



## 2020 Environmental, Social and Governance Report







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# About this Report

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**CSX issues an annual Environmental, Social and Governance (ESG) Report to outline our approach, provide an update on our economic, workforce, environmental and social impacts over the last year, and track progress against our goals. This report documents CSX’s activities and impact in calendar year 2020, unless otherwise noted.**

To advance transparency in our reporting, we support and align with the world’s leading sustainability reporting frameworks. This report is prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option; the Sustainability Accounting Standards Board (SASB) framework; and the Task Force on Climate-related Financial Disclosures (TCFD).

We appreciate your interest in CSX’s 2020 ESG performance. We see reporting as an ongoing, evolving process and we always welcome the opportunity to enhance our disclosures by engaging in a constructive dialogue with our stakeholders. Please email us your thoughts, questions and feedback at [ESG@csx.com](mailto:ESG@csx.com).

All of our indices can be found in the [Appendix](#) of this report. For additional disclosures, please also reference our latest [CDP Climate Change and Supply Chain](#) responses.



# A Message From Our President

## Chief Executive Officer, James M. Foote

Freight railroads are the backbone of the U.S. economy, offering critical transportation services to businesses and customers. Safe, reliable service became more important than ever to transport essential goods across the country in 2020. Remaining true to our core operating principles, CSX played a critical role in keeping America – and its economy – moving.

### Operating in Unprecedented Times

2020 was a year of undue tragedy and hardship for individuals, families and businesses. We were faced with both an extraordinary global health emergency and ongoing attacks on equality and basic human rights.

The health and safety of our employees, customers and communities were of utmost importance for CSX. We were able to respond quickly to the pandemic while mitigating business disruptions and keeping our unwavering commitment to sustainable operations.

We also reaffirmed our commitment to social justice and racial equality – both within our organization and throughout our communities. Adding CSX's voice to the side of anti-racism is not only our corporate obligation, but also an opportunity to strengthen our culture of inclusion.

I am hopeful that we will continue making strides towards a safe, healthy, inclusive society.

**An Unwavering Commitment to ESG Excellence**  
CSX made great headway on our ESG performance in 2020.

Through the adoption of new technology systems and operating practices, we increased our sustainability advantage over our competitors, setting records for fuel efficiency and exceeding our emissions-reduction targets.

We continued to prioritize and lead the industry in safety performance. Over the course of the year, CSX employees achieved a 10 percent reduction in the company's personal injury rate.

To best serve our customers and meet their needs, we made strategic investments in technology and infrastructure. These investments resulted in more efficient operations, a more seamless experience for customers and enhanced agility that enabled us to make real-time decisions across the network.

As part of our ongoing efforts to prioritize and celebrate diversity, equity and inclusion in our workforce, we convened a cross-functional social justice advisory roundtable that will guide our internal and external efforts around awareness, education, communication and action.

Additionally, our Pride in Service program expanded in 2020, leveraging our rail and intermodal business operations to support and give back to the first responders and frontline workers supporting communities across the country.

### Thank You to Our Employees

Our employees have shown tremendous resilience over the past year. I am unbelievably proud of the way each and every employee has responded to the challenges thrown at them. CSX employees have come together to ensure

safety across our business – for themselves, for their colleagues, for their families, for our customers and for the communities where we live, work and operate.

Thank you for your unwavering commitment, patience and tenacity.

### The Best is Yet to Come

While we have made great progress, there is more work to do. It is imperative that the railroad industry leads by example to mitigate the effects of climate change and forge the way toward a low-carbon economy. Similarly, given our presence in some of the largest population centers in the nation, we have an ongoing responsibility to protect and serve the local communities in which we operate.

At CSX, we are up for the challenge. Our leadership in freight rail hinges on our ability to conduct business in a sustainable way that does right by all of our stakeholders. We are ready to embark on the next phase of profitable and sustainable growth by making CSX rail the ground transportation mode of choice.

As we continue on our mission to be the best run railroad in North America, I know that the best is yet to come for CSX.

**James M. Foote**  
President and Chief Executive Officer



# About CSX

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

Our rail network encompasses approximately 19,500 route miles of track and connects 23 states, the District of Columbia, and the Canadian provinces of Ontario and Quebec. We serve some of the largest population centers in the nation, with nearly two-thirds of Americans living within CSX's service territory.

For nearly 200 years, CSX has played a critical role in North America's economic expansion and industrial development. We move a broad portfolio of products across the country in a way that minimizes the effect on the environment, takes traffic off of a congested highway system, and minimizes fuel consumption and transportation costs. We also provide key freight services across a broad array of markets, including automotive, agricultural and food products, chemicals, fertilizers, forest products, metals and equipment and minerals.

As the most energy-efficient way to move freight over land, the sustainability and innovation of the rail industry is of the utmost importance to us. Further, we intend to lead the industry in preparing for the next decades of business, particularly as we see the growth in global demand for quick, efficient freight services and the ways technology is becoming more integrated, automated and efficient.

## Our Vision

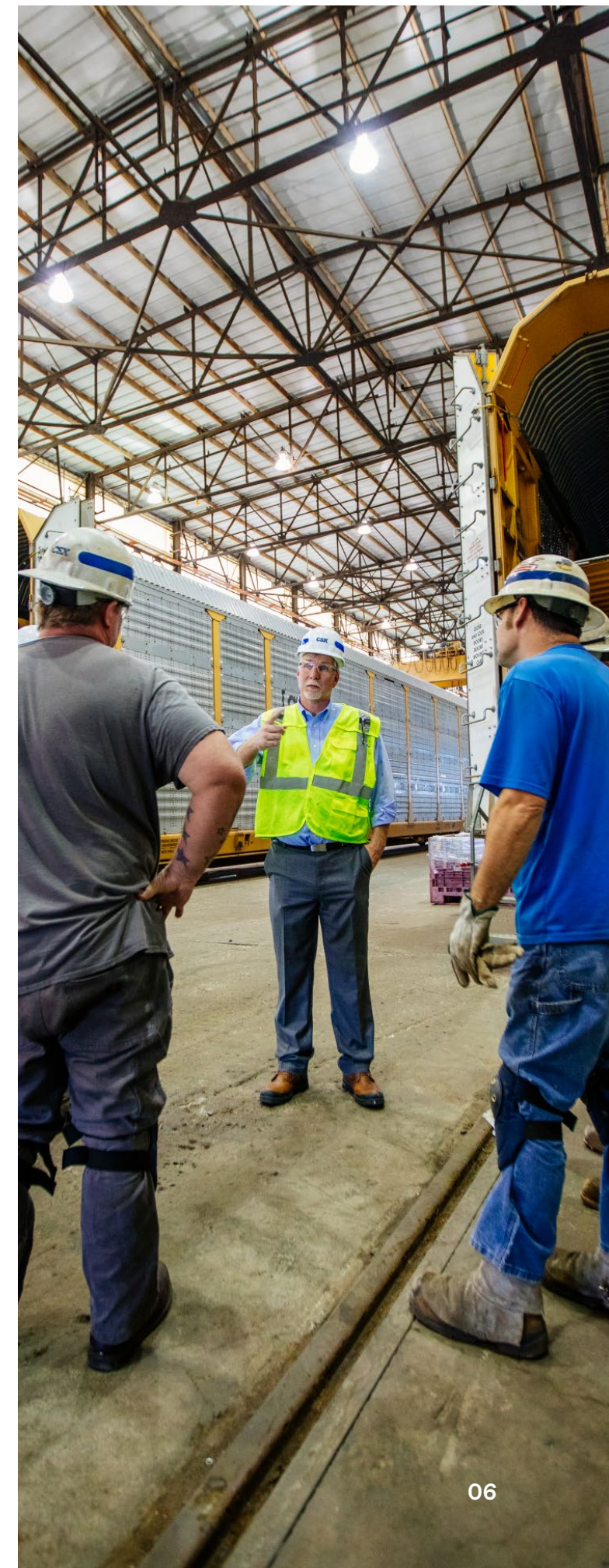
To be the best-run  
railroad in North America

## Our Purpose

To capitalize on the  
efficiency of rail transportation  
to serve America

## Our Business

Our network connects every  
major metropolitan area in the  
eastern United States, as well as  
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.









# CSX by the Numbers

**194**

years in operation

Nearly

**19,300**

employees

Average of

**1,642**

trains per day

Approximately

**19,500**

route mile rail network

More than

**3.1 million**

carloads

More than

**2.7 million**

Intermodal units transported  
products and raw materials

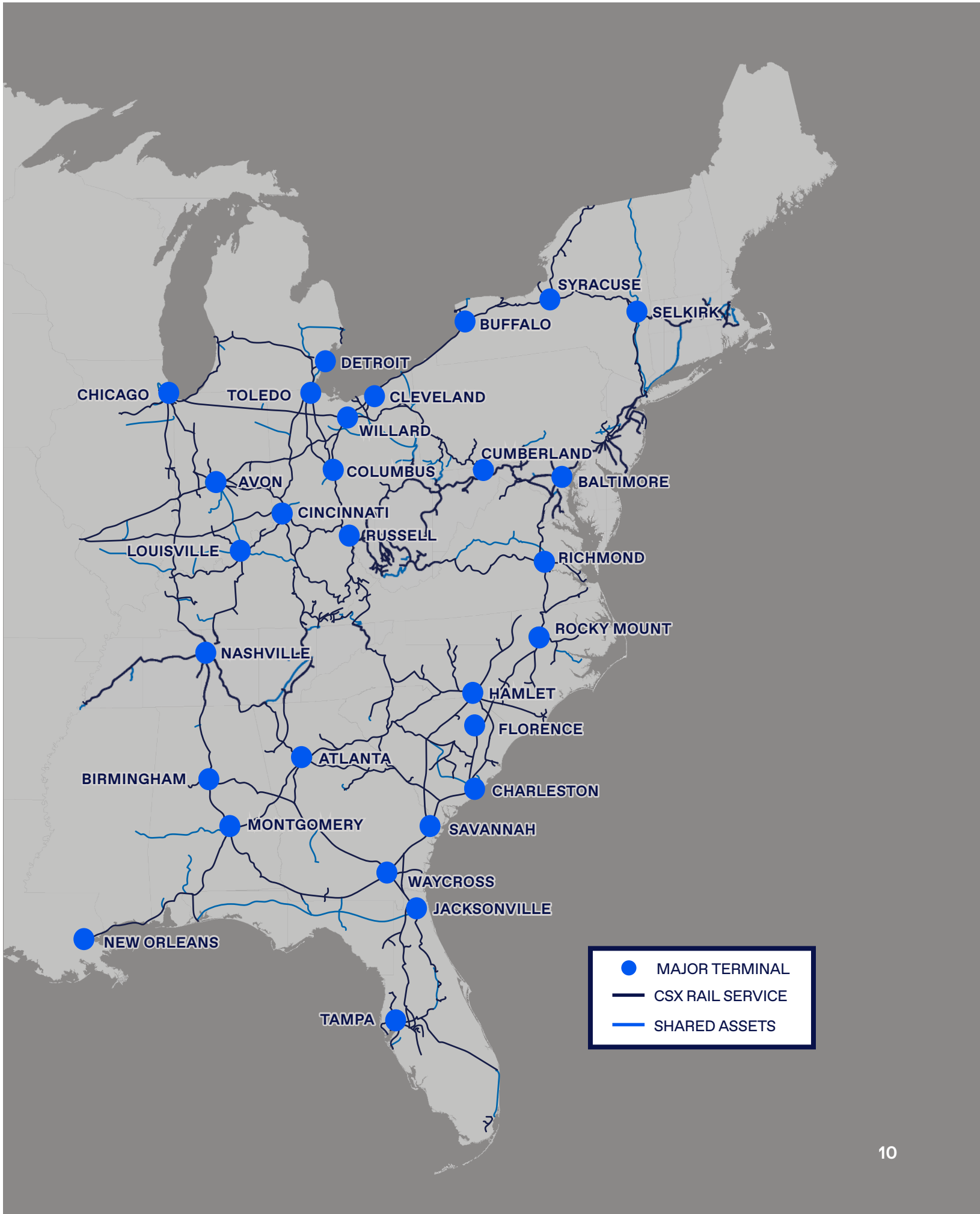
**\$10.6 billion**

of revenue generated

More than

**3,500**

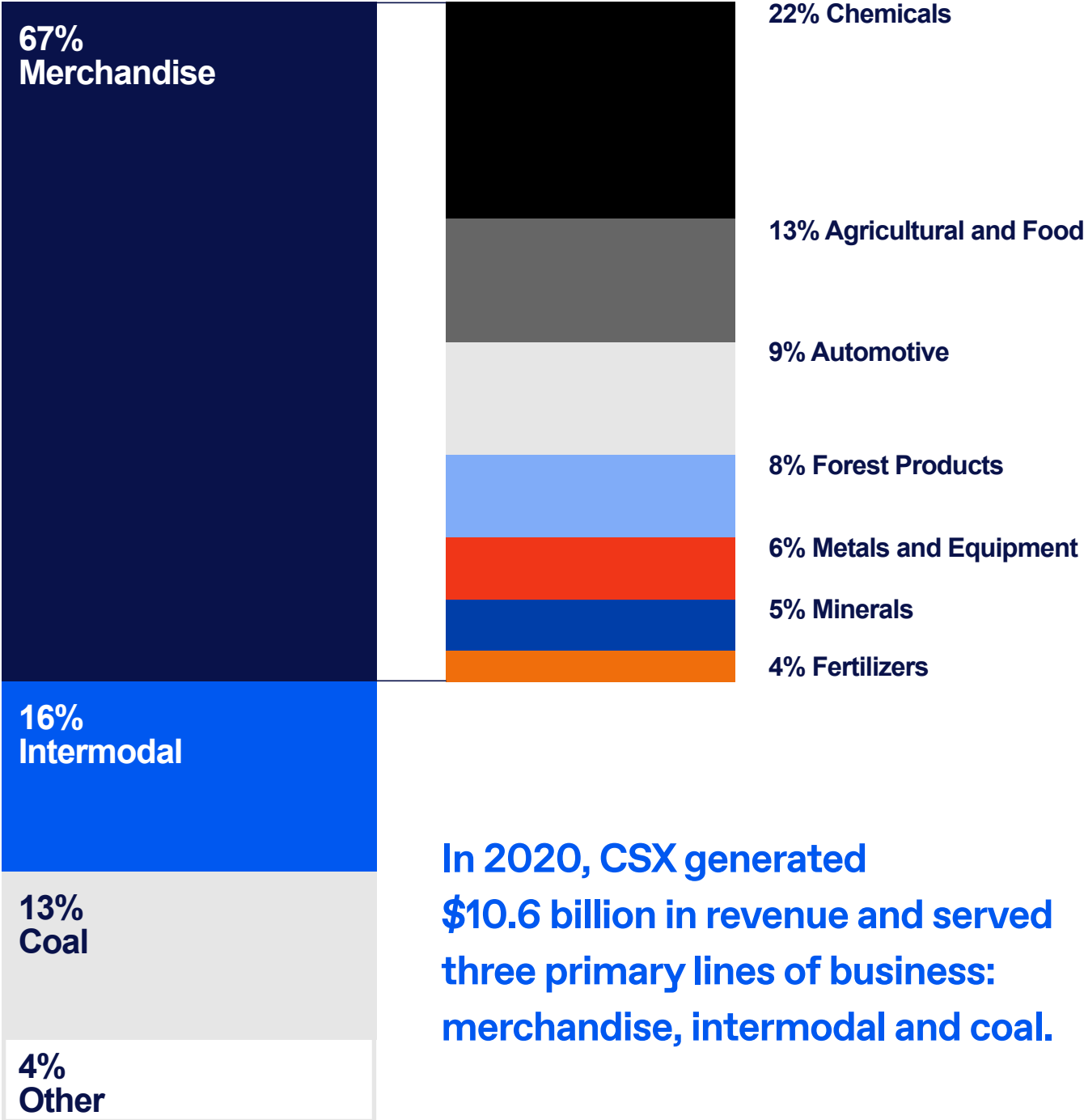
locomotives, which reduce  
greenhouse gas (GHG) emissions by  
75% compared to trucks







# Our Revenue Mix



In 2020, CSX generated \$10.6 billion in revenue and served three primary lines of business: merchandise, intermodal and coal.



# Awards and Accomplishments

**In 2020, CSX's ESG efforts were recognized with numerous high-profile awards, rankings and other honors.**



## 2020 Dow Jones Sustainability Index (DJSI):

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

## WALL STREET JOURNAL

### Wall Street Journal

#### World's Top Transportation Company for Sustainability:

CSX is the most sustainably run transportation company in the world, according to a 2020 analysis by the Wall Street Journal, and was listed 16th on the Journal's ranking of the world's top 100 most sustainably run companies.



### CDP A List:

CSX is among an elite number of companies to earn an "A" from the global environmental non-profit group CDP. 2020 marked the eighth consecutive year the company has ranked among CDP's corporate sustainability leaders. CSX was the top U.S.-based Class I railroad in 2020's CDP ranking and placed in the top 5% of survey respondents globally.



#### Engage for Good Halo Award for Social Impact:

CSX's Pride in Service initiative was recognized with Engage for Good's 2020 Gold Halo Award for Employee Engagement, a testament to CSX employees' passion for those who serve and commitment to donating their time to volunteer with nonprofit partners.



#### U.S. Chamber of Commerce Citizens Awards:

Through Pride in Service, CSX was named finalist to the Chamber's annual Citizens Awards for the program's community improvement efforts to solve current challenges for military, veterans, first responders and their families.



#### 2020 Association of American Railroads (AAR):

##### North American Environmental Employee Excellence Award:

Meaghan Atkinson, environmental programs manager, was honored for enhancing environmental performance of CSX through her advocacy in the last year to push the company to set the most ambitious GHG target in the history of the North American transportation sector.



#### Progressive Railroading "Rising Stars":

CSX railroaders Marcelo Estrada, general manager of intermodal operations and Seth Friend, plant manager of the Cumberland Locomotive Shop, were among 25 leaders under age 40 awarded the Rising Star recognition for their contributions to railroading, as well as their career achievements, demonstrating leadership, professional association activity or community involvement.



#### 2020 Association of American Railroads (AAR):

##### John H. Chafee Environmental Excellence Award:

Corey Davis, fuel strategy and utilization director, was recognized for being a driving force in the evaluation, testing and execution of technologies and operating practices that have resulted in driving overall fuel efficiency to 1.009 gal/thousand GTM in 2019, an all-time full-year company record.



#### Newsweek Most Responsible Companies:

Newsweek magazine recognized CSX as America's top railroad for corporate responsibility and second among all U.S. travel, transport and logistics companies. The magazine's second annual ranking of "America's Most Responsible Companies" listed CSX at 54, a leap of 115 places from last year.



#### Toyota Logistics Services Environmental Leadership Award:

The award honors outstanding environmental programs and activities. CSX was honored for reducing its GHG emissions intensity by 8.1% from 2011 – 2018.



#### World Finance Magazine –

##### 2020 Most Sustainable Company in the Logistics Industry:

For the second consecutive year, 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.



#### Progressive Railroading and RailTrends –

##### Railroad Innovator of the Year:

Progressive Railroading and RailTrends named CSX president and chief executive officer Jim Foote the winner of the 2020 Railroad Innovator Award. The award recognizes individual outstanding achievement in the rail industry.



#### Railway Age Magazine – Women in Rail Award:

Debbie Bittner, CSX head of transportation and PTC systems operations, was honored with a Women in Rail 2020 award from Railway Age magazine. Bittner has been a driving force and key contributor to the development of an industry-wide positive train control (PTC) solution, which has been one of the largest capital investment projects in modern railroading.



#### 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 2020 issue recognizing companies that are committed to sustainable, eco-friendly supply chain services.



#### U.S. Veterans Magazine –

##### Best of the Best Top Veteran-Friendly Companies:

The U.S. Veterans Magazine included CSX on its Best of the Best Top Veteran-Friendly Companies list in 2020 for the second year in a row, recognizing our efforts in welcoming veterans to our workforce.



#### Military Times – Best for Vets: Employers:

MilitaryTimes released its annual Best for Vets: Employers ranking for 2020, with CSX appearing in 44th position, far ahead of the next Class I railroad on the list and third among all transportation companies included in the ranking.



#### Disability:IN – Best Place to Work for Disability Inclusion:

For the second year in a row, CSX was recognized as a Best Place to Work for Disability Inclusion by Disability:IN and the American Association of People with Disabilities (AAPD), scoring a 90% on the 2020 Disability Equality Index.





# ESG at CSX

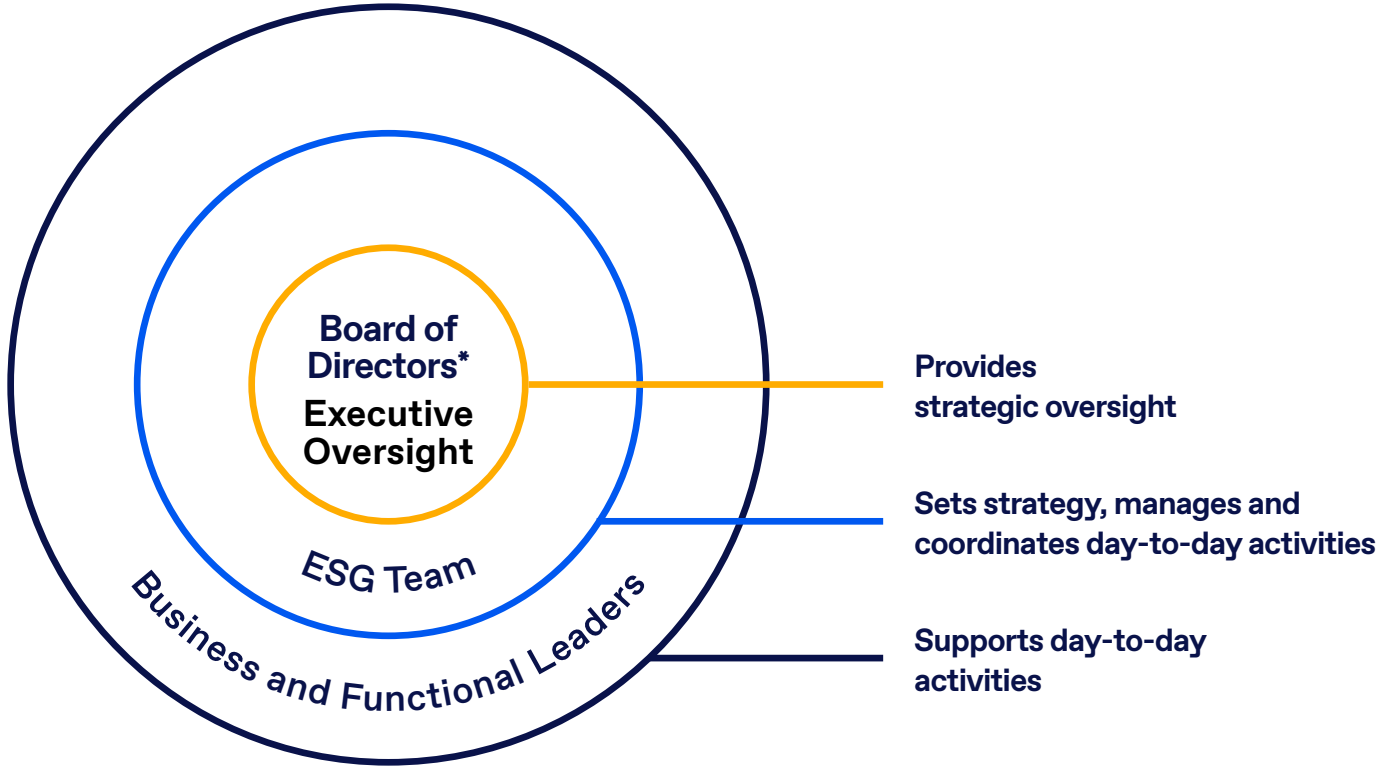
At CSX, we strive to be the best-run railroad in North America and the sustainable transportation mode of choice. It is with this aspiration in mind that we approach our business every day.

By conducting business in a sustainable way that does right by our customers, employees, communities and shareholders, we demonstrate our commitment to industry-leading ESG performance. This includes our approach to ensuring employee safety, reliable customer service, disciplined utilization of assets, minimal environmental footprint, and investment in our people and communities.

The [Governance and Sustainability Committee](#) of our Board of Directors is responsible for assessing CSX's progress on sustainability issues and overseeing our sustainability policies, strategies and programs. As part of these responsibilities, members of the Committee also review CSX's annual ESG report. Additionally, our [Compensation and Talent Management Committee](#) continues to increase emphasis on human capital and diversity and inclusion.

Last year we formalized a cross-functional ESG team at the executive level, with representation from Accounting, Corporate Communications, Environmental, Federal Affairs, Finance, Human Resources, Intermodal Operations, Investor Relations, Law, Operations, Procurement, Safety, Sales and Marketing, and Technology. This team is tasked with ensuring company-wide alignment for our ESG approach, measuring and monitoring progress against key performance indicators, and reviewing and applying stakeholder feedback and insights.

# ESG Oversight and Management



\*Governance and Sustainability Committee



# Priority Issues

In 2020, we updated our materiality assessment to identify the issues most material to CSX, as indicated by both internal and external stakeholders (process and results can be found in our [2019 ESG Report](#)). To ensure that our topic prioritization accurately reflected evolving societal and stakeholder priorities, we refreshed our materiality assessment in early 2021. Based on societal trends and the ESG topics that rose to the top throughout 2020, we defined the scope for stakeholders to engage for this refresh.

As expected, due to the impacts of the pandemic, coronavirus (COVID-19) prevention and response was ranked as one of the top priorities. Additionally, the importance of inclusion and diversity was elevated by stakeholders this year, as was accessible and transparent communications.

More details on the materiality assessment, including our process and the full materiality matrix, can be found in the [ESG Fundamentals](#) section.

**Our full list of priority issues is outlined below in alphabetical order and reported on in relevant sections of this report:**

- Accessible and transparent communications
- Compliance with legislation and regulations
- Coronavirus (COVID-19) prevention and response
- Cyber and information security
- Delivering excellent customer service
- Employee and community safety
- Employee health and well-being
- Ethical business conduct
- Governance and risk management
- Hazard management and emergency preparedness
- Inclusion and diversity
- Innovation
- Physical security
- Talent management





# The Future of Freight





# The Future of Freight

We pride ourselves on our ability to innovate while maintaining best-in-class safety performance, minimizing our environmental footprint, providing excellent service to our customers, and investing in our people and our communities.

Our operating model is designed to maximize efficiencies, improve transit times, enhance reliability and eliminate waste. We take proactive measures to remove every extra mile and every extra asset that does not contribute to the quality and consistency of our transportation product. This has allowed us to open new terminals and grow existing terminals, shifting traffic and resources to best serve our customers.

**“CSX is positioned to lead the future of freight. We rose to a whole new set of challenges in 2020, leveraging our network differently than ever before. Our operating structure, flexibility, predictive analytics and constant evaluation of needs has set CSX up for a phenomenal growth and recovery story in 2021 and beyond.”**



**Jamie Boychuk**  
Executive Vice President  
of Operations

By increasing our train capacity and adding more distributed power (DP) locomotives, we were able to run longer trains with fewer employees. This was particularly important in 2020 given the need for social distancing and unexpected, prolonged health-related absences. Further, DP enabled improved service, fuel efficiency and safety benefits. CSX will continue investments to make more locomotives DP compatible to further expand usage.

	2017	2018	2019	2020
Active Horsepower	11,765	10,064	9,090	7,934
Gallons per kGTM	1.07	1.05	1.01	0.96
Distributed Power Train Count	7	14	77	87





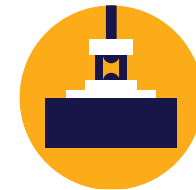
# Our Guiding Principles



**Improve  
Customer Service**

**We recognize that CSX must be nimble and adaptive to handle growth and change quickly and efficiently.**

This applies to every aspect of our business – from implementing new technologies and innovations, to partnering with our customers to meet their efficiency needs and environmental goals, to engaging and empowering our employees with a safe and rewarding work environment.



**Operate Safely**



**Value and Develop  
Employees**



**Optimize  
Asset Utilization**



**Control Costs**



2020 Environmental,  
Social and  
Governance Report

## Operating with Innovation at Our Core

Leveraging new technologies to improve operations and increase efficiency is core to CSX's operating model. Innovative tools and technologies enable us to drive meaningful improvements across safety, customer experience, environmental efficiencies and employee engagement. While innovation sits with different lines of business, our Technology team is accountable for the implementation and delivery of numerous technological innovations.

### **Innovating for Safety: Doubling Down on Our Drone Program**

By more than tripling our drone fleet (from 40 to 150) in 2020, we were able to improve safety, optimize inventory processes, detect changes and provide mapping of our assets in real time.

### **Innovating for Customer Experience: Rebuilding ShipCSX's Interface Design and Efficiency**

We enable our customers to plan, ship, trace and pay for shipments quickly and with secure data through our ShipCSX platform. CSX initiated a multi-year effort to improve the platform, incorporating the latest innovations in interface design and efficiency to meet customer demand, utilize the most up-to-date technological advances, integrate the corporate brand standards, and support scheduled railroading.

### **Innovating for Environmental Efficiencies: Introducing New XGate Functions**

In 2020, we introduced new features to our XGate system, which allow us to streamline work for the intermodal drivers thanks to a machine vision technology that expedites driver transaction time by automating the outbound validation.

### **Innovating for Employee Engagement: Shifting to Virtual Collaboration Platforms and Cloud Strategies**

The widespread use of virtual collaboration as the primary form of work in 2020 allowed employees to work remotely and stay connected during the pandemic. Our Technology team was able to roll this out in record time and enabled new ways of working between employees and customers.



# Our ESG Performance, Progress & Goals

## 2020 Highlights

**↓ 10%**

reduction in Federal Railroad Administration (FRA) Personal Injury Frequency Index

**↑ 16%**

more cars processed (per hour worked)

**85%**

of all gate transactions utilize XGate

**↑ 5%**

better fuel efficiency

**↓ 11%**

reduction in total absolute Scope 1 and 2 emissions (since 2019)

**↓ 3.4%**

reduction in Scope 1 and 2 emissions intensity (since 2019)





# Our ESG Performance, Progress & Goals

## Our Goals and Progress

In 2012, we introduced a set of environmental goals to achieve by the end of 2020. We worked diligently to advance our environmental sustainability priorities and proudly met all of these goals, some years ahead of schedule.

Additionally, in 2020, just six years into our 15-year GHG emissions intensity target as approved by the Science Based Targets Initiative (SBTi), we achieved 34 percent of our 37.3 percent reduction target. A more detailed overview of our performance against these goals can be found in the [Environment](#) section of this report.

While we have made great progress, there is more work to do. Our ESG team has been engaging with cross-functional leaders across CSX departments to evaluate ESG-related programs and opportunities. As a result, we have established a new set of environmental goals that will guide our strategy in the coming years. The team is actively working to develop a robust set of social and governance goals. We will provide an update on these efforts in our 2021 ESG Report.



## GHG Emissions

**Goal:** Reduce GHG emissions intensity by 6-8%

**Progress:** This goal was achieved in 2018. In 2020, we continued making progress by reducing GHG emissions intensity by **13.8% since 2014**, in line with our planned reduction trajectory to achieve our science-based target.



## Renewables

**Goal:** Increase energy blend to 10% renewable sources

**Progress:** We purchased **46,000** Renewable Energy Credits (RECs) in 2020, or 10% of our Scope 2 emissions. We continue to investigate multiple avenues for increasing our renewable portfolio in the future.



## Waste

**Goal:** Reduce hazardous waste generator status by 25%

**Progress:** By the end of 2020, we reduced the generator status for **36%** of applicable facilities.

**Goal:** Decrease asphalt, concrete and brick to landfill to zero

**Progress:** We successfully decreased our concrete and brick to landfill to **zero**. While 93% of asphalt disposal also avoided the landfill, we're working to increase landfill diversion to 100%.



## Water

**Goal:** Reduce quantity of water consumed

**Progress:** We successfully reduced our water consumption by **73%**.

**Goal:** Improve the quality of effluent water

**Progress:** We reduced the number of environmental deviations pertinent to the Clean Water Act by nearly **60%** since setting goals in 2012.



## Sustainable Operations

**Goal:** Continue to elevate sustainable standards of construction

**Progress:** We have built several LEED certified buildings in recent years and are 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.

**Goal:** Encourage employees to take sustainable actions in their everyday jobs, such as conserving energy, reducing waste and identifying efficiencies

**Progress:** As part of our transformation, we have reduced the footprint and number of buildings where we operate, while continuing to identify ways to create new efficiencies.



# Our ESG Performance, Progress & Goals

## Introducing Our 2030 Environmental Goals:



Continue working toward our science-based target to reduce GHG emissions intensity by 37.3%, using 2014 as our baseline.

To achieve this goal, we will continue to make network and operational improvements while investing in technologies that will create transformational change in the railroad industry.



Increase the company's use of renewable energy to 50% of the Scope 2 footprint.

To achieve this goal, we will develop a viable Scope 2 strategy to include partnerships, energy audits, energy efficiency retrofits and renewable energy.



Reduce the amount of hazardous waste generated from ongoing operations by 30%.

To achieve this goal, we will re-evaluate our purchasing practices, provide training to project managers and utilize product recycling wherever possible.



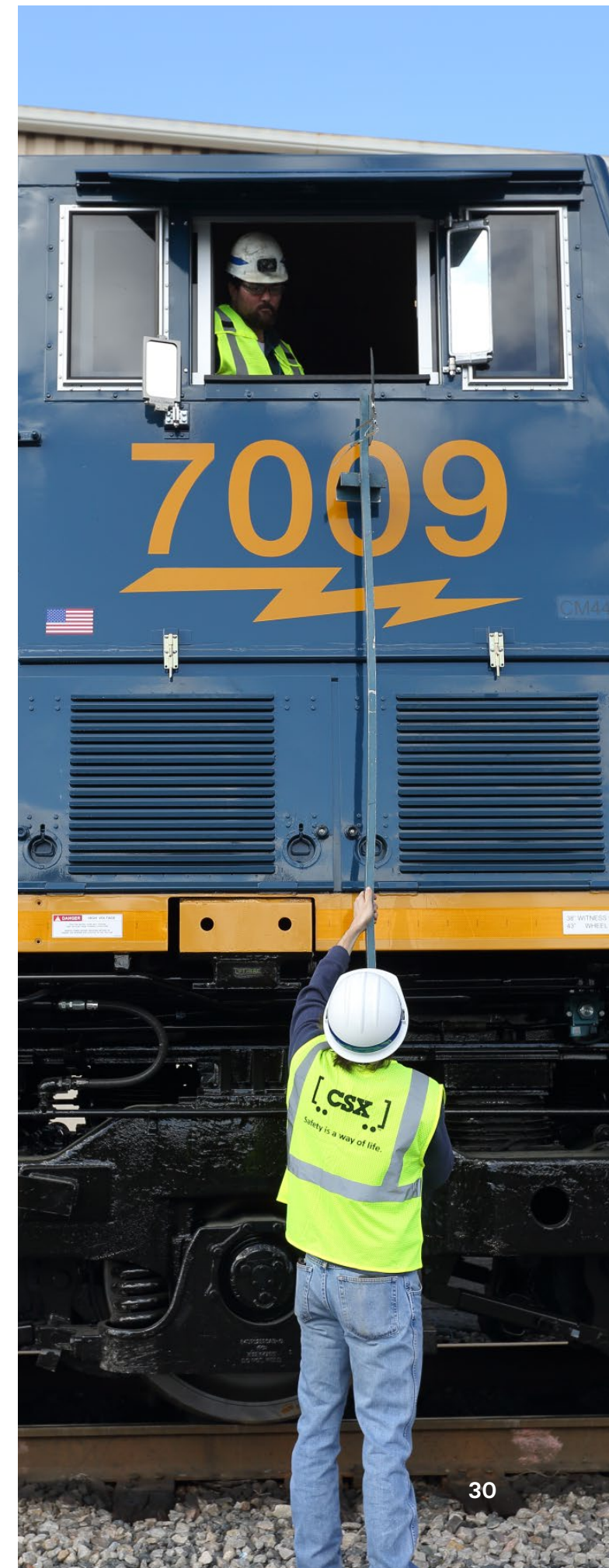
Decrease the amount of ongoing operations waste disposed in a landfill to less than 10% of volume.

To achieve this goal, we will identify those waste streams that can be reused or recycled and expand use of these alternative means of disposal.



Expand efforts to engage our supply chain through evaluation of GHG quantification, ESG goals, and evaluation of risks and opportunities by engaging our suppliers through CDP Supply Chain.

To achieve this goal, we will partner with suppliers to create efficiencies and positively impact our businesses, our stakeholders and the environment.





# COVID-19 Impact & Response





# COVID-19 Impact & Response

**No country, business or individual was truly prepared for what 2020 would bring.**

**At CSX, our priorities were to protect our employees and their families, continue serving our customers, and do what we could to ensure the safety and security of our local communities.**

Our existing continuity plans for business disruptions provided valuable insights for our safety, wellness and execution strategies, allowing us to move quickly at the start of the pandemic to address operations logistics and meet evolving needs across all aspects of our supply chain.

As a result of our flexibility and the use of predictive analytics, we were able to pivot quickly in an era of uncertainty, scaling down operations as volumes dipped and restoring operations based on which corridors we anticipated would recover first and when. We continue to monitor the situation and adapt our policies and procedures accordingly.

## Keeping Our Employees Safe

We took preventive measures to safeguard our people and operations, providing important resources and timely updates as we monitored the global spread of the coronavirus. One of the most important steps was to safeguard an adequate supply of Personal Protective Equipment (PPE) and cleaning supplies at all CSX locations where in-person work was essential.

Another imperative was ensuring our employees were well-informed and had up-to-date information and resources at their fingertips through our CSX Gateway intranet site, including those issued by the CDC and those specific to CSX and our operations.

Our CSX Coronavirus Prevention and Response Policy provided all CSX employees, contractors, suppliers and visitors with guidance on business travel restrictions and facility access to enable our employees and business-critical staff to continue doing their jobs with lower risk of potential exposure. We also shifted our approach to employee well-being given the increase in remote work, introducing extended support and care through virtual settings to meet employee needs and ensure their overall health and wellness.

## Adapting to Serve Our Customers

Like many companies across countless industries, CSX saw a historic dip in volume starting in March 2020. By introducing new ways of working, new technologies and new platforms to communicate with customers, we were able to adapt and recover as soon as customer demand returned.

As a company that provides critical infrastructure services to our nation, it was essential that CSX maintain access to customers and facilities across our network. Agility, flexibility and continued engagement with our customers through digital communications platforms have been key to our ability to quickly pivot to meet our customers' needs. Additionally, with much of the nation shut down and states across our footprint introducing varying degrees of restrictions, CSX equipped our employees and contractors with Access Letters to assist them in reporting to our workplaces and to ensure continuity in serving our customers.

## Supporting Our Communities

In keeping with our commitment to serving our communities, CSX looked for opportunities to redeploy our efforts to meet the critical needs of our nation the best we could. We utilized our intermodal business to move essential supplies and gifts of gratitude for frontline workers, and we pivoted our Pride in Service funding and focus to best support our NGO partners' greatest emerging needs. This shift enabled us to support the communities and individuals most impacted by COVID-19, particularly law enforcement, firefighters and other frontline healthcare workers and EMTs.

**“Never has employee health and well-being been more vital to CSX’s mission than during the coronavirus pandemic. Our people and our company stepped up to the challenge to keep each other safe and our economy moving.”**



**Michelle Mullen**  
Vice President of  
Total Rewards, Medical  
and People Systems



# Safety





# Safety

**At CSX, safety encompasses every aspect of our operations – all employees across the organization are part of the Safety team, and every meeting, regardless of purpose, starts with a safety briefing. By putting health and safety at the center of our day-to-day operations, we strive to foster a safety culture grounded in ownership and accountability.**

We take a proactive, network approach to safety, whereby we aim to identify and eliminate as many factors as possible that may contribute to the occurrence of accidents, and then share learnings and best practices across the organization. Our Chief Safety Officer is responsible for overseeing our safety strategy. We also work diligently to increase regional-level leadership engagement and involvement in CSX’s system-wide safety plan through our Executive Safety Council. To underscore the critical importance of deepening our focus on injury and accident prevention, safety metrics such as FRA Personal Injury Frequency Index and Train Accident Rate are part of our Management Incentive Compensation Plan (MICP).

We track safety performance daily 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. We conduct regular trainings and have robust emergency preparedness practices. Further, to ensure the safety of our physical and operational assets, every year we conduct a comprehensive industry risk assessment, in partnership with the AAR.

We recognize that safety is an ongoing journey, and customer collaboration and technology investments are essential to optimize both service and safety performance. As such, we continue to invest in technological innovations that can detect and avoid many types of human factor incidents to serve as an additional layer of protection for our employees.

In 2020, we invested nearly \$1.4 billion in critical infrastructure improvements to ensure safety, including track, bridges, signals, equipment and detection technology.

	2020	2019	2018	2017
Money invested in infrastructure	\$1.4B	\$1.3B	\$1.3B	\$1.3B
Total capital spending	\$1.6B	\$1.7B	\$1.7B	\$2.0B
New ties installed	2.95M	3.18M	2.71M	2.69M
New rail installed	899 linear miles	769 linear miles	846 linear miles	863 linear miles
Surfacing	4,543 miles	4,712 miles	4,408 miles	4,098 miles





# Safety

## 2020 Safety Highlights & Performance

The COVID-19 crisis has had a profound impact on our daily lives and the way we conduct business, including how we approach safety. Travel restrictions, for example, prevented us from spending time in the field and conducting our routine safety audits, and in some areas, we also experienced a shortage of workers due to unexpected, prolonged absences, which required us to rethink how teams performed core safety activities with fewer employees.

Despite the unprecedented nature of these impacts, CSX leadership and employees rose to the challenge, adapting our safety approach in response:

- We added new policies and procedures to safeguard the health and safety of our employees, and a cross-functional task force continues to monitor the situation to ensure that appropriate safety measures are being taken.
- Our Executive Safety Councils continued to meet on an ongoing basis and have meaningful dialogues in a virtual format.
- We issued more than 3,400 tablets in 2020 to train and engine employees to digitize required operational documents while allowing for social distancing. This is an area of growth for the future which was positively welcomed by employees. CSX will continue delivering additional tablet functionality on an ongoing basis to enhance safety, drive efficiencies and modernize work tools.

In the near term, this includes capturing when a train and engine employee performs railcar activities in real-time, including setouts, repairs and brake tests.

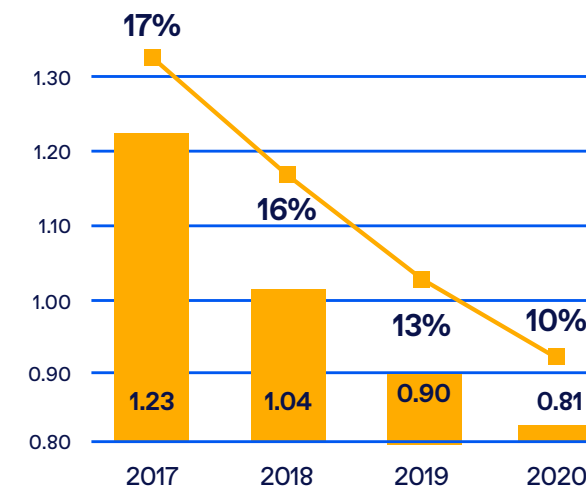
In 2020, we performed four system-wide audits to ensure compliance with operational testing requirements, in addition to field audits conducted by each field region. Results were compared to normal operational testing and safety incidents and allowed us to discuss and identify opportunities to make improvements and uncover any gaps, such as low failure rates, high incident rates and spikes in noncompliance compared to daily testing rates.

From a performance standpoint, 2020 saw a new record low for the second consecutive year in the number of FRA reportable injuries. The number of FRA reportable train accidents remained low; however, we did see an increase in our FRA train accident rate based on our reduction in train miles.

Despite our progress and ongoing commitment to become an injury-free railroad, in 2020 two CSX employees tragically lost their lives on our rail lines as a result of two separate incidents. Both were thoroughly investigated to ensure we could identify the cause and make any subsequent changes to our safety rules and procedures.

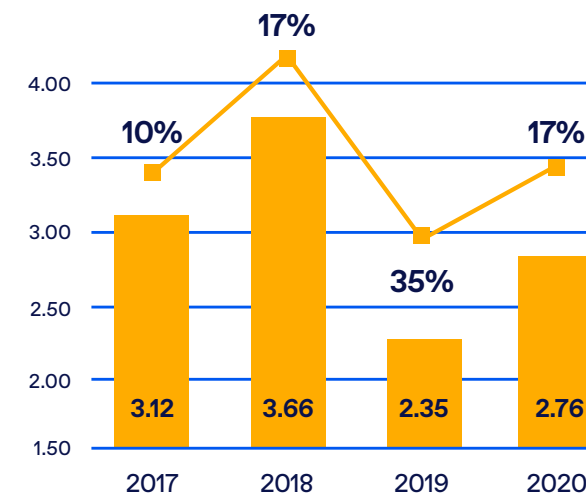
We remain steadfast in our commitment to become an injury-free railroad by continuing to improve our safety practices and encouraging safe behaviors to avoid any and all preventable accidents.

## FRA Personal Injury Frequency Index <sup>1</sup>



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

## FRA Train Accident Rate <sup>2</sup>



<sup>2</sup>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.

## A Proactive Safety Approach

In 2020, we introduced several new trainings and programs to continue evolving to a proactive, risk-based safety approach:

### New Frontline Training Program:

Geared toward new frontline supervisors in transportation, our new training program aims to create better frontline leaders to advance safety practices. As part of the program, supervisors come into CSX's Training Center where they receive specialized training before moving to their field locations to observe and get to know the territory. In Q4 of 2020, our first class of frontline employees completed this training, and we have plans to conduct three more sessions during the first six months of 2021.

### Voice in Safety:

This new initiative was designed to create a system where employees can easily report hazardous working conditions, including near accidents that would not normally be captured. Employees can anonymously report by filling out a form on CSX's internal employee Gateway, leaving a voicemail at a 1-800 number or sending an email to a designated CSX inbox. We also plan to develop a feature within CSX's Railz application that will allow conductors to report these alerts in real time at a specific GPS location.

### Joint Labor and Management Safety Tours:

This initiative consists of local management and union representatives going out in the field together to analyze rail conditions and discuss any potential issues and opportunities to make improvements. This allows field employees, and specifically conductors, to proactively flag concerns before they turn into actual issues.



# Safety

## Physical Protection and Security

Our ability to provide safe, reliable, essential transportation services to businesses and customers across the country has become more important than ever. Therefore, the security of our trains and infrastructure is among our top priorities as we work to safeguard our employees, the communities where we operate and the goods that we transport for our customers.

The CSX Infrastructure Protection team is responsible for the implementation of safety and security measures to protect our network's critical assets, including rails, yards, bridges and tunnels, as well as fuel centers, aviation divisions and corporate buildings.

In partnership with local and state law enforcement, the CSX Police Department is tasked with maintaining railroad security and integrity by protecting our personnel, critical infrastructure, property, and the public against criminal acts and the threat of terrorism.

## Assessment Testing

Regular assessment testing ensures we can identify and investigate potential accidents and injuries before they occur.

We continue to engage and partner with agencies including the FRA and TSA on intel sharing and risk assessment processes annually. Each year, we participate in a comprehensive Threat Risk Assessment, in collaboration with the AAR. In 2020, we also conducted an internal risk assessment in response to the latest rules by Canada's Occupational Health and Safety.





# Safety

## Tools and Technologies

Technology is embedded in every aspect of modern railroading. Now more than ever, CSX is leveraging innovative tools and technology solutions to increase service agility, reliability and most importantly, safety. Some of the cutting-edge technologies we use to optimize performance include the following:

### Positive Train Control

Positive Train Control (PTC) is a nationwide system that is designed to prevent train-to-train collisions, derailments and other accidents. In line with a regulatory mandate set by Congress, in 2020 CSX achieved 100 percent PTC interoperability across our network, enforcing speed and signal compliance to ensure the safety of our rails and communities where we operate.

### Drones

Following the successful launch of our drone program in 2019, we increased deployment from 40 to 150 drones in 2020, with the goal of enhancing federally mandated operational testing and observations.

We also leveraged technology to improve both the safety and efficiency of our operational testing procedures. This technology allows us to obtain high-resolution photos in areas that are difficult for inspectors to access, eliminating the need for field personnel to navigate through tough terrain.

### Autonomous Track Assessment Cars

In March 2020, our autonomous track assessment car (ATAC) pilot program was approved by the FRA. ATACs, which automate issue detection and significantly reduce train accidents, now cover 19.6 percent of our core main line track miles, totaling 3,081 miles of coverage.

### Asset Monitoring and Detection Technology

We leverage various technologies to monitor access to our properties and assets, including the Security Countermeasure System (SCMS), which can be used to raise security alerts to CSX management, and the Crisis Alert Response System (CARS), which measures and assesses environmental risks. We also leverage the MIR3 communication platform to communicate with employees in real-time in case of emergency.

In 2020, we consolidated our access control system into a one badge system and upgraded our camera service at our headquarters. These updates allow us to consolidate our cameras into one platform while conducting operational testing and reviews right from headquarters.

Moving forward, we will continue to advance this initiative and other infrastructure projects that promote safety, such as adding more badge access to remote locations and installing fencing cameras where we can give more visibility in operations and extra safety features layered in.

### Train Inspection Portal

CSX's first two Train Inspection Portal (TIP) sites came into operation in 2020. These automated systems produce 360-degree scans of railcars passing through the portals at track speed. Each site images roughly 20 or more trains per day, using advanced machine vision technology and software algorithms to identify defects – such as missing bolts, unsecured boxcar doors and open hatches underneath a railcar – and automatically flag cars that need repair. We plan to open a third TIP site near Savannah, Georgia, in 2021.









# Safety

## Hazard Management and Emergency Preparedness

When it comes to transporting hazardous materials, safety is always our top priority. Every decision we make is intended to move the freight from origin to destination without incident. To do that, we work closely with our employees, customers, regulators and suppliers to deliver these products safely and reliably.

We adopt a 3R approach (i.e., recognize, record and report) to hazardous materials transportation, which includes comprehensive guidelines, trainings and protocols. 7,115 CSX employees completed our annual hazardous materials training in 2020.

Our 3R training programs also extend to CSX contractors. Roughly 80 percent of our contractors completed the training in 2020, and outreach was made to the remaining contractors to complete the training.

More information, including our commitment to increase public transparency around the safe movement of hazardous materials across our 23-state network as well as materials' classification and regulation, can be found on our [Hazardous Materials webpage](#).

## First Responder Engagement

Our CSX Public Safety Coordination Center (PSCC) is a central communications hub helping coordinate first responders and dispatchers around the clock. PSCC manages reports of railroad incidents such as blocked crossings, crossing collisions, signal malfunctions, materials released, theft, vandalism or trespassing to ensure all issues are promptly resolved.

In addition to ongoing communication and coordination, CSX offers necessary trainings to provide first responders with the necessary information, experience and coordination of resources to respond effectively in an incident or emergency. To continue these efforts in 2020 with local first responders and communities across the network, CSX adapted the Safety Train Classroom from a traveling classroom railcar to a predominantly virtual training format. Leveraging a combination of virtual and hands-on training, we successfully trained 3,600 first responders over the course of the year. Building on this momentum, we plan to introduce a newly-constructed Responder Incident Training (RIT) railcar in mid-2021 which will travel the CSX system to provide interactive first responder training.

## Customer Collaboration

Partnering with customers to preserve rail equipment is a key tenet of CSX's safety approach. We offer dedicated Safety and Security resources on our [Customer website](#), such as information on federal regulations and CSX policies for shipping hazardous materials by rail, training and education and programs and initiatives. Additionally, our Safety team engages with customers on a regular basis through direct outreach.

## Community Safety

The vast majority of railroad fatalities and injuries (namely 95 percent, as reported by the FRA) are due to highway-rail grade crossing collisions and pedestrian trespass on tracks. Given the preventable nature of these incidents, public awareness plays a key role in maintaining community rail safety.

To prevent these types of accidents, we are working hard to educate the public and reach as many people as possible with information that encourages safe behavior near railroad tracks.

As part of this effort, our community safety programs bring together safety initiatives and the people and communities we serve. We have a longstanding partnership with [Operation Lifesaver](#), a nonprofit organization and nationally recognized leader of rail safety education, to promote free rail safety education and specialized training for various stakeholder groups, including law enforcement officers and first responders.

## CSX Honors 72 Customers with 26th Annual Chemical Safety Excellence Awards

In 2020, CSX recognized 72 customers with our annual Chemical Safety Excellence Award for their commitment to the safe transportation of hazardous materials. Representing a wide range of industry segments, including chemicals, biofuels, waste and fertilizers, these customers shipped a combined 218,000 carloads of hazardous materials on the CSX network in 2019 without a release due to controllable factors.

To learn more about the award and the award winners, please visit our [website](#).

## Partnering with Operation Lifesaver to Increase Public Safety

In 2020, we teamed up with Operation Lifesaver for the fourth annual Rail Safety Week, held on September 21-27, 2020. While our annual network-wide outreach usually includes activities such as trespassing and traffic enforcement blitzes, school and community presentations, and truck driver outreach, this year, the initiative pivoted from in-person programming to a public awareness campaign on social media to raise awareness of safe behaviors around trains and railroad tracks. As a result of this online engagement, Operation Lifesaver had 42 million social media impressions and 216,000 new website users.

To learn more about our engagement with Rail Safety Week, please visit our [website](#).





# Customer Experience





# Customer Experience

**As of 2020, more than 3,300 customers in over 6,000 locations depend on CSX for transportation solutions that are reliable, efficient and sustainable.**

Every CSX employee, whether customer-facing or not, is responsible for delivering our industry-leading customer service. Our Sales and Marketing teams work closely with customers to ensure continuous communication and address feedback, while also working alongside Operations and other business units to escalate comments and implement solutions.

We stand firm in our commitment to upholding high standards of customer service. Even in challenging times, we embraced opportunities to innovate and evolve products, and ultimately offer customers a higher level of reliability, predictability and transparency.

**“At CSX, we know *what truly counts* is our customers knowing they can count on us. That’s what fuels our perseverance during challenging times like COVID-19: our unyielding commitment to safety, reliability and first-class customer service.”**



**Mark Wallace**  
Executive Vice President

## Keeping Supply Chains Moving

This past year underscored the importance of efficient and reliable rail service for keeping supply chains fluid despite widespread economic uncertainty. As the pandemic was unfolding, CSX regularly monitored the situation and made the necessary changes to safely continue providing unmatched customer service.

To transparently communicate with employees, contractors, suppliers and visitors, we issued the [Coronavirus Prevention and Response Policy](#), intentionally designed with flexible response capabilities to ensure we could monitor and promptly respond to unexpected changes caused by the pandemic. These efforts were overseen by the CSX Pandemic Response Task Force which provided regular review of CSX protocols, case levels and regional response measures to ensure the effectiveness of CSX’s policies. The team also utilized weekly newsletter updates and town hall meetings to share the precautionary steps underway to safeguard operations and continue meeting stakeholder needs.

Building on existing continuity plans for business disruptions, CSX was able to quickly adjust operations in reaction to a sharp downturn in volume. These efforts were tailored to address safety, wellness and execution strategies that focused on the health of employees and included backup facilities where business-critical functions could swiftly transition to continue seamless train operations. Even as supply and demand levels changed drastically – first in

response to limited supply and then spiking as the economy reopened – our operating model proved to be adaptive and nimble, ultimately helping us respond to rapid changes in traffic volumes.

In an effort to sustain operational efficiencies and uphold excellence in the customer experience, we chose to allocate resources when and where they were needed most. Our efforts to accommodate changes in priorities resulted in a delayed opening of the Carolina Connector, now tracking for completion mid-2021.



# Customer Experience

## Best-in-Class Customer Service

Our operating model enables us to deliver best-in-class service and to serve as a reliable supply chain partner to customers. In 2020, this included several efforts to streamline supply chains, create more efficient modes of delivery and expand these improvements across our network.

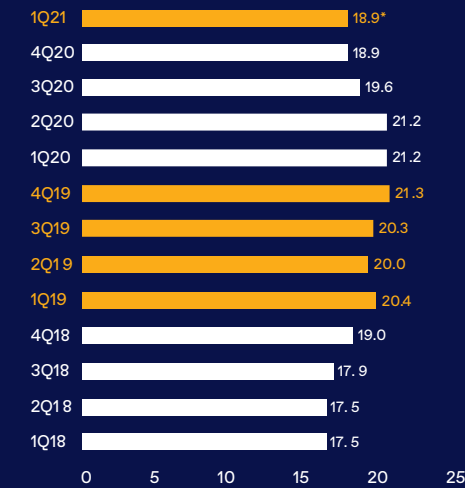
For instance, **XGate** – a revolutionary new system that not only accelerates the pace of customer deliveries, but also reduces potential emissions at intermodal terminals by up to 90 percent – now makes up 85 percent of gate transactions. We have rolled out the ability to use XGate at all CSX Intermodal facilities, so all CSX customers can benefit from optimized flow across terminals, while saving time and resources and reducing air emissions. With more than 40,000 registered drivers now leveraging the system, we enhanced the XGate app in 2020 based on customer and driver feedback to offer significantly more flexibility.

Additionally, the **Intermodal Terminal Reservation System**, which allows customers the ability to make gate reservations, helped maintain terminal fluidity. 2020 was the first full year of system reservations, also lending peace of mind to customers needing to transport critical shipments during uncertain times, while preventing terminals from becoming congested.

Providing excellent customer service means investing in technologies that provide added value and efficiencies to customers. This includes investing in low-carbon operational improvements that help customers reduce their transportation footprint, such as **DP**. This technology distributes locomotive power at intermediate points throughout the train, ultimately reducing fuel consumption.

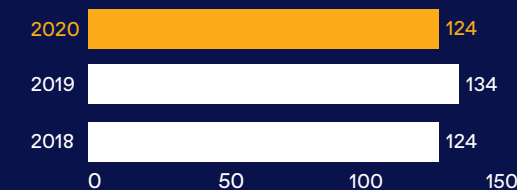
These are just a few examples of the technologies and operational practices we're investing in to drive maximum achievable efficiencies for our customers. Even in times of unprecedented uncertainty and cross-industry disruption, these innovations keep operations on track and the customer experience seamless.

## Train Velocity (Miles per Hour)

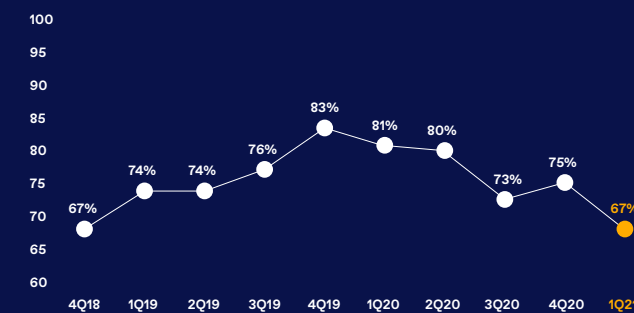


Train velocity is defined as the average train speed between origin and destination in miles per hour (does not include locals, yard jobs, work trains or passenger trains). Train velocity measures the profiled schedule of trains (from departure to arrival and all interim time), and train profiles are periodically updated to align with a changing operation.

## Car Miles per Day (Average)

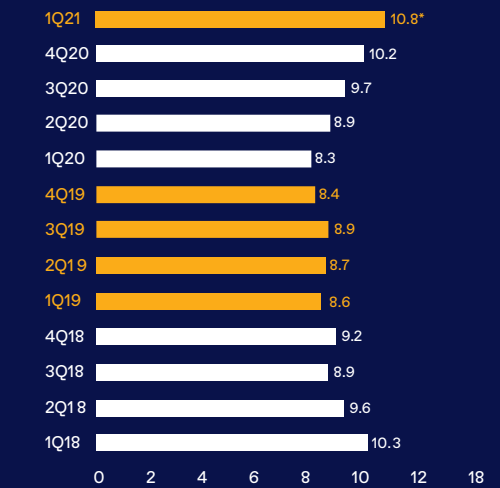


## Carload Trip Plan Performance (Rounded)



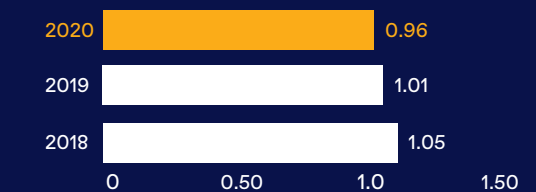
Trip Plan Performance measures success meeting end-to-end customer commitments based on a specific time of arrival.

## Terminal Car Dwell (Hours)



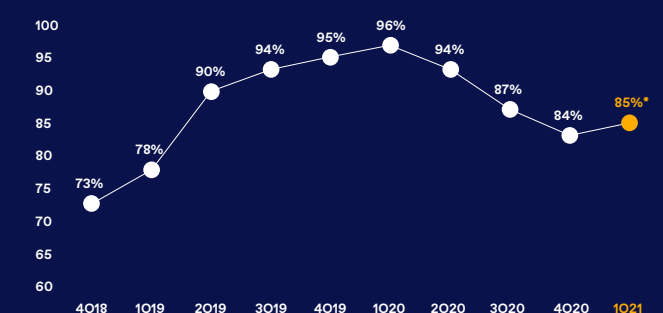
Dwell refers to the average amount of time in hours between car arrival to and departure from the yard.

## Gallons of Fuel per kGTM



Gross Ton-Miles (GTMs) refer to the movement of one ton of train weight over one mile. GTMs are calculated by multiplying total train weight by distance the train moved. Total train weight is comprised of the weight of the freight cars and their contents.

## Intermodal Trip Plan Performance (Rounded)



\*Preliminary data, subject to change



# Customer Experience

## Innovations Driving the Customer Experience

We continue to use and invest in innovative technologies that streamline supply chains and create more efficient modes of communication. This provides the best possible experience for our customers, while offering them more transparency and peace of mind around the status of their deliveries.

For instance, our [ShipCSX](#) platform allows customers to plan, ship, trace and pay for shipments quickly and securely while streamlining terminals so shipments can arrive efficiently. In 2020, we embarked on a multi-year effort to rebuild the ShipCSX.com website to enhance the user experience and upgrade the platform. In addition to reflecting the latest innovations in interface design, ShipCSX has an updated platform that will include enhancements so it can better support scheduled railroading.

CSX continued building out an Enterprise Events platform, a digital hub for event streaming, and data processing for improved visibility, planning and analytics. The platform will provide visibility around real-time events, enable safer operations and increased efficiencies through real-time tracking and analysis of sensor data, and enhance the customer experience through improved quality, timeliness and frequency of reporting.

To further integrate our in-house customer service tools and capabilities, we transitioned CSX's CRM capabilities to Salesforce. Investing in cloud-based technology allows our Customer Solutions team to create efficiencies, reduce time on manual tasks and implement new ways for the Service and Sales teams to interact and collaborate at the customer account level, all of which strengthen the customer experience.

To better work directly with our customers and answer their questions, we implemented the Pega Co-Browse solution that gives our Customer Engagement team the ability to screen share and assist ShipCSX users in real-time. We look forward to building off of this initial success and looking for new ways to apply this technology moving forward.





# Customer Experience

## Continuous Customer Engagement

Our Sales, Marketing and Customer Engagement teams partner with our Operations team to ensure an excellent customer experience. Whether problem-solving on the fly or working to implement a phased solution, we work in lockstep with our customers to sustain their trust, gather feedback and ultimately ensure we are bringing viable solutions to address their needs.

It is imperative to keep open lines of communication with our customers to best address their needs as they arise. Our existing communications infrastructure made this possible as the pandemic unfolded. In response to a spike in inquiries via phone and website, we developed a proactive messaging strategy around issues, questions and areas in the network that were common themes in customer inquiries. For example, for our merchandise single car business, we implemented a process to provide supplemental proactive updates on traffic levels and any foreseen delays across regions.

Our process for evaluating new tools and improvements includes engaging customers early in the process to gauge their feedback. To continue doing this in 2020 in lieu of having traditional face-to-face conversations, we implemented a digital process that enabled our Customer Service team to maintain customer relationships and gather feedback in new ways, such as adopting Zoom and Microsoft Teams as virtual communications platforms.

As a result, usage of Teams – which had been rolled out previously in 2019 but expanded to Union employees in 2020 – greatly increased, along with the volume of cross-channel communications as a whole, as shown by the snapshot to the right.

To further provide product support, ShipCSX trainings were converted to a 100 percent virtual format, enabling our Customer Solutions team to quickly respond to inquiries by directing customers to specific modules and offering additional post-training support, as needed.

Additionally, we have streamlined the annual customer survey to increase customer engagement and response rates by providing seamless integration with the new Salesforce tool. This feedback allows us to adjust our Customer Engagement strategy to best meet customer needs.

## Increase in Cross-Channel Communications

Feb. 2020 - Apr. 2020

Calls	3,430%
Chat Messages	73%
Channel Messages	165%
Meetings	1,714%

## Bringing our customer engagement forum online

Prior to 2020, customer engagement forums were held twice a year, bringing together customers and CSX leaders for constructive discussions about customers' business needs and how CSX can meet them. For our September 2020 event, we transitioned to an entirely virtual format, with 150 customers joining us for a day of dialogue surrounding the pandemic's impact across industries and plans for the year ahead.





# Customer Experience

## Operations Support

The CSX Operations team works hand-in-hand with our Customer Solutions team to ensure customer feedback is promptly addressed and reviewed, as needed, at the corporate and field levels.

Daily network operations meetings provide a forum for ongoing discussions around customer feedback. These meetings became all the more critical in 2020 and were increased to twice daily during the most crucial times during the pandemic to ensure constant action against the most pressing customer feedback.

Additionally, customer issues are shared between the Operations and Customer Solutions teams via daily impact reports. These reflect the top 15-20 most relevant priorities to ensure immediate attention is being given to the issues that need it so swift action can be taken.

**“As our railroaders continue to provide service that rivals trucks for speed and reliability, we’re working intensely with customers to deliver supply chain solutions that convert more freight to rail. Highway-to-rail conversions benefit the environment by lowering emissions and benefit communities by reducing congestion on their highways.”**



**Kevin Boone**  
Executive Vice President  
of Sales and Marketing

**“For 30 years, Toyota and CSX have worked together in a shared dedication to continuous improvement and collaboration. As the recipient of our President’s Award for Logistics Excellence, CSX embodies outstanding partnership when it comes to delivering top-notch service and reliability with their unwavering pursuit of customer excellence across safety, quality, problem-solving and the environment, even in the most difficult of times.”**



**“As a company, our goal is to deliver world-class customer experiences, and we are proud of our long-standing partnership with CSX. Thanks to CSX’s reliable and efficient service, we’re able to deliver for our customers. The environmental efficiencies offered by railroads – and CSX – also enable us to advance our sustainability agenda. The company’s recognition in CDP’s A-list is a testament to their leadership in climate action and transparency.”**





# Customer Experience

## Partnering for Sustainable Growth

We are dedicated to continually improving service for existing customers as well as identifying new opportunities that enable growth and innovation across our network, while keeping sustainability top of mind. We continue to make progress on these initiatives including:

### 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.

### 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 rail access, helping connect products to consumers nationwide. The project—which was temporarily paused due to COVID-19— is now tracking towards completion in the second half of 2021.

### Northwest Ohio Investments:

The CSX Transportation-served Northwest Ohio intermodal terminal is one of North America's most technologically advanced and environmentally friendly terminals. With seven wide-span electric cranes, track infrastructure and technology that minimizes idle truck time, this automated and highly efficient terminal operates across 500 acres. Strategically located between Chicago and the Northeast mainlines, the terminal is three miles off I-75, enabling convenient truck access to local and regional markets from Chicago to Pittsburgh and Detroit to Cincinnati.

### Chicago Terminal Enhancements:

Building on the successes of previous Intermodal terminal designs, CSX is working to enhance our two Chicago terminals. The project will ultimately create two dedicated terminals, the 59th Street terminal for the majority of our international business and the Bedford Park terminal for our domestic business. In addition to optimizing flows and creating additional capacity at both locations, these enhancements will ensure the terminals are designed with long-term connectivity in mind for our customers.





# Customer Experience

## Fostering Local Economic Opportunity

As a network spanning 23 states, we recognize the opportunity to drive positive impact beyond the rails and in the communities we connect. Through our community investments and infrastructure capital expenditures, CSX proudly contributes to local-level economic growth that helps build stronger communities across our value chain.

**Our Rail to Trails initiative allows us to bring a new slate of customers to CSX while having a positive outcome for our local communities. We work with local municipalities to convert former rail corridors into recreational trails, including recent collaborations across:**

### Athens, TN | 11 acres:

In February 2020, we sold the land which will be constructed into a trailhead, a project overseen by the City of Athens.

### Flint, MI | 43 acres:

In December 2020, roughly four miles of an abandoned corridor were sold to the city of Flint, MI, to be transformed for recreational trail.

### Sudbury, MA | 11 acres:

In December 2020, the Town of Sudbury, MA, purchased 1.4 miles of railroad which will be developed as part of a larger trail project.

State	Employees*	Annual Payroll	Track Miles**	System Capital Investments
Alabama	802	\$92,702,567	1,475	\$103,287,000
Connecticut	5	\$1,287,808	220	\$109,000
Delaware	44	\$4,129,257	129	\$6,375,000
District of Columbia	15	\$1,477,468	70	--
Florida	2,949	\$494,289,034	2,428	\$104,008,000
Georgia	1,576	\$169,326,191	2,611	\$218,005,000
Illinois	500	\$44,838,183	1,181	\$49,245,000
Indiana	924	\$116,208,540	2,528	\$92,015,000
Kentucky	989	\$133,758,819	2,873	\$80,042,000
Louisiana	81	\$6,753,979	136	\$14,790,000
Maryland	765	\$72,481,347	1,339	\$30,393,000
Massachusetts	170	\$15,502,638	513	\$12,463,000
Michigan	254	\$29,225,384	1,122	\$21,744,000
Mississippi	44	\$7,705,285	130	\$21,107,000
New Jersey	96	\$11,946,495	977	\$8,189,000
New York	1,317	\$147,304,543	2,740	\$158,099,000
North Carolina	544	\$70,230,798	1,709	\$62,854,000
Ohio	1,973	\$188,833,047	3,914	\$113,820,000
Pennsylvania	519	\$60,021,048	2,024	\$36,460,000
South Carolina	510	\$67,633,554	1,764	\$90,809,000
Tennessee	879	\$108,995,558	1,532	\$100,200,000
Virginia	633	\$70,636,412	2,002	\$58,964,000
West Virginia	820	\$87,789,780	1,959	\$44,145,000

\* 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





# People and Communities





# People and Communities

**With nearly 19,300 employees throughout the United States, our people are our greatest strength.**

We are proud to employ a cohesive network of individuals who share our commitment to be the best-run railroad in North America. We strive to foster a collaborative culture that allows our employees to bring the best of themselves to CSX each day and to offer rewarding career opportunities and recognition programs that can support our employees' ongoing learning and development.

To ensure these values are reflected, our Board of Directors' Compensation and Talent Management Committee oversees executive compensation and human capital management, including leadership development, performance management, talent acquisition programs and our plans for promoting diversity, inclusion and pay equity.

We continue to prioritize a focus on talent that supports CSX's business objectives. Our dedicated human resources professionals ensure the programs and processes drive results across workforce management, talent management and development, employee relations, diversity, equity and inclusion, compensation, benefits and well-being.

Our Total Rewards packages are designed to support employee recruitment and retention, while also moving forward CSX's business growth strategies.

In 2021 and beyond, we are focusing on strengthening our culture to create an environment where employees work as one team, share values that differentiate us as an employer of choice and enable our entrepreneurial spirit.

Our commitment to people extends beyond our employees and into our local communities. Service is at the heart of every decision we make, for our customers, for ourselves and for our communities. We serve the communities in which we live and operate through monetary and in-kind giving, as well as employee volunteerism opportunities.

**"In a year marked by social tensions and an unprecedented health crisis, CSX took decisive action in 2020 to reinforce our commitment to safeguard employee health and well-being and provide an inclusive, equitable workplace. We expanded well-being support for employees, engaged in dialogue and action to further eliminate racism, and partnered with other organizations to have a broader societal impact."**



**Diana Sorfleet**

**Executive Vice President and Chief Administrative Officer**

# The CSX Workforce

**19,282**

workers strong

**15,728**

union employees

**3,112**

management employees

**442**

subsidiary company employees

Overall retention rate

**89%**

**Average age and years of service**

**46** average age

**15** years of service

**Workforce Diversity\***

**20%** of overall workforce

**37%** of management

**17%** of union

**Three generations of our workforce**

**68%** Gen X

**24%** Gen Y

**7%** Boomers

**Management new hires**

**36%** diverse

**22%** female

**Management promotions**

**38%** diverse

**27%** female

**Union new hires**

**27%** diverse

**2%** female

**Veteran and active-duty military status**

**3,126** veterans, active-duty military and first responders

**16%** of the workforce

\*Calculated as the percentage of males of color and all females



# People and Communities

## Prioritizing Employee Health and Well-being

We understand that there is not a “one size fits all” approach to health and well-being. As such, we are committed to helping our employees through tailored tools, resources and support programs to meet their individual needs.

Like many companies around the world, we had to reevaluate our approach in 2020 to safeguard the health and well-being of our employees. As a result, we enhanced our four pillars of employee well-being – physical, emotional, social and financial support – to ensure everyone, at all stages and levels in their career, is able to receive assistance across the health and well-being spectrum. Highlights include:

- Expanded virtual health and well-being services to meet employees where they are and cater to a dispersed workforce
- Rolled out the Accelerate Program, an internal social platform to recognize employees across the company with a note of thanks and appreciation on a job well done
- Increased parental leave to 12 weeks for birth parents and 6 weeks for non-birth parents and adoptions for management employees

- Recommitted our efforts around mental health and well-being resources and tools, including on-site employee assistance program (EAP) support, tele-medicine virtual visits and 24/7 access to a robust network of EAP counselors

To learn more about CSX benefits, visit our [2021 Benefits Summary page](#).

As an added layer of safety for our employees and the communities we serve, we implemented extra precautions for our Network Operations & Crew Management Centers for whom being in-person is essential to getting work done, including on-site nurses, temperature screenings, COVID testing, PPE, frequent deep cleanings and reconfigured workspaces.

## Fostering a Diverse, Equitable and Inclusive Workplace

CSX believes strongly that we cannot be the best-run railroad in North America without the best people, and we cannot have the best people without embracing diversity, equity and inclusion in our workforce. In 2020, we launched our new social justice initiative with furthered commitments to diversity, equity, and inclusion in the workplace – and across the nation.





# People and Communities

### Addressing Racial Injustice

CSX is committed to social justice in our communities. We developed a cross-functional social justice advisory roundtable of employees and leaders to strategize and execute a plan to combat racial injustice. In addition, we have deployed a wide-ranging action plan to help strengthen inclusion in our own corporate culture and within the communities we serve.

The internal plan is built on four pillars, each with specific items that will directly impact employees and improve our culture. These include:

**Awareness, Education and Communication:** Sharing of diversity metrics and culture survey results; roundtable discussions; listening sessions and open dialogue; increased company match of employee contributions to organizations supporting racial equity; and distribution of enlightening videos and articles.

**Potential or Perceived Inequities:** Modernizing job titles to remove terminology that may be offensive or have racial connotations; reiterating zero tolerance policies; establishing long-term targets and performance management; ensuring bias mitigation and pay equity; and acknowledging the role of Black employees in CSX history.

**Employee Development:** Enhancing professional development for mid-level managers; increasing mentoring opportunities, leadership coaching for people of color, and developing executive sponsors and leaders of business resource groups (BRGs); and sponsoring industry-related diversity resource groups.

**Voter Education:** Increasing voting and awareness internally; communicating voting days and procedures across our territory; and encouraging voting on election days.

For the external portion of our social justice action plan, we partnered with the [Congressional Black Caucus Foundation](#) (CBCF) and [City Year](#) while also leveraging our Pride in Service community engagement initiative to support equity through our partnerships with military and first responder groups, with an emphasis on helping bridge the divide between segments of our communities and law enforcement. In 2020, we had the honor of serving as the title sponsor for many educational sessions at the 2020 CBCF, including in-depth focuses on African-American Veterans; science and technology; Black voting rights; and small businesses. Additionally, CSX's 25-year sponsorship of City Year helps keep students in school and on track to graduate in underserved communities.

Social justice is essential for expanding economic prosperity to all people, in all communities. We are a stronger country — and a stronger company — when all of us are able to contribute the full extent of our abilities.

“At CSX, our top priority is the safety of our workforce and the communities we operate in and serve. We are committed to keeping a safe and inclusive environment on-site at all times.”



**Tom Gonzalez**  
Special Agent,  
CSX Police

### Diversity and Inclusion

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. The diversity in our leadership team increased from 26 percent in 2019 to 32 percent in 2020. We are also proud of our achievement in being recognized as one of the “Best Places to Work for Disability Inclusion” by [Disability:IN](#) for the third consecutive year.

“We believe that diversity is the root of innovation. We are committed to creating a diverse and inclusive culture where everyone’s backgrounds and skill sets are not only valued but leaned on for the success of business, the development of our workforce and our ability to serve our customers.”



**Stephanie Noel**  
Vice President of  
Human Resources and  
Chief Diversity Officer



# People and Communities

### Women at CSX

CSX is committed to bolstering the representation of women across our workforce and to providing ongoing learning and development opportunities that support their growth and success. These efforts include:

#### Women's Development Program:

CSX offers a 12- to 18-month program that provides women at the senior leadership level with support to further develop their individual leadership capabilities and an opportunity to come together with other women leaders to improve overall business acumen and develop a shared point of view on how to build a culture of sustainable results. In 2020, nine women participated in the program.

#### Recruitment of Women for Technology Fields:

CSX participated in the Women in Business & Technology Career Fair hosted by the Women in Technology International Professional Association. More than 400 individuals participated in the career fair in 2020.

#### Interchange Women's Leadership Network:

CSX supports the growth and professional development of women at CSX through its Interchange Women's Leadership Network.

In 2020, women accounted for 22 percent of new management hires and 27 percent of management promotions.

## The University of North Florida & CSX

Together with the University of North Florida (UNF), CSX is committed to ensuring women in STEM careers receive continued educational and coaching opportunities. CSX women leaders in STEM participated in a variety of events tailored to their career advancement. In 2020, several employees took advantage of UNF's Center for the Advancement of Women in Engineering (CAWE) opportunities in different capacities, such as keynote delivery, panel participation, and conference engagement.

"I was thrilled to be able to participate in the 6th Annual Women Leaders in STEM Conference hosted by UNF's College of Computing, Engineering and Construction last March. While all educational opportunities prove to be beneficial, I enjoy being able to connect with other in-career women like myself. I appreciate that, as an employer, CSX continues to provide these opportunities for employees."



**Michelle Welch**  
Technology Director





# People and Communities

### Veterans and Military at CSX

Service is core to who we are. More than 3,100 veterans, active-duty military and first responders work at CSX, accounting for 16 percent of our total workforce. We advanced our efforts to recruit and hire military veterans in 2020, including through our partnership with [Wounded Warrior Project \(WWP\)](#). In 2020, we hosted a webinar focused on salary negotiation best practices to ensure equity in the workplace and participated on a Zoom call to share the initiatives CSX has in place to honor, encourage and hire veterans within the entire WWP network.

### Business Resource Groups

We believe every employee's contributions and differences help drive our success. As such, we are proud of the many BRGs that have been initiated by our employees to connect with colleagues that have shared interests and experiences. Each BRG is led by an executive-level sponsor, with the goal of promoting a diverse, inclusive and engaged workplace culture. CSX's BRGs include:

#### ABLE Disability Inclusion Group:

Represents employees with physical and intellectual disabilities, driving internal awareness and collaborating with CSX business partners to design, develop, and build accessible and inclusive services and offerings for employees and customers. ABLE hosted three events in 2020 focusing on educating employees on disability awareness and providing resources for families of children with disabilities.

#### African American Inclusion Group (AAIG):

Focuses on creating a culture that embraces inclusion and promotes African American representation at CSX and for our industry through three core pillars – community outreach, professional development and networking. AAIG hosted nine events and created a sub-committee to identify initiatives and partnerships to promote inclusion, engagement and representation at CSX in 2020.

#### Asian Professionals for Excellence (APEX):

Seeks to promote stronger working relationships between Asian and non-Asian employees through cultural education and networking events, with representation from more than 15 ethnic groups. APEX hosted five events in 2020 and received the Tet 2020 Lunar Year Award from the Vietnamese Association of Jacksonville in recognition of CSX's support and appreciation of cultural diversity and community connectedness.

#### LGBTQ+A(I)lies:

Focuses on advocacy, education, policy and community outreach in support of the LGBTQ+ community. Formerly known as EQUAL, the employee-led BRG relaunched and rebranded as LGBTQ+A(I)lies in 2020 to be more inclusive of both family and friends who serve as allies of the LGBTQ+ community.

#### STEAM:

Focuses on sparking interest in technology and innovation amongst all employees. STEAM – Science, Technology, Engineering, Art and Math – was launched in November 2020 to actively promote diversity by removing barriers, supporting STEAM-related community programs and fostering ideas through education and development.

#### Interchange Women's Leadership Network:

Creates forums to engage aspiring women leaders in conversations on career and leadership development. The group hosted an information session on total well-being in March 2020, in observance of Women's History Month, with dedicated information around physical, emotional, social and financial well-being.





# People and Communities

## Attracting, Developing and Retaining the Best Railroaders

We continue to build on our four-pillar talent strategy to better enable us to attract, develop and retain the best railroaders. Our strategy warrants that 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.

We are extremely proud of the persistence our team demonstrated over the past year as they navigated through unexpected personal and professional challenges. From a slow down in business at the beginning of the pandemic to a rapid growth in demand in the middle of summer, our team of best-in-class railroaders was able to keep the wheels moving.

## Talent Acquisition

We are dedicated to attracting top talent from different industries and backgrounds to bring in critical expertise, diverse experiences and skillsets that position our company for sustained growth. We provide our interviewers with training in interviewing best practices and eliminating unconscious bias to ensure that they are equipped to identify high-potential talent. In 2020, 36 percent of management new hires were diverse and 22 percent were female.

## Talent Development

CSX adjusted its talent development approach by increasing online training classes, giving employees more flexibility in their schedules as they pursue their professional development. Our classes are comprised of new and seasoned employees to create a more diverse learning environment. This year, 525 management employees and 560 union employees completed 1,086 online courses through our learning portal.

Additionally, using Microsoft Teams, a newly implemented technology for CSX, over 873 employees attended 45 department-wide training sessions on a variety of topics including emotional intelligence, mastering difficult conversations, antitrust, trip plan performance and others.

## Employee Engagement

As our employees are at the core of our success, 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 understand what's truly important to our employees and how we can best support them, we gather data and insights through surveys, assessments and ongoing measures. These insights are helping us build a strong foundation for culture transformation.

## Compensation and Total Rewards

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. 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.





# Pride in Service





# Pride in Service

## Our Continued Investment in Serving Those Who Serve

2020 marked the second full year of our signature community investment initiative, CSX Pride in Service – our companywide commitment to honor and serve the nation’s military, veterans and first responders. We understand intimately the sacrifice that comes with military service, as nearly one in five CSX employees have served in some capacity, and we proudly maintain and operate our very own police force to keep our tracks safe. Furthermore, our Jacksonville headquarters, hub markets in Baltimore and Nashville, and 23-state train network roll through communities near military bases and areas with high concentrations of military families.

CSX understands and values all that our military, veteran and first responder heroes have done in service of our country – and that, oftentimes, these very same servicemembers find themselves on their own once they’ve returned home or are no longer in the line of duty. Primary hardships include feelings of isolation from their communities and financial adversity. To address these issues, CSX has contributed more than \$7.2M to causes supporting military, veteran and first responder families since Pride in Service’s inception. Additionally, CSX employees contributed more than 5,700 volunteer hours in support in 2020.

## Demonstrating Our Pride in Service

Each year, CSX connects thousands of servicemembers and their families with the support they need, when and where they need it. At the onset of COVID-19 in early 2020, the CSX team acted quickly to address a natural extension of the program, providing support to the new, ‘frontline’ responders – the men and women battling the pandemic in healthcare settings across the country.

With Pride in Service’s founding nonprofit partner’s – [Blue Star Families](#), [First Responders Children’s Foundation](#), [Operation Gratitude](#), [Operation Homefront](#) and [Wounded Warrior Project](#) – CSX makes possible support in three core areas: critical financial assistance, community connections and acts of gratitude.

**In just over two years, CSX has supported more than 300,000 military, veterans, first responders and their family members – more than tripling the company’s goal to impact 100,000 individuals by the end of 2020.**

## Critical Financial Assistance

Service families are disproportionately affected by financial hardship, both during active duty service as well as when the servicemember returns home. To support military, veterans and first responder families struggling with finances, CSX turns to Pride in Service partners to make an impact.

### With Operation Homefront,

CSX has historically provided financial relief grants and recurring support programs that help military families thrive. In 2020, CSX funneled more than 9,000 grants to families in need, many of whom were facing new challenges including furloughs and layoffs, new medical bills and caregiver challenges. CSX also connected expectant mothers and children returning to school with the supplies they needed for a successful transition.

### With the First Responders Children’s Foundation,

CSX reallocated funding to best serve urgent needs, becoming the founding member of the organization’s ‘COVID-19 Emergency Relief Fund’ benefiting police and firefighter families directly impacted by the pandemic. In 2020, we partnered to support 90 emergency grants and make possible more than 90 scholarships for the children of first responders with dreams of pursuing higher education.





# Pride in Service

## Community Connections

Due to frequent relocation and other factors, military families often report feeling disconnected from their civilian neighbors. While frontline workers and first responders remained as a clear audience in need in 2020, military families already facing feelings of isolation were also at further risk and in need of social, emotional and financial support.

### In partnership with Blue Star Families,

CSX launched two more Chapter Communities in Tampa, FL, and Dayton, OH. These communities join existing Chapters in Jacksonville, FL, Chicago, IL, Clarksville, TN, and Baltimore, MD, with the aim to connect military families with their civilian neighbors through community building events, programs and other resources.

### With Wounded Warrior Project,

CSX sponsored Carry Forward – the nonprofit’s signature run/walk 5Ks, community fundraisers designed to bring together civilians with those who served. In 2020, more than 125 CSX employees came together virtually to recognize servicemembers for their acts of heroism and raise funds for the cause.

## Acts of Gratitude

CSX and our employees embraced the opportunity to give thanks for those who serve by participating in virtual engagements in support of military, veteran, first responder and healthcare heroes alike. Together, employees raised or donated more than \$80,000.

### With Operation Gratitude,

CSX supported ongoing virtual volunteerism activities in the form of letter writing campaigns and holiday care package creation. CSX employees penned more than 500 letters of thanks to servicemen and women at home and overseas, and packed and delivered more than 200 care packages to deployed troops unable to return home for the holidays.

## Through Pride in Service

CSX is proud to have been recognized for our work in community investment. In 2020, CSX was awarded and/or named to the following CSR recognitions and rankings: Engage for Good Halo Award for Employee Engagement, Military Times Best for Vets Award and U.S. Veterans Magazine Best Top Veteran-Friendly Companies.

## Leveraging CSX’s Core Business for Good

In March 2020, COVID-19 brought the country to a standstill. Despite cities shutting down and communities all across the globe adjusting to new remote lifestyles, CSX’s rail and intermodal trucking business remained essential to keep America moving. Faced with new demands from the first and frontline responder communities, CSX’s Pride in Service combined

forces with long-time partner, Operation Gratitude, to transport essential supplies and gifts of thanks to first and frontline responders in hard hit cities. Within days, CSX and Operation Gratitude teams loaded intermodal trucks at the nonprofit’s California warehouse and made bulk deliveries to East Coast cities including Allentown, PA, and Newark, NJ.

**“Service is very important to CSX. As railroaders, we provided our own service throughout the challenging times COVID-19 presented, connecting first and frontline responders to much-needed resources and supplies. Because of our existing relationship with Operation Gratitude, it was natural to pivot our work together when the pandemic hit. We quickly joined Operation Gratitude’s Coalition to Support COVID-19 Frontline Responders and are proud to have been able to offer the support of part of CSX’s core business – intermodal and trucking – to move essential supplies across the country.”**



**Tom Livingston**  
Head of State Relations



# Pride in Service

### Driving Impact in Our Hometown

As a pillar of the Jacksonville community, CSX remains committed to supporting diverse needs through Pride in Service, community service grants and employee volunteerism. In addition to serving our hometown with our Pride in Service partners, in 2020 we contributed \$1.5M to support a number of additional organizations including City Year, JDRF, the St. John's Riverkeeper, the United Way and more.

### Providing Relief in the Wake of Disaster

In 2020, a number of hurricanes impacted CSX's service territory. In response, together with employees, CSX partnered with the [American Red Cross](#) to provide aid to communities in need. In the wake of COVID-19, CSX allocated funds to support employees through the CSX Employee Disaster Relief Fund. The company put in place a new set of processes and protocols to evaluate the needs of employees going through catastrophic situations.

### Supporting Our Employees' Passion for Giving Back

We make it easy for employees to contribute their time and support through community partner organizations as well as a number of programs and policies which allow them to select the causes and organizations that mean the most to them.

#### 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 Matching Gifts:

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. In 2021, we will be expanding our employee matching program to allow for more support of social justice organizations.

#### 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.





# Environment





# Environment

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**CSX's commitment to advancing environmental sustainability supports our business strategy and is part of our value proposition. With rail being the most sustainable mode of land-based freight transportation, we have an opportunity not only to drive positive environmental outcomes for our customers, but also for our environment, helping divert incremental volumes off the highway without sacrificing reliability.**

**Our Environmental team oversees environmental requirements and compliance, including managing and reporting on our energy, waste, water and air emissions.**

Our [PSH&E Management System](#) is tailored to our operations and provides the framework to assure regulatory compliance and minimize the impact of our operations on the environment, our people and the communities in which we live and work. It also incorporates major elements of ISO 14001 and is certified under the requirements of the [American Chemistry Council Responsible Care®](#) management system.

For more information on CSX's environmental management approach and related policies, please visit our [Environment & Efficiency website](#).

Looking ahead, to further incentivize our employees to drive environmental stewardship, we've added fuel efficiency into our 2021 MICP (which went into effect on January 1, 2021).





# Environment

## 2020 Environmental Highlights & Performance

In 2020, CSX was recognized for our environmental leadership by CDP, an independent, global non-governmental organization dedicated to advancing sustainable business practices, and improved to the “A List” rating for our actions to cut emissions, mitigate climate risks and help increase corporate transparency. CDP’s A List is the highest ranking a company can achieve. The 2020 climate change A List recognized 277 companies, with CSX ranking as the top U.S.-based Class I railroad.

In line with our 2019 performance, we maintained our industry position as the most fuel-efficient U.S. Class I railroad, and in 2020 became the first to use less than one gallon of fuel per 1,000 gross ton-miles.

Additional information on our environmental performance, progress and goals can be found in the [Future of Freight](#) section of this report.

**“We’re seeing a growing recognition among elected officials and policy makers that rail can and must play a key role in our nation’s long-range transportation and environmental policy planning. By continuing to drive increased efficiency, CSX is helping to establish rail as an important part of the solution for addressing climate issues.”**



**Nathan Goldman**  
Executive Vice President  
and Chief Legal Officer

## CSX Employees Championing the Environment

Our employees are critical to our success, and they go above and beyond to ensure we are meeting our environmental goals. In 2020, the [AAR](#) recognized Corey Davis for his leadership in advancing CSX’s environmental stewardship and initiatives.



**Corey Davis,**  
Director of Fuel Strategy and Utilization

was named as the 2020 John H. Chafee Environmental Excellence Award recipient, which recognizes a railroad employee who has demonstrated the highest level of environmental stewardship and sustainability in the previous year. This comes as no surprise, as Corey’s work to reduce fuel usage at CSX over his tenure has had monumental results. The savings have reduced fuel utilization by 32 million gallons, cutting carbon dioxide emissions by 332,000 tons in just one year. Additionally, Corey has worked with his teams to implement initiatives to reduce CSX’s fuel usage by nearly 60,000 gallons per day.





# Environment

## Compliance

The CSX Environmental Operations team remains steadfast in prioritizing and achieving compliance with local and federal regulations. CSX maintains more than 48 Clean Air Act permits and 186 Clean Water Act permits across our network. We rigorously plan to identify best-in-class technologies and training opportunities to further meet and exceed regulatory requirements.

In 2020, we implemented more than 50 internal reviews of our facilities to ensure compliance with local, state and federal regulations. Our annual review program includes self-review, peer-review and third-party reviews conducted by consultants using a complete multi-media protocol. To ensure continued compliance, review findings and corrective actions are tracked in an electronic management system. This management system also helps to determine facility review frequency requirements ensuring we are on track in completing risk profiles at each of our facilities.

## Energy Management

We manage energy consumption, fuel use and GHG emitted through our operational activities – both energy used by trains and our corporate offices – by implementing energy, fuel and GHG management and reduction measures.

In 2020, we invested \$9.4M in fuel efficiency measures, including investments in technologies and locomotive use.

**0.96** gallon/kGTM

**533 miles**

moved for one ton of freight on a single gallon of fuel; a 5% increase from 2019

## Technologies Driving Environmental Efficiencies

CSX maintains several automation initiatives aimed to increase both sustainability and efficiency.

The first of these initiatives is our **24/7 Fuel Conservation Desk**, operated out of our Jacksonville HQ Network Operations Center. The Fuel Conservation Desk monitors all active CSX line-haul locomotives in real time and houses a team that manages locomotive horsepower and efficiency. The minute-by-minute monitoring allows CSX to identify locomotives that can be shut down, rather than remaining idle, to conserve fuel.

In 2020, we also invested in the integration of **Wabtec's** Trip Optimizer technology with PTC interfaces, which allows these systems to automatically adjust to real-time network changes to optimize fuel efficiency, resulting in about 6 percent fuel savings. This is an area of growth for CSX in 2021 and beyond.

With CSX's operational transformation, we also invested in and began testing an enhancement to **Trip Optimizer**, automated locomotive cruise control software. Enhancements to the technology will give locomotive operators the tools to achieve optimal fuel efficiency by allowing trains to automatically start from a stop, or automatically apply and release the air brakes. Trip Optimizer ensures many gallons of additional fuel are not burned in waste. Once fully implemented, CSX will save approximately 5 million gallons of fuel annually as a result of this program.

CSX is currently developing a Meet Pass Planner (MPP) that will increase fluidity of trains throughout the CSX Network by reducing train meet/pass delay while optimizing train routing and performance. MPP will use real time data to provide dispatchers with dynamic runtime calculations and precise forecasting models to expedite the decision making and conflict resolution process. As development continues with MPP it will be enhanced with a movement planner and integrated into the Core Dispatch System, creating a pathway to exception-based dispatching.





# Environment

## Locomotive Use

CSX’s operational transformation continues to deliver both customer and environmental efficiency results, reducing the number of trains needed to transport the same amount of cargo, or more, every year since 2017.

We regularly review our locomotive fleet to uncover operational efficiencies, looking for opportunities to decrease the number of locomotives in our portfolio. At the same time, with automation technology and DP advances, CSX is able to better manage our fleet and extend capacity of our trains, including removing locomotives from tracks rather than leaving them idle on tracks. In turn, CSX has been able to dedicate less material and energy on repair and maintenance. In 2020, this provided both a decrease in fuel consumption across idle locomotives as well as opportunity to ensure craft employees remained off-yard unless essential throughout the COVID-19 pandemic.

CSX’s improved trip optimization technology and reduced locomotive use resulted in decreased total direct fuel usage across all fuel types by approximately 12 percent since 2019.

## Locomotive by Type

Year	2017	2018	2019	2020
Freight	3,659	3,440	3,162	3,142
Switching	299	254	220	219
Auxiliary	208	204	179	178
<b>Total</b>	<b>4,166</b>	<b>3,898</b>	<b>3,561</b>	<b>3,539</b>

## Community Solar Program of New York

In 2020, CSX joined the Community Solar Program of New York – an initiative which allows New Yorkers to go solar without installing additional equipment or panels on owned or leased real estate. In partnership with NextEra, CSX will transition to powering 85 percent of its resources in New York by solar over a 15-year subscription agreement. The program will allow CSX to accurately measure energy usage and continue to make future management decisions with efficiency in mind.





# Environment

## Energy Performance

### Total Energy Consumed by Type (GJ)

Energy/Fuel Type	Usage	Percentage
Diesel	52,270,550	93.3%
Electricity	1,559,718	2.8%
Gasoline	1,137,412	2.0%
Jet Fuel	11,422	0%
Natural Gas	660,421	1.2%
Propane	381,728	0.7%
Used Oil	22,379	0%
<b>Total</b>	<b>56,043,630</b>	<b>100%</b>

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

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

<sup>3</sup> 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.

### CSX Annual Energy Consumption<sup>2</sup> (1,000 GJ)

Year	Value
2017	68,794
2018	67,897
2019	63,134
2020	56,043

### CSX Annual GHG Emissions Intensity Performance (Metric tons CO<sub>2</sub>e per MGTM)

Year	Value
2017	11.49
2018	11.23
2019	10.80
2020	10.43

### CSX Annual Scope 1, 2, 3 GHG Emissions (1,000 metric tons CO<sub>2</sub>e)

Year	Scope 1 Value	Scope 2 Value	Scope 3 Value
2017	4,707	221	181
2018	4,649	205	154
2019	4,309	196	183
2020	3,815	185	179





# Environment

## Our Climate Strategy: Driving the Transition to a Low-Carbon Economy

CSX understands that sound environmental stewardship is essential to address the complex global challenge of climate change. As an industry, we are faced with both a considerable advantage and opportunity: on average, freight railroads are three to four times more fuel efficient than trucks and produce 75 percent fewer GHG emissions. It's up to us to leverage this opportunity to make sure we're maximizing efficiencies and reducing our footprint.

We implemented several long-term plans and goals into our business strategy and risk assessments to ensure that we are doing our part to reduce emissions while driving impact for all of our stakeholders.

As part of our strategy, we are continuing our partnership with the SBTi to work toward the target of limiting global warming to well-below 2°C above pre-industrial levels. Our commitment made us the first railroad in North America to align with [SBTi](#) at this aggressive level — an accomplishment we are proud of. It is an important first step toward a lower-carbon economy.

In order to make incremental progress toward this target, we made a commitment to reduce GHG emissions intensity by 37.3 percent by 2030, using 2014 emissions as our baseline. In 2020, we made progress by reducing GHG emissions intensity by 13.8 percent since 2014, in line with our planned reduction trajectory.

### Tracking our GHG Intensity Emission Reduction Progress (% reduction)

Year	Value
2014-2015	-0.9%
2015-2016	-3.7%
2016-2017	-0.5%
2017-2018	-2.2%
2018-2019	-3.9%
2019-2020	-3.4%
<b>2014-2020</b>	<b>-13.8%</b>

We will continue to implement strategies and tools to help us decrease our GHG emissions to ensure we meet our 2030 goal.

## Climate-related Risk Management

Our 12-member Board of Directors is composed of a diverse group of business professionals with responsibility for climate-related issues. As part of this, the Governance and Sustainability Committee of the Board has oversight responsibility for environmental matters, as well as responsibility for risk oversight and evaluation, including risks associated with energy and environmental policy. Environmental risks and opportunities include those associated with new technologies, availability of fuel sources, reputational risks and opportunities, anticipated regulatory changes and potential shifts in our customers' businesses as a result of climate change.

All climate-related business risks are presented to the Board for consideration, and Board committees receive input from those departments most competent in the risk under consideration. An example of a climate-related decision driven by our Board was the review and approval of the science-based target in 2019. The Committee also reviews and approves initiatives aligned with meeting this ambitious goal.

For more detail around our broader ESG oversight and management structure, please see the [ESG at CSX](#) section.





# Environment

## Climate-related Scenario Analysis

In 2020, we conducted a climate-related scenario analysis to establish a new GHG emissions intensity reduction target approved by the SBTi. CSX applies an internal methodology to evaluate potential scenarios where climate change and other types of disruption may impact operations and safety.

As part of that process, short-, medium- and long-term time horizons are considered, and action is taken. For example:

**Short-term** (i.e., 0-3 years) horizon scenarios are linked to the CSX capital expenditure program which is based on a three-year cycle. An example of this includes creating a capital budget in response to the likelihood and extent of flooding along the Gulf Coast which resulted in decisions to harden tracks and raise critical equipment off the ground in preparation for forecasted severe weather.

**Medium-term** (i.e., 3-10 years) horizon scenarios include planning for significant investments such as locating, constructing, or consolidating rail facilities and infrastructure. An example of this includes the CSX Select Site Programs to identify potential manufacturing and distribution sites that could easily utilize rail service and take advantage of the environmental benefits of rail use.

**Long-term** (i.e., 10-30 years) horizon scenarios include strategic planning based upon growth and technology projections. An example of this includes topics like rising temperatures and increased frequency of major storms that may result in decisions to possibly relocate infrastructure and assets along coastal cities and ports to more inland locations.

In our climate-related risk assessments, we consider the following climate-related risk and opportunity types based on the [TCFD risk types and classifications](#).

## Climate-related Risks

Risk Type	Classification	Description
Physical	Acute	CSX's rail network encompasses approximately 19,500 route miles of track across 23 states, the District of Columbia, and two Canadian provinces. As such, weather-related impacts on the company's operations are a regular part of business and are incorporated into the company's operational and financial planning.
Physical	Chronic	Since the CSX operating network includes potentially vulnerable bridges, trackage, facilities and customers along these coastal routes, assessing chronic physical climate-related risks is relevant and always included in the risk assessment process.
Transition	Current and Emerging Regulation	Legislation passed by Congress, new regulations issued by federal agencies or executive orders issued by the President of the United States can significantly affect the revenues, costs and profitability of the company's business.
Transition	Legal	CSX is subject to wide-ranging federal, state, provincial, and local environmental laws and regulations concerning, among other things, discharges to air, land and water; handling, storage, use, generation, transportation, and disposal of waste and other materials; clean-up of hazardous material and petroleum releases; and the health and safety of employees.
Transition	Market	Fluctuations in market conditions can have significant impacts on CSX revenues, and global economic conditions could negatively affect demand for commodities and other freight.
Transition	Reputation	Climate-related events have the potential to negatively impact CSX's reputation with shareholders, customers, the public, regulatory agencies and employees.
Transition	Technology	CSX relies on information technology in all aspects of its business. The performance and reliability of the company's technology systems are critical to its ability to operate safely and effectively.



# Environment

## Climate-related Opportunities

Opportunity Type	Classification	Description
Markets	Access to new markets	As climate changes, businesses may look to relocate to different parts of the United States. With a nearly 19,500-mile network, CSX is well positioned to help companies adjust to a need to move facilities or modify how they move product to market.
Markets	Access to new and emerging markets	As climate change realities affect downstream markets, CSX is well positioned to also support these new and emerging markets. For example, the increased demand for domestic natural gas has created an opportunity for CSX to display agility in serving new and evolving energy markets and geographies.
Resource Efficiency	Use of more efficient modes of transport	Rail intermodal provides a competitive edge over other less efficient modes of freight transportation as climate change-related environmental regulations increase in their scope.

Once CSX analyzes the climate-related risks and opportunities, the information is used to plan for business continuity and influence strategy. For example, given the significant environmental efficiencies of freight rail compared to highway transport, CSX has made a substantial strategic decision to emphasize intermodal freight haul and partner with trucking customers to use train service for long haul and truck service for local delivery.

For more information on how we incorporate climate into our risk management strategy, as well as additional climate-related disclosures, please see our [CDP Climate Change Response](#) and our [TCFD index](#) in the appendix of this report.





# Environment

## Recycling, Reuse and Waste Disposal

We are mindful of our recycling, reuse and waste disposal practices to ensure we're operating as a responsible company in all manners of our business. In 2020, we continued to ensure that supplies are properly reused and recycled, reducing costs and eliminating stormwater impacts from stray materials. The majority of the waste we generate derives from locomotive and equipment maintenance activities required for ongoing operations.

We work to implement practices that help us reduce our waste, which includes generating thousands of recycled materials each year. We also closely monitor the amount of volume we generate at all times, and train our employees on how to put recycling and reduction techniques into practice. Some specific examples include:

- Disassembling older locomotives and rebuilding them with the latest technology to be safer, more reliable, and more fuel efficient
- Launching initiatives to centralize and streamline the proper management of hazardous materials and used oil
- Leveraging engineering teams to execute environmental work such as cleaning up third party illegal dump sites, laying track matting, and restoring stormwater drainage

In 2020, as part of our locomotive rebuild program, we took delivery of 28 AC4400 rebuilds (up from 23 in 2019), which will result in 5 percent fuel savings estimated at 200,000 gallons per year without the use of emissions credits.

In 2020, CSX joined a recycling innovation initiative led by Purdue University's Center for the Environment (C4E), which focuses on the safe conversion of used wood ties to new high-value products. In fact, used ties and poles from the U.S. rail system result each year in upwards of 6 million tons of chemically treated wood waste.

The consortium, led by C4E researchers, will pursue research to effectively, economically and sustainably address the challenge of finding new high-value markets for custom biochar mixtures created from pyrolysis of spent ties. More information about this initiative can be found [here](#).

## Operation Clean Sweep

CSX is a proud member of [Operation Clean Sweep](#), the Plastics Industry Association and American Chemistry Council initiative to achieve zero loss of plastic pellets, flake or powder to the environment. Each year, with our customers, we move thousands of tons of plastic pellets. It is CSX's commitment to work in partnership with these organizations and our plastics customers to ensure pellets are not lost to the environment during transportation. As part of this initiative, CSX Railroad Operations team assesses facilities regularly, reviews housekeeping procedures, and raises employee awareness to routinely make necessary upgrades.

**“Environmental stewardship is a priority for both CSX and our plastics customers. Our participation as a member of the Operation Clean Sweep initiative represents an important step we've taken to further the sustainability efforts we've put in place as a business.”**



**Arthur Adams**  
Senior Vice President of Sales



# Environment

## Recycling, Reuse and Waste Disposal

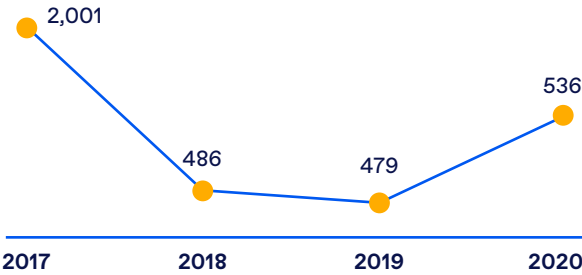
### Materials CSX Recycles

Type of Material	Unit of Measurement	2020	2019	2018	2017
Used Oil	Million Gallons	1.77	1.34	1.83	2.41
Batteries	Short Tons	266	407	367	390
Steel	Short Tons	137,069	159,460	157,306	326,428
Crossties	Millions	1.47	2.64	2.25	2.11
Asphalt	Short Tons	121,215	34,617	92,993	32,831
Concrete	Short Tons	33,135	32,905	12,957	18,258

### Water Management

As demand for water increases, our resource management practices must respond accordingly. The primary activities involving water at CSX include washing locomotives and other equipment and suppressing dust. As such, we manage our water consumption by identifying and implementing water reduction, recycling and reuse measures during these activities. This includes taking care to track our water use in certain operations, such as rainwater collection and recycling, wherever feasible.

**Total Annual Water Consumption (millions of gallons)**



While water consumption increased in 2020, it was mainly caused by two significant water leaks in Savannah, GA and North Bergen, NJ. Both have been repaired.

### Diverting e-Waste

We also look for ways to divert waste generated through partnerships and throughout our office activities. E-waste has become the fastest growing waste stream in the world with an estimated 50 million tons of electronic waste poisoning the environment annually. Through our e-waste buyback program in partnership with [Urban Mining](#), CSX diverted more than 34,000 pounds of waste away from landfills in 2020.

This amounts to 980 pounds of toxic metals and 48,000 pounds of GHG emissions that were reduced because of the diversion.



# Governance





# Governance

**CSX takes a comprehensive approach to governance and compliance, with a robust program that guides how we coordinate and implement our company policies, codes, procedures and values, as well as how we monitor and adhere to laws and regulations.**

Our Executive team and Board of Directors uphold high levels of integrity, transparency and ethical business practices. Together, they are responsible for developing and communicating CSX's [vision and purpose](#) in addition to overseeing the implementation of sound governance practices.

Key elements of the CSX governance program include:

- Annual election of directors
- Majority voting standard for election of directors and director resignation policy
- Independent chairman of the board
- Stock ownership guidelines for officers and directors
- Policy against hedging and pledging of CSX shares
- Proxy access and rights to call special meetings
- Pay-for-performance alignment
- Audit Committee, Compensation and Talent Management Committee and Governance and Sustainability Committee comprised solely of independent directors

Additional information on [CSX's Corporate Governance Guidelines](#) can be found on our website.





# Governance

## Board of Directors

CSX's Board of Directors is comprised of prominent leaders who are responsible for decision making based on opportunities and challenges facing our business, and ultimately influence the company's long-term growth and success.

In 2020, the board was comprised of 12 individuals, each with a broad scope of backgrounds and expertise. Board members play a critical role in developing the company's long-term strategy to deliver sustainable shareholder value, while monitoring and mitigating against unnecessary risk. Additional oversight is provided through Board committees including:

- **Audit Committee**
- **Compensation and Talent Management Committee**
- **Executive Committee**
- **Finance Committee**
- **Governance and Sustainability Committee**

In 2020, the Governance Committee changed its name to the Governance and Sustainability Committee and revised its charter to formally include sustainability oversight. This includes the review of CSX's sustainability policies, strategies and initiatives; sustainability performance; and ESG reporting. To further ensure Board-level oversight mirrors the evolving priorities of the company, matters pertaining to human capital and diversity, equity and inclusion took on a more prominent role within the Compensation and Talent Management Committee's oversight.

All directors are elected on an annual basis. Additional changes to appointees occurred outside the standard election schedule, including the retirement of Pamela Carter in May. In July 2020, the Board appointed James Wainscott, the former Chairman, President and Chief Executive Officer of AK Steel Holding Corporation. Later in the year, the Board appointed retired U.S. Army Lieutenant General Tom Bostick, who previously served as the Commanding General of the U.S. Army Corp of Engineers. More information about our Board of Directors can be found in our [2021 Proxy Statement](#) and on the [Board of Directors](#) page on our website. For more detail around our broader ESG oversight and management structure, please see the [ESG at CSX](#) section.



(left to right)

**Donna M. Alvarado**  
Founder and President of  
Aguila International

**Thomas P. Bostick**  
Retired U.S. Army Lieutenant  
General and former Chief  
Operating Officer at Intrexon

**James M. Foote**  
President and Chief Executive  
Officer of CSX

**Steven T. Halverson**  
Chairman and former  
Chief Executive Officer  
of The Haskell Company

**Paul C. Hilal**  
Founder and Controller  
of MR Argent Advisor 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**  
Founder and President  
of Kilovolt Consulting, Inc.  
and Retired U.S. Air Force  
Major General

**James L. Wainscott**  
Former Chairman, President and  
Chief Executive Officer of AK  
Steel Holding Corporation

**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

## 2020 Board Highlights\*

**5.8 years**

Average director tenure

**64.2 years**

Average director age

**Gender diversity**

**25%** Female directors

**Board size and  
independence**

• **11 out of 12 directors  
are independent**

• **Independent chairman  
of the board**

\*as of December 31, 2020



# Governance

## Responsible Business Practices

### Business Ethics

The [CSX Code of Ethics](#) serves as the foundational policy that guides ethical behavior at all levels of our company. The code applies to all CSX employees and officers, CSX wholly owned subsidiaries, as well as members of the Board of Directors and partners conducting business with or on behalf of CSX.

People at every level of the company are expected to act with the highest standards of personal integrity, consistent with the company's own ethical standards. The code also covers additional business matters including 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.

Our ethics training focuses on applying the code in daily interactions and is provided throughout the year. Training is mandatory for all management employees and highly recommended for union employees. In 2020, we evolved the training structure which is now comprised of two core sessions with a more extensive selection of modules under each, including modules focused on security training and other topics.

Additionally, the 24/7 CSX Ethics Helpline, operated by an independent service, is a resource through which employees are encouraged to anonymously report code violations or other ethical concerns. In 2020, there were no significant violations of the code.

### 2020 Ethics Data Highlights

**100%**

of Management Employees trained on Code of Ethics

**63%**

of Union Employees trained on Code of Ethics

### Shareholder Outreach and Engagement

Ongoing shareholder engagement is a key component of effective corporate governance, allowing us to better understand evolving trends and to enable strategic decision-making to deliver shareholder value. Senior leaders and subject matter experts meet routinely with institutional shareholders and periodically with proxy advisory firms to discuss CSX's business strategy, corporate governance practices, executive compensation and ESG matters that are in the best interests of our broad and diverse shareholder base.

CSX also engages with shareholders and other interested parties through participation in industry and investment community conferences, investor road shows and analyst meetings. In 2020, CSX maintained an active shareholder outreach program, incorporating virtual participation in investor conferences, small group meetings and non-deal roadshows. We also leveraged the increased use of virtual meetings to expand international outreach.

### 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.

Safety is a top priority at CSX. At all times, our efforts must reflect our commitment to prevent injuries and accidents. We continue to be relentless in pursuit of safety and accountability by always looking for ways to improve.

The addition of safety performance metrics in 2019 as part of the MICP is designed to reinforce our focus and commitment.

In addition to the safety measures, in 2021 CSX introduced a fuel efficiency metric to MICP to continue the focus on and commitment to protecting and preserving our environment through the efficient use of fuel. Trip Plan Performance has also been added to further strengthen and align our commitment to customer service excellence.

For more information about our executive compensation practices, please refer to our [2021 Proxy Statement](#).



# Governance

## Risk Management and Business Disruption Prevention

As an integral player in the transportation of essential goods, we have robust measures in place to predict, manage and respond to risks so that we are prepared for and can mitigate any potential disruption to our business. In 2020, we invested nearly \$1.4 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 strategies. Our approach to risk management focuses on both the activities we can control and those we cannot. New regulations issued at the federal level are monitored and continually assessed as part of our risk assessment process. Business risk factors are further described in our [Annual Report](#).

Under our centralized enterprise risk management processes, we have integrated a multidisciplinary, company-wide climate change strategy that evaluates all types and sources of risks and opportunities. 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. More information on our climate-related scenario analysis can be found in the [Climate Strategy](#) section.

## Building Network Resiliency

We take a proactive approach to strengthening our network to mitigate risks, ultimately safeguarding the continuity of train operations and the adaptability of CSX's network. Natural events, including pandemics, had previously been identified as a potential risk under our centralized enterprise risk management processes. In an effort to lessen the impact of these risks, we established comprehensive business plans that enabled us to respond quickly and effectively to COVID-19, ensuring the safety of employees across the network and allowing CSX to continue providing a high level of customer service.

CSX's Environment Management System (EMS) promotes, measures, tracks and improves sustainability across our operations. It provides a clear, actionable plan for actively managing and minimizing the environmental impact across our facilities and locomotives. Additionally, we are taking proactive measures to further address climate and make measurable contributions, including the science-based target we committed to in 2019 to work toward limiting global warming to well-below 2°C above pre-industrial levels.

## Cyber and Information Security Management

Information technology is an essential component across our business, including the protection of our customers' personal information and the integrity of our own operations. As part of its risk management responsibilities, the Audit Committee is responsible for the oversight of the Company's cybersecurity program and risk mitigation strategies. Our Information Security team equips our systems with the latest cybersecurity tools with defense in depth protection layers; provides critical cybersecurity information to all application users; and regularly conducts required cybersecurity awareness trainings. One hundred percent of CSX management employees received mandatory cybersecurity training. Within the security team, approximately 70 percent have industry-recognized cybersecurity certification.

We encourage all employees to report any suspicious or unusual behavior observed on or around electronic resources to the CSX Information 24x7 Technology Service Desk that fields approximately 4,700 service requests a month. CSX has robust, proactive measures in place to detect cyber incidents and triage any identified risk. Incidents reported by our employees are tracked through a streamlined service desk tool and monitored by a dedicated Security Operations Center (SOC). Identified risks are tracked, prioritized and managed from inception to validated remediation.

To ensure we are engaging around these topics on a broader and collaborative level, we are proud to work with the AAR and industry peers to exchange information regarding threat intelligence and best practices to advance how the broader industry approaches these issues.

Strong performance and reliability of our technology systems are essential to our ability to operate safely and effectively. CSX Technology maintains a 99.9 percent reliability index. Following an internal audit of our cybersecurity controls in 2019, we adopted a new cybersecurity framework in 2020 to better ensure ongoing risk coverage of key areas.

Our security infrastructure is tested on an ongoing basis to evaluate and build detection and prevention capabilities, along with third party assessments on a regular basis. Through these efforts, in addition to employee training in 2020, we directly experienced zero information security or other cybersecurity breaches.



# Governance

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## Responsible Sourcing and Supply Chain Standards

We view our suppliers as an extension of our company — equally dedicated to environmental stewardship, high ethical standards and diversity. We work with approximately 4,800 suppliers domestically and internationally, all of which we expect to adhere to the CSX Code of Ethics. In 2020, we began engaging in CDP's Supply Chain membership program to find synergies with suppliers and advance ESG practices to bolster ongoing conversations and knowledge sharing. These efforts continued over the course of 2020, during which we engaged suppliers on a daily basis on updates and operational changes.

Through our Supplier Diversity Program, CSX has committed to procuring all materials, supplies and services as outlined in 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

CSX is committed to operating its business in a manner consistent with international human rights principles, including those contained in the United Nations Universal Declaration of Human Rights and Global Compact and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

In 2020, we formalized and published our commitment to upholding human rights across our operations, businesses, communities and supply chains in the [CSX Human Rights Policy](#). The policy addresses responsible business practices regarding diversity and inclusion; a harassment-free workplace; safety and security; compensation; freedom of association; anti-corruption; accountability to employees; supplier expectations; and pledge to fight human trafficking, further outlined below.

## Human Trafficking

At the beginning of 2020, CSX joined a U.S. Department of Transportation (DOT) 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 and travel industries.

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. CSX, through its BRGs, also supports employee and community efforts via in-kind donations and resources to assist survivors of human trafficking.





# ESG Fundamentals





# ESG Fundamentals

## Materiality Assessment

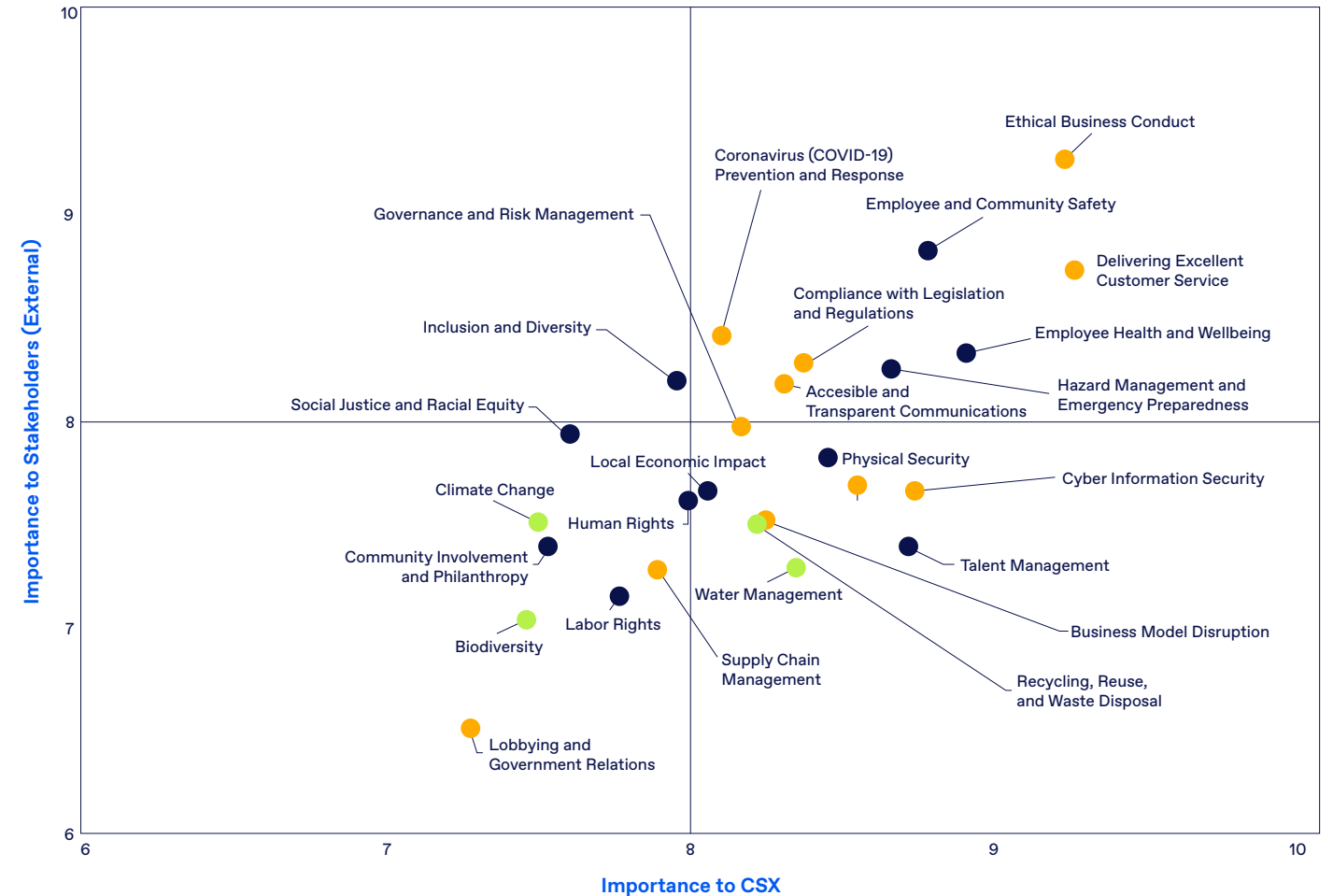
Building on the materiality assessment we conducted in early 2020 (whose process and results can be found in our [2019 ESG Report](#)), we decided to refresh our analysis given that 2020 was a year of societal change. As an essential business critical to delivering services to communities across North America, COVID-19 prevention and response became an important part of our operations in 2020. We also wanted to assess how our stakeholders prioritized social justice and racial equity as a material topic given CSX's continued work to create an environment where our employees and communities feel included and our actions to eliminate inequities where they exist. Because of these factors, it was crucial to get the valued input of our key internal and external stakeholders on our sustainability topics.

We conducted a survey of more than 700 internal and external stakeholders, including employees, union members, customers, suppliers, investors, nonprofit organizations, and others, where we asked them to rank the importance of each issue as it pertains to decisions stakeholders make regarding CSX on a scale of 1-10 (with 10 being the most critical to business decisions and 1 being not relevant). The matrix shows the topics plotted on an x-y axis from 6-10 as none of the issues presented scored below a 6.

This exercise led to a prioritization of the issues most material to our business and stakeholders, the results of which are displayed in the matrix on the right.

These materiality findings reflect a few key updates from our previous assessment. As expected, due to the impacts of COVID-19 and the steps CSX has taken to ensure safety for our employees and community, coronavirus (COVID-19) prevention and response was ranked as a top priority. Additionally, diversity and inclusion was prioritized higher by stakeholders this year, as was accessible and transparent communications. In 2020 and moving forward, we are continuing to deliver education, development opportunities and communication that heightens awareness and understanding of diverse employee perspectives and are committed to transparent communication to all stakeholders on all our ESG efforts. As such, we have increased our disclosures on these topics in this report.

## Materiality Matrix



Similar to last year's assessment, ethical business conduct, employee and community safety, and excellent customer service continue to be top priority issues to stakeholders. The following table defines the top 14 material topics, identified through our materiality assessment process with an average score above 8.0. These topics are discussed in further detail throughout this report based on these definitions.

- Governance Topics
- Social Topics
- Environmental Topics





## Materiality Topics

Topic	Definition
Accessible and transparent communications	Maintaining strategies, policies, and processes to conduct regular, insightful, and effective communications with stakeholder groups.
Compliance with legislation and regulations	Managing compliance with existing and emerging legislation and regulations.
Coronavirus (COVID-19) prevention and response	As a component of the North American supply chain critical to delivering essential services to communities throughout the eastern U.S., railroad operations were amended to meet the needs of customers while protecting the health of employees, customers, and the community by following CDC (Centers for Disease Control and Prevention) guidelines for safe work environments and providing employees, contractors, suppliers, and visitors with the support, resources, and flexibility needed to sustain a healthy lifestyle and reduce the spread of the COVID-19 virus.
Cyber and information security	Maintaining effective cybersecurity infrastructure and data protection controls.
Delivering excellent customer service	Delivering reliable, responsive, and cost-effective logistical services to CSX's existing and future customers.
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.
Employee health and well-being	Supporting CSX employees and their ability to perform their roles to their greatest capacity by providing the resources and support to improve their emotional, social, physical, and financial well-being both in their work and home lives.
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.
Governance and risk management	Governance structure and practices that enable effective oversight of strategy and risk management.
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.
Inclusion and diversity	Maintaining an inclusive culture that enables employees, contractors, and business partners to contribute to CSX's success.
Innovation	Identifying and implementing innovations in CSX's operations, such as digitalization, to improve the efficiency of processes and services.
Physical security	Protecting the security of CSX's physical and operational assets, and maintaining effective relationships with organizations that play a role in maintaining security and protecting communities.
Talent management	Attracting, developing, and retaining skilled talent that will enable CSX to pursue its corporate strategy by providing development opportunities, competitive employee benefits, and maintaining a positive corporate culture.



# ESG Fundamentals

## Stakeholder Engagement

Promoting accessible and transparent communications continues to be a top priority at CSX, as we have a responsibility as a business to make a positive impact on all our stakeholders.

Below is a complete list of our stakeholders, including employees, customers, communities, suppliers, investors and nonprofit organizations. We use a variety of channels throughout the year to engage with stakeholders, ranging from informal (e.g., one-on-one conversations) to formal (e.g., materiality assessment).

For example, we asked stakeholders to share their thoughts and feedback on CSX's ESG efforts in this year's materiality assessment. Most stakeholders were pleased with CSX's efforts, providing guidance for how the company may continue to position itself as a leader in the industry. This includes continuing to incorporate sustainable business practices and ESG metrics into the corporate strategy and into the goals and performance improvement initiatives that CSX and its stakeholders rely on for success. We are keeping this feedback and sentiment in mind and will continue to work to further establish our leadership position in the industry.

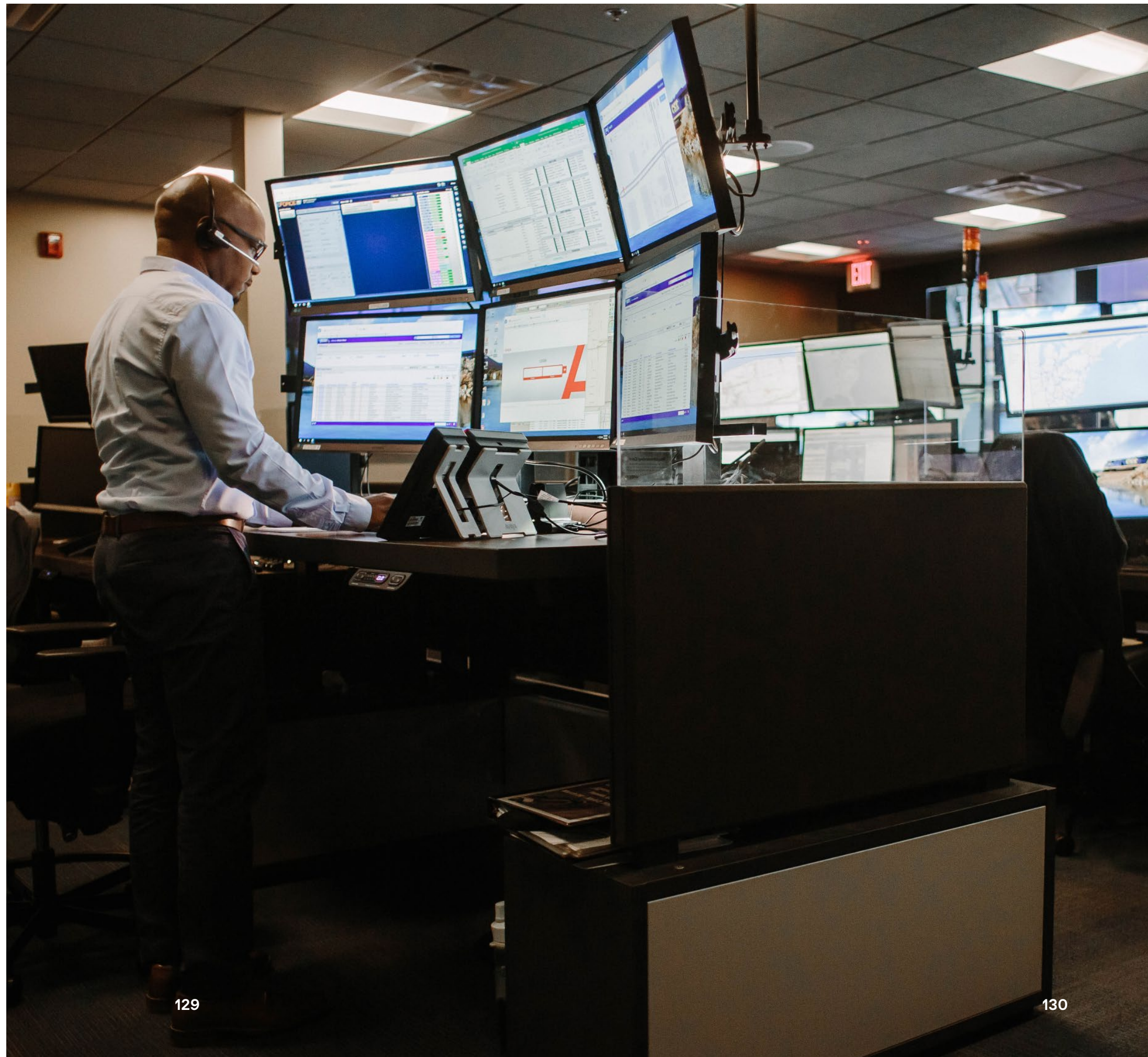
These different types of engagement opportunities allow us to solicit important feedback on our ESG efforts while also being able to provide relevant updates.

In line with providing transparent communication with stakeholders, we provide in-depth information on each of the specific sustainability topics they are interested in. Along with this 2020 ESG report and the [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](#).

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, BRGs, company's intranet (Gateway)
Investors	Ethical business conduct, governance and risk management, accessible and transparent communications, compliance with legislation and regulations, and employee and community safety	Materiality survey, quarterly earnings conference calls, industry and investment community conferences, investor road shows, analyst meetings
Customers	Employee and community safety, delivering excellent customer service, ethical business conduct, compliance with legislation and regulations, and 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 and headquarters, Chemical Safety Excellence Awards
Suppliers	Delivering excellent customer service, ethical business conduct, compliance with legislation and regulations, employee and community safety, and hazard management and emergency preparedness	Materiality survey, Customer Service Excellence & Partnership awards, procurement and supply chain management department outreach
Community (Residents and 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



# 2020 ESG Performance Data





## Business & Governance

Data	Unit	2020	2019	2018	2017	2016
Total Revenues	\$ Billions	10.6	11.9	12.3	11.4	11.1
<b>Carload Volume by Market (in carloads)</b>						
Merchandise	# Millions	2.5	2.7	2.7	2.7	2.8
Coal	#	637,000	843,053	886,870	854,942	825,110
Intermodal	# Millions	2.7	2.7	2.9	2.8	2.8
<b>Supplier Data</b>						
Number of suppliers		3,732	4,056	4,378	5,915	5,273
Diverse suppliers <sup>1</sup> - spend	\$ Millions	222.6	90.3	60	~120	148
Diverse suppliers <sup>1</sup> - number of businesses	#	164	131	151	~250	~250
<b>CSX Ethics Helpline</b>						
Total cases handled	#	890	1,066	1,091	1,239	1,393
Fraud-related investigations	#	58	41	44	84	100
<b>Ethics Training Participation</b>						
Management employees	%	100.0%	100.0%	100.0%	100.0%	100.0%
Union employees trained	%	63%	75.3%	24.0%	52.0%	76.5%
<b>Capital Expenditures</b>						
Total Investment	\$ Billions	1.6	1.7	1.7	2.0	2.7
<b>Cybersecurity</b>						
Number of information security incidents	#	0	12	10	4	3
Number of information security breaches	#	0	0	0	0	0
<b>Additional Metrics</b>						
Average locomotives per year	#	3,539	3,561	3,898	4,166	4,400
Average active trains per day <sup>2</sup>	#	1,642	1,848	1,930	2,163	2,345

## Safety & Security

Data	Unit	2020	2019	2018	2017	2016
<b>Network Maintenance</b>						
Ties replaced	# Millions	2.95	3.18	2.71	2.69	2.76
Rail replaced	Miles	899	769	846	863	874
Ballast installed	Million tons	1.9	2.1	1.9	1.6	1.6
Existing rail surfaced	Miles	4,543	4,712	4,408	4,098	4,591
Total Positive Train Control (PTC) investment	\$ Billions	2.4	2.3	2.2		
<b>Public Safety</b>						
Safety train stops	#	0	13	13	9	15
Hazmat Responder training provided	#	3,602	3,353	3,385	3,096	6,844
Closed crossings	#	61	169	155	453	512
Frequency of internal integrity inspections <sup>3</sup>	#	2.53	1.47			
<b>Incidents</b>						
FRA Personal Injury Frequency Index <sup>4</sup>	Injury Rate	0.81	0.90	1.04	1.23	1.05
FRA Train Accident Rate <sup>5</sup>	# Accidents/ Million Train Miles	2.76	2.35	3.66	3.12	2.82
Work-related fatalities	#	2	2	2	2	0
Fatal trespassing incidents	#	81	72	77	68	74
Non-fatal trespassing incidents	#	74	91	85	85	81
Crossing accidents	#	336	345	356	344	345
Total Recordable Incident Rate (TRIR) <sup>6</sup>	Incident Rate	0.81	0.89	1.04	1.23	1.05
Fatality Rate <sup>7</sup>	%	0.01%	0.01%	0.01%	0.01%	0.00%
Number of accidents and incidents (combined) <sup>8</sup>	#	804	847	1,018	1,035	1,019
Number of accident releases and non-accident releases of hazardous material <sup>9</sup>	#	53	46	56	75	70
Number of FRA Recommended Violation <sup>10</sup>	#	461	613	596	755	588
Number of FRA Recommended Defects <sup>11</sup>	#	30,048	37,098	33,368	37,072	33,626



## Employees

Data	Unit	2020	2019	2018	2017	2016 <sup>13</sup>
<b>Snapshot Data</b>						
Total full-time employees	#	19,282	20,908	22,475	24,006	27,288
Management employees	#	3,112	3,292	3,427	3,440	4,507
Union employees	#	15,728	17,146	18,590	20,076	22,270
Subsidiary company employees	#	442	470	458	490	511
Overall retention rate	%	89%	92%	91%	87%	90%
<b>Union New Hires</b>						
Diverse <sup>12</sup>	%	27%	34%	31%	32%	30%
Female	%	2%	4%	2%	3%	4%
<b>Workforce Diversity</b>						
Overall Workforce	%	20%	20%	20%	20%	21%
Management	%	37%	37%	38%	39%	39%
Union	%	17%	17%	17%	17%	17%
Female	%	5%	5%	6%	6%	6%
<b>Three Generations of our Workforce</b>						
Gen X	%	68%	68%	66%	65%	63%
Gen Y	%	24%	23%	23%	22%	21%
Boomers	%	7%	9%	11%	13%	16%
<b>Average Age and Years of Service</b>						
Average Age	Years	46	45	45	44	44
Average years of service	Years	15	14.4	13.9	13.5	13.4
<b>Management New Hires</b>						
Diverse <sup>12</sup>	%	36%	49%	59%	59%	52%
Female	%	22%	21%	24%	20%	29%

Data	Unit	2020	2019	2018	2017	2016 <sup>13</sup>
<b>Management Promotions</b>						
Diverse <sup>12</sup>	%	38%	39%	40%	36%	42%
Female	%	27%	24%	27%	23%	27%
Number of promotions	#	266	472	407	679	389
% of promotions from union workers	%	37%	37%	44%	15%	17%
<b>Veteran and Active Duty Military Status</b>						
Number of veterans, active duty military and first responders	#	3,126	3,323	3,607	3,738	4,327
Percent of total workforce	%	16%	16%	17%	16%	16%
<b>Employee Reviews</b>						
Formal performance reviews for management employees	# of reviews	3,060	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	2x/year
<b>Employees by State (does not include employees of subsidiary companies)</b>						
Alabama	#	802	853	882	904	976
California	#	0	1	1	1	2
Colorado	#	0	0	0	1	0
Connecticut	#	5	2	5	8	8
District of Columbia	#	15	21	26	25	39
Delaware	#	44	41	44	43	50
Florida	#	2,949	3,274	3,583	3,730	4,220
Georgia	#	1,576	1,803	1,977	2,184	2,317
Illinois	#	500	502	558	656	835
Indiana	#	924	966	1,118	1,227	1,282
Kansas	#	0	0	0	1	0
Kentucky	#	989	1,100	1,302	1,313	1,353



## Employees cont'd

Data	Unit	2020	2019	2018	2017	2016 <sup>13</sup>
Louisiana	#	81	90	97	104	115
Maine	#	0	0	0	0	1
Maryland	#	765	818	833	981	1,277
Massachusetts	#	170	200	169	172	174
Michigan	#	254	301	290	312	320
Mississippi	#	44	32	32	28	37
Missouri	#	0	1	1	1	1
New Jersey	#	96	92	104	106	143
New Mexico	#	0	0	0	1	1
New York	#	1,317	1,426	1,466	1,556	1,776
North Carolina	#	544	605	618	671	868
Ohio	#	1,973	2,056	2,156	2,373	2,601
Ontario (Canada)	#	30	20	24	26	31
Pennsylvania	#	519	582	667	700	746
Quebec	#	13	16	16	17	21
South Carolina	#	510	536	597	643	764
Tennessee	#	879	954	962	988	1,131
Texas	#	0	3	4	6	5
Virginia	#	633	665	731	705	758
Washington	#	0	0	0	0	3
West Virginia	#	820	877	950	1,006	1,118
Unassigned location	#	2,388	2,602	2,804	3,027	3,804

## Community Giving and Involvement

Data	Unit	2020	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	23 states and DC
Investment in capital expenditures	\$ Billions	1.6	1.7	1.7	2.0	2.7
Investment in capital expenditures - used for infrastructure improvement	\$ Billions	\$1.4	\$1.3	\$1.3	\$1.3	\$1.1
Total community giving	\$ Millions	\$8.7	\$10	\$10	\$12	\$16
Employee volunteer hours	Hours	5,769	9,000	7,500	9,800	18,000
Inquiries handled by TelICCSX <sup>14</sup>	#	14,271 incidents handled	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

Data	Unit	2020	2019	2018	2017	2016	Category
<b>Waste by Type of Disposal Method</b>							
Hazardous waste from ongoing operations <sup>15</sup>	Short Tons	21.04	42	6	12	12	Landfilled
		10.11	16	20	26	29	Incinerated
		17.51	19	9	38	35	Recycled
		<b>48.66</b>	<b>77</b>	<b>35</b>	<b>76</b>	<b>76</b>	<b>Total</b>
Hazardous waste from remediation and emergency response activities	Short Tons	45.73	4	56	66	53	Landfilled
		2.23	6	14	15	30	Incinerated
		18.57	7	5	11	30	Recycled
		<b>66.53</b>	<b>17</b>	<b>75</b>	<b>92</b>	<b>114</b>	<b>Total</b>
Non-hazardous waste from ongoing operations <sup>15,16</sup>	Short Tons	23,238	44,629	33,363	47,894	42,208	Landfilled
		220	318	407	126	538	Incinerated
		1,995	1,114	1,340	3,027	1,210	Recycled & Reuse
		<b>25,453</b>	<b>46,061</b>	<b>35,109</b>	<b>51,047</b>	<b>43,956</b>	<b>Total</b>
Non-hazardous waste from remediation and emergency response activities <sup>17</sup>	Short Tons	81,229	57,705	39,755	89,400	166,524	Landfilled
		3	25	37	341	52	Incinerated
		4,496	6,879	36,515	193,010	146,596	Recycled & Reuse
		<b>85,728</b>	<b>64,609</b>	<b>76,307</b>	<b>282,751</b>	<b>313,172</b>	<b>Total</b>
Recycling	Million Gallons	1.77	1.34	1.83	2.41	2.57	Used oil
	Short Tons	266	407	367	390	290	Batteries
	Short Tons	137,069	159,460	157,306	326,428	205,695	Steel
	# Millions	1.47	2.64	2.25	2.11	3.00	Crossties
	Short Tons	121,215	34,617	92,993	32,831	94,577	Asphalt
	Short Tons	33,135	32,905	12,957	18,258	1,270	Concrete

Data	Unit	2020	2019	2018	2017	2016
<b>Greenhouse Gas Emissions</b>						
Direct (Scope 1) GHG emissions <sup>18</sup>	Metric tons CO <sub>2</sub> Eq	3,815,113	4,309,317	4,648,738	4,706,707	4,774,800
Energy indirect (Scope 2) GHG emissions <sup>19</sup>	Metric tons CO <sub>2</sub> Eq	185,216	195,606	204,678	220,696	229,217
Other indirect (Scope 3) GHG emissions	Metric tons CO <sub>2</sub> Eq	179,446	182,629	153,924	181,414	301,169
GHG emissions intensity for SBT <sup>20</sup>	Metric tons CO <sub>2</sub> Eq/ MGTM	10.43	10.80	11.23	11.49	11.55
Reduction of GHG emissions for SBT <sup>21</sup>	% Reduction	-13.8%	-10.8%	-7.2%	-5%	-4.6%
Emissions of ozone-depleting substances (ODS)	Metric tons	0.15	0.09	0.10	0.17	0.17
<b>Other Significant GHG</b>						
Nitrogen Oxide (NO <sub>x</sub> ) <sup>22</sup>	Metric Tons	37,874	44,813	52,175	55,295	71,967
Sulfur Oxide (SO <sub>x</sub> ) <sup>22</sup>	Metric Tons	44	52	56	55	866
Carbon Dioxide (CO <sub>2</sub> ) <sup>23</sup>	Metric Tons	4,119,235	4,578,540	4,932,045	5,010,068	5,121,387
Methane (CH <sub>4</sub> ) <sup>24</sup>	Metric Tons	466	505	538	550	572
Nitrous Oxide (N <sub>2</sub> O) <sup>25</sup>	Metric Tons	100	113	121	122	125
Hydrofluorocarbons (HFCs)	Metric Tons	0.20	0.12	0.12	0.11	0.16
Volatile Organic Compounds (VOC) <sup>26</sup>	Metric Tons	1,601	1,926	2,333	2,545	Not Calculated
Carbon Monoxide (CO) <sup>26</sup>	Metric Tons	10,597	11,919	12,844	12,961	Not Calculated
Particulate Matter (PM) <sup>26</sup>	Metric Tons	1,105	1,307	1,517	1,629	Not Calculated



Environment cont'd

Data	Unit	2020	2019	2018	2017	2016	Category
<b>Energy Consumption</b>							
Energy consumption within CSX <sup>27</sup>	MMBTU	49,035,569	55,621,655	60,193,226	60,755,242	62,962,063	Diesel
		1,040,003	1,028,332	1,026,510	983,655	1,022,408	Gasoline
		626,107	550,684	540,418	783,393	457,954	Natural Gas
		346,022	398,632	357,025	437,526	174,859	Propane
		10,844	42,416	39,771	39,454	32,991	Jet Fuel
		20,994	16,090	22,394	34,120	32,339	Used Oil
		51,079,540	57,657,809	62,179,344	63,033,390	64,682,614	Total Direct Consumption
Energy consumption outside CSX <sup>28</sup>	MMBTU	1,478,266	1,550,239	1,497,678	1,486,022	1,549,209	
<b>Energy Efficiency</b>							
Energy Intensity <sup>29</sup>	MMBTU/MRTM	286	297	305	310	319	
Fuel Efficiency <sup>30</sup>	RTM/gal	533	508	492	488	474	

Data	Unit	2020	2019	2018	2017	2016	Category
<b>Fuel Use by Type</b>							
Indirect Energy Consumption	Gigajoules	1,559,718	1,635,657	1,580,198	1,567,901	1,634,090	Electricity
Direct Fuel Usage	Gigajoules	52,270,550	59,291,134	64,164,301	64,763,394	66,607,953	Diesel
		1,137,412	1,124,647	1,122,654	1,075,786	1,078,698	Gasoline
		11,422	44,678	41,892	41,558	34,751	Jet Fuel
		660,421	580,864	570,035	826,326	483,051	Natural Gas
		381,728	439,768	393,867	482,675	193,078	Propane
		22,379	17,151	23,871	36,831	34,335	Used Oil
		54,483,912	61,498,242	66,316,621	67,226,570	68,431,866	Total Direct Fuel Usage
<b>Water</b>							
Water withdrawal by source <sup>31</sup>	Kgal	536,000	479,490	486,466	2,000,790	1,199,491	



## Driving Local Economic Opportunities

State	Employees*	Annual Payroll	Track Miles**	System Capital Investments
Alabama	802	\$92,702,567	1,475	\$103,287,000
Connecticut	5	\$1,287,808	220	\$109,000
Delaware	44	\$4,129,257	129	\$6,375,000
District of Columbia	15	\$1,477,468	70	\$0
Florida	2,949	\$494,289,034	2,428	\$104,008,000
Georgia	1,576	\$169,326,191	2,611	\$218,005,000
Illinois	500	\$44,838,183	1,181	\$49,245,000
Indiana	924	\$116,208,540	2,528	\$92,015,000
Kentucky	989	\$133,758,819	2,873	\$80,042,000
Louisiana	81	\$6,753,979	136	\$14,790,000
Maryland	765	\$72,481,347	1,339	\$30,393,000
Massachusetts	170	\$15,502,638	513	\$12,463,000
Michigan	254	\$29,225,384	1,122	\$21,744,000
Mississippi	44	\$7,705,285	130	\$21,107,000
New Jersey	96	\$11,946,495	977	\$8,189,000
New York	1,317	\$147,304,543	2,740	\$158,099,000
North Carolina	544	\$70,230,798	1,709	\$62,854,000
Ohio	1,973	\$188,833,047	3,914	\$113,820,000
Pennsylvania	519	\$60,021,048	2,024	\$36,460,000
South Carolina	510	\$67,633,554	1,764	\$90,809,000
Tennessee	879	\$108,995,558	1,532	\$100,200,000
Virginia	633	\$70,636,412	2,002	\$58,964,000
West Virginia	820	\$87,789,780	1,959	\$44,145,000

\* 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



## 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 Frequency Index 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. In 2020, we made changes to our tracking process and now track the total amount of incidents handled.

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.



# Global Reporting Initiative (GRI)

## Standards Index

GRI Standard	Disclosure #	Response/Location Information
GRI 102: General Disclosures	<b>Organization Profile</b>	
	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. 05; <a href="#">2020 Annual Report</a> (10-K, p. 3, 14-16) for revenue and volume by market served.
	102-7: Scale of the organization	CSX recorded \$10.6 billion in revenue in 2020. CSX serves three primary lines of business: merchandise, coal, and intermodal. During 2020, the merchandise business shipped 2.5 million carloads (43 percent of volume), the coal business shipped 637 thousand carloads (11 percent of volume), and the intermodal business moved 2.7 million units (46 percent of volume).  More information is available at About CSX, p. 05; <a href="#">2020 Annual Report</a> (10-K, p. 4)
	102-8: Information on employees and other workers	People and Communities: The CSX Workforce, p. 68
102-9: Supply chain	Governance: Responsible Sourcing and Supply Chain Standards, p. 119	



## GRI Standards Index

GRI Standard	Disclosure #	Response/Location Information
GRI 102: General Disclosures	<b>Organization Profile</b>	
	102-10: Significant changes to the organization and its supply chain	Over the past four years, CSX Corporation's operating model has undergone a transformation to improve efficiency throughout the organization and the supply chain. CSX also utilizes a Supplier Diversity Program, which encourages diversity throughout the supply chain. For more, please see Governance: Responsible Sourcing and Supply Chain Standards, p. 119.
	102-11: Precautionary principle or approach	Governance: Risk Management and Business Disruption Prevention, p. 117
	102-12: External initiatives	Governance: Business Ethics, p. 115 and <a href="#">Code of Ethics</a> Safety: Community Safety, p. 48 Environment, p. 87
	102-13: Membership of associations	People and Communities, p. 75
	<b>Strategy</b>	
	102-14: Statement from senior decision-maker	CEO Letter, p. 03
	102-15: Key impacts, risks, and opportunities	ESG Fundamentals, p. 121; Climate-related Risk Management, p. 101; Task Force on Climate-related Financial Disclosures (TCFD) Index, p. 159
	<b>Ethics and integrity</b>	
	102-16: Values, principles, standards, and norms of behaviors	The Future of Freight, p. 19
	102-17: Mechanism for advice and concerns about ethics	Governance: Business Ethics, p. 115 and <a href="#">Code of Ethics</a>

GRI Standard	Disclosure #	Response/Location Information
GRI 102: General Disclosures	<b>Governance</b>	
	102-18: Governance structure	CSX discloses its governance structure in the <a href="#">2021 Annual Proxy Statement</a>
	102-19: Delegating authority	CSX discloses its governance structure in the <a href="#">2021 Annual Proxy Statement</a>
	102-20: Executive-level responsibility for economic, environmental, and social topics	ESG at CSX, p. 15
	102-21: Consulting stakeholders on economic, environmental and social topics	ESG Fundamentals: Stakeholder Engagement, p. 127
	<b>Stakeholder Engagement</b>	
	102-40: List of stakeholder groups	ESG Fundamentals: Stakeholder Engagement, p. 127
	102-41: Collective bargaining agreements	There are 13 different union organizations with whom CSX conducts business. Most of CSX's employees are represented by labor unions and are covered by collective bargaining agreements. These agreements are either bargained for nationally by the National Carriers Conference Committee or locally between CSX and the union.
	102-42: Identifying and selecting stakeholders	ESG at CSX: Priority Issues, p. 17; ESG Fundamentals: Stakeholder Engagement, p. 127
	102-43: Approach to stakeholder engagement	ESG Fundamentals: Stakeholder Engagement, p. 127
	102-44: Key topics and concerns raised through stakeholder engagement around the report	ESG Fundamentals: Stakeholder Engagement, p. 127



## GRI Standards Index

GRI Standard	Disclosure #	Response/Location Information
GRI 102: General Disclosures	<b>Reporting Practices</b>	
	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. 123
	102-48: Restatements of information	2019 data restatements are included in the footnotes as part of the 2020 ESG Performance Data tables
	102-49: Changes in reporting	Priority Issues, p. 17
	102-50: Reporting period	About this Report, p. 02
	102-51: Date of most recent previous report (if any).	CSX's most recent ESG Report was published in July 2020.
	102-52: Reporting cycle	This report documents CSX's activities and impact in calendar year 2020, unless otherwise noted.
	102-53: Contact point for questions regarding the report	About this Report, p. 02
	102-54: Claims of reporting in accordance with the GRI Standards	About this Report, p. 02
	102-55: GRI Content Index	GRI Standards Index
	102-56: External Assurance	Appendix: Statement of Verification, p. 161
GRI 201: Economic Performance	<b>Non-material Economic Topics</b>	
	201-1: Direct economic value generated and distributed	2020 ESG Performance Data tables, p. 129
	201-2: Financial implications and other risks and opportunities due to climate change	In addition to the Task Force on Climate-related Financial Disclosures (TCFD) Index, p. 159, CSX makes this information available through our <a href="#">CDP report</a> submission.

GRI Standard	Disclosure #	Response/Location Information
<b>Environmental</b>		
<b>Materials (301)</b>		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	Environment: Recycling, Reuse, And Waste Disposal, p. 105
	103-2: Management approach and its components	Environment: Recycling, Reuse, And Waste Disposal, p. 105
	103-3: Evaluation of management approach	Environment: Recycling, Reuse, And Waste Disposal, p. 105
GRI 301: Materials	301-1: Materials used by weight or volume	2020 ESG Performance Data tables, p. 137
<b>Energy (302)</b>		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	Environment: Energy Management, p. 93
	103-2: Management approach and its components	Environment: Energy Management, p. 93
	103-3: Evaluation of management approach	Environment: Energy Management, p. 93
GRI 302: Energy	302-1: Energy consumption within the organization	2020 ESG Performance Data tables, p. 139
	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	2020 ESG Performance Data tables, p. 139
	302-4: Reduction in energy consumption	2020 ESG Performance Data tables, p. 139



## GRI Standards Index

GRI Standard	Disclosure #	Response/Location Information
<b>Water and Effluents (303)</b>		
<b>GRI 103: Management Approach</b>	103-1: Explanation of material topic and its Boundary	Environment: Water Management, p. 108
	103-2: Management approach and its components	Environment: Water Management, p. 108
	103-3: Evaluation of management approach	Environment: Water Management, p. 108
<b>GRI 303: Water and Effluents</b>	303-1: Interactions with water as a shared resource	Environment: Water Management, p. 108
	303-3: Water withdrawal	2020 ESG Performance Data tables, p. 140
	303-5: Water consumption	Environment: Water Management, p. 108
<b>Emissions (305)</b>		
<b>GRI 103: Management Approach</b>	103-1: Explanation of material topic and its Boundary	We track Scope 1, 2, and 3 emissions. Environment: Energy Management, p. 93
	103-2: Management approach and its components	Environment: Our Climate Strategy: Driving the Transition to a Low-Carbon Economy, p. 99
	103-3: Evaluation of management approach	Environment: Our Climate Strategy: Driving the Transition to a Low-Carbon Economy, p. 99
<b>GRI 305: Emissions</b>	305-1: Direct (Scope 1) GHG Emissions	2020 ESG Performance Data tables, p. 138
	305-2: Energy Indirect (Scope 2) GHG Emissions	2020 ESG Performance Data tables, p. 138
	305-3: Other indirect (Scope 3) GHG emissions	2020 ESG Performance Data tables, p. 138
	305-4: GHG emissions intensity	2020 ESG Performance Data tables, p. 138
	305-5: Reduction of GHG Emissions	2020 ESG Performance Data tables, p. 138
	305-6: Emissions of ozone-depleting substances (ODS)	2020 ESG Performance Data tables, p. 138
	305-7: Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	2020 ESG Performance Data tables, p. 138

GRI Standard	Disclosure #	Response/Location Information
<b>Effluents and Waste (306)</b>		
<b>GRI 103: Management Approach</b>	103-1: Explanation of material topic and its Boundary	Environment: Recycling, Reuse, and Waste Disposal, p. 105
	103-2: Management approach and its components	Environment: Recycling, Reuse, And Waste Disposal, p. 105
	103-3: Evaluation of management approach	Environment: Recycling, Reuse, And Waste Disposal, p. 105
<b>GRI 306: Effluents and Waste</b>	306-2: Waste by type and disposal method	2020 ESG Performance Data tables, p. 137
	306-4: Transport of hazardous waste	Safety: Hazard Management and Emergency Preparedness, p. 47
<b>Environmental Compliance (307)</b>		
<b>GRI 103: Management Approach</b>	103-1: Explanation of material topic and its Boundary	Environment, p. 89
	103-2: Management approach and its components	Environment, p. 89
	103-3: Evaluation of management approach	Environment, p. 89
<b>GRI 307: Environmental Compliance</b>	GRI 307: Environmental Compliance	Environment: Compliance, p. 93



## GRI Standards Index

GRI Standard	Disclosure #	Response/Location Information
<b>Social</b>		
<b>Employment (401)</b>		
<b>GRI 103: Management Approach</b>	103-1: Explanation of material topic and its Boundary	ESG Fundamentals, p. 126
	103-2: Management approach and its components	People and Communities, p. 67
	103-3: Evaluation of management approach	People and Communities, p. 67
<b>GRI 401: Employment</b>	401-1: New employee hires and employee turnover	People and Communities, p. 77 2020 ESG Performance Data tables, p. 133
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	People and Communities: Compensation and Total Rewards, p. 78 <a href="#">2021 Benefits Summary Page</a>
	401-3: Parental leave	People and Communities: Prioritizing Employee Health and Well-being, p. 69 <a href="#">2021 Benefits Summary Page</a>
<b>Occupational Health and Safety (403)</b>		
<b>GRI 103: Management Approach</b>	103-1: Explanation of material topic and its Boundary	ESG Fundamentals, p. 123
	103-2: Management approach and its components	Safety, p. 37
	103-3: Evaluation of management approach	Safety, p. 37
<b>GRI 403: Occupational Health and Safety</b>	403-1: Occupational health and safety management system	Safety, p. 37
	403-2: Hazard identification, risk assessment, and incident investigation	Safety: 2020 Safety Highlights & Performance, p. 39
	403-3: Occupational health services	People and Communities: Prioritizing Employee Health and Well-being, p. 69 <a href="#">2021 Benefits Summary Page</a>
	403-4: Worker participation, consultation, and communication on occupational health and safety	Safety: A Proactive Safety Approach , p. 37; Safety: First Responder Engagement and Training, p. 47

GRI Standard	Disclosure #	Response/Location Information
<b>GRI 403: Occupational Health and Safety</b>	403-5: Worker training on occupational health and safety	Safety: A Proactive Safety Approach , p. 37; Safety: First Responder Engagement and Training, p. 47
	403-6: Promotion of worker health	People and Communities: Prioritizing Employee Health and Well-being, p. 69
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety, p. 48
	403-8: Workers covered by an occupational health and safety management system	<a href="#">2021 Benefits Summary Page</a>
	403-9: Work-related injuries	2020 ESG Performance Data tables, p. 132
<b>Training and Education (404)</b>		
<b>GRI 103: Management Approach</b>	103-1: Explanation of material topic and its Boundary	People and Communities: Talent Acquisition and Development, p. 77
	103-2: Management approach and its components	People and Communities: Attracting, Developing, and Retaining the Best Railroaders, p. 77
	103-3: Evaluation of management approach	People and Communities: Attracting, Developing, and Retaining the Best Railroaders, p. 77
<b>GRI 404: Occupational Health and Safety</b>	404-1: Average hours of training per year per employee	2020 ESG Performance Data tables, p. 132
	404-2: Programs for upgrading employee skills and transition assistance programs	People: Talent Development, p. 77



## GRI Standards Index

GRI Standard	Disclosure #	Response/Location Information
<b>Diversity and Equal Opportunity (405)</b>		
<b>GRI 103: Management Approach</b>	103-1: Explanation of material topic and its Boundary	ESG Fundamentals, p. 123
	103-2: Management approach and its components	People and Communities: Diversity and Inclusion, p. 72
	103-3: Evaluation of management approach	People and Communities: Diversity and Inclusion, p. 72
<b>GRI 405: Diversity and Equal Opportunity</b>	405-1: Diversity of governance bodies and employees	People and Communities, p. 68 2020 ESG Performance Data tables, p. 133
<b>Local Communities (413)</b>		
<b>GRI 103: Management Approach</b>	103-1: Explanation of material topic and its Boundary	ESG Fundamentals, p. 123
	103-2: Management approach and its components	People and Communities, p. 67
	103-3: Evaluation of management approach	People and Communities, p. 67
<b>GRI 413: Local Communities</b>	413-1: Operations with local community engagement, impact assessments, and development programs	People and Communities, p. 67 Safety: Community Safety, p. 48
	413-2: Operations with significant actual and potential negative impacts on local communities	People and Communities, p. 67 Safety: Community Safety, p. 48

GRI Standard	Disclosure #	Response/Location Information
<b>Customer Health and Safety (415)</b>		
<b>GRI 103: Management Approach</b>	103-1: Explanation of material topic and its Boundary	ESG Fundamentals, p. 123
	103-2: Management approach and its components	Safety, p. 37
	103-3: Evaluation of management approach	Safety, p. 37
<b>GRI 416: Customer Health and Safety</b>	416-1: Assessment of the health and safety impacts of product and service categories	Safety: Physical Protection and Security, p. 41
	416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	Safety: Physical Protection and Security, p. 41
<b>Customer Privacy (418)</b>		
<b>GRI 418: Customer Privacy</b>	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	Governance: Cyber and Information Security Management, p. 118. No breaches were recorded in 2020.



# 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.

## Sustainability Disclosure Topics & Accounting Metrics

Disclosure	Accounting Metric	Location
Greenhouse Gas Emissions	110a.1 Global Scope 1 emissions	2020 ESG Report (ESG Performance Data Tables, Environment, p. 138)
	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	<a href="#">Latest CDP Climate Change Response</a> 2020 ESG Report (Environment Section, p. 87)
	110a.3 Total fuel consumed, percentage renewable	2020 ESG Report (ESG Performance Data Tables, Environment, p. 139) 2020 ESG Report (Environment Section, p. 87)
Air Quality	120a.1 Air emissions of the following pollutants: (1) NOx (excluding N <sub>2</sub> O) and (2) particulate matter	2020 ESG Report (ESG Performance Data Tables, Environment, p. 138)
Employee Health & Safety	320a.1 (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	2020 ESG Report (ESG Performance Data Tables, Safety, p. 132)
Competitive Behavior	520a.1 Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	In 2020, 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	2020 ESG Report (ESG Performance Data Tables, Safety, p. 132)
	540a.2 Number of (1) accident releases and (2) non-accident releases	2020 ESG Report (ESG Performance Data Tables, Safety, p. 132)
	540a.3 Number of Federal Railroad Administration (FRA) Recommended Violation Defects	2020 ESG Report (ESG Performance Data Tables, Safety, p. 132)
	540a.4 Frequency of internal railway integrity inspections	2020 ESG Report (ESG Performance Data Tables, Safety, p. 132)

## Activity Metrics

Disclosure	Location
000.A Number of carloads transported	<a href="#">2020 Annual Report</a> (10-K p. 4) 2020 ESG Report (About CSX, p. 09)
000.B Number of intermodal units transported	<a href="#">2020 Annual Report</a> (10-K p. 4) 2020 ESG Report (About CSX, p. 09)
000.C Track miles	<a href="#">2020 Annual Report</a> (10-K p. 14) 2020 ESG Report (About CSX, p. 09)
000.D Revenue ton miles (RTM)	<a href="#">2020 Annual Report</a> (10-K p. 32)
000.E Number of employees	<a href="#">2020 Annual Report</a> (10-K p. 55) 2020 ESG Report (About CSX, p. 09)



# Task Force on Climate- Related Financial Disclosure (TCFD)

## Index

To advance transparency in our reporting, we support and align with the world's leading sustainability reporting frameworks, including TCFD, and consider climate-related risk and opportunity types based on the TCFD classifications. 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.

Core Elements	TCFD Disclosure Recommendation	CSX Disclosure Source
Governance	a) Describe the board's oversight of climate-related risks and opportunities	2020 ESG Report (ESG at CSX, p. 15, Environment, p. 87) <a href="#">Latest CDP Climate Change Response</a> (C1.1)
	b) Describe management's role in assessing and managing climate-related risks and opportunities	2020 ESG Report (Environment, p. 87) <a href="#">Latest CDP Climate Change Response</a> (C1.2)
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	2020 ESG Report (Environment, p. 87) <a href="#">Latest CDP Climate Change Response</a> (C2.1, C2.2, C2.3, C2.4) 2020 Annual Report (10-K pg. 12)
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	<a href="#">Latest CDP Climate Change Response</a> (C3.1) 2020 Annual Report (10-K pg. 12)
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2 degree Celsius or lower scenario	2020 ESG Report (Environment, p. 87) <a href="#">Latest CDP Climate Change Response</a> (C3.1)
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks	2020 ESG Report (Environment, p. 87) <a href="#">Latest CDP Climate Change Response</a> (C2.2) 2020 Annual Report (10-K pg. 12)
	b) Describe the organization's processes for managing climate-related risks	2020 ESG Report (Environment, p. 87) <a href="#">Latest CDP Climate Change Response</a> (C2.2)
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	2020 ESG Report (Governance, p. 109) <a href="#">Latest CDP Climate Change Response</a> (C2.2)
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	<a href="#">Latest CDP Climate Change Response</a> (C-TS8.5, C1.3, C4.3, C11)
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	2020 ESG Report (Environment, p. 87, ESG Performance Data Tables, p. 138) <a href="#">Latest CDP Climate Change Response</a> (C6.1 C6.2, C6.3, C6.4, C6.5)
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	2020 ESG Report (Future of Freight, p. 19)



# Appendix

## Statement of Verification

### 1.1 Scope

Jacobs performed a verification of CSX's 2020 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 2020 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.

### 1.2 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.

### 1.3 GHG Assertions

CSX asserts that their total annual location -based Scope 1, Scope 2, and listed Scope 3 emissions for the 2020 reporting period (exclusive of purchased goods and services and capital goods) is 4,000,741 metric tonnes CO<sub>2</sub>e.

### 1.4 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 2020 Emissions Inventory are materially correct and presented fairly in accordance with stated criteria.

Jacobs



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June 3, 2021





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