

# 2023 Environmental, Social and Governance Report



# Table of Contents

<b>I. Introduction</b> .....	<b>03</b>	<b>V. Social &amp; Community Impact</b> .....	<b>40</b>
Message from the CEO .....	03	Pride in Service .....	40
About This Report .....	04	Social Justice & Racial Equity .....	45
About CSX .....	06	<b>VI. Environmental Sustainability</b> .....	<b>46</b>
Approach to ESG .....	12	Climate Change .....	48
<b>II. Commitment to Safety</b> .....	<b>15</b>	Fuel & Locomotives .....	49
Safety Culture & Approach .....	16	Innovating for Fuel Efficiency .....	51
Investing and Innovating for Safety .....	17	Hydrogen in Focus .....	52
Safety Training .....	19	The Five R's of a Circular Economy .....	55
Public & Community Safety .....	20	Nature & Biodiversity .....	56
<b>III. Commitment to Customer Service</b> .....	<b>21</b>	Trains, Tracks & Trees .....	57
Our Ongoing Commitment to Customer Service and Innovation .....	21	<b>VII. Responsible Business Practices</b> .....	<b>59</b>
Customer Feedback & Engagement .....	25	Corporate Governance .....	59
<b>IV. Our People &amp; Partners</b> .....	<b>26</b>	Ethics & Compliance .....	64
Workforce .....	27	Human Rights .....	65
Business Resource Groups (BRGs) .....	34	Cyber & Information Security .....	65
Labor Relations .....	37	Public Policy & Advocacy .....	68
Supply Chain & Economic Growth .....	38	<b>VIII. Appendix &amp; Indices</b> .....	<b>69</b>
		2023 ESG Performance Data .....	70
		Indices .....	76





# A Message From Our President & Chief Executive Officer

2023 was a year of tremendous progress for CSX in terms of strengthening our ONE CSX culture, as well as how employees translated our company values into stakeholder value—for our customers, communities, investors and industry peers alike.

Despite macroeconomic challenges in the commodity market in 2023, the bar was raised for the entire rail industry. CSX is actively leading the industry to expand the role of rail in the broader U.S. supply chain by providing reliable, top-quality service to our customers, achieving record safety performance, maintaining operational efficiency and investing in and listening to our people.

These strides and achievements—further detailed in this report—illustrate the end impact of culture at work, as encapsulated in CSX’s three-pillar business strategy to 1) spread and sustain a ONE CSX culture;

2) transform our business through technology; and 3) generate business growth and value for stakeholders.

## Spreading & Sustaining a ONE CSX Culture

As a company, we believe that to create value, people must first be and feel valued. In 2023, we continued our ONE CSX cultural transformation to create a work experience that emphasizes teamwork, communication and collaboration. Key to this was employee feedback and the subsequent implementation of policies and practices that demonstrate our respect for all employees at CSX.

In 2023, we lived our ONE CSX culture from the inside out. CSX became the first Class I railroad to reach agreements with rail labor unions to provide paid sick leave for our represented employees. We also revised our attendance policy for craft employees to foster better work-life balance and flexibility.

This past year, we expanded our commitment to strengthening the communities where we live, work and serve, which has boosted employee pride and encouraged team building. 2023 marked the five-year anniversary of Pride in Service, our company-wide commitment to support those who serve, through which employees volunteered more than 18,600 hours, investing in the communities where we operate.

Despite finishing 2023 with one of the strongest quarters of safety performance in company history, three CSX railroaders were fatally injured. Their lives cannot be replaced and will continue to have a lasting impact on our company. We have bolstered training for new hires and frontline supervisors and implemented mentoring programs that emphasize a ONE CSX approach to safety-related teamwork.

## Transforming CSX Through Technology

The tools and technologies we implemented in 2023 are positioning our business for continued growth while helping us deliver operational efficiencies, better service and a seamless customer experience. This includes environmental initiatives that increase fuel efficiency, reduce emissions and help our customers achieve their supply chain sustainability goals.

A milestone not only for the company, but the industry, was the development and deployment of hydrogen locomotive conversion kits for diesel-electric locomotives, proving industrywide potential and creating more transportation opportunities for today’s customers. This also includes transforming and decarbonizing our business to align with a 1.5 degrees Celsius future as we prepare to renew our science-based target in 2024 and commit to setting updated goals for our operations.

Technology and innovation aren’t just transforming our business; they’re transforming how our business connects and is communicated with employees, customers and our communities. We began the process of upgrading tablet devices for field employees in 2023, to help ensure our railroaders have continual access to key safety materials, company communications and even their payroll and shift schedules.

For customers, we continue to evolve and improve our carbon emissions reduction calculator to help customers measure potential GHG emissions savings when choosing rail versus trucks.

Technology is also helping CSX transform the communities where we operate through programs like drone pilot training, where we leverage our equipment and expertise to upskill wounded servicemembers and help prepare them for jobs in high demand.

## Generating Profitable Growth Through a Better Customer Experience

Delivering value for our employees creates value for our customers, which ultimately will generate profitable growth that benefits our industry, communities and society. We also focused on expanding our rail network for our customers, while improving service performance and piloting less carbon intensive fuels to help them move both their freight and their own carbon reduction goals.

For our industry and communities, we are working alongside our rail and local partners to reimagine a better railroad; one that benefits stakeholders today and for the long haul. We are reimagining what rail can deliver while reducing carbon intensity and the footprint of our services—with the ultimate goal of decarbonizing the value chain.

We understand the challenges we face, but just as importantly, we recognize the opportunities before us—to come together as ONE CSX, to build a sustainable future and to fuel economic growth through the movement of goods.

At CSX, we are committed to the future of safe, reliable and efficient rail transport. We are committed to moving forward—and going further—together.

**Joe Hinrichs**

President and Chief Executive Officer



# About This Report

Web addresses to the CSX website throughout this document are provided for convenience only. Please note that information on or accessible through the CSX website is not part of, or incorporated by reference into this report. This report may also contain links to other internet sites or references to third parties. Such links or references are not incorporated by reference to this report and we can provide no assurance as to their accuracy. The use or inclusion of the information is also not intended to represent endorsements of any products or services.

This report covers only CSX's business and does not address the performance or operations of our suppliers, contractors or partners. Our statements about our Environmental, Social and Governance (ESG) goals, targets, initiatives, objectives and commitments are aspirational and may include statistics or metrics that are estimates, make assumptions based on developing standards that may change and provide goals that are not intended to be promises or guarantees and, as such, actual results may differ, possibly materially. Inclusion of metrics or other information in such statements is not intended to imply that such information is material to CSX.

Furthermore, data, statistics and metrics included in this report are non-audited estimates, are not necessarily prepared in accordance with generally accepted accounting principles (GAAP), continue to evolve, and may be based on assumptions believed to be reasonable at the time of preparation, but may be subject to revision.

Unless otherwise noted, the report covers CSX's global operations for the fiscal year ended December 31, 2023, and has not been externally assured or verified by an independent third party, unless otherwise noted. This report represents our current policy and intent and is not intended to create legal rights or obligations. Third-party limited assurance for the GHG emissions

inventory has been provided by Jacobs. For additional disclosures, please reference our latest [CDP Climate Change response](#).

We have reported in accordance with the Global Reporting Initiative (GRI)'s reporting principles of materiality, sustainability context, and stakeholder inclusiveness and completeness. In addition, this report is informed by the Sustainability Accounting Standards Board (SASB) Rail Transportation standards and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In this report, our use of the terms "material," "materiality" and other similar terms is consistent with such standards or refers to topics that reflect CSX's significant impacts of ESG or that substantially influence the assessments and decisions of a diverse set of stakeholders. We are not using these terms as they are used under the securities or other laws of the United States or any other jurisdiction or as these terms are used in the context of financial statements and financial reporting.

This year, we assessed and identified areas where we can align our business activities with the UN Sustainable Development Goals (SDGs) at the target level. The SDGs that we align our business to include: SDG 3, SDG 7, SDG 8, SDG 11, SDG 12 and SDG 13. We also align these SDG targets to our SASB index which can be found with the Indices and ESG performance data in the [Appendix](#) of this report.

This report, which speaks only as of its date and is not required to be updated, is not comprehensive, and for that reason, should be read in conjunction with our most recent Annual Report on Form 10-K, our subsequent reports on Forms 10-Q and 8-K, and other filings made with the Securities and Exchange Commission (SEC).

This report contains forward-looking statements pursuant to the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Generally, any statement contained in this report not based upon historical fact is a forward-looking statement. The use of forward-looking or conditional words such as "believe," "continue," "estimate," "intend," "may," "will," "anticipate," "expect," "plan," "remain," "confident" and "commit" or similar expressions are intended to identify forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements regarding our plans, strategies, objectives and expectations regarding our business and operating performance, as well as ESG goals, targets, initiatives, objectives and similar commitments outlined in this report or elsewhere. They reflect expectations, are not guarantees of results and speak only as of the date of this report or as of the date they are made. Especially with respect to the matters discussed in this report, many factors and uncertainties relating to our operations and business environment, all of which are difficult to predict and many of which are outside of our control, influence whether any forward-looking statements can or will be achieved. Any one of those factors, including the result of changes in

circumstances, estimates that turn out to be incorrect, standards of measurement that change over time, assumptions not being realized, or other risks or uncertainties, could cause our actual results, including the achievement of ESG goals, targets, initiatives, objectives or commitments, to differ materially from those expressed or implied in writing in any forward-looking statements made by CSX or on its behalf.

Factors that could cause actual results to differ materially from those in the forward-looking statements include those that are described in our most recent Annual Report on Form 10-K and elsewhere in our filings with the SEC. We cannot assure you that the results reflected or implied by any forward-looking statement will be realized or, even if substantially realized, that those results will have the forecasted or expected consequences and effects. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Caution should be taken not to place undue reliance on any such forward-looking statements.

United Nations Sustainable Development Goals (SDGs)		SDG Targets
	<b>SDG 3: Good Health and Well-being</b>	3.9 - Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination
	<b>SDG 7: Affordable and Clean Energy</b>	7.2 - Increase substantially the share of renewable energy in the global energy mix  7.a - Enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology
	<b>SDG 8: Decent Work and Economic Growth</b>	8.8 - Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
	<b>SDG 11: Sustainable Cities and Communities</b>	11.5 - Significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations  11.6 - Reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
	<b>SDG 12: Responsible Consumption and Production</b>	12.4 - Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment  12.6 - Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle
	<b>SDG 13: Climate Action</b>	13.2 - Integrate climate change measures into national policies, strategies and planning





# About CSX

Based in Jacksonville, Florida, CSX offers a spectrum of services including rail, intermodal and rail-to-truck transload solutions across diverse industries like energy, industrial, construction, agriculture and consumer products. Our expansive rail network spans roughly 20,000 route miles, linking 26 states, the District of Columbia and Canadian provinces Ontario and Quebec.

For nearly two centuries, CSX has been integral to the nation's economic evolution and industrial advancement, interconnecting major eastern U.S. metropolitan hubs where nearly two-thirds of the populace resides.

## Our Vision

To be the best-run railroad in North America

## Our Purpose

To capitalize on the efficiency of rail transportation to serve North America

## Our Strategy

- Spreading & Sustaining a ONE CSX Culture
- Transforming CSX Through Technology
- Generating Profitable Growth Through a Better Customer Experience

## Our Guiding Principles





# Our Business

CSX is the leading provider of the most fuel-efficient and cost-effective method for businesses to move goods and materials on land, providing customers with access to an expansive and interconnected transportation network.

## Our Strategic Vision

After a year in which we significantly advanced our goal of strengthening CSX’s workplace culture to drive service excellence and business growth, we aim for continued progress in 2024 through a three-pillar strategy:

Spreading & Sustaining a ONE CSX Culture

Transforming CSX Through Technology

Generating Profitable Growth Through a Better Customer Experience

By continuing to invest in network capacity, customer service technology and new service offerings, CSX added to a robust operating foundation that will support future business growth by accelerating highway-to-rail freight conversion—a crucial step in facilitating the transition to a lower-carbon economy.

[CSX Transportation](#) provides an important link to the transportation supply chain through its approximately 20,000 route-mile rail network.

[CSX Intermodal Terminals](#) arranges the intermodal terminal services and trucking services for CSX Transportation’s intermodal business.

[Pan Am Systems, Inc. \(“Pan Am”\)](#) acquired by CSX in 2022, has enabled CSX to serve every major market in the eastern U.S. by expanding network reach.

[Quality Carriers](#) is the largest provider of bulk liquid chemicals truck transportation in North America, serving large chemical producers and processors. In 2023, we expanded the use of ISO-tank equipment to better provide efficient connection to our intermodal product for chemicals customers.

[Total Distribution Services Inc. \(TDSI\)](#) transloads customers’ products from one transportation mode to another—rail car to truck, truck to rail car or rail car to ship.

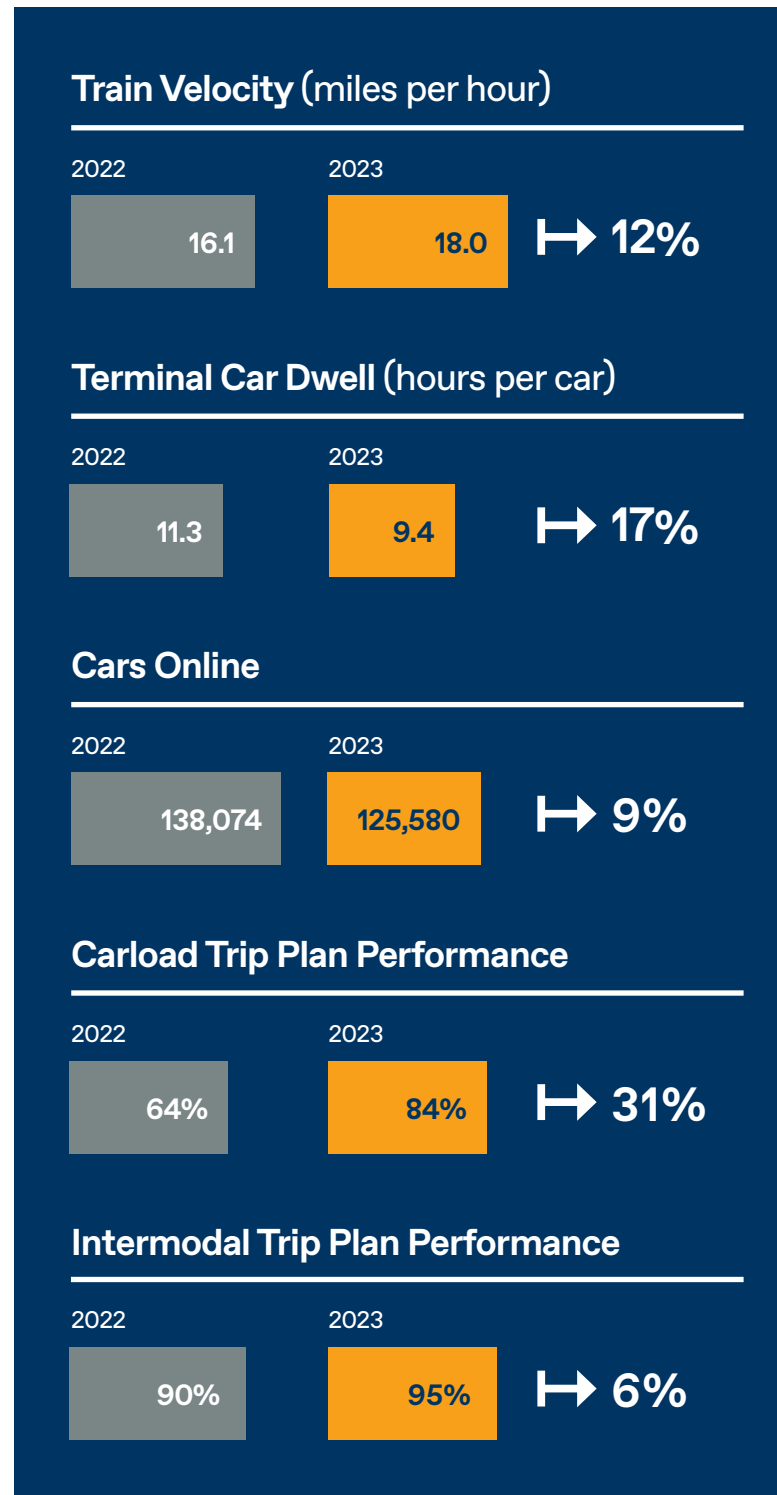
[TRANSFLO](#) services provide bulk material transloading at nearly 50 terminals, helping customers take advantage of the economic and environmental benefits of rail, so they can ship bulk commodities by rail to supply origins and destinations that are not rail-served.





# 2023 Financial Performance

CSX delivered solid financial results in 2023. The effects of stronger merchandise pricing, higher merchandise and coal volume, which grew two percent and eight percent respectively compared to 2022, were offset by lower intermodal storage revenue, reduced fuel surcharge, softer global benchmark coal prices and weaker intermodal volume.



## CSX by the Numbers\*

**\$14.7 billion**  
in Revenue Generated

**23,000+**  
Employees

Approximately  
**3.4 million**  
Carloads Shipped

Approximately  
**2.8 million**  
Intermodal Units Transported

**3,500+**  
Locomotives, Which Reduce  
Greenhouse Gas Emissions by  
up to 75% Compared to Trucks

**70+**  
Ocean, River and Lake Port Terminals

**240+**  
Short-Line Partners

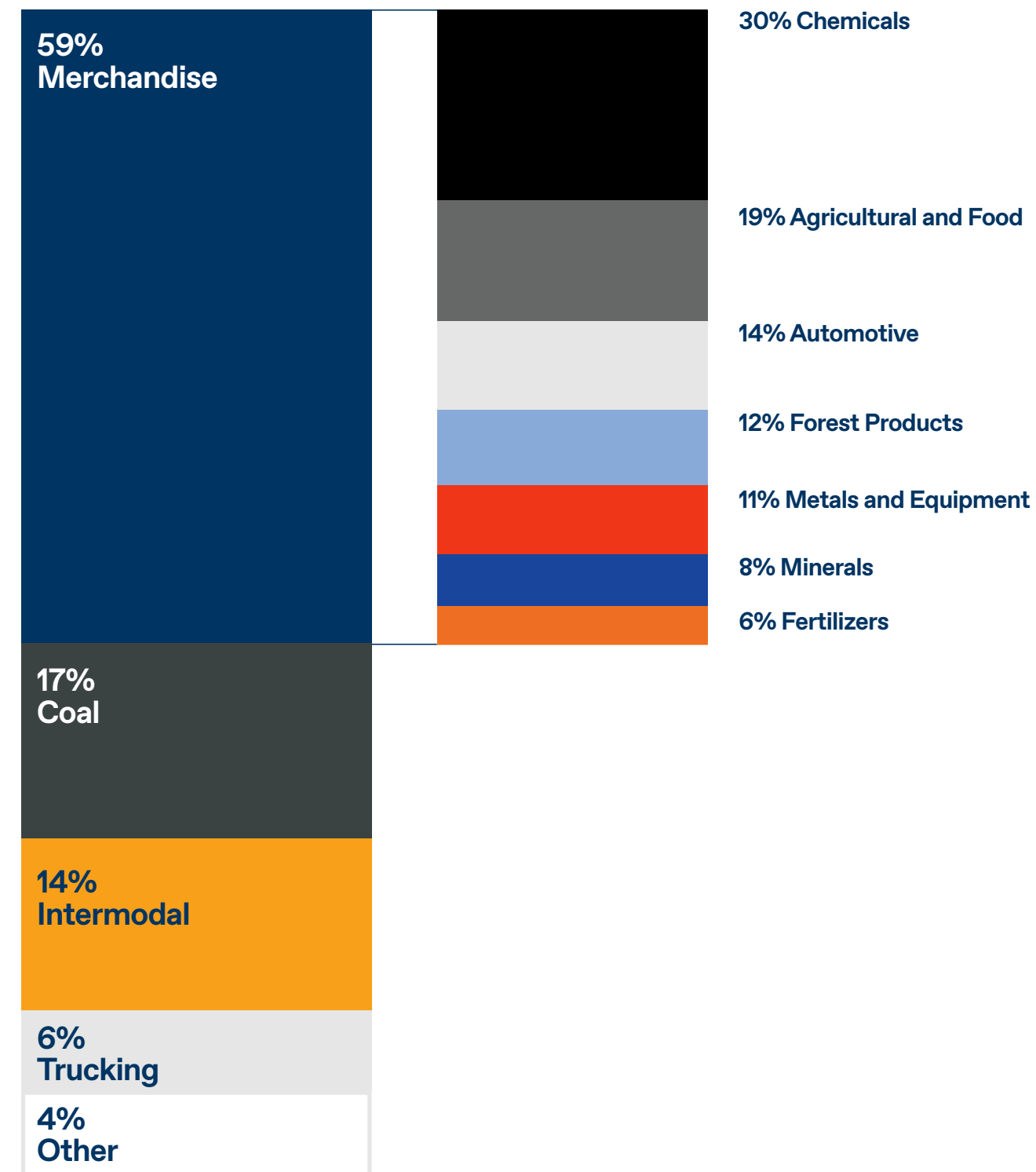
\*As of December 31, 2023





# 2023 Revenue Mix

Despite a downturn in industrial production, CSX was the only Class I railroad to grow merchandise volume in 2023, thanks to the service improvements initiated by the ONE CSX team.





# Our Cultural Transformation

**ONE CSX is how we function best: as one team that instills a sense of pride, equality and belonging, so we can best serve our customers and communities as the leading railroad in North America.**

We believe that the positive cultural transformation in our workforce is ultimately beneficial for all of our stakeholders, enabling us to deliver on our growth potential as engaged employees and provide better service for our customers. We connect this transformation to ‘ONE CSX,’ which is both an ambition and a call-to-action to create a workplace where all feel valued, appreciated, included and respected. It is what positions us to be able to best serve our customers and communities as the leading railroad in North America.

Throughout this report, we share updates and examples of our continued ONE CSX cultural transformation in 2023 as we work to ensure all departments and job functions feel the impact of an improved employee work experience.

**“The intention behind ONE CSX is to refocus CSX railroaders across our network around a common goal and to integrate shared values and behaviors deeply into our ways of working. In the short time since we introduced it, ONE CSX has begun to change how we engage, work and show up for each other and—as a company—we know there is much more work to be done to continue to foster this culture moving forward.”**

**Joe Hinrichs**  
President and CEO



# Creating Enduring Value

**Our ability to create and deliver stakeholder value starts with our core business strategy and radiates out to reach all of those we serve. We also view our approach to value creation as an example for the entire rail industry.**

Our business strategy is rooted in three pillars—spreading and sustaining a ONE CSX culture, transforming the business through technology and generating profitable growth through a better customer experience. At the heart of this strategy is the cultural transformation we have embarked on as ONE CSX, which puts our employees at the center of our stakeholder value chain. Our five values aim to put that strategy into action: *create our future as ONE CSX; lead with passion and integrity; work safely; grow through service; and strengthen communities.*

At CSX, we believe that to create value, people must first be and feel valued. When employees feel valued, they help CSX perpetuate greater value for all stakeholders. Then, when we perform our best, we are able to better represent the broader industry, while delivering for shareholders, communities and ultimately for a more sustainable society.



We are on a course, fueled with renewed ONE CSX momentum, that will enable CSX to fully realize the potential of our proven operating model centered on safety, service, efficiency and people. It is through this model that we will deliver value for our stakeholders across employees, customers, investors and local communities—value that empowers us to all move forward, together.

The following table describes our approach to generating value over the course of 2023 across stakeholders.

	Employees	Customers	Industry	Shareholders	Communities
Actions Taken / Inputs	Introducing policies to improve the employee work experience	Updating the Carbon Calculator for customers to better gauge GHG savings	Achieving one of the strongest safety performance quarters in company history in Q4 2023	Investing in fuel efficiency, resilience planning and alternative power	Increasing philanthropic investments that support community revitalization and infrastructure projects in areas where our employees live, work and serve
	Investing in tools/ technologies that improve employee safety and efficiency	Pursuing low-carbon fuel alternatives	Partnering with other Class I railroads to pilot and prove new fuel concepts	Evaluating climate risks to the business by conducting a climate transition plan	Enhancing safety measures and community training, including for first responders
	Rolling out trainings that foster inclusion and belonging through a ONE CSX culture lens	Expanding our industrial site selection program, CSX Select Sites	Engaging and partnering with rail unions to progress policies, becoming a model for the rail industry	Reaching \$2.3 billion in total capital expenditures and infrastructure investments	Investing (\$ and time) in military/veteran/ first responder community, including workforce development and resilience
	Introducing new recognition programs to acknowledge employee leadership	Expanding the use of ISO-tank equipment to better provide efficient connection to our intermodal product for chemicals customers			Supporting for underrepresented groups through matching grants
	Becoming the first U.S. Class I railroad to extend paid sick leave agreements to its contract workers				
Value Created / Outputs	Achieving 42% improvement YoY Glassdoor rating on CEO approval	Avoiding 12.9 million tons of carbon dioxide emissions by shipping with rail versus truck	Getting released from the Surface Transportation Board's supplemental weekly reporting requirements based on strong service performance and reliability	Delivering \$4.4 billion in capital to shareholders in the form of stock repurchases and dividends returned	Training 6,000 community first responders in rail safety measures
	Improving 10 points in Employee Survey Net Promoter Scores from March 2022 to March 2023	Shipping 6.1 million units of freight across the year	Repowering diesel locomotives with hydrogen fuel cells to create a zero-emission locomotive		Contributing 18,606 employee volunteer hours to local communities
			Achieving a 12% year-over-year reduction in our FRA personal injury rate and a 1% improvement in our train accident rate		Supporting the upskilling of ~60 veterans to become FAA drone-certified

# Approach to ESG

**Our ESG approach and initiatives—including environmental sustainability specifically—are reflective of our efforts to be responsible corporate stewards and are also critically embedded in our growth strategy.**

**We aim to be a collaborator, convener and leader for the entire industry on environmental sustainability, as we believe CSX can better create value by diverting more freight from other modes of transportation while transporting more goods and reducing emissions.**

## ESG Governance

### Oversight of ESG

Oversight of ESG is held at the Board level by experienced Directors with deep subject matter expertise who make up our Governance and Sustainability Committee. Sustainability is designated as one of our Board's key skills and experiences.

On a day-to-day basis, ESG is led by our VP of Stakeholder Engagement and Sustainability, with additional oversight from our Chief Legal Officer. Efforts are implemented throughout CSX by business leaders who comprise our cross-functional ESG team, and efforts are implemented throughout CSX by business and functional leaders. Together, they are responsible for measuring and monitoring progress against key performance indicators and reviewing and applying stakeholder feedback and insights.

In early 2024, CSX further centralized internal oversight of sustainability under our VP of Stakeholder Engagement & Sustainability, which incorporates Communications, Community Investment and Sustainability. This team will continue to work with a cross-functional group of subject matter experts to inform strategy, execution and reporting across material ESG topics.

Directors stay proactively informed on the rapidly changing industry, societal and regulatory landscapes, stakeholder expectations and ESG issues. Additional information on skillsets and experience of our Board of Directors can be found in the [2024 Proxy Statement](#).

Our short-term incentive plan includes ESG goals related to workplace safety and fuel efficiency. These metrics account for 20 percent of such plan's overall weighting. More information can be found in our [2024 Proxy Statement](#).



# Key ESG Issues

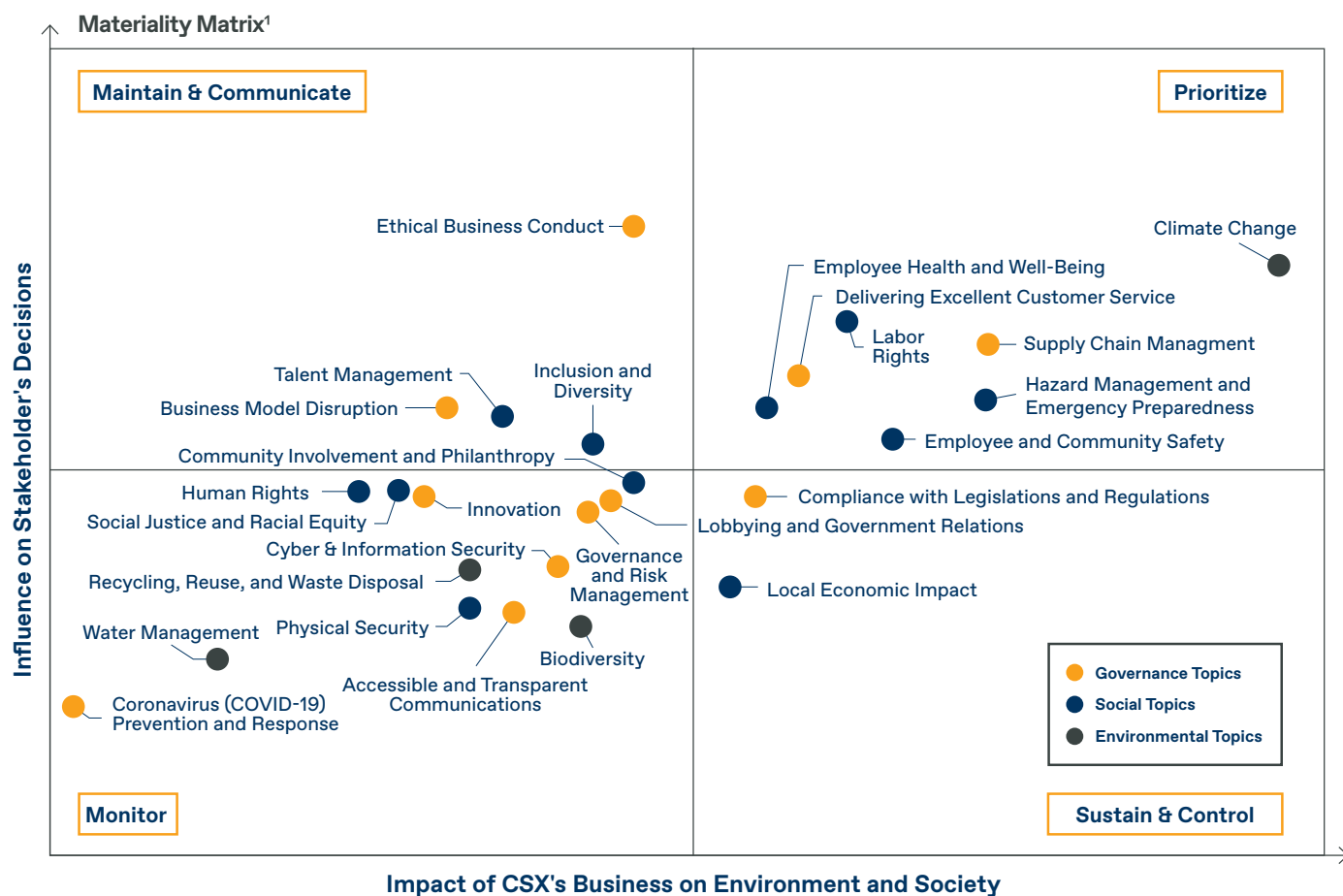
## Materiality Assessment

In January 2023, CSX conducted our latest materiality assessment in line with the GRI Sustainability Reporting Standards 2021 (GRI Standards) to determine the topics for which CSX has the most impact and that influence our stakeholders.<sup>1</sup> We used a dual materiality approach, gathering internal and external stakeholder perspectives on the significance of our economic, environmental and social impacts and the substantive influence of our impact on the assessments and decisions of stakeholders.<sup>2</sup>

The 2023 refresh indicated increased focus on climate change, supply chain management and labor rights. Climate change was mentioned by stakeholders as being not only a concern, but also an opportunity for CSX given our position as a low-carbon transportation option. We will continue to refresh our materiality assessment to address evolving stakeholder expectations while growing our business.

Details on our scoring methodology; issue identification, categorization, definitions and rankings; and stakeholder interviews can be found in our [2022 ESG report](#). Additional information and examples of stakeholder engagements can be found in the Responsible Business Practices section of this report and in our [2024 Proxy Statement](#).

Through our assessment, we identified **seven** out of 26 ESG topics as the highest priority for CSX. We placed an enhanced focus on these topics to inform our efforts, priorities and business strategy and will continue to monitor and report on the remaining 19 topics. Details on our strategic approaches to these topics can be found throughout this report.





# 2023 ESG Highlights

## Environmental, Social and Governance

Trained more than  
**6,000**  
local community first responders

**12%**  
YoY reduction in FRA personal injury rate

CSX became  
**the only**  
Class I railroad exempt from weekly supplemental STB reporting

**+10 point**  
YoY improvement in Employee Survey Net Promoter Scores

CSX customers avoided  
**12.9 million**  
tons of CO<sub>2</sub> emissions by shipping with rail versus truck

**\$14.9 million**  
in charitable giving

**18,606**  
employee volunteer hours contributed

Offer paid sick leave to our union workforce which represents  
**77%**  
of the total CSX workforce

In partnership with Canadian Pacific Kansas City (CPKC), CSX unveiled  
**the first**  
hydrogen fuel cell locomotive in the U.S.

## Awards and Recognitions

**DEI** BEST PLACE TO WORK FOR DISABILITY INCLUSION 2023  
100 DISABILITY EQUALITY INDEX  
Disability Quality Index | Best Place to Work for Disability Inclusion

**Forbes**  
Forbes | Top 100 U.S. Companies - Sustainability

**USA TODAY**  
AMERICA'S CLIMATE LEADERS 2023  
USA TODAY | America's Climate Leaders 2023

W.F. Thompson Award for Class I Operating Performance for 2023

Member of **Dow Jones Sustainability Indices**  
Powered by the S&P Global CSA  
Dow Jones Sustainability Index | 13th Consecutive Year

**Sustainable1**  
**S&P Global**  
S&P Global 2023 Sustainability Yearbook | Top Performers in ESG

**Chief Executive Patriots in Business Award** for Support of Military Community



Military Times | 2023 Best for Vets Employers



Newsweek | One of America's Greatest Workplaces for Diversity



2024 Military Friendly® Employer | Best for Vets Employers



Newsweek | Most Responsible Companies List



Fortune Magazine | World's Most Admired Companies



Silver Anthem Award | Diversity, Equity & Inclusion: Special Workplace Initiative for Pride in Service



# Commitment to Safety

At CSX, safety is embedded across every aspect of our operations, not just internally for our employees, but also externally for our customers and the communities in which we operate.

In 2023, we significantly improved our safety performance, underscoring our ONE CSX approach to safety teamwork and fostering a culture where everyone looks out for each other's safety. We seek to lead the entire industry toward safer railroads, safer employees and safer communities year-over-year.

## 2023 Highlights

12%

YoY reduction in FRA personal injury rate

Joined the FRA's Confidential Close Call Reporting System (C3Rs)

1%

YoY improvement in train accident rate

Trained more than 6,000

local community first responders

## Our Safety Culture & Approach

All CSX employees, regardless of job function or level, are part of the CSX safety team. By putting health and safety at the center of our day-to-day operations, we strive to foster a safety culture grounded in accountability and well-being.

### Safety Oversight & Management

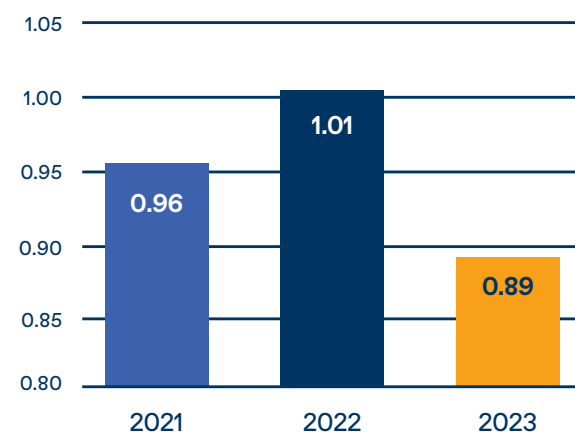
Safety is a top priority at CSX and underpins both our corporate values and our business strategy. Safety is considered a core operations risk under our Enterprise Risk Management (ERM) program. The entire Board has oversight responsibility of safety, which is the first topic discussed at every Board meeting, at which point the Operations leadership team shares an update across overall safety programs and performance at CSX. For example, following the East Palestine, Ohio incident, CSX management provided the Board with a detailed review of the event, including a review of the Company's own relevant operating and safety practices, proactive and reactive actions and responses to previous safety-related events.

### Employee, Operational & Physical Safety

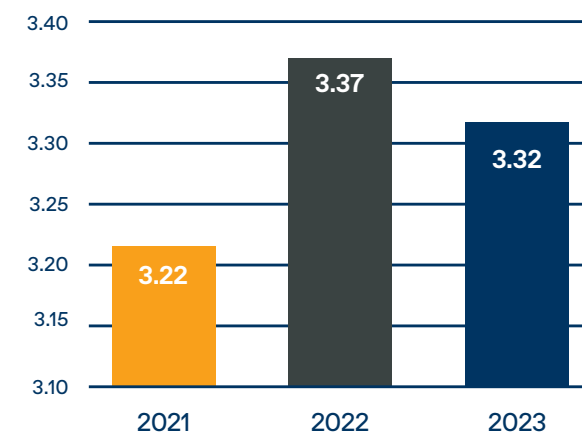
At CSX, we are guided by a policy to ensure the safety of our employees, our customers and the communities we serve, and we work tirelessly to prevent injuries and accidents through education, programming and advocacy at all levels.

These efforts were reflected in our strong performance on recent safety metrics and our approach to applying our ONE CSX values and behaviors across our workforce to benefit collaboration writ large, including toward a safer workforce. Complementing CSX's employee safety reporting programs, in 2023, we joined the FRA's Confidential Close Call Reporting System (C3Rs).

FRA Personal Injury Frequency Index (# per 200,000 man hours)



FRA Train Accident Rate (# Accidents/Million Train Miles)



The improvement in CSX's recent safety results can be attributed to the company's continued investment in infrastructure, technology, training and personnel.

## Our Safety Culture & Approach

Our priority is to create an environment where every CSX team member returns home safely at the end of the day. Despite overall safety improvement at CSX, the past year delivered a sobering reminder of the unforgiving nature of the railroad environment. After two years without an employee workplace fatality, we lost three railroaders in 2023. While their lives cannot be replaced, their memory will have a lasting impact on our company. In response, we undertook several initiatives to reinforce our safety protocols described in detail [here](#).

### Managing Hazardous Goods & Emergency Preparedness

The company prioritizes safety by consistently inspecting hazardous material shipments to protect its employees, communities and customers. This commitment ensures the well-being of all involved parties and maintains the integrity of the freight being transported.

We also conduct yearly comprehensive materials inspections in major rail yards, along with smaller and more frequent yard inspections in collaboration with local CSX hazardous materials managers. Reviews entail meticulous examinations of CSX trains, customer railcars, shipment documentation and employee activity to ensure compliance with the U.S. Department of Transportation regulations on hazardous materials. CSX Hazardous Materials Managers also routinely review yard emergency response plans.

CSX deploys advanced risk assessment technology on an annual basis to determine the shortest and safest routes to transport hazardous goods. Additionally, we have extensive emergency preparedness initiatives in place in collaboration with first responders to ensure the safety of our employees and communities.

## CSX Honors 54 Customers with Annual Chemical Safety Excellence Award

CSX held our 29<sup>th</sup> annual Chemical Safety Excellence Awards in 2023 to recognize 54 customers for their outstanding commitment to the safe transportation of hazardous materials, and who concluded **2022 without any releases caused by controllable factors**, such as splashes and leaks, on the CSX network. Collectively, these customers shipped over **175,000 carloads** of hazardous materials, including biofuels, chemicals, waste and fertilizers across the CSX network.

Among the 54 recipients, seven companies received special acknowledgement for achieving **5, 10 and 15 years** without an accidental release:

**15+ Years:** Occidental Chemical

**10+ Years:** Green Plains, Plains All American and SABIC

**5+ Years:** Crestwood Services, Synagro Rail (EPIC) and Suncor Energy

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







# Investing and Innovating for Safety

Our performance and position as an industry leader in safety and service stem from our investments in core infrastructure. In 2023, we spent \$1.7 billion out of a total \$2.3 billion capital budget on track, bridge and signal projects and on our equipment and detection technology.



## Innovating For Employee Engagement

To better foster idea-sharing and reinforce the belief that good ideas come from every corner of the business, we introduced the InnovationX challenge in early 2023. The challenge invites employees to submit ideas for new uses of technology, process improvement and anything else that sparks an idea that can help improve the company.

The program has been well-received and of the **350 ideas submitted in 2023, we are exploring 13 projects further.** One example is called HUM, a new technology for onboard vibration and thermal sensing for railcars. The device aims to detect temperature fluctuations and vibrations that could be signals of potential malfunctions, and it exemplifies how CSX employees are helping advance our long-term strategic goal of transformation through technology.



### Acoustic Bearing Detectors (“ABDs”)

In 2023, CSX began upgrading these devices that analyze the acoustic signature inside the bearing to help identify potential issues to second-generation technology and assist employees with safety inspections. We currently have 24 ABD units installed.



### Autonomous Track Assessment Cars (ATACs)

ATACs identify track geometry exceptions at higher speeds than traditional inspection cars; 50 percent of CSX’s network is scanned with ATACs each week. Three automated train inspection portals on high-volume main lines were installed to perform 360-degree inspections on moving trains using high-resolution imaging technology and advanced image analysis. We are using ATACs to gather critical data on track conditions and send the data in near real time for assessment and, if necessary, expedited track repair.

## Meet the Fleet: CSX Drones

In 2023, we grew our extensive drone safety program that uses unmanned aerial vehicles to perform a wide range of tasks, including aerial mapping of yards, facility inspection, storm response, accident investigation and law enforcement.

Since starting the program in 2018, the CSX Railroad Police team grew from **8 drones** to **219 drones** and **413 pilots** as of April 2024.



### Hot Bearing Detectors (HBDs)

In 2023, CSX updated HBDs across our rail network, which use infrared sensors to detect overheating in bearings and are more effective at preventing accidents. We installed 66 additional detectors over the course of 2023, ensuring one was placed on average every 14.3 miles along key routes and 14.9 miles along all CSX mainline routes. We actively collaborate with other freight railroads on standards for tracking and analyzing trends in bearing condition to better the industry’s overall knowledge.



### Positive Train Control (PTC)

PTC is a nationwide system aimed at preventing train-to-train collisions and derailments. We upgraded the PTC system in 2023 with next-generation enhancements to the safety on lines that carry passenger trains and certain hazardous materials. Watch a short [video](#) on the upgrades.



### Train Inspection Portal (TIPs)

As of the end of 2023, CSX has installed three TIPs on high-volume main lines to perform inspections on moving trains using high-resolution imaging technology that can help identify issues with trains while in transit.



### IS Network (ISN)

CSX utilizes ISN as a tool to verify qualifications and access for vendors and contractors operating on CSX property. ISN provides visibility into vendor and contractor companies, as well as the employees these companies deploy on our premises. Contractors undergo evaluation based on their qualifications and past safety records. Those receiving a grade of C or lower are required to meet with the department lead responsible for hiring as a group to develop a variance plan.



## Mobile Tablet Updates

### Embracing the ONE CSX Culture and Listening to Conductors & Engineers

In 2023, we began a major upgrade and overhaul of our T&E tablet devices to significantly improve operational efficiency and the employee experience, while ensuring safety resources are always accessible. Most importantly, the tablet devices enhance overall connectivity with employees in the field by providing a platform for feedback, enabling us to gather input and make necessary improvements to better support them and provide an improved user experience.

The upgrade consisted of switching the tablets to iPads and along with that, the development of a centralized portal to house all critical job communications and safety resources in one place—the T&E Portal. The portal enables employees to access key safety documents at all times, whether online or offline, review weekly job assignments, connect to company email, complete trainings and obtain real-time track updates.

CSX recognizes these tablets aren't just an investment in helping employees do their jobs safer and smarter; this upgrade is also a part of work-life balance. Railroaders often spend long stints away from home and their families, and schedules can be unpredictable. Through the tablets, employees have access to their hotel information at their fingertips and, while off-duty, are approved to use their tablets for personal use, such as video calls with family or catching up with the news.

**“The upgraded tablet rollout is all about fostering a unified ONE CSX culture and making a real difference for our field employees.”**



**Roberto Reyes**  
Technical Director,  
CSX Technology



We plan to continue updating, enhancing and integrating applications and tools on the tablets to offer the best possible user experience, drawing heavily on employee feedback to identify pain points and areas for improvement.

These tablets are one example of how we are investing in our employees' well-being and careers. Because when we can show up our best, we can perform our best—for our customers, communities and each other.



## Safety Training

Our priority is to create an environment where every CSX team member returns home safely at the end of the day. We are steadfast in our dedication to safety and will continue to work toward a shared goal of zero incidents. Further, we will continue to train employees to proactively identify risks, initiate action to mitigate those risks and work collaboratively to keep each other safe.

Training is the foundation of the CSX safety culture, and investing in employees is the most fundamental way we can prepare employees for a safe, successful career on the railroad. Some of the training efforts in 2023 included:

- Launching a mentor program connecting new hires with more tenured teammates to reinforce fundamental safety practices from experience
- Extending our new conductor training program to provide new hires with a week of additional hands-on experience prior to beginning on-the-job training (OJT)

Training for craft employees includes a robust classroom and field-based safety training curriculum at our Railroad Education and Development Institute (REDI) that teaches and reinforces safety behaviors and critical operating skills. You can learn more about our extended new conductor training [here](#).

To help further build and fortify a strong safety culture, we have multiple, well-established company initiatives to encourage reporting of safety issues through email, voicemail and web forms.

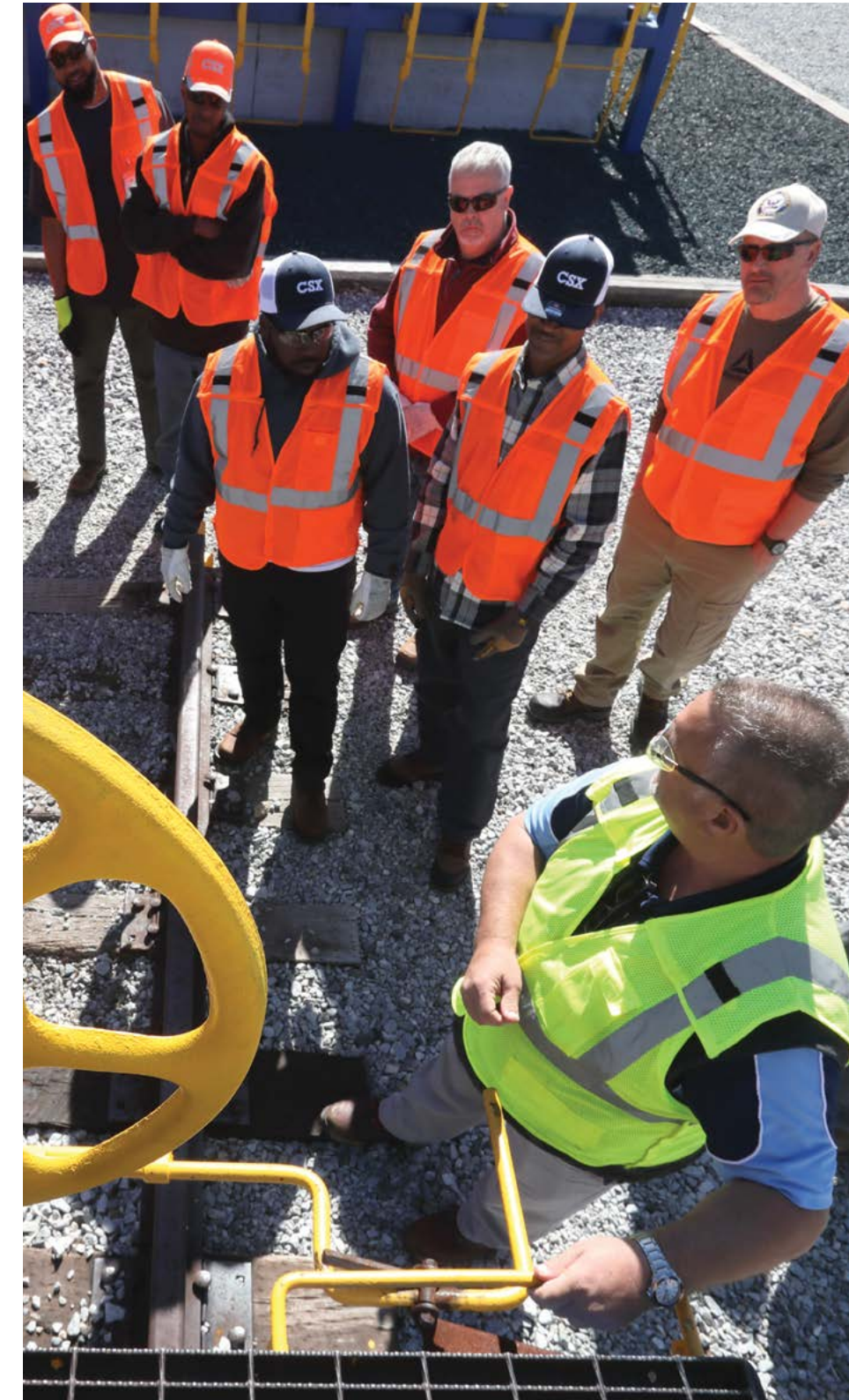
## Five-Week Conductor Training Program

In 2023, we extended CSX’s conductor training program from four to five weeks to provide new hires with additional hands-on experience prior to beginning on-the-job training (OJT).

The additional week of training at the CSX Training Center in Atlanta focuses on performing field tasks like railcar switching, radio communication, securement of equipment, brake tests and other fundamentals of the conductor’s role.

Developed in consultation with the International Association of Sheet Metal, Air, Rail and Transportation Workers — Transportation Division (SMART-TD), the program aims to reinforce the trainees’ skills and comfort levels before new conductors move on to five months of OJT at their hiring location.

In 2023, 3,350 employees were trained, including 1,600 conductors, and more than 900 mechanical and engineering employees.





# Public & Community Safety

As CSX continues to prioritize the safe transport of critical freight across the nation, we are committed to maintaining our focus on proactively taking measures to protect our employees, communities and customers.

The Norfolk Southern derailment in East Palestine, Ohio drew widespread public attention to the safety of the entire rail industry. CSX has been proactive in upgrading wayside defect detection devices and expanding the use of these technologies. CSX also accelerated implementations in response to the safety concerns raised by this high-profile incident.

These efforts are ongoing, and we are confident in our ability to protect the public and reduce derailment incidence through our multifaceted approach.

In 2023, we held over **60 training sessions** covering hazardous materials handling and incident response tactics, informing and preparing first responders, contractors and local government officials on how to best handle potential emergencies

## Responder Incident Training (RIT)

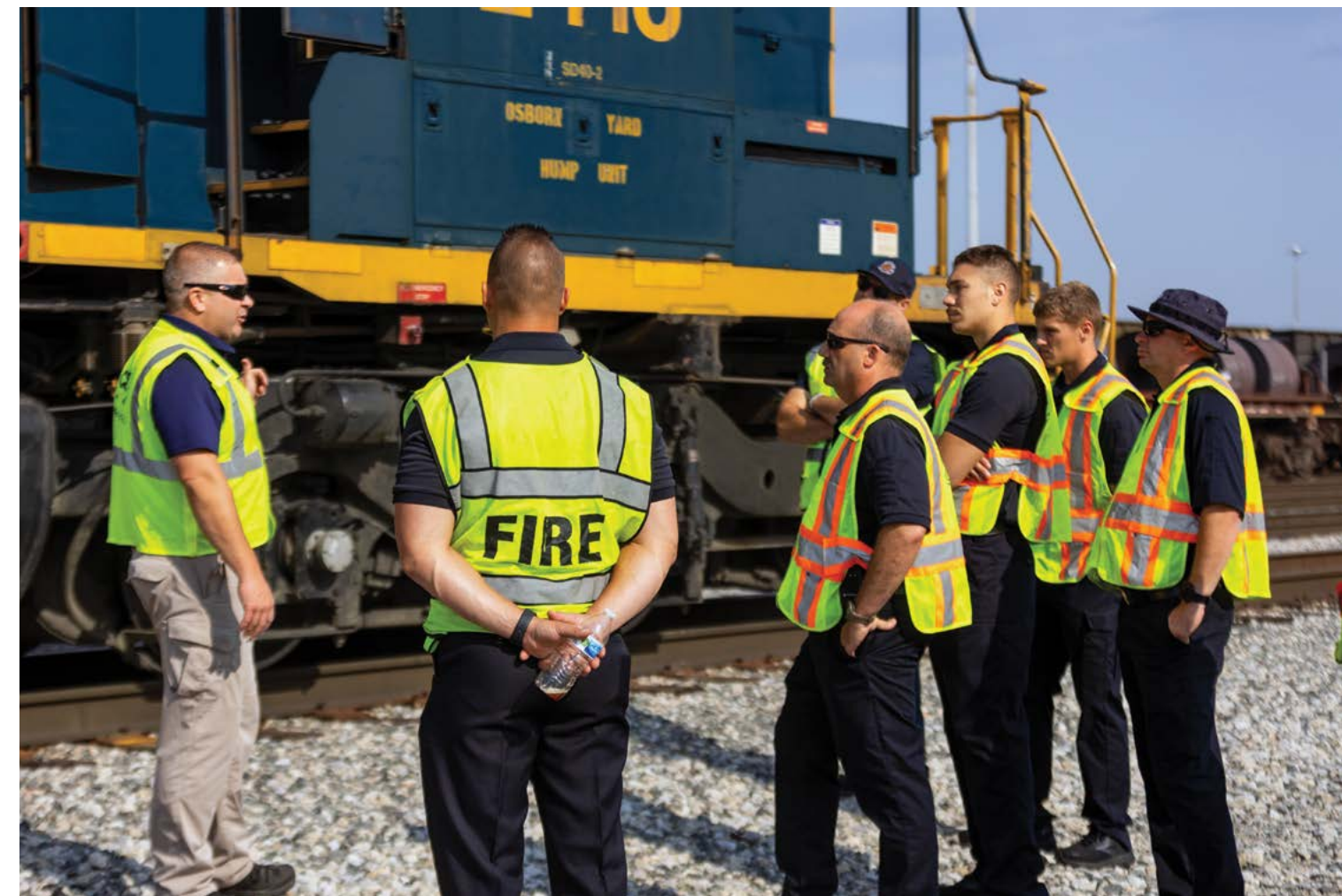
We recognize that rail safety requires a collective effort beyond just training our employees. We collaborate closely with local fire, police, EMS and emergency managers to ensure they are prepared to respond to incidents effectively.

In 2023, our “Responder Incident Training” (RIT) Train traveled across our network to 12 training events to educate first responders on how to prepare for emergencies along the tracks. This innovative program features a state-of-the-art, customized train specifically designed to simulate rail incidents, such as derailment and hazardous material release. First Responders and emergency response contractors attended these RIT train sessions, gaining valuable knowledge and skills for responding to potential rail incidents.

One of the 2023 stops for RIT was in [Toledo, Ohio](#), where local first responders received training, reinforcing the importance of preparedness for the well-being of our employees, customers and neighbors.

With approximately 22,500 crossings throughout our 26-state network, crossing safety is an important aspect of keeping communities safe. That’s where the CSX Police Department’s **Incident Reduction Team (IRT)** comes in. The IRT is a group of special agents who partner with local emergency responders, law enforcement and government regulators to reduce accidents and safety incidents through training and education.

Since establishing IRT in 2022, the group has helped communities across the network to reduce incidents, decrease the time trains are stopped and educate first responders on safe, efficient and effective incident response. In working with the non-profit [Operation Lifesaver](#), the IRT teaches first responders and hosts community outreach events in schools, police departments, fire departments and government agencies.





# Commitment to Customer Service

Across our entire organization, we are critically focused on providing consistent, reliable service to our customers, which has been fueled by our ONE CSX cultural transformation. We believe that our unique combination of a robust operating model and engaged employees who strive for excellence in safety, service and efficiency serves as the foundation of our service performance success.

Similar to our commitments to environmental sustainability and safety, we believe CSX’s own excellence in customer service not only perpetuates our business and growth, but also helps drive the entire industry forward as more customers across the U.S. seek reliable, efficient freight transportation over land. Put simply, moving more freight via rail is good for business, good for customers and good for society.

## 2023 Highlights

CSX customers avoided

# 12.9 million tons

of CO<sub>2</sub> emissions by shipping with rail versus truck

CSX became the only Class I railroad exempt from weekly supplemental STB reporting

Expansion of our groundbreaking industrial site selection program, CSX Select Sites

CSX has continued to lead the rail service industry in 2023, as affirmed by customers and the Surface Transportation Board (STB), which released CSX from the supplemental weekly reporting requirement in May 2023. This is illustrative of the company’s improved service reliability and consistency in meeting performance and labor force targets.

## Our Ongoing Commitment to Customer Service and Innovation

To keep up with customer demand and sustain supply chain fluidity in the wake of COVID-19, we exceeded our hiring goal of 7,000 active train-and-engine employees in early 2023, and over the year, we onboarded more than 1,600 rail conductors.

Beyond expanding our workforce and increasing our customer solutions team to deliver the best-in-class service and interaction that our customers have grown to expect from CSX, we have also extended the reach of the CSX network over the past few years.

We did this through more first and last mile services and, in the U.S. Northeast, more single-line service opportunities, while offering access to new products, markets and regions for our customers. Specifically in 2023, we:

- Invested in the growth of our value-added services, like product transloading and distribution
- Introduced innovative supply chain solutions offering dock-to-dock service
- Reached agreements with other railroads that will create a new direct Canadian Pacific Kansas City (CPKC)-CSX interchange connection in Alabama, which will provide our customers with a new corridor linking Mexico, Texas and the U.S. Southeast





## Innovating Supply Chain Solutions for Industry Adoption:

### Patented ISO-Tanks and Dock-to-Dock Service

In 2023, we expanded the use of ISO-tank equipment through our Quality Carriers business, which provides a fast, efficient connection to our intermodal service for chemicals customers. In early 2024, CSX successfully patented a domestic ISO-tank container designed to optimize performance for North American shippers and increase adoption.

More common in European markets, the domestic, patented version of the 20-foot ISO tanks included specific enhancements to tailor them for optimal domestic use and performance. Modifications were made to ensure U.S. compatibility for fittings and included 50 percent more insulation than standard over-the-road tanks. As of early 2024, over 300 containers have been put into active use across our network with plans to put closer to 700 in service by the end of the year.

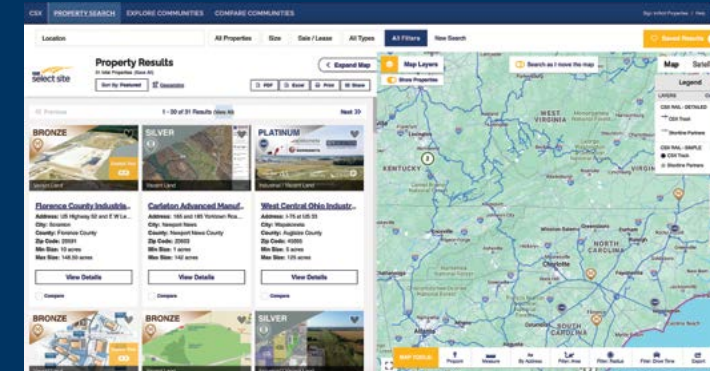
To help adoption while facilitating a better shipping experience as more and more containers are added to the network, we have also added 350 chassis trailers to haul the patented ISO tanks from shipper to rail, offering a complete dock-to-dock service.



## Select Site Program Adopts Sustainability Criteria: Helping Better Develop Growing Companies and Communities

For more than a decade, the CSX Select Site program has helped customers locate prime rail-served locations to develop and design solutions that meet their changing business needs. We continue to expand the program, adding new tools, capabilities and properties to meet this growing demand for rail-served manufacturing sites and further assist our customers in locating properties that best align with their needs and a wide range of development criteria. This year, the program added eight rail-served properties in seven states for a total of 19 properties.

To better assist companies amid increasing competition, in 2023, we introduced four qualification levels—Platinum, Gold, Silver and Bronze—into the tool, allowing users to identify sites that align with their needs. Innovative tools like Lasso and Site Shepherd, provided through a partnership with Global Location Strategies (GLS), facilitate data collection and site evaluation. Moreover, for the first time, the program considers environmental, social and governance (ESG) factors, such as renewable energy, community impacts and brownfield site reuse.



**“The interactive Select Site tool is much more than a searchable property database. It includes comprehensive data and analysis of demographics; workforce characteristics; local and regional business details; wages; consumer spending; and key infrastructure information. The tool provides current and future rail customers with a centralized point of information where they can quickly identify vetted CSX rail-accessible locations to grow and create jobs.”**

**Christina Bottomley**  
Vice President of Business Development and Real Estate





## Processes and Tools Enhancing Customer Service and Results

Providing excellent customer service means investing in the tools and technologies that provide added value and efficiencies, making it as easy as possible for customers to do business with us.

The tools and technologies we implemented in 2023 are positioning our business for continued growth by providing greater operational efficiencies, better service and a seamless customer experience.

### The Intermodal Terminal Reservation System:

Used by over 99 percent of customers, the tool helps to maximize flexibility and fluidity at CSX Intermodal terminals. It also supports our Intermodal Reservation Standby service, which operates similarly to flying standby.

### TRANSFLO:

We continued to make targeted investments in TRANSFLO, a CSX subsidiary that provides transloading services across our network and enables us to reach non-rail-served customers. The service is helping to unlock growth, specifically in new terminals and terminal expansions in markets with high demand and limited capacity.

### Quality Carriers:

We continued the expansion of Quality Carriers multimodal adoption, offering a solution combining railcar, transload and truck transportation into a single seamless bundled product, and new intermodal services, offering a truck-rail-truck solution. The tanks can move easily from trucks to rail, allowing chemical manufacturers to efficiently transport their goods while reducing their carbon footprint.

### ShipCSX:

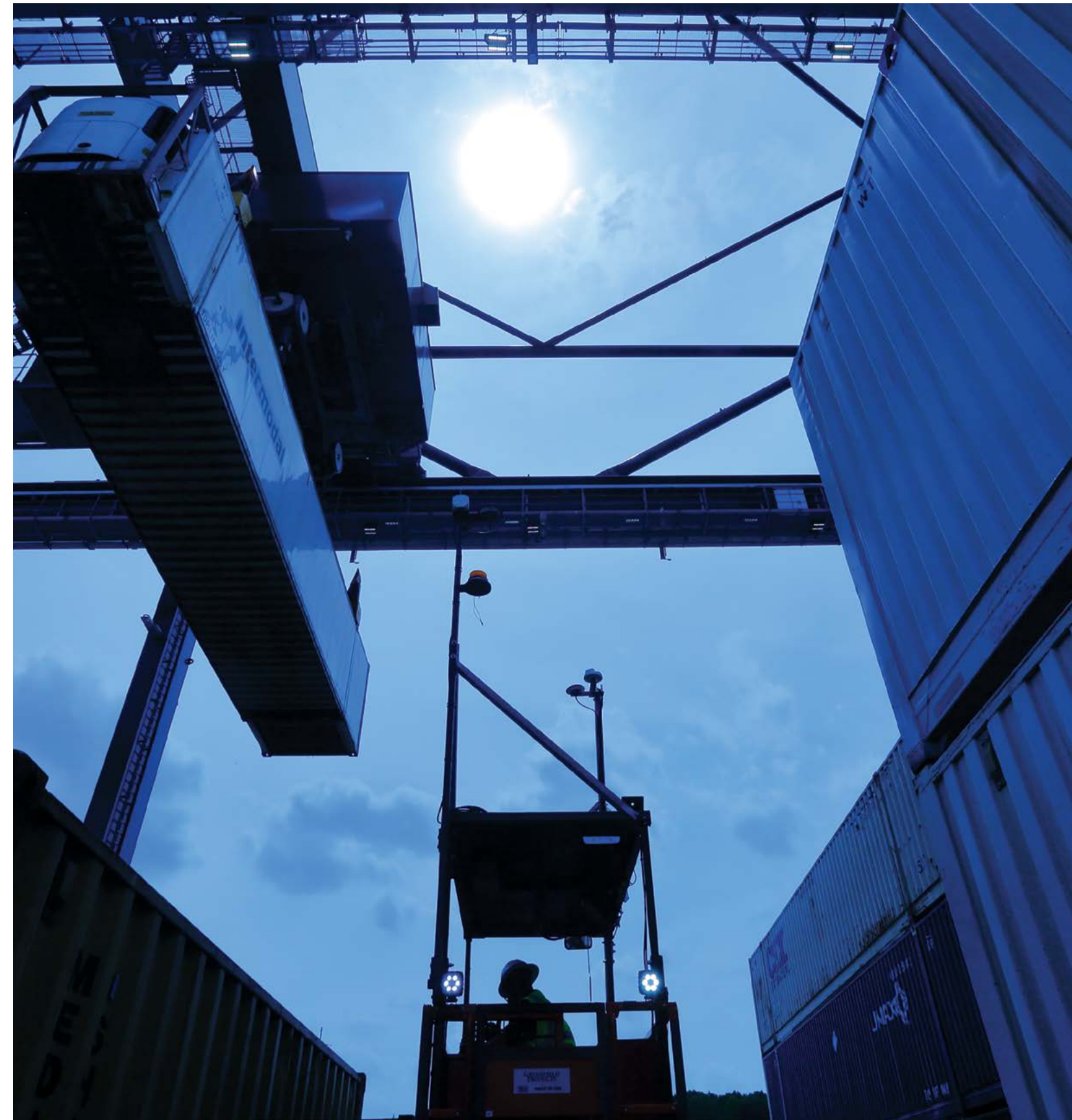
Our multi-year modernization of the [ShipCSX.com](#) website continued in 2023 with an enhanced carbon calculator, so customers can more easily make informed decisions about using rail to reduce emissions.

### ShipCSX Car Order Fulfillment Dashboard:

In 2023, this was designed to allow customers to easily measure empty car order performance, aligning with customer expectations versus railroad expectations alone. This tool was developed as part of the Customer Experience initiative to address the most important feedback from the Merchandising business unit. We are looking to roll out a similar fulfillment tool for auto customers in 2024.

### GPS Tracking:

In 2023, we installed [GPS tags](#) on our railcars and containers to provide customers with more visibility into their freight anywhere on our network. As of 2024, we have equipped 75 percent of the CSX fleet with GPS to better utilize the equipment. The tags also provide customers with information related to open doors, geofencing/load/unload status.





### Improving Efficiencies & Enabling Data-driven Customer Decisions

Our customers are able to make better transport decisions when more data is at their fingertips, whether it's volume capacity of shipments or estimating potential reduced emissions.

To ensure security of our customers' data through these requests, CSX received its SOC2 (System and Organization Controls 2) certification in 2023.

### Helping Customers Meet Their Environmental Goals

The environmental advantage of rail over highway transportation—given that, on average, freight railroads are three to four times more fuel efficient than trucks and produce up to 75 percent fewer GHG emissions—is steadily becoming a significant factor in our customers' supply chain decision-making, especially in light of increasing consumer pressures and anticipated regulatory changes related to emissions and reporting.

CSX understands that customers look for savings—in terms of both shipping costs and, for many, related emissions. We also know our

company and services make us an integral part of our customers' supply chains and, as such, we have a role to play in helping customers meet their environmental and emissions targets.

In 2023, CSX customers avoided emitting **12.9 million tons** of carbon dioxide emissions—the equivalent of taking just over **3 million** passenger vehicles off the road—by shipping with CSX versus truck

For example, in early 2023, we introduced an enhanced carbon emissions reduction calculator that allows customers to see how much they are—or can—reduce their GHG emissions by transporting goods by rail versus truck.



### Nutrien Customer Solutions

In a collaborative effort to enhance efficiency and reduce GHG emissions, [CSX and Nutrien](#) joined forces to streamline operations and reduce congestion at Nutrien's Baltimore warehouse, located within the CSX Curtis Bay coal pier.

Previously, CSX faced congestion issues due to multiple touchpoints for inbound potash and outbound urea cars, particularly during peak fertilizer seasons. To address these challenges, CSX and Nutrien devised a solution that involves cleaning inbound potash cars after unloading, reloading them with outbound urea and using a railcar mover within the site for cleaning, all compensated by CSX, thus minimizing empty car miles and enhancing Nutrien's fleet return-on-investment while balancing traffic flow.

Spearheaded by CSX's Sales and Marketing team, the success of this initiative has prompted both companies to explore similar solutions at other Nutrien sites, demonstrating CSX's commitment to asset utilization and efficiency enhancement.

## 2024 Environmental Customer Excellence Awards

In this third year of the annual awards program, CSX chose winners who have realized significant carbon reduction by embracing the environmental advantages of rail over trucks with a "highway-to-rail" conversion.

A typical CSX freight train can carry the cargo load of 280 trucks and is three to four times more fuel-efficient than highway transportation. Customers who choose rail realize a direct carbon savings.

The 2024 CSX Customer Environmental Excellence Award winners include six companies whose **highway-to-rail conversions** resulted in substantial emissions savings during the previous year. Those companies are:







# Customer Feedback & Engagement

**We are improving by incorporating feedback from our customers, demonstrating we are listening to, understanding and acting on their needs and challenges in order to co-create solutions together. In 2023, to better foster customer engagement and dialogue, we introduced a new commercial training program for commercial leaders.**

To help us better understand how we can deliver an excellent customer experience, we increased touchpoints and communications with customers on a quarterly, if not monthly, basis. Other engagement examples include:

## Art-of-the-Possible Whiteboarding Sessions

We continued to hold these in 2023, expanding to include customers across industries to develop future-oriented ways we can build new solutions to help meet their business goals. These sessions help challenge customers to think differently by helping them conceptualize “the art of the possible” around their shipping needs and compare where they are today versus where they want to be in the future.

## Voice of the Customer Survey

We continued to conduct voice of the customer (VOC) surveys on a quarterly basis to receive feedback on priority topics. Post-survey, customers are sent a new survey to “thumbs up” or “thumbs down” their experience to help inform us on how we can better serve customers.

## Customer Engagement Forum

Bi-annually, we convened with large CSX customers from across a range of sectors to engage firsthand with our executive team and hear from senior leadership on the state of the railroad in an intimate environment.



## CSX Recognized for Industry Performance

CSX was honored with the inaugural W.F. Thompson Award for Class I Operating Performance in 2023, presented by analyst firm Loop Capital, in recognition of our outstanding operational execution.

Rick Paterson, managing director of Loop Capital, commended CSX for its record-high average network train velocity and reduced terminal dwell in 2023, resulting in reliable, on-time delivery of freight for customers, and emerging as the first among the four U.S. Class I railroads to rebound from the 2022 Service Crisis.

CSX’s railroading model has played a critical role in enhancing service quality, while our ongoing cultural transformation under ONE CSX is driving us to new levels of performance. We believe that our culture of collaboration will help us continue to improve our performance metrics in 2024.

[Read More Here](#)



# Our People & Partners

**Our 23,000+ employees are central to serving our customers and the transportation industry. Through collaboration with our customers and communities, our goal is to foster a shared purpose and culture where everyone’s contribution is valued, respected, appreciated and included to embody our ONE CSX approach.**

## 2023 Highlights

### +10 point

YoY improvement in Employee Survey Net Promoter Scores

### 12 Family Days Hosted

to celebrate and recognize our employees

## Strengthening and Sustaining Our Cultural Transformation

ONE CSX is our vision in which we operate as one team and ensure all employees feel valued, included, appreciated, respected and able to contribute to our broader business objectives. Since its introduction in 2022, we have worked to define and educate employees around how to integrate ONE CSX values and behaviors into day-to-day operations and for every CSX employee to make meaningful contributions to our workplace.

We continued to focus on the ONE CSX cultural transformation in 2023. One important part of this transformation is listening to and engaging employees in different ways, including through company-wide surveys. We issued two employee pulse surveys in 2023—one focused on employee trust and the other focused on the employee experience. Survey topics included communication and talent management, trust and business ethics, culture satisfaction and perceptions of CSX as both a company and an employer. President and CEO, Joe Hinrichs, as well as CSX’s leadership team, have made it a priority to read every piece of employee feedback to better understand key areas and actions to guide our work and drive the company’s progress.

Based on the survey results, employee engagement and trust are showing a marked improvement. CEO approval ratings on Glassdoor increased from 30 percent to 72 percent, and CSX Employee Survey Net Promoter Scores improved by 10 points from March 2022 to March 2023. Mr. Hinrichs’ regular, unannounced visits to CSX rail yards, where he informally engages with employees to understand their workplace experiences, has been welcomed and is a critical ingredient contributing to this positive change.

## ONE CSX Action Plan

The survey results have helped shape our ongoing workplace improvement strategies. We identified key pieces of feedback from the aggregate responses, which we grouped under four main objectives. From these objectives, we developed the ONE CSX Action Plan.

ONE CSX ACTION PLAN			
<b>Building skills to change the way we treat each other</b>	<b>Investing in our employees’ well-being and careers</b>	<b>Providing tools and resources that improve the work experience</b>	<b>Breaking down silos to work together more effectively</b>

This Action Plan serves as a company-wide commitment from CSX leadership to employees at all levels, while holding the organization accountable for advancing and fostering the ONE CSX culture. In addition, executive team members developed tailored action plans for their departments based on employee feedback from their unique areas.



# Workforce

ONE CSX is both a call-to-action and an ambition for our culture. In 2023, we continued building a One-Team Workforce in which all employees are empowered to contribute to our broader business objectives.

## Talent Strategy, Management & Oversight

CSX human resources professionals are responsible for policies and practices related to our efforts to build our talent pipeline, identify diverse talent pools and, once onboard, develop and support our talent. In addition, they are responsible for our diversity, equity and inclusion (DEI) strategy and work with our business resource groups (BRGs) and partners to integrate our strategy throughout the organization.

Our dedicated team of human resources professionals ensures the programs and processes we have in place drive results across: talent acquisition; talent management; learning and development; employee relations; DEI; compensation; benefits; and well-being.

## Who We Are

In 2023, we continued to build and sustain a diverse workforce reflective of the communities where we live and work.

In this report, we publicly released our [2023 EEO-1 data](#), providing updated insight into the makeup of our workforce and continued commitment to advancing DEI. Of note,

EEO-1 reported data is an annual federal mandate submitted to the U.S. Equal Employment Opportunity Commission and uses specific job categories that may differ from those in our company's unique organizational structure. We intend to continue to increase transparency around how we are advancing diversity and representation across our organization.

**CSX Workforce Terminology**

**Union Employees:** Employees governed by collective bargaining agreements

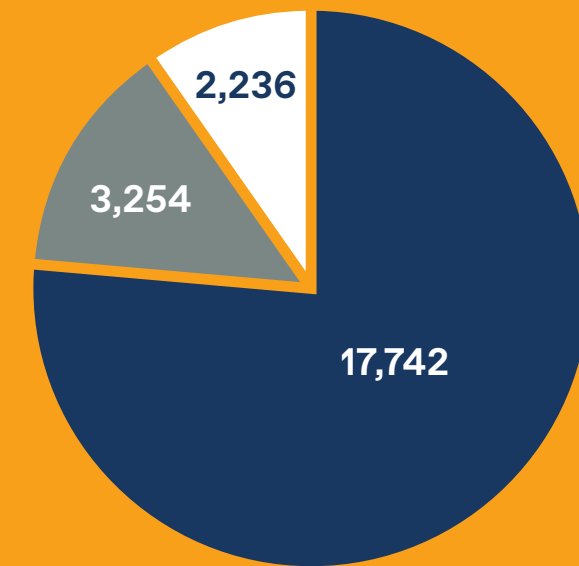
**Management Employees:** Non-union employees; includes full-time and part-time positions

**Leadership:** Management employees with a direct report and/or who are direct heads of departments or above

**Under-Represented:** Employees who identify as female, Black or African American, Native Hawaiian or Pacific Islander, Asian, American Indian or Alaskan Native or two or more races

## Who We Are<sup>3</sup>

As ONE CSX, we gather data on our workforce, including information on race, ethnicity and identity affinities to get a detailed view of who is working for the company year-over-year.



■ Union ■ Management ■ Subsidiary Company Employees

## Under-Represented<sup>4</sup> Employees

- 23% of Total Workforce
- 48% of Management New Hires
- 41% of Union New Hires
- 32% of Management Promotions

## Retention

- 90% Overall Retention Rate
- 84% Under-Represented Retention<sup>5</sup>
- 14 Average Years of Service

## Generations

- 9% Boomers
- 52% Gen X
- 33% Gen Y/Millennials
- 6% Gen Z
- 45 Average Age

## People of Color

- 20% of Total Workforce
- 23% of Management
- 19% of Union

## Female Employees

- 5% of Total Workforce
- 22% of Management
- 2% of Union

## Veteran and Active-Duty Status

- 16% of Total Workforce
- 3,206 Veterans, active-duty military



## Talent Development & Education

In 2023, to deliver on our ONE CSX Action Plan, we continued to embed our company values into our talent management and development processes through communication and training programs.

Whether building leadership skills or mastering new technologies, training and development is integral to our growth strategy. We are committed to giving our employees the resources and opportunities needed to advance their professional development and move their careers forward.

This year, we laid the groundwork for an expanded portfolio of employee training and development opportunities—launched in 2024 as ONE CSX Academy—focused on building the behaviors and skills that strengthen our ability to collaborate and work together more effectively as ONE CSX.

To help employees progress and develop their individual career journeys, we provide collaborative, unified partnerships with colleges and universities that offer a wide variety of degrees and certifications. Our partners include the University of North Florida, Penn State World Campus, University of North Carolina and dozens more.

### Michael McKenzie Wins CSX Moving Forward Scholarship

In 2023, CSX honored Michael McKenzie, a Leadership Development Program participant in the Public Safety department, with the CSX Moving Forward Scholarship.

The Moving Forward Scholarship, offered by Columbia Southern University (CSU), is designed to support CSX employees who are interested in advancing their education as part of their professional development. The scholarship provides coverage for up to 60 semester hours or 36 consecutive months of tuition and can be used to pursue an associate's, bachelor's or master's degree at CSU.

"I was completely shocked when I found out I had received the Moving Forward Scholarship! This is my first scholarship, and it felt amazing. It means a lot to me and my family, as it opens up opportunities for me to grow within my role at CSX. I look forward to leveraging this opportunity to positively impact my family, my community and my ONE CSX team," Michael said.

Michael views this scholarship as a stepping stone towards achieving his goal of becoming a Safety Director. He believes that the educational support provided by CSX will equip him with the necessary tools and skills to be a strong leader and empower those around him.

We will continue to offer new learning and development opportunities to ensure all employees build the skills to work together more effectively in a motivating and productive work environment where all employees have equal opportunities for growth. Examples where progress has continued to be made include:

- **Tuition Reimbursement:** Full-time, active Union and Management employees are eligible to receive education reimbursement assistance annually. In 2023, we expanded our tuition reimbursement program to include certifications and licenses. Full-time, active employees with three months of consecutive service are eligible.
- **Tuition Grants:** We now offer tuition assistance to our full-time employees, which includes discounts on all related college fees, books and the costs of studies for eligible employees.
- **Scholarships:** CSX is committed to assisting employee development through our partnership with various colleges and universities. We are excited to offer our employees opportunities to receive scholarships on an annual basis, which include CSX Moving Forward Scholarship and Colorado Tech Patriot Scholarship.
- **Tuition Discount:** Through Edcor, our education partner, employees have access to dozens of accredited universities and colleges. Several of our university and college partners also offer education discounts to employees and their dependents.
- **In-person and Virtual Training:** Through our employee training and development, we want to show our employees they are valued and give them the possibility to have a successful and fulfilling career. Both our in-person and virtual training focuses on developing and improving employees' skills and knowledge relevant to their roles and responsibilities. In addition to live training events in key markets, we offer a catalog of more than 3,000 courses ranging from public speaking, emotional intelligence, effective leadership, networking and more. Access to tools for selecting and completing elective learning opportunities and required training are available on a centralized learning portal.
- **Team-Building Skills and Engagement:** Our Learning and Talent Development team designs and facilitates custom training programs for departments and teams that focus on building crucial skills, encouraging communication and cultivating stronger team dynamics.



### North Star Training Program

From January to June 2023, CSX implemented its North Star technology training program, designed to transform our supply chain through exceptional digital experiences, cutting-edge solutions and people empowerment. The training will apply North Star themes to everyday work to build out ONE CSX culture.

The program consists of monthly instructor-led training and peer engagement over a six-month period, along with monthly live leadership and skills trainings, an online learning community portal and community engagement. Eighty-five cross-functional employees were assigned to one of six groups which served as cohorts during the six-month program. Training topics included leadership skills, emotional intelligence, communication skills and employee and community engagement.

### ONE CSX Academy

Developed in 2023 for an early 2024 launch, the ONE CSX Academy helps employees build skills and capabilities needed to model our values and behaviors and create a motivating and collaborative work environment.

Academy Courses are designed to be delivered over 15 months and focus on developing skills related to effective communication, self-awareness and personal development, diversity and inclusion and career development. Senior leaders, people leaders and individual contributors in management are required to complete selected training courses; union employees are highly encouraged to participate.

## Performance Management & Development

Our performance management process helps us measure and foster a high-performing workforce that works together to deliver on CSX's business and strategic goals. The performance management process includes effective goal setting, feedback, development and recognition. Through our performance review process, management employees complete an annual self-assessment measuring progress and performance against departmental and company goals. While it is each employee's responsibility for owning his or her professional development, people leaders help support, advise and offer feedback through continuous conversations.



## Engaging with Our Employees

In addition to the rich information we have gathered from our surveys, we are continuing to engage our employees through a number of additional ways, including Family Days, Business Resource Group (BRG) events, community service events, field visits and department-specific activities.

## Meeting Employees Where They Are: ONE CSX Expos Bring Tools and Resources to the Field

Introduced in 2023, ONE CSX Expos are meant to meet CSX employees where they are, whether in the field, at Family Day or after a Town Hall. Designed to better educate and engage with employees, expos are opportunities for departments, vendors, partners, resource groups and other stakeholders to share details on their latest initiatives, programs and events, while engaging with company leaders and learning about the multitude of resources available at CSX.

By engaging with and learning from each other, we become stronger together. We proudly held four ONE CSX Expos in 2023 and plan to continue them into the year ahead.



Additionally, to bolster the communication lines with union employees—who have invaluable insight from their work in the field—we introduced a technology check-in form through which they can submit ideas on tools, processes and technologies that CSX can implement to improve the work experience.

We conducted our latest enterprise-wide employee survey in early 2024 and will provide an update in next year's ESG report. We will continue checking in with employees on an ongoing basis by holding discussions with senior leadership and deploying quarterly pulse surveys to measure progress.

## CSX Family Days Spread Pride and Build Camaraderie



From April to October 2023, we hosted [12 Family Days](#) in which thousands of employees and family members participated across the network. Hosted in rail yards across our network, Family Days give rail workers and their families time back to spend together while celebrating and appreciating their role in moving the freight that fuels the American economy.

The upbeat atmosphere features food, games, mini-train rides, tours, entertainment, petting zoos and more. We plan to continue hosting Family Days in 2024 and bringing the events to locations where employees and their families will have a chance to experience them for the first time.

## Total Rewards & Well-being

At CSX, we are committed to well-being in every facet of life—emotional, financial, physical and social. By providing impactful programs and resources, we support our employees and their families wherever they may be on their personal journey for a healthier life.

We aim to support our employees and their ability to perform their roles to their greatest capacity by providing the resources to improve their emotional, social, physical and financial well-being both in their work and home lives, including:

- **Emotional Well-being:** Opportunities to access behavioral health-related services both in-person and virtually, free access to well-being apps and discounted services and products.
- **Financial Well-being:** Education on how to invest in your financial well-being with planning services, estate planning and identity theft prevention memberships.
- **Social Well-being:** Information on how to enrich your life with courses and travel experiences that promote social connections and personal growth.
- **Physical Well-being:** Ideas on how to prioritize your physical health with gym memberships, exercise equipment, weight loss programs and even personal trainers.

A strong total compensation package is one of the primary ways CSX shows how much we value our employees and their families. It is important to note we started pay equity studies in 2013, and in 2023, we moved to conducting these studies on an annual basis.

At CSX, we believe it is imperative to pay all employees fairly and competitively commensurate with their experience, skills and performance. These studies, done by an external vendor-partner via attorney-client privilege, use multi-modal analysis to determine if statistically significant differences for pay exist based on gender and ethnicity. Because of the strong processes and practices CSX has put into place, including multiple levels of review and established guidelines for off-cycle and annual salary adjustments.

We understand that there is no one-size-fits-all approach to health and well-being. We work to meet the diverse needs of our employees where they are in their life journey through tailored tools, resources and support programs.

In May 2023, the CSX Total Rewards team met with CSX BRG leaders to hear feedback on management health benefits and policies to ensure benefits were comprehensive and meeting diverse management employees' and their families' needs. Based on employee feedback, we have introduced new benefits for 2024, including those below. A full summary of elective benefits is available on the [Benefits Summary](#) page of our website.

- Increased paid parental leave from six to eight weeks for all types of parental leave
- Expanded Medical Leaves of Absence to more clearly define support and coverage for behavioral health concerns
- Expanded bereavement leave policy to empower employees on their definition of “family”
- Vacation policy updated to allow employees to rollover five vacation days per year
- Fertility program expanded to include donor tissue
- Services added to support perimenopause and menopause

## Well-being Reimbursement Account

In 2023, active full-time U.S. management employees became able to voluntarily participate in a CSX-funded Well-being Reimbursement Account (WRA). The WRA provides annual reimbursement of up to \$600 for a range of emotional, financial, social and physical support services.

To acknowledge the ongoing hard work and efforts of our employees, we have several programs that recognize and celebrate the contributions of our workforce, including initiatives rolled out during the first half of 2024.

Recognition Programs	Description
<b>Honoring the Miles</b>	Recognition of an employee’s CSX years of service or retirement
<b>ONE CSX Teammate Award</b>	Peer-to-peer recognition that acknowledges the daily contributions of employees
<b>ONE CSX Prestige Award</b>	Annual recognition of significant team contributions to the organization
<b>Top Spot Award</b>	Reserved parking spots at Headquarters for one month for employees who demonstrate excellence in their work
<b>Accelerate Recognition Program</b>	An intranet channel that allows employees to recognize their colleagues’ contributions in making CSX better

### Diversity, Equity & Inclusion

DEI has been a CSX priority that has continued to evolve over time. Our ONE CSX values and behaviors reinforce the important elements of our DEI approach, from “reaching across teams to drive progress” to “respecting and learning from diverse perspectives.” We have continued on our journey to evolve our commitment, mission and actions related to advancing DEI across the company.



### The CSX Collective

In 2023, we introduced *The CSX Collective*, a quarterly internal newsletter dedicated to celebrating the diverse, inclusive collection of people, partners and programs that make up ONE CSX. The newsletter is also a forum through which we provide our employees with the information and tools to promote an environment of transparency through sharing data, highlighting diversity trends and amplifying the contributions of employees.



We remain firmly committed to creating an inclusive workplace that taps into and appreciates the valuable perspectives and ideas that come from a workforce with a wide range of backgrounds, experiences and abilities. We continue to demonstrate our commitment to attract and support employees with disabilities and help veterans transition to the civilian workforce.





## A Workplace Recognized for Inclusion

This year, CSX has been recognized as one of the “Best Places to Work for Disability Inclusion” by Disability:IN for the fifth year in a row and received a perfect score on the DEI comprehensive benchmarking tool for the second year in a row. CSX is proud of the work that we have done to date and will continue to ensure our workplace is inclusive for our employees with physical and intellectual disabilities.

To further commit to advancing equality and inclusion efforts within CSX’s own business and advocate for disability inclusion by proving its positive impact on business performance, CSX President and CEO Joe Hinrichs signed the CEO Letter on Disability Inclusion.

“I believe that signing the Disability:IN CEO letter is an important public recognition of the great work that people with disabilities are performing every day at CSX and at thousands of other companies across America. By highlighting our dedication to disability advocacy, we are reinforcing our strong belief that diversity, equity and inclusion are fundamental to innovation and informed decision-making. I invite other CEOs to join me in affirming their commitment to hiring and supporting employees with disabilities as a driver of business success.”

**Joe Hinrichs**  
President and CEO



## CSX Earns Women’s Choice Award as ‘Best Company to Work For’

CSX received a 2023 Women’s Choice Award as a ‘Best Company to Work For’ based on female representation in the workforce, work-life balance and support networks amongst other factors. In addition to being selected as a Best Company for Women overall, CSX earned recognition as a top choice for multicultural and millennial women.

CSX was also named one of America’s Greatest Workplaces for Diversity by *Newsweek Magazine* in recognition of how we embrace diversity, equity and inclusion as fundamental to business values and our ONE CSX values.



# Business Resource Groups (BRGs)

We are grateful for the many contributions of our Business Resource Groups (BRGs) in 2023, as their efforts and events were instrumental in providing CSX employees the opportunity to engage with a variety of programming that educates, entertains and supports different causes and communities.

**BRGs held 60+ events in 2023**

**ABLE Disability Inclusion Group (ABLE):**

Supports individuals with visible and invisible disabilities and fosters a community of inclusion across our network. The group raises awareness by supporting mission-driven organizations like the Special Olympics through a collective walk/run with in its Race for Inclusion.

**Hispanic Origin/Latin American (HOLA):**

Inspires and empowers Hispanic and Latino employees to achieve their goals by fostering inclusion and cultural awareness at CSX. In 2023, the HOLA Business Resource Group at CSX celebrated National Hispanic American Heritage Month in a series of events featuring food, dancing and art. Employees also engaged in a conversation with CSX Board Member Donna Alvarado, who shared her insights on leadership and community, and a professional development session titled "Amplify Your Influence," featuring a panel discussion on leadership and communication strategies.

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

Strives to build a strong Asian community within CSX. During Asian American, Native Hawaiian and Pacific Islander (AANHPI) Heritage Month in 2023, APEX celebrated and highlighted AANHPI culture through various events, including a session with Dr. Tes Tuason, a University of Florida professor, who shared insights on the challenges and successes of Asian immigrants. Embracing this year's national theme, "Advancing Leaders through Opportunity," APEX hosted forums with company leaders to discuss their career journeys and provide growth advice.

APEX also emphasized community service by participating in a Habijax volunteer event, where members helped build a safe and affordable home for a local family. The month concluded with a Cultural Showcase, offering CSX coworkers an opportunity to experience vibrant Asian American and Pacific Islander cultural expressions.

**PRIDE:**

Focuses on advocacy, education, policy and community outreach in support of the LGBTQ+ community. In 2023, the BRG hosted Rene Cantu, Business Outreach Manager and Mason Manion, NE Florida Development Leader with Equality Florida, who spoke about equality in the workplace and creating an environment where everyone feels valued, respected and heard, so employees are able to bring their whole selves to work.

**Military Business Resource Group:**

Committed to honoring and supporting our nation's veterans, active-duty military and their families. In 2023, 160 CSX employees participated in the sixth annual Carry Forward 5K, as part of Pride in Service, demonstrating its strong support for our nation's veterans and raising \$74,000 for the Wounded Warrior Project's vital veteran-focused programs. The strong turnout and significant fundraising success underscore the dedication of CSX employees to supporting those who have served our nation.

**STEAM:**

Promotes diversity by removing barriers, supporting STEAM-related community programs and fostering ideas through education and development. CSX STEAM hosted its annual Innovation Series in August 2023, featuring in-person and virtual events that highlighted the company's latest advancements, including the InnovationX initiative, discussions on operational automation and insights from Microsoft's Leslie Connolly on generative AI and its business applications.

**Women's Business Resource Group:**

Actively helps talent retention and development by fostering supportive professional relationships among women at CSX. The Women's Business Resource Group (BRG) celebrated Women's History Month with a series of events focusing on volunteerism, education, philanthropy and engagement, encompassing topics such as women's safety, self-defense, supporting human trafficking survivors and equality.

**African American Inclusion Group:**

Focuses on creating a culture that embraces inclusion and promotes African American representation at CSX. For over 20 years, CSX has partnered with the MaliVai Washington Youth Foundation (MWYF) to support students' growth and potential. In collaboration with AAIG, CSX donated eight pallets of cleaning and office supplies in 2023, collected from various locations and delivered to MWYF in Jacksonville, ensuring classrooms are well-equipped for students to succeed in their programs and summer camps.

AAIG leadership also participated in the MWYF career fair and provided support during annual scholarship interviews. This year, MWYF awarded a record \$100,500 in scholarships, benefiting over 70 students in their academic pursuits.



## 2023 Business Resource Group (BRG) Award Winners

Annually, CSX recognizes the extraordinary achievements of our BRGs, acknowledging their pivotal role in advancing the culture of our organization. We are proud to honor three individuals who demonstrated positive and supportive attitudes, exemplified CSX values and behaviors and helped drive an inclusive ONE CSX culture in 2023 through this year's BRG awards.

### Leaders of the Year

### Member of the Year



**Sanjin Bilagic**  
*Accounts Receivable Manager  
(STEAM BRG)*



**Jenica Gerales**  
*Systems Engineer I  
(APEX BRG)*



**Virginia Hoover**  
*Senior Director of Product  
Engineering (Women's BRG)*



## Hiring for Growth

We recognize that our success is closely linked to our ability to attract and retain talented individuals who are committed to contributing to and helping us advance our strategic goals. We seek to attract employees through direct recruitment efforts as well as through collaboration with a wide array of partners, from local community organizations where we operate including historically Black colleges and universities (HBCUs) and Hispanic serving institutions (HSIs) to national organizations such as G.I. Jobs.

In 2023, we incorporated a DEI and veteran commitment statement into all job postings to prioritize upskilling and accessibility. We are going out into the community and attending more recruiting events to support veterans and employees exploring new careers. We have expanded our Leadership Development and Intern programs across all functional areas to build a strong pipeline of future talent. CSX CEO Joe Hinrichs and several CSX senior leaders hosted participants in these two programs on an executive train ride to Waycross, GA. Along the way, they discussed the importance of working together, asking questions and continuing to learn while on the job.

To best support employees who want to explore other roles or opportunities at CSX, we have updated our Promotion and Internal Movement policy.

**In 2023, we introduced a new women’s leadership development program, OnTRACK 24: Here SHE Grows, which focuses on building up women in their professional careers while fostering a broader sense of community and personal growth.**

**Over twelve months, participants will attend six large group sessions on topics including network building, personal branding and work-life integration techniques. On alternating months, breakout groups called “Connection Circles” will discuss the past month’s topic and offer a forum for mentorship in which female heads of a department or above mentor women directors and senior directors.**





# Labor Relations

**After making significant strides in labor relations in our industry last year, CSX is proud to renew our engagement with our labor organizations and employees through collective bargaining agreements. Through ONE CSX, we prioritized understanding what is important to our employees and addressing their quality of life. Our goal is to set an industry-leading example by working together with employees to find mutually beneficial solutions to challenges that become best practices for peers.**

## 2023 Highlights

Implemented a Corrective Action Policy, which replaces disciplinary suspension with timely notification and behavior correction through coaching

Reached a new labor agreement to offer paid sick leave to our union workforce (which represents

**77%**

of the total CSX workforce)

Eliminated the traditional on-call scheduling system and implemented schedules that notify employees exactly when they need to arrive on site

## Management Overview

Our Labor Relations team engages with 15 labor organizations and manages 44 collective bargaining agreements, which encompasses a range of crafts and around 17,700 employees, representing over 75 percent of our workforce. CSX Labor Relations is responsible for handling grievances and claims from employees and unions; negotiating new collective agreements or update existing ones; collaborating with labor organizations to meet operational requirements and overseeing key employee relations policies such as disciplinary and attendance policies.

Building on its 2022 introduction of a non-disciplinary and non-punitive corrective action policy, in early 2023, CSX implemented a new attendance policy for craft employees that exempts documented absences for illness, injury and scheduled medical care appointments from accountability and potential discipline. These concrete improvements in core workforce policies demonstrates CSX's respect, value and appreciation of its frontline employees.

## Addressing Quality of Life Issues

The ONE CSX cultural transformation emphasizes improving communication and acknowledging the crucial role of our frontline employees in adding value for our customers and shareholders. As part of this effort, we aim to improve our already strong relationships with CSX's unionized workforce and offer opportunities for closer collaboration on solutions that enhance their welfare and well-being.

In the past year, we continued our collaborative efforts with all our union partners to develop solutions that enhance our employees' quality of life to enable them to deliver the best service to our customers.

By the end of 2023, we reached new labor agreements to offer paid sick leave to approximately 77 percent of our frontline railroad workers, reinforcing our dedication to listening to our employees and working with their representatives to find solutions.

We also laid the groundwork for further agreements with four additional labor groups to provide paid sick leave benefits finalized in 2024, extending coverage to more than 600 employees represented by SMART-TD Conductors/Trainmen (C&O), SMART-TD Yardmasters, International Brotherhood of Boilermakers and Carrolton Road-Transportation Communications Union-represented Engineers/ Yardmen/Maintenance of Way. These agreements demonstrate CSX's ongoing commitment to improving the work experience for our employees and are a direct result of our strong, collaborative relationships with labor organizations.

In addition to working with labor organizations, we made operational changes to add flexibility and predictability to our train crews' schedules to further improve their quality of life. By providing additional time off, crew members have more flexibility to utilize their personal time for doctors' appointments or spend time with family.

We also implemented assignment schedules that notify our employees exactly when they need to arrive on site, which has increased the predictability of their work schedule compared to the traditional on-call system.



# Supply Chain & Economic Growth

As a pivotal player in keeping supply chains moving across North America, we understand the importance of not just offering solutions and innovations that make it easier to ship with CSX, but making our freight services a part of our customers’ supply chains. To do this, we work across our industry and through our own value chain to reduce transportation-related carbon emissions, enhance the resiliency of our supply chain and ultimately benefit the environment.

## 2023 Highlights

Engaged  
**63 suppliers**  
representing over  
**75%**  
of spend for purchased goods and services in CDP’s Supply Chain program

YoY participation increased by  
**10**  
percentage points  
(from 38% to 48% in 2023)

## Managing Responsible Sourcing

In 2023, customers increasingly look to our rail-based supply chain solutions to help reduce their carbon footprint and achieve their sustainability objectives, leading to the successful transport of 6.1 million units of freight across the country.

The objective of [CSX’s Procurement Department](#) is to procure the materials, supplies and services needed to support network operations. Suppliers are awarded based on four factors:

- Quality and workmanship of materials
- Service that meets the needs of CSX
- Fair prices, efficient operations, sound engineering and research
- Ability to provide materials and services in the required timeframe

## Responsible Sourcing & Supply Chain Engagement

Our suppliers are an extension of our company and expected to adhere to our [Code of Ethics](#) and standards of business conduct. We require all subcontractors and suppliers that work on CSX property to participate in an annual ISN questionnaire, FRA Training, and CSX-specific health, safety and environmental training.

CSX actively participates in [CDP’s Supply Chain](#) program to engage suppliers, improve the sustainability of our operations and reduce the carbon footprint of our value chain. We request our Tier 1 suppliers to report environmental data to CDP, including the proportion of their GHG emissions that they can attribute to business with CSX, and work closely with them to ensure they have the proper resources and guidance to provide these disclosures. We also request our Tier 1 suppliers provide us with details on their company-wide sustainable practices and carbon reduction strategies.

In 2023, we identified 63 suppliers representing 75 percent of total spend and engaged them to better glean insight into their emissions reduction goals and ESG initiatives. CSX and CDP held a supplier training to review best practices and priorities for reporting data. In 2024, we are planning to more than double our supplier engagement requests using CDP Supply Chain and host webinars to educate suppliers about CSX’s own environmental goals.





## Supplier Diversity

Through our [Diverse Supplier Procurement Program](#), we work to strengthen supplier relationships with small businesses, as well as disability-owned, veteran-owned, women-owned, LGBTQ+-owned and minority-owned businesses.

While we do not award suppliers based on preferences that would result in unfair competitive advantages over others, we are committed to actively seeking and engaging diverse suppliers to compete for opportunities to support CSX. In 2023, we proudly worked with over 177 diverse suppliers representing approximately \$215 million in spend.

	2021	2022	2023
<b>Total Procurement Spend</b>	<b>\$3.5 billion</b>	<b>\$4.6 billion</b>	<b>\$ 4.8 billion</b>
<b>Number of Suppliers</b>	<b>3,440</b>	<b>3,487</b>	<b>3,749</b>
<b>Total Diverse Supplier Spend (Includes Tier 2)</b>	<b>\$327 million</b>	<b>\$333 million</b>	<b>\$215 million</b>
<b>Total Number of Diverse Suppliers</b>	<b>157</b>	<b>153</b>	<b>177</b>

### Driving Local Economic Opportunity

As we look to expand engagements with our supply chain, we are also looking for opportunities to partner with customers and urban territories to strengthen our communities. In 2023, we continued to drive local-level economic growth and opportunity through our community investments and infrastructure projects.

Our network connects every major metropolitan area in the eastern United States, where nearly two-thirds of the nation's population resides.

For additional information on our state-level operations, investments and impacts, please view our state fact sheets [here](#)

The following table shows CSX's state-by-state presence in terms of employees, track miles and capital investments for 2023.

State	Track Miles 2023	System Capital Investments
Alabama	1,472	\$144,232,825
Connecticut	215	\$939,831
Delaware	127	\$890,534
District of Columbia	68	\$5,093,008
Florida	2,354	\$227,076,154
Georgia	2,600	\$223,422,831
Illinois	1,164	\$75,638,086
Indiana	2,419	\$74,657,003
Kentucky	2,790	\$83,307,694
Louisiana	136	\$32,167,455
Maine	481	\$60,732,861
Maryland	1,338	\$51,463,523
Massachusetts	551	\$72,160,477
Michigan	1,113	\$16,988,086
Mississippi	130	\$5,551,516
New Hampshire	93	\$10,485,204
New Jersey	978	\$11,151,249
New York	2,545	\$93,264,049
North Carolina	1,699	\$62,107,254
Ohio	3,886	\$135,035,872
Ontario (Canada)	48	\$28,190
Pennsylvania	2,005	\$57,827,987
South Carolina	1,760	\$84,873,892
Tennessee	1,526	\$122,976,472
Vermont	20	
Virginia	1,979	\$67,992,532
West Virginia	1,933	\$107,178,212
Quebec	59	\$10,982,850



# Social & Community Impact

Serving our community is fundamental to our identity, and our dedication to people goes beyond just our employees. Service drives every decision we make, whether it's for our customers, employees or communities. This commitment is embodied in our ONE CSX value that focuses on strengthening our community.

## 2023 Highlights

**\$14.9 million**  
in charitable giving

**\$456,839**  
in employee donations

**948**  
communities impacted

**18,606**  
employee volunteer hours  
contributed

**423**  
grants distributed

## Pride in Service

CSX Pride in Service (CPIS) is our company-wide commitment to honor and serve those who serve our country and our communities—our nation’s veterans, military and first responders and their families. Service is embedded in our culture and our business. Since launching CPIS on Veterans Day in 2018, CSX and our dedicated nonprofit partners, employees and local community members have been honored to “serve those who serve.”

## 2023 CPIS Highlights

The year 2023 marked the  
**five-year anniversary**  
of Pride in Service

Through the Wounded Warrior Project,  
**62 warriors**  
completed the training and received their  
FAA Drone Piloting Certification

CSX was named a  
**silver winner**  
in the 3rd Annual Anthem Awards in the  
Diversity, Equity and Inclusion Special  
Workplace Initiative category for  
Pride in Service







## Serving Those Who Serve

Through Pride in Service, CSX makes connections across the entire life cycle of our beneficiary audiences—from children, spouses and families of our military and first responders to deployed troops to current law enforcement officers and firefighters to veterans and wounded warriors—delivering unique impact for each group at both the national and local levels.

We are proud of our collaborative efforts to connect service members and their loved ones with the resources they need, when and where they need it most.

Nearly 1 in 5 CSX employees have served in the military

Our signature partners represent several of the nation's leading veteran, military family and first responder organizations, all of which are key in helping address the unique needs within the service community.

### Blue Star Families



CSX provides critical funding for Blue Star Families chapters in nine markets (Baltimore, New England, Chicago, Dayton, Jacksonville, Tampa, Tennessee, New York Tri-State Area and Washington, D.C.) and supports two of their research initiatives—the Military Family Lifestyle Survey and the Campaign for Inclusion.

### First Responders Children's Foundation



With First Responders Children's Foundation, we provide critical financial assistance to first responder families, industry grants to local fire and police departments and scholarships for children who have lost a parent in the line of duty. Together, we also support positive opportunities for local

youth to engage with local law enforcement through annual toy distributions in the summer and at the holidays.

### Operation Gratitude



With Operation Gratitude, CSX is on a mission to thank every service man and woman in this country and deployed overseas. We co-host assembly days that bring together employees and community members for hands-on volunteerism by packing individually addressed Care Packages for active military members, their children and first responders.

### Operation Homefront



Operation Homefront allows CSX to reach communities across its 26-state service territory through financial grants that help military families make ends meet. In addition, CSX sponsors select community events in key markets such as Star-Spangled Baby Showers and Back to School Brigades.

### Wounded Warrior Project

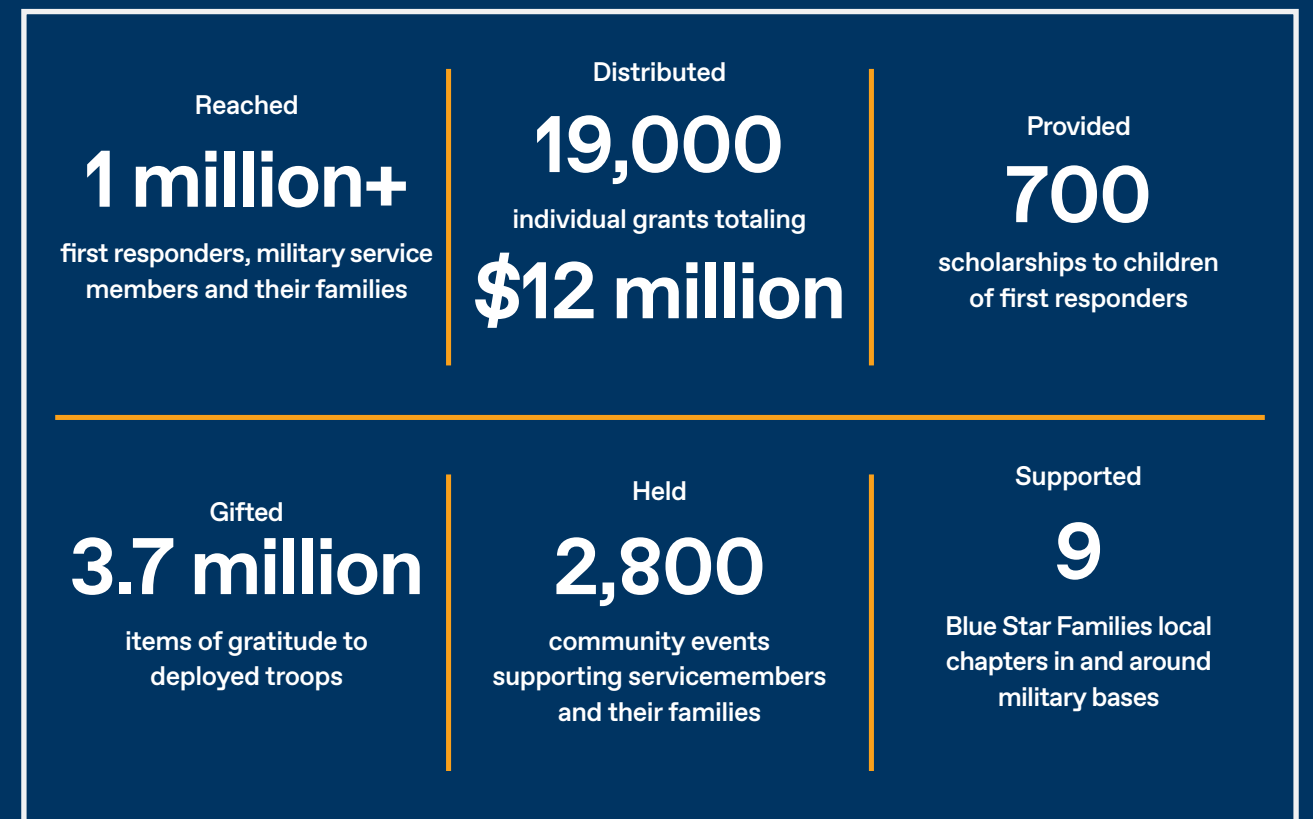


With the Wounded Warrior Project, we support workforce development for veterans transitioning to the civilian workforce as well as social, emotional and mental health and financial assistance for warriors. Together, we also stand shoulder-to-shoulder with veterans at the annual Carry Forward 5K event to raise funds and awareness for the cause.

In addition to the five signature Pride in Service partners, CSX also works closely with [American Corporate Partners](#) to mentor military members who are returning home and transitioning into the civilian workforce. CSX partnered with [Habitat for Humanity](#)'s local Jacksonville chapter to help build new houses for young military and veteran families in the local area.

## Celebrating Five Years of Pride in Service

The year 2023 marked the five-year anniversary of Pride in Service, our company-wide commitment to honor and serve those who serve our country and our communities—our nation's veterans, military and first responders. Since its inception, the program has reached 50 states, 40 countries and all seven seas with its impact.



[Learn more in our impact infographic](#)



We have continued to deepen our focus across the priority needs facing service members. In 2023, we amplified our custom programs and outreach activities that advanced these issues for service members:

### Bridging Community Divides

CSX takes pride in celebrating the essential partnership between communities and law enforcement, fostering safer and more compassionate neighborhoods. Through our CSX Pride in Service initiative, CSX Police officers collaborated with the First Responders Children's Foundation during National Night Out, where they connected with neighbors across our network, distributing toys, engaging in meaningful conversations and sharing critical safety information.



[Watch a video on the 2023 CSX National Night Out here](#)

### Mental, Social & Emotional Health

#### CSX Employees Support First Responders in Massachusetts

CSX joined forces with Operation Gratitude to show our appreciation to first responders in Massachusetts. As part of the CSX Pride in Service community investment initiative, the ONE CSX team assembled 2,500 care packages for local law enforcement officers, firefighters and emergency medical technicians, thanking them for their daily dedication to community safety. Since 2018, CSX and [Operation Gratitude](#) have collaborated on team-building volunteer activities, both in-person and virtually, to support those in need.



[Check out Operation Gratitude Care Package Assembly Day in Lowell, MA here](#)

#### Supporting Military Members in Kearny, New Jersey

The ONE CSX team in Kearny, New Jersey, partnered with Operation Gratitude to assemble 2,500 care packages for military members worldwide to make a meaningful impact on the lives of those who protect and serve our nation. Through CSX Pride in Service events like this, CSX encourages employees and community members to engage in acts of gratitude that offer moral support to military families and deployed troops globally.



[Check out Operation Gratitude Care Package Assembly Day in Kearny, NJ here](#)

### Financial & Food Insecurity

CSX and Quality Carriers employees joined the Blue Star Families' Nourish the Service event in Tampa, Florida, where over 400 military families received food care packages and personal care items. This initiative is part of the CSX Pride in Service program, which provides crucial support to military members and their families and ensures their well-being both domestically and internationally.

#### Operation Homefront Back to School Brigade – Baltimore, Maryland

CSX and Operation Homefront hosted Back to School Brigade at the Baltimore & Ohio Railroad Museum for families from various military installations in the Baltimore area. During the event, military families received backpacks filled with school supplies, assembled by CSX employees and also enjoyed riding rail equipment and exploring the museum's historic exhibits.



[Watch the video for Operation Homefront Back to School Brigade here](#)

### Workforce Development

CSX collaborated with the Wounded Warrior Project to equip military veterans with the necessary resources and training to obtain certification as drone pilots. Twenty warriors engaged in a 10-week, hands-on session alongside CSX employees, tailored to aid their transition into post-military careers.






[Watch Wounded Warrior Project Drone Training Program in Jacksonville, FL here](#)



## Rooting Rail in the Future of Our Communities

In addition to the pride CSX takes in serving those who serve, CSX also takes great pride in serving our communities. This notion of service truly extends from CSX’s customers to their employees to the communities where CSX operates, including in Jacksonville—home of its headquarters. This means supporting select, high-profile community infrastructure, revitalization and innovation projects, investing in the next generation in areas where employees live, work and serve.

		
<p>CSX announced a \$10 million donation to the <a href="#">University of Florida</a> to support a future graduate center in downtown Jacksonville.</p>	<p>CSX donated \$1 million to the <a href="#">Jacksonville Zoo and Gardens</a> to support the construction of a new CSX bicentennial train station.</p>	<p>CSX announced a \$5 million investment in the <a href="#">Baltimore and Ohio Railroad Museum</a> in Baltimore, Maryland, the birthplace of American railroads, and also \$10 million for museum preservation and a bicentennial celebration in the lead-up to both organizations’ 200th anniversary.</p> <p>Additionally, CEO Joe Hinrichs was named to <a href="#">chair the Museum’s campaign</a> to transform its campus in preparation for the anniversary in 2027.</p>

**“As corporate leaders, we must lead in a way that makes things better for those who come after us and those in our communities. When we’re able to do that in a positive and meaningful manner, we become more sustainable as a company.”**



**Art Mayo**  
Vice President of Mechanical

**“In true ONE CSX fashion, and in the spirit of unity, I’m proud to say that each and every one of CSX’s Vice Presidents are members of the United Way of [Northeast Florida’s Tocqueville Society](#).”**



**Diana Sorfleet**  
Executive Vice President and Chief Administrative Officer

## The CSX Drone Training Program in partnership with Wounded Warrior Project (WWP)

In light of increasing job demand and broader usage of the technology in the transportation industry, CSX and partner WWP conceived the Drone Training Program, which provides veterans with training to become certified FAA drone pilots. WWP has found strong skills transfer among veterans in drone piloting and by 2025, the Association for Unmanned Vehicle Systems International estimates there will be more than 100,000 new drone pilot jobs. The program provides an immersive look at drone usage and hands-on experience in a CSX rail yard, helping to build transferable skills that will help achieve new and meaningful employment opportunities.

In 2023, 62 warriors completed the training and received their FAA Drone Piloting Certification, with a few securing employment shortly after the program concluded. This program is part of a broader Warriors to Work partnership between CSX and WWP—since inception, over a dozen warriors have been placed in CSX jobs.

Learn more about CSX’s partnership with WWP [here](#)

**“CSX values include strengthening communities and as a ONE CSX team, our technology team is proud to collaborate closely with our community investment, communications and HR teams on this Pride in Service initiative. This is a learning program where we offer hands-on skills through our own subject matter experts, while giving back to our veterans. With that, we also contribute to a talent pool that we need for the future as we continue to grow and expand this technology within railroad operations.”**



**Steve Fortune**  
Executive Vice President and Chief Digital and Technology Officer

## Supporting Employees' Passion for Giving Back

Our employees help positively impact our neighbors by volunteering their time, talent and resources as part of our community investment initiatives. It is through their dedication and service that the ONE CSX mentality is not only shown, but also spread throughout the communities where we operate.

In 2023, we introduced the ONE CSX, ONE Community program to better connect our employees with service opportunities that matter most to them while offering flexible ways to show support. By participating, employees have the opportunity to win prizes as a token of our gratitude for their contributions.

To further encourage our employees to engage with the causes and organizations most important to them, we offer additional volunteer opportunities, including:

- **Dollars for Doers:** For every 15 volunteer hours from an employee, the CSX Foundation donates \$10 per hour, up to 40 hours, to an eligible organization of the employee's choice.
- **Employee Matching Gifts:** To empower employees to connect deeper with their communities, the CSX Foundation provides a dollar-for-dollar match for charitable donations up to \$1,000 per employee per calendar year.
- **Board Service:** Through the Board Service program, CSX contributes to the organizations on which CSX employees serve as members of the board.
- **Executive Charitable Match Program:** In 2023, we raised the matching limit of our Executive Charitable Match Program, which previously capped at \$1,000. CSX will match up to \$50,000 per year to a qualifying organization, depending on the executive's level. During 2023, 18 philanthropic organizations collectively received \$296,500 from under the program.

### Recognition of CSX's Pride in Service

CSX was named a silver winner in the 3rd Annual Anthem Awards in the Diversity, Equity and Inclusion Special Workplace Initiative category for Pride in Service. The Anthem Awards honor the purpose and mission-driven work of people, companies and organizations worldwide.

CSX also received the 6th Annual Patriots in Business Award for its support of active-duty military members, veterans and their families in the category for large enterprises with annual revenue over \$1 billion. President and CEO Joe Hinrichs and Vice President of Stakeholder Engagement & Sustainability Bryan Tucker attended the ceremony. Mr. Hinrichs accepted the award, and Mr. Tucker sat on a panel to discuss insights and best practices around veteran employment.

In addition, CSX was recognized with the Corporate Partner Impact Award by the Wounded Warrior Project at its annual Corporate Partner Summit in 2023.



## Showing Up as ONE Community: Pouring Service & Pride into Curtis Bay Elementary School

The Curtis Bay terminal in Baltimore, Maryland (MD) is one of CSX's biggest and longest-standing terminals and as such, many employees live in or near the area.

As part of its commitment to serving local communities, in 2023, CSX employees from departments across the company came together to beautify Curtis Bay Elementary School in Baltimore, MD. In partnership with City Year, a ONE CSX team of volunteers worked side-by-side to give the school's halls a fresh coat of paint, freshen up the school's garden and ultimately help students, families and teachers feel a greater sense of pride in their school.

This revitalization and beautification of Curtis Bay Elementary School were an amazing opportunity for our employees from across the company, with completely different job responsibilities, to come together to support the same goals and give back to the community in which we operate.



When it comes to serving our communities, CSX takes a neighbor helping neighbor approach. To do this, we work alongside valued partners like United Way – and others – to build strong, resilient and equitable communities.

For example, in 2023, we encouraged members of the senior leadership team to support the [United Way of Northeast Florida's Tocqueville Society](#). The Tocqueville Society recognizes local philanthropic leaders and volunteer champions who have devoted time, talent and funds to create long-lasting changes by tackling our communities' most serious issues. Learn more about the United Way Tocqueville Society [here](#).



# Social Justice & Racial Equity

**We believe social justice and racial equity are imperative for expanding economic prosperity for all people, in all communities. This starts with us acting as a role model in prioritizing a culture of inclusion, while standing with others against racism and in support of inclusivity, tolerance and equity for all.**

## Our Ongoing Commitment to Social Justice and Racial Equity

As our nation continues to engage in evolving examination of racial attitudes and actions, adding CSX’s voice to the side of anti-racism is necessary, and an opportunity to strengthen our culture of inclusion. As such, we support activities that enable all to contribute in order to build a stronger country, company and community. Our **Social Justice Action Plan** was developed in 2022 and outlines our strategy for promoting engagement, education and opportunity, both in the CSX workforce and in the community.

In 2023, CSX was proud to continue our double match for employee donations to an esteemed group of nonprofits advancing social justice initiatives. In addition, select BRGs partner externally to advance underrepresented groups and communities.

### Social Justice Action Plan

**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 and leadership coaching for people of color; sponsoring industry-related diversity resource groups; and developing executive sponsors and leaders of BRGs.

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

### Social Justice Matching Program Partners

Through our Social Justice Matching Program, CSX makes a two-to-one company match on employee donations that support organizations promoting social justice on the front lines, including:

[100 Black Men](#)

[Brennan Center for Justice](#)

[Color of Change Education Fund](#)

[NAACP Legal and Defense Education Fund](#)

[National Urban League](#)

[Southern Poverty Law Center](#)

[United Negro College Fund \(UNCF\)](#)



# Environmental Sustainability

Whether we are assisting customers in reducing their environmental footprint by utilizing rail transportation or actively reducing our own environmental impact, innovation is the driving force for CSX’s progress, which we aim to inform best practices across the rail industry.

## 2023 Highlights

Engaged in multiple industry-leading and collaborative decarbonization projects to test the viability of alternative fuels

Pilot-tested 10 locomotives with a biodiesel fuel blend, demonstrating nearly

# 20%

reduction in GHG emissions

In partnership with Canadian Pacific Kansas City (CPKC), CSX unveiled the first hydrogen fuel cell locomotive in the U.S.

Through the Consolidated Rail Infrastructure and Safety Improvements (CRISI) program, CSX received

# \$11.6 million

to introduce battery-electric locomotives

## Climate Commitment

At CSX, we recognize that climate change poses significant challenges and opportunities for our business, our customers, our communities, and our planet. In 2019, we were first U.S. freight railroad to establish science-based targets to reduce our scope 1 and 2 emissions intensity by 37.3 percent by 2030 (against a 2014 base year), following the guidance of the Science Based Target Initiative (SBTi).

This target was set based on the best levers available at the time. However, as new technologies and innovations emerge, new and promising levers are available to help move toward a net zero future. Demonstrating and maintaining our commitment to climate leadership in 2024, we are revalidating our SBTi commitments for short-term emissions targets to align with a 1.5C business ambition, in accordance with the Paris Agreement.

At the time of this report being published, we are in the process of conducting a climate risk assessment to better understand the impacts of climate change on our business. The findings will inform the subsequent climate transition plan which we intend to finalize and publish in 2025.

As we continue to evaluate how to best align our business operations with a 1.5-degree pathway, we are actively working to reduce our GHG emissions, pollution and waste; conserve natural resources; and maintain the natural ecosystem of sites and communities where we operate.

CSX is committed to transparently reporting our progress and performance on climate-related risks and opportunities, in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework.

We will continue to update and engage our customers, employees, suppliers, and other stakeholders as this important work comes to fruition to reduce our emissions and enhance our climate resilience.

CSX is continuously evaluating our next steps in a transition that also works to act equitably toward a low carbon future to help set realistic and attainable goals. CSX is working together with industry groups with the ultimate goal of industry decarbonization. CSX currently has an SBTi validated science-based target in alignment with a well-below 2-degree target and is in the process of evaluating the current criteria required 1.5 degrees Celsius alignment for a near term target. During this time, CSX will develop a publicly available transition plan.

As such, CSX’s sustainability initiatives are aimed to support a just transition as underscored by the Paris Agreement, and we will continue to consider a just transition as we develop our broader transition plan.

CSX understands that improving energy efficiency and maximizing clean and affordable domestic energy resources are crucial to continued economic growth, improved quality of life and environmental stewardship. By thinking and acting sustainably, we believe that positions us best to deliver excellent customer service, strong financial results and position the company for the future, which will enhance the number and quality of opportunities for our employees.

We are committed to the journey—as a business partner, an employer, a community member, an environmental steward and a value creator for shareholders. As we work toward reaching our climate goals, we are also committed to the people, including the workers and communities that support our entire value chain so that they are treated with dignity and respect. We recognize the strategic risk that climate change poses to our business and stakeholders while simultaneously creating the opportunity for sustainable services that advance our customers’ environmental goals, create ongoing employment opportunities and evaluate infrastructure in the communities we serve.



GHG Emissions	
Goal	Continue working toward our science-based target to reduce GHG emissions intensity by 37.3% CO <sub>2</sub> e: (Metric tons CO <sub>2</sub> e per MGTM) against a 2014 baseline.
Plan	Make network and operational improvements while investing in technologies that will help transform the railroad industry.
2023 Performance	Achieved 11.58% reduction in Scope 1 and 2 emissions intensity since 2014.
Renewables	
Goal	Increase the company's use of renewable energy to 50% of the Scope 2 footprint.
Plan	Develop a viable Scope 2 strategy to include partnerships, energy audits, energy efficiency retrofits and renewable energy.
2023 Performance	2023 RECs were purchased to cover 45.6% of energy usage.
Waste	
Goal	Reduce the amount of hazardous waste generated from ongoing operations by 30% and decrease the amount of ongoing operations waste disposed in a landfill to less than 10% of volume.
Plan	Re-evaluate our purchasing practices, provide training to project managers and utilize product recycling wherever possible; identify those waste streams that can be reused or recycled and expand use of these alternative means of disposal.
2023 Performance	Worked with field employees to help reduce hazardous chemical usage and reduce disposal; identifying new strategies for material circularity.
Sustainable Operations	
Goal	Expand efforts to engage our supply chain through evaluation of GHG quantification, ESG goals and evaluation of risks and opportunities by engaging our suppliers directly and through CDP Supply Chain.
Plan	Partner with suppliers to create efficiencies and positively impact our businesses, our stakeholders and the environment.
2023 Performance	Identified and engaged 63 suppliers representing over 75% of total spend to better glean insight into their emissions reduction goals and ESG initiatives.



## Our Approach

### Sustainability & Environmental Management

Our Board of Directors maintains ultimate responsibility of environmental stewardship, performance on sustainability targets and compliance of our operations. The Governance and Sustainability Committee of the Board oversees our ESG strategy and efforts.

Within our operations, our Executive Vice President and Chief Legal Officer hold ultimate responsibility for Public Safety, Health and Environment (PSH&E) compliance, monitored through our [PSH&E management system](#). They are supported by our Senior Director of PSH&E who oversees the company's environmental policy, performance, management and associated risks. Under the Senior Director's leadership, our environmental team ensures compliance with environmental requirements and manages reporting on energy, waste, water and air emissions.

As we move into 2024, CSX is centralizing its sustainability strategy and reporting oversight under our VP of Stakeholder Engagement & Sustainability, who directly reports to the CEO. We will continue to work with our cross-functional ESG and sustainability team with representation across Technology and Innovation, HR and Talent, Customer Service, Operations, Community Investment and Safety departments to influence and execute our sustainability decision-making and execution.



# Climate Change

## Emissions & Energy

CSX's GHG emissions reduction goal targets a 37.3 percent reduction in GHG intensity (Metric tons CO<sub>2</sub>e per MGTM) by 2030, against a 2014 base year. Our target was validated by the Science-Based Target initiative (SBTi) in 2020 in alignment with a well-below 2-degree target. Under this focus, we recognize we have the most control and ability to drive direct change over reducing our Scope 1 and 2 emissions which we supplement with our supplier engagement programs.

From 2014 through 2023, we have reduced emissions intensity 11.42 percent. We measure our Scope 1 and 2 GHG emissions in accordance with the GHG Protocol.

We take a proactive approach to managing and reducing energy, fuel and GHG emissions. This includes the energy used by CSX trains and at our corporate offices.

For full GHG inventory, please refer to [data tables](#).

## Aligning Our Emissions Reduction to Our Science-based Target (% 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%
2020-2021	-2.1%
2021-2022	2.9%
<b>2022-2023</b>	1.8%
<b>2014-2023</b>	<b>-11.58%</b>

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

Year	Value
2021	10.21
2022	10.51
<b>2023</b>	<b>10.70</b>

## Compliance

We measure and track our performance using our enterprise-wide Environment Management System (EMS), which integrates key elements of ISO 14001 and is certified under the American Chemistry Council (ACC) Responsible Care® management system requirements. CSX Transportation was last certified for conformity in March 2022.

We voluntarily integrate the U.S. Environmental Protection Agency National Enforcement

Investigations Center's Compliance-Focused EMS and conduct regular reviews and third-party validation to verify the effectiveness of existing programs. The CSX Environmental team is responsible for overseeing and engaging on all local and federal compliance matters. In 2023, this included 45 Clean Air Act permits and 170 Clean Water Act permits across our network. We also conducted 94 compliance reviews of our facilities with an additional annual review of all environmental management processes.

## Climate Scenario Analysis

Our last climate-related scenario analysis was conducted in 2020 and is being updated in 2024. Through this analysis, we evaluate potential scenarios where climate change and other disruptions may impact our business across short-, medium- and long-term scenarios. For additional details on our methodology and climate-related risks and opportunities, please see our 2022 ESG Report. For more information on how we incorporate climate into our risk management strategy, as well as additional climate-related disclosures, please see our latest CDP Climate Change response and the TCFD index in the appendix of this report.

In 2024, we are enhancing our physical climate risk assessment with a more detailed approach compared to previous assessments. This update will utilize climate scenarios based on LOCA CMIP6 data, focusing on SSP 2-4.5 and SSP 5-8.5 for historic, 2030 and 2050 scenarios.

We are also conducting quantitative transition risk assessment using scenarios aligned with the Network for Greening the Financial System (NGFS). This assessment will build on qualitative scenario analyses conducted previously to assess the risk of mandates and regulations on locomotive transportation and the availability of locomotive technology to CSX's business.

CSX is continuously evaluating our next steps in a transition to a low carbon future to help set realistic and attainable goals. CSX is working together with industry groups with the ultimate goal of industry decarbonization. CSX has a SBTi-validated, science-based target in alignment with a well-below 2-degrees target and in the short-term CSX will have to evaluate and realign our target with the newly required 1.5 degrees Celsius near-term criteria. During this time CSX will develop a publicly available 1.5 degrees Celsius world transition plan.



## Fuel & Locomotives

**At CSX, we believe that fuel efficiency is key to GHG reduction and have invested in the development of the next generation of fuels and propulsion technology. To demonstrate our commitment to innovation and environmental stewardship, we are testing the effectiveness of alternative fuels in locomotives using cutting-edge, fuel-saving technologies in our pilot programs.**

### Biofuel Pilot in Tampa

CSX's culture of collaboration and commitment to sustainability came together in 2023 in a project to trial alternative fuel use in locomotives. In continued collaboration with Wabtec, we are conducting a test program of a 20 percent biodiesel fuel blend (B20) to demonstrate the effectiveness in the Wabtec FDL Advantage engine. The testing helps us monitor engine maintenance and performance, as well as confirm regulatory engine emissions requirements.

We tested ten locomotives with biodiesel serving Tampa, Florida that resulted in a nearly 20 percent reduction in GHG emissions. These locomotives are pending full approval from the U.S. Environmental Protection Agency (EPA) for long-term use of higher biodiesel fuel blends in locomotives.



[See the CSX Biofuel Pilot Program in action here](#)

### Rebuilding Locomotives to Extend Asset Lifespan

CSX locomotives have a typical lifespan of 30 to 50 years, which means we operate assets that are designed for long-term operation. With durability in mind, we strive to optimize the lifetime value of our locomotive fleet by exploring opportunities to rebuild or “repower” engines, ensuring they operate cleaner and more efficiently for years to come.

In addition to how our engines run, there is also a tremendous carbon reduction opportunity based on what fuel we run them on. Similar to efforts made by the aviation industry to encourage the adoption of sustainable aviation fuel (SAF), we are partnering with Wabtec and other Class I railroads to examine the feasibility and effectiveness of using biofuels to reduce carbon emissions from fuel. Ready to use, ‘drop-in’ fuels, such as biodiesel and renewable diesel, will allow CSX to further extend the life of our locomotives without engine modifications.





## Meet the Fleet

CSX is conducting research and collaborating on innovative solutions that will define the next generation of locomotive power. Incremental improvements with engine rebuilds help improve fuel efficiency, which creates sustainable performance regardless of fuel burned. We recognize the locomotive technology landscape is evolving continuously and with it, we are actively exploring and implementing engine alternatives including:



**ET23DCM – Tier 4 Repower:** A new six-cylinder L6 GEVO engine was placed inside a CSX SD40-2 locomotive to create a Tier 4 locomotive. CSX, in partnership with Wabtec, has built fifteen ET23DCM units, numbered CSX Nos. 1715-1727. Tier 4 engines are approximately 20 percent more fuel efficient, compliant with the latest EPA emissions standards and reduce particulate matter and nitrogen oxide emissions by up to 85 percent compared to older locomotives.



**Hydrogen Fuel Cell Locomotives:** Through our partnership with CPKC, CSX is manufacturing hydrogen fuel cell locomotives in our Huntington, WV locomotive shops.



**Battery-electric Locomotives:** In 2023, CSX was awarded a \$11.6 million grant to replace three non-tiered locomotives with zero-emissions, battery-electric locomotives.

## Curtis Bay Zero-Emissions Locomotives on the East Coast

In 2023, the governor of Maryland announced that the Maryland Department of Transportation has received a \$11.6 million grant to the Port of Baltimore and CSX Curtis Bay facility to introduce the first battery-electric, zero-emissions, locomotives on the East Coast.

This initiative marks a significant step in promoting sustainability at the Port of Baltimore and the Curtis Bay community, which are historically impacted by industrial emissions. CSX is optimistic about collaborating with the Maryland government and local communities to impact and advance sustainable infrastructure in the communities in which we serve and operate.

This funding will replace three non-tiered locomotives at CSX's terminal with state-of-the-art battery electric locomotives and charging stations, which will significantly reduce carbon dioxide, nitrogen oxides, particulate matter emissions, and noise levels in the area. The noise reduction, expected to be around 70 percent, will be particularly beneficial for the surrounding communities. The units are expected to annually reduce emissions by 1.53K tons of carbon dioxide and 71 tons of nitrogen oxides per year.





# Innovating for Fuel Efficiency

**Besides advancement in alternative fuels, we are enhancing sustainability and efficiency through various automation technologies, initiatives and process changes. These improvements benefit our operations regardless of the fuel we use, and we consider it part of our innovation strategy to reach our emission reduction targets.**

## Trip Optimizer Zero-to-Zero Technology

Trip Optimizer functions like cruise control for trains. This sophisticated, data-driven system, developed by Wabtec, adjusts locomotive throttle and brakes automatically to reduce fuel usage based on factors such as terrain and speed restrictions. CSX has been an early adopter of this technology and in 2023, utilized Trip Optimizer for nearly 30 million train miles, saving approximately 39 million gallons of fuel. With further implementation and utilization CSX can expect to save 1.4 gallons of fuel per auto mile on average. Trip Optimizer Zero-to-Zero technology is a new feature that expands the benefits of the Trip Optimizer tool, allowing trains to start from zero miles per hour and stop automatically using smart controls. This new feature is expected to help us reduce an additional 4.9 million gallons of fuel per year. As of early 2024, we are continuing to work with the FRA to test and implement the technology.

## Distributed Power

CSX continues to invest in distributed power (DP), enabling longer trains and more efficient movement for over 1,200 upgraded locomotives. When equipped with DP technology, locomotives can be placed at different locations in a train instead of being coupled at the head end. This allows CSX to distribute power more efficiently and to operate longer trains, allowing us to move more freight with less fuel.

## Fuel Conservation Desk

The CSX 24/7 Fuel Conservation Desk assists in identifying field opportunities to enhance fuel efficiencies. Operated out of our Network Operations Center in Jacksonville, FL, the Fuel Conservation Desk oversees all operational CSX line-haul locomotives, regulating locomotive horsepower and efficiency. Utilizing various technologies for minute-by-minute monitoring, the team identifies opportunities for fuel conservation by pinpointing locomotives suitable for shutdown, rather than remaining idle.

## Idle Reduction Technologies

Since 2000, CSX has invested in automated engine start-stop systems and other technologies aimed at reducing locomotive idle time and boosting fuel efficiency, which have shown to effectively decrease fuel consumption and Scope 1 emissions. For instance, Automated Engine Start Stop (AESS) can automatically shut down the locomotive when not in use and automatically start it again when needed. CSX employees are trained on proper locomotive shutdown rules and procedures to reduce unnecessary idling.

## Meet Pass Planner (MPP)

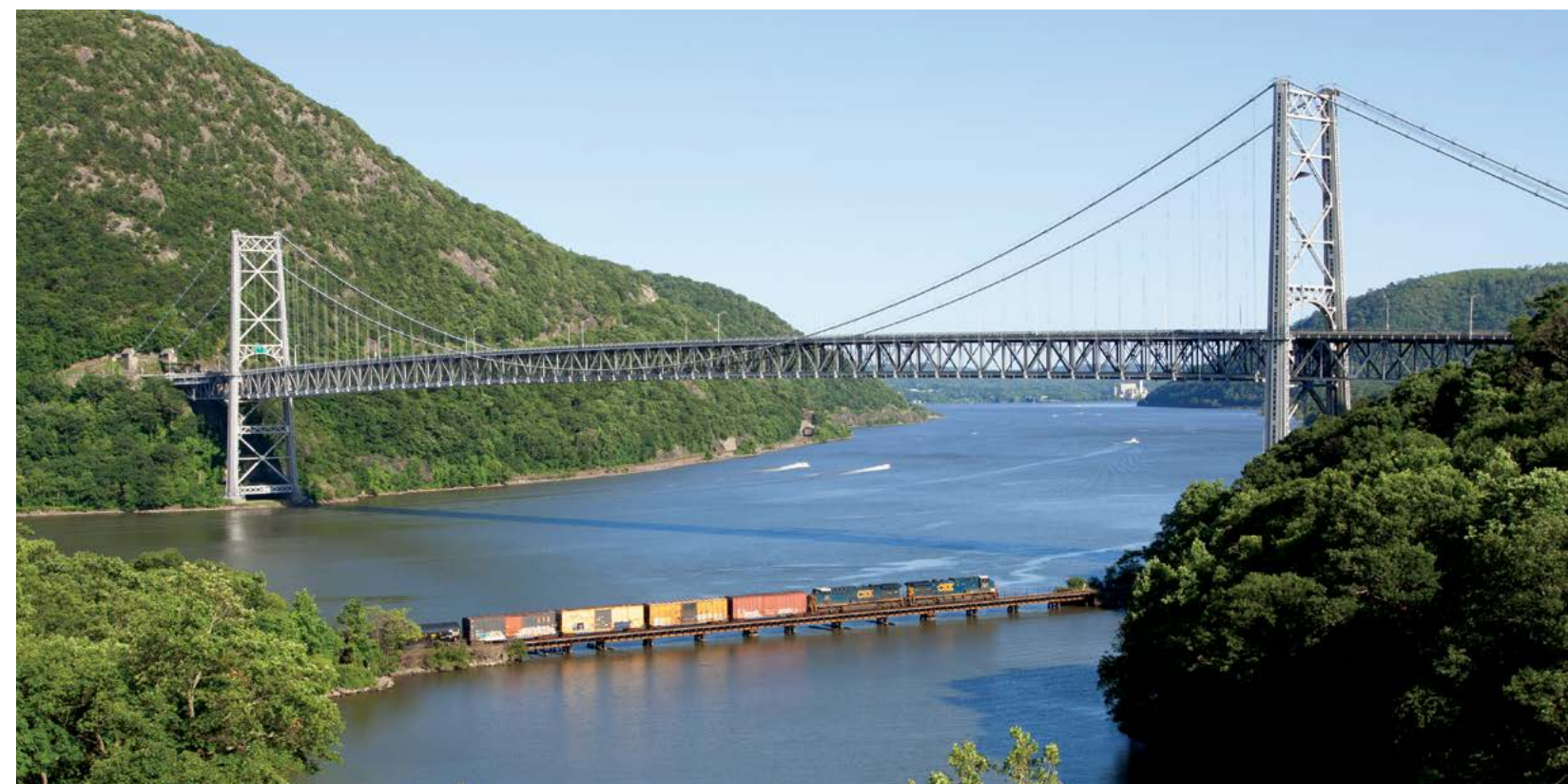
In 2023, we continued to develop a Meet Pass Planner (MPP) aimed at enhancing train flow across the CSX network by minimizing meet-and-pass delays, optimizing routes and improving overall performance. MPP utilized real-time data to provide dispatchers with dynamic runtime calculations and forecasting models, facilitating quicker decision-making and conflict resolution processes.

## Trailing Unit Shutdown

CSX continues to implement a trailing unit shutdown process, an operational change that allows the deactivation of backup locomotives behind the lead locomotive when not in use. This technology can potentially yield significant fuel efficiency without impact to velocity or reliability.

## Wi-Tronix Fuel Monitoring

Wi-Tronix's monitoring system helps reduce fuel consumption and spending through enhanced remote monitoring of fuel levels, energy management utilization, AECS performance and idling locomotives. This enables us to work directly with our train crews over the radio to reduce unnecessary idle times and improve efficiency which results in a reduced carbon footprint in the communities that we operate in.





# Hydrogen in Focus

In 2023, we continued to hone our focus on adopting innovative alternative fuels for decarbonization, including testing biofuels in locomotives and advancing use of hydrogen-powered locomotives.

The long-term sustainability journey will be fueled by new technologies such as hydrogen: we repowered diesel freight locomotives with hydrogen fuel cells and battery technology, in addition to reusing other parts of existing locomotives. This manufacturing approach reduces the carbon footprint by approximately 60 percent compared to constructing new locomotives.

Hydrogen, in many ways, is a clear demonstration of CSX's forward commitment to innovating low-carbon transportation solutions for our customers, industries, and communities as well as showing respect to our nearly 200 years of operations by training the next generation of railroaders to bring this solution to life.

Repowering diesel freight locos with hydrogen fuel cells and battery technology reduces the carbon footprint by

# 60%

compared to constructing a new locomotive

## Rebuilt to be Future-Ready



Watch CSX's Hydrogen Locomotive in Motion

## Hydrogen x Innovation:

### Partnering with CPKC to Lead Industry in Hydrogen Technology

In 2023, we began a joint venture with Canadian Pacific Kansas City (CPKC) to test the potential for a hydrogen-powered locomotive and better understand its promise as a long-term fuel alternative. CSX, in partnership with CPKC, spent nearly a year testing, researching and optimizing a 'hydrogen conversion kit' for locomotive models that were already in service.

In early 2024, CSX unveiled its first hydrogen-powered locomotive using this technology, marking a powerful proof of concept in advocating the broader use of hydrogen locomotive conversion kits for diesel electric locomotives across the rail industry.

**“Along with our partner CPKC, our vision of a hydrogen-powered locomotive became a reality within less than one year. This is a testament to the exceptional skills and dedication of our team who are committed to sustainable practices and setting new standards for the rail industry in sustainability and innovation.”**

## Corey Davis

Director of Innovation  
Alternative Fuels &  
Energy Management





## Hydrogen x Sustainability:

### Making Progress Today to Decarbonize the Future of Rail

Hydrogen as a fuel source presents a promising alternative to fossil fuels, offering greater efficiency and zero-exhaust emissions. Hydrogen-powered locomotives emit only water vapor, contributing to cleaner air and environment.

CSX has a unique opportunity to reuse locomotive assets during the manufacturing processes in Huntington, WV. This reduces manufacturing costs, reduces waste and improves the circularity of our resources. Extending the life of a 50-year-old locomotive asset is a true testament to implementing innovation for sustainability.

The first CSXT hydrogen locomotive unveiled (CSXT 2100) was transformed from CSX GP40-2 no. 6041 which was originally manufactured in 1972 and delivered as Baltimore & Ohio No. 4141. Over 50 years of locomotive life, reimagined as the first of its kind—hydrogen locomotive.

**“The work of the fuel innovation team is at a point where we are defining what the next five to ten years will look like at CSX. We will continue to investigate and test battery technology, move forward with hydrogen innovation and train our employees for the energy transition. Together, we will keep pushing boundaries for us, and for the entire rail industry.”**

**Bill Jacobs**  
Senior Director  
of Innovation



## Hydrogen x Workforce:

### Next Generation of Railroaders Rebuilding Locomotives for a Hydrogen-powered Future

The energy transition in the rail industry also requires a workforce transition. The hydrogen locomotives and engine kits are being manufactured by the CSX team in Huntington, West Virginia. The Huntington Locomotive Shop has been in operation for over 100 years and has built generations of locomotives with the support of generations of skilled CSX employees. They were responsible for assembling the new locomotives while reusing as many parts as possible from the original locomotives, this includes the cab, frame, traction motors, and trucks. Their work is transforming an existing locomotive into the next-generation locomotive, further extending its lifespan.

Our employees bring the necessary skills that are advancing collaboration through their craftsmanship, with CPKC, demonstrating CSX’s commitment to sustainability, and put this promising new technology to the test.

**“Combining engineering experience, new technology and a partnership with CPKC is how ONE CSX is building the next generation of sustainable power. We’re not starting from scratch; we’re adding on to our 195 years of history and building the next generation of rail.”**

**Dragan Jankovic**  
Director of  
Locomotive Engineering



**“The team that we have here at Huntington, in my opinion, there’s no other place like this. From electricians to boilermakers to pipefitters, we have guys that—through the collective experience—we can do anything. If you can dream it, we can build it.”**

**Daniel Adkins**  
Project Coordinator



## Training Talent for the Energy Transition

As CSX advances its commitment to supporting the energy transition, changes to our workforce size, skills and training may be required. In order to foster a just transition, we are committed to providing training for our employees on new, emerging and future technologies, such as hydrogen and batteries, to best equip our workforce with the right resources to advance long-term solutions for zero-emissions locomotive engines.

For example, the introduction of new hydrogen-powered locomotives requires a newly trained generation of locomotive engineers. At the Huntington Locomotive Shop—the heart of CSX's hydrogen locomotive program—we trained 15 locomotive engineers to operate the new technologies at the time of this report.

In addition to our employees, we are also working on training programs for first responders to provide the skills and knowledge needed to handle emergencies with hydrogen and lithium-ion batteries onboard the locomotives.



# The Five R's of a Circular Economy

The bulk of our routine waste stems from locomotive and equipment maintenance, which is essential for continuous operations. Non-routine waste comes from a variety of property projects including construction, demolition and remediation. To advance toward a circular future, we are committed to minimizing waste generation and maximizing **the five R's**: reducing, reusing, refurbishing, repairing and recycling. The table below shows the materials diverted from landfill in 2023.

Material	Unit of Measurement	2021	2022	2023
Used Oil	Million Gallons	1.26	1.05	1.61
Batteries	Short Tons	327	259	261
Steel	Short Tons	329,481	109,846	124,765
Crossties	Millions	0.38	2.38	2.00
Asphalt	Short Tons	115,354	102,290	119,257
Concrete	Short Tons	--	43,117	7,304
Electronics	Short Tons	--	37	25

## Erwin Yard Revitalization:

### Highlighting non-routine material reuse

Historically, the Erwin Yard Facilities were primarily used for car repairs and maintaining on-track equipment. However, many of the areas were underutilized, prompting CSX to reduce its operating footprint. Spanning approximately 251,129 square feet of impervious surfaces, 58 structures—including abandoned buildings, a wastewater treatment plant, locomotive fueling stations, a turntable, tank farms and various foundations—were selected for demolition.

The revitalization project generated approximately 87 tons of recyclable metal and 381 tons of construction and demolition debris. Additionally, we removed 10 miles of track and recycled materials, sorting reusable ties to minimize disposal and repurpose them in other locations.

After the demolition, the yard was surveyed and properly graded to ensure adequate water drainage. The ground was seeded to promote vegetation growth, and a reforestation plan, in partnership with American Forest Management, was implemented to plant native pine trees on 30.8 acres. The reforestation project will assist with carbon capture and make the surrounding community and town greener and more aesthetic.

By reusing the concrete and asphalt within the Erwin Yard, the CSX project team prevented around 600 tri-axle trucks from making a 37-mile round trip to the nearest CSX disposal facility, equating to a reduction of 226 metric tons of carbon emissions.

## Cross Tie Recycling

Cross ties are critical for the structural integrity and functionality of rail operations and are routinely inspected and replaced. In 2023, CSX initiated a new program to allow the transfer cross ties and timbers from our railyards for recycle and reuse. This resulted in over 52,000 cross ties being requested for beneficial reuse in local communities.





# Nature & Biodiversity

For nearly 200 years, rail has been supported by the land it runs across. Our business has the opportunity and responsibility to provide for the land as it has provided for us, by better fostering ecosystems, communities and environments.

## Water Management

From rail yards to corporate offices, we strive to conserve water, a vital natural resource. Water is primarily used for washing locomotives and equipment and controlling dust. We manage water usage through reduction measures, rainwater collection and recycling initiatives wherever possible.

Because of the changing regulatory landscape and the increased cost of operating expenses, we began reviewing our network to determine ways to reduce their liabilities. CSX looks for opportunities to introduce sustainable solutions while also reducing operating costs such as evaluating stormwater fees on impervious surfaces and identifying 'energy vampires' within out-of-service buildings. As a frame of reference, CSX has been assessed over \$3 million dollars in stormwater fees so far in 2024.

We are diligent about extracting rails, rail ties and debris from sites we no longer use. Additionally, in 2023, we committed resources to demolishing abandoned structures and foundations across various former facilities.

## From Our Facilities to Food Rescue

Our sustainability initiatives are starting to stretch beyond waste and containers. For food we do not eat or use in our Jacksonville headquarters, we saw a dual opportunity to serve the local community and eliminate emissions from landfill food waste.

This led us to partner with Food Rescue, an organization that helps to put this food on the tables of those who are food insecure. From January through March 2023, we donated 11,000 pounds of food to the Five Star Veterans Center.



## Rigby Yard Revitalization

Historically, Rigby Yard in South Portland, ME—integrated into CSX’s network from the Pan Am acquisition—battled poor drainage due to deferred maintenance, so improving drainage and reducing standing water were priorities for its revitalization.

The CSX team managed to dewater a poorly maintained stormwater canal and fill it with clean materials to ensure sufficient drainage along the perimeter of the yard. They also connected and extended existing pipes and installed surface drainage, sidewalks and asphalt paving to prevent standing water.

CSX was able to repurpose 20,000 cubic yards of concrete and brick, approximately 2,000 truckloads of materials, from going to the landfill or recycling facility. By reclaiming and reusing materials on site, we save approximately 683 metric tons of CO<sub>2</sub> emissions.

In addition to drainage improvement, CSX also upgraded the yard tracks and other infrastructure. Instead of using new ties, CSX decided to reuse 7,000 ties collected in Erwin, TN, and ship the materials via rail to Rigby Yard, resulting in a cost saving of over \$1.4 million when factoring in new tie cost and disposal fees.

CSX’s sustainability goals focus on reducing carbon intensity and waste and enhancing recycling and material circularity across all operations. Through partnerships across the company and with environmental service providers, we are able to realize meaningful sustainability improvements that help reduce cost and carbon emissions.





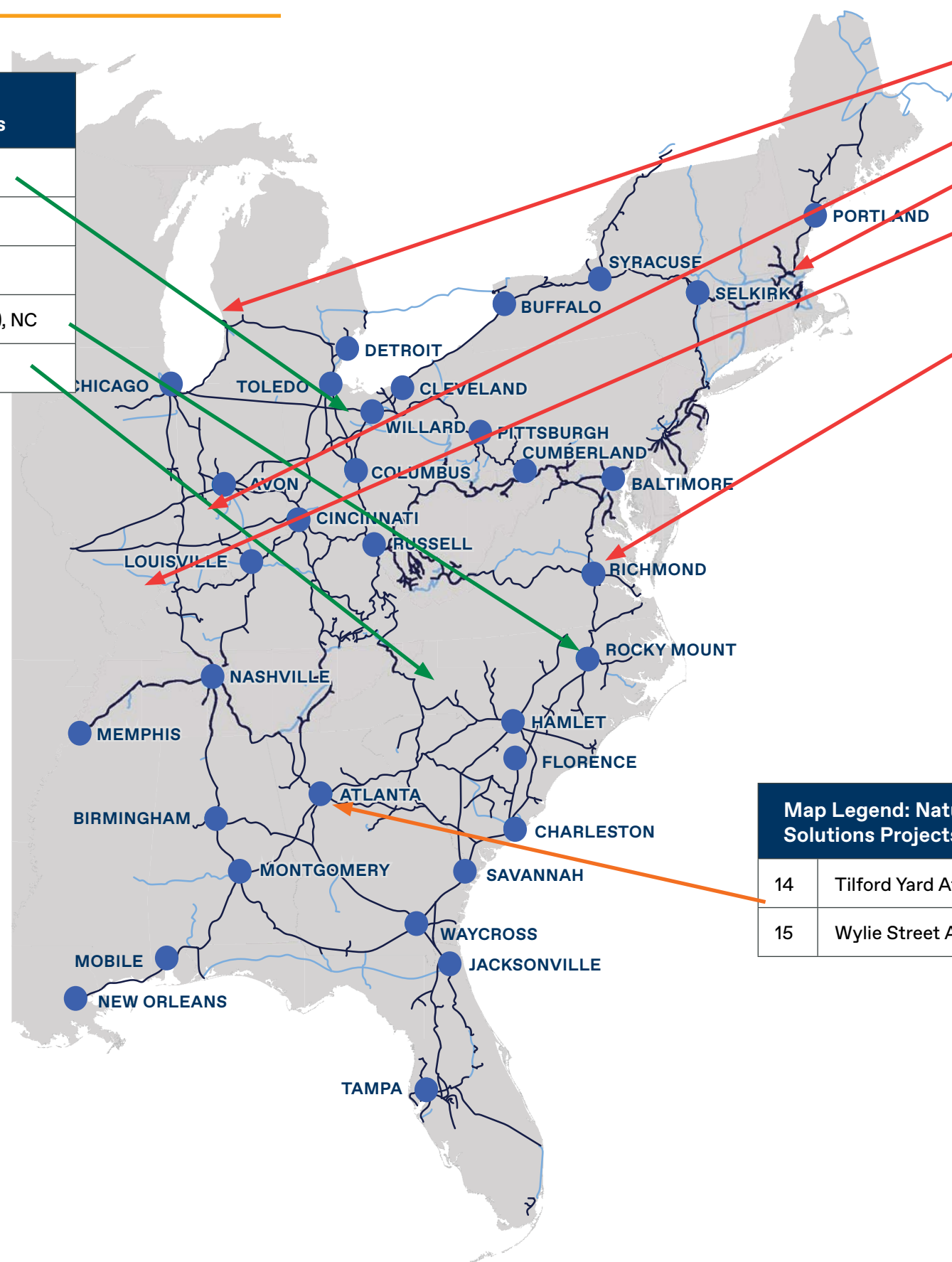
# Trains, Tracks & Trees

Our network weaves through hundreds of communities and countless ecosystems. CSX is committed to continually improving the environment and land that our network occupies by building up local biodiversity and ecosystems to the benefit of the community and all living there.

The railroad of the future is one that serves as a green corridor, connecting people and goods while protecting natural habitats. Our goal is to minimize and mitigate our operational impact on the environment by helping to restore nature and biodiversity in our communities.



Map Legend: Reforestation Projects	
1	Willard, OH
2	Willard Yard, OH
3	Crestline, OH
4	Rocky Mount (Battleboro), NC
5	Erwin, TN



Map Legend: Rail to Trails Projects	
6	City of Muskegon, MI
7	Radius, IN (Monon South Trail)
8	Farmingham, MA
9	The City of New Albany, IN
10	City of Farimont, WV
11	City of Richmond, VA
12	Petersburg, VA
13	Appomattox VA

Map Legend: Nature-based Solutions Projects	
14	Tilford Yard Atlanta, GA
15	Wylie Street Atlanta, GA



## Reforestation Projects

To revitalize our natural landscapes, CSX partnered with Kiker Resources and the American Forest Management to spearhead reforestation projects in North Carolina, Tennessee and Ohio. Through these partnerships, we have reforested 144.16 acres of land, the equivalent of 123.57 metric tons CO<sub>2</sub>e. We prioritize tree species native to a particular environment and have planted 10 diverse tree species across locations, including native varieties that are vital to protecting biodiversity.

- **Erwin, TN:** 7,782 loblolly pine trees
- **Rocky Mount, NC:** 28,313 loblolly pine tree seedlings
- **Ohio:** 17,200 trees planted across 3 sites and 10 varieties from Red Oak to Mockernut Hickory

## Rails to Trails Conservancy

Since 2001, CSX has partnered with the Rails to Trails Conservancy as part of our commitment to environmental stewardship and enriching the communities we serve. Through Rails to Trails, we have transformed former rail corridors into nature trails in hopes of fostering sustainable transportation, outdoor recreation and ecological growth.

Through the partnership, we have conveyed properties for eight trails in Massachusetts, Indiana, Michigan, Virginia and West Virginia, covering approximately 72.07 miles. By converting unused railways into green spaces, CSX is preserving the natural environment and enhancing the quality of life in the communities we serve.



### Monon South Trail

Another Greenway project getting underway in 2024 is the Monon South Trail—a proposed 57-mile trail between Mitchell, IN and the Clark/Floyd County border that connects eight local communities in the Lawrence, Orange, Washington and Clark Counties and the uplands regions of southern Indiana.

The Greenway trail offers dramatic vistas of the Indiana farmland and linkages to several regional natural destinations, including nearby state parks and recreation facilities. Building on the unique qualities of the region, the proposed trail's amenities highlight several local community destinations and connections to other regional attractions.

Jeff Quyle, President and CEO of Radius Indiana, one of CSX's local economic development partners, said of the project, *"Conversion of this former rail corridor to a hiking and biking trail is a reflection of the manner in which rail service along the corridor is used to provide the economic vitality that helped these communities prosper."*

## Conservation Rainscaping Wylie Street

Residential flooding was a problem near CSX's Hulsey Yard property located on Wylie Street in downtown Atlanta, GA. Numerous unintentional encroachments altered natural stormwater drainage which led to flooding. A resilient, nature-based solution was designed to remediate the flooding and resolve risks. Our teams removed improperly installed culvert piping and constructed an enhanced bioswale (a vegetated area that redirects and filters stormwater) to improve stormwater drainage.

To improve biodiversity the area, a pollinator habitat was implemented along the bioswale and over 40 native trees and shrubs were planted. This 'rainscaping' project allowed stormwater runoff to slow down and be better absorbed into the ground. Overall, the project restored over 0.7 acres of natural habitat within the Sugar Creek watershed and urban Atlanta ecosystem.



## Bruce Freeman Rail Trail

In December 2023, the city of Framingham, Massachusetts took ownership of 3.4 miles of rail bed, which was last used by CSX in 2000. The acquisition marked a milestone in completing The Bruce Freeman Rail Trail (BFRT) which follows the 25-mile route of the old New Haven Railroad Framingham & Lowell line. By expanding BFRT, additional communities along the corridor will be able to access the trail for cycling, jogging, walking, rollerblading and skiing.

Charlie Sisitsky, Mayor of the City of Framingham, said of the project, "The creativity, ability and willingness of CSX to work with the City to complete the continuous multiuse path known as the Bruce Freeman Rail Trail is to be commended as a railroad properly meeting the needs of our community."

[Explore the Bruce Freeman Rail Trail Here](#)



# Responsible Business Practices

We prioritize responsible business practices not only because it is the right thing to do, but also because it helps us manage and respond to potential risks and opportunities that can have an impact on our business and our ability to provide value to our stakeholders.



## Corporate Governance

Strong governance practices and ethical conduct are essential to earning the trust of our employees, customers, regulators, communities, investors and partners, in addition to mitigating business risks over the long term.

Our Board of Directors and executive team are responsible for communicating CSX's vision and purpose; implementing sound governance practices; upholding Company policies, codes, procedures and values; and monitoring and adhering to laws and regulations. Key principles of our corporate governance program include:

- Annual director elections and evaluation of Board performance
- Separation of the roles of Chair of the Board of Directors and CEO
- Independent Chair of the Board
- Meaningful limitations on directors' service on other public company boards
- Regular succession planning and effective leadership transitions at the CEO and executive management levels
- Policy Regarding Shareholder Rights Plans
- Pay-for-performance alignment
- Shareholder outreach and engagement
- Qualification guidelines for director candidates, which include consideration of diversity, and review of each director's performance and continuing qualifications for Board membership
- Independent directors across the Audit, Compensation & Talent Management, and Governance & Sustainability committees



## Board of Directors

CSX’s Board of Directors influences the company’s long-term strategy for monitoring and mitigating risks and oversees the company’s performance against ESG goals. As of May 2024, CSX’s Board is comprised of 12 individuals, each with a unique range of experience and expertise that includes cybersecurity, sustainability, supply chain management, regulated industries and human capital management.

The Governance & Sustainability Committee recognizes the importance of developing and maintaining a Board with a broad scope of backgrounds and expertise that will expand the views and experiences available to the Board in its deliberations. Factors considered when evaluating director and committee chair nominees include skills, education, background, gender, race, ethnicity, age, experience and qualified expertise, including in:

- Accounting & Financial Reporting
- Business Operations
- Corporate Governance
- Finance & Capital Allocation
- Government & Regulated Industries
- Human Capital Management
- Risk & Crisis Management
- Sustainability
- Transportation Industry & Supply Chain Management

**Racial/Ethnic Diversity:**  
25% Diverse

**Gender Diversity:**  
33% Female

**Independence:**  
92% Independent including the Chairman of the Board

**Average Tenure:**  
7.8 years

**Average Age:**  
65.3 years

**Meeting Attendance:**  
98.9%

As outlined in the [CSX Corporate Governance Guidelines](#), the Governance & Sustainability Committee will instruct any third-party search firm to use its best efforts to include qualified candidates who reflect diverse backgrounds, including, but not limited to, experience, diversity of race, ethnicity, national origin and gender. To further demonstrate this commitment, the Board adopted a “Rooney Rule” in 2023, in which director candidates who self-identify as female and/or a racial or ethnic minority must be included in the initial pool of director candidates.

## Board Committees

There are five standing committees of the Board:



### Audit Committee:

Oversees CSX’s Enterprise Risk Management (“ERM”) program; information security risk, mitigation strategies and overall resiliency of CSX’s technology infrastructure; accounting and financial reporting processes; and financial auditing.



### Compensation & Talent Management Committee:

Runs CSX’s human capital management strategy, including policies and strategies regarding recruiting, retention and career development, performance management, talent acquisition programs and processes for promoting and progressing DEI initiatives, including pay equity.



### Executive Committee:

Acts on behalf of the full Board between regularly scheduled meetings.



### Finance Committee:

Reviews CSX’s financial matters and financial-related policies.



### Governance & Sustainability Committee:

Responsible for the execution of CSX’s ESG strategy, including climate-related and other environmental matters; risk management oversight and evaluation, including risks associated with energy and environmental policy; succession planning for Board members, the CEO and senior management; sustainability policies, strategies and programs, related to climate issues, initiatives and targets; and sustainability performance and reporting, including annual review of the Company’s ESG Report.

Charters detailing the scope of oversight and responsibilities of CSX’s five standing committees can be found on our [website](#). Additional information about our Board of Directors can be found in our [2024 Proxy Statement](#). Of note, while the Audit Committee has primary responsibility for risk oversight—as outlined in its charter—all committees play significant roles in carrying out the function.



## 2024 Board of Directors\*

### Diversity:

**5 of 12**

are women or racially/ethnically diverse

**4** Directors are Female

**1** Director is Hispanic or Latinx

**1** is Asian

**1** Director belongs to Two or More Races or Ethnicities

### Tenure:

**<5 years** (5 Directors)

**5-10 years** (4 Directors)

**>10 years** (3 Directors)

### Independence:

**11 of 12**

are independent

The Board—as a whole and as individual directors—undergo annual performance reviews. In 2022, the Board started to include third-party evaluation through confidential interviews every third year, supplemented by a peer assessment questionnaire. In the interim years, the Board conducts a self-evaluation via a confidential questionnaire.

Members of the Board must be willing and able to devote the necessary time and effort to director duties and responsibilities. As such, in 2023, the Board adopted a revised policy that any director who serves as the CEO of a public company may not serve on more than three public company boards. All other directors may not serve on more than five public company boards.



CSX Board Member Linda H. Riefler was honored for “**Outstanding Work by an Independent Director**” at the 2023 Corporate Governance Awards.

Linda was a pivotal player in 2023, helping engage shareholders, enhance the 2023 Proxy ESG disclosures and oversee succession planning and chairing the Board’s Governance and Sustainability Committee.



(left to right)

**Ms. Donna M. Alvarado**  
Member of Audit and Compensation and Talent Management Committees

**Mr. Thomas P. Bostick**  
Member of Finance and Governance and Sustainability Committees

**Ms. Anne H. Chow\***  
2024 Independent Director Nominee

**Mr. Steven T. Halverson**  
Chair of Compensation and Talent Management Committee, Member of Audit and Executive Committees

**Mr. Paul C. Hilal**  
Member of Executive, Finance and Governance and Sustainability Committee

**Mr. Joseph R. Hinrichs**  
President and Chief Executive Officer; Chair of Executive Committee; Management Director Nominee

**Mr. David M. Moffett**  
Chair of Audit Committee, Member of Executive and Finance Committees

**Ms. Linda H. Riefler**  
Chair of Governance and Sustainability Committee, Member of Compensation and Talent Management and Executive Committees

**Ms. Suzanne M. Vautrinot**  
Member of Audit and Governance and Sustainability Committee

**Mr. James L. Waincott**  
Member of Compensation and Talent Management and Finance Committees

**Mr. J. Steven Whisler**  
Chair of Finance Committee, Member of Audit and Executive Committees

**Mr. John J. Zillmer**  
Member of Compensation and Talent Management, Executive and Governance and Sustainability Committee

\*Ms. Anne H. Chow is a 2024 nominee and was not a sitting Board member in 2023. Details can be found in our [2024 Proxy Statement](#).

## Executive Compensation

In 2023, as a result of shareholder outreach, we sought to add clarity around performance measures in our incentive plans and how those measures motivate growth. In response, the Board took several actions and committed to a more fulsome disclosure of incentive plans; introduced additional rigor in executive performance evaluations; and adjusted the composition of our short- and long-term incentive plans.

The primary pay elements and objectives of CSX's 2023 executive compensation program are:

- **Salary:** Objective is to recruit, engage and retain talented, high-performing executives.
- **Short-Term Incentives:** Objective is to motivate and reward executives and eligible employees for driving Company performance within a one-year period.
- **Long-Term Incentives:** Objective is to motivate and reward executives to drive strategic initiatives that create shareholder value over a three-year period.

## CSX Executive Compensation Practices

- Significant percentage of executive compensation that is performance-based
- Performance measures that are highly correlated to shareholder value creation
- Engagement of an independent compensation consultant to review our executive compensation program and perform an annual risk assessment
- Significant share ownership requirements for Vice President-level executives and above and non-employee directors
- Double trigger in change-of-control agreements for severance payouts (i.e., change of control plus termination)
- Clawback policy applicable to all incentive compensation plans
- Inclusion of multiple financial measures in short- and long-term incentive plans
- Use of payout caps on short- and long-term incentives

## Shareholder Outreach & Engagement

Board members—notably the Chair of the Governance and Sustainability Committee with support from other independent directors—are active participants in our shareholder outreach and engagement program. Board members also hold routine meetings with institutional shareholders' representatives to discuss CSX's business strategy, corporate governance practices, executive compensation and ESG matters.

In addition to our consistent and structured shareholder outreach and engagement efforts, CSX engages with shareholders and other interested parties by participating at industry and investment community conferences, investor road shows and analyst meetings. As appropriate, members of our Board will also participate.

In recent years, CSX expanded its international outreach, connecting with investors in Europe and the UK and utilizing virtual meetings to foster relationships throughout Asia and Australia.

Met with **300 unique firms** representing more than **\$35 trillion of assets under management** in 2023

Through engagements in 2023, we received and actioned on multiple areas of shareholder feedback, including the examples below. Additional details and examples can be found in our [2024 Proxy Statement](#).

Engagement Topic	How We Responded
Executive Compensation Program	Increased the weighting of performance units in our long-term incentive plan and revised our short-term incentive compensation plan to support a growth mindset
Board Composition Refreshment and Diversity	Enhanced disclosures of performance measures and incentive plans, Board refreshment policies and practices, including the adoption of a "Rooney Rule"
Director Commitments	Adopted rules to enhance director commitments by limiting the number of public company boards they can serve and communicate frequently how directors continue to show support of Board Chair
Board Oversight	Enhanced disclosure and explanation of policies and practices related to risk oversight in new Proxy sections "Board of Directors' Role in Strategy Oversight" and "Safety Oversight"
Environmental and Sustainability Initiatives	Enhanced disclosure on environmental and sustainability strategic initiatives, including our ongoing investments in alternative fuels, analytics and tools to drive our incremental efficiency in our ESG Report
Leadership Transitions and Culture	Discussed company vision in earnings calls and during industry and investment conferences, as well as the continued focus and progress on our ongoing cultural transformation



## Enterprise Risk Management (ERM)

As an integral player in the transportation of essential goods, CSX must be prepared and have plans in place to mitigate any potential risk or disruption to our business.

CSX can execute its strategy if it can physically operate the railroad, maintain technology systems that resist cyber threats, operate reliably and resiliently, continue to access public equity and credit markets and comply with applicable laws and regulations. As such, the CSX risk universe is currently divided into the following broad risk categories: Operations; Technology; Finance; and Compliance.

Each risk category includes “core” ERM risks, each of which is aligned with a “Risk Leader” who is responsible for monitoring and managing that risk. Each Risk Leader reports to a member of the Executive Risk Committee (comprised of the Executive Vice President and Chief Operating Officer, the Executive Vice President and Chief Digital & Technology Officer, the Executive Vice President and Chief Financial Officer and the Executive Vice President and Chief Legal Officer), with a separate annual ERM report-out to the CEO. The ERM team also reports annually to the Audit Committee and reviews certain ERM risks with such committee or the Board throughout the year.

### ERM Framework and Oversight

Audit Committee and Board Review

Chief Executive Officer

Executive Risk Committee

Risk Leaders

**Operations:**

Safety;  
Physical Infrastructure;  
People &  
Material Availability

**Finance:**

Liquidity;  
Financial Reporting

**Technology:**

Cyber,  
Reliability  
& Resiliency;  
Operations Technology

**Compliance:**

Compliance with Laws;  
Regulatory Environment





# Ethics & Compliance

**Of the many attributes that determine the professional success of an individual or the business success of a company, ethical behavior is the one that must be understood the most thoroughly and practiced the most rigorously.**

All CSX employees, subsidiaries, Board members and business partners are expected to act with the highest standards of personal integrity, consistent with the ethical behaviors outlined in the [CSX Code of Ethics](#).

The Code covers business matters, including conflicts of interest; anti-bribery and corruption; insider trading; confidential information use; compliance with laws and regulations; discrimination and harassment; whistle-blower protection; public and employee safety; and proper use of corporate assets.

In consultation with the Board of Directors, our executive leadership team develops governance policies and sets expectations for all levels of our company. Additionally, we require robust annual ethics training—which focuses on applying the Code in daily interactions—for all management employees and highly recommended training for all employees, including union employees, part-time employees and contractors. Since 2022, we have published a quarterly series of ethics-related employee communications to ensure ethics and related policies and processes stay top of mind for all employees.

Employees are encouraged to anonymously report any suspected violations to the Code or other ethical concerns to the 24/7 CSX Ethics Helpline, which is operated by an independent service. CSX strictly prohibits retaliation against anyone who makes a good faith report about a known or suspected violation of our Code.

**997 reports were made to the 24/7 Ethics Helpline; upon further review, we found 57 fraud-related investigations of the Code in 2023**

## 2023 Highlights

**100%**

of Management employees trained on Code of Ethics

**63%**

of Union employees trained on Code of Ethics





# Human Rights

CSX is committed to operating its business in a manner consistent with international human rights principles, including those outlined 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.

Our [Human Rights Policy](#) further outlines our commitments and efforts to uphold human rights across our operations, businesses, communities and supply chains.

## Human Trafficking

As a signatory to the U.S. Department of Transportation’s “Transportation Leaders Against Human Trafficking Pledge,” CSX is committed to helping raise awareness and collaboration across the transportation and travel industries. The pledge focuses on five key areas of leadership: industry training and education; policy development; public awareness; and information sharing and analysis.

In 2023, we continued our employee awareness campaign on how to recognize and report suspicious situations that may be related to human trafficking. The CSX Women’s Business Resource Group hosted the director of Security at CSX’s Quality Carriers Bruce Gacsal and security experts with the CSX Police Department for a live discussion during the Human Trafficking Awareness Virtual Event. The virtual event encouraged employees to recognize, record and report suspected human trafficking activity in our communities, embodying the ONE

CSX collaborative culture to working closely with the first responders who share our safety commitment.

### CSX Police Agents Thwart Human Trafficking Operation

In January 2023, a routine theft investigation led the CSX Police to uncover a human trafficking situation in Nashville and successfully intervened, ultimately rescuing multiple victims and providing them with the necessary support and resources to begin their journey to recovery.

CSX Special Agent Mitch Thompson, Technical Special Agent Glenn Moody and former Special Agent Jessica Morris sprang into action when they identified a dangerous situation at a railroad encampment. Their swift response, grounded in CSX protocols, underscored the importance of collaboration with local authorities and other organizations to bring about a successful resolution.

Recognizing their exemplary efforts, CSX honored the special agents with an award for employing Recognize, Record and Report human trafficking protocols, highlighting the significance of appropriate law enforcement procedures in addressing human trafficking.

**Mitch Thompson**  
CSX Special Agent



# Cyber & Information Security

**Strong performance and reliability of our technology systems are critical to operating safely and effectively, while protecting personal and customer data is essential to maintaining stakeholder trust.**

Our security framework is broadly integrated across the organization to help protect personal information from our own operations, as well as our customers, contractors and suppliers. In addition to our security framework, our actions are guided by our Information Management Policy and Information Security and [Privacy Policy](#).

## Management & Oversight

The Audit Committee oversees cybersecurity risk, mitigation strategies and the overall resiliency of our technology infrastructure. Such risk is managed as part of the company’s overall risk management and business continuity processes. The Committee periodically reviews assessments of information security controls and procedures, any incidents that could have a material impact on the company’s network, as well as potential cybersecurity risk disclosures. The senior leadership team briefs the Board of Directors at least annually on information security matters.

Over the last few years, CSX has brought in Board and executive-level experts to expand oversight of our cybersecurity and technology systems.

Our Executive Vice President and Chief Digital & Technology Officer is responsible for day-to-day management and strategy implementation and oversees our Information Security team. The team equips CSX systems with the latest cybersecurity tools; conducts daily vulnerability scans; regularly provides critical cybersecurity information to all application users; and facilitates the annual required cybersecurity awareness trainings for all corporate employees. Cybersecurity and data privacy are also included in the [CSX Code of Ethics](#).

### 2023 Highlights

**100%**

of Management employees trained on cybersecurity

**90%**

of the information security team has industry-recognized cybersecurity certification



## Governance

CSX maintains an integrated cybersecurity framework across the organization, encompassing people, processes and technology to protect the personal information of our customers, contracts and suppliers, as well as safeguard the integrity of our operations.

Demonstrating CSX's commitment to cybersecurity and its governance, cybersecurity is also integrated into the company's Enterprise Risk Management (ERM) program. Additionally, leaders from CSX's technology, operations, commercial, legal and accounting departments convene at the quarterly Cybersecurity Governance Briefing to discuss cybersecurity risks, threats, and incidents, including updates from the SOC and assessments on ways to proactively mitigate and remediate any threats or incidents.

The Audit Committee of the Board of Directors oversees the management of cybersecurity risks, implementation of mitigation strategies and the overall resilience of the Company's technology infrastructure. These risks are addressed within the broader context of the Company's risk management and business continuity processes as part of the Enterprise Risk Management (ERM) program, which is also under the purview of the Audit Committee.

CSX's senior leadership team provides briefings on cyber and information security matters to the Audit Committee and Board of Directors at least annually, with more frequent updates as needed. These annual updates encompass significant findings or updates from internal and external evaluations. The Audit Committee is also apprised annually of emerging risks, including education on cybersecurity-related matters.

For internal governance, we have various checks and balances beyond the cybersecurity team in place to determine if an incident merits reporting to the SEC. We have a dedicated team responsible for reviewing cybersecurity incidents internally, which has access to all cybersecurity incident information within the security team. This helps ensure transparency and standardization of cybersecurity risk management and incident reporting that adheres to the SEC's requirements that went into effect in December 2023.

## Processes

CSX established processes to assess, identify and manage material cybersecurity risks. We equip CSX systems with various cybersecurity tools, conduct vulnerability scans and provide critical cybersecurity information to application users as needed.

Additionally, we have implemented oversight processes to identify cybersecurity risks associated with certain third-party service providers. These processes include monitoring risks related to key third-party vendors' technology systems and performing security assessments of cyber incidents through dashboard alerting for reported events.

We also regularly test our cybersecurity program to determine the need for enhancements, such as additional detection and prevention capabilities. These tests may involve internal or third-party external risk assessments, as well as penetration testing. Periodic cybersecurity assessments are also conducted as part of the annual risk assessment process.

With the assistance of third-party consultants, we conduct an annual cybersecurity exercise, which is often a "tabletop" scenario involving a cross-functional group responding to a hypothetical cybersecurity threat.

Our process also incorporates various procedures for notifying members of the cybersecurity department, Chief Information Security Officer (CISO), legal department, accounting department and other relevant stakeholders as necessary. CSX has appointed a cybersecurity expert to both the Board and its Audit Committee, enhancing oversight of the Company's cybersecurity and technology systems.





## Monitoring & Responding to Cyber Vulnerabilities

We monitor, prioritize and manage cyber risks from their origin until they are successfully remediated. Performance is assessed through "Technology Scorecards," which highlight key metrics, such as response time and speed in addressing events or mitigating risks.

Regular testing of our security infrastructure is conducted to assess and enhance our detection and prevention capabilities. Additionally, third-party external assessments are utilized to evaluate the effectiveness of our security engineering efforts.

This year, we implemented a robust and measurable Vulnerable Management Program, which resulted in a highly effective 60 percent efficiency rate for vulnerability patching, compared to the prior 10 percent

We also made significant advancements to the Risk Register Program by maturing our risk acceptance process. Our objective with the program is to identify risks objectively and prioritize them rather than chasing after every single issue. We focus on those that provide the greatest impact, ensuring we get the most value for our efforts.

In accordance with the TSA cybersecurity directive 2.0, which mandates robust security measures for critical cyber systems, our Technology team took proactive measures to identify and inventory our critical cyber systems in alignment with TSA guidelines. We developed and submitted a comprehensive cybersecurity implementation plan, which received approval from the TSA. Currently, we have successfully implemented 16 of the 30 identified security

controls, with a strategic roadmap in place to complete the remaining controls by Q2 2025, demonstrating our commitment to go beyond compliance to safeguard our cybersecurity.

In 2023, CSX experienced no material information security breaches and cyber security incidents. There were no substantiated complaints concerning breaches of customer privacy and losses of customer data.

CSX takes the protection of our customer data seriously and performs routine security assessments of key third-party vendors to preemptively detect, anticipate, prevent and/or react to cyber incidents quickly. We value the assistance of security researchers and the security community and encourage responsible disclosure of vulnerabilities to ensure the security and privacy of all users, with vulnerabilities submitted through the provided form and in accordance with CSX's Responsible Disclosure Policy.

## Engaging Our Employees & Partners in Cyber Safety

Everyone has a responsibility and role to play when it comes to upholding cyber and information security practices, a mentality rooted in ONE CSX and applies to security partners and employees alike.

CSX takes proactive measures to advise employees on cybersecurity best practices. The CSX Technology team sends ongoing communications via email and our employee intranet to help keep information and cyber security top of mind. Topics include how to identify suspicious activity, where to make reports and what proactive measures

employees can take to safeguard their information and devices, such as regularly updating passwords.

Additionally, we encourage employees to take voluntary Cyber Security Awareness training which provides additional guidance on staying electronically vigilant. Employees are told to report suspicious or unusual behavior to the CSX Information 24x7 Technology Service Desk.

As appropriate, CSX requires certain third-party providers to complete a cybersecurity questionnaire, provide Service Organization Control assessment results or agree to contractual language regarding cybersecurity and incident notification obligations.

## Preventing Phishing Attacks

Phishing is the single most common form of cybercrime with an estimated 3.4 billion emails a day sent by cyber criminals, totaling over one trillion phishing emails per year.

For 2023, the overall Phish-prone™ Percentage (PPP) baseline average across all industries was 33.2 percent, meaning less than a third of an organization's employee base could be at risk of clicking on a phishing email prior to receiving training. Comparatively, in 2023, CSX's PPP was 8 percent.

At CSX, we believe it is essential to foster a resilient security culture, one in which employees understand their role and responsibility in protecting CSX and themselves from being vulnerable to a cyberattack.

**“We take cybersecurity seriously, with various checks and balances in place along with a dedicated team responsible for reviewing and preventing cybersecurity incidents. Customer service is one of our key guiding principles, and we are extending the ONE CSX value to our vendors and customers. We work diligently to provide our customers with more telemetry and access to data, all in an effort to give them one cohesive identity when accessing the CSX environment.”**

**Alex Borhani**  
Senior Director,  
Deputy CISO





# Public Policy & Advocacy

CSX operates within a highly regulated environment. Our dedication to proactive policy engagement with officials at federal, state and local levels enables us to gain valuable insights and opportunities to influence regulatory matters, champion important legislation and convey the benefits of rail transportation.

## CEO Washington Visits

In 2023, CSX's CEO, Joe Hinrichs, participated in monthly meetings with Congress and the Administration to share updates on the company's operations, efforts to improve relationships with labor unions and our employees, customer service and supply chain issues.

In January 2023, Senators Bernie Sanders (I-VT) and Mike Braun (R-IN) shared praise for CSX becoming the first Class I railroad to reach an agreement with labor unions on paid sick leave. During 2023, Mr. Hinrichs also participated in numerous meetings with U.S. Department of Transportation, the White House, FRA, STB, NTSB, nearly 100 members of Congress and customer CEO's during his visits.

## Engagement with Business Associations

Following freight rail industry customer concerns based at the STB in 2021 related to rail service, CSX began bringing senior officials from sales and operations on a quarterly basis to meet with business associations in Washington. Over the course of two days, they participated in roughly

six to eight meetings to discuss CSX operations, customer service and to answer questions related to the specific industry or company members of those groups. The meetings were well-received, and we continue to maintain relations with those organizations during regular meetings and participation, including in some of their conferences throughout the year. CSX maintains memberships in trade associations that report lobbying activity to the U.S. government, a list of which can be found [here](#).

## Public Projects

The Infrastructure Investment and Jobs Act (IIJA) was signed into law in November 2021, authorizing \$1.2 trillion for transportation and infrastructure projects over five years. While Class I railroads like CSX are not eligible under this legislation to apply for grants, we are asked to partner with state and local Departments of Transportation, Port Authorities, Economic Development agencies, MPO's, Amtrak, other passenger railroads and short-line railroads.

More than 95% of all rail-related injuries and fatalities are attributable to trespassers and at-grade crossing users. CSX has actively worked with the Federal Railroad Administration (FRA), who challenged the industry to reduce the number of at-grade highway railway crossing by 25% over the last several decades to enhance safety. The IIJA aids that effort by creating a \$575 million annual Railroad Crossing Elimination (RCE) Grant Program administered by the FRA to help

communities cover costs of these changes. This program funds projects involving the construction of grade separation structures, relocation of tracks, installation of automatic warning devices and other work to increase safety for road users around railroads.

In 2023, CSX saw 18 projects in 13 states receive RCE awards totaling nearly \$115 million. The projects will separate roads or make safety improvements. The FRA's Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant program provides funding for projects that improve the safety, efficiency and reliability of intercity passenger rail and freight rail short lines. In 2023, CSX saw 18 short-line projects in 16 states be awarded \$624 million to provide investments in short-line railroads that connect traffic to CSX or passenger rail lines that operate over CSX.

The FRA also provides grants through the Amtrak Federal-State Partnership for Intercity Passenger Rail Program for Amtrak projects over host railroads and not on the Amtrak-owned Northeast Corridor. FRA awarded \$1.85 billion for three projects on CSX's I-95 corridor in Virginia, North Carolina and Maine to benefit Amtrak's passenger rail service. \$729 million will go to build a new passenger rail bridge over the Potomac River between Washington, DC and Virginia, with \$1 billion for design, acquisition and construction to develop a new Amtrak route from Richmond, VA to Raleigh, NC along CSX's S-Line.

## Railroad Day 2023 on the Hill

Around a dozen CSX employees gathered in Washington, DC on May 15 and 16, 2023 to meet with Congress to discuss various political issues from their unique experiences in operations, real estate, HR, signals, technology, mechanical and other company departments. They met with members on committees with jurisdiction over railroad policies, as well as members from Florida and Georgia.

Discussions focused on how CSX was investing in and modernizing our network to become safer while delivering better service to our customers and supply good paying jobs (in 2023, the Association of American Railroads had the rail industry in the top 10 percent of reported industries for average annual compensation). Additionally, they discussed the role of rail in addressing climate change, noting that freight rail reduces congestion on highways while keeping the nation competitive in the global economy.



# Appendix & Indices

## 2023 ESG Performance Data

Data	Unit	2021	2022	2023
Total Revenues	\$ Billions	12.5	14.9	14.7
Carload Volume by Market (in carloads)				
Merchandise	# Millions	2.6	2.6	2.6
Coal	#	706,000	697,000	755,000
Intermodal	# Millions	3	3	3
Supplier Data				
Number of suppliers	#	3,440	3,487	3,749
Diverse suppliers <sup>6</sup> - spend	\$ Millions	315	333	214.7
Diverse suppliers <sup>7</sup> - number of businesses	#	157	153	177
Additional Metrics				
Average locomotives per year	#	3,516	3,608	3,569
Average active trains per day <sup>8</sup>	#	1,634	1,630	1,695

## Governance

Data	Unit	2021	2022	2023
CSX Ethics Helpline				
Total cases handled	#	959	992	997
Fraud-related investigations	#	56	63	57
Ethics Training Participation				
Management employees	Percentage	100%	100 %	100%
Union employees trained	Percentage	66%	88%	63%
Capital Expenditures				
Total investment	\$ Millions	1,791	2,133	2,281
Cybersecurity				
Number of material information security incidents	#	0	0	0
Number of material information security breaches	#	0	0	0

## Safety & Security

Data	Units	2021	2022	2023
Network Maintenance				
Ties replaced	# Millions	2.52	2.50	2.1
Rail replaced	Miles	919	916	819.7
Ballast installed	Million tons	2.0	1.9	2.1
Existing rail surfaced	Miles	4,142	3,838	2,098
Regulatory (including PTC) investment	\$ Millions	36	30	24
Public Safety				
Responder Incident Training (RIT) train events	#	3	10	12
Hazmat Responder training provided	#	2,352	3,592	5,054
Closed crossings	#	83	61	67
Frequency of internal integrity inspection <sup>9</sup>	#	2.53	1.76	1.78
Incidents				
FRA Personal Injury Rate <sup>10</sup>	Injury Rate	0.96	1.01	0.89
FRA Train Accident Rate <sup>11</sup>	Accident Rate	3.22	3.37	3.32
Work-related fatalities	#	1	0	3
Fatal trespassing incidents	#	90	98	93
Non-fatal trespassing incidents	#	80	81	113
Crossing accidents	#	362	323	353
Total Recordable Incident Rate (TRIR) <sup>12</sup>	Incident Rate	0.96	1.01	0.89
Fatality Rate <sup>13</sup>	%	0.005%	- %	0.015 %
Number of accidents and incidents (combined) <sup>14</sup>	#	871	874	912
Number of accident releases and non-accident releases of hazardous material <sup>15</sup>	#	44	48	37
Number of FRA Recommended Violations <sup>16</sup>	#	480	477	302
Number of FRA Recommended Defects <sup>17</sup>	#	27,135	25,162	14,088



## Employees

Data	Units	2021	2022	2023
<b>Snapshot Data</b>				
Total full-time employees	#	20,919	22,542	23,232
Management employees	#	3,112	3,008	3,254
Union employees	#	16,023	16,625	17,742
Subsidiary company employees	#	1,784	2,909	2,236
Overall retention rate	%	92%	90%	90%
<b>Union New Hires</b>				
Under-represented <sup>18</sup>	%	37%	37%	41%
Female	%	4%	4%	4%
<b>Workforce Diversity</b>				
Overall Workforce	%	20%	22%	23%
Management	%	37%	37%	36%
Union	%	17%	19%	19%
Female	%	5%	5%	5%
<b>Generations of Our Workforce</b>				
Gen Z	%	--	4%	6%
Gen X	%	56%	54%	52%
Gen Y	%	31%	31%	33%
Boomers	%	13%	11%	9%
<b>Average Age and Years of Service</b>				
Average age	Years	46	46	45
Average years of service	Years	15	15	14
<b>Management New Hires</b>				
Under-represented <sup>19</sup>	%	49%	46%	48%
Female	%	27%	26%	27%

Data	Units	2021	2022	2023
<b>Management Promotions</b>				
Under-represented <sup>20</sup>	%	35%	35%	32%
Female	%	23%	22%	19%
Number of promotions	#	352	465	457
% of promotions from union workers	%	24%	20%	15%
<b>Veteran and Active Duty Military Status</b>				
Number of veterans, active duty military and first responders	#	2,983	3,102	3,206
Percent of total workforce	%	16%	16%	16%
<b>Employee Reviews</b>				
Formal performance reviews for management employees	# of reviews	3,051	3,054	3,195
Frequency of formal performance reviews for management employees	# of times annually	2x/year	2x/year	2x/year

## Employees (continued)

Data	Units	2021	2022	2023
Employees by State or Province (does not include employees of subsidiary companies)				
Alabama	#	859	891	931
California	#	0	0	0
Colorado	#	0	0	0
Connecticut	#	5	6	5
District of Columbia	#	12	16	15
Delaware	#	46	40	46
Florida	#	3,070	5,841	6,081
Georgia	#	1,616	1,691	1,761
Illinois	#	491	501	522
Indiana	#	916	987	1,028
Kansas	#	0	0	0
Kentucky	#	999	1,032	1,080
Louisiana	#	81	83	101
Maine	#	0	0	33
Maryland	#	781	801	918
Massachusetts	#	138	147	205
Michigan	#	268	269	280
Mississippi	#	42	38	37
Missouri	#	0	0	0
New Hampshire	#	0	1	6
New Jersey	#	98	94	114
New Mexico	#	0	0	0
New York	#	1,249	1,239	1,307
North Carolina	#	574	611	636

Data	Units	2021	2022	2023
Employees by State or Province (does not include employees of subsidiary companies)				
Ohio	#	1,882	1,877	1,998
Ontario (Canada)	#	23	22	23
Pennsylvania	#	494	530	547
Quebec	#	15	9	14
South Carolina	#	505	532	558
Tennessee	#	839	892	944
Texas	#	0	0	0
Virginia	#	604	669	686
Washington	#	0	0	0
West Virginia	#	800	810	873
Unassigned location	#	2,728	4	0

## Community Giving and Involvement

Data	Unit	2021	2022	2023
Number of states where CSX has philanthropic giving	# Territories	23 states and DC	35 states	26 States and DC
Investment in capital expenditures	\$ Millions	1,791	2,133	2,281
Investment in capital expenditures - used for infrastructure improvement	\$ Millions	1,443	1,673	1,700
Total community giving	\$ Millions	10.4	10.3	14.9
Employee volunteer hours	Hours	6,791	12,300	18,606
Inquiries handled by PSCC <sup>21</sup>	#	5,912	5,394	2,002



## Environment

Data	Units	Category	2021	2022	2023
<b>Waste by Type of Disposal Method</b>					
Hazardous waste from ongoing operations	Short Tons	Landfilled	0.84	20.90	9.67
		Incinerated	8.49	12.13	42.81
		Recycled	13.41	10.07	10.43
		Total	22.74	43.10	62.91
Hazardous waste from remediation and emergency response activities	Short Tons	Landfilled	111.24	14.18	36.69
		Incinerated	43.99	8.76	0.33
		Recycled	12.69	11.49	2.26
		Total	167.92	34.43	39.28
Non-hazardous waste from ongoing operations	Short Tons	Landfilled	35,724	113,939.76	28,169.44
		Incinerated	294	26.92	58.17
		Recycled & Reuse	1,901	11.49	680.02
		Total	37,919	113,978	28,908
Non-hazardous waste from remediation and emergency response activities	Short Tons	Landfilled	376,529	105,603	50,527
		Incinerated	49	3	—
		Recycled & Reuse	70,277	4,156	3,973
		Total	446,855	109,762	54,500
Recycling	Million Gallons	Used oil	1.26	1.05	1.61
	Short Tons	Batteries	327	259	261
	Short Tons	Steel	329,481	109,846	124,765
	# Millions	Crossties	0.38	2.38	2
	Short Tons	Asphalt	115,354	102,290	119,257
	Short Tons	Concrete	—	43,117	7,304
	Short Tons	Electronics	—	37	25

Data	Units	2021	2022	2023
<b>Greenhouse Gas Emissions</b>				
Direct (Scope 1) GHG emissions <sup>22</sup>	Metric tons CO <sub>2</sub> Eq	3,956,081	4,080,649	4,239,321
Energy Indirect (Scope 2) GHG emissions - Market-Based	Metric tons CO <sub>2</sub> Eq	144,891	133,532	127,416
Energy indirect (Scope 2) GHG emissions - Location-Based	Metric Tons CO <sub>2</sub> Eq	173,317	178,786	179,758
Other indirect (Scope 3) GHG emissions <sup>23</sup>	Metric tons CO <sub>2</sub> Eq	325,168	221,322	149,526.83
Other indirect (Scope 3) GHG emissions <sup>24</sup>	Metric tons CO <sub>2</sub> Eq			1,215,433
Category 1 & 2: Purchased Goods and Services & Capital Goods	Metric tons CO <sub>2</sub> Eq			974,894
Category 3: Fuel and Energy-Related Activities	Metric tons CO <sub>2</sub> Eq			56,450
Category 4: Upstream Transportation and Distribution	Metric tons CO <sub>2</sub> Eq			8,757
Category 5: Waste Generated in Operations	Metric tons CO <sub>2</sub> Eq			45,691
Category 6 & 7: Business Travel & Employee Commuting	Metric tons CO <sub>2</sub> Eq			95,079
Total GHG Emissions (Scope 1+2MB+3)	Metric tons CO <sub>2</sub> Eq			5,547,608
GHG emissions intensity for SBT <sup>25</sup>	CO <sub>2</sub> Eq/MGTM	10.21	10.51	10.70
Reduction of GHG emissions for SBT <sup>26</sup>	% Reduction	-15.6%	-13.1%	-11.58%
Emissions of ozone-depleting substances (ODS)	Metric tons	0.09	0.08	0.18
<b>Other Significant GHG</b>				
Nitrogen Oxide (NO <sub>x</sub> )	Metric Tons	37,440	37,991	40,661
Sulfur Oxide (SO <sub>x</sub> )	Metric Tons	48	53	63
Carbon Dioxide (CO <sub>2</sub> )	Metric Tons	5,108,928	4,038,154	4,191,128
Methane (CH <sub>4</sub> )	Metric Tons	464	451	462
Nitrous Oxide (N <sub>2</sub> O)	Metric Tons	103	104	114
Hydrofluorocarbons (HFCs)	Metric Tons	0.31	0.18	0.19
Volatile Organic Compounds (VOC)	Metric Tons	1,573	1,488	1,808
Carbon Monoxide (CO)	Metric Tons	10,984	11,212	11,761
Particulate Matter (PM)	Metric Tons	1,088	1,002	1,087



## Environment (continued)

Data	Units	Category	2021	2022	2023
<b>Energy Consumption</b>					
Energy consumption within CSX	MMBTU	Diesel	51,024,356	52,545,714	54,674,147
		Biodiesel*	75,906	106,749	102,500
		Gasoline	1,050,085	1,132,775	1,198,388
		Natural Gas	469,837	459,604	391,872
		Propane	308,439	366,101	219,293
		Jet Fuel	29,786	44,654	40,115
		Used Oil	26,507	26,507	13,813
		Total Direct Consumption	52,984,916	54,682,104	56,640,128
Energy consumption outside CSX	MMBTU	--	1,419,179	1,417,059	1,423,907
<b>Energy Efficiency</b>					
Energy Intensity	MMBTU/MRTM	--	280	283	296
Fuel Efficiency <sup>27</sup>	RTM/gal	--	537	520	506

\*Biodiesel was not recorded in prior years.

Data	Units	Category	2021	2022	2023
<b>Fuel Use by Type</b>					
Indirect Energy Consumption	Gigajoules	Electricity	1,485,491	1,487,757	1,349,674.72
Direct Fuel Usage	Gigajoules	Diesel	53,830,696	55,435,728	57,681,226
		Biodiesel	80,081	112,620	108,138
		Gasoline	1,107,840	1,195,077	1,264,300
		Jet Fuel	31,424	47,110	42,321
		Natural Gas	495,678	484,882	413,425
		Propane	325,403	386,237	231,354
		Used Oil	27,965	27,965	14,572
		Total Direct Fuel Usage	57,384,578	57,384,578	59,755,335
		<b>Water</b>			
Water withdrawal by source	Kgal	559,530	559,530	588,912	553,440



### EEO-1 Report1 - Workforce Demographic Data

Job Categories	Race/Ethnicity														Overall Totals
	Hispanic or Latino		Not Hispanic Or Latino												
	Male	Female	Male						Female						
		White	Black or African American	Asian	Native Hawaiian Or Pacific Islander	Amer-ican In-Di-An Or Alaskan Native	Two or More Races	White	Black Or African American	Asian	Native Hawaiian Or Pacific Islander	American Indian Or Alaskan Native	Two or More Races		
Executive / Sr Officials & Mgrs	0	0	24	3	0	0	0	0	8	2	0	0	0	0	37
First / Mid Officials & Mgrs	31	11	915	85	113	1	3	17	220	60	42	0	0	6	1504
Professionals	16	14	272	50	17	1	1	4	179	76	15	1	1	7	654
Technicians	0	0	4	1	0	0	0	0	2	0	0	0	0	0	7
Sales Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative Support	6	5	105	26	2	0	0	2	66	37	1	0	0	3	253
Craft Workers	427	5	14739	2432	46	13	173	203	197	96	0	0	3	4	18338
Operatives	27	3	824	105	6	3	2	13	25	12	0	0	0	2	1022
Laborers & Helpers	30	1	597	108	1	0	12	7	11	2	0	0	0	0	769
Service Workers	4	0	74	4	0	0	0	1	5	0	0	0	0	0	88
CURRENT 2023 REPORTING YEAR TOTAL	541	39	17554	2814	185	18	191	247	713	285	58	1	4	22	22672

1. Data mirrors the annual submission to the U.S. Equal Opportunity Commission (EEOC) and reflects CSX's workforce demographics as of December 31, 2023. The EEOC report uses mandated job categories which may differ from how CSX classifies its workforce.



# Task Force on Climate-related Financial Disclosures (TCFD)

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 recommendations 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	2023 ESG Report (Corporate Governance, p. 59) <a href="#">Latest CDP Climate Change Response (2023 C1.1)</a>
	b) Describe management’s role in assessing and managing climate-related risks and opportunities	2023 ESG Report (Corporate Governance, p. 59) <a href="#">Latest CDP Climate Change Response (2023 C1.1)</a>
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	2023 ESG Report (Climate Change, p. 48) 2023 10-K (pp. 10 & 12) <a href="#">Latest CDP Climate Change Response (2023 C2.1, C2.2, C2.3, C2.4)</a>
	b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning	2023 10-K (pp. 10 & 12) <a href="#">Latest CDP Climate Change Response (2023 C3.1)</a>
	c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2-degrees Celsius or lower scenario	<a href="#">Latest CDP Climate Change Response (2023 C3.1)</a>
Risk Management	a) Describe the organization’s processes for identifying and assessing climate-related risks	2023 ESG Report (Climate Change, p. 48) 2023 10-K (p. 12) <a href="#">Latest CDP Climate Change Response (2023 C2.2)</a>
	b) Describe the organization’s processes for managing climate-related risks	2023 ESG Report (Climate Change, p. 48) <a href="#">Latest CDP Climate Change Response (2023 C2.2)</a>
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management	<a href="#">Latest CDP Climate Change Response (2023 C2.2)</a>
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 (2023 C-TS8.5)</a>
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	2023 ESG Report (Environmental Sustainability, p. 46; Climate Change, p. 48; ESG Performance Data Table-Environment, p. 74) <a href="#">Latest CDP Climate Change Response (2023 C6.1 C6.2, C6.3, C6.4, C6.5)</a>
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	2023 ESG Report (Environmental Sustainability, p. 46)



# Global Reporting Initiative Index (GRI)

The GRI Standards represent global best practices for reporting publicly on a range of economic, environmental and social impacts, and we report on topics that are material to us as defined by our most recent materiality analysis.

CSX Corporation is reporting with reference to the GRI Standards for the period of the information cited in the following GRI index for the period January 1, 2023 to December 31, 2023. The tables in the following pages summarize where responses to the GRI disclosures can be found throughout this report.

**Table 1. General Disclosures**

Standard	Disclosure	Location
<b>The organization &amp; its reporting practices</b>		
2-1	Organizational details	CSX Corporation Location headquarters: <a href="#">2023 10-K</a> Location of operations: <a href="#">2023 10-K</a>
2-2	Entities included in the organization's sustainability reporting	<a href="#">2023 10-K</a>
2-3	Reporting period, frequency and contact point	Period: January 1, 2023 to December 31, 2023 Frequency: Annual Contact: <a href="#">See CSX website</a>
2-4	Restatements of information	2023 ESG Report (About This Report, p. 4)
2-5	External assurance	2023 ESG Report (About This Report, p. 4)
<b>Activities &amp; workers</b>		
2-6	Activities, value chain and other business relationships	2023 ESG Report (Creating Enduring Value, p. 11) <a href="#">2023 10-K</a> <a href="#">Proxy Statement</a> <a href="#">CSX website (Suppliers page)</a>
2-7	Employees	Total full-time and part-time employees: 2023 ESG Report (2023 ESG Performance Data; Employees Table, pp. 71-72; Employees by gender: p. 71; Fluctuations: pp. 71-72)
2-8	Workers who are not employees	Information unavailable
<b>Governance</b>		
2-9	Governance structure and composition	2023 ESG Report (Corporate Governance, pp. 59-63) <a href="#">Proxy Statement</a> <a href="#">CSX investor website (Governance Documents)</a>
2-10	Nomination and selection of the highest governance body	2023 ESG Report (Corporate Governance, pp. 59-63) <a href="#">Proxy Statement</a>



**Table 1. General Disclosures (continued)**

Standard	Disclosure	Location
2-11	Chair of the highest governance body	<a href="#">Proxy Statement</a>
2-12	Role of the highest governance body in overseeing the management of impacts	2023 ESG Report (Corporate Governance, pp. 59-63) <a href="#">Proxy Statement</a>
2-13	Delegation of responsibility for managing impacts	2023 ESG Report (Corporate Governance, pp. 59-63) <a href="#">Proxy Statement</a>
2-14	Role of the highest governance body in sustainability reporting	2023 ESG Report (Corporate Governance, pp. 59-60) <a href="#">Proxy Statement</a>
2-15	Conflicts of interest	<a href="#">Proxy Statement</a>
2-16	Communication of critical concerns	2023 ESG Report (Ethics & Compliance, p. 64) <a href="#">Code of Ethics: CSX Website</a>
2-17	Collective knowledge of the highest governance body	2023 ESG Report (ESG Governance, p. 12) <a href="#">Proxy Statement</a>
2-18	Evaluation of the performance of the highest governance body	<a href="#">Proxy Statement</a>
2-19	Remuneration policies	<a href="#">Proxy Statement</a>
2-20	Process to determine remuneration	<a href="#">Proxy Statement</a>
2-21	Annual total compensation ratio	<a href="#">Proxy Statement</a>

Standard	Disclosure	Location
<b>Strategy, policy &amp; practices</b>		
2-22	Statement on sustainable development strategy	2023 ESG Report (Our Approach to ESG, p. 12)
2-23	Policy commitments	<a href="#">Proxy Statement</a> <a href="#">2023 10-K</a> <a href="#">Code of Ethics: CSX website</a> <a href="#">Human Rights Policy: CSX website</a> <a href="#">Supplier Policies: CSX website</a> <a href="#">Diverse Supplier Procurement Policy: CSX website</a> <a href="#">ADA Policy: CSX website</a> <a href="#">EEO Policy: CSX website</a>
2-24	Embedding policy commitments	<a href="#">Code of Ethics: CSX website</a> <a href="#">Human Rights Policy: CSX website</a> <a href="#">Supplier Policies: CSX website</a> <a href="#">Diverse Supplier Procurement Policy: CSX website</a> <a href="#">ADA Policy: CSX website</a> <a href="#">EEO Policy: CSX website</a> <a href="#">Environmental Policy: CSX website</a>
2-25	Processes to remediate negative impacts	2023 ESG Report (Cyber & Information Security, pp. 65-67) <a href="#">Code of Ethics: CSX Website</a>
2-26	Mechanisms for seeking advice and raising concerns	2023 ESG Report (Ethics & Compliance, p. 64; Human Rights, p. 65; Cyber & Information Security, pp. 65-67) <a href="#">Responsible Disclosure Policy: CSX website</a>
2-27	Compliance with laws and regulations	<a href="#">Proxy Statement</a> 2023 ESG Report (Commitment to Safety, pp. 15-20; Corporate Governance, p. 59; Ethics & Compliance, p. 64; Appendix—SASB Appendix - Competitive Behavior, p. 85)
2-28	Membership associations	<a href="#">Political Contributions: CSX website</a> <a href="#">Proxy Statement</a>
2-29	Approach to stakeholder engagement	<a href="#">Proxy Statement</a> 2023 ESG Report (Corporate Governance, p. 62)
2-30	Collective bargaining agreements	<a href="#">Proxy Statement</a> 2023 ESG Report (Labor Relations, p. 37)

Table 2. Topic-specific disclosures

Standard	Disclosure	Location
<b>Material Topics</b>		
3-1	Process to determine material topics	2023 ESG Report (Key ESG Issues to ESG, p. 13)
3-2	List of material topics	2023 ESG Report (Key ESG Issues to ESG, p. 13)
<b>Economic Performance</b>		
3-3	Management of material topic	<a href="#">2023 10-K</a>
201-1	Direct economic value generated and distributed	2023 ESG Report (Supply Chain & Economic Growth, p. 39; Appendix—2023 ESG Performance Data Employees by State or Province Table p. 72)
201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">2023 10-K</a> 2023 ESG Report (Climate Change, p. 48) <a href="#">2024 CDP Climate Change Response</a>
201-3	Defined benefit plan obligations and other retirement plans	<a href="#">Proxy Statement</a> <a href="#">2024 10-K</a> 2023 ESG Report (Workforce, p. 27) <a href="#">Benefits Summary: CSX website</a>
201-4	Financial assistance received from government	<a href="#">2023 10-K</a>
<b>Market Presence</b>		
202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	Information unavailable
202-2	Proportion of senior management hired from the local community	Information unavailable

Standard	Disclosure	Location
<b>Indirect Economic Impacts</b>		
3-3	Management of material topic	2023 ESG Report (Social & Community Impact pp. 40-44)
203-1	Infrastructure investments and services supported	2023 ESG Report (Commitment to Safety, pp. 15-20; Supply Chain & Economic Growth, p. 39; 2023 ESG Performance Data Community Giving & Involvement Table p. 73)
203-2	Significant indirect economic impacts	2023 ESG Report (Social & Community Impact pp. 40-44; 2023 ESG Data Performance Community Giving & Involvement Table, p. 72)
<b>Procurement Practices</b>		
3-3	Management of material topic	2023 ESG Report (Supply Chain & Economic Growth, p. 38)
204-1	Proportion of spending on local suppliers	2023 ESG Report (Supply Chain & Economic Growth, p. 39)
<b>Anti-corruption</b>		
3-3	Management of material topic	2023 ESG Report (Ethics & Compliance, p. 64)
205-1	Operations assessed for risks related to corruption	2023 ESG Report (Ethics & Compliance, p. 64) <a href="#">Code of Ethics: CSX Website</a>
205-2	Communication and training about anti-corruption policies and procedures	2023 ESG Report (Ethics & Compliance, p. 64) <a href="#">Code of Ethics: CSX Website</a>
205-3	Confirmed incidents of corruption and actions taken	2023 ESG Report (Ethics & Compliance, p. 64)
<b>Anti-competitive Behavior</b>		
3-3	Management of material topic	2023 ESG Report (Appendix - SASB, p. 85) <a href="#">Code of Ethics: CSX website</a>
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	<a href="#">Code of Ethics: CSX website</a>

Table 2. Topic-specific disclosures (continued)

STANDARD	DISCLOSURE	LOCATION
<b>Tax</b>		
3-3	Management of material topic	Information unavailable
207-1	Approach to tax	Information unavailable
207-2	Tax governance, control and risk management	<a href="#">2023 10-K p. 7</a>
207-3	Stakeholder engagement and management of concerns related to tax	Information unavailable
207-4	Country-by-country reporting	Not applicable
<b>Materials</b>		
3-3	Management of material topic	2023 ESG Report (Our Safety Culture & Approach, p. 15-16; The Five R's of a Circular Economy, p. 55)
301-1	Materials used by weight or volume	Information unavailable
301-2	Recycled input materials used	Information unavailable
301-3	Reclaimed products and their packaging materials	Information unavailable
<b>Energy</b>		
3-3	Management of material topic	2023 ESG Report (Climate Change, p. 48; Appendix—TCFD Index, p. 76) <a href="#">2024 CDP Climate Change Response</a>
302-1	Energy consumption within the organization	2023 ESG Report (2023 ESG Performance Data Environment Table, p. 74)
302-2	Energy consumption outside of the organization	2023 ESG Report (2023 ESG Performance Data Environment Table, p. 74)
302-3	Energy intensity	2023 ESG Report (2023 ESG Performance Data Environment Table, p. 74)
302-4	Reduction of energy consumption	2023 ESG Report (Climate Change, p. 48; 2023 ESG Performance Data Environment Table, p. 74)
302-5	Reductions in energy requirements of products and services	2023 ESG Report (Hydrogen in Focus, p. 52)

STANDARD	DISCLOSURE	LOCATION
<b>Water &amp; Effluents</b>		
3-3	Management of material topic	2023 ESG Report (Nature & Biodiversity, p. 56)
303-1	Interactions with water as a shared resource	Information unavailable
303-2	Management of water discharge-related impacts	Information unavailable
303-3	Water withdrawal	2023 ESG Report (2023 ESG Performance Data Environment Table, p. 75)
303-4	Water discharge	Information unavailable
303-5	Water consumption	Information unavailable
<b>Biodiversity</b>		
3-3	Management of material topic	2023 ESG Report (Nature & Biodiversity, p. 56; Trains, Tracks & Trees, pp. 57-58)
304-1	Operational sites owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Information unavailable
304-2	Significant impacts of activities, products and services on biodiversity	Information unavailable
304-3	Habitats protected or restored	2023 ESG Report (Trains, Tracks & Trees, pp. 57-58)
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Information unavailable
101-5	Locations with biodiversity impacts	Information unavailable
101-6	Direct drivers of biodiversity loss	Information unavailable
107-7	Changes to the state of biodiversity	Information unavailable
101-8	Ecosystem services	2023 ESG Report (Trains, Tracks & Trees, pp. 57-58)



Table 2. Topic-specific disclosures (continued)

Standard	Disclosure	Location
<b>Emissions</b>		
3-3	Management of material topic	2023 ESG Report (Climate Change, p. 48; Appendix—TCFD Index, p. 76) <a href="#">2024 CDP Climate Change Response</a>
305-1	Direct (Scope 1) GHG emissions	2023 ESG Report (2023 ESG Performance Data Environment Table, p. 74)
305-2	Energy indirect (Scope 2) GHG emissions	2023 ESG Report (2023 ESG Performance Data Environment Table, p. 74)
305-3	Other indirect (Scope 3) GHG emissions	2023 ESG Report (2023 ESG Performance Data Environment Table, p. 74)
305-4	GHG emissions intensity	2023 ESG Report (2023 ESG Performance Data Environment Table, p. 74)
305-5	Reduction of GHG emissions	2023 ESG Report (Climate Change, p. 48)
305-6	Emissions of ozone-depleting substances (ODS)	2023 ESG Report (2023 ESG Performance Data Environment Table, p. 74)
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	2023 ESG Report (2023 ESG Performance Data Environment Table, p. 74)
<b>Waste</b>		
3-3	Management of material topic	2023 ESG Report (The Five R's of a Circular Economy, p. 55)
306-1	Waste generation and significant waste-related impacts	Information unavailable
306-2	Management of significant waste-related impacts	Information unavailable
306-3	Waste generated	2023 ESG Report (2023 ESG Performance Data Environment Table, p. 73)
306-4	Waste diverted from disposal	2023 ESG Report (2023 ESG Performance Data Environment Table, p. 73)
306-5	Waste directed to disposal	2023 ESG Report (2023 ESG Performance Data Environment Table, p. 73)

Standard	Disclosure	Location
<b>Supplier Environmental Assessment</b>		
3-3	Management of material topic	2023 ESG Report (Supply Chain & Economic Growth, pp. 38-39) <a href="#">2024 CDP Climate Change Response</a>
308-1	New suppliers that were screened using environmental criteria	2023 ESG Report (Supply Chain & Economic Growth, pp. 38-39)
308-2	Negative environmental impacts in the supply chain and actions taken	<a href="#">2024 CDP Climate Change Response</a>
<b>Employment</b>		
3-3	Management of material topic	2023 ESG Report (Workforce, p. 27)
401-1	New employee hires and employee turnover	2023 ESG Report (2023 ESG Data Performance Employees Table, pp. 71-72)
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<a href="#">Benefits Summary: CSX website</a>
401-3	Parental leave	<a href="#">Benefits Summary: CSX website</a>
<b>Labor/Management Relations</b>		
3-3	Management of material topic	2023 ESG Report (Labor Relations, p. 37)
402-1	Minimum notice periods regarding operational changes	Information unavailable

**Table 2. Topic-specific disclosures (continued)**

Standard	Disclosure	Location
<b>Occupational Health &amp; Safety</b>		
3-3	Management of material topic	2023 ESG Report (Commitment to Safety, pp. 15-16)
403-1	Occupational health and safety management system	2023 ESG Report (Our Safety Culture & Approach, p. 15)
403-2	Hazard identification, risk assessment and incident investigation	2023 ESG Report (Public & Community Safety, p. 20)
403-3	Occupational health services	2023 ESG Report (Our Safety Culture & Approach, pp. 15-16)
403-4	Worker participation, consultation and communication on occupational health and safety	2023 ESG Report (Safety Training, p. 19)
403-5	Worker training on occupational health and safety	2023 ESG Report (Safety Training, p. 19)
403-6	Promotion of worker health	2023 ESG Report (Safety Training, p. 19)
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2023 ESG Report (Supply Chain & Economic Growth, pp. 38-39)
403-8	Workers covered by an occupational health and safety management system	Information unavailable
403-9	Work-related injuries	2023 ESG Report (2023 ESG Performance Data Safety & Security Table, p. 70)
403-10	Work-related ill health	2023 ESG Report (2023 ESG Performance Data Safety & Security Table, p. 70)

Standard	Disclosure	Location
<b>Training &amp; Education</b>		
3-3	Management of material topic	2023 ESG Report (Workforce, p. 27)
404-1	Average hours of training per year per employee	Information unavailable
404-2	Programs for upgrading employee skills and transition assistance programs	2023 ESG Report (Workforce, pp. 28-30)
404-3	Percentage of employees receiving regular performance and career development reviews	2023 ESG Report (2023 ESG Data Performance Employees Table, p. 71)
<b>Diversity &amp; Equal Opportunity</b>		
3-3	Management of material topic	2023 ESG Report (Diversity, Equity & Inclusion, pp. 32-33)
405-1	Diversity of governance bodies and employees	2023 ESG Report (Corporate Governance, p. 61 <a href="#">Code of Ethics: CSX website</a> )
405-2	Ratio of basic salary and remuneration of women to men	Information unavailable
<b>Non-discrimination</b>		
3-3	Management of material topic	2023 ESG Report (Ethics & Compliance, p. 64) <a href="#">Code of Ethics: CSX Website</a>
406-1	Incidents of discrimination and corrective actions taken	Information unavailable



**Table 2. Topic-specific disclosures (continued)**

Standard	Disclosure	Location
<b>Freedom of Association &amp; Collective Bargaining</b>		
3-3	Management of material topic	2023 ESG Report (Labor Relations, p. 37)
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Information unavailable
<b>Child Labor</b>		
3-3	Management of material topic	<a href="#">Human Rights Policy: CSX website</a>
408-1	Operations and suppliers at significant risk for incidents of child labor	Information unavailable
<b>Forced or Compulsory Labor</b>		
3-3	Management of material topic	2023 ESG Report (Human Rights, p. 65) <a href="#">Human Rights Policy: CSX website</a>
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Information unavailable

Standard	Disclosure	Location
<b>Security Practices</b>		
3-3	Management of material topic	2023 ESG Report (Cyber & Information Security, pp. 65-67; Ethics & Compliance, p. 64)
410-1	Security personnel trained in human rights policies or procedures	Information unavailable
<b>Rights of Indigenous Peoples</b>		
411-1	Incidents of violations involving rights of indigenous peoples	Information unavailable
<b>Local Communities</b>		
3-3	Management of material topic	2023 ESG Report (Social & Community Impact, pp. 40-44)
413-1	Operations with local community engagement, impact assessments and development programs	2023 ESG Report (Public & Community Safety, p. 20; Social & Community Impact, pp. 40-44)
413-2	Operations with significant actual and potential negative impacts on local communities	Information unavailable
<b>Supplier Social Assessment</b>		
3-3	Management of material topic	2023 ESG Report (Supply Chain & Economic Growth, pp. 38-39)
414-1	New suppliers that were screened using social criteria	2023 ESG Report (Supply Chain & Economic Growth, pp. 38-39; 2023 ESG Performance Data Business & Governance Table, p. 70)
414-2	Negative social impacts in the supply chain and actions taken	Information unavailable



Table 2. Topic-specific disclosures (continued)

Standard	Disclosure	Location
<b>Public Policy</b>		
3-3	Management of material topic	2023 ESG Report (Public Policy & Advocacy, p. 68)
415-1	Political contributions	<a href="#">Political Contributions: CSX website</a>
<b>Customer Health &amp; Safety</b>		
3-3	Management of material topic	2023 ESG Report (Commitment to Customer Service, p. 21)
416-1	Assessment of the health and safety impacts of product and service categories	Information unavailable
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Information unavailable
<b>Marketing &amp; Labeling</b>		
417-1	Requirements for product and service information and labeling	Information unavailable
417-2	Incidents of non-compliance concerning product and service information and labeling	Information unavailable
417-3	Incidents of non-compliance concerning marketing communications	Information unavailable
<b>Customer Privacy</b>		
3-3	Management of material topic	2023 ESG Report (Cyber & Information Security, pp. 65-67) <a href="#">Privacy Policy: CSX website</a>
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information unavailable



# Sustainability Accounting Standards Board Index (SASB)

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.

This year, we assessed and identified areas where we can align our business activities with the UN SDGs, which we have aligned at the target level to our SASB disclosures.

## Sustainability Disclosure Topics & Accounting Metrics

Disclosure	Accounting Metric	Response	UN SDG Goal	UN SDG Target
Greenhouse Gas Emissions	TR-RA-110a.1 Gross global Scope 1 emissions	2023 ESG Report (ESG Performance Data Table-Environment, p. 74)	7 – Affordable and Clean Energy 12 – Responsible Consumption and Production 13 – Climate Action	7.2 - Increase substantially the share of renewable energy in the global energy mix 7.a - Enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology 12.4 - Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment 12.6 - Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle 13.2 - Integrate climate change measures into national policies, strategies and planning
	TR-RA-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	2023 ESG Report (Climate Change, p. 48) <a href="#">Latest CDP Climate Change Response (2022 C1.3, C4.1)</a>		
	TR-RA-110a.3 Total fuel consumed, percentage renewable	2023 ESG Report (ESG Performance Data Table-Environment, p. 74)		
Air Quality	TR-RA-120a.1 Air emissions of the following pollutants: (1) NOx (excluding N <sub>2</sub> O) and (2) particulate matter (PM10)	2023 ESG Report (ESG Performance Data Table-Environment, p. 74)	3 – Good Health and Well-Being	3.9 - Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination
Employee Health & Safety	TR-RA-320a.1 (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	2023 ESG Report (ESG Performance Data Table-Safety, p. 70)	8 – Decent Work and Economic Growth	8.8 - Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
Competitive Behavior	TR-RA-520a.1 Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations <sup>28</sup>	In 2023, CSX was/wasn't subject to any monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations		
Accident & Safety Management	TR-RA-540a.1 Number of accidents and incidents	2023 ESG Report (ESG Performance Data Table-Safety, p. 70)	3 – Good Health and Well-Being 11 – Sustainable Cities and Communities 12 – Responsible Consumption and Production	3.9 - Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination 11.5 - Significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations 11.6 - Reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management 12.4 - Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment
	TR-RA-540a.2 Number of (1) accident releases and (2) non-accident releases (NARs) <sup>29</sup>	2023 ESG Report (ESG Performance Data Table-Safety, p. 70)		
	TR-RA-540a.3 Number of Federal Railroad Administration (FRA) Recommended Violation Defects	2023 ESG Report (ESG Performance Data Table-Safety, p. 70)		
	TR-RA-540a.4 Frequency of internal railway integrity inspections <sup>30</sup>	2023 ESG Report (ESG Performance Data Table-Safety, p. 70)		



## Activity Metrics

Disclosure	Location
TR-RA-000.A Number of carloads transported <sup>31</sup>	2023 ESG Report (CSX by the Numbers, p. 8) <a href="#">2023 10-K</a> (p. 4)
TR-RA-000.B Number of intermodal units transported <sup>32</sup>	<a href="#">2023 10-K</a> (p. 4)
TR-RA-000.C Track miles <sup>33</sup>	2023 ESG Report (About CSX, p. 6) <a href="#">2023 10-K</a> (p. 16)
TR-RA-000.D Revenue ton miles (RTM) <sup>34</sup>	<a href="#">2023 10-K</a> (p. 35)
TR-RA-000.E Number of employees	2023 ESG Report (CSX by the Numbers, p. 8; Workforce, p. 27)



# Endnotes

1. Our last non-financial materiality assessment was conducted in 2020. See our 2021 ESG report for more details.
2. In our 2022 assessment, material topics differed from previous years due to a significant change in GRI Standards. In previous years assessments, we asked interviewees to score ESG topics based on “What degree is CSX impacted by ESG topics,” (internal focus) whereas in our 2022 assessment we asked interviewees to score based on “How CSX’s business activities impact each ESG topic” (external focus).
3. The data reflected in this table, which is calculated as of December 31, 2023, excludes approximately 2,500 employees of certain CSX subsidiary companies due to such companies’ separate payroll systems.
4. Employees who identify as female, Black or African American, Native Hawaiian or Pacific Islander, Asian, American Indian or Alaskan Native.
5. Employees who identify as female, Black or African American, Native Hawaiian or Pacific Islander, Asian, American Indian or Alaskan Native.
6. Diverse spend is defined as the amount, in dollars, spent with suppliers that are small, minority-owned or women-owned businesses.
7. Diverse spend is defined as the amount, in dollars, spent with suppliers that are small, minority-owned or women-owned businesses.
8. Average active trains per day excludes passenger and foreign trains.
9. 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).
10. FRA Personal Injury Rate calculated as cases / 200,000 employee hours. Safety statistics are estimated and continue to be updated as actuals settle.
11. 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.
12. 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.
13. Fatality Rate is the rate of work-related fatalities / total number of full-time employees.
14. 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. Safety statistics are estimated and continue to be updated as actuals settle.
15. 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.
16. 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.
17. 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.
18. Under-represented workforce is defined by employees who identify as female, Black or African American, Native Hawaiian or Pacific Islander, Asian, American Indian or Alaskan Native.
19. Under-represented workforce is defined by employees who identify as female, Black or African American, Native Hawaiian or Pacific Islander, Asian, American Indian or Alaskan Native.
20. Under-represented workforce is defined by employees who identify as female, Black or African American, Native Hawaiian or Pacific Islander, Asian, American Indian or Alaskan Native.
21. Inquiries handled by PSCC, CSX’s contact hub for non-emergency issues. In 2021, we made changes to our tracking process and now track the total amount of incidents handled.
22. Scope 1 emissions exclude 8,102 metric tons of direct CO<sub>2</sub>e emissions from the use of biofuels.
23. Prior year methodology for calculating total Scope 3 was based on categories 4, 5, 6 and 7.
24. In 2023, CSX included additional categories of Scope 3 GHG emissions in its third-party assurance process. Prior years have not been assured.
25. 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.
26. Reduction of GHG emissions based on 2014 value of 12.1 metric tons of carbon dioxide equivalent per MGTM.
27. 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.
28. Note to TR-RA-520a.1– The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses.



29. Note to TR-RA-540a.2- Disclosure shall include a discussion of the entity's processes and procedures to manage non-accident and accident releases.
30. Note to TR-RA-540a.4- Disclosure shall include, where relevant, a discussion of rail maintenance practices, operating measures, and technologies that the entity implements in addition to inspections.
31. Note to TR-RA-000.A – The scope of disclosure includes all carloads that the entity transported in conjunction with the shipping of freight (including freight that is not containerized) for its customers.
32. Note to TR-RA-000.B – Intermodal units include shipping containers and truck trailers that can be transported across modes of transportation.
33. Note to TR-RA-000.C – Track miles include route miles (the total extent of routes available for trains to operate) and take into account multiple track routes such that each route mile with double track is considered two track miles.
34. Note to TR-RA-000.D – A revenue ton mile (RTM) is defined as one ton of revenue traffic transported one mile. Revenue ton miles are calculated by multiplying the miles traveled on each leg by the number of tons of revenue traffic carried on that leg.



## SECTION 7

## Statement of Verification

### 7.1 Scope

Jacobs performed a verification of CSX's Fiscal Year 2023 GHG Emissions 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 2023 GHG Emissions Inventory. Jacobs' responsibility is to express a conclusion as to whether anything has been identified to suggest that the reported Emissions Inventory is not presented fairly in accordance with referenced GHG accounting principles and associated guidance documents. Jacobs reviewed the inventory to verify conformance with the following:

- CSX's reporting methodologies for the selected data sets;
- World Resources Institute / World Business Council for Sustainable Development (WRI/WBCSD) Greenhouse Gas Protocol: A corporate accounting and reporting standard, revised edition (otherwise referred to as the WRI/WBCSD GHG Protocol); and
- WRI Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

### 7.2 Methodology

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

### 7.3 GHG Assertions

CSX asserts that their total annual location-based Scope 1, Scope 2, and listed Scope 3 emissions for the 2023 reporting period is 5,547,608 metric tonnes CO<sub>2</sub>e as detailed in Table 7-1 below. Table 7-2 summarizes total energy consumption assertions. Table 7-3 summarizes assertions for Scope 1 and 2 emissions intensity per revenue and gross ton mile.

**Table 7-1 Emissions Totals**

GHG Category	Emissions (tonnes CO <sub>2</sub> e)
Scope 1 GHG Emissions	4,239,321
Scope 1 GHG Emissions (biogenic) <sup>3</sup>	8,102
Scope 2 GHG Emissions (Market Based)	127,416
Scope 3 Purchased Goods and Services and Capital Goods	974,894
Scope 3 Fuel and Energy Related Activities	56,450
Scope 3 Upstream Transportation & Distribution	8,757
Scope 3 Waste	45,691
Scope 3 Business Travel and Commuting	95,079
<b>Total</b>	<b>5,547,608</b>

<sup>3</sup> Per the GHG Protocol, biogenic CO<sub>2</sub> is reported separately and excluded from the emissions inventory total

**Table 7-2 Energy Totals**

Energy Type	Quantity (MWH)
Fuels	16,600,272
Electricity (Non-Renewable)	417,323
Energy (Total)	17,017,595
Electricity (Renewable Energy Certificates)	84,000

**Table 7-3 Emissions Intensities**

Intensity Metric	Value
Million Revenue Ton Miles (MRTM)	196,371 MRTM
Scope 1 and 2 MRTM Normalized	22.24 metric tonnes CO <sub>2</sub> e/MRTM
Million Gross Ton Miles (MGTM)	408,222 MGTM
Scope 1 and 2 MGTM Normalized	10.70 metric tonnes CO <sub>2</sub> e/MGTM

### 7.4 Independence and Competency

Jacobs is a technical professional services firm that specializes in engineering, scientific, and environmental consulting.

No member of the verification team has a business relationship with CSX, its Directors, or its Managers beyond that required of this assignment. Consistent with the requirements of ISO14064-3, Jacobs conducted this verification independently and with no knowledge of a conflict of interest.

Jacobs' assurance team is experienced in conducting verification over climate change and sustainability information, systems, and processes.

### 7.5 Conclusion

Based on the verification review conducted, the GHG Scope 1, Scope 2, above listed Scope 3, energy, and intensity assertions in CSX's 2023 GHG Emissions Inventory are presented fairly in accordance with stated criteria.

#### Jacobs

Mary Pat Campbell, P.E.  
Lead Verifier  
Chicago, IL  
July 31, 2024



We appreciate your interest in CSX's 2023 ESG performance.

At CSX, we see reporting as an ongoing, evolving process. As such, we 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).