public filings account for these subsidiaries and holdings.
102-46 Process for defining report content and boundaries	ESG at CSX , p. 15
102-47 List of material topics	ESG Fundamentals , p. 90-91
102-48 Restatements of information	2018 data restatements are included in the footnotes as part of the 2019 ESG Performance Data tables
102-49 Changes in reporting	ESG at CSX: Our ESG Priorities , p. 14
102-50 Reporting period	ESG at CSX: About this Report , p. 15
102-51 Date of most recent previous report (if any).	CSX's most recent Corporate Social Responsibility Report was published on June 2nd, 2017. A data supplement was published on May 30th, 2019.
102-52 Reporting cycle	This report documents CSX's activities and impact in calendar year 2019.
102-53 Contact point for questions regarding the report	ESG at CSX: About this Report , p. 15
102-54 Claims of reporting in accordance with the GRI Standards	ESG at CSX: About this Report , p. 15
102-55 GRI Content Index	GRI Standards Index , p. 108-116
102-56 External Assurance	ESG Fundamentals , p. 88; Appendix: Statement of Verification , p. 124

Economic		
GRI 201: Economic Performance	Non-material Economic Topics	
	201-1: Direct economic value generated and distributed	2019 ESG Performance Data tables , p. 96
	201-2: Financial implications and other risks and opportunities due to climate change	In addition the Task Force on Climate-related Financial Disclosures (TCFD) Index , p. 120-123, CSX makes this information available through our CDP report submission .
Environmental		
Materials (301)		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	ESG Fundamentals , p. 90-91
	103-2: Management approach and its components	Environment: Our Approach , p. 46
	103-3: Evaluation of management approach	Environment: Our Approach , p. 46
GRI 301: Materials	301-1: Materials used by weight or volume	2019 ESG Performance Data tables , p. 96-105
Energy (302)		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	ESG Fundamentals , p. 90-91
	103-2: Management approach and its components	Environment: Our Approach , p. 46
	103-3: Evaluation of management approach	Environment: Our Approach , p. 46
GRI 302: Energy	302-1 Energy consumption within the organization	2019 ESG Performance Data tables , p. 104
	302-2 Energy consumption outside of the organization	CSX does not currently track energy consumption beyond the scope of our organization.
	302-3: Energy intensity	2019 ESG Performance Data tables , p. 104
	302-4: Reduction in energy consumption	2019 ESG Performance Data tables , p. 103
Water and Effluents (303)		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	ESG Fundamentals , p. 90-91
	103-2: Management approach and its components	Environment: Our Approach , p. 46
	103-3: Evaluation of management approach	Environment: Our Approach , p. 46

GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	Environment: Water Management , p. 54
	303-2 Management of water discharge-related impacts	Environment: Water Management , p. 54
	303-3: Water withdrawal	2019 ESG Performance Data tables , p. 105
	303-5: Water consumption	Environment: Water Management , p. 54
Emissions (305)		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	ESG Fundamentals , p. 90-91
	103-2: Management approach and its components	Environment: Our Approach , p. 46
	103-3: Evaluation of management approach	Environment: Our Approach , p. 46
GRI 305: Emissions	305-1 Direct (Scope 1) GHG Emissions	2019 ESG Performance Data tables , p. 103
	305-2 Energy Indirect (Scope 2) GHG Emissions	2019 ESG Performance Data tables , p. 103
	305-3 Other indirect (Scope 3) GHG emissions	2019 ESG Performance Data tables , p. 103
	305-4 GHG emissions intensity	2019 ESG Performance Data tables , p. 103
	305-5 Reduction of GHG Emissions	2019 ESG Performance Data tables , p. 103
	305-6 Emissions of ozone-depleting substances (ODS)	2019 ESG Performance Data tables , p. 103
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	2019 ESG Performance Data tables , p. 103
Effluents and Waste (306)		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	ESG Fundamentals , p. 90-91
	103-2: Management approach and its components	Environment: Our Approach , p. 46
	103-3: Evaluation of management approach	Environment: Our Approach , p. 46
GRI 306: Effluents and Waste	306-2 Waste by type and disposal method	2019 ESG Performance Data tables , p. 102
	306-4 Transport of hazardous waste	2019 ESG Performance Data tables , p. 102

Environmental Compliance (307)		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	ESG Fundamentals , p.90-91
	103-2: Management approach and its components	Environment: Our Approach , p. 46
	103-3: Evaluation of management approach	Environment: Our Approach , p. 46
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	Environment: Compliance , p. 49

Social		
Employment (401)		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	ESG Fundamentals , p. 90-91
	103-2: Management approach and its components	People: Our Approach , p. 56
	103-3: Evaluation of management approach	People: Our Approach , p. 56
GRI 401: Employment	401-1 New employee hires and employee turnover	People: Our Approach , p. 56 2019 ESG Performance Data tables , p. 98-99
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	People: Employee Health & Wellbeing , p. 60 2020 Benefits Summary Page
	401-3 Parental leave	People: Employee Health & Wellbeing , p. 60 2020 Benefits Summary Page
Occupational Health and Safety (403)		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	ESG Fundamentals , p. 90-91
	103-2: Management approach and its components	Safety: Our Approach , p. 32
	103-3: Evaluation of management approach	Safety: Our Approach , p. 32
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	Safety: Our Approach , p. 32
	403-2 Hazard identification, risk assessment, and incident investigation	Safety: Our Approach , p. 32
	403-3 Occupational health services	People: Employee Health & Wellbeing , p. 60 2020 Benefits Summary Page
	403-4 Worker participation, consultation, and communication on occupational health and safety	Safety: Our Approach , p. 32 People: Training in Action , p. 61
	403-5 Worker training on occupational health and safety	Safety: Our Approach , p. 32 People: Training in Action , p. 61

	403-6 Promotion of worker health	People: Employee Health & Wellbeing , p. 60
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety: Our Approach , p. 32
	403-8 Workers covered by an occupational health and safety management system	2020 Benefits Summary Page
	403-9 Work-related injuries	2019 ESG Performance Data tables , p. 97
Training and Education (404)		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	ESG Fundamentals , p. 90-91
	103-2: Management approach and its components	People: Our Approach , p. 56
	103-3: Evaluation of management approach	People: Our Approach , p. 56
GRI 404: Occupational Health and Safety	404-1 Average hours of training per year per employee	2019 ESG Performance Data tables , p. 96-97
	404-2 Programs for upgrading employee skills and transition assistance programs	Safety , p. 35 People: Talent Development and Training in Action , p. 60-61
	404-3 Percentage of employees receiving regular performance and career development reviews	Safety , p. 35 People: Talent Development and Training in Action , p. 60-61
Diversity and Equal Opportunity (405)		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	ESG Fundamentals , p. 90-91
	103-2: Management approach and its components	People: Our Approach , p. 56
	103-3: Evaluation of management approach	People: Our Approach , p. 56
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	People: Our Approach , p. 56 2019 ESG Performance Data tables , p. 98-100

Local Communities (413)		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	ESG Fundamentals , p. 90-91
	103-2: Management approach and its components	Communities: Our Approach , p. 68
	103-3: Evaluation of management approach	Communities: Our Approach , p. 68
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	Communities: Our Approach , p. 68 Safety: Community Safety , p. 44
	413-2 Operations with significant actual and potential negative impacts on local communities	Communities: Our Approach , p. 68 Safety: Community Safety , p. 44
Customer Health and Safety (415)		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	ESG Fundamentals , p. 90-91
	103-2: Management approach and its components	Safety: Customer Collaboration , p. 44
	103-3: Evaluation of management approach	Safety: Customer Collaboration , p. 44
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	Safety: Customer Collaboration , p. 44
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Safety: Customer Collaboration , p. 44
Customer Privacy (418)		
GRI 418: Customer Privacy	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	Governance: Cyber and Information Security Management , p. 85-86. No breaches were recorded in 2019.

Sustainability Accounting Standards Board (SASB) Index

The following table provides the locations of information addressing the requirements of the SASB Rail Transportation Standard, which maps industry-specific disclosures for ESG issues.

Table 1: Sustainability Disclosure Topics & Accounting Metrics

Disclosure	Accounting Metric	Location
Greenhouse Gas Emissions	110a.1 Global Scope 1 emissions	2019 ESG Report (ESG Performance Data Tables, Environment , p. 103)
	110a.2 Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Latest CDP Climate Change Response 2019 ESG Report (Environment , p. 46-55)
	110a.3 Total fuel consumed, percentage renewable	2019 ESG Report (ESG Performance Data Tables, Environment , p. 102-105) 2019 ESG Report (Environment , p. 48)
Air Quality	120a.1 Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O) and (2) particulate matter	2019 ESG Report (ESG Performance Data Tables, Environment , p. 103)
Employee Health & Safety	320a.1 (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	2019 ESG Report (ESG Performance Data Tables, Safety , p. 97)
Competitive Behavior	520a.1 Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	In 2019, CSX wasn't subject to any monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations
Accident & Safety Management	540a.1 Number of accidents and incidents	2019 ESG Report (ESG Performance Data Tables, Safety , p. 97)
	540a.2 Number of (1) accident releases and (2) non-accident releases	2019 ESG Report (ESG Performance Data Tables, Safety , p. 97)
	540a.3 Number of Federal Railroad Administration (FRA) Recommended Violation Defects	2019 ESG Report (ESG Performance Data Tables, Safety , p. 97)
	540a.4 Frequency of internal railway integrity inspections	2019 ESG Report (ESG Performance Data Tables, Safety , p. 97)

Table 2: Activity Metrics

Disclosure	Location
000.A Number of carloads transported	2019 Annual Report (10-K p. 4) 2019 ESG Report (About CSX , p. 9)
000.B Number of intermodal units transported	2019 Annual Report (10-K p. 4) 2019 ESG Report (About CSX , p. 9)
000.C Track miles	2019 Annual Report (10-K p. 12) 2019 ESG Report (About CSX , p. 9)
000.D Revenue Ton Miles (RTM)	2019 Annual Report (10-K p. 31)
000.E Number of Employees	2019 Annual Report (10-K p. 4) 2019 ESG Report (About CSX , p. 9)

Task Force on Climate-related Financial Disclosure (TCFD) Index

The following table summarizes specific information that addresses the requirements of the TCFD and maps where it is referenced, either in this report or other publicly available materials. This is a first step in our application of the TCFD recommendations. We are actively leveraging these recommendations to improve our approach to climate risk management, and we plan to further enhance our climate-related disclosures in our future reporting.

Core Elements	TCFD Disclosure Recommendation	CSX Disclosure Source	CSX Disclosure Brief Reference [full answers can be found in disclosure sources]
Governance	a) Describe the board’s oversight of climate-related risks and opportunities	Latest CDP Climate Change Response (C1.1)	The Audit Committee of the Board has responsibility for risk oversight and evaluation of climate-related issues, including risks associated with energy and environmental policy. All business risks, including climate risks, are presented to the Board for consideration and are a scheduled agenda item at all meetings. We integrate climate-related issues when reviewing and guiding strategy, major plans of action, risk management policies, annual budgets, business plans, performance objectives, major capital expenditures, acquisitions and divestitures, and progress against goals and targets. The Board also monitors and oversees progress against goals and targets for addressing climate-related issues.
	b) Describe management’s role in assessing and managing climate-related risks and opportunities	Latest CDP Climate Change Response (C1.2)	The executive vice president and chief legal officer is responsible for both assessing and managing climate-related risks and opportunities and reports to the Board on climate-related issues on a quarterly basis. The EVP/CLO has ultimate responsibility for the Public Safety, Health, and Environment (PSH&E) department, which consists of environmental professionals competent in environmental policy, performance, management, and associated risks.

Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Latest CDP Climate Change Response (C2.1, C2.2, C2.3 & C2.4) 2019 Annual Report (10-K pg. 9)	CSX’s operations and financial results could be negatively impacted by climate change and regulatory and legislative responses to climate change. Risks identified in the short-term (0-3 years) include increased severity of extreme weather events such as cyclones or floods and uncertainty in market signals and global economic conditions that could negatively affect demand for commodities and other freight. Risks identified in the long-term (10-30 years) include costs to transition to lower emissions technology. CSX has also identified climate-related opportunities with the potential to have a substantive financial or strategic impact on our business. Opportunities identified in the short-term (0-3 years) include access to new markets and customers, as well as participation in renewable energy programs and adoption of energy-efficient measures.
	b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning	Latest CDP Climate Change Response (C2.3a, C2.4a & C2.5) 2019 Annual Report (10-K pg. 9)	The identified risks and opportunities have affected CSX’s operations, products and services, supply chain, adaptation and mitigation activities, and investment in R&D. For example, air pollution limits are affecting both CSX’s customers and the rail industry. As a result, we are working to adjust our business plan to respond to the declining coal market.
	c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2 degree or lower scenario	Latest CDP Climate Change Response (C3.1d) 2019 ESG Report (Environment , p. 46-55)	CSX applies an internal methodology to evaluate potential climate change scenarios and other types of disruption that may impact operations and safety, which is used to plan for business continuity. As part of that process, both short- and long-term impacts are considered, and action is taken. CSX has established a new emission intensity reduction goal approved by the Science Based Target Initiative, which is consistent with reductions required to keep warming to well-below 2°C.

Core Elements	TCFD Disclosure Recommendation	CSX Disclosure Source	CSX Disclosure Brief Reference [full answers can be found in disclosure sources]
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks	Latest CDP Climate Change Response (C2.2b) 2019 Annual Report (10-K pg. 9) 2019 ESG Report (ESG Fundamentals , p. 88-93)	CSX business leaders identify and assess climate-related risks by taking a long-term view and focusing on how the potential effects of climate change could affect infrastructure and ability to operate the business. At a company level, CSX uses a business risk management (BRM) process to identify, prioritize, and assess risks, including climate-related risks, that have the potential to affect business strategy. For each identified risk (unmitigated and mitigated), a ranking is provided ranging from Severe (worst-case) to Limited based on financial, operational, and reputational impacts; the likelihood of occurring; and the speed with which the impact could occur. Additionally, to identify and prioritize material issues, including climate-related, we conducted a 2020 materiality assessment, which led to the prioritization of the issues more material to our business and stakeholders.
	b) Describe the organization's processes for managing climate-related risks	Latest CDP Climate Change Response (C2.2d)	As part of our BRM process, key business leaders own each process and report to an Executive Risk Committee, which is responsible for elevating discussion of BRM risks to the executive team. Business risk factors are identified, discussed during Board meetings, and described in the company's Annual Report. For example, to mitigate the physical risk of extreme weather, CSX has established comprehensive business continuity plans. CSX is also constantly investing in infrastructure.
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Latest CDP Climate Change Response (C1.2a, C2.2 C2.31)	Climate-related risks are integrated into multi-disciplinary company-wide risk identification, assessment, and management process. The company's approach for risk management focuses on activities that the company controls, as well as those outside the company's control. Throughout 2019, CSX identified and reviewed risk factors that could have a material effect on the company, including environmental law & regulation, costs to transition to lower emissions technology and increased severity of extreme weather events such as cyclones and floods.

Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Latest CDP Climate Change Response (C-TS8.4, C1.3a & C11)	To track and assess climate-related risks and opportunities, CSX uses various metrics, including GHG emissions, avoided emissions, and freight haul efficiency. To further incentivize the achievement of climate-related goals, CSX also uses climate-related performance metrics that are incorporated into the company's remuneration policies for our Chief Operating Officer and others with direct responsibility for improving efficiency. CSX does not use an internal price on carbon, but we anticipate doing so in the next several years.
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	2019 ESG Report (ESG Performance Data Tables , p. 102-105) Latest CDP Climate Change Response (C6.1, C6.2)	CSX Annual Scope 1, 2, 3 GHG Emissions (1,000 metric tons CO ₂ e) Scope 1: 4,309 metric tons CO ₂ e Scope 2: 196 metric tons CO ₂ e Scope 3: 183 metric tons CO ₂ e Our methodology includes tracking emission factors for purchased electricity and market-based electricity, and making estimations using the WRI/WBCSD GHG Protocol Scope 3 Evaluator Tool.
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	2019 ESG Report (Environment , p. 46-55)	As approved by the Science Based Targets initiative (SBTi), CSX has set a GHG intensity emissions target to reduce GHG emissions by 37.3% by 2030, using a 2014 baseline. In 2012, we set a series of environmental goals to achieve by the end of 2020. We are on track to achieve these goals by the end of the year, and have already achieved the following goals: <ul style="list-style-type: none"> • Reduce GHG emissions intensity by 6-8% • Reduce quantity of water consumed and improve the quality of effluent water • Continue to elevate sustainable standards of construction

Appendix: Statement of Verification

7.1 Scope

Jacobs performed a verification of CSX's 2019 GHG Emission Inventory to determine if a reasonable level of assurance could be provided. CSX's management is responsible for the collection and presentation of the information within the 2019 Emissions Inventory. Jacobs' responsibility is to express a conclusion as to whether anything has been identified to suggest that the reported Emission Inventory is not presented fairly in accordance with referenced GHG accounting principles and associated guidance documents.

7.2 Methodology

Our verification review was completed in accordance with ISO 14064-3:2019 section 6. As such, Jacobs planned and performed the verification activities in order to provide a reasonable assurance with respect to GHG emission intensity information reviewed.


7.3 GHG Assertions

CSX asserts that their total annual Scope 1, Scope 2, and listed Scope 3 emissions for the 2019 reporting period (exclusive of purchased goods and services and capital goods) is 4,687,474 metric tonnes CO₂e.

7.4 Conclusion

Based on the verification review conducted, the GHG Scope 1, Scope 2, and listed Scope 3 (exclusive of purchased goods and services and capital goods) assertions in CSX's 2019 Emissions Inventory are materially correct and presented fairly in accordance with stated criteria.

Jacobs


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