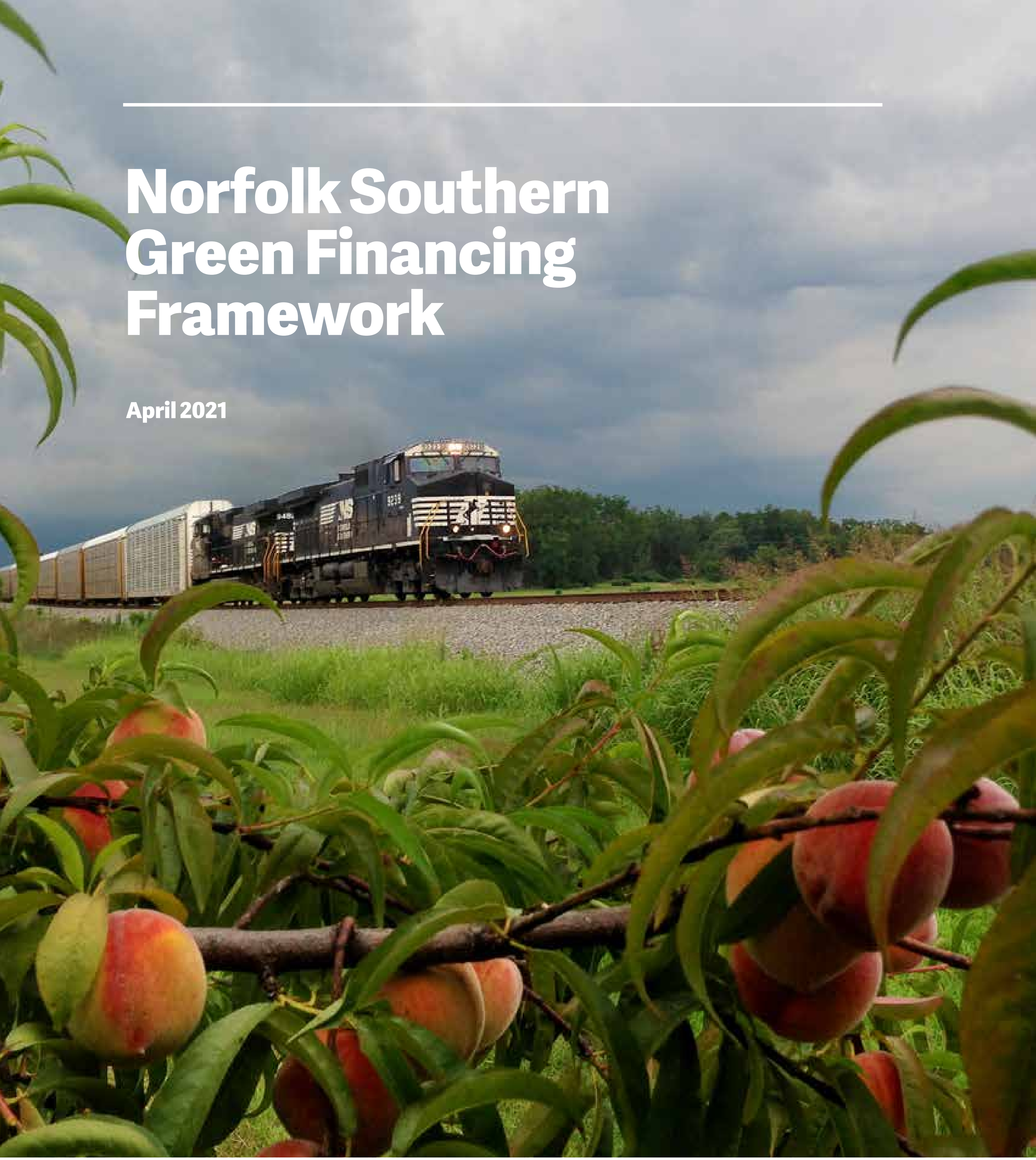
Norfolk Southern Green Financing Framework

April 2021



NORFOLK SOUTHERN®

1.0 Norfolk Southern Corporation and Sustainability Strategy

1.1 COMPANY OVERVIEW

Norfolk Southern Corporation ("Norfolk Southern", or "the Company"), owns a major freight railroad, and is primarily engaged in the rail transportation of raw materials, intermediate products, and finished goods primarily in the Southeast, East, and Midwest and, via interchange with rail carriers, to and from the rest of the United States. Norfolk Southern also transports overseas freight through several Atlantic and Gulf Coast ports. Norfolk Southern offers the most extensive intermodal network in the eastern half of the United States.

Norfolk Southern was incorporated on July 23, 1980, under the laws of the Commonwealth of Virginia. Norfolk Southern's common stock is listed on the New York Stock Exchange under the symbol "NSC."

1.2 OVERVIEW OF COMPANY SUSTAINABILITY STRATEGY

Norfolk Southern has integrated sustainability into daily operations in ways that advance our business goals and honor our environmental and social commitments as a responsible corporate citizen. We strive to satisfy these commitments while driving business forward, to ensure long-term success for all stakeholders: investors, customers, employees, communities, and industry partners.

Economy

Norfolk Southern plays an essential role in the U.S. economy, moving the goods and materials that power growth, enabling commerce, and providing access to international markets. This role requires us to maintain and modernize our extensive rail network and invest in advanced technologies.

Safety

Safety is a way of life at Norfolk Southern, extending beyond our rail operations and into the communities where we live and work. This commitment is reflected by the Board of Directors establishing a Safety Committee.

Diversity, Equity, and Inclusion

Because we value the unique experiences, perspectives, and contributions of all our people, we endeavor to promote diversity, equity, and inclusion in the workplace and in the communities we serve.

Environment

Running our network efficiently is good for our business as well as for the environment.

Additionally, we take environmental stewardship seriously and are involved in several initiatives that go beyond reducing our carbon footprint.

1.3 NORFOLK SOUTHERN'S ENVIRONMENTAL FOCUS AND COMMITMENT

Efficiency and the Environment

Norfolk Southern's efforts to improve fuel economy benefit the environment in terms of reduced emissions. Fuel-efficiency initiatives involve a mix of energy management technologies and smart rules-based operating practices, requiring a multi-pronged strategy as the Company evaluates new technologies and industry best practices.

In 2020, Norfolk Southern's direct scope 1 emissions intensity for freight operations was 16.97 gCO2 per net tonne-kilometer (gCO2/t-km). This value was below the 2030 emission threshold for freight activity (21 gCO2/t-km) which the IEA Mobility Model suggests is compliant with a decarbonization trajectory[1].

[1] Emission threshold based on International Energy Agency's 2 Degree Scenario, referenced by the Climate Bond Initiative, at: https://www.climatebonds.net/standard/transport

NORFOLK SOUTHERN TAKING ACTION

NS improved fuel efficiency by 9.4%, exceeding our target of 8.6% over a five-year period, with 2015 as a baseline

Retired nearly 1,000 older, less efficient locomotives

Equipping 100% of our road locomotive fleet with advanced energy management technology

Converting 600 older DC locomotives into more reliable and efficient AC traction-motor technology

Helped customers avoid almost 15 million metric tons of carbon emissions every year through shipping by rail rather than truck. This prevents the use of the equivalent of approximately 1.5 billion gallons of truck diesel

Environmental Stewardship

As an industry leader, Norfolk Southern is committed to reducing its environmental impacts by actively tracking, managing, and repurposing waste produced by essential business operations. Increased visibility of the company's waste stream has enabled Norfolk Southern to advance waste-management solutions, increase operational efficiencies, and identify opportunities to reduce the amount of waste sent to landfills across the Company's operating territory.

NORFOLK SOUTHERN TAKING ACTION

Joined the **Operation Clean Sweep Pledge** to eliminate plastic pollution, aiming for zero loss of plastic resin into the environment

Captured over **240,000** metric tons of CO_2 from the atmosphere and removing another 50,000 metric tons annually with Trees and Trains 10,000-acre reforestation project

Converting 1980s-model yard and local switchers into **"Eco" locomotives** through a public-private partnership

Recognitions and Awards

- **2020 List of the 100 Most Sustainably Managed Companies in the World** — *Wall Street Journal*
- **2020 List of 75 Green Supply Chain Partners** — *Inbound Logistics*
- **River Star Business Hall of Fame 2021** — *Elizabeth River Project*
- **2021 list of America's Most Responsible Companies** — *Newsweek Magazine*
- **2020 Military Friendly Company** — *Military Friendly® Spouse Employer*
- **Top-Scoring Company on the 2020 Disability Equality Index** — *Disability Equality Index*
- **2020 Trendsetter for political disclosure practices and accountability** — *Center for Political Accountability (CPA) –Zicklin Index*

1.4 SUSTAINABILITY GOVERNANCE

In 2007 Norfolk Southern became the first in the industry to appoint a Chief Sustainability Officer (CSO). Josh Raglin, our current CSO, was appointed in 2020 and brings front line experience, including over a decade leading innovative conservation initiatives at Brosnan Forest, the company's 14,400-acre conference and conservation center. The CSO champions initiatives that integrate sustainability practices into daily operations to achieve efficiencies, control costs, generate revenue, and reduce environmental impacts. These efforts include close collaboration with department leaders company-wide, along with external stakeholders such as customers, investors, and communities. The CSO heads a Corporate Sustainability Advisory Council (CSAC) comprised of ambassadors from different departments and positions, collaborating to advance sustainable business practices companywide.

In addition, in November 2018, the charter for Norfolk Southern Board's Governance and Nominating Committee was amended to add oversight of sustainability initiatives.

2.0 Green Financing Framework

This Green Financing Framework ("Framework") illustrates the alignment between Norfolk Southern's business and operations, and Norfolk Southern's commitments and values on sustainability and corporate social responsibility.

We believe that the Framework is aligned with the Green Bond Principles 2018 ("GBP") and Green Loan Principles 2020 ("GLP" and, together with the GBP, the "Principles"). The Principles intend to promote integrity of the green financing market by offering guidelines that recommend transparency, disclosure and reporting in order to drive investors to allocate capital to projects that are more environmentally sustainable. To that end, the Framework is based on four components of the Principles:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

2.1 USE OF PROCEEDS

Norfolk Southern intends to allocate an amount equivalent to the net proceeds of any Green Financing to finance or refinance, in whole or in part, a portfolio of eligible green projects ("Eligible Projects") that meet Norfolk Southern's Eligibility Criteria as outlined in the table below.

Infrastructure and rolling stock for railway lines that are built with the overriding objective of transporting fossil fuels do not qualify under the Framework.

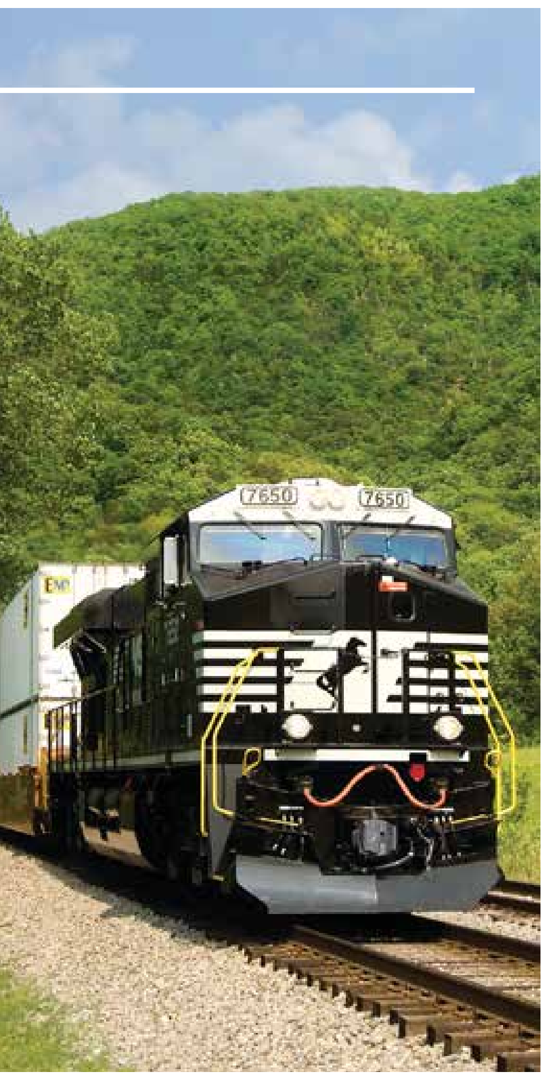
ELIGIBILITY PROJECT CATEGORY	ICMA GBP CATEGORY	UN SDG ALIGNMENT[2]	NORFOLK SOUTHERN ELIGIBILITY CRITERIA
EFFICIENCY AND THE ENVIRONMENT	**Clean Transportation**	 	Expenditures Related to: • Purchase of new locomotives (Modern Tier 4 compliant high horsepower or equivalent), new rolling stock, and conversions of existing locomotives to newer models, that will provide higher fuel efficiency and produce fewer GHG emissions • Acquisition and installation of technology and/or devices that will improve efficiency of locomotives and as a result contribute to reduce fuel consumption • Railway modernization, infrastructure to double lines, new yards and yards' extension, such as: o New sidings and double line some stretches to improve traffic conditions to reduce time spent in crossovers and save fuel o Extension of current length of sidings, allowing an increase in train length • Investments and expenditures to equip road fleet with energy management technology (e.g. LEADER and Trip Optimizer) • Replacement of rails, ties, and ballast, which can improve the operating efficiency of freight rail operations including metrics such as dwell and capacity • Replacement and expansion of intermodal facilities, which can promote the flow and modal shift of freight to lower-carbon alternatives such as rail • Investment and expansion of Thoroughbred Bulk Terminal facilities to promote modal shift of freight to low-carbon rail solutions
	Renewable Energy		• Purchases of renewable energy from wind and solar sources, which can be pursuant to long-term (more than five years) power purchase agreements or virtual power purchase agreements • Construction or operation of facilities, equipment or systems that generate, store, or transmit renewable energy, such as solar panels and photovoltaic cells
	Energy Efficiency		• Investments in facilities and operations to improve efficiency of energy usage, reduce energy consumption, or reduce greenhouse gas emissions, such as LED lighting and HVAC equipment upgrades
	Green Buildings		• New or existing investments and expenditures related to the design, construction, maintenance or refurbishment of buildings that have or are expected to achieve a LEED Gold or Platinum certification, or other equivalent global certifications
ENVIRONMENTAL STEWARDSHIP	**Pollution Prevention & Control**		• Investments and expenditures related to minimizing or eliminating the amount of waste sent to landfill by Norfolk Southern's operations • Investments and expenditures in recycling and recovery programs (e.g. battery & fluorescents recycling)
	Environmentally Sustainable Management of Natural Resources and Land Use		• Investments in the preservation or restoration of natural landscapes, such as reforestation projects

[2] In September 2015, the U.N. General Assembly announced 17 Sustainable Development Goals ("SDGs") to address global challenges and set a blueprint for action to achieve the goals by 2030.

2.2 PROCESS FOR PROJECT EVALUATION AND SELECTION

The Treasury Department will work with the Chief Sustainability Officer to assess initial project eligibility. Norfolk Southern has established a Green Finance Working Group comprising members from the Finance Division (including Treasury, Accounting, Financial Planning & Analysis and Investor Relations teams), and members of other departments including Law, Sustainability, and Internal Audit. The Green Finance Working Group will:

- Periodically review and approve the Treasury Department's recommendations regarding project eligibility and alignment with the criteria described in Section 2.1 above;
- Determine allocations of net proceeds among Eligible Projects;
- Produce, review and approve the annual report for investors prior to its publication; and
- Review the assurance report produced by external auditors and address any issues raised therein.



2.3 MANAGEMENT OF PROCEEDS

An amount equivalent to the net proceeds from Green Financing will be allocated and managed by the Finance Division.

So long as a Green Financing remains outstanding, our internal records will show the amount of the net proceeds from the issuance of such Green Financing allocated to Eligible Projects, as well as the amount of net proceeds pending allocation. Actual spend on Eligible Projects will also be internally tracked. Pending allocation, proceeds will be managed in accordance with the Company's normal liquidity practices.

The Company will use reasonable efforts to substitute any material Eligible Projects that are no longer eligible as soon as practicable upon identifying an appropriate substitute Eligible Project.

Net proceeds can be allocated to expenditures relating to Eligible Projects incurred during the 24 month period prior to the issuance of a Green Financing. We expect to allocate the majority of the net proceeds from any Green Financing to Eligible Green Projects within three years of the date of issuance of such Green Financing.

2.4 REPORTING

2.4.1 Allocation Reporting

Following the one-year anniversary of any Green Financing, Norfolk Southern plans to publish an annual update ("Allocation Report") of its disbursements towards Eligible Projects. These reports are expected to include: (i) amounts allocated to Eligible Projects, by category, (ii) the amount pending allocation, (iii) descriptions of selected projects funded with Green Financing proceeds, (iv) management's assertions as to (i) and (ii). Allocation Reports will be made available publicly on the Norfolk Southern website and will be published at least annually until full allocation and as necessary thereafter in the event of material developments.

Annual allocation reports will be accompanied by an assurance report from a nationally recognized firm registered with the Public Company Accounting Oversight Board in respect of its examination of Norfolk Southern's management's assertion conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

2.4.2 Impact Reporting

Where feasible, Norfolk Southern plans to report on the Key Performance Indicators (KPIs) in aggregate for Eligible Green Project categories, together with the aforementioned allocation status in future Allocation Report(s) to demonstrate the environmental impact of the projects. Definition, calculation, and reporting of KPIs will be at the sole discretion of the Company. Examples of possible KPIs could include:

POTENTIAL KEY PERFORMANCE INDICATORS	
ELIGIBLE PROJECT CATEGORY	EXAMPLE OF REPORTING METRICS
Clean Transportation	• Estimated reduction in scope 1 & scope 2 emissions • Estimated improvement in fuel efficiency
Renewable Energy	• Percentage of renewable energy resourced • Estimated reduction in scope 1 & scope 2 emissions
Energy Efficiency	• Reduction in total energy consumed
Green Buildings	• Number of buildings with LEED Gold, Platinum or an equivalent certification
Pollution Prevention & Control	• Total waste to landfill • Percentage of waste diverted
Environmentally Sustainable Management of Natural Resources and Land Use	• Estimated sequestration of GHG emissions • Total acres restored

Finally, Norfolk Southern will seek to include anecdotal narrative or qualitative reporting, to the extent possible, on the positive environmental impacts from selected Eligible Projects receiving allocations from Green Financings.

2.5 EXTERNAL REVIEW OF FRAMEWORK

Norfolk Southern has engaged Sustainalytics, a global leader in Environmental, Social and Governance research and verification of sustainable products, to provide a second party opinion on the environmental benefits of this Framework and its alignment with the ICMA Green Bond Principles 2018. The second party opinion will be made available on the provider's website.

Additional Information

NO IMPACT ON COVENANTS, ETC.

The information and opinions contained in this Framework are provided as of the date of this Framework and are subject to change without notice. None of NSC, its subsidiaries or any of its affiliates assume any responsibility or obligation to update or revise such statements, regardless of whether those statements are affected by the results of new information, future events or otherwise. This Framework represents current NSC policy and intent, is subject to change and is not intended to, nor can it be relied on, to create legal relations, rights or obligations. This Framework is intended to provide non-exhaustive, general information. This Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by NSC and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by NSC as to the fairness, accuracy, reasonableness or completeness of such information.

No representation is made as to the suitability of any financing to fulfill environmental and sustainability criteria required by prospective investors. Each potential purchaser should determine for itself the relevance of the information contained or referred to in this Framework or the relevant documentation for such financing regarding the use of proceeds and its purchase should be based upon such investigation as it deems necessary. NSC has set out its intended policy and actions in this Framework in respect of use of proceeds, project evaluation and selection, management of proceeds and reporting, in connection with NSC Green Financings. However, nothing in this Framework is intended to modify or add to any covenant or other contractual obligation undertaken by NSC in any Green Financing that may be issued in accordance with this Framework. This Framework does not create any legally enforceable obligations against NSC; any such legally enforceable obligations relating to any Green Financings are limited to those expressly set forth in the documentation governing such Green Financing. Therefore, unless expressly set forth in the indenture, loan agreement, notes, or other financing documents governing such Green Financing, it will not be an event of default or breach of contractual obligations under the terms and conditions of any such Green Financing if NSC fails to adhere to this Framework, whether by failing to fund or complete Eligible Projects or by failing to ensure that proceeds do not contribute directly or indirectly to the financing of the excluded activities as specified in this Framework, or by failing (due to a lack of reliable information and/or data or otherwise) to provide investors with reports on uses of proceeds and environmental impacts as anticipated by this Framework, or otherwise.

In addition, it should be noted that all of the expected benefits of the Eligible Projects as described in this Framework may not be achieved. Factors including, but not limited to, market, political and economic conditions, changes in government policy (whether with continuity of the government or on a change in the composition of the government), changes in laws, rules or regulations, the lack of available Eligible Projects being initiated, failure to complete or implement projects or other challenges, could limit the ability to achieve some or all of the expected benefits of these initiatives, including the funding and completion of Eligible Projects. Each environmentally focused potential investor should be aware that Eligible Projects may not deliver the benefits anticipated, and may result in adverse impacts.

This Framework does not constitute a recommendation regarding any securities of NSC. This Framework is not, does not contain and may not be intended as an offer to sell or a solicitation of any offer to buy any securities issued by NSC. In particular, neither this document nor any other related material may be distributed or published in any jurisdiction in which it is unlawful to do so, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession such documents may come must inform themselves about, and observe, any applicable restrictions on distribution. Any decision to purchase should be made solely on the basis of the information to be contained in any offering document provided in connection with the respective offering. Prospective investors are required to make their own independent investment decisions.

Materiality, as used in this Framework, is different than the definition used in the context of filings with the Securities and Exchange Commission ("SEC"). Issues deemed material for purposes of this Framework may not be considered material for SEC reporting purposes.

Cautionary Statement

This Framework contains forward-looking statements within the meaning of the safe harbor provision of the Private Securities Litigation Reform Act of 1995, as amended, including the goals, commitments and targets in this Framework. These statements relate to future events or future performance of Norfolk Southern Corporation's (NYSE: NSC) ("Norfolk Southern," "NS" or the "Company"), including but not limited to statements regarding future financial performance and anticipated results, benefits, goals, commitments, and targets related to the strategic plan or sustainability plans or initiatives. In some cases, these forward-looking statements may be identified by the use of words like "will," "believe," "expect," "targets," "anticipate," "estimate," "plan," "consider," "project," and similar references to the future. The Company has based these forward-looking statements on management's current expectations, assumptions, estimates, beliefs, and projections. While the Company believes these expectations, assumptions, estimates, and projections are reasonable, forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which involve factors or circumstances that are beyond the Company's control, including but not limited to: general North American and global economic conditions; changes in energy prices and fuel markets; capacity constraints; technology disruptions; acts of terrorism or war; certainty surrounding timing and volumes of commodities being shipped; changes in laws and regulations; uncertainties of claims and lawsuits; labor disputes; transportation of dangerous goods; effects of changes in capital market conditions; severe weather; and the impact of the COVID-19 pandemic on us, our customers, our supply chain and our operations. These and other important factors, including those discussed under "Risk Factors" in the Annual Report on Form 10-K for the year ended December 31, 2020, filed with the Securities and Exchange Commission (the "SEC"), as well as the Company's subsequent filings with the SEC, may cause actual results, benefits, performance, or achievements to differ materially from those expressed or implied by these forward-looking statements. Please refer to these SEC filings for a full discussion of those risks and uncertainties we view as most important. The goals and projects discussed in this Framework are aspirational, and as such, no guarantees and promises are made that these goals and projects will be met or successfully executed.

Forward-looking statements are not, and should not be relied upon as, a guarantee of future events or performance, nor will they necessarily prove to be accurate indications of the times at or by which any such events or performance will be achieved. As a result, actual outcomes and results may differ materially from those expressed in forward-looking statements. We undertake no obligation to update or revise forward-looking statements, whether as a result of new information, the occurrence of certain events or otherwise, unless otherwise required by applicable securities law.