



2021

Environmental, Social and Governance Report

CSX

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About This Report

CSX issues an annual Environmental, Social and Governance (ESG) Report to provide an update on our economic, workforce, environmental and social impacts over the last year and share progress against our goals and business performance. Unless otherwise noted, this report captures activities and impacts in the 2021 calendar year.

As part of our commitment to accessible and transparent communications, this report is prepared in accordance with leading ESG disclosure frameworks including the Global Reporting Initiative (GRI) Standards: Core option; the Sustainability Accounting Standards Board (SASB) framework; and the Task Force on Climate-related Financial Disclosures (TCFD).

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





Introduction



A Message From Our President & Chief Executive Officer

2021 challenged us in many ways. It challenged us to adapt and introduce new service solutions to keep customers' freight moving sustainably amid global supply chain disruptions and a tight labor market. It challenged us to evolve the way we work and apply an ongoing emphasis on the health and safety of our employees and strengthening our culture of inclusion. It challenged us to innovate and continue driving positive sustainability outcomes to reinforce our environmental leadership among the industry.



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Adapting For Our Customers

We have positioned our company to accelerate highway-to-rail freight conversion, driven by technological innovation, operating efficiency and dependable service. With our investments in network capacity, advanced technologies that respond to sustainability demands and new service offerings, CSX continued to deliver for our customers and expand our service to meet our customers where, when and how they need us most.

In 2021, this included important improvements to existing customer offerings — such as an enhancement to our XGate system that reduces potential emissions — and strategic business development and growth initiatives — including an agreement to acquire Pan Am Systems, which will expand CSX's reach to provide best-in-class service to new and existing customers.

Evolving For Our Employees

Thanks to our talented team, CSX was prepared and ready to meet challenges that arose throughout the year. Our employees demonstrated their commitment to CSX's guiding principles and our unified service culture time and time again.

When the COVID-19 pandemic negatively impacted train crew availability, we implemented an intense hiring initiative for operating employees. When supply chain congestion caused backups at ocean ports, our employees leveraged the resiliency of our operating model to respond quickly to challenging conditions.

Our employees continue to show pride in the work they do and in being part of an essential transportation company — and for that I am both humbled and greatly appreciative.

To each and every one of you, thank you for everything you do.

Innovating For Our Planet

In 2021, CSX was once again recognized at a national and global level for our commitment to sustainability and our efforts to drive carbon emissions reductions throughout the supply chain. We remain dedicated to advancing innovative solutions and progressive action in our operations to reduce our impact on the environment while working closely with our customers to help them improve their carbon footprint.

Last year, our customers doubled their use of CSX tools that helped them calculate emissions savings by switching to rail. By choosing to use CSX rail instead of shipping by truck, they collectively avoided 11 million metric tons of carbon dioxide emissions, the equivalent of taking 2.3 million cars off the road.

Positioning CSX For Growth

Taking our operational transformation to the next level, we are now shifting into growth mode as we leverage our improved safety, efficiency and sustainability. CSX strengthened its value to customers and the United States economy in 2021 with sustained momentum across key growth initiatives. Moving forward, we are focused on expanding our network capacity to continue delivering excellent customer service while executing our new "One CSX" culture transformation.

In our pursuit to be the transportation solution of choice, we remain committed to strengthen our Environmental, Social and Governance (ESG) performance and we will continue to adapt, evolve and innovate. I am energized by the growth and success I know CSX will achieve.

James M. Foote

President and Chief Executive Officer

About CSX

CSX Corporation, a Class I railroad, is a leading supplier of rail-based freight transportation. We are powered to deliver comprehensive service solutions including traditional rail service and the transport of intermodal containers and trailers with on-time delivery, first-class service and a seamless shipping experience.

CSX is proud to serve Americans across our rail network of nearly 19,500 route miles of track connecting 23 states, the District of Columbia, and the Canadian provinces of Ontario and Quebec. Our network will increase to nearly 21,000 route miles of track across 26 states in 2022 following the acquisition of Pan Am Systems.

Over the last 195 years, CSX has played a critical role in fostering the economic expansion and industrial development of North America. We are focused on meeting today’s transportation needs while effectively preparing to deliver on tomorrow’s objectives — with an adaptive business designed to transform by embracing marketing conditions,

rising to new standards of customer excellence and evolving our operations.

Today, as the world sits at the crossroads of an energy transition, CSX is working to move a broad portfolio of products across the country in a way that reduces our impact on the environment, takes traffic off congested roads, and minimizes fuel consumption and transportation costs. We provide key freight services across a broad array of markets, including automotive, agriculture and food products, chemicals, fertilizers, forest products, metals and equipment and minerals.



Our Vision

To be the best-run railroad in North America

Our Purpose

To capitalize on the efficiency of rail transportation to serve America

Our Business

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

Our Guiding Principles



Improve Customer Service



Operate Safely



Value and Develop Employees



Optimize Asset Utilization



Control Costs



2021 At-A-Glance

Combining an ever-expanding network, the dedication of our employees, our persistence to deliver excellent customer service and our commitment to positive environmental progress, CSX achieved outstanding financial, safety and environmental performance in 2021.



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CSX by the Numbers

195

Years in Operation

3,500+

Locomotives

More Than

20,900

Employees

Nearly

3.3 million

Carloads

Average of

1,634

Trains Per Day

Approximately

3 million

Intermodal Units, Transported Products
and Raw Materials

Approximately

19,500

Route Mile Rail Network

\$12.5 billion

of Revenue Generated



Our Revenue Mix



Awards and Accomplishments

In 2021, CSX was recognized for the impact of our business practices and for our ability to create long-term value for our stakeholders.



CDP – CDP A List:

2021 marked the ninth consecutive year that CSX has ranked among CDP’s corporate sustainability leaders.



The Center for Climate and Energy Solutions (C2ES) and The Climate Registry – Excellence in Greenhouse Gas Management (Goal Setting Certificate):

CSX was recognized for exemplary corporate, organizational and individual leadership in reducing carbon pollution and addressing climate change in operations and strategies in the goal-setting category for its commitment to reducing greenhouse gas (GHG) emissions.



CLEAN200™ Corporate Knights – Clean200 List of Sustainable Companies:

CSX was the highest ranked U.S. railroad on the Clean200 list, which ranks the largest 200 public companies by green energy revenues.



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

For the third consecutive year, CSX was recognized as a Best Place to Work for Disability Inclusion by Disability:IN and the American Association of People with Disabilities, scoring a 90% on the 2021 Disability Equality Index.



Dow Jones – Dow Jones Sustainability Index (DJSI):

For the 11th consecutive year, CSX received this top sustainability honor in 2021 for high performance in environmental management, corporate governance, supply chain management, and corporate citizenship and philanthropy.



Forbes – Green Growth 50:

CSX was named to the 2021 Forbes Green Growth 50 list of corporations that have successfully cut GHG emissions while increasing earnings.



Fortune – Most Admired Companies:

CSX was named one of the World’s Most Admired Companies by Fortune magazine in 2021. CSX ranked sixth among all companies in the trucking, transportation and logistics sector and was one of only two railroads to make the list.



Inbound Logistics – 75 Green Supply Chain Partners:

CSX earned a spot on the list of 75 Green Supply Chain Partners selected by the editors of Inbound Logistics in its June 2021 issue recognizing companies that are committed to sustainable, eco-friendly supply chain services.



Insider Pro and Computerworld – Best Place to Work in IT:

CSX was the only railroad to be recognized as one of the best companies for IT professionals to pursue a career based on benefits, career development, training and retention.



National Defense Transportation Association (NDTA) – Corporate Distinguished Service Award:

CSX was the only railroad among 38 companies to receive the recognition which acknowledges outstanding service to NDTA’s goals and programs.



Newsweek – Most Responsible Companies:

Newsweek magazine recognized CSX as America’s #1 railroad for corporate responsibility and first among all U.S. transport and logistics companies.



U.S. Chamber of Commerce – Foundation’s Citizens Award Finalist:

CSX was a 2021 finalist, recognized for being a business committed to serving societal good, expanding opportunity and helping drive progress for its communities.



U.S. Veterans Magazine – Best of the Best Top Veteran-Friendly Companies:

The U.S. Veterans Magazine included CSX on its Best of the Best Top Veteran-Friendly Companies list in 2021 for the third year in a row, recognizing our efforts in welcoming veterans to our workforce.





Strategic Approach

Our Role in Society

With a network that reaches almost two-thirds of the United States population, we at CSX have a responsibility to contribute to our nation's prosperity. For nearly 200 years, we have played a critical role in economic expansion by serving a diverse set of customers, industries and industrial markets. We will continue to deliver long-term value for our people and our planet in the decades to come.

Consumer demand for freight rail — a safe, reliable and sustainable transportation solution — accelerated in 2021. When faced with supply chain challenges and labor shortages, CSX utilized innovative solutions and made quick adjustments to our operations to keep serving our customers with the same reliability and standard of service we have been dedicated to throughout our history.

Each year, the external environment and economic challenges that shape our industry change. What remains steady is our commitment to operating responsibly, generating economic opportunities and giving back to the communities along our network.

As the largest rail network east of the Mississippi River, we have opportunities to put this commitment into action every day. In 2021, we continued to invest in our people and communities, to introduce new environmental solutions and to expand our network capacity and service offerings. In all these ways, CSX added to a solid operating foundation that will support future business growth and our ability to create lasting value.



Our Network in Numbers

11 million

metric tons of CO₂ emissions
avoided by CSX customers in 2021

230

Short Line Partners

19,500

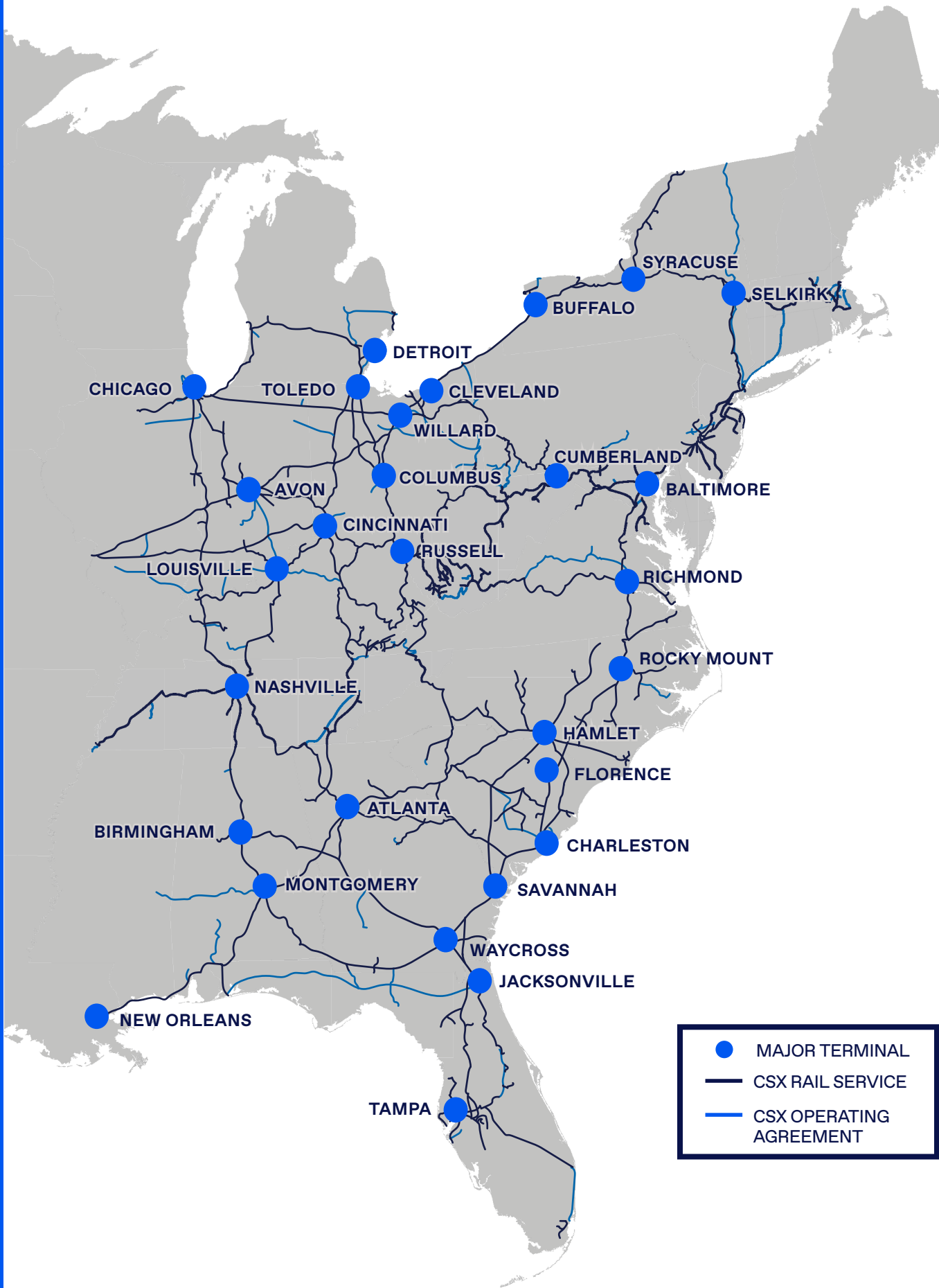
Network Route Miles

70+

Port Terminals



Comprehensive
Service Solution



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Evolution of ESG Excellence

From horse-drawn carriages to horsepower engines, CSX has a legacy of doing things the right way, even when conditions outside the business are uncertain. Whether grappling with a global pandemic, turbulent market conditions, supply chain bottlenecks or systemic injustice, CSX has demonstrated time and time again that we are powered to perform, to deliver and to transform – and we do it with innovation at our core.

Day-to-day, our behaviors and decisions shape our reputation for delivering reliable and excellent service that reflects the greater value we bring as a freight transportation provider, an employer to thousands, an integral member of our communities and an increasingly integrated supply chain solutions provider.

Our willingness and ability to adapt, evolve and innovate have enabled us to deliver excellence through the decades and will continue to guide us into the future.

Driving Local Economic Opportunities

In 2021, we continued to drive local-level economic growth and opportunity through our community investments and infrastructure capital expenditures.

State	Employees ¹	Annual Payroll	Track Miles ²	System Capital Investments*
Alabama	859	\$90,953,321	1,472	\$104,012,101
Connecticut	5	\$1,045,482	215	\$99,000
Delaware	46	\$3,249,064	127	\$4,241,978
District of Columbia	12	\$2,208,955	71	\$833,000
Florida	3,070	\$528,944,650	2,385	\$131,315,895
Georgia	1,616	\$163,201,511	2,603	\$166,489,155
Illinois	491	\$45,413,110	1,182	\$70,988,428
Indiana	916	\$109,379,532	2,500	\$97,173,664
Kentucky	999	\$122,862,800	2,861	\$86,249,402
Louisiana	81	\$6,510,877	136	\$14,738,957
Maryland	781	\$67,035,693	502	\$58,394,374
Massachusetts	138	\$13,854,260	1,345	\$11,459,697
Michigan	268	\$27,594,862	1,123	\$17,200,150
Mississippi	42	\$7,815,713	130	\$24,984,000
New Jersey	98	\$10,180,014	977	\$8,411,727
New York	1,249	\$138,651,176	2,734	\$86,465,075
North Carolina	574	\$70,017,414	1,708	\$84,541,436
Ohio	1,882	\$184,941,387	3,895	\$114,789,574
Pennsylvania	494	\$54,747,060	2,015	\$40,500,070
South Carolina	505	\$64,844,360	1,755	\$72,560,423
Tennessee	839	\$104,846,799	1,522	\$99,131,156
Virginia	604	\$68,625,931	1,988	\$61,561,765
West Virginia	800	\$82,325,052	1,952	\$52,462,000

**Reporting on fixed property additions within the United States during 2021. Reporting excludes mobile property and intangibles, such as software. Reporting for 2021 excludes investments by Quality Carriers.*

ESG at CSX

CSX is the leading provider of the most sustainable and cost-effective method for businesses to move goods and materials.

We cannot achieve our vision without a comprehensive, thoughtful approach to addressing ESG opportunities. As the environmental advantage of rail over trucking continues to emerge as a major competitive advantage, CSX remains committed to transforming our offerings and expanding our network with the utmost focus on safety, service and efficiency.

We are proud of our efforts to establish CSX’s environmental leadership as we work to position rail as the most sustainable mode of freight transportation. By conducting business in a sustainable way, we demonstrate our commitment to industry-leading ESG performance that does right by our customers, employees, communities and shareholders. Our ESG approach is not only reflective of our efforts to be responsible corporate stewards, but also embedded in our growth strategy.

ESG Management & Oversight

The Governance and Sustainability Committee of our Board is responsible for assessing CSX’s progress on sustainability issues and overseeing sustainability policies. ESG is collaboratively managed by a cross-functional team of CSX employees tasked with ensuring company-wide alignment with our ESG approach, as well as measuring progress against key performance indicators.

More information on our governance structure, including ESG oversight by CSX management and the Board of Directors, can be found in the [Governance](#) section of this report.



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More Than a Decade of Industry-Leading ESG Action

2010

- Achieved first GHG goal set in 2007

2011

- Released first CSR Report
- Published sustainability strategy and set second GHG Goal

2012

- Named to Corporate Responsibility Magazine’s list of “100 Most Responsible Corporate Citizens”

2013

- Named to CDP Supplier Performance Leadership Index for commitment to helping customers reduce carbon emissions and meet sustainability goals

2014

- Completed goal to plant one tree for every mile of track

2015

- Opened first new transportation rail yard in 40 years, with modern systems that minimize the environmental impact of the facility

2016

- Achieved second GHG goal

2017

- Began business transformation with introduction of new operating model defined by guiding principles

2018

- Set a Science Based Target (a first for U.S. railroads) to reduce GHG emissions
- Launched Pride in Service to honor those who serve and support local communities

2019

- Set new company record for fewest Federal Railroad Administration (FRA) reportable personal injuries and achieved lowest injury rate of all Class I railroads

2020

- Issued CSX’s first GRI-, SASB- and TCFD-aligned report covering 2019 ESG performance
- Formed a cross-functional ESG Team for deeper integration and collaboration on issues across departments
- Developed cross-functional social justice advisory roundtable to help CSX combat racial injustice

2021

- Introduced One-CSX culture initiative, focused on each employee’s unique value and role in reaching business objectives
- Launched Supplier Engagement Program focused on maximizing impact through value chain engagements

Forward

- Continue to support the efforts of domestic energy customers to develop newer, cleaner and more efficient energy technologies

ESG at CSX

Materiality Assessment

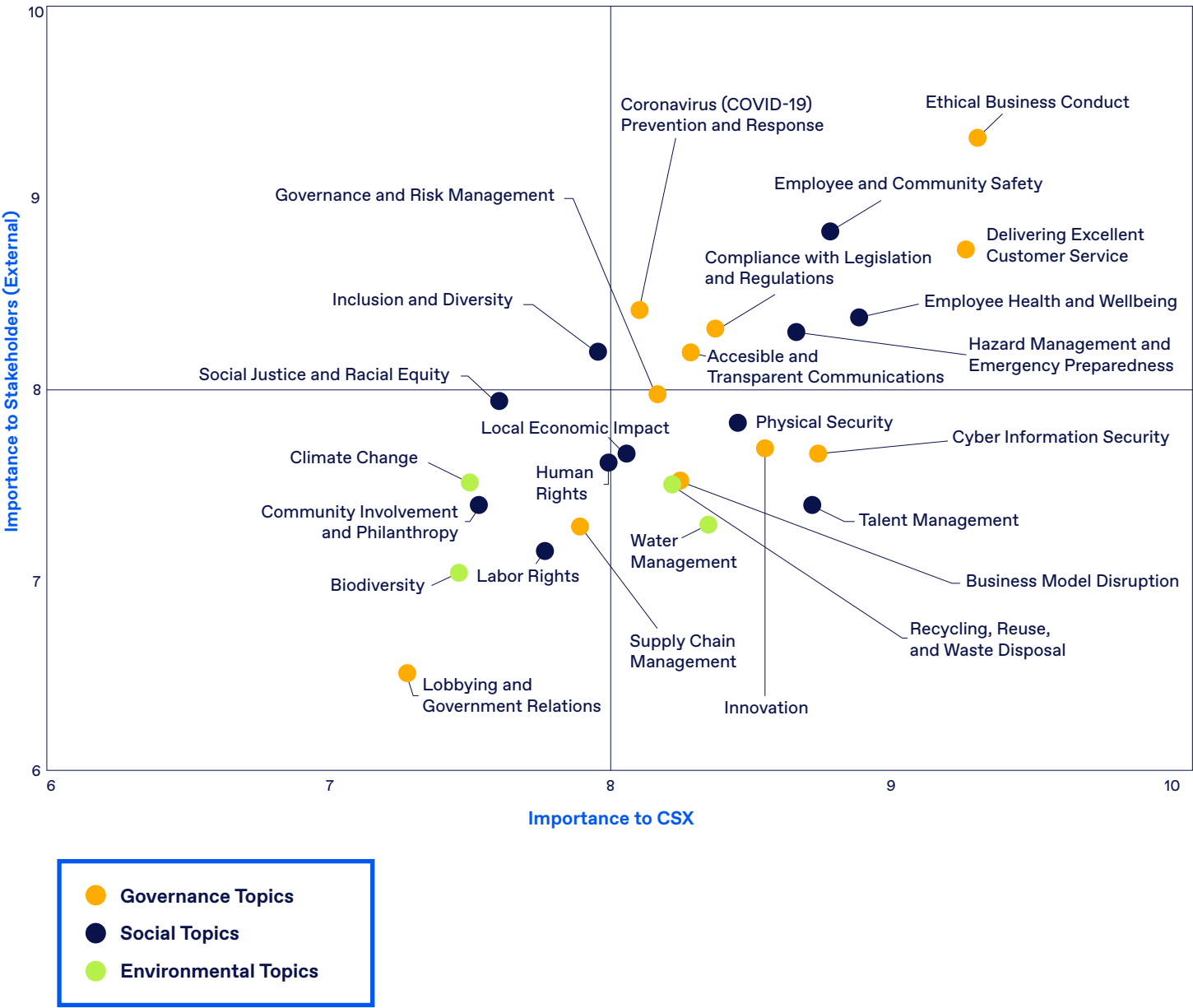
At CSX, we conduct regular materiality assessments to ensure our ESG approach addresses the issues that are most pertinent to our business and that matter most to our stakeholders. Our last materiality assessment was conducted in 2020, with a refresh done in 2021 to account for evolving societal and stakeholder priorities.

As a result, COVID-19 prevention and response, as well as social justice and racial equity, were added as material topics. Stakeholder feedback also revealed increased focus on inclusion and diversity, as well as accessible and transparent communications.

Material topics are discussed in further detail throughout this report, where applicable:

- **Governance Topics** – primarily addressed in the [Customer Experience](#), [Supply Chain](#), [Governance & Oversight](#) and [Responsible Business Practices](#) sections.
- **Social Topics** – primarily addressed in the [Safety](#), [Customer Experience](#), [Workforce](#) and [Pride in Service](#) sections.
- **Environmental Topics** – primarily addressed in the [Environment](#) and [Fuel Sustainability & Innovation](#) sections

Materiality Matrix



ESG at CSX

The following table defines the top 14 topics, identified through our materiality assessment process with an average score above 8.0, in order of priority.

The issues ranked as most important by each of our stakeholder groups and the channels in which we engage each group can be found in the [Stakeholder Engagement](#) section of the appendix. The full process and results can be found in our [2019 ESG Report](#), with the refresh and results detailed in our [2020 ESG Report](#).

In the coming year, we plan on updating our materiality assessment to ensure we remain ready to meet shifting stakeholder expectations while preparing our business for growth and continued transformation.



Materiality Topics

Topic	Definition	Category
Ethical Business Conduct	Conducting business in an ethical manner and maintaining controls to prevent corrupt practices such as bribery or collusion, as well as maintaining a responsible tax strategy.	Governance
Delivering Excellent Customer Service	Delivering reliable, responsive and cost-effective logistical services to CSX's existing and future customers.	Governance
Employee & Community Safety	Protecting the safety of CSX's employees and the communities that reside in the vicinity of our operations through the maintenance of effective management systems, training, developing a culture of safety and minimizing disturbances from noise, vibration and land use in the areas in which we operate.	Social
Employee Health & Well-being	Supporting CSX employees and their ability to perform their roles to their greatest capacity by providing the resources and support to improve their emotional, social, physical and financial well-being both in their work and home lives.	Social
Hazard Management & Emergency Preparedness	Managing the hazards present in operational processes, including those from goods being transported, by maintaining effective controls and critical incident emergency response procedures, and ensuring that employees and local first responders are trained in these procedures.	Social
Compliance with Legislation & Regulations	Managing compliance with existing and emerging legislation and regulations.	Governance
Coronavirus (COVID-19) Prevention & Response	As a component of the North American supply chain critical to delivering essential services to communities throughout the eastern U.S., railroad operations were amended to meet the needs of customers while protecting the health of employees, customers and the community by following CDC (Centers for Disease Control and Prevention) guidelines for safe work environments and providing employees, contractors, suppliers and visitors with the support, resources and flexibility needed to sustain a healthy lifestyle and reduce the spread of the COVID-19 virus.	Governance
Accessible & Transparent Communications	Maintaining strategies, policies and processes to conduct regular, insightful and effective communications with stakeholder groups.	Governance
Cyber & Information Security	Maintaining effective cybersecurity infrastructure and data protection controls.	Governance
Physical Security	Protecting the security of CSX's physical and operational assets and maintaining effective relationships with organizations that play a role in maintaining security and protecting communities.	Social
Innovation	Identifying and implementing innovations in CSX's operations, such as digitalization, to improve the efficiency of processes and services.	Governance
Inclusion & Diversity	Maintaining an inclusive culture that enables employees, contractors and business partners to contribute to CSX's success.	Social
Governance & Risk Management	Governance structure and practices that enable effective oversight of strategy and risk management.	Governance
Talent Management	Attracting, developing and retaining skilled talent that will enable CSX to pursue its corporate strategy by providing development opportunities, competitive employee benefits, and maintaining a positive corporate culture.	Social

ESG Progress & Performance

We strive for excellence in everything we do, especially when it comes to how we use our business to deliver meaningful progress. Further, we hold ourselves accountable for delivering results.

Our commitment to environmental stewardship, social responsibility and governance best practices are critical to our mission. We actively work to be innovative in our approach, while setting challenging goals and pursuing opportunities for continued improvement as part of our dedication to responsible business practices.

2021 ESG Performance Highlights

↓ 8%

Reduction in Federal Railroad Administration (FRA) train accident rate

↑ 4.2

More cars processed (per hour worked)

↓ 15.6%

Reduction in total carbon intensity Scope 1 and 2 emissions (since 2014)

0.96 kGTM

Gallons per kGTM for fuel efficiency, on par with last year's performance



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Our ESG Goals

Environment

After achieving our 2020 environmental targets, many ahead of schedule, CSX introduced a new set of 2030 goals to guide our climate efforts for the next decade.



GHG Emissions

Goal: Continue working toward our science-based target to reduce GHG emissions intensity by 37.3% against a 2014 baseline.

Plan:
Make network and operational improvements while investing in technologies that will help transform the railroad industry.

2021 Performance:
Achieved 15.6% reduction in Scope 1 and 2 emissions intensity since 2014; improved fuel efficiency; piloted alternative fuels and engine enhancements to reduce fuel burn and overall emissions from locomotives.



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.

2021 Performance:
While CSX is working to find appropriate power purchase agreements to meet our long-term goals, we have entered into community solar agreements and are purchasing RECs to maintain forward progress.



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.

2021 Performance:
Began to spearhead circularity initiatives such as our ties recycling program and terminal “Clean Sweep” clean ups throughout the year.



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 through CDP Supply Chain.

Plan:
Partner with suppliers to create efficiencies and positively impact our businesses, our stakeholders and the environment.

2021 Performance:
Identified our 27 largest suppliers representing over 50% of total spend.



Our ESG Goals

Social

For social-related matters, we are assessing goals and targets that bolster our work to-date and can guide our future workforce, labor relations and community engagement strategies.



Safety

2021 Performance:
Although the company’s Federal Railroad Administration (FRA)-reportable personal injury rate increased 12% in 2021, injury severity declined. At the same time, the company’s FRA-reportable train accident rate decreased 8%, approaching all-time lows for CSX.

Diversity & Inclusion

2021 Performance:
Releasing workforce EEO-1 data as we work to build a workforce that reflects our communities; launched new recruiting and interview training initiatives to mitigate unconscious bias; relaunched Military Business Resource Group.

Social Justice & Racial Equity

2021 Performance:
Supported the Congressional Black Caucus Foundation; sponsored the Jacksonville, Fla., Black Expo and Martin Luther King Jr. Day Breakfast; introduced a new partnership with the National Association of Black Accountants; continued partnership with City Year servicing under-resourced school districts.

Workforce Development

2021 Performance:
Expanded Total Rewards benefits; introduced One-CSX culture initiative to emphasize employee value; created CSX’s formal Employee Engagement Survey; expanded training capacity and increased pay for new conductors in training, which helped contribute to three times as many conductors being hired in 2021 than the previous two years combined.

Community Engagement

2021 Performance:
Honored our nation’s military, veterans and first responders across 23 states through the third year of our signature community investment initiative, Pride in Service.



Our ESG Goals

Governance

For governance-related matters, we are assessing goals and topics related to oversight of our ESG strategy, compliance and risk management, cyber and information security, remuneration and policy engagements.

Human Rights

2021 Performance:
Formalized, adopted and published CSX’s [Human Rights Policy](#) to address responsible business practices across our operations, businesses, communities and supply chains.

Compliance

2021 Performance:
Completed recertification of the Responsible Care Management System® which encompasses all environmental, health and safety activities related to shipping chemical customers’ materials.

Risk Management

2021 Performance:
Invested \$1.8 billion in capital expenditures to maintain and improve existing infrastructure.

Policy Engagements & Transparency

2021 Performance:
Outlined our climate position, in line with the Paris Agreement, and policy positions related to climate in our [Climate Policy Lobbying Report](#).





Operational Excellence

Safety

We can’t be the best-run railroad in North America without being the safest. Safety spans the entirety of our operations at CSX, defining our commitment and service to customers, communities, suppliers and each other.

Our proactive, network-based approach hinges on identifying and eliminating factors that could lead to accidents while sharing learnings and best practices across our workforce, customers and industry peers.

CSX proudly achieved industry-leading safety performance in 2021, thanks to our workforce-wide effort to foster a safety culture grounded in a shared sense of ownership and accountability. Our focus was steadfast on maintaining critical rules compliance while enhancing technologies, training and awareness programs that reinforce positive safety behaviors throughout the organization.

We also focused on how we best position our operations for long-term growth, including optimizing network and terminal capacity while maintaining and improving existing infrastructure. In 2021, we invested \$1.4 billion in critical infrastructure improvements to ensure safety across tracks, bridges, signals and equipment.

Investing in Infrastructure Safety & Improvements

	2021	2020	2019
Infrastructure Investments	\$1.4B	\$1.4B	\$1.3B
Total Capital Spending	\$1.8B	\$1.6B	\$1.7B
New Ties Installed	2.52M	2.95M	3.18M
New Rail Installed	919 linear miles	899 linear miles	769 linear miles
Surfacing	4,142 miles	4,543 miles	4,712 miles

Safety Tracking & Management

Daily safety performance is tracked through our Public Safety, Health and Environment (PSH&E) Management System and informed by major elements of ISO 14001. In addition to ongoing outreach and awareness campaigns, trainings and rigorous emergency preparedness practices throughout the year, we conduct a comprehensive industry risk assessment on an annual basis in partnership with the Association of American Railroads (AAR).

All employees, regardless of job function or level, are part of the CSX Safety team. While our Chief Safety Officer maintains the highest level of oversight of the safety program, our Executive

Safety Council is responsible for local engagement efforts, including increasing regional-level leadership engagement and involvement in CSX’s system-wide safety plan.

Safety metrics such as FRA Personal Injury Frequency Index and Train Accident Rate are included as components of our Management Incentive Compensation Plan (MICP), underscoring our focus on safety across all levels of our organization.

Our safety approach is an ongoing journey. It will evolve and advance with time, but our unwavering focus on safety will always remain embedded throughout our operations. Moving forward, we will continue harnessing technology to innovate how we identify and avoid incident factors while adding new safeguards along the way.

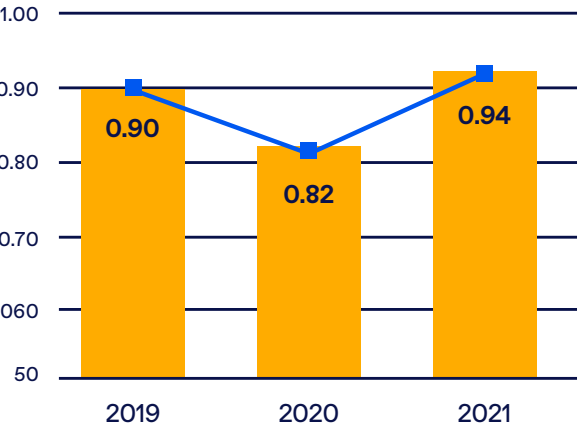


Safety

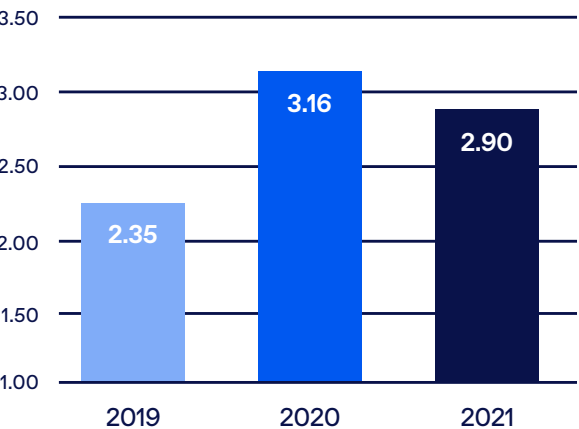
2021 Safety Performance

In 2021, CSX continued to focus on critical rules compliance and increased training for field contacts to reinforce positive safety behaviors. Although our FRA-reportable personal injury rate increased 12 percent in 2021, injury severity declined. At the same time, our FRA-reportable train accident rate decreased by 8 percent, approaching an all-time low for CSX.

FRA Personal Injury Frequency Index



FRA Train Accident Rate



“Our year of strong safety performance would not have been possible without each individual railroader. Their courage to speak up — and stand up — to unsafe behaviors has helped us remain accountable to each other. The safest path may not always be the easiest, and we know there are no shortcuts to safety. Their contributions are testament to the quality of people who compose our team.”

Jim Schwichtenberg
Vice President and Chief Safety Officer



A Commitment to No Lifechanging Events

At CSX, we are committed to cultivating a safety-focused culture with zero incidents. We want each and every CSX employee to return home safely every day. To achieve this, we proactively identify risks, initiate action to mitigate those risks and work collaboratively to keep each other safe.

In 2021, for the first time in five years, CSX recorded zero employee fatalities and zero amputations. We attribute this to our “no fatalities or life-changing events” campaign, which included a video to engage and educate employees on our commitment to safety. Across all divisions, leadership has shown their support for and focus on making this commitment a reality.

In December 2021, an explosion occurred at the CSX Coal Pier in Curtis Bay, Baltimore. Thanks to the swift and diligent work by the Baltimore Office of Emergency Management, Baltimore Police Department, Baltimore City Fire Department and CSX, all employees were accounted for and no injuries were reported. CSX remains committed to taking further action to prevent future accidents like this from happening again.

With hundreds of new employees scheduled to be onboarded into the CSX workforce throughout 2022, safety must remain a priority focus. As these employees enter an organization that leads the industry in safety, it is imperative that they are exposed to impactful and memorable education and training programs that instill a comprehensive understanding of risk.



Safety

Safety Tools & Technology

Technology is critical to all aspects of CSX's operations — and safety is no exception. We anticipate growth in global demand for quick, efficient freight services in the years to come. To meet this demand while maintaining high levels of safety performance, technology must become even more integrated, automated and efficient. We invest in technological innovations that can detect and avoid many types of human factor incidents and use data to identify risks and improve risk-based decisions.

CSX uses a number of tools and technologies to drive meaningful performance improvements, including increased service agility, reliability and, most importantly, safety.

Asset Monitoring & Detection Technology

In 2021, we finished upgrading our access control system, including our one badge system. These updates have provided considerable safety benefits and allowed us to consolidate our cameras into one platform that is more in line with other systems across CSX departments, including Human Resources. Our one badge system is now linked to employee status (whether active or inactive) within the company, allowing for increased safety measures and visibility.

The CSX access control system additionally allows for automated reporting relating to system outages, maintenance issues and other notable and

time-sensitive occurrences. This has strengthened our overall cybersecurity efforts, preventing cyber issues from impacting our asset monitoring initiatives.

Moving forward, we plan to bring infrastructure cameras up to speed with our systems and coordinate with police departments for increased visibility into our tracks. We are currently rebuilding the camera located at West Point Military Academy, serving as a pilot project that will enable us to share live feeds with West Point's command center and refine the technology for expanded implementation.

Autonomous Track Assessment Cars

Autonomous track assessment cars (ATACs) have the ability to gather critical data measuring track efficiencies and are vital to CSX's safety operations. The data collected by ATACs, which are essentially converted boxcars, is sent in near real-time to a vendor for review within CSX's inspection system. The information is processed to detect defects, repairs and remediation.

Because of ATAC, we are better equipped to understand related track deterioration and take swift action accordingly. In 2021, we focused efforts on core routes and plan to move to secondary routes as we look to increase our three ATAC cars to eight in 2022.



Safety

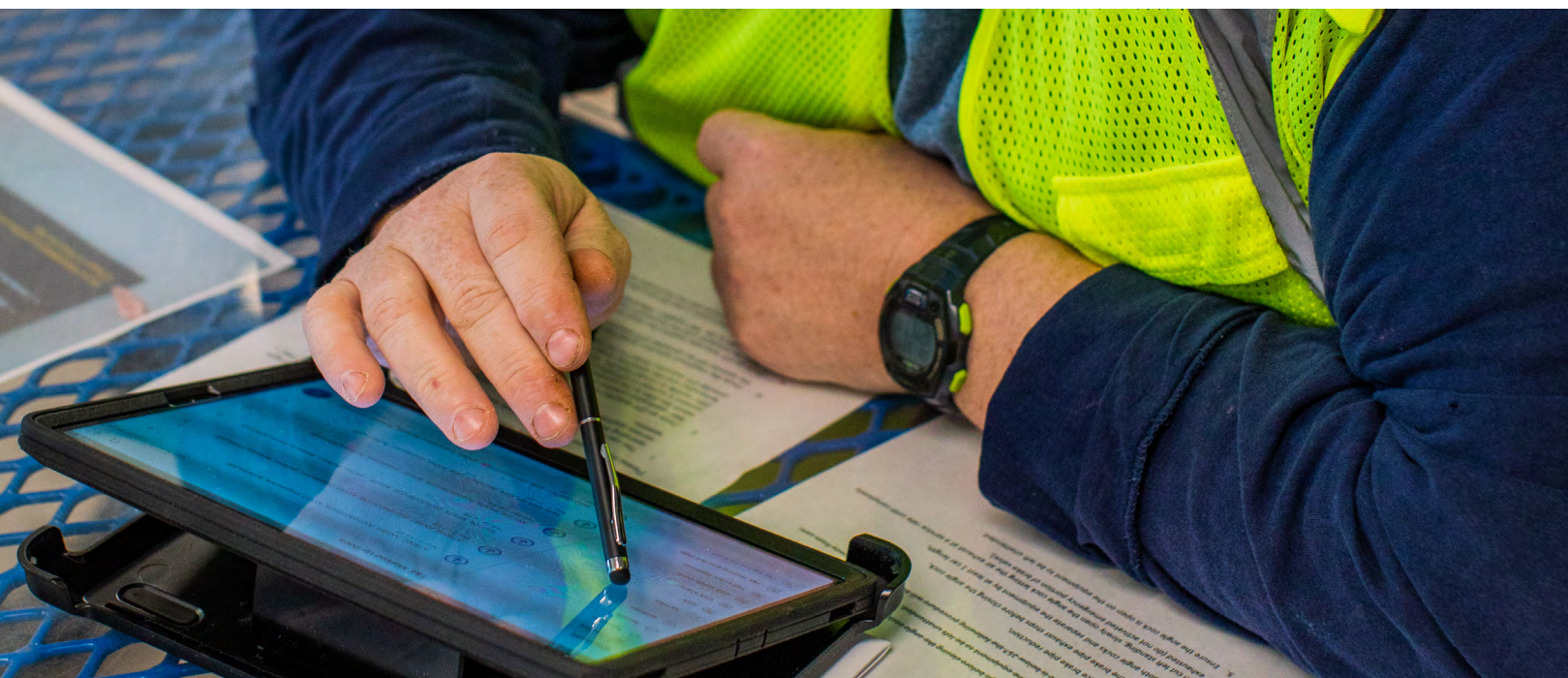
Drones

CSX has demonstrated significant progress with drone technology following the successful use of autonomous drones to optimize yard inspections and inventory processes in 2020. At the end of 2021, we began using Airdata — an operation platform that provides flight performance data — to determine the length of time drones could operate in the air. We are now able to see and track how often a drone is being utilized on a monthly basis. We plan to continue this focus in the coming year to monitor access to our properties and assets.

We also placed an emphasis on piloting infrared and night-vision drones to allow for 24/7 execution, including purchasing three night-vision drones and evaluating long-term use, specifically for flying over inspection areas to improve the safety and efficiency of our operations.

Mobile Tablets

CSX has equipped nearly 10,000 of our train, engine, mechanical and engineering employees with mobile tablets that enable them to perform their duties more effectively and safely. These tablets allow for daily electronic access to necessary documents including rulebooks, notices, timetables and dispatcher bulletins, which help to drive efficiencies and modernize CSX's work tools across the business. Mobile technology continues to be an area of growth for CSX as we look to supply additional departments with tablets and promote the digitization of safety operations.



Safety

Positive Train Control

Positive Train Control (PTC) is a nationwide system designed to prevent train-to-train collisions, derailments and other accidents. PTC system reliability has remained a foremost priority for CSX. We maintained 100 percent PTC interoperability across our network in 2021, enforcing speed and signal compliance to ensure the safety of our rails and the communities where we operate.

Train Inspection Portal

CSX launched our second Train Inspection Portal (TIP) in 2021. With this industry pioneering software, we can identify train problems while in transit. The advanced machine vision technology identifies defects and automatically flags cars for repair using ultra-high-definition cameras and high-powered illumination to produce 360-degree scans of railcars passing through the portal at track speed.

Vendor IS Network

CSX uses IS Network (ISN), an automated vendor network, as a critical resource to confirm access for vendors and contractors that work on CSX property. ISN allows for the implementation of a robust system that provides insight into vendor and contractor companies and the people these companies are putting on our property.

We encourage training through this network to our vendors, contractors and third-party groups. The network grades contractors by previous safety records — if the contractor or vendor receives a grade of C or below, they are required to meet as a group with the department lead in charge of hiring to develop a variance plan, allowing for greater visibility into who is on our property with access to reliable background verification.

“At CSX, we only sell service, nothing else. The data and the images we receive from our two Train Inspection Portals provide advanced notifications of issues that may cause blockage or effect track integrity. We’re investing in this technology that has the ability to stop service failures before they happen while growing our customer base and value proposition.”

Carl Walker
Chief Engineer,
Communications and Signals



Safety

Employee & Community Education & Safety Training

Education continues to prove paramount in protecting the lives and health of CSX railroaders, customers and the communities we serve. By disseminating impactful information through comprehensive engagement programs, we play a lead role in encouraging and motivating safe behavior on and near railroad tracks.

Examples of employee and community training and education programs launched or expanded in 2021 include:

Emergency Responder Training & Education Assistance

The Public Safety Coordination Center (PSCC) is our central communications hub, coordinating first responders and dispatchers around the clock. PSCC manages reports of railroad incidents such as blocked crossings, crossing collisions, signal malfunctions, materials released, theft, vandalism or trespassing to ensure all issues are promptly resolved. In addition to ongoing communication and coordination, CSX offers training to provide first responders with the necessary information, experience and coordination of resources to respond effectively in the event of an incident or emergency.

Building on the momentum gained in 2020, this past year, CSX leveraged a combination of effective virtual and hands-on training to successfully train

first responders through its newly constructed Responder Incident Training (RIT) railcar. RIT provides critical interactive first responder training in an engaging and accessible environment.

We additionally host a free online training program through our CSX Learning Portal to educate emergency personnel on how to safely respond to incidents on and around railroad property and equipment. Hazmat's Click4Course offers participants the opportunity to gain an understanding of how railroads operate, including some of the hazards of working around the rails and necessary protocols to keep responders safe.

In 2021, CSX unveiled a new virtual learning course that enables employees to receive certification in automated external defibrillator (AED) and cardiopulmonary resuscitation (CPR) from the convenience of their home or workstation. This course teaches lifesaving skills including emergency recognition when responding to or managing a range of incident-related injuries. Six months after completing the course and related assessment, employees are offered a refresher video. After one year, employees must re-certify.



Safety

Frontline Leadership Program

In late 2021, we implemented a frontline leadership program to create ownership in the field and conduct safety walkabouts in collaboration with our union districts. Through this program, CSX's frontline leadership walk alongside local chairmen within their specific terminals to identify potential risks while simultaneously spreading the message about why safety is important. This enables union teams and union leaders to spread safety awareness along with field employees.

Safety Summits Program

CSX's Safety Summits Program allows for the integration of senior leadership at the field level. The program brings in a group of up to 20 employees who are executing the daily on-the-ground work to have an open dialogue with leadership about safety expectations and obstacles at their respective locations. Through open, collaborative dialogue, CSX can determine necessary changes to procedures and protocols. There were 1,300 CSX field employees who attended one or more safety summits in 2021.



CSX Partners with Operation Lifesaver to Spotlight Accident Prevention

Our longstanding partnership with Operation Lifesaver, a nationally recognized leader of rail safety education, allows CSX to connect with communities to promote safe behavior near railroad tracks and trains.

In 2021, CSX joined Operation Lifesaver, Operation Lifesaver Canada and the Mexican Association of Railroads (AMF) to help stop tragedies around railroad tracks and trains by observing Rail Safety Week — an annual weeklong effort emphasizing the need for rail safety education and to empower millions of people in North America to make safe decisions around tracks and trains.

Further, CSX Police started an Incident Reduction team in conjunction with Operation Lifesaver in 2021, made up of three special agents focused on training and collecting data from crossing and trespasser incidents. The team uses this information to train first responders and local police to further investigate and conduct blitzes in relevant areas.

CSX Honors 71 Customers with Annual Chemical Safety Excellence Award

In 2021, CSX held our 27th annual Chemical Safety Excellence Awards in recognition of our customers' commitment to safe hazardous material rail car loading and maintenance. We were proud to honor 71 of our shippers who finished 2020 without a single release due to controllable factors, including splashes and leaks on the CSX network.

The awards are presented to qualified customers who ship more than 600 carloads of hazardous materials without experiencing a non-accident release during the entire year. The recipients, who shipped a combined 238,000 carloads, represented a wide range of industry segments and products, including chemicals, biofuels, waste and fertilizers.

Among the 71 award winners, three customers — Cargill, Kemira and CHS — notably achieved 10 consecutive years without a release.

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

Safety

Sustaining Our Safety Performance

CSX is dedicated to safety, including our drive for no life-changing events and constantly looking out for each other and our peers. We know there is no competition when it comes to safety — our company, peers and customers should always be looking for ways to improve, to establish trust and to promote safety amongst all stakeholders.

We pride ourselves on the impact we’ve made across our business and in our surrounding communities, but we recognize we can always improve upon our efforts to scale success and safety for all. We will continue to invest time and resources into policies, processes, education and training programs to further improve our safety measures and outcomes.

Transforming & Improving Our Safety Policies

Our shareholders, customers, employees and communities expect CSX to maintain a safe and secure network. Through open communication, we know we can better understand the root causes of human factor errors and safety incidents. It is imperative that we work alongside our labor union partners to address safety rules and practices.

One way we have been able to do this is by changing our approach to operational testing for trainmen and conductors to promote greater employee understanding and compliance with safety practices and operating rules. In 2021, we worked alongside the International Association of Sheet Metal, Air Rail and Transportation Workers (SMART-TD) — the union representing CSX trainmen and conductors — to revise our company Discipline Policy.

Under the new rule, CSX leaders utilize non-punitive methods to address operational testing failures, including having union representatives proactively intervene to help employees focus on best safety practices. Trainmen and conductors observed taking unsafe actions are subject to informal coaching, dialogue, education and opportunities for remedial training, an approach designed to foster an environment of learning and respect. CSX strives to similarly incorporate this educational approach into all facets of our business, spanning safety, customer experience and community engagement.



Customer Experience

We strengthened our value to customers and the United States economy in 2021, advancing our growth strategies and introducing innovative new service solutions to keep customers’ freight moving sustainably during a challenging year for the transportation industry.

Through these and other actions, we positioned our company to accelerate highway-to-rail freight conversion, driven by technological innovation, operating and environmental efficiencies and dependable service.

Our Commitment to Customer Service
CSX is proud of the resiliency our customer service teams have demonstrated in recent years. Despite varying degrees of disruption in 2021, we responded to supply chain challenges with innovative solutions and adjusted our operating plans accordingly, leading to the successful transport of nearly 6.3 million units of freight across the United States.

Nevertheless, service interruptions proved inescapable. We responded to and solved 137,410 carload and intermodal customer cases in 2021, which represented a 30 percent uptick from the previous year. Recognizing that we had to quickly evolve to deliver the best-in-class service and interaction that our customers have grown to expect from CSX, we expanded our workforce significantly and increased our customer solutions team by 40 percent.

- By continuing to invest in network capacity, customer service technology and new service offerings, CSX added to a solid operating foundation that will support future business growth and ESG progress. Additional 2021 milestones include:
- Acquisition of **Quality Carriers**, the largest liquid bulk chemicals trucking carrier in North America, enabling CSX to offer shippers the first integrated intermodal chemical transportation solution of its kind.
 - Agreement to acquire **Pan Am Systems, Inc.**, which will expand CSX’s reach in the United States, providing customers with new service possibilities.
 - Identification of close to **90+ projects** across the CSX network that will have significant financial impact on CSX and the communities we serve by way of job creation and additional opportunities.

- Growth of pipeline of CSX Select Sites including two **electric-vehicle manufacturing complexes** and a steel mill to be built on CSX lines.
- Improvements made to our **ShipCSX** customer service platform, further enhancing the value proposition of rail and supporting CSX’s strategy for capturing market share from the trucking industry.

Responding to Customers’ Sustainability Needs
Our customers are leveraging rail service now, more than ever, considering the opportunity to reduce their environmental footprint while optimizing their supply chains. In 2021, CSX began developing a series of environmental excellence awards in recognition of our customers’ commitments to reducing their carbon footprints, with the identification of nearly 12 customers who are going above and beyond in their dedication to improved processes. We officially launched the awards in 2022, further integrating our customers into our ESG journey.

CSX Introduces Integrated Intermodal Chemical Transportation

In 2021, CSX announced that it had signed a definitive agreement to acquire Quality Carriers, Inc., the largest provider of bulk liquid chemicals truck transportation in North America. As a leader in bulk chemicals transportation since 1913, Quality Carriers operates more than 2,500 trucks and 6,400 trailers that serve many of the largest chemical producers and processors.

The addition of Quality Carriers enables CSX to extend the reach of its network and gain access to new products, markets and regions through a unique and competitive multimodal solution that leverages the reach of truck transportation with the cost-advantage and carbon benefits of rail-based services. As such, CSX can now provide more comprehensive transportation services to customers throughout supply chains, helping provide our customers with reliable, multimodal transportation solutions spanning first to last mile.



Customer Experience

Service Innovations Enhancing Customer Experience & Results

Providing excellent customer service means investing in the tools and technologies that provide added value and efficiencies. In 2021, we doubled down on digital business transformation with the understanding that measures we take to improve the safety and efficiency of the railroad ultimately translate to an improved customer experience. We demonstrated this by leading U.S. railroads in 2021 for lowest average terminal dwell.

◦ Intermodal Terminal Reservation System

Our Intermodal Terminal Reservation System further allowed us to ensure maximum flexibility and fluidity at terminals, with 99 percent of customers leveraging the technology solution to make gate reservations. CSX intermodal terminals were the only terminals across the Class I intermodal system that did not shut down due to bottlenecks in the supply chain in 2021. One aspect of this included our investment in opening nearly 12 container yards across strategic locations to help to alleviate congestion and sustain fluidity at intermodal facilities.

The other component was leveraging the gate reservation system to meter traffic into facilities where we were experiencing elevated levels of congestion. Lastly, we added an Intermodal Reservation Standby service, which operates similarly to flying standby, allowing for increased reservation efficiencies and optimization.

◦ TRANSFLO

TRANSFLO, a tool utilized across our network, helps customers take advantage of the economic and environmental benefits of rail without having rail infrastructure at their facility. At each of the 47 TRANSFLO transloading terminals, bulk products are safely transferred between railcars and trucks, giving customers flexibility to access new markets and suppliers. TRANSFLO has experience with more than 300 different products, including chemicals, crude oil, dry bulk, ethanol, food-grade products, plastics and waste materials.

Because of its critical value, CSX continues to invest in opportunities to expand our TRANSFLO business. Whereas historically we've focused on the chemicals market for our multimodal business, moving forward CSX is focusing on expanding wallet share and working to transload volumes in additional markets. In 2021, we expanded our multimodal focus to both the forest products group and the metals group while also adding Quality Carriers to TRANSFLO's services.

◦ ShipCSX

Our ShipCSX customer service platform allows customers to plan, ship, trace and pay for shipments quickly and securely, while streamlining terminals so shipments can arrive efficiently. As part of our multi-year effort to rebuild the ShipCSX.com website, we updated the car modal pipeline tool in 2021 to give customers a more holistic understanding of their

pipeline. This centralized view lets the customer plan their shipments from a single screen. We additionally integrated the Plant Switch tool into ShipCSX, providing customers with the ability to update car locations, add or delete railcars from a track and submit switch requests.

◦ XGate

Our pioneering [XGate](#) system not only accelerates the pace of customer deliveries, but also reduces potential emissions at intermodal terminals by up to 90 percent. We currently have more than 53,000 drivers registered with XGate and have rolled out the ability to use the service at all CSX Intermodal facilities, allowing all CSX customers to benefit from optimized flow across terminals while saving time and resources and reducing air emissions.

XGate was a critical tool in our response to supply chain disruption, including upstream and downstream bottleneck issues that arose at terminals across the United States in 2021. As thousands of ships were halted at domestic seaports, logjams inevitably developed. Labor constraints subsequently ensued because containers that traditionally moved within 24 hours were now sitting for weeks. With CSX customers already familiar with our technology and shippers already used to applying reservations through XGate, we were able to quickly adapt and finetune our processes while gathering critical feedback.

CSX Expands Its Northeastern Network

In 2021, CSX applied to the Surface Transportation Board (STB) for approval of its acquisition of Pan Am Systems, Inc. and its short line subsidiaries. The regional railway group, headquartered in Massachusetts, owns and operates a highly integrated 1,200-mile rail network across New England and offers access to multiple ports and large-scale commodity producers.

The acquisition is expected to allow for the development of new business opportunities and service solutions for shippers and receivers in the New England region. The transaction will additionally expand CSX's reach in Connecticut, New York and Massachusetts while adding Vermont, New Hampshire and Maine to its existing 23-state network.³



Customer Experience

“SNF is constantly seeking innovative ways to create value, increase utilization of available resources and control costs while minimizing our carbon footprint. As such, our partnership with CSX through intermodal and multimodal shipping and delivery is an excellent example – we utilize CSX rail over the long-haul part of the journey and Quality Carrier assets on the short-haul pickup and delivery. Together, we are creating better utilization and quality of life for local truck drivers, controlling costs and reducing the overall carbon footprint of the delivery. This is an all-around win for SNF, our transportation partners like CSX, our customers and the environment.”



Lee Rogers
Director of C.S. & Logistics, SNF Holding Co.



Engaging with Shell Around Diverse Hiring Practices

In 2021, Shell solicited advice from CSX on how to implement diverse hiring best practices in a specific part of the country where they were developing a major plant in our network. This engagement demonstrates not only CSX’s commitment to diversity, equity and inclusion but also the established trust we’ve built with customers and partners who are engaging with CSX around guidance and support in advancing their own critical social efforts.



Customer Experience

Customer Feedback & Engagement

CSX is constantly evolving the ways in which we receive shipping instructions, plan switches and other business transactions from our customers to improve their experiences when doing business with us. We work closely with our customers to collaborate, build and sustain their trust, gather feedback and ultimately ensure we are bringing viable solutions to the table to address their needs.

Customer Engagement Forum

Biannually, we convene up to 15 large CSX customers to engage firsthand with our executive team and hear from senior leadership on the state-of-the-railroad in an intimate environment. Highway-to-rail conversion was a significant part of the dialogue in 2021, as well as value-added service expansion concerning carbon emissions reduction.

Due to pandemic restrictions, these forums were conducted virtually over the past couple of years. While we know there is great value in face-to-face engagement, the virtual format provided the benefit of expanded attendance. In the spring of 2021, we had nearly 80 customers join virtually to hear from our CEO on CSX's plans for the immediate future.

By the fall of 2021, we were able to pivot back to an in-person meeting, inviting a more intimate group of customers to gather and learn about the opportunities and challenges our executive team is focusing on for 2022. Through this forum,

we were able to gain additional insight into upcoming customer challenges, which will allow us to cater our services to best fit their changing needs and for our customers to directly influence our strategy.

Moving forward, we will continue looking for opportunities to engage our customers through small group interactions and through farther-reaching virtual formats.

Operational Training Camps

In 2021, we launched operational camps in which a cross-functional group of executives instill in mid-level managers a better understanding of the company strategy and skills that empower them to make decisions and drive positive change in our organization. These camps equip managers to better leverage innovation, technology and our high-performance workforce to provide best-in-class service and unprecedented reliability to customers. We operate one Operations Training Camp each month, with sessions currently scheduled through the end of 2022.

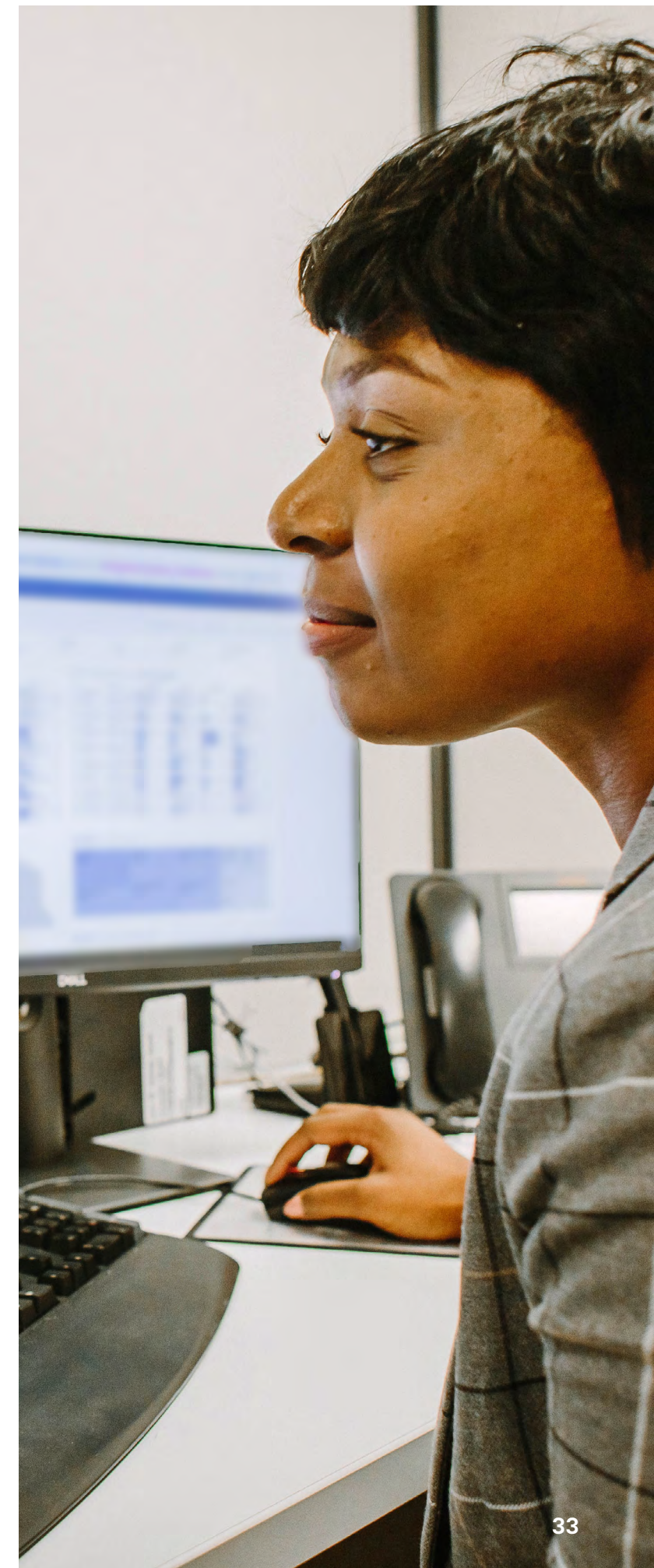
Voice of the Customer Survey

Last year, CSX transitioned from using a third-party vendor and brought our voice of the customer (VOC) survey in-house. This enabled us to streamline the process, reduce the number of questions we ask our customers and focus more squarely on soliciting their insights. The response rate for these quarterly surveys increased from 5 percent to 16 percent in the past year, with many feedback topics surrounding crew availability throughout the pandemic.

Improving In-House Services

CSX's Sales and Marketing department, made up of multiple sales sub-teams, consistently partners with operations to ensure an excellent and interconnected customer experience.

Investing in cloud-based technology has allowed our integrated teams to create efficiencies, reduce time on manual tasks and implement new ways to interact and collaborate at the customer account level, all of which strengthen the customer experience. After transitioning CSX's Customer Relationship Management (CRM) capabilities to Salesforce in 2020, we were able to further centralize our in-house capabilities in 2021 by having our sales and marketing teams plus our operations team manage processes using Service Cloud.





Our People & Partners

Workforce

Rails and roads don't move freight, people do. At CSX, more than 20,900 employees provide the foundation for our success, with each one contributing uniquely valuable perspectives and skill sets. Their contributions are what keep our company, our customers and our communities moving forward toward our shared goals.

To continue delivering on our company-wide vision and aspirations we need the best people and to attract the best people we need a strategy that values each individual's contributions while instilling a sense of pride, equality and belonging.

In January 2021, we formally launched the next phase of our organizational strategy to redefine who CSX is as a company and unite and excite our employees. We developed new values to work safely; grow through service; lead with passion and integrity; strengthen our communities; and create our future as One-CSX. These values are core to our strategy and commitment to fostering a One-CSX culture. One-CSX describes the culture we aspire to create, where we operate as one team with all employees feeling empowered and able to contribute to our broader business objectives.

Our culture strategy is guided by four tenets:

- **Ensure Mission Clarity:**
Embed values and new ways of working
- **Sustain Top Talent:**
Attract and retain the best talent by creating a connected culture
- **Unlock Potential:**
Develop strong individuals into even stronger teams
- **Cultivate High Performance:**
Create a framework where employees thrive

To achieve our business goals, CSX's culture of safety, accountability and excellence must evolve to include more innovative and diverse perspectives, a passion for service and an environment where our employees think and work as One-CSX and are able to achieve their full potential.

In 2021, we built on existing program successes by expanding our employee-led business resource groups (BRGs) and Social Justice Action Plan. We introduced new elective benefits that offer comprehensive, holistic financial well-being.

Moving forward, we will continue evolving our One-CSX culture with an emphasis on building a more diverse, engaged and motivated workforce.

“We are at our best when we work together as one – CSX employees focused on a common goal, partnering across geographies, departments and crafts to achieve collective success. That's One-CSX. It is a renewed commitment to break down silos and operate with shared values as we tackle projects head-on. It's the cultivation of a culture where people feel empowered and included.”

Diana Sorfleet

Executive Vice President and
Chief Administrative Officer



Workforce

Talent Management & Oversight

Our dedicated human resources professionals ensure the programs and processes we have in place drive results across: talent acquisition; talent management; learning and development; employee relations; diversity, equity and inclusion; labor relations; compensation; benefits; and well-being.

At the Board level, the Compensation and Talent Management Committee oversees executive compensation philosophy, strategy and design, as well as reviewing talent and leadership development, diversity and pay equity initiatives.

CSX Workforce Terminology

Management Employees:

Non-union employees; includes full-time and part-time positions.

Union Employees:

Employees governed by collective bargaining agreements.

Diverse:

All females and people of color.

Workforce Diversity:

Calculated as the percentage of males of color and all females.

Leadership:

Management employees with a direct report and/or are direct heads of departments or above.

Data reflects CSX's workforce as of Dec. 31, 2021.
Definitions for workforce-related terminology used by CSX can be found.



Who We Are

More than
20,900 Total Employees

16,023 Union Employees

3,112 Management Employees

1,784 Subsidiary Company Employees

92% Overall Retention Rate

20% Diverse

5% Female

15 Average Years of Service

Three Generations of Our Workforce

13% Boomers

56% Gen X

31% Gen Y/Millennials

46 Average Age

Workforce Diversity*

20% of Total Workforce

37% of Management

17% of Union

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

5% Female (All Talent)

21% of Management

2% of Union

Management New Hires

49% Diverse

27% Female

Management Promotions

35% Diverse

23% Female

Union New Hires

37% Diverse

4% Female

Veteran and Active-Duty Military Status

2,983 veterans, active-duty military and first responders

16% of the workforce

Workforce

Addressing Social Justice & Racial Equity

CSX is committed to social justice and racial equality – within our organization and throughout our communities. We are adding CSX’s voice to the side of anti-racism to not only meet our societal obligation but also to help strengthen our culture of inclusion.

As we resolve to address social justice with purpose, we have created our own Social Justice Advisory Roundtable, a cross-functional group of CSX employees and leaders to advance our efforts. This group reflects a diverse range of perspectives and expertise that has already increased dialogue around diversity, equity and inclusion at CSX and produced meaningful change for our employees and in our communities. The roundtable works closely with our leadership team to drive this important work forward.

CSX advanced its social justice initiatives in 2021 through support of the Congressional Black Caucus Foundation; sponsorship of the Jacksonville, Fla., Black Expo and Martin Luther King Jr. Day Breakfast; and a new partnership with the National Association of Black Accountants.

In addition, we helped launch the 100,000 Steps Toward Social Justice initiative as part of our ongoing partnership with City Year, a nationwide organization that promotes educational equity. This initiative is designed to support systemically under-resourced schools with the tools they need to help our children succeed. Throughout the year, CSX employees from 12 states also supported City Year AmeriCorps members in Jacksonville, Philadelphia and Washington, D.C.

Fostering Candid Conversations

In June 2021, our Social Justice Advisory Roundtable held a virtual discussion to provide employees with an opportunity to learn more about our company’s social justice actions and contribute to the conversation about diversity and inclusion in the workplace.

During the discussion — the highest-attended employee event of 2021 — a panel of senior leaders and members of the Social Justice Advisory Roundtable shared an overview of CSX’s progress on social justice issues, plans for the coming months, areas for additional focus and opportunities for employees to engage as change agents in the organization.

CSX’s 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; developing executive sponsors and leaders of BRGs; and sponsoring industry-related diversity resource groups.

Voter Education:

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

“Social justice is essential for expanding economic prosperity to all people, in all communities. We are a stronger country — and a stronger company — when we can bring our full selves, our unique perspectives and our individual abilities to the work we do while knowing each of us are valued and respected.”

Stephanie Noel

Vice President of Human Resources and Chief Diversity Officer



Workforce

Diversity, Equity & Inclusion

At CSX, we believe that diversity of thought, skills and experience ultimately contributes to better decision making, innovation, higher employee engagement and ability to attract talent. In 2021 we continued efforts to build a workforce that reflects the communities we live in and serve, starting with our hiring practices. This included providing interviewers and hiring managers with best practices and enhanced training, so they were better equipped to identify talent while mitigating unconscious bias.

While we are moving in the right direction, we recognize there is more work to be done. As a next step on our broader journey, we are releasing our 2021 EEO-1 data to provide insight into the makeup of our workforce. This data can be found in the [Appendix](#) of this report. We plan on sharing this data annually moving forward to increase transparency around how we are advancing diversity and representation across the organization.

More information on our approach to an inclusive workplace can be found in our [EEO Policy](#) and [ADA Policy](#).

164

hiring managers completed effective interview training which included unconscious bias content

49%

of management new hires were diverse

37%

of union new hires were diverse

33%

Increase in senior leadership* team diversity in 2021

**Senior Leadership: Defined as Head of and /or above AVP, VP, SVP*



“We are honored to once again receive this important recognition from Disability:IN. Our goal is to create a workplace that is accessible and welcoming where all employees can thrive and share their talent. This recognition shows our dedication to best practices and the work of our CSX employees who are the foundation of our diverse and inclusive culture.”

Jim Foote

President and Chief Executive Officer



Advancing a More Inclusive Workplace for Persons with Disabilities

In addition to being an [Equal Opportunity Employer](#), we have made it a priority to ensure reasonable accommodations for persons with disabilities.

Most notably, CSX achieved a 90 percent score on the 2021 Disability Equality Index (DEI) and was recognized as a ‘Best Place to Work for Disability Inclusion’ by Disability:IN and the American Association of People with Disabilities for the third consecutive year.

Additionally, CSX President and CEO Jim Foote signed the Disability:IN CEO letter asking other Fortune 1000 CEOs to help advance disability inclusion and equality.



Workforce

Business Resource Groups (BRG)

CSX is proud of the many BRGs that have been initiated by our employees to connect with their colleagues who have shared interests and experiences. Each BRG is led by an executive-level sponsor, with the goal of promoting a diverse, inclusive and engaged workplace culture.

2021 was another strong year for BRG engagement, with seven BRGs comprised of employees from various departments and career levels hosting 22 events. CSX’s 2021 BRGs — and a few of the initiatives they led — include:

◦ ABLE Disability Inclusion Group (ABLE):

Focuses on fostering a sense of belonging for those living with disabilities by hosting advocacy events and engaging business partners to design, develop, and build accessible and inclusive services and offerings for employees and customers.

In 2021, ABLE hosted a workshop and facilitated a discussion for National Disability Employment Awareness Month about disability etiquette and what it means to be inclusive of the disability community. CSX employees participated in the panel and shared their personal and professional experiences advocating for disability inclusion, including their experiences as parents of children with disabilities.

◦ African American Inclusion Group:

Focuses on creating a culture that embraces inclusion and promotes African American representation at CSX, and for our industry, through three core pillars – community outreach, professional development and networking.

Employees hosted a forum with Historically Black Colleges and Universities to expand awareness of their role in history and build on the company’s opportunities for partnership, as well as held an informational discussion on the disparities facing the Black LGBTQ+ community. They also engaged peers across the country in a discussion on social justice that gave all participants an opportunity to share their experiences during the nation’s social unrest and to exchange ideas on how team members could continue to support one another.

◦ Asian Professionals for Excellence (APEX):

Seeks to promote stronger working relationships between Asian and non-Asian employees through cultural education and networking events, with representation from more than 15 ethnic groups.

Employees hosted several events to help raise cultural awareness and support racial equity, including hosting a virtual panel discussion about ways to create more understanding in America’s communities and stop violence against Asian Americans, as well as an engaging conversational session with CSX Board Member



Workforce

Lt. General Thomas Bostick, USA, Retired on his experiences as a biracial African and Asian American male. APEX also returned a crowd favorite, an Asian cuisine live cooking demonstration accompanied by historical information on dish.

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

Creates forums to engage aspiring women leaders in conversations on career and leadership development. Among the many activities led by the group over the course of the year was a three-region charity drive in March, part of the month-long Women’s History Month activities. Through the drive, employees across various regions teamed up with three non-profit organizations to provide support for victims of abuse, neglect and human trafficking. Organizations included Rethreaded, a group that employs human trafficking survivors; Salt and Light, a program helping prepare trafficking victims for meaningful work and transformed lives; and Covenant House of New Jersey, which supports children who have suffered from abuse, neglect, and human trafficking.

o **LGBTQ+A(Illies):**

Focuses on advocacy, education, policy and community outreach in support of the LGBTQ+ community and engaging family and friends who serve as allies. In recognition of LGBTQ+ History Month in October 2021, LGBTQ+A(Illies) held a virtual panel discussion to discuss four strategies for pronoun usage in the workplace. The discussion explored society’s deeper understanding of gender identity and evolving use of gender pronouns and how they help foster a sense of belonging for all.

o **Military Business Resource Group:**

Supports CSX’s veterans or active-duty military employees, Pride in Service activities and employee families when their loved ones are deployed in active military service. The group was relaunched to CSX employees in October 2021.

o **STEAM:**

Focuses on sparking interest in technology and innovation amongst all employees in the areas of science, technology, engineering, art and math (STEAM). STEAM hosted an Innovation Week in June 2021 to inspire and empower innovation in all employees. The group solicited employee suggestions on how CSX could continue to adapt and deliver innovative solutions at the forefront of the industry and prepared a week’s worth of lunch-and-learn modules and opportunities to meet the teams driving CSX’s digital transformation.

“As our BRGs continue to grow, we wanted to honor the individuals whose passion and dedication have been imperative in driving their success – both in terms of participation and impact. It is important that we continue to grow visibility around each group’s mission while encouraging others to get involved.”

Leslie Anderson

Manager of Talent Management and Diversity



2021 Business Resource Group Award Winners

To acknowledge and celebrate this momentum, the Human Resources team recognized BRG leaders and members for their outstanding contributions with the first annual Business Resource Group Awards which were given to nine employees who went above and beyond. Congratulations to our 2021 honorees!

Leaders of the Year



Gina Chin Fatt,
Software Engineer II, APEX



Elvis Higgins,
IT Manager, STEAM

Members of the Year

- Brandon Andersen, Senior Sales Manager, LGBTQ+A(Illies)
- Jim Finnegan, Supervisory Special Agent, MBRG
- Omar Payne, Accounts Receivable Specialist, AAIG
- Renee Shoner, Senior Agile Practitioner, ABLE
- Natalie Keleher, Senior Technical Director, Interchange Women’s Leadership Network
- John Thomack, IT Manager, STEAM
- Venkata Taduri, Senior Software Engineer, APEX



Workforce

Hiring for Growth

We are dedicated to attracting top talent from different industries and backgrounds as we know that bringing in critical expertise, diverse experiences and varied skillsets best position CSX for sustained growth.

When faced with supply chain disruption and a tight labor market in 2021, CSX responded aggressively to fill our hiring pipeline for frontline railroaders. We dramatically expanded the size of the pipeline and implemented new measures in recruiting, staffing and engaging our workforce. We re-evaluated requirements for the role, implemented a referral program for current employees, expanded our presence across several types of media, provided a 40 percent pay increase for conductor trainees, implemented video interviewing and gave the opportunity for candidates to engage in a virtual conversation with leaders.

Hired 3x as many conductors

in 2021 than in the previous two years combined

Talent Development & Education

Our growth strategy requires enhanced capabilities and perspectives. We leverage the contributions of individual skill sets and teams to become an even stronger organization. We invest in our people through learning and development and encourage employees to take advantage of internal programs and external partnerships to advance career potential and performance.

In 2021, we increased virtual and in-person training classes and introduced new courses through the learning portal. Many of our classes are comprised of cross-functional groups to create a more diverse learning environment.

By providing employees opportunities to grow their skills and competencies outside of their day-to-day roles, we aim to provide our people the support, tools and opportunities they need to not only lead in their job function, but also shape the future of the industry.

CSX offers a robust portfolio of internal and external, informal and formal employee training and development opportunities including:

- **Continuing Education** – Dozens of accredited universities and college partners offer tuition discounts to employees and employees' dependents.
- **Scholarships & Grants** – All employees are eligible to receive a full tuition grant from Colorado Tech University or University of Arizona Global Campus. Additionally, Columbia Southern University offers employees an opportunity to apply for a scholarship each year.



Workforce

- **Self-Directed Learning** – CSX offers a catalog of more than 3,000 courses ranging from public speaking, email etiquette, being an effective leader, Microsoft products, networking and more.
- **Tuition Reimbursement** – Full-time, active employees with three months of consecutive service are eligible to receive \$5,250 tuition reimbursement per year.
- **Virtual & Live Events** – All employees are invited to attend our monthly virtual and in-person training, College Connections and Let’s Connect events.
- **Career & Leadership** – Operations Camp, People Leader Development, National African American Women’s Leadership Institute (NAAWLI) and SOAR.

36

virtual or live training sessions held in 2021

26

new courses introduced or added to the CSX learning portal

1,313

employees who attended or participated in training events

CSX is also committed to fostering and developing our employees’ professional skills and networks, so they are empowered to become tomorrow’s business leaders. One example is the National African American Women’s Leadership Institute (NAAWLI) fellowship, a seven-month long leadership development training which aims to connect, educate and empower African American women to become leaders at all levels of business and society.

Since 2005, CSX employees have participated in the NAAWLI program with 25% of 2021 participants being women in Operations. Mebraht Gebre-Michael, an NAAWLI fellow, shared what the experience meant to her:

"Serving on the board of directors for NAAWLI has provided me with the opportunity to enhance my leadership skills and connect with dynamic, professional women. It's an amazing opportunity to contribute to an organization that is making a difference in the lives of African-American women nationally."

Mebraht Gebre-Michael
Senior Sales Manager, Chemical Sales



Workforce

Performance Management

Our robust performance management process helps us measure and foster a high-performing workforce focused on delivering CSX’s business and strategic goals. Effective goal planning and goal setting are important steps in directing individual, departmental and, ultimately, company performance.

Each employee has the primary responsibility for owning their professional development and progressing their desired career path. Along the way, CSX People Leaders play an important role by providing support, advice and feedback, all of which can positively impact overall employee career satisfaction.

Through our performance review process, employees complete a self-assessment of their progress and results against their personal and company goals. Managers gather feedback across the employee’s teams, departments and business partners, then compile and share back the insights. While the formal review process happens annually, we encourage employees to seek and share feedback with colleagues on an ongoing basis.

Employee Engagement & Recognition

As our employees are core to our success, it is important that they are engaged in their work and our corporate purpose. We have a number of assessments, surveys and studies that help us gather employee feedback to expand our understanding of employee perceptions, including the 2021 employee focus groups conducted to help inform and redefine our One-CSX values and behaviors.

There were a number of actions implemented to engage, recognize and reward employees, including advancing our pay for performance philosophy, implementing of our well-being strategy, and enhancing the Accelerate recognition platform. Designed to recognize employees across the company with notes of appreciation, Accelerate is an internal social acknowledgement platform where leaders and peers can recognize the hard work and contributions of their teammates and give visibility to their achievements.

To better understand our employees’ diverse viewpoints and how we can best support them, we planned and developed a formal employee engagement survey in 2021 that was rolled out at the beginning of 2022. Results of the survey will be leveraged to help continually shape the CSX culture as we make adjustments to how we approach issues and capture opportunities going forward.

In the survey, we assessed topics including:

- Trust and business ethics
- Communications and talent management
- Satisfaction with culture and employee engagement

Prioritizing Health & Holistic Well-being

We understand that there is no “one size fits all” approach to health and well-being. As such, we are committed to helping our employees through tailored tools, resources and support programs designed to meet their individual needs.

We offer benefits related to physical, emotional, social and financial support to ensure all CSX employees, at all stages and levels in their careers, are able to receive assistance across the health and well-being spectrum. This included expanding our library of mental health resources with the introduction of a new Mental Health Toolkit and Training Series for employees in 2021.

“As a People Leader, there is no greater reward than when I see a direct report empowered in and enthusiastic about their career. Every employee comes to CSX bringing unique value to the collective team. Wherever they are on their career journey, it's my job to support them and provide the resources and opportunities they need to bring their full selves to work every day.”

Shannon Baker
Head of Customer Solutions



Workforce

Compensation & Total Rewards

CSX offers highly competitive total rewards packages for our management and union employees designed to support employee recruitment, retention, engagement, and diversity and inclusion, as well as our growth objectives as a company.

We expanded the elective benefits offered to our employees in 2021, including:

- **Back-up Care** – Ensuring CSX employees can contribute their best while on the job means helping prepare for the unexpected. This subsidized program for all CSX employees includes access to a database of caregivers for a wide range of needs — from childcare, to pet care, to support with elderly or special needs adults, to housekeeping.
- **Financial Planning** – Together with Empower Retirement, we announced a partnership that provides all employees with financial planning assistance. From student loan payments to retirement saving, advisors help create comprehensive financial plans that tailor short-term and long-term goals to the employee’s needs.

◦ Student Loan Repayment Program –

Announced in 2021 and available starting in 2022, the program provides eligible management employees with \$200 a month, up to \$2,400 a year, toward paying off student loans acquired in earning a higher education degree.

A full summary of our elective benefits can be found on our [Benefits Summary page](#).

We regularly benchmark our compensation and benefits against railroad peers and general industry standards to ensure CSX’s Total Rewards package remains competitive based on the ever-changing market. Additionally, every three years since 2013, CSX has conducted a pay equity study to evaluate compensation practices of CSX management employees (pay for union employees is negotiated under a separate process). The most recent study was conducted in 2021 and was reviewed by an independent auditor. This process helps ensure we are paying employees equitably and competitively in order to retain the best railroaders.

“Our commitment to helping employees spans every aspect of personal well-being — financial, physical, emotional and social. We are committed to tailoring our offerings and adding new elective benefits to our total rewards package in response to ongoing feedback from our employees around the challenges that most concern them.”

Michelle Mullen

Vice President of Total Rewards,
Medical and People Systems



Supply Chain

We responded to supply chain challenges across the transportation industry with innovative solutions and operating plan adjustments that helped to alleviate congestion and maintain freight deliveries throughout our network.

Workforces across the globe faced significant challenges in 2021, including labor and supply chain disruption that required quick adaptation. Massive port lags and labor shortages resulting from the pandemic impacted CSX's daily operations, but our proven procedures prepared us to overcome these obstacles. Despite these challenges, CSX moved nearly 6.3 million units of freight and accomplished 18% revenue growth in 2021.

Driving Efficiencies Across our Network
2021 underscored the importance of an efficient and reliable rail service for keeping supply chains fluid despite economic uncertainty.

Building on existing continuity plans for business disruptions, CSX was able to quickly adjust operations in reaction to a sharp downturn in volume. These efforts were tailored to simultaneously address safety, wellness and execution strategies. In the face of widespread disruption, our operating model has proven to be adaptive and nimble, with innovative technology including ShipCSX and our Intermodal Reservation System helping us respond

to and address customer needs at CSX terminals across the United States.

In 2021, in an effort to sustain operational efficiencies and continue to deliver our best-in-class rail services, we prioritized ensuring the appropriate supplies were dispersed across our network while curbing against inflation as much as possible.

Because of CSX's lean procurement department, we were able to optimize the competitive advantage we hold over our Class I railroad peers. We stood firm in engaging the most efficient suppliers to effectively drive value and transport critical supplies across our network.

This lean organizational structure further allows our procurement department to develop relationships across multiple teams, leading to a configuration without silos and allowing for the growth of cross-functional business partners and suppliers.

We have been working diligently to implement proficient processes for gathering supplier data. This was a major focus area for our teams in 2021 and continues to be top of mind in 2022 as we prioritize the integration of ESG into all aspects of decision-making across our value chain.

Responsible Sourcing & Supply Chain Standards

We view our suppliers as an extension of our company — equally dedicated to environmental stewardship, high ethical standards and diversity. We work with approximately 4,800 suppliers domestically and internationally, all of which are expected to adhere to the [CSX Code of Ethics](#).

In 2021, we recommitted to engaging in [CDP's Supply Chain membership program](#) to find synergies with suppliers and advance ESG practices through ongoing conversations and knowledge sharing. We mandate that our suppliers report environmental data through CDP's questionnaires including the proportion of their GHG emissions that they can attribute to business with CSX, company-wide sustainable practices and climate change focused questions that allow us to better understand our supply chain footprint.

Additionally, through our Supplier Diversity Program, CSX has committed to procuring all materials, supplies and services as outlined in our [Diverse Supplier Procurement Policy](#). We offer an inclusive procurement process that provides opportunities for all suppliers, regardless of any social or economic distinction, including age, race, creed, color, sex, ancestry or national origin. While we do not award suppliers based on preferences that would result in unfair competitive advantages over others, we are committed to actively seeking and engaging diverse suppliers to compete for opportunities to support CSX.

The Carolina Connector Terminal – The Future of Intermodal Rail

CSX has expanded its services to North Carolina with the completed construction of the Carolina Connector (CCX) terminal. After a temporary pause in 2020 due to the COVID-19 pandemic, the intermodal terminal opened in September 2021, providing regional industries with convenient and reliable rail access while connecting consumers to products nationwide.

CCX is positioned to reach more than five million consumers within a 120-mile radius and is strategically located close to the growing Raleigh metro near the major consumption market in the Triangle Region. With its leading technology, CCX features three wide-span, zero-emission electric cranes and further demonstrates the company's leadership position in delivering more sustainable, truck-competitive transit.

CCX will continue to prove invaluable amid supply chain logjams and disruption with its ability to relieve congestion and allow for more efficient container offloading.



2021 Environmental,
Social and
Governance Report

Pride in Service

Our commitment to service extends beyond employees and customers and into our local communities. Not only is service core to who we are, it is at the heart of every decision we make.

Serving Those Who Serve

Three years ago, we introduced CSX’s signature community investment initiative, Pride in Service. Through this company-wide commitment, we do our part to honor and serve our nation’s military, veterans and first responders, connecting them and their families to what they need most.

It is a cause that we are deeply passionate about and connected to across our business, from the one in five CSX employees that have served in some capacity to our own CSX police force that keeps our tracks operating safely. Our locomotives roll through many communities and neighboring military bases with a high concentration of military families, making our opportunity for impact as broad as our operations.

Oftentimes, military, veterans, first responders and their families incur hardships and financial adversity, both while they serve and when they transition to civilian life. Thanks to the dedication, involvement and gratitude of CSX employees and our mission-driven partners, Pride in Service efforts have helped improve the quality of life for these individuals and their surrounding communities.



2021 Environmental,
Social and
Governance Report

We continue to increase our commitment to and investment in Pride in Service year after year. In 2021 alone, CSX and its employees contributed more than 6,000 volunteer hours across various causes and 140 Pride in Service events, in addition to \$10.4 million to communities across our network.

“A powerful point of this work is that it shows how many people of color in our military forces have been impacted in the same way that my family and I have been impacted. In the military, we often say that we enlist a Soldier, commission an Officer, but we retain families. The lessons learned from this initiative about the challenges for military families of color have implications for business families of color. How employees might perceive continued service in their companies based on their views of the communities where they live and work is applicable to the world of business.”

Lt. General
Thomas Bostick,
USA, Retired

CSX Board Member



240+
Communities impacted



11,900
Grants distributed to
service members



7K+ Hours
Donated by Employees



262
Scholarships granted to youth



\$200K
Donated by Employees



93K
Healthcare heroes supported

Pride in Service

Partnering to Elevate Impact

Since the inception of Pride in Service in 2018, CSX has connected more than 350,000 service members and their families with resources and support in conjunction with five signature partners, including some of the nation's leading veteran, military and first responder organizations.



[Blue Star Families](#)



[First Responders Children's Foundation](#)



[Operation Gratitude](#)



[Operation Homefront](#)



[Wounded Warrior Project](#)



2021 Environmental,
Social and
Governance Report

We're incredibly proud of the dedication and commitment of our partners, our employees and our local community members. By collaborating to serve those who serve, we have been able to make a positive impact across our entire service territory in three core focus areas: critical financial assistance, community connections and acts of gratitude.

Critical Financial Assistance

There are countless challenges affecting service families' financial well-being — from employment and caregiving to deployment and frequent relocations. CSX works closely with its Pride in Service partners, providing critical financial assistance to support families who are struggling to make ends meet.

- **Operation Homefront** – CSX and Operation Homefront work together to provide thousands of financial support grants to address families' basic needs and potentially expensive life-transitions. In 2021, CSX contributed to Operation Homefront reaching key milestones such as providing the 450,000th backpack filled with school supplies, serving 540,000 military family members with holiday meals, and providing baby supplies to more than 19,000 military moms since the start of these programs.

As a result of CSX's unwavering commitment to supporting military families, Operation Homefront presented John Kitchens, Director of Corporate Citizenship at CSX, with the Cornerstone Award for his dedication to helping Operation Homefront transform how it serves military families and delivers on its mission.

- **First Responders Children's Foundation** – Together with First Responders Children's Foundation, CSX provides the children of fallen first responders with scholarships to make their dreams of higher education a reality. In 2021, CSX awarded 140 new and returning scholars with CSX Pride in Service Scholarships to support their education and continue the cycle of service started by their parents.

First Responders Children's Foundation also enables CSX to provide direct support for the families of first responders who were injured or killed in the line of duty. Through this partnership, we were able to support 17 first responder families in 2021 with resources and funding in their time of need.

Community Connections

Military and first responder families live quite different lifestyles compared to their civilian counterparts, which can lead members of this community to feel disconnected and without a support network. As most military families reside in civilian communities, CSX prioritizes working with our Pride in Service partners to create a sense of belonging for servicemembers around the country.

- **Blue Star Families** – Military families move on average two to three times as often as civilian families, meaning that they are constantly adjusting to new surroundings, school systems and neighbors. In 2021, CSX supported Blue Star Families' inaugural Welcome Week, an initiative that encourages communities nationwide to come together to support the 600,000 active duty and transitioning military families that move each year. CSX also supports six Blue Star Families Chapters in key areas with high military populations.

Harnessing Pride in Service for Social Justice

CSX is leveraging the Pride in Service program to promote social justice and racial equity. CSX Pride in Service partner, Blue Star Families, established a Racial Equity and Inclusion Committee to examine the challenges facing military families of color, and is tailoring their programming based on the findings.

CSX Board Member, Lt. General Thomas Bostick, USA, Retired is a proud member of this committee where he shares his experience from the Army, his role in corporate America, as well as his passion for serving the community.

CSX is proud of the work that Blue Star Families, Lt. General Thomas Bostick, USA, Retired and the entire Racial Equity & Inclusion Committee are doing to support military families of color and increasing feelings of connection and belonging through their service, their communities and their workplaces.

Pride in Service

o **Wounded Warrior Project** – CSX continued showing its support and raising awareness for the issues veterans carry with them each day through Wounded Warrior Project’s Carry Forward 5K, a community fundraiser designed to bring civilians together with those who served. More than 70 CSX employees gathered in Jacksonville for the 2021 event, raising more than \$15,000.

Acts of Gratitude

CSX and our employees recognize the sacrifices our military, veteran and first responders make to serve our country and our communities. Through our Pride in Service partnerships, CSX employees can give tangible acts of gratitude to those who serve. Since 2018, CSX has collectively donated more than 3,000,000 items to families and individuals in need.

o **Operation Gratitude** – CSX partners with Operation Gratitude to host various volunteerism events for employees to show their support for our service members. In 2021, CSX employees wrote more than 1,000 letters to service members, made more than 3,200 paracord bracelets and assembled more than 10,000 care packages.

“As a law enforcement professional with almost 25 years of experience, I’ve seen suicide from multiple angles. As a veteran, as a first responder, as a friend, as a family member, as a human, I want all my officers to take this training so they can be aware of the signs that there is a problem and assist in getting the proper help and resources to those people that need it.”

Nicole Ferry
CSX Special Agent



Supporting Mental Health & Suicide Prevention Training

Since 2010, Wounded Warrior Project has conducted the Annual Warrior Survey, the largest and most comprehensive survey of post-9/11 veterans. In 2021, CSX joined them as the first ever corporate sponsor of this important research. The 2021 survey revealed that more than 70 percent of warriors have reported experiencing PTSD, anxiety and depression as a result of their service and 25 percent have had suicidal thoughts in the past 12 months.

We will use these findings to further tailor our Pride in Service programming to effectively address the greatest challenges facing our veteran employees and the community at large. As many CSX employees have either served themselves or have close connections to military, veterans and first responders, we take seriously our role in preparing them to recognize the signs of mental health struggles and providing those around them with the necessary resources to get the help they need.

Beyond the annual survey, CSX collaborates with Wounded Warrior Project to train its own police force, CSX Special Agents, on suicide prevention awareness, tools and resources. Our police force often must act as first responders, frequently the first on the scene, in traumatic situations that can pose a risk for their mental well-being. Since implementing these programs, CSX and Wounded Warrior Project have trained more than 90 employees.



Pride in Service

Providing Disaster Relief

Through the Employee Disaster Relief fund, CSX distributed more than \$96,000 in grants in 2021 to support 14 employees who had been impacted by medical issues, including COVID-19, and property damage due to natural disasters.

Throughout the year, several tornadoes impacted communities across CSX’s service network, specifically in Kentucky, Alabama and Tennessee. In response to these disasters, CSX partnered with the American Red Cross, donating a total of \$350,000 to provide relief for individuals and families in need.

Our Pride in Service partners are also great allies in the face of disasters, providing opportunities for CSX employees to give back and support their local communities. When a tornado touched down in Kentucky, our local Special Agents asked how they could help. We connected them with

First Responders Children’s Foundation, and together they donated \$25,000 and eight pallets of clothing, toiletries, masks, personal protective equipment (PPE), hand sanitizer and toys for first responders and their families.

Supporting Employees’ Passion for Giving Back

Relaunched in 2021, CSX’s MBRG is committed to honoring and supporting our nation’s veterans, active-duty military and their families. Through this group, CSX employees have created an internal community to support their colleagues and their loved ones while providing valuable insights for CSX to support the military community at large through community outreach.

With nearly 100 members across various departments, CSX’s MBRG has supported various events in the Jacksonville area such as Back to School Brigades with Operation Homefront,

military appreciation games with the Jacksonville Jumbo Shrimp and building a home for a local veteran with the Jacksonville affiliate of Habit for Humanity.

CSX also continued to support, contribute to and help raise funds for No Greater Sacrifice, a nonprofit organization dedicated to investing in the children of our nation’s fallen and wounded Service members by delivering scholarships and resources to improve their quality of life through higher education. In 2021, employees volunteered over 6,700 hours serving those in need.

Beyond the work of our MBRG, CSX makes it easy for employees to volunteer and support causes that matter to them through community partner organizations. We encourage our employees to select the causes and organizations that mean the most to them, with a number of programs and policies in place to maximize their impact.

- **Dollars for Doers** – When a CSX employee volunteers at least 15 hours, the CSX Foundation donates \$10 per hour volunteered, up to 40 hours, to an eligible organization of the employee’s choice.
- **Employee Matching Gifts** – We match dollar-for-dollar any donation made by a CSX employee to a 501(c)(3) organization of the employee’s choice, up to \$1,000. In 2021, we expanded our employee matching program to allow for more support of social justice organizations.
- **Board Service** – CSX executives are eligible to serve on nonprofit boards of their choice through the CSX Foundation Board Service program. The Board Service program contributes to the organizations with which CSX executives are affiliated and provides counsel and guidance for CSX executives looking to become involved with a nonprofit board.

Bridging Community Divides

Understanding and healing the wounds of social inequity will take time, but we all have a significant role to play in enacting positive change. Through Pride in Service, CSX has partnered with First Responders Children’s Foundation to help bridge the divide between first responders and the communities they serve. Through initiatives such as Toy Express and National Night Out, we work together to provide law enforcement officers with toys and school supplies, empowering them to meaningfully connect with local families through positive interactions.

CSX also furthered its commitment to advancing social equity with Blue Star Families by sponsoring the *Blue Star Families’ Social Impact Research 2021: The Diverse Experiences of Military & Veteran Families of Color*. This study is a necessary first step to form an evolved and multi-faceted approach for governments, nonprofits and companies like CSX to collectively ensure that diverse military families feel welcome in the communities they serve and reside in. As our Pride in Service programming and Social Justice Action Plan continue to evolve, this research will be an invaluable tool to support community connections – across the entire military, veteran and first responder community.

In addition to the City Year partnership, CSX further demonstrated its commitment to fostering diversity, equity and inclusion, both internally and externally, to enhance awareness, education and communications, employee development, voter education and reduce potential or perceived inequities.

Serving the Jacksonville Community

CSX is committed to supporting the Jacksonville community through community service, donation drives and employee volunteerism. Through our partnerships with the Jumbo Shrimp Minor League Baseball team and the Jacksonville Jaguars, CSX has hosted military appreciation game nights so that military members, veterans and their families can enjoy some of America’s favorite pastimes.

In addition to serving the local community through Pride in Service, CSX works closely with City Year to support local young adults through community service. In 2021, CSX contributed \$10.4 million to various organizations, including City Year, Operation Lifesaver, American Red Cross and Action for Healthy Kids.



Our Planet

Environment

Sound environmental stewardship and climate strategy are essential to addressing climate change. As the most fuel-efficient mode of land-based freight transportation, rail has a tremendous responsibility and opportunity to be part of the solution. At CSX, we're not just leveraging the opportunity, we're leading it.

At CSX, our commitment to the environment underpins our business strategy and applies to how we operate to best serve our customers, care for the environment and drive long-term prosperity. We see the correlation between sound environmental practices and business success, and we actively seek ways to bring them closer together.

As a company, we embrace the opportunity to develop, test and bring to scale emerging alternative fuels and technologies that will set in motion an even more sustainable future for rail.



Environment

Setting & Tracking Towards Our Sustainability Aspirations
CSX has been diligently working towards its ambitious GHG emission reduction goals, guided by our science-based target to reduce GHG emissions intensity by 37.3 percent by 2030 against a 2014 emissions baseline. In 2021, we continued to prioritize and adapt our fuel usage and network approach to increase fuel efficiency, drive greater network fluidity and reduce crew starts.

CSX is currently tracking to meet its 2030 emissions target. From 2014 through 2021, we have improved fuel efficiency by 15.34 percent – an emissions intensity reduction of 15.6 percent – which puts us 42 percent of the way toward reaching our goal.

Aligning Our GHG Emissions Intensity 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%
2014-2021	-15.6%

To continue our emissions reduction trajectory, we are evaluating alternative fuels and power sources as well as emissions reduction efforts spanning operations, management and technology. CSX’s initiatives, improvements and investments across these categories include:

Operations	Management	Technology
Continue reducing asset intensity	Dedicated fuel conservation desk to identify efficiencies	Trip Optimizer technology
Reduce dwell time and idling	Strict scrutiny of practices to eliminate waste	Automatic engine start-stop
Eliminate unnecessary stops linked to fuel burn	Company culture of improvement	Meet Pass Plan technology

CSX continues to evaluate new locomotive fuel conservation technologies and initiatives to drive greater operational efficiencies as we work toward our 2030 environmental goals. Our environmental efforts include a holistic set of 2030 aspirations for our business, including what we believe is necessary to keep working toward the target of limiting global warming to well-below 2°C above pre-industrial levels, as outlined in the Paris Climate Agreement. These 2030 goals will help us better manage our environmental footprint across our emissions, energy sources, waste management and water usage and supply chain.

Combined, these efforts helped CSX continue to lead all U.S. Class I railroads on fuel efficiency in 2021, at less than one gallon of fuel required to move 1,000 gross ton-miles of freight.



Environment

Recognized for Environmental Performance

In 2021, CSX was recognized by multiple environmental, industry and business leadership organizations for its strong environmental performance. We were the only U.S. railroad included in the DJSI for the 11th consecutive year and the top U.S.-based Class I railroad in CDP's 2021 climate leadership ranking for the ninth year running.

Additionally, CSX was recognized as a 2021 CDP supplier engagement leader in the top eight percent of companies engaging their supply chains to reduce value chain emissions. We recommitted to participating in the CDP Supply Chain program in 2021, through which we encourage suppliers to "live like CSX" in how they conduct sustainable operations and emissions reduction initiatives. Under the program, CSX monitors and measures Scope 1 and Scope 2 emissions so that we can better understand our footprint across our entire supply chain.

Climate-Related Risk Management & Oversight

At CSX, we take a proactive approach to assessing and addressing environmental and climate-related risks and opportunities. This includes those associated with new technologies, availability of fuel sources, reputational risks and opportunities, anticipated regulatory changes and potential shifts in our customers' businesses as a result of climate change.

At the Board level, the Governance and Sustainability Committee is responsible for overseeing environmental matters, risk oversight and evaluation, including risks associated with energy and environmental policy. Our Board of Directors maintains responsibility and oversight of climate-related issues.

Our Environmental team oversees environmental requirements and compliance, including managing and reporting on our energy, waste, water and air emissions. To help ensure regulatory compliance, CSX's [PSH&E management system](#) tracks our environmental performance.

In addition to performing independent reviews to track environmental performance, we regularly review and update our management systems and utilize third-party reviews of our existing programs to verify their effectiveness.



Environment

Climate-Related Scenario Analysis

In 2020, we conducted a climate-related scenario analysis as part of the process for establishing our new GHG emissions intensity reduction target. We regularly provide our Board and committees with climate-related business risks for consideration, and Board committees receive input from the functional departments most competent in the risk under consideration. We consider climate-related risk and opportunity types based on the [TCFD risk types and classifications](#).

As part of this analysis, CSX applies an internal methodology to evaluate potential scenarios where climate change and other types of disruption may impact operations and safety. Our analysis considers:

- **Short-term (i.e., 0-3 years) horizon scenarios:** those linked to the CSX capital expenditure program, which is based on a three-year cycle.
- **Medium-term (i.e., 3-10 years) horizon scenarios:** those that deal with planning for significant investments, such as locating, constructing or consolidating rail facilities and infrastructure.

- **Long-term (i.e., 10-30 years) horizon scenarios:** those that deal with strategic planning based upon growth and technology projections.

Climate-Related Risks

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



Environment

Climate-Related Opportunities

Opportunity Type	Classification	Description
Markets	Access to new markets	As climate changes, businesses may look to relocate to different parts of the U.S. With a nearly 21,000-mile network, CSX is well positioned to help companies adjust to a need to move facilities or modify how they move product to market.
Markets	Access to new and emerging markets	As climate change realities affect downstream markets, CSX is well positioned to also support these new and emerging markets. For example, the increased demand for domestic natural gas has created an opportunity for CSX to display agility in serving new and evolving energy markets and geographies.
Resource Efficiency	Use of more efficient modes of transport	Rail intermodal provides a competitive edge over other less efficient modes of freight transportation as climate change-related environmental regulations increase in their scope.

This analysis of climate-related risks and opportunities is used to plan for business continuity and influence strategy. For more information on how we incorporate climate into our risk management strategy, as well as additional climate-related disclosures, please see [our CDP Climate Change response](#) and our [TCFD index](#) in the appendix of this report.



Environment

Compliance

The CSX Environmental Operations team is responsible for overseeing and engaging on all local and federal compliance matters. In 2021, this included:

- Maintaining 41 Clean Air Act permits and 171 Clean Water Act permits across our networks
- Conducting 96 compliance reviews of our facilities and an annual review of all environmental management processes
- Completing risk profiles at each of our facilities, as needed
- Identifying best-in-class technologies and training opportunities

To further ensure compliance, CSX uses our Environment Management System (EMS), which promotes, measures, tracks and improves sustainability across our operations. It also provides a clear, actionable plan for actively managing and minimizing the environmental impact of our facilities and operations.



Responsible Care Partner Program

Every three years, CSX reapplies for its Responsible Care Partner Program Certification, overseen by the American Chemical Council (ACC). As our customers include chemical and hazardous material businesses, we must take great care to transport in compliance with various regulatory requirements.

We demonstrate our commitment to adhering to the same Responsible Care requirements as ACC members through this certification process, which examines technical specifications of our EMS and evaluates policies, leadership and goals related to risk management, environmental health, safety and security.

In early 2022, we completed our latest review and received recertification.

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



Environment

Locomotives

Our current operating model prioritizes scheduled railroading, which enables us to better manage our fleet by optimizing asset utilization and leveraging schedule-based trains. This means less idle time for locomotives, fewer locomotives operating and longer trains, which translates to benefits for the customer in terms of on-time product delivery and for the environment in terms of reduced GHG emissions.

We regularly review our fleet to uncover opportunities to decrease the number of locomotives. Since first introducing scheduled railroading in 2017, we have successfully reduced the number of locomotives needed to transport the same amount of cargo or more each year. Maintaining a buffer of stored locomotives and equipment also allows CSX to quickly adjust our active fleet based on demand and other factors while avoiding delays due to supply limitations or excessive lead times.

Locomotives by Type

Year	2021	2020	2019	2018	2017
Freight	3,126	3,142	3,162	3,440	3,659
Switching	212	219	220	254	299
Auxiliary	178	178	179	204	208
Total	3,516	3,539	3,561	3,898	4,166



Modernizing the Howard Street Tunnel

In late 2021, CSX and local and state authorities kicked off a modernization initiative to update Baltimore’s Howard Street Tunnel. The project is part of the final phase of a broader initiative to prepare the entire CSX intermodal network for double-stack trains.

The \$466 million improvement project will enlarge the tunnel and clear obstructions at 22 other locations between Baltimore and Philadelphia. Completion of the clearance initiative, projected for 2025, will mark a major milestone for intermodal rail service in the Interstate 95 transportation corridor.

In addition to increasing containerized freight capacity, the project will improve supply chain efficiency for shippers, reduce highway congestion for communities and deliver environmental benefits from increased use of rail. It is one of the largest public-private construction partnerships in Maryland’s history.

“The project comes at a time when our nation and customers are hungry for solutions to climate change and supply chain issues. Breaking ground on the Howard Street Tunnel illustrates the potential to address both realities at once by modernizing the corridor while increasing freight rail capacity and intermodal connectivity.”

Tom Livingston
Vice President, Government Affairs



Environment

2021 Energy Management & Performance

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

Total Energy Consumed by Type* (GJ)

Energy/Fuel Type	2021 Usage	2021 Percentage (rounded)
Diesel	53,830,696	93.80%
Biodiesel	80,081	0.14%
Electricity	1,485,491	2.59%
Gasoline	1,107,840	1.93%
Jet Fuel	31,424	0.06%
Natural Gas	495,678	0.86%
Propane	325,403	0.57%
Used Oil	27,965	0.05%
Total	57,384,578	100%

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

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

CSX Annual Energy Consumption** (1,000 GJ)

Year	Value
2017	68,794
2018	67,897
2019	63,134
2020	56,043
2021	57,384

GHG Emissions Intensity (Metric tons CO₂e per MGTM)

Year	Value
2017	11.49
2018	11.23
2019	10.80
2020	10.43
2021	10.21

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

Year	Scope 1 Value	Scope 2 Value	Scope 3 Value
2017	4,707	221	181
2018	4,649	205	154
2019	4,309	196	183
2020	3,815	185	179
2021	3,956 ⁴	144	325

Environment

Recycling, Reuse and Waste Disposal

CSX's commitment to protecting the environment is reaffirmed by our goal of reducing the amount of waste generated by our operations. We believe every employee has a role to play when it comes to increasing their level of recycling, saving precious landfill space and reducing waste disposal costs. As such, we provide regular opportunities for employees to help us achieve our goals in their daily activities, with programming that supports recycling and reuse of materials wherever possible.

Through our recycling program at our Jacksonville headquarters, additional blue recycling bins have been placed in designated areas. Employees and facility managers are given clear instructions on the processes for how and what to recycle, including batteries, paper cardboard, toners and printer cartridges, plastics and fluorescent lights.

CSX currently recycles the following waste streams system-wide:

- **Steel** – We collect and recycle steel in old locomotives, rail, railcars and other equipment.
- **Batteries** – We reclaim approximately 500,000 pounds of signal and other rechargeable batteries each year. We also recondition or recycle locomotive batteries.

- **Oil** – Throughout our system, we recycle used oil from locomotive crankcases and other equipment. In a typical year, more than two million gallons of oil are recycled.
- **Cross Ties** – We pioneered an innovative method for reusing cross ties by chipping them for use as an alternative fuel or to be reused as landscape timbers.
- **Electronic Equipment** – CSX Technology manages the recycling of computers, monitors, modems, CRTs, hand-held devices and servers. Before being disposed of, all computers and related equipment are tested. Equipment in good condition is reused. Obsolete equipment is broken down into parts and recycled.

In 2021, we continued to ensure that supplies are properly reused and recycled, reducing costs and eliminating stormwater impacts from stray materials. The majority of the waste we generate derives from locomotive and equipment maintenance activities required for ongoing operations.



Environment

Recycling, Reuse and Waste Disposal

Materials CSX Recycles

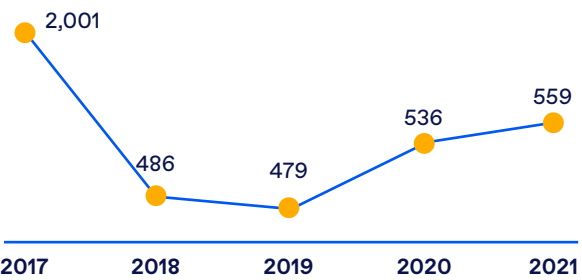
Type of Material	Unit of Measurement	2021	2020	2019	2018	2017
Used Oil	Million Gallons	1.26	1.77	1.34	1.83	2.41
Batteries	Short Tons	327	266	407	367	390
Steel	Short Tons	329,481	137,069	159,460	157,306	326,428
Crossties	Millions	0.38	1.47	2.64	2.25	2.11
Asphalt	Short Tons	115,354	121,215	34,617	92,993	32,831
Concrete	Short Tons	-	33,135	32,905	12,957	18,258

Water Management

We understand the limited availability of select resources and make sure our management processes are prepared to respond accordingly for resources CSX may use, such as water. The primary activities involving water at CSX include washing locomotives and other equipment and suppressing dust.

We are also mindful of resource and water consumption at our Jacksonville headquarters, particularly as employees have returned to the office after a time where many were working remotely. Ways we manage our water consumption include identifying and implementing water reduction, recycling and reuse measures, including tracking our water use in certain operations, such as rainwater collection and recycling, wherever feasible.

Total Annual Water Consumption (millions of gallons)



Fuel Sustainability & Innovation

At CSX, we are using our innate desire to innovate to determine how we sustainably fuel tomorrow.

CSX is dedicated to finding and developing solutions that can power our industry for the long-haul without compromising the environment. However, many solutions as they exist today are still nascent technologies, and it will likely be years before they can be leveraged as industry-wide solutions.

At CSX, the next generation of fuels and propulsion technology is already in development. In 2021, we invested \$34.8 million in fuel efficiency measures, including investments in technologies and locomotive use.

We are continuing to evaluate alternative fuels and power sources that reduce our operational and GHG emissions footprint with a focus on two main categories of impact:

- **Fuel:** Locomotive fuel efficiency and alternative fuel sources

- **Innovation:** Integrating new technologies that optimize train handling and introducing efficiencies that increase train length and reduce train stops and starts



Fuel Sustainability & Innovation

The Future of Fuel

The future of fuel requires robust investment and collaboration to truly advance innovative solutions and realize operational efficiencies. We are currently evaluating multiple fuel sources and technologies that provide alternative power sources or diesel replacements. As with many hard-to-abate sectors, alternative fuels will require extensive testing and regulatory approvals before they are commercially available. In addition to partnering with regulators to test fuel solutions, we are actively engaging with the Environmental Protection Agency (EPA) and FRA to conduct fuel tests to further the potential for regulatory approval.

We are also partnering with industry peers to accelerate the energy transition. In 2021, we participated in a peer decarbonization working group convened by the AAR. The working group, which was composed of rail and industry-adjacent peers, held regular calls to discuss the regulatory landscape and emerging technologies.

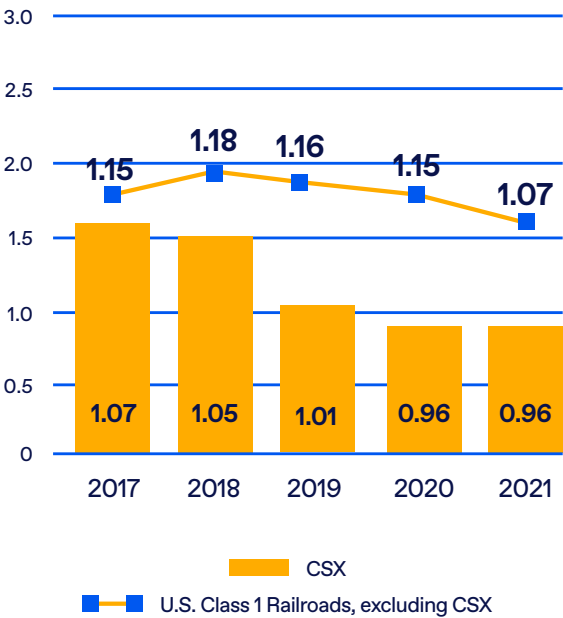
2021 Fuel Efficiency Highlights

\$34.8 million
invested in fuel efficiency measures

0.96
gallon/kGTM

537
miles moved for one ton of freight on a single gallon of fuel

Fuel Efficiency Gallons of fuel per 1,000 gross ton-miles



Fuel Sustainability & Innovation

Innovations & Initiatives Driving Fuel Efficiencies

We are continuing to develop a Meet Pass Planner (MPP) that will increase fluidity of trains throughout the CSX Network by reducing train meet and pass delays while optimizing train routing and performance. MPP uses real time data to provide dispatchers with dynamic runtime calculations and forecasting models to expedite the decision making and conflict resolution processes.

We are also in the process of testing hybrid locomotives, which are particularly well-suited to capitalize on the efficiencies provided by the rolling hills of the East Coast. When passing through a city, hybrid engines can turn off, potentially delivering targeted emissions reductions in these urban areas.

The use of biofuels is another avenue CSX is exploring to reduce our carbon emissions. While rail can be four times as efficient as trucks, we nonetheless rely on carbon fuels to transport our freight.

One of the biggest challenges in this space is finding the supply of biofuels. With airlines looking to reduce their environmental impact, sustainable aviation fuels are taking up most of the supply. Once a regular supply is found, CSX has the capabilities to transport and blend these fuels to B5 for emissions standards on-site, which could prove disruptive to the entire supply chain. When that moment comes, CSX will work with our suppliers to take as much biofuel as they can supply.

In 2022, we have projects planned to test the use of biofuels to run our B20 engines, as well as potentially using liquified natural gas (LNG) for locomotive fuel. Additionally, we are working on a concept that uses compressed natural gas (CNG) to supply a generator that in turn supplies power to locomotives.

Repowering Engines to Run for the Long-Haul

The typical lifespan of a CSX locomotive is 30 to 50 years, meaning we operate assets that are truly built for the long haul. To this end, we look to maximize the lifetime value of our trains by assessing opportunities to rebuild or “repower” engines so they can run on new or emerging fuels that ultimately reduce emissions.

In 2021, we partnered with Wabtec, a transportation solutions company, to begin rebuilding AC4400 engines to run on biofuel. Based on preliminary engine tests, these enhancements will result in a 5% fuel savings, 20% improvement in fuel efficiency and 50% reduction in lube oil for current Tier 1 locomotives.

Since CSX has the unique ability to blend our own biofuels, we plan to begin testing biofuel (B20) on the rebuilt locomotives.



Fuel Sustainability & Innovation

Engaging Customers Around Efficiencies

With rail being the most sustainable mode of land-based freight transportation, CSX has an opportunity to not only drive positive environmental outcomes for our customers, but also for our environment, helping divert incremental volumes off the highway without sacrificing reliability.

CSX expects to see continued fuel efficiency improvements, lower operating costs and continued growth in our intermodal business as shippers seek more carbon-friendly ways to haul freight. It is a priority at CSX to communicate with our customers about the efficiency benefits associated with intermodal transportation.

In 2021, CSX helped our customers
avoid CO₂ emissions equivalent to:



1,900,000

Homes' Electricity Use for One Year



2,300,000

Passenger Vehicles Driven for One Year



Customer Allocated Emissions Report

CSX is giving its customers the tools and insights they need to reduce their climate footprint, from the Carbon Calculator available on the CSX website to customized client reports that summarize emissions and fuel use.

CSX also offers our customers individualized allocated emissions reports suitable for greenhouse gas inventories that detail the calculation methodology and audit traceability.



Fuel Sustainability & Innovation

Innovating for Efficiency

CSX maximizes sustainability and efficiency through a number of automation technologies, initiatives and process changes.

Examples of the technologies we are evaluating and implementing include:

- **Distributed Power** – CSX continues to invest in distributed power (DP) across our fleet. DP locomotives are more efficient as they distribute forces acting on the locomotive throughout the train, allowing for a larger train build and thus movement of more freight with less fuel.
- **Fuel Conservation Desk** – The CSX 24/7 Fuel Conservation Desk helps identify where opportunities remain to further drive fuel efficiencies. Operated out of our Jacksonville HQ Network Operations Center, the Fuel Conservation Desk monitors all active CSX line-haul locomotives and manages locomotive horsepower and efficiency. The team uses minute-by-minute monitoring to determine opportunities to conserve fuel by identifying locomotives that can be shut down, rather than remaining idle.
- **Idle Reduction Technologies** – CSX has invested more than \$50 million since 2000 in idle reducing technologies, which have been proven to reduce fuel consumption and Scope 1 emissions. Automated Engine Start Stop (AESS), for example,

automatically shuts down the locomotive when not in use and automatically starts it again when needed. CSX employees are trained on proper locomotive shutdown rules and procedures to eliminate unnecessary idling.

- **Trailing Unit Shutdown** – We continued to implement a trailing unit shutdown process, an operational change which gives the ability to shut down the backup locomotives behind the lead locomotive when not needed. Trailing unit shutdown has the potential to yield significant fuel savings without any impact to velocity or reliability.
- **Trip Optimizer** – In 2021, we completed the rollout of Trip Optimizer technology across our mainline fleet of 2,100 locomotives. This automated locomotive cruise control device helps drivers achieve optimal fuel burn and saved approximately 36 million gallons of fuel in 2021. Overall, this technology has resulted in an average savings of 1.4 gallons of fuel per auto mile.

Additionally, CSX is in the final stages of preparing a product safety plan for the FRA in order to launch our Zero to Zero technology, which is expected to save an additional five million gallons of fuel per year. Throughout 2022, CSX will continue to expand the use of Trip Optimizer across our entire rail network.



Fuel Sustainability & Innovation

Equipping Employees to Embrace New Technologies

As we continue to adjust our operating practices in line with our guiding principles, we are also educating our employees on the functions and benefits of new fuel alternatives and technologies to move us towards an even more efficient and environmentally friendly operating model.

In addition to training employees on how to use the technology, CSX’s Mechanical Operations group is using existing technologies to limit unnecessary train stops. Acoustic detectors and temperature trending logic continue to be used to proactively identify bearings in distress before they cause line of road events. Within Mechanical Operations, the Communications and Signals group is reviewing thermal imaging technology to identify abnormal breaking conditions which cause delays and less fuel-efficient locomotives.

To further emphasize the role of our employees in helping reach our goals and incentivize CSX employees to reduce train idling and conserve resources, we introduced a fuel efficiency metric into our 2021 MICP.

“Looking to new and emerging alternative fuel sources is essential in achieving a sustainable energy transition. That is why we are in the process of testing hybrid locomotives and biofuels at CSX, ensuring we provide the highest quality service for our customers, whilst also minimizing our environmental impact.”

Corey Davis

Director of Fuel Strategy and Utilization



2021 Environmental,
Social and
Governance Report





Our Business Practices

Governance & Oversight

At CSX, we believe good governance begins with leaders who understand the opportunities and challenges across our business and bring diverse perspectives for how to approach them. This is critical to CSX's long-term growth and success.

Our Board of Directors and Executive team hold ultimate responsibility for developing and communicating CSX's [vision and purpose](#); overseeing the implementation of sound governance practices; upholding company policies, codes, procedures and values; and ensuring ongoing monitoring of and adherence to laws and regulations.

Key elements of our comprehensive governance program include:

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



Governance & Oversight

Board of Directors

CSX's Board of Directors is comprised of a prominent group of leaders who influence CSX's long-term strategy for delivering shareholder value by tracking opportunities and challenges and monitoring and mitigating unnecessary risk.

Currently, CSX's Board is comprised of 11 individuals, each with a unique range of experience and expertise spanning management, railroad operations, financial markets, human capital and risk management.

In determining the qualifications of a director nominee, the Board and the Governance and Sustainability Committee consider expertise and experience in:

- **Business Operations**
- **Corporate Governance**
- **Finance / Capital Allocation**
- **Accounting / Financial Expertise**
- **Government / Public Policy**
- **Risk / Crisis Management**
- **Human Capital Management**
- **Sustainability**
- **Transportation Industry / Supply Chain Management**

In addition to these skills and areas of expertise, CSX Board members proactively engage in opportunities to stay informed on the rapidly-changing landscape, stakeholder expectations and ESG issues under various corporate functions. For instance, in 2021, four of the CSX Directors completed a three-month course to bolster knowledge of how ESG and effective management should be embedded into board operations.

More information about our Board of Directors can be found in our [2022 Proxy Statement](#) and on the [Board of Directors](#) page on our website. Details on our ESG oversight and management structure can be found in the [ESG at CSX](#) section of this report.

“A key part of CSX’s growth strategy moving forward is to stay strategically aligned across all levels of the organization and across our entire value chain. As a Board, we oversee and proactively manage ESG to ensure CSX is prepared to adapt and address stakeholder expectations. Core to our focus is how CSX approaches climate change and diversity, equity and inclusion, as we know the value that can come from effectively incorporating these important matters into our business strategy. Both require an integrated strategy and strong governance to move in the right direction and drive the growth we know CSX is capable of achieving.”

Linda Riefler

CSX Board Member, Chair of Governance and Sustainability Committee, Compensation and Talent Management Committee, Executive Committee



Governance & Oversight

Board Committees

The Board has five standing committees:

Audit Committee:

Oversees CSX’s accounting and financial reporting processes, as well as internal and independent financial auditing.

Compensation & Talent Management Committee:

Oversees workforce and human capital management processes, leadership development, performance management, talent acquisition programs and processes for promoting diversity, equity and inclusion.

Executive Committee:

Responsible for acting on behalf of the full Board between regularly scheduled meetings.

Finance Committee:

Oversees and reviews CSX’s financial matters and financial-related policies.

Governance & Sustainability Committee:

Oversees the development and execution of CSX’s ESG strategy and risk management of climate-related issues and is responsible for overseeing environmental matters, risk oversight and evaluation, including risks associated with energy and environmental policy.

Each committee has its own written charter capturing its scope of oversight and responsibilities. Charters can be found at investors.csx.com under the heading “Environmental, Social and Governance.”



2021 Environmental,
Social and
Governance Report



(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

Mr. James M. Foote
Chairperson of
Executive Committee

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

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

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

Ms. Linda H. Riefler
Chairperson 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 Committees

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

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

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

2021 Board of Directors

Racial/Ethnic Diversity:

18.2% Diverse

Gender Diversity:

27% Female directors

Independence:

91% Independent
including the Chairman
of the Board

Average Director Tenure:

7 Years

Average Director Age:

65.3 years

Governance & Oversight

Compensation

As an organization focused on pay-for-performance, CSX provides competitive total compensation opportunities in line with market practices. Executive performance is evaluated by the Compensation and Talent Management Committee to ensure incentive payouts are consistent with the objectives of the executive compensation program. These elements include:



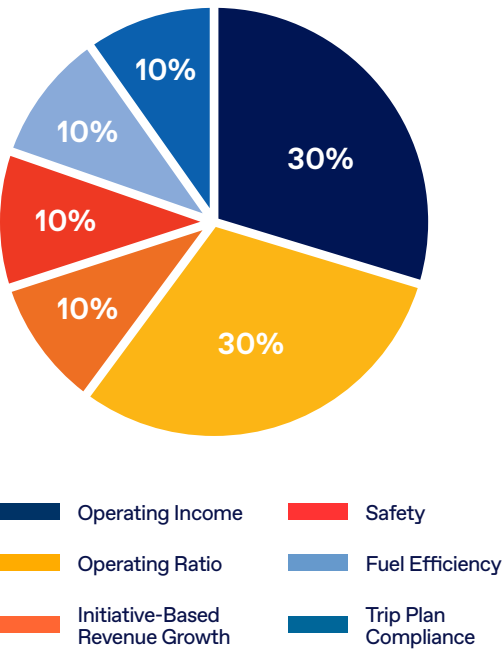
- **Salary** – Recruiting and retaining talented and high-performing leaders
- **Short-Term Incentives** – Motivating and rewarding performance within a one-year period
- **Long-Term Incentives** – Encouraging and acknowledging executives who drive strategic initiatives that create shareholder value

One way that CSX rewards employee contributions to the company’s success is through the MICP. The MICP links employee compensation to company and individual performance by providing incentives to management employees who drive positive

financial and operational results and create shareholder value.

In January 2021, the Board approved performance measures for that year’s MICP, which included financial performance measures, safety improvement, operational and fuel efficiency, all proven drivers of business success. To enhance future focus on sustainable growth, weightings for each performance measure were also formalized, as noted below.

MICP Measures by Weight



For more information about our executive compensation practices, please refer to our [2022 Proxy Statement](#).

Shareholder Engagement

We facilitate ongoing engagement with our shareholders throughout the year to ensure that management and the Board understand and consider our shareholders’ views on important issues. 2021 engagements consisted of the following:

- Routine meetings between senior leaders and subject matter experts with institutional shareholders, and periodically with proxy advisory firms, to discuss CSX’s business strategy, corporate governance practices, executive compensation and ESG matters that are in the best interest of our broad and diverse shareholder base;
- Participation at industry and investment community conferences, investor roadshows, and analyst meetings; and
- A series of virtual meetings to expand international outreach, including meetings with investors in Europe, Asia and Australia in 2021.

By utilizing a multitude of formats to engage various shareholders at different moments in time, we are better equipped to understand evolving trends and enable strategic decision-making that delivers on shareholder needs and expectations.

Hosted meetings with

110 unique firms

representing

\$12.2 trillion of equity assets

under management in 2021

Responsible Business Practices

Across our organization, we are committed to upholding high levels of integrity, transparency and ethics.

We prioritize responsible business practices not only because it is the right thing to do, but also because it helps CSX 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.

Ethics & Compliance

All CSX employees and officers, CSX wholly-owned subsidiaries, members of the Board of Directors and partners conducting business with or on behalf of CSX 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 a wide slate of business matters including conflicts of interest; insider trading; confidential information misuse; compliance with laws and regulations; discrimination and harassment; whistle-blower protection; public and employee safety; and proper use of corporate assets. This extends to how we position and price our services. CSX is committed to ensuring fair and competitive pricing for our customers.

In consultation with the Board of Directors, our

executive leadership team develops governance policies and sets clear expectations for those across all levels of our company. Additionally, robust annual ethics training – which focuses on applying the code in daily interactions – is required for all CSX management employees and highly recommended for union employees.

Employees are encouraged to anonymously report any violations to the code or other ethical concerns to the 24/7 CSX Ethics Helpline, which is operated by an independent service. In 2021, 959 reports were made to the helpline. Upon further review, we found 66 fraud-related investigations of the code.

2021 Ethics Data Highlights

100%
of Management Employees trained on Code of Ethics

66%
of Union Employees trained on the Code of Ethics



2021 Environmental,
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Governance Report



Responsible Business Practices

Risk Management & Oversight

As an integral player in the transportation of essential goods, CSX must be prepared to mitigate any potential risk or disruption to our business. To achieve this, we have robust measures in place to predict, monitor for, manage and respond to external risks and opportunities that could directly impact our business, including new federal regulations and the impacts of climate change or climate-related events.

In response to the potential business risks of supply chain disruptions that impacted countless industries in 2021, we once again leveraged the resiliency of our operating model to implement solutions to help alleviate congestion and keep our trains running smoothly.

Another example of our risk management approach is CSX’s company-wide climate change strategy which includes comprehensive business plans to ensure continuity of operations and adaptability of our network in the event of climate-related extreme weather.

For details on our climate-related scenario analysis, please see the Environment section of this report and for business risk factors, our [Annual Report](#).

The Audit Committee of our Board oversees our risk management strategy, cyber security program and Enterprise Risk Management (ERM) program, which

is designed to help ensure senior management, the Audit Committee and the full CSX Board have a clear understanding of how enterprise-level risks are prevented, monitored, measured, reported and managed.

Within the ERM program, dedicated Risk Leaders are tasked with monitoring and managing our four designated risk categories and the “core” risks within them.

Our ERM Framework

Our ERM framework, which was revised in 2021, focuses on core enterprise risks and mitigation activities, detailing oversight responsibilities across relevant risk categories.



“CSX’s structured oversight capabilities and internal controls are critical to our growth and our ability to advance rail toward a more sustainable future. We prioritize the effective management of ESG-related risks and opportunities to meet our strategic business objectives and to provide assurance to stakeholders that we are prepared to adapt to changing regulation and external circumstances.”

Nathan D. Goldman

**Executive Vice President,
Chief Legal Officer and
Corporate Secretary**



Responsible Business Practices

Cyber and Information Security Management

Strong performance and reliability of our technology systems are critical to our ability to operate safely and effectively. Our security framework, adopted by CSX's Engineering Architecture team in 2021, is broadly integrated across the organization to enable the protection of our customers' personal information and the integrity of our own operations, our contractors and our suppliers.

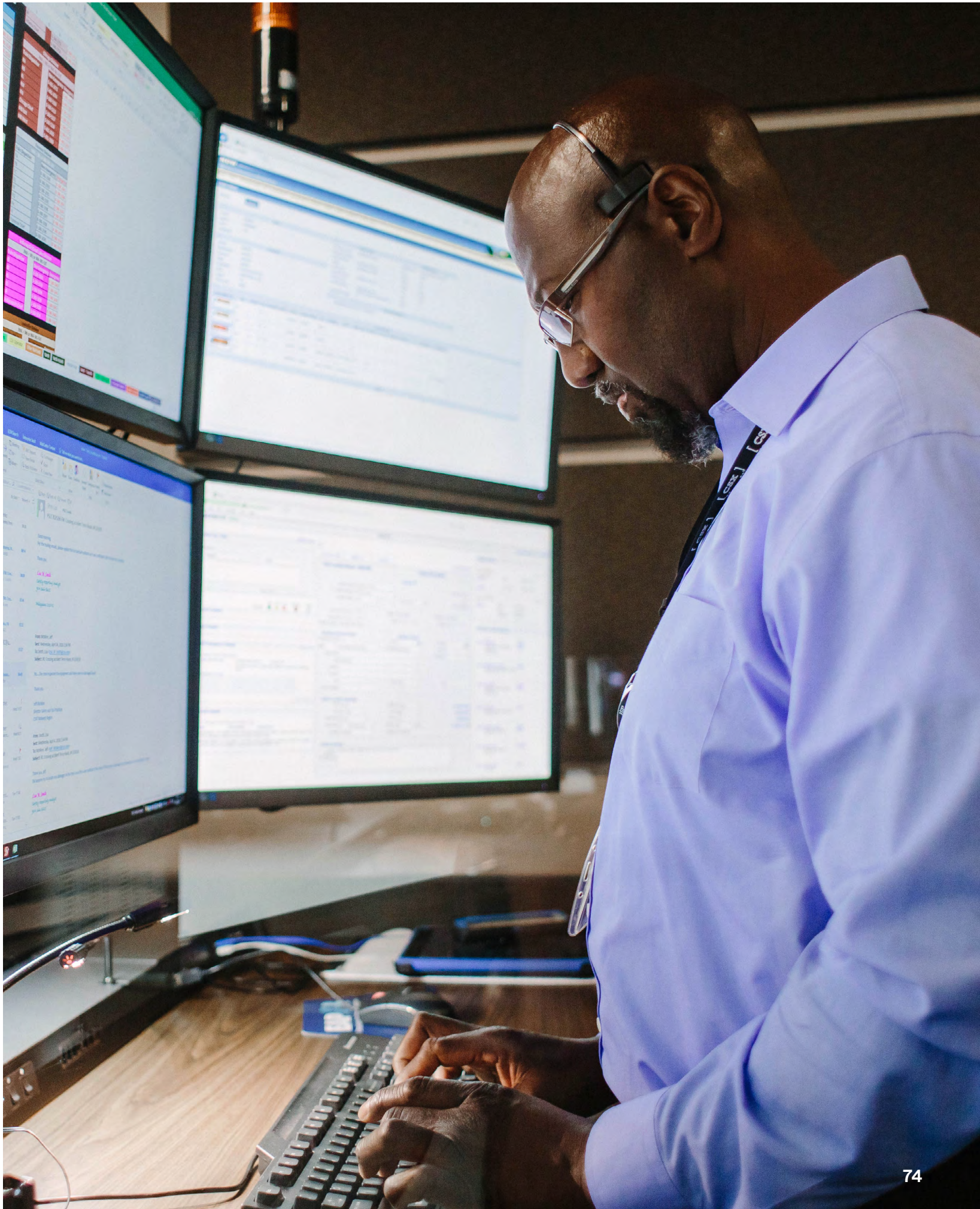
Our Information Security team is responsible for day-to-day management and strategy implementation, including equipping our systems with the latest cybersecurity tools; conducting daily vulnerability scans; regularly providing critical cybersecurity information to all application users; and facilitating the annual required cybersecurity awareness trainings.

100%

of management employees completed cyber security training in 2021

87%

of the Information Security team has an industry-recognized cyber security certification



Responsible Business Practices

Monitoring & Responding to Cyber Vulnerabilities

Vulnerabilities require complex resolutions. We identify track, prioritize and manage risks from inception to validated remediation. This performance is summarized in ‘Technology Scorecards’ which capture key performance indicators such as the time and speed the team takes to respond to an event or remediate risk.

We test our security infrastructure on an ongoing basis to evaluate and build detection and prevention capabilities. We also employ third party external assessments to evaluate our security engineering efforts, including the performance review or “cyber security maturity assessment” conducted in 2021 to measure CSX’s performance against security goals. The assessment found all goals had been met.

Established in 2020 and reaching maturity in 2021, our Risk Register Program uses quantitative modeling to assess and calculate risk impacts on business performance. This includes assessment of the likelihood of an event occurring, potential outputs and the overall impact it has on the organization.

In addition to the Risk Register Program, we perform contract reviews with the third parties we work with to assess compliance with our cyber security requirements and perform annual cyber

security assessments where it is determined to be business critical. Higher risk entities identified through this process are monitored from a threat intelligence perspective.

In 2021, CSX experienced one information security breach and one other cyber security incident. There were zero substantiated complaints concerning breaches of customer privacy and losses of customer data. CSX understands that protection of customer data is a significant responsibility and requires our highest priority continuously.

Putting Risk Response Planning into Action

While CSX’s security protocols have detected attempts to gain unauthorized access to our information technology systems, none of such attempts have resulted in any material breach of or disruption to our systems.

In January 2021, CSX’s Cyber and Information Security teams executed its incident response plan (ISP) in response to distributed denial of service attacks. The team notified third-party incident response partner, Mandiant, and sought general remediation counsel from Ernst Young. While CSX’s security protocols detected the attempt to gain unauthorized access to its information technology systems, there was no material breach or disruption

to CSX’s systems. CSX’s response planning enabled the team to take quick action to activate its response plan and initiate remediation. Ultimately, given the data that was exposed, CSX initiated credit card monitoring to prevent such an event from happening in the future.

CSX performs routine security assessment of key third-party vendors to prevent, anticipate, detect and/or react to such incidents in a timely manner. While some of CSX’s vendors have experienced cyber-attacks in the past, none have had a material adverse impact on CSX’s business or operations.

“CSX relies on information technology across all aspects of our business, making performance and reliability of our technology systems critical. By diligently planning and remaining agile, CSX upholds our commitment to customer and employee data security with dependable operations that positions us on the leading edge of innovation.”

Steve Fortune

Executive Vice President and
Chief Digital and Technology Officer



2021 Environmental,
Social and
Governance Report

Responsible Business Practices

Engaging Our Employees in Cyber Safety

Everyone has a responsibility and role to play when it comes to upholding cyber and information security practices. This has become even more important across all levels of CSX employees as we continue to embrace and utilize remote working technologies.

To keep cyber and information security best practices top of mind, the CSX Technology team spearheads ongoing communications via email and through our employee intranet on 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.

At the end of last year, the CSX Technology team created a voluntary Cyber Security Awareness training to share additional guidance with employees on how to stay electronically vigilant.

Using a third-party vendor, we implemented a monthly employee phish testing program in 2021. In coordination with mandatory and voluntary cybersecurity awareness training, only four percent of CSX employees failed the phishing tests, compared to the transportation industry’s 14 percent average failure rate.

Employees are encouraged to report suspicious or unusual behavior to the CSX Information 24x7 Technology Service Desk. Approximately 75 service requests were submitted per month in 2021, with reported incidents tracked and monitored by the Security Operations Center (SOC).

Human Rights Policy

In 2021, we formally adopted and published our commitment to upholding human rights across our operations, businesses, communities and supply chains as outlined in our [Human Rights Policy](#).

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

Human Trafficking

CSX actively participates in the U.S. Department of Transportation (DOT) initiative to fight human trafficking through increased education and public awareness. CSX signed the U.S. DOT “Transportation Leaders Against Human Trafficking Pledge” and committed the company’s support to help raise awareness and collaboration across the transportation and travel industries.

Expanding on these efforts to fight human trafficking, we launched an employee awareness campaign focused on education in early 2021. Through outreach and informative trainings, the campaign sought to raise awareness of how to recognize and report suspicious situations.

Expanding Efforts to Fight Human Trafficking

Without access to a new job, there’s an 85 percent chance a human trafficking survivor will be re-trafficked. [Rethreaded](#) is one organization working to combat that statistic, helping grant economic freedom for survivors through the sale of unique products created by the survivors themselves.

In March 2021, CSX’s Interchange Women’s Leadership Network welcomed Stephanie Patton, assistant manager of business development for Rethreaded, to share her personal story as a survivor of human trafficking and how joining [Rethreaded](#) changed her life. CSX is proud to call Rethreaded one of its valued community partners and encourages its employees to support and engage with Rethreaded in the fight against human trafficking.



Responsible Business Practices

Policy Engagements

Maintaining strong relationships at the federal, state and local levels are essential avenues that give us insight and opportunity to shape regulatory matters, support important legislation and communicate the benefits of rail. In 2021, CSX’s federal and state relations teams continued engagements with policymakers to educate, advance and advocate on salient public policy issues related to rail and our industry.

As a responsible business, we hold ourselves accountable to providing transparent information around our policy engagements, advocacy and giving. More information on our political contributions and [Political Giving Policy](#), as well as annual expenditure summaries, can be found on our website.



Railroad Day 2021

Railroad Day on Capitol Hill is an annual event that gives railroads and rail-related businesses an opportunity to remind Congress of the rail industry’s importance to the United States economy and to advance the industry’s legislative priorities. This year, CSX employees engaged virtually with lawmakers to emphasize how freight railroads are helping our nation recover from COVID-19, supporting job creation, driving sustainability and increasing our country’s productivity.





Appendix

Stakeholder Engagement

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

2021 ESG Performance Data

Business & Governance

Data	Unit	2021	2020	2019
Total Revenues	\$ Billions	12.5	10.6	11.9
Carload Volume by Market (in carloads)				
Merchandise	# Millions	0.7	2.5	2.7
Coal	#	706,000	637,000	843,053
Intermodal	# Millions	3.0	2.7	2.7
Supplier Data				
Number of suppliers		3,440	3,732	4,056
Diverse suppliers ⁵ - spend	\$ Millions	315.0	222.6	90.0
Diverse suppliers ⁵ - number of businesses	#	157	164	131
CSX Ethics Helpline				
Total cases handled	#	959	890	1,066
Fraud-related investigations	#	66	58	41
Ethics Training Participation				
Management employees	%	100.0%	100.0%	100.0%
Union employees trained	%	66%	63%	75%
Capital Expenditures				
Total Investment	\$ Millions	1,791	1,626	1,657
Cybersecurity				
Number of information security incidents	#	0	0	12
Number of information security breaches	#	0	0	0
Additional Metrics				
Average locomotives per year	#	3,516	3,539	3,561
Average active trains per day ⁶	#	1,634	1,642	1,848

Safety & Security

Data	Unit	2021	2020	2019
Network Maintenance				
Ties replaced	# Millions	2.52	2.95	3.18
Rail replaced	Miles	919	899	769
Ballast installed	Million tons	2.0	1.9	2.1
Existing rail surfaced	Miles	4,142	4,543	4,712
Regulatory (including PTC) investment	\$ Billions	36	39	91
Public Safety				
Safety train stops	#	3	0	13
Hazmat Responder training provided	#	2,352	3,602	3,353
Closed crossings	#	83	61	169
Frequency of internal integrity inspections ⁷	#	2.53	2.53	1.47
Incidents				
FRA Personal Injury Frequency Index ⁸	Injury Rate	0.94	0.81	0.90
FRA Train Accident Rate ⁹	# Accidents/ Million Train Miles	2.90	2.76	2.35
Work-related fatalities	#	1 ¹⁰	2	2
Fatal trespassing incidents	#	70	81	72
Non-fatal trespassing incidents	#	75	74	91
Crossing accidents	#	362	336	345
Total Recordable Incident Rate (TRIR) ¹¹	Incident Rate	0.94	0.81	0.89
Fatality Rate ¹²	%	0.01%	0.01%	0.01%
Number of accidents and incidents (combined) ¹³	#	857	804	847
Number of accident releases and non-accident releases of hazardous material ¹⁴	#	44	53	46
Number of FRA Recommended Violation ¹⁵	#	480	461	613
Number of FRA Recommended Defects ¹⁶	#	27,135	30,048	37,098

Employees

Data	Unit	2021	2020	2019
Snapshot Data				
Total full-time employees	#	20,919 (Adjusted active status: 20,685 ¹⁷)	19,282	20,908
Management employees	#	3,112	3,112	3,292
Union employees	#	16,023	15,728	17,146
Subsidiary company employees	#	1,784	442	470
Overall retention rate	%	92%	89%	92%
Union New Hires				
Diverse ¹⁸	%	37%	27%	34%
Female	%	4%	2%	4%
Workforce Diversity				
Overall Workforce	%	20%	20%	20%
Management	%	37%	37%	37%
Union	%	17%	17%	17%
Female	%	5%	5%	5%
Three Generations of our Workforce				
Gen X	%	56%	68%	68%
Gen Y	%	31%	24%	23%
Boomers	%	13%	7%	9%
Average Age and Years of Service				
Average Age	Years	46	46	45
Average years of service	Years	15	15	14.4
Management New Hires				
Diverse ¹⁸	%	49%	36%	49%
Female	%	27%	22%	21%

Employees (continued)

Data	Unit	2021	2020	2019
Management Promotions				
Diverse ¹⁸	%	35%	38%	39%
Female	%	23%	27%	24%
Number of promotions	#	352	266	472
% of promotions from union workers	%	24%	37%	37%
Veteran and Active Duty Military Status				
Number of veterans, active duty military and first responders	#	2,983	3,126	3,323
Percent of total workforce	%	16%	16%	16%
Employee Reviews				
Formal performance reviews for management employees	# of reviews	3,051	3,060	3,292
Frequency of formal performance reviews for management employees	# of times annually	2x/year	2x/year	2x/year
Employees by State (does not include employees of subsidiary companies)				
Alabama	#	859	802	853
California	#	0	0	1
Colorado	#	0	0	0
Connecticut	#	5	5	2
District of Columbia	#	12	15	21
Delaware	#	46	44	41
Florida	#	3,070	2,949	3,274
Georgia	#	1,616	1,576	1,803
Illinois	#	491	500	502
Indiana	#	916	924	966
Kansas	#	0	0	0
Kentucky	#	999	989	1,100

Data	Unit	2021	2020	2019
Louisiana	#	81	81	90
Maine	#	0	0	0
Maryland	#	781	765	818
Massachusetts	#	138	170	200
Michigan	#	268	254	301
Mississippi	#	42	44	32
Missouri	#	0	0	1
New Jersey	#	98	96	92
New Mexico	#	0	0	0
New York	#	1,249	1,317	1,426
North Carolina	#	574	544	605
Ohio	#	1,882	1,973	2,056
Ontario (Canada)	#	23	30	20
Pennsylvania	#	494	519	582
Quebec	#	15	13	16
South Carolina	#	505	510	536
Tennessee	#	839	879	954
Texas	#	0	0	3
Virginia	#	604	633	665
Washington	#	0	0	0
West Virginia	#	800	820	877
Unassigned location	#	2,728	2,388	2,602

2021 EEO-1¹⁹

2021 EEO-1 ¹⁹	Hispanic or Latino		Not-Hispanic Or Latino												Overall Totals
			Male						Female						
Job Categories	Male	Female	White	Black Or African American	Native Hawaiian Or Pacific Islander	Asian	American Indian Or Alaskan Native	Two Or More Races	White	Black Or African American	Native Hawaiian Or Pacific Islander	Asian	American Indian Or Alaskan Native	Two Or More Races	
Executive / Sr Officials & Mgrs	2	4	272	20	0	13	1	2	61	12	1	4	0	2	394
First / Mid Officials & Mgrs	27	4	547	53	2	152	1	12	168	45	1	45	1	1	1,059
Professionals	15	5	271	50	1	9	2	2	163	73	1	15	1	3	611
Technicians	0	0	10	1	0	0	0	0	4	0	0	0	0	0	15
Sales Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative Support	0	3	112	26	0	3	0	2	79	45	0	1	0	0	271
Craft Workers	294	5	14,776	2,212	13	49	202	98	205	91	0	0	2	3	17,950
Operatives	29	0	1,036	112	1	5	6	11	22	9	0	1	0	2	1,234
Laborers & Helpers	6	1	76	9	0	1	0	1	1	0	0	0	0	0	95
Service Workers	4	0	75	2	0	0	0	1	9	1	0	0	0	0	92
Total	377	22	17,175	2,485	17	232	212	129	712	276	3	66	4	11	21,721
Previous Report Total	358	20	16,495	2,237	17	220	165	96	689	267	3	62	3	7	20,639

Community Giving and Involvement

Data	Unit	2021	2020	2019
Number of states where CSX has philanthropic giving	# Territories	23 states and DC	23 states and DC	23 states and DC
Investment in capital expenditures	\$ Billions	1,791	1,626	1,657
Investment in capital expenditures - used for infrastructure improvement	\$ Millions	1,443	1,366	1,353
Total community giving	\$ Millions	10.4	8.7	10
Employee volunteer hours	Hours	6,791	5,769	9,000
Inquiries handled by PSCC ²⁰	# Incidents	5,912	3,160	20,500 webforms 19,000 emails

Environment

Data	Unit	2021	2020	2019	Category
Waste by Type of Disposal Method					
Hazardous waste from ongoing operations	Short Tons	0.84	21.04	41.72	Landfilled
		8.49	10.11	16.41	Incinerated
		13.41	17.51	18.59	Recycled
		22.74	48.66	76.72	Total
Hazardous waste from remediation and emergency response activities	Short Tons	111.24	45.73	3.80	Landfilled
		43.99	2.23	6.22	Incinerated
		12.69	18.57	6.63	Recycled
		167.92	66.53	16.65	Total
Non-hazardous waste from ongoing operations	Short Tons	35,724	23,238	44,629	Landfilled
		294	220	318	Incinerated
		1,901	1,995	1,114	Recycled & Reuse
		37,919	25,453	46,061	Total
Non-hazardous waste from remediation and emergency response activities	Short Tons	376,529	81,229	57,705	Landfilled
		49	3	25	Incinerated
		70,277	4,496	6,879	Recycled & Reuse
		446,855	85,728	64,609	Total
Recycling	Million Gallons	1.26	1.77	1.34	Used oil
	Short Tons	327	266	407	Batteries
	Short Tons	329,481	137,069	159,460	Steel
	# Millions	0.38	1.47	2.64	Crossties
	Short Tons	115,354	121,215	34,617	Asphalt
	Short Tons	-	33,135	32,905	Concrete

Data	Unit	2021	2020	2019
Greenhouse Gas Emissions				
Direct (Scope 1) GHG emissions ²¹	Metric tons CO ₂ Eq	3,956,081	3,815,113	4,309,317
Energy indirect (Scope 2) GHG emissions	Metric tons CO ₂ Eq	144,891	185,216	195,606
Other indirect (Scope 3) GHG emissions	Metric tons CO ₂ Eq	325,168	179,446	182,629
GHG emissions intensity for SBT ²²	Metric tons CO ₂ Eq/ MGTM	10.21	10.43	10.80
Reduction of GHG emissions for SBT ²³	% Reduction	-15.6%	-13.8%	-10.8%
Emissions of ozone-depleting substances (ODS)	Metric tons	0.09	0.15	0.09
Other Significant GHG				
Nitrogen Oxide (NO _x)	Metric Tons	37,440	37,874	44,813
Sulfur Oxide (SO _x) ²²	Metric Tons	48	44	52
Carbon Dioxide (CO ₂)	Metric Tons	5,108,928	4,119,235	4,578,540
Methane (CH ₄)	Metric Tons	464	466	505
Nitrous Oxide (N ₂ O)	Metric Tons	103	100	113
Hydrofluorocarbons (HFCs)	Metric Tons	0.31	0.20	0.12
Volatile Organic Compounds (VOC)	Metric Tons	1,573	1,601	1,926
Carbon Monoxide (CO)	Metric Tons	10,984	10,597	11,919
Particulate Matter (PM)	Metric Tons	1,088	1,105	1,307

Environment cont'd

Data	Unit	2021	2020	2019	Category
Energy Consumption					
Energy consumption within CSX	MMBTU	51,024,356	49,035,569	55,621,655	Diesel
		75,906	*	*	Biodiesel
		1,050,085	1,040,003	1,028,332	Gasoline
		469,837	626,107	550,684	Natural Gas
		308,439	346,022	398,632	Propane
		29,786	10,844	42,416	Jet Fuel
		26,507	20,994	16,090	Used Oil
		52,984,916	51,079,540	57,657,809	Total Direct Consumption
Energy consumption outside CSX	MMBTU	1,419,179	1,478,266	1,550,239	
Energy Efficiency					
Energy Intensity ²⁴	MMBTU/MRTM	280	286	297	
Fuel Efficiency ²⁴	RTM/gal	537	533	508	

*Biodiesel was not recorded in prior years

Data	Unit	2021	2020	2019	Category
Fuel Use by Type					
Indirect Energy Consumption	Gigajoules	1,485,491	1,559,718	1,635,657	Electricity
Direct Fuel Usage	Gigajoules	53,830,696*			Biodiesel*
		80,081	52,270,550	59,291,134	Diesel
		1,107,840	1,137,412	1,124,647	Gasoline
		31,424	11,422	44,678	Jet Fuel
		495,678	660,421	580,864	Natural Gas
		325,403	381,728	439,768	Propane
		27,965	22,379	17,151	Used Oil
		57,384,578	54,483,912	61,498,242	Total Direct Fuel Usage
Water					
Water withdrawal by source	Kgal	559,530	536,000	479,490	

Indices

The following indices provide the link to our CDP Climate Change submissions, including our 2022 response which will be posted once submitted. This report was published prior to the 2022 CDP submission, therefore we have identified where relevant disclosures can be found within the 2021 submission.

Global Reporting Initiative (GRI)

Standards Index

GRI Standard	Disclosure #	Response/Location Information
GRI 102: General Disclosures	Organization Profile	
	102-1: Name of the organization	CSX Corporation
	102-2: Activities, brands, products, and services	CSX, a Class I railroad, is one of the nation's leading transportation suppliers. The Company's rail and intermodal businesses provide rail-based transportation services including traditional rail service and the transport of intermodal containers and trailers. All of the information contained in this report is fully representative of the company's principal operating subsidiary, CSX Transportation, as well as its other subsidiaries, including: CSX Intermodal Terminals, Inc. (CSX Intermodal Terminals); Total Distribution Services, Inc. (TDSI); Transflo Terminal Services, Inc. (TRANSFLO); and CSX Technology, Inc. (CSX Technology).
	102-3: Location of headquarters	Jacksonville, FL
	102-4: Location of operations	The company operates in two countries: the United States and Canada.
	102-5: Ownership and legal form	CSX is a publicly traded company, incorporated in Virginia. CSX's common stock is listed on the Nasdaq Global Select Market. The official trading symbol is "CSX."
	102-6: Markets served	About CSX, p. 05; 2021 Annual Report (10-K, p. 4, 27) for revenue and volume by market served.
	102-7: Scale of the organization	CSX recorded \$12.5 billion in revenue in 2021. CSX serves four primary lines of business: merchandise, intermodal, coal, and trucking. During 2021, the merchandise business shipped 2.6 million carloads (41 percent of volume) and generated 60 percent of revenue, the intermodal business shipped 3 million units (48 percent of volume) and generated 16 percent of revenue, the coal business shipped 706 thousand carloads (11 percent of volume) and generated 14 percent of revenue, and the trucking business generated 3 percent of revenue. More information is available at About CSX, p. 5; 2021 Annual Report (10-K, p. 27)
	102-8: Information on employees and other workers	Our People & Partners: Workforce, p. 36
	102-9: Supply chain	Our People & Partners: Supply Chain, p. 45

GRI Standards Index

GRI Standard	Disclosure #	Response/Location Information
GRI 102: General Disclosures	Organization Profile	
	102-10: Significant changes to the organization and its supply chain	CSX utilizes a Supplier Diversity Program as part of its commitment to procuring all materials, supplies and services as outlined in the Diverse Supplier Procurement Policy . For more, please see Our People & Partners: Supply Chain, p. 45
	102-11: Precautionary principle or approach	Responsible Business Practices: Risk Management & Oversight, p. 73
	102-12: External initiatives	Our ESG Goals: Social Justice and Racial Equity, p. 19
		Safety: CSX Partners with Operation Lifesaver to Spotlight Accident Prevention, p. 28
		Pride in Service: Partnering to Elevate Impact, p.47
		2021 Climate Lobbying Report , Appendix, p. 97
	102-13: Membership of associations	2021 Climate Lobbying Report , Appendix, p. 97
	Strategy	
	102-14: Statement from senior decision-maker	A Message from Our President & CEO, p. 4
	102-15: Key impacts, risks, and opportunities	ESG at CSX: Materiality Assessment, p. 15, 16; Environment: Climate-related Risk Management & Oversight, p. 53; Responsible Business Practices: Risk Management & Oversight, p. 73; Climate-related Scenario Analysis, p. 54; Appendix: Task Force on Climate-related Financial Disclosures (TCFD) Index, p. 95
	Ethics and integrity	
	102-16: Values, principles, standards, and norms of behaviors	About CSX, p. 5
	102-17: Mechanism for advice and concerns about ethics	Responsible Business Practices: Ethics & Compliance, p. 72 and Code of Ethics

GRI Standard	Disclosure #	Response/Location Information
GRI 102: General Disclosures	Governance	
	102-18: Governance structure	Governance & Oversight, p. 68; CSX discloses its governance structure in its 2022 Annual Proxy Statement
	102-19: Delegating authority	CSX discloses its governance structure in the 2022 Annual Proxy Statement
	102-20: Executive-level responsibility for economic, environmental, and social topics	ESG at CSX: ESG Management & Oversight, p. 14
	102-21: Consulting stakeholders on economic, environmental and social topics	Appendix: Stakeholder Engagement, p. 79
	Stakeholder Engagement	
	102-40: List of stakeholder groups	Appendix: Stakeholder Engagement, p. 79
	102-41: Collective bargaining agreements	There are 14 different union organizations with whom CSX conducts business. Most of CSX's employees are represented by labor unions and are covered by collective bargaining agreements. These agreements are either bargained for nationally by the National Carriers Conference Committee or locally between CSX and the union.
	102-42: Identifying and selecting stakeholders	ESG at CSX: ESG Management & Oversight, p. 14 CSX discloses each stakeholder group and respective engagement channels in the Stakeholder Engagement section of the Appendix.
	102-43: Approach to stakeholder engagement	CSX discloses each stakeholder group and respective engagement channels in the Stakeholder Engagement section of the Appendix.
	102-44: Key topics and concerns raised through stakeholder engagement around the report	CSX discloses each stakeholder group and respective engagement channels in the Stakeholder Engagement section of the Appendix.



GRI Standards Index

GRI Standard	Disclosure #	Response/Location Information
GRI 102: General Disclosures	Reporting Practices	
	102-45: Entities included in consolidated financial statements	In addition to CSX, the Company’s subsidiaries include CSX Intermodal Terminals, Total Distribution Services, Transflo Terminal Services, CSX Technology, and other subsidiaries. CSX Corporation’s public filings account for these subsidiaries and holdings.
	102-46: Process for defining report content and boundaries	ESG at CSX, p. 14, 15, 16
	102-47: List of material topics	ESG at CSX: Materiality Assessment, p. 15, 16
	102-48: Restatements of information	2020 data restatements are included in the footnotes as part of the 2021 ESG Performance Data tables.
	102-49: Changes in reporting	ESG at CSX, p. 14, 15, 16
	102-50: Reporting period	About this Report, p. 2
	102-51: Date of most recent previous report (if any).	CSX's most recent ESG Report was published in July 2021.
	102-52: Reporting cycle	This report documents CSX’s activities and impact in calendar year 2021, unless otherwise noted.
	102-53: Contact point for questions regarding the report	About this Report, p. 2
	102-54: Claims of reporting in accordance with the GRI Standards	About this Report, p. 2
	102-55: GRI Content Index	GRI Standards Index
	102-56: External Assurance	Appendix: Statement of Verification, p. 97
	Non-material Economic Topics	
GRI 201: Economic Performance	201-1: Direct economic value generated and distributed	Our Role in Society: Driving Local Economic Opportunities, p. 12, 13 Appendix: 2021 ESG Performance Data tables, p. 80
	201-2: Financial implications and other risks and opportunities due to climate change	In addition to the Task Force on Climate-related Financial Disclosures (TCFD) Index, p. 95, CSX makes this information available through our CDP report submission.

GRI Standard	Disclosure #	Response/Location Information
Environmental		
Materials (301)		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	Environment: Recycling, Reuse & Waste Disposal, p. 59, 60
	103-2: Management approach and its components	Environment: Recycling, Reuse & Waste Disposal, p. 59, 60
	103-3: Evaluation of management approach	Environment: Recycling, Reuse & Waste Disposal, p. 59, 60
GRI 301: Materials	301-1: Materials used by weight or volume	Environment: Recycling, Reuse & Waste Disposal, p. 60
Energy (302)		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	Environment: 2021 Energy Management & Performance, p. 58 Fuel Sustainability & Innovation, p. 62
	103-2: Management approach and its components	Environment: 2021 Energy Management & Performance, p. 58 Fuel Sustainability & Innovation, p. 62
	103-3: Evaluation of management approach	Environment: 2021 Energy Management & Performance, p. 58 Fuel Sustainability & Innovation, p. 62
GRI 302: Energy	302-1: Energy consumption within the organization	Environment: 2021 Energy Management & Performance, p. 58 Appendix: 2021 ESG Performance Data tables, p. 86
	302-2: Energy consumption outside of the organization	Appendix: 2021 ESG Performance Data tables, p. 86
	302-3: Energy intensity	Appendix: 2021 ESG Performance Data tables, p. 86
	302-4: Reduction in energy consumption	Environment: 2021 Energy Management & Performance, p. 58 Appendix: 2021 ESG Performance Data tables, p. 85

GRI Standards Index

GRI Standard	Disclosure #	Response/Location Information
Water and Effluents (303)		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	Environment: Water Management, p. 60
	103-2: Management approach and its components	Environment: Water Management, p. 60
	103-3: Evaluation of management approach	Environment: Water Management, p. 60
GRI 303: Water and Effluents	303-1: Interactions with water as a shared resource	Environment: Water Management, p. 60
	303-3: Water withdrawal	Appendix: 2021 ESG Performance Data tables, p. 86
	303-5: Water consumption	Environment: Water Management, p. 60
Emissions (305)		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	ESG at CSX: Materiality Assessment, p. 15, 16 ESG Progress & Performance: Our ESG Goals, p. 18, 19
	103-2: Management approach and its components	Environment: Setting & Tracking Toward Our Sustainability Aspirations, p. 52
	103-3: Evaluation of management approach	Environment: Setting & Tracking Toward Our Sustainability Aspirations, p. 52
GRI 305: Emissions	305-1: Direct (Scope 1) GHG Emissions	Environment: 2021 Energy Management & Performance, p. 58 Appendix: 2021 ESG Performance Data tables, p. 85
	305-2: Energy Indirect (Scope 2) GHG Emissions	Environment: 2021 Energy Management & Performance, p. 58 Appendix: 2021 ESG Performance Data tables, p. 85
	305-3: Other indirect (Scope 3) GHG emissions	Environment: 2021 Energy Management & Performance, p. 58 Appendix: 2021 ESG Performance Data tables, p. 85
	305-4: GHG emissions intensity	Environment: Setting & Tracking Toward Our Sustainability Aspirations, p. 52; Environment: 2021 Energy Management & Performance, p. 58;2021 ESG Performance Data tables, p. 85
	305-5: Reduction of GHG Emissions	Appendix: 2021 ESG Performance Data tables, p. 85
	305-6: Emissions of ozone-depleting substances (ODS)	Appendix: 2021 ESG Performance Data tables, p. 85
	305-7: Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Appendix: 2021 ESG Performance Data tables, p. 85

GRI Standard	Disclosure #	Response/Location Information
Effluents and Waste (306)		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	ESG at CSX: Materiality Assessment, p. 15, 16 Environment: Recycling, Reuse & Waste Disposal, p. 59, 60
	103-2: Management approach and its components	Environment: Recycling, Reuse & Waste Disposal, p. 59, 60
	103-3: Evaluation of management approach	Environment: Recycling, Reuse & Waste Disposal, p. 59, 60
GRI 306: Effluents and Waste	306-2: Waste by type and disposal method	Appendix: 2021 ESG Performance Data tables, p. 85
	306-4: Transport of hazardous waste	Safety: CSX Honors 71 Customers with Annual Chemical Safety Excellence Award, p. 28; Environment: Compliance, p. 56 CSX.com , Hazardous Waste
Environmental Compliance (307)		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	ESG at CSX: Materiality Assessment, p. 15, 16
	103-2: Management approach and its components	Environment: Compliance, p. 56
	103-3: Evaluation of management approach	Environment: Compliance, p. 56
GRI 307: Environmental Compliance	GRI 307: Environmental Compliance	Environment: Compliance, p. 56

GRI Standards Index

GRI Standard	Disclosure #	Response/Location Information
Social		
Employment (401)		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	ESG at CSX: Materiality Assessment, p. 15, 16
	103-2: Management approach and its components	Workforce: Talent Management & Oversight, p. 36
	103-3: Evaluation of management approach	Workforce: Talent Management & Oversight, p. 36
GRI 401: Employment	401-1: New employee hires and employee turnover	Workforce: Talent Management & Oversight, p. 36
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	Workforce: Compensation & Total Rewards, p. 44 Benefits Summary Page
	401-3: Parental leave	Benefits Summary Page
Occupational Health and Safety (403)		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	ESG at CSX: Materiality Assessment, p. 15, 16
	103-2: Management approach and its components	Safety, p. 22
	103-3: Evaluation of management approach	Safety, p. 22
GRI 403: Occupational Health and Safety	403-1: Occupational health and safety management system	Safety: Safety Tracking & Management, p. 22
	403-2: Hazard identification, risk assessment, and incident investigation	Safety: 2021 Safety Performance, p. 23
	403-3: Occupational health services	Workforce: Prioritizing Health & Holistic Wellbeing, p. 43 Benefits Summary Page
	403-4: Worker participation, consultation, and communication on occupational health and safety	Safety: Employee & Community Education & Safety Training, p. 27

GRI Standard	Disclosure #	Response/Location Information
GRI 403: Occupational Health and Safety	403-5: Worker training on occupational health and safety	Safety: Employee & Community Education & Safety Training, p. 27
	403-6: Promotion of worker health	Workforce: Prioritizing Health & Holistic Wellbeing, p. 43
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety: Safety Tracking & Management, p. 22
	403-8: Workers covered by an occupational health and safety management system	Benefits Summary Page
	403-9: Work-related injuries	Safety: A Commitment to No Lifechanging Events, p. 29 Appendix: 2021 ESG Performance Data tables, p. 81
Training and Education (404)		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	ESG at CSX: Materiality Assessment, p. 15, 16
	103-2: Management approach and its components	Workforce: Performance Management, p. 43 Workforce: Talent Development & Education, p. 41
	103-3: Evaluation of management approach	Workforce: Performance Management, p. 43 Workforce: Talent Development & Education, p. 41
GRI 404: Occupational Health and Safety	404-1: Average hours of training per year per employee	Appendix: 2021 ESG Performance Data tables, p. 81
	404-2: Programs for upgrading employee skills and transition assistance programs	Workforce: Talent Development & Education, p. 41

GRI Standards Index

GRI Standard	Disclosure #	Response/Location Information
Diversity and Equal Opportunity (405)		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	ESG at CSX: Materiality Assessment, p. 15, 16
	103-2: Management approach and its components	Workforce: Diversity, Equity & Inclusion, p. 38
	103-3: Evaluation of management approach	Workforce: Diversity, Equity & Inclusion, p. 38
GRI 405: Diversity and Equal Opportunity	405-1: Diversity of governance bodies and employees	Workforce: Talent Management & Oversight, p. 36; Workforce: Diversity, Equity & Inclusion, p. 38; Appendix: 2021 ESG Performance Data tables, p. 82
Local Communities (413)		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	ESG at CSX: Materiality Assessment, p. 15, 16 Appendix: Stakeholder Engagement p. 79
	103-2: Management approach and its components	Our Role in Society: Driving Local Economic Opportunities, p. 13 Safety: Employee & Community Education & Safety Training, p. 27
	103-3: Evaluation of management approach	Safety: Employee & Community Education & Safety Training, p. 27
GRI 413: Local Communities	413-1: Operations with local community engagement, impact assessments, and development programs	Safety: Employee & Community Education & Safety Training, p. 27; Workforce: Addressing Social Justice and Racial Equity, p. 37; Pride in Service: Partnering to Elevate Impact, p. 47; Pride in Service: Bridging Community Divides, p. 49
	413-2: Operations with significant actual and potential negative impacts on local communities	Safety: Employee & Community Education & Safety Training, p. 27; Pride in Service: Partnering to Elevate Impact, p. 47; Pride in Service: Bridging Community Divides, p. 49

GRI Standard	Disclosure #	Response/Location Information
Customer Health and Safety (415)		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	ESG at CSX: Materiality Assessment, p. 15, 16
	103-2: Management approach and its components	Safety: Safety Tracking & Management, p. 22
	103-3: Evaluation of management approach	Safety: Safety Tracking & Management, p. 22
GRI 416: Customer Health and Safety	416-1: Assessment of the health and safety impacts of product and service categories	Safety: 2021 Safety Performance, p. 23; Safety: Employee and Community Education & Safety Training, p. 27; Customer Experience: Service Innovations Enhancing Customer Experience & Results, p. 31
	416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	Safety: 2021 Safety Performance, p. 23; Safety: Employee and Community Education & Safety Training, p. 27
Customer Privacy (418)		
GRI 103: Management Approach	103-1: Explanation of material topic and its Boundary	Responsible Business Practices: Cyber & Information Security Management, p. 76
	103-2: Management approach and its components	Responsible Business Practices: Cyber & Information Security Management, p. 76
	103-3: Evaluation of management approach	Responsible Business Practices: Cyber & Information Security Management, p. 76
GRI 418: Customer Privacy	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	Responsible Business Practices: Cyber & Information Security Management, p. 76. There were zero complaints concerning breaches of customer privacy and losses of customer data in 2021.

Sustainability Accounting Standards Board (SASB)

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

Sustainability Disclosure Topics & Accounting Metrics

Disclosure	Accounting Metric	Location
Greenhouse Gas Emissions	TR-RA-110a.1 Gross global Scope 1 emissions	2021 ESG Report (ESG Performance Data Tables, Environment p. 85)
	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	2021 ESG Report (Environment Section, p. 51) Latest CDP Climate Change Response
	TR-RA-110a.3 Total fuel consumed, percentage renewable	2021 ESG Report (Environment, p. 51, ESG Performance Data Tables, p. 86)
Air Quality	TR-RA-120a.1 Air emissions of the following pollutants: (1) NOx (excluding N ₂ O) and (2) particulate matter	2021 ESG Report (ESG Performance Data Table, Environment p. 85)
Employee Health & Safety	TR-RA-320a.1 (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	2021 ESG Report (ESG Performance Data Tables, Safety p. 81)
Competitive Behavior	TR-RA-520a.1 Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	In 2021, 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	2021 ESG Report (ESG Performance Data Tables, Safety p. 81)
	TR-RA-540a.2 Number of (1) accident releases and (2) non-accident releases	2021 ESG Report (ESG Performance Data Tables, Safety p. 81)
	TR-RA-540a.3 Number of Federal Railroad Administration (FRA) Recommended Violation Defects	2021 ESG Report (ESG Performance Data Tables, Safety p. 81)
	TR-RA-540a.4 Frequency of internal railway integrity inspections	2021 ESG Report (ESG Performance Data Tables, Safety p. 81)

Activity Metrics

Disclosure	Location
TR-RA-000.A Number of carloads transported	2021 ESG Report (2021 At-A-Glance, p. 7) 2021 Annual Report (10-K p. 4)
TR-RA-000.B Number of intermodal units transported	2021 ESG Report (2021 At-A-Glance, p. 7) 2021 Annual Report (10-K p. 4)
TR-RA-000.C Track miles	2021 ESG Report (2021 At-A-Glance, p. 7) 2021 Annual Report (10-K p. 13)
TR-RA-000.D Revenue ton miles (RTM)	2021 ESG Report (ESG Performance Data Tables, Environment, p. 86); 2021 Annual Report (10-K p. 33)
TR-RA-000.E Number of employees	2021 ESG Report (2021 At-A-Glance, p. 7; Workforce, p. 35) 2021 Annual Report (10-K p. 4)

Task Force on Climate- Related Financial Disclosure (TCFD)

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To advance transparency in our reporting, we support and align with the world’s leading sustainability reporting frameworks, including TCFD, and consider climate-related risk and opportunity types based on the TCFD classifications. The following table summarizes specific information that addresses the requirements of the TCFD and maps where it is referenced, either in this report or other publicly available materials.

Core Elements	TCFD Disclosure Recommendation	CSX Disclosure Source
Governance	a) Describe the board’s oversight of climate-related risks and opportunities	2021 ESG Report (Environment, p. 53) ; Latest CDP Climate Change Response (2021 C1.1)
	b) Describe management’s role in assessing and managing climate-related risks and opportunities	2021 ESG Report (Environment, p. 53) ; Latest CDP Climate Change Response (2021 C1.2)
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	2021 ESG Report (Environment, p. 53) ; 2021 Annual Report (10-K pg. 12); Latest CDP Climate Change Response (2021 C2.1, C2.2, C2.3, C2.4)
	b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning	2021 Annual Report (10-K pg. 12) Latest CDP Climate Change Response (2021 C3.1)
	c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2 degree Celsius or lower scenario	Latest CDP Climate Change Response (2021 C3.1)
Risk Management	a) Describe the organization’s processes for identifying and assessing climate-related risks	2021 ESG Report (Environment, p. 53); 2021 Annual Report (10-K pg. 12); Latest CDP Climate Change Response (2021 C2.2)
	b) Describe the organization’s processes for managing climate-related risks	2021 ESG Report (Environment, p. 53); Latest CDP Climate Change Response (2021 C2.2)
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management	2021 ESG Report (Responsible Business Practices, p. 72) ; Latest CDP Climate Change Response (2021 C2.2)
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Latest CDP Climate Change Response (2021 C-TS8.5, C1.3, C4.3, C11)
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	2021 ESG Report (Environment, p. 53; ESG Performance Data Table, Environment p. 85) Latest CDP Climate Change Response (2021 C6.1 C6.2, C6.3, C6.4, C6.5)
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	2021 ESG Report (ESG Progress & Performance, p. 17)

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.

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.

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

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.

Note to TR-RA-000.B – Intermodal units include shipping containers and truck trailers that can be transported across modes of transportation.

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

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.

Footnotes

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

02 Including yard, sidings, and mainline track.

03 As of April 2022, STB approved the acquisition.

04 Scope 1 emissions exclude 6,000 metric tons of direct CO2e emissions from the use of biofuels.

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

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

07 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 x miles of track on which they took place) / (total main track miles).

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

09 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.

10 Fatality in 2022 after 2021 injury; updated reporting post annual report.

11 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.

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

13 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.

14 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.

15 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.

16 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.

17 In order for reported data to more accurately reflect active, counts will no longer include union employees that have unavailable to work for more than three months. The change is effective first quarter 2022, however, we have included the adjusted count to reflect our employees as of December 31, 2021 in addition to the standard calculation we have used previously to provide consistent counts YoY as well.

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

19 Data mirrors the annual submission to the U.S. Equal Opportunity Commission (EEOC) and reflects CSX’s workforce demographics at a specific period in time (December 15, 2021 thru December 31, 2021). The EEOC report uses mandated job categories which may differ from how CSX classifies its workforce elsewhere in this report.

20 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.

21 Note: Scope 1 emissions exclude 6,000 metric tons of direct CO2e emissions from the use of biofuels.

22 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.

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

24 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.

Appendix

Statement of Verification

7.1 Scope

Jacobs performed a verification of CSX's 2021 GHG Emission Inventory to determine if a reasonable level of assurance could be provided. CSX's management is responsible for the collection and presentation of the information within the 2021 Emissions Inventory. Jacobs' responsibility is to express a conclusion as to whether anything has been identified to suggest that the reported Emission Inventory is not presented fairly in accordance with referenced GHG accounting principles and associated guidance documents.

7.2 Methodology

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

7.3 GHG Assertions

CSX asserts that their total annual location - based Scope 1, Scope 2, and listed Scope 3 emissions for the 2021 reporting period (exclusive of purchased goods and services and capital goods) is 5,337,894 metric tonnes CO₂e.

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 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, and listed Scope 3 (exclusive of purchased goods and services and capital goods) assertions in CSX's 2021 Emissions Inventory are materially correct and presented fairly in accordance with stated criteria.

Jacobs



Mary Pat Campbell, P.E.
Lead Verifier
Chicago, IL
June 24, 2022



We appreciate your interest in CSX's 2021 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.