
GENESEE & WYOMING 2021 ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT





ABOUT GENESEE & WYOMING INC.

In this Report

Genesee & Wyoming Inc. and its affiliates (collectively, G&W) own or lease 116 short line and regional freight railroads. Worldwide, the 7,300 employees of G&W provide freight transportation and related services, including railcar switching and repair, transload, rail-ferry, and port terminal operations to over 3,000 customers in six countries.

The information in this report covers the Environmental, Social, and Governance (ESG) related activities of Genesee & Wyoming Inc. and its North American subsidiaries for 2020 and 2021, with full-year data reported for 2020 as a baseline, unless stated otherwise.



G&W's four North American regions serve 43 U.S. states and three Canadian provinces and include 113 short line and regional freight railroads with more than 13,000 track-miles. In North America, we also provide rail service at more than 30 major ports and rail-ferry service between the U.S. Southeast and Mexico.

Worldwide



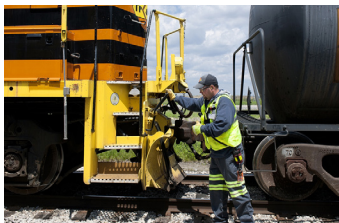
Freight Railroads

Owens or leases 116 locally managed freight railroads worldwide



Port Operations

Provides rail service at more than 37 major ports on two continents



Industrial Switching

G&W's subsidiary Rail Link, Inc. performs industrial railcar switching and other on-site rail transportation services, handling 200,000 railcars annually



Ancillary Services

Provides additional services including transfer of bulk materials and liquids to other modes of transportation, railcar storage, and railcar repair



Railroads account for 40% of U.S. freight transportation but are only responsible for 2% of U.S. transport-related GHG emissions.

2020 & 2021 SUSTAINABILITY HIGHLIGHTS



Established a greenhouse gas (GHG) emissions reduction goal aligned with the **Science-Based Target** initiative, which aims to reduce our GHG emissions intensity by approximately 37% by 2035



Invested significantly in our locomotive fleet over the past two years to reduce CO₂ emissions by more than **6%**



Repurposed approximately **18%** of spent wood crossies into roadbed surfaces



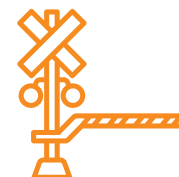
Actively managed over **2,250** COVID-19 cases and supported our employees with paid leave when they were sick or quarantined



Launched **Freight 2030** to help accelerate the transition to zero-emissions locomotives



Co-founded **RailPulse**, a new venture that aims to accelerate the adoption of telematics technology on the North American railcar fleet to improve the safety and efficiency of the rail network



Educated **330,000** people through Operation Lifesaver over the last five years, teaching our communities about rail-crossing safety



CORE PURPOSE

All G&W employees are empowered to uphold our tradition of excellence and integrity by helping to carry out our **Core Purpose**, which is to be the safest and most respected transportation service provider in the world.

CORE VALUES

Safety



We have an unconditional commitment to the well-being of our people and the safety of our operations

Service



We have an absolute commitment to our customers based on a philosophy of mutual success

Integrity



We possess the courage to do the right thing always

Respect



We treat all people with dignity and fairness, fostering diversity and inclusion

Transparency



We communicate openly to enable well-informed decision making

Accountability



We set high standards and take full ownership of our results as an individual and a team

Innovation



We embrace creativity, technology, and new ideas

Excellence



We have relentless focus on continuous improvement and excellence in all we do



OUR SUSTAINABILITY AMBITION

As a leading freight transportation service provider, we take our environmental, social, and governance (ESG) responsibilities seriously and recognize the difference we can make by leveraging our unique capabilities. With railroads across North America and Europe, G&W is committed to proactively reducing our environmental impacts and becoming a leader on ESG issues. We do this through our business strategy and operations, ensuring we are carefully listening to our valuable stakeholders along the way.

Throughout 2021, G&W developed our new sustainability strategy and goals with input from departments across the organization. We looked inwards at our Core Purpose and Core Values to guide our ambitions. In December 2021, we launched our five sustainability pillars that we believe will help us reach our goal of becoming the safest and most respected transportation service provider in the world.

Short and long-term targets are being developed by our Sustainability Advisory Council, along with actionable roadmaps to achieve each of our sustainability goals. We look forward to sharing our progress towards these goals and targets in our 2022 ESG Report.

OUR FIVE PILLARS

- 1 Protecting our environment:** Minimize our environmental footprint by improving the fuel efficiency of our current operations and using innovation and technology to unlock the future of clean and renewable energy.
- 2 Becoming the company of choice for our employees:** Foster a diverse, inclusive, and engaging working environment, thereby enabling all our employees to reach their fullest potential.
- 3 Keeping our people, communities, and customers safe:** Strive for zero incidents by embracing a safety culture of continuous improvement and empowering our employees and stakeholders with safety knowledge, resources, and technology.
- 4 Helping our communities thrive:** Channel our resources to make a positive contribution to the local communities where our employees live and work.
- 5 Building trust through transparency:** Ensure trusted, transparent, and compliant business practices every day across all our operations.



THE SUSTAINABLE FIRST AND LAST MILE

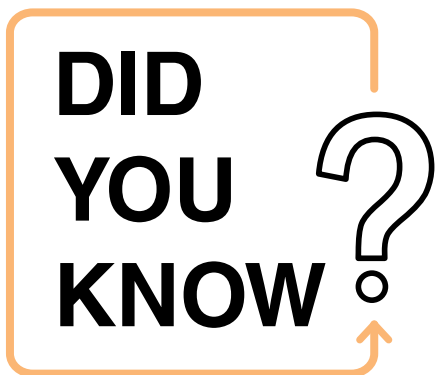
With an entrepreneurial and pragmatic approach to our sustainability initiatives, G&W is committed to protecting people and communities, being good stewards of the environment, fostering diversity and belonging, and upholding the highest ethical standards.



PROTECTING OUR ENVIRONMENT

G&W is committed to protecting our environment for future generations. We understand the challenges that climate change creates for society and are committed to doing our part to address environmental impacts. We invest in the fuel efficiency of our locomotive fleet to reduce our GHG emissions. As we move into a new decade, we are continuing to reduce our GHG emissions by partnering across sectors to drive transportation innovation, deploy and improve fuel efficiency technologies, and build the transportation fleet of the future.

While railroads are the safest and most fuel-efficient form of ground transportation, it will take bold action from G&W and the entire railroad industry to do our part to mitigate the impacts of climate change.



A freight train can move a ton of freight 436 miles on one gallon of fuel. This is the rail industry average, some trains are even more efficient!

4X

Freight trains are four times more fuel-efficient than trucks.¹

75%

Each ton-mile of freight moved by rail rather than highway reduces GHG emissions by an average of 75%.²

¹<https://www.aar.org/wp-content/uploads/2020/08/AAR-Railroad-101-Freight-Railroads-Fact-Sheet.pdf>

²<https://www.aar.org/wp-content/uploads/2020/06/AAR-Sustainability-Fact-Sheet.pdf>



TAKING CLIMATE ACTION

During 2021, G&W developed its first comprehensive GHG emissions inventory to provide greater transparency on our operational impacts. All mobile sources (as shown in the chart below) account for 95% of our total GHG emissions in 2020. This is driven by our diesel locomotive fleet – our primary source of emissions.

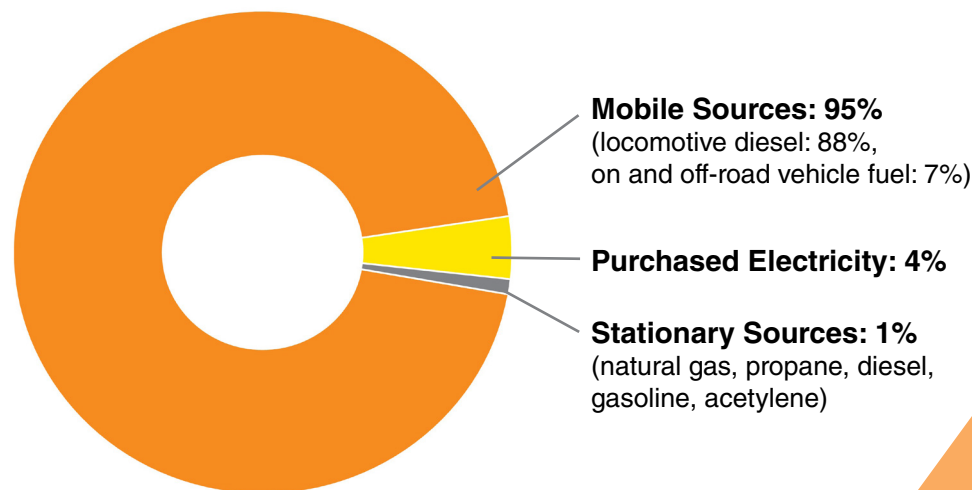


As we look to the future, G&W is committed to reducing our scope 1 and 2 GHG emissions and setting a science-based target in line with the current climate science. We expect to validate our science-based target in early 2022 with the Science Based Targets initiative (SBTi). Our target aims to reduce our GHG emissions intensity by 37% by 2035.

To achieve this target, we will:

- Deploy technology to improve the fuel efficiency of our existing fleet.
- Invest in new, more fuel-efficient diesel locomotives.
- Advance the zero-emissions fleet of the future, including evaluation of alternative fuel sources.

GHG Emissions by Source CO₂e



OUR COMMITMENT TO CLIMATE ACTION

Through these initiatives, G&W will achieve our ambitious science-based GHG reduction target.

1 Increase fuel efficiency through carbon-reduction technologies

Across our fleet, we are investing in fuel-saving technologies, including:

- Automatic Engine Start/Stop (AESS) systems
- Auxiliary Power Units (APUs)
- Fuel sensors

We estimate annual reductions of 2,500 metric tons of GHG emissions (CO₂e) from the installation and implementation of AESS technology on over 13% of our fleet.

We estimate annual reductions of 8,500 metric tons of GHG emissions (CO₂e) from the implementation of APUs on almost 26% of our fleet.

2 Invest in new, more fuel-efficient locomotives

To achieve our climate goals, we will need to continue to upgrade and enhance our fleet. Over the last five years, approximately 11% of our North American fleet has been replaced, overhauled, modified, or upgraded – contributing to an estimated 3-5% fuel savings annually.

We are making the largest impact in curbing our GHG emissions through annual investment in more fuel-efficient locomotives.

Between 2021 and 2025, we plan to purchase more fuel-efficient locomotives and retire less efficient engines across our operations, with a goal of saving an estimated 20,000 metric tons of GHG emissions (CO₂e) annually.

3 Advance the zero-emissions fleet of the future

We know the transportation sector plays a critical role in our nation's decarbonization strategy and cross-sector collaboration will be essential to support the transition to zero-emissions railroads.

G&W is collaborating with leaders in technology, academia, and rail on numerous initiatives to achieve our desired goals: reduce our carbon emissions, convert more shipments to rail, and increase the efficiency of the North American rail network.

We are also harnessing the power of real-time data with the installation of fuel sensors on our trains — ensuring that our locomotives are performing at their highest efficiency by reporting the fuel efficiency for each locomotive and flagging outliers. We are currently testing two different types of fuel sensors, and we anticipate that sensors will be fully deployed in our locomotive fleet over the next five years.

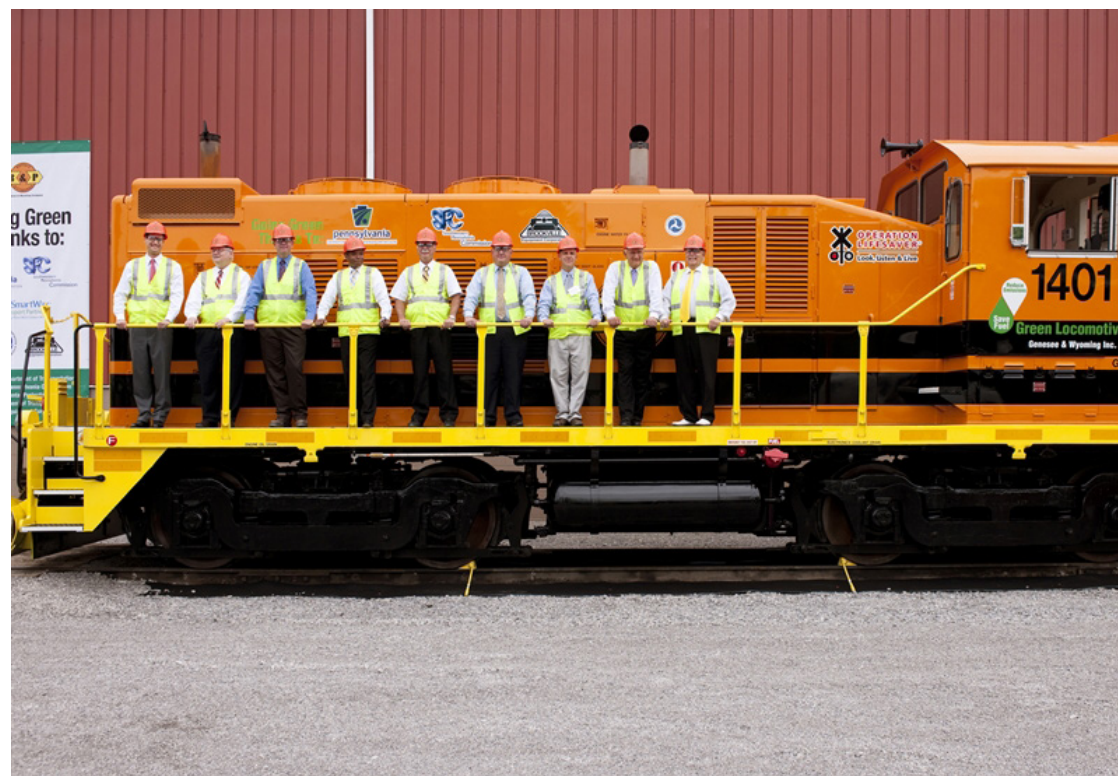
We have also developed fuel conservation policies covering a range of activities for reducing diesel usage. These policies were built for our conductors and engineers and emphasize best practices such as shutting locomotives down, using dynamic braking, and properly maintaining the engine.

Freight 2030

G&W has partnered with Westinghouse Air Brake Technologies Corporation (Wabtec) and Carnegie Mellon University, one of the world's leading technology and science institutions, in our pursuit to develop a more sustainable rail network. This partnership – Freight 2030 – aims to develop zero-emission locomotives and increase freight utilization and safety across North America.

This unique venture also brings to life a novel effort to create the Freight Rail Innovation Institute to assist with the development of these technological advancements. Each of the partners brings unique skills to help create and operationalize technologies for battery-electric and hydrogen-powered locomotives.

Our **Buffalo & Pittsburgh Railroad (B&P)**, which encompasses over 200 miles of testing track with varied terrain as well as access to a locomotive shop, is uniquely situated to support Freight 2030. Having previously deployed a 'green' Genset locomotive, the B&P was particularly excited to be part of additional environmental advancements. B&P is working with the partners to identify grades, curvatures, tunnels, and dimensions for consideration in the development of the new technologies and expects to be piloting zero-emissions battery engines and advancing hydrogen-powered trains over the next three years. When ready, G&W plans to deploy these revolutionary technologies in revenue service.



B&P Genset Green Locomotive



“While already the most environmentally friendly mode of surface transportation, freight railroads have a critical role to play in our nation’s decarbonization strategy. Through the Freight 2030 partnership, we plan to transform the next generation of freight rail transportation by adopting advanced technologies that can eliminate emissions and increase rail utilization without requiring significant new rail infrastructure. The end result will be a cleaner environment, more competitive transportation for our nation’s industrial producers, and a freight rail system that remains the most efficient in the world.” Jack Hellmann, CEO



Implementing Spill Prevention and Mitigation Strategies

G&W has developed and implemented standard environmental procedures and processes to make sure our rail operations are reducing harm to the environment across our vast rail networks. Recognizing our responsibility to protect rivers, lakes, and coastal waters from stormwater runoff, our North American rail business works in collaboration with federal and local authorities to minimize impacts.

- **Standard Environmental Procedures (SEPs):** G&W SEPs translate environmental compliance obligations into routine best management practices (BMPs) that are adopted by our rail operations. The SEPs are focused on air quality, water quality, material management, waste management, and administrative protocols. In conjunction with these SEPs, we also have over 125 active stormwater pollution prevention plans and over 50 spill prevention, control, and countermeasure plans.
- **Emergency Spill Response:** Our site-specific plans identify potential contaminants associated with our rail operations and detail procedures to reduce stormwater pollution, including spill response and control measures. G&W also has Master Service Agreements with more than 65 environmental emergency-response vendors and consultants to quickly respond in the event of an incident.

Proactively Reducing Stormwater Runoff

We take proactive measures to prevent harmful stormwater runoff by restoring and replacing spill containment and treatment systems. In 2020, G&W's New England Central Railroad replaced treatment

systems, thereby preventing pollutants from being discharged off-site, and replaced contaminated track mats to contain pollutant discharge. These projects aim to reduce negative impacts on the environment.

Minimizing Waste with Circular Strategies

As we advance in our sustainability journey, we are also implementing strategies to minimize our waste, in conjunction with programs to reuse, repurpose, and recycle our materials.

- **Recycling and Repurposing Crossties:** Properly disposing of crossties provides an opportunity for sustainable solutions. In 2020, approximately 18% of the 850,000 crossties that we removed were chipped and repurposed. G&W is continuing to investigate and assess technologies that can assist us in deploying more environmentally friendly practices. We have implemented a dual-step borate/creosote preservative treatment to extend the useful life of crossties and reduce the number purchased in the future. As members of the Railway Tie Association's research and development committee, we are continuing our commitment to environmental responsibility.
- **Extending the Life of Locomotive Frames:** Our decommissioned locomotives are being repurposed by breaking down and reusing certain recyclable components. We are partnering with our suppliers to pilot a project to repurpose old locomotive frames with newer technology and recirculate them into our locomotive fleet. This process drastically reduces the raw materials needed to make a new locomotive by refurbishing non-emissions equipment.



KEEPING OUR PEOPLE, COMMUNITIES, AND CUSTOMERS SAFE

At G&W, our industry-leading safety culture reflects the care we have for our people, our communities, and our customers. By fostering a safety culture of continuous improvement, we keep safety at the core of everything we do every day.

Putting Health and Safety First

Our North American rail business is committed to developing an employee safety culture and leadership skills to achieve sustained success. Our G&W railroads are recognized leaders in safety and have received countless safety awards as set forth in more detail on page 12.

Investing in Employee Safety and Development Programs

G&W hosts *Target Zero, Leading Forward* and *Structured Problem-Solving* classes, which raise risk awareness, develop employee leadership skills, and enhance the company’s culture of safety and problem solving.

To deliver mandatory training required by the Federal Railroad Administration and continue our enhanced safety training initiatives during the COVID-19 pandemic, we quickly pivoted to a virtual delivery model. We partnered with Encora, a digital learning company, to develop and host nearly 60 virtual training courses and reach more than 1,200 employees. The benefits of this new approach exceeded our expectations. We were able to continue to offer the highest level of training by inviting safety experts to cover complex topics during our virtual sessions. Before, we were limited by the schedules, location, and expertise of the trainers. Due to the virtual nature of the classrooms, we were able to bring trainers’ in-depth knowledge and understanding to every employee.

To reinforce our safety culture, the following safety programs and initiatives were implemented across G&W:

- **Life Critical Rules** – Prioritized a set of vital safety and operating rules that will most likely result in catastrophic incidents if broken.
- **Defensive Driver Training** – Online driver training program that presents real-life driving situations, hazard recognition scenarios, and defensive driving techniques to motivate drivers to change risky habits and avoid collisions or traffic violations.
- **Operational Testing** – A behavior-based safety program in which managers monitor employees while they work and provide real-time feedback regarding safety and rules compliance through face-to-face conversations. In 2020, we conducted over 300,000 operational tests.
- **Competency Assessments for Conductors and Engineers** – Peer mentorship programs in which certified trainers ensure trainees are proficient with prescribed skill sets before completing training and becoming certified.



In 2020, many G&W railroads were recognized as industry leaders in safety by the American Short Line and Regional Railroad Association (ASLRRRA). We were honored to receive 71 ASLRRRA Jake Safety Awards with Distinction and 3 ASLRRRA Jake Safety Awards.



Jake Safety Award with Distinction Winners

Awarded to any member railroad with no FRA-reportable injuries

- The Aliquippa & Ohio River Railroad Co.
- Arizona Eastern Railway Company
- Arkansas Midland Railroad Company, Inc.
- Arkansas Louisiana & Mississippi Railroad Company
- Atlantic and Western Railway, Limited Partnership
- Bauxite & Northern Railway Company

- The Bay Line Railroad, L.L.C.
- Carolina Piedmont Railroad
- Cascade & Columbia River Railroad Company
- Central Oregon & Pacific Railroad, Inc.
- The Central Railroad Company of Indiana
- Chattahoochee Industrial Railroad
- Chattooga & Chickamauga Railway Co.
- Chesapeake & Albemarle Railroad
- Columbus & Greenville Railway Company
- The Columbus & Ohio River Rail Road Company
- Commonwealth Railway, Incorporated
- Conecuh Valley Railway, L.L.C.
- Connecticut Southern Railroad, Inc.
- Corpus Christi Terminal Railroad, Inc.
- East Tennessee Railway, L.P.
- Eastern Alabama Railway, LLC
- First Coast Railroad Inc.
- Fordyce & Princeton R.R. Co.
- Galveston Railroad, L.P.
- Georgia Southwestern Railroad, Inc.
- Golden Isles Terminal Railroad
- Grand Rapids Eastern Railroad
- Heart of Georgia Railroad, Inc.
- Hilton & Albany Railroad, Inc.
- Huron and Eastern Railway, Inc.
- Illinois & Midland Railroad, Inc.

- Indiana Southern Railroad, LLC
- Kiamichi Railroad Company L.L.C.
- KWT Railway, Inc.
- Kyle Railroad Company
- Little Rock & Western Railway, L.P.
- Luxapalila Valley Railroad, Inc.
- The Mahoning Valley Railway Company
- Marquette Rail, LLC
- The Massena Terminal Railroad Company
- Meridian & Bigbee Railroad, L.L.C.
- Michigan Shore Railroad
- Mid-Michigan Railroad
- New England Central Railroad, Inc.
- Ohio Central Railroad, Inc.
- Ohio Southern Railroad, Inc.
- Olympia & Belmore Railroad, Inc.
- The Pittsburgh & Ohio Central Railroad Company
- Point Comfort & Northern Railway Company
- Portland & Western Railroad, Inc.
- Prescott and Northwestern Railroad Company
- Puget Sound & Pacific Railroad
- Rail Link, Inc.
- Rail Link, Inc. - Stuttgart
- Riceboro Southern Railway, LLC
- Rochester & Southern Railroad, Inc.

- Salt Lake City Southern Railroad Company, Incorporated
- San Diego & Imperial Valley Railroad
- South Buffalo Railway Company
- South Carolina Central Railroad, LLC
- Tazewell & Peoria Railroad, Inc.
- Three Notch Railway, L.L.C.
- Toledo, Peoria & Western Railway Corp.
- Tomahawk Railway, Limited Partnership
- Utah Railway Company
- Valdosta Railway, L.P.
- Ventura County Railroad Company
- Wiregrass Central Railway, L.L.C.
- Youngstown & Austintown Railroad, Inc.
- The Youngstown Belt Railroad Company

Jake Safety Award Winners

Awarded to any member railroad with a FRA injury frequency rate less than or equal to the industry average, but had at least one FRA-reportable injury

- Buffalo & Pittsburgh Railroad, Inc.
- Indiana & Ohio Railway Company
- Providence and Worcester Railroad Company



Promoting Safety Awareness and Engagement

- **Safety Leading Indicators** – Key performance indicators that predict the likelihood of safety incidents occurring.
- **Position of Safety** – One of our critical safety programs emphasizing continual awareness of your surroundings, particularly around moving equipment.
- **Safety Month** – Our annual, month-long campaign where we host events dedicated to recognizing employee excellence, hosting safety-related activities, and fostering safety conversations with senior leaders.
- **Communications and Briefings** – Health, wellness, and safety communications provided to employees through multiple delivery methods such as digital signage, postings, and face-to-face conversations with managers.

Using Leading Technology to Advance Safety

G&W is leveraging the capabilities of Microsoft PowerApps to collect and communicate safety incidents faster than ever before. One example of the PowerApps currently in use to advance our safety response is our incident notification app, which records safety and environmental incidents ranging from train derailments to chemical spills and provides enhanced coordination with local first responders and subject matter experts across G&W. In addition to the specialized incident PowerApps, we are also utilizing the following applications:

- **Safety Audit App** – Utilizing a proprietary PowerApp, our Health & Safety teams are facilitating property and equipment audits with greater efficiency. Part of our commitment to advancing safety is providing our employees with the tools, technology, and resources to ensure a healthy and safe working environment.
- **Transportation Incident Prevention Strategy (T.I.P.S.)** – The T.I.P.S. methodology includes the best practice of investigating Health & Safety issues by conducting a Root Cause Analysis. We are implementing this methodology through the use of a PowerApp.

Reportable Injury Comparison*



*Reportable injuries are based on the Injury Frequency Rate per 200,000 man hours worked, with industry data provided by the Federal Railroad Administration Office of Safety Analysis.



PARTNERING WITH OUR COMMUNITIES ON SAFETY

Volunteer Awareness Campaigns

2,400

Operation Lifesaver presentations delivered

Incident Reduction

84%

Percent of train collisions reduced nationally since 1972 by supporting Operation Lifesaver¹

Employee Volunteers

220+

Volunteers providing education and training since 2016

Public Outreach & Education

330,000

Students, law enforcement, first responders, and school bus drivers educated on rail-crossing safety since 2016

Supporting Operation Lifesaver

G&W is committed to preventing collisions, injuries, and fatalities on and around railroad tracks and crossings. We support a national education and awareness program, led by the non-profit, **Operation Lifesaver**, that is dedicated to ending tragic collisions, fatalities, and injuries at highway-rail grade crossings and on railroad rights of way. During the last 5 years, our employees provided more than 2,400 Operation Lifesaver presentations to over 330,000 schoolchildren, school bus and truck drivers, law enforcement personnel, first responders, and other individuals to discuss the importance of rail-crossing safety.

In 2020 alone, despite pandemic restrictions, we were able to educate 1,648 individuals and deliver 48 presentations. Through our work with Operation Lifesaver, we continue to create stronger and safer communities, and further develop relationships with our valued first responders.

¹<https://oli.org/track-statistics>



Promoting Crisis Readiness

Our U.S. railroads develop and maintain railroad and commodity-specific Emergency Response Plans (ERP). Each ERP identifies an employee's responsibilities in an emergency and provides contact information for local, state, and other emergency response organizations. We conduct 1-2 crisis simulations per year in our highest risk areas and maintain ongoing interaction with first responders in all the communities we operate.

G&W also hosts voluntary trainings to educate first responders on how to safely conduct emergency operations on or near railroad tracks. These structured trainings include classroom and field training exercises to inform participants on track, railcar, and locomotive safety features.

Deploying Technology to Protect Our Communities

As our locomotives deliver vital goods to communities, we take responsibility for protecting the land along our railroads. In 2019, we launched a fire-prevention initiative to deploy spark arrestors on more than 20% of our fleet by the end of 2021. These devices trap hot exhaust particles - a byproduct from fuel combustion in locomotive engines. The arrestors pulverize trapped carbon particles, preventing their release into the air and reducing the chance of wildfires.

Preventing Wildfires with Fire Risk App

To advance fire safety and prevention, we launched a Fire Assessment App in 2020. This App helps our teams determine the level of fire risk associated with outdoor activities such as welding and open flame heating, burning, or cutting.

Our Fire Assessment App analyzes 13 risk factors and assigns a rating depending on weather conditions, activity, and location. This proactive

assessment is used to mitigate the fire risk associated with our operations by identifying preventative measures that must be employed by our crews and contractors. In certain conditions, the App will require work to be postponed until the fire risk declines.

Delivering Safety for Our Communities

In the early weeks of the COVID-19 pandemic, G&W's Indiana & Ohio Railway (IORY) played a key role in meeting increased demand for one of the best early defenses against the virus. To deliver critical ingredients needed to manufacture hand sanitizer, our team worked closely with Proctor & Gamble's (P&G) transportation department to ensure hand sanitizer could be produced quickly.



"We've served P&G for many years, but as a result of the pandemic, our team provided extra weekend switches to accommodate P&G's increased production of hand sanitizer," says Bill Henderson, AVP Corporate Accounts

Our employees understood the urgent nature of these deliveries and remained in constant communication from the time additional service was requested until final delivery. Our railroad essential worker crews sacrificed sleep and went above and beyond to accommodate the increased demand and expedite railcar deliveries in furtherance of public safety.



BECOMING THE COMPANY OF CHOICE FOR OUR EMPLOYEES

We aim to foster a culture of respect and want to leverage the perspectives and capabilities that come with having diverse teams. We recognize that a diverse and engaged workforce will make us even more successful, and we strive to provide equality, fairness, and respect in every facet of our business.

In 2021, we conducted a global employee engagement survey, as well as focus groups on diversity, equity, and inclusion to solicit feedback across the organization on morale and areas for improvement.

Using the feedback we received from our engagement survey and focus groups, we are taking additional steps to attract and retain the best talent, build a workforce that represents the communities we serve, and provide enhanced learning and development opportunities. G&W wants every employee to feel included, respected, and heard.

We are committed to taking steps to strengthen employee engagement and foster a more inclusive workplace, including through:

- Better communications across the organization (for example, offering enhanced frontline access to company messages and materials)
- Creation of Employee Engagement Groups that will each work with a dedicated member of the leadership team to identify practical ways that we can enhance engagement and inclusion across the company
- Enhanced employee performance-review processes and the development of individual career plans
- Improved recruitment strategy that widens our hiring pool and aims to build on our diversity

G&W's Core Values provide a strong foundation for us to be the company of choice for our employees.



In 2020, we updated our Code of Ethics and Conduct policy and re-emphasized our expectations around discrimination, sexual harassment, bullying, and a positive work environment. G&W is committed to providing a work environment free from any offensive behavior. Along with a required annual refresher training and a formal re-commitment to the Code by all employees, G&W proactively protected its work environments by requiring vendors and contractors to affirmatively comply with its Code requirements.



Supporting Our Employees During COVID-19

Safety is our number one priority in our work and in our lives. When COVID-19 severely disrupted our business and impacted our employees, G&W prioritized the health and safety of our people above all else. As railroads were deemed essential to numerous supply chains across the country, our railroads were required to operate as close to “business-as-usual” as possible – but with additional protocols in place to keep employees healthy.

Our general managers immediately administered daily check-ins with employees to make certain they were mentally and physically prepared prior to conducting higher-risk activities, and used all available resources to keep their teams safe and healthy – from including COVID-19 safety measures in job briefings to regularly sanitizing offices, locomotives, and other high-touch areas. In addition to keeping our crews safe in the field, it was vital to our operations that we created new ways to stay connected during the pandemic. G&W’s IT department fast-tracked the rollout of important software to ensure that our workforce could stay connected. We launched digital solutions to ease the transition to remote work for our corporate support employees in Darien, Jacksonville, and Rochester. The new technologies helped our staff work from home and enabled managers and employees to interact effectively with our colleagues nationwide.

Throughout the pandemic, we remained committed to our workforce and did everything in our power to support our employees during these unprecedented times.

We provided our employees with Paid Leave if they needed to quarantine and offered support and guidance for those that tested positive for COVID-19.

As our staff returned to their daily tasks, we followed up with them to confirm they felt safe and comfortable back at work.

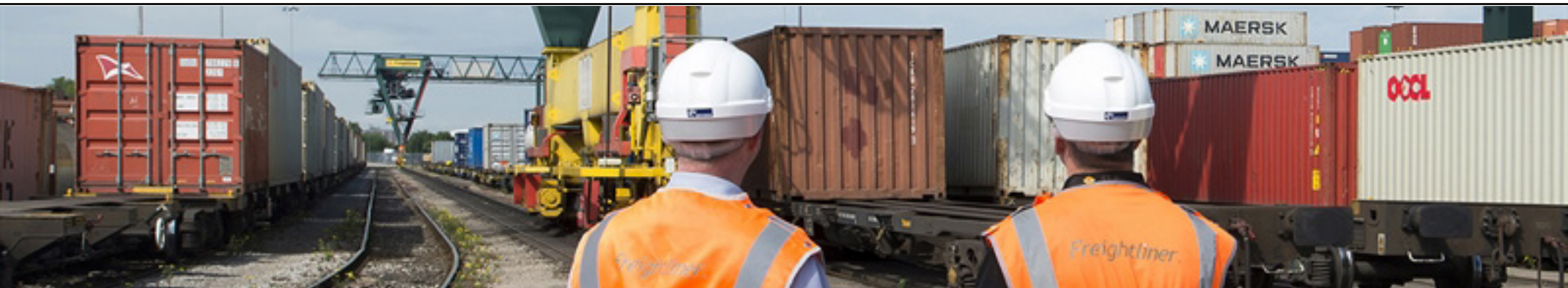
As new information surrounding COVID-19 safety measures and protocols was being released, we provided real-time employee updates through memorandums and videos and through our employee magazine, Interchange. We also created a dedicated space for employees to share their thoughts via our free Employee Assistance Program. We continue to communicate with our employees about COVID-19 and speak regularly about the emotional toll that the pandemic brought on, pointing them to available resources.



Capturing our COVID Communication via Word Cloud:

Using the 33 COVID update memos sent throughout 2020, we generated a word cloud with the 50 most used words.

This visual depicts our Core Values, as employees, customers, safety and work were prominent on our top 10 list of most frequently used words.



DEVELOPING A TALENTED WORKFORCE

Employee Education & Training Programs

G&W is developing our workforce for the future and building the next generation of leaders by creating learning and development opportunities for all our employees. We offer training and development programs aimed at reducing workplace injuries, advancing leadership skills, and building on our employees' interests and talents.

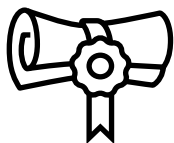
Some of the education and training programs we deliver include **Target Zero**, **Leading Forward**, and **Structured Problem-Solving** – all designed to raise risk awareness, develop employee leadership skills, and enhance the company's culture. Since the pandemic, G&W has switched to virtual training for our Leading Forward and Structured Problem-Solving courses to continue to provide these important resources to our employees while adhering to public safety regulations. In addition to these programs, G&W offers more than 35,000 certification training courses.

Standardizing Conductor Training Programs

In the spirit of continuous improvement, we standardized our conductor training in 2020 to ensure consistency in safety and compliance education. The modules that make up this program are taught by certified peer trainers from within the organization who exhibit strong safety and operating skills. These trainers are mentored to provide a higher and more consistent level of training, while building trust and bonds across the organization.

“After the training module at G&W changed to its current form, I could immediately see the positive outcome. When our students come for the 2-week conductor class, they have a much better understanding of safety rules and the tasks that are required for a successful conductor.”
Bryan Kirby, Manager of Training, G&W's Northern Region

525+



Number of employees graduating from the Leading Forward program since 2016

233



Number of conductors and engineers successfully completing the 11-day training course since 2020



HELPING OUR COMMUNITIES THRIVE

As a railroad company, we connect places, drive economic growth, and revitalize the communities in which operate. We seek to expand connections throughout North America and build a more diverse and skilled workforce to serve our communities.

Creating local jobs. G&W operates high-quality infrastructure, taking careful consideration for the communities around our operations. We want to have a positive impact on our communities, so we create quality jobs to strengthen the local economy, and ensure our investments translate into greater prosperity and social wellbeing.

Supporting veterans. We also take pride in supporting our country's veterans. We partner with American Corporate Partners to provide mentorship and career guidance to military veterans looking to transition back into civilian life. G&W also actively recruits veterans or transitioning military personnel, as we believe they possess competencies, work experience, and skills that are highly transferable to rail operations.

Native American and First Nations communities. Some of our railroads in North America traverse across Native American and First Nations land. G&W is committed to fostering collaboration and creating an open dialogue with our neighboring landowners.

In 2020 and 2021, G&W railroads have:

- Provided job opportunities to the First Nations communities surrounding Wabush/Labrador City on our Western Labrador Rail Services Inc. railway
- Collaborated with the First Nations in water and flood management on our Huron Central Railway Inc.

Providing scholarships. G&W is also dedicated to community education. We provide funding to make education goals more attainable. We award roughly 20 scholarships to the children of subsidiary employees who are pursuing higher education. Once they graduate, they are welcome to join our recruiting program. Through our scholarship program, we have helped more than 225 children access higher education and provided more than \$2 million in scholarships.

Generating economic impact. By way of our operations, we contribute economic growth in the communities where we work. By creating and sustaining local jobs, paying state and local taxes, and investing in rail infrastructure, we are an important economic driver throughout North America.

Our 2020 Economic Impact:

- U.S. State and Local Taxes – (USD) \$34.8 million
- Canadian Provincial Taxes – (USD) \$8.9 million



In 2021, G&W developed a comprehensive 176-page guide detailing all points of commonality between G&W's U.S. railroads and 41 Native American tribes to assist in building collaborative relationships.



SUPPORTING ORGANIZATIONS THROUGH CORPORATE GIVING

Our corporate giving focuses on contributions to organizations where we operate railroads and those that can make the most significant impact.

Every year, donations are made to charitable organizations chosen by our individual operating regions. Each regional leadership team chooses local organizations where needs are significant. We believe that listening to the needs of our local communities allows us to customize our giving based on current events. In recent years, we have increased our donations to the Red Cross given the significant rise in hurricane activity in the regions where we operate.

In 2020, given the extraordinary effect that COVID-19 had on communities nationwide, we also directed our funding to health and hunger programs. In addition, we supported diversity, equity, and inclusion programs due to the social awareness that swept across our country.

Matching Gift Program

G&W matches the donations made by employees to charitable organizations of their choice, multiplying their charitable contributions. Many of our employees donate to causes that are personally meaningful to them. Each year, G&W contributes to local, state, and national organizations, including hospitals, schools, libraries, theaters, museums and historical societies, humane societies, fire departments, food banks, parks, and nature conservancies.

99

Number of charities receiving donations from G&W and our employees in 2020





BUILDING TRUST THROUGH TRANSPARENCY

Our Senior Leadership Team and Ethics Compliance Committee are responsible for setting the standard for our employees and ensuring accountability for ESG issues. This helps make us the safest, most respected transportation service provider in the world.

Increasing Privacy and Cyber Security

G&W is dedicated to improving cyber security throughout our entire organization to protect all our stakeholders' proprietary information. Along with our current data privacy policies, we began partnering with **KnowBe4** in 2018 to deliver security-awareness training through online learning modules and real-time practice phishing emails to employees.



G&W's Phish Prone Percentage, a statistic depicting the susceptibility of being affected by phishing emails, dropped from 9.2% in 2018 to 2.5% in 2020, which was better than the transportation-industry average.

Acting with Ethics and Integrity

G&W understands that every decision we make has an impact on our communities, our valued customers, and our stakeholders, which is why we have the highest standards for governance and compliance. People at every level of the company are expected to act with the highest standards of personal integrity, consistent with the company's Code of Ethics and Conduct. The Code also covers additional business matters including compliance with laws and regulations; human rights; discrimination and harassment; public and employee safety; conflicts of interest; anti-trust; anti-bribery; fair competition; and proper use of corporate assets.

For each new hire at G&W, it is required that they are trained on our Code. We provide instructional video training and ensure the course is completed within 90 days from the date of hire. Annual document and policy acknowledgments are also signed by all U.S. and Canadian employees.

Additionally, employees are obligated to report any suspected violations or other ethical concerns to their supervisor, to any individuals identified in the Code of Ethics and Conduct, or to a member of the Ethics Compliance Committee. Additional information about our Code of Ethics and Conduct is available on our [website](#).



ABOUT THIS REPORT

Unless stated otherwise, the information in this report covers the Environmental, Social, and Governance (ESG) related activities of Genesee & Wyoming Inc. and its subsidiaries between January 1, 2020 and December 31, 2020.

This report expands upon our 2017 Social Responsibility and Sustainability Initiatives Report to create the first edition of an annual ESG Report. In determining the most meaningful ESG-related topics, we reviewed the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI) frameworks, which, when combined, we believe provide the most comprehensive perspective on ESG disclosures. These disclosure frameworks, along with current industry trends, inform our views on the issues most important to G&W, allowing for better decision-making.

We appreciate your interest in G&W's 2021 ESG Report. For additional information, please visit our [website](#).



ESG DATA TABLES

Protecting Our Environment		
Greenhouse Gas Emissions	Units	2020
Direct (Scope 1)	metric tons CO ₂ e	427,802
Energy Indirect (Scope 2)	metric tons CO ₂ e	18,599
Other Indirect (Scope 3) ¹	metric tons CO ₂ e	124,504
MGTM	Million Gross Ton-Miles (MGTM)	19,538
Emissions Intensity (Scope 1+2)	Metric Tons CO ₂ e per MGTM	22.85
NO _x	metric tons	3,978
SO _x	metric tons	6
Particulate Matter (PM ₁₀)	metric tons	253
Energy Consumption		
Diesel	gallons	39,450,001
	Gigajoules	5,721,021
Gasoline	gallons	1,891,046
	Gigajoules	240,369
Natural Gas	gallons	738,800
	Gigajoules	77,947
Propane	gallons	3,859
	Gigajoules	372
Jet Fuel	gallons	20,406
	Gigajoules	2,906
Total Direct Consumption	Gigajoules	6,039,709
Electricity	MWH	48,863
	Gigajoules	175,906
Total Indirect Consumption	Gigajoules	175,906

¹Scope 3 indirect emissions includes emissions from employee business travel and commuting, well to tank fuel emissions, waste generated in operations, and joint ventures



Becoming the Company of Choice for Our Employees ¹		
Employee Gender Population	Units	2020
Total Employees		
Male	%	91%
Female	%	9%
Corporate		
Male	%	62%
Female	%	38%
Northern Region		
Male	%	98%
Female	%	2%
Southern Region		
Male	%	97%
Female	%	3%
Western Region		
Male	%	95%
Female	%	5%
Employee Diversity Population	Units	2020
Total Employees		
Caucasian	%	87%
African American	%	7%
Latinx	%	3%
Other	%	2%
Asian/Pacific Islander	%	1%

¹ A voluntary survey of Canadian demographics is planned for 2022. This demographic information only represents U.S. data.



Employee Diversity Population ¹	Units	2020
Corporate		
Caucasian	%	81%
African American	%	10%
Latinx	%	3%
Other	%	4%
Asian/Pacific Islander	%	2%
Northern Region		
Caucasian	%	97%
African American	%	1%
Latinx	%	1%
Other	%	1%
Asian/Pacific Islander	%	0%
Southern Region		
Caucasian	%	79%
African American	%	16%
Latinx	%	3%
Other	%	2%
Asian/Pacific Islander	%	0%
Western Region		
Caucasian	%	86%
African American	%	1%
Latinx	%	8%
Other	%	4%
Asian/Pacific Islander	%	1%
Tenure and Attrition		
Average Employee Tenure	Years	8.9

¹ A voluntary survey of Canadian demographics is planned for 2022. This demographic information only represents U.S. data.



Keeping Our People, Communities, and Customers Safe		
Anti-Corruption Status	Units	2020
Confirmed incidents of corruption	Total Number	0
Incidents in which employees were dismissed or disciplined for corruption	Total Number	0
Incidents when contracts with business partners were terminated/not renewed due to violations related to corruption	Total Number	0
Employee Health & Safety		
Reportable Injuries (FRA)	Number	49
Reportable Injury Frequency Rate	Injuries per 200,000 Man Hours	1.23
Fatalities	Number	0
Fatality Frequency Rate	Fatalities per 200,000 Man Hours	0.00
Accident and Safety Management		
Total Train Accidents or Incidents	Number	143
Grade Crossing	Number	77
Derailments	Number	52
Other Accidents or Incidents	Number	14
Train Accident or Incident Frequency Ratio	Accidents per Million Train Miles	0.55
Train-related accident releases of hazardous materials	Number	8
Non-accident releases of hazardous materials	Number	1
Number of FRA recommended violation defects	Number	99



Helping Our Communities Thrive

G&W's U.S. 2020 Economic Impact (USD)¹

State	Total Number of Employees Paid	Total Payroll	Miles of Road Operated	Total Taxes, Purchases & Other Payments
Alabama	183	\$10,337,707	653	\$1,539,404
Arkansas	142	\$7,511,696	544	\$2,458,496
Arizona	83	\$5,853,144	295	\$408,336
California	151	\$10,026,286	797	\$1,131,313
Colorado	0	\$-	88	\$225,743
Connecticut	102	\$15,478,628	497	\$81,043
Florida	330	\$30,082,038	306	\$1,460,074
Georgia	251	\$11,936,493	894	\$1,567,328
Illinois	138	\$8,414,578	379	\$2,090,875
Indiana	144	\$8,026,072	667	\$1,140,720
Kansas	79	\$4,535,198	472	\$1,468,345
Kentucky	0	\$-	12	\$36,228
Louisiana	78	\$4,637,890	165	\$1,402,698
Massachusetts	92	\$6,868,703	183	\$386,407
Maryland	17	\$1,846,189	81	\$475,144
Maine	35	\$2,235,884	70	\$26,000
Michigan	122	\$7,033,612	696	\$150,842
Minnesota	10	\$655,171	123	\$1,624,434
Missouri	75	\$4,376,213	312	\$381,045
Mississippi	92	\$4,805,854	210	\$2,924,603
Montana	12	\$472,668	-	\$26,994
North Carolina	46	\$2,789,100	141	\$1,366,772
Nebraska	0	\$-	13	\$74,254
New Hampshire	9	\$587,420	92	\$54,612
New Mexico	10	\$599,780	25	\$88,021
New York	317	\$23,130,130	283	\$1,095,583
Ohio	410	\$23,547,878	1,102	\$1,864,106
Oklahoma	43	\$2,619,405	194	\$698,489
Oregon	272	\$16,344,805	628	\$1,770,955
Pennsylvania	246	\$15,542,465	954	\$2,194,646
Rhode Island	6	\$437,354	143	\$88,041
South Carolina	34	\$1,649,319	84	\$1,744,071

¹ Includes employer state taxes, property taxes, sales & use taxes, gross receipts taxes and state taxes



State	Total Number of Employees Paid	Total Payroll (USD)	Miles of Road Operated	Total Taxes, Purchases, & Other Payments (USD)
South Dakota	216	\$12,716,363	679	\$355,123
Tennessee	9	\$523,202	69	\$123,448
Texas	236	\$10,863,034	352	\$655,615
Utah	68	\$5,021,094	129	\$294,023
Virginia	14	\$720,735	48	\$744,920
Vermont	140	\$8,080,307	263	\$218,666
Washington	59	\$3,320,483	308	\$382,992
Wisconsin	25	\$1,219,206	8	\$19,843
West Virginia	9	\$235,167	-	\$5,000
Wyoming	46	\$2,002,443	7	\$15,301
Total	4,351	\$277,083,715	12,966	\$34,860,551

G&W's Canadian Region 2020 Economic Impact (USD) ¹	
Corporate Income Taxes	
Canada Federal and Provincial	\$2,434,592
SLAR State taxes (VT, ME, NH)	\$154,000
Franchise Taxes	
New Hampshire	\$5,668
Property Taxes	
Canada	\$1,962,799
SLAR	\$89,624
Sales & Use Taxes	
Canada GST/HST/PST	\$1,073,001
Maine sales and use tax	\$23,493
Provincial Fuel Taxes	
Canada Fuel Taxes	\$190,672
Vermont Fuel Taxes	\$2,224
Employer Taxes	
Canada	\$2,377,134
SLAR	\$613,236
Total Taxes Paid	\$8,926,443

¹ Includes employer taxes, franchise taxes, gross receipts, property taxes, sales & use taxes, provincial fuel taxes, and Canadian Federal & Provincial taxes paid by our Canadian region, which includes operations in several U.S. states.



GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

Sustainability Disclosure Topics

GRI Standard and Disclosure	Response / Information Location
GRI 102: General Disclosures	
Organization Profile	
102-1: Name of organization	Genesee & Wyoming Inc.
102-2: Activities and services	About Genesee & Wyoming Inc.; Services ; About Us
102-3: Location of headquarters	Darien, Connecticut
102-4: Location of operations	Freight Rail Service
102-5: Ownership and legal form	Genesee & Wyoming Inc. is a privately held corporation, incorporated in Delaware.
102-6: Markets served	About Genesee & Wyoming Inc.; Find a Railroad
102-7: Scale of the organization	About Genesee & Wyoming Inc.; ESG Data Tables; Helping Our Communities Thrive
102-8: Information on employees and other workers	ESG Data Tables; Our People Summary
102-9: Supply chain	Minimizing Waste with Circular Strategies
Strategy	
102-15: Key impacts, risks, and opportunities	Protecting our Environment; Implementing Spill Prevention and Mitigation Strategies; Promoting Crisis Readiness
Ethics & Integrity	
102-16: Values, principles, standards, and norms	G&W's Core Purpose & Values; Core Purpose & Core Values ; Code of Ethics and Conduct
General Governance	
102-18: Governance structure	Building Trust Through Transparency; Operational Leadership
Reporting Practices	
102-50: Reporting period	About This Report
GRI 200: Economic	
Indirect Economic Impacts	
203-1: Infrastructure investments and services supported	Creating Local Jobs; Providing Scholarships
203-2: Significant indirect economic impacts	Freight 2030; Creating Local Jobs; Providing Scholarships; Supporting Local Organizations through Corporate Giving; Implementing Spill Prevention and Mitigation Strategies; Customer Success Stories
Anti-Competitive Behavior	
206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	See SASB Accounting Metrics TR-RA-520a.1 - Competitive Behavior



GRI 300: Environment	
Energy	
302-1: Energy use by source	ESG Data Tables; Taking Climate Action
302-3: Energy intensity ratio	ESG Data Tables
302-4: Reductions of energy consumption	ESG Data Tables; Taking Climate Action; Minimizing Waste with Circular Strategies; Sustainability
Emissions	
305-1: Direct GHG emissions (Scope 1)	ESG Data Tables
305-2: Indirect GHG emissions (Scope 2)	ESG Data Tables
305-3: Indirect GHG emissions (Scope 3)	ESG Data Tables
305-4: GHG emissions intensity ratio	ESG Data Tables
305-5: GHG reductions realized	ESG Data Tables; Sustainability Highlights
Environmental Compliance	
307-1: Environmental violations, fines and/or penalties	No significant fines, non-monetary sanctions, or cases were recorded for 2020.
GRI 400: Social	
Employment	
401-2: Benefits	We offer competitive health and welfare benefits to all full-time employees within 90 days of hire and extended benefits, including short-term disability, following 6 months of employment. Railroad employees who serve five years or longer are also eligible for U.S. Railroad Retirement Board benefits.
Occupational Health & Safety	
403-3: Occupational health services	Putting Health and Safety First; Using Leading Technology to Advance Safety; Safety
403-5: Worker training on occupational health and safety	Employee Safety and Development Programs; Standardizing Conductor Training Programs
403-6: Promotion of worker health	Putting Health and Safety First; Promoting Safety Awareness and Engagement
403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Promoting Crisis Readiness; Deploying Technology to Protect our Communities, Safety ; Code of Ethics & Conduct
403-9: Work-related injuries	ESG Data Tables
Training and Education	
404-1: Career- or skills-related training	Developing a Talented Workforce; Increasing Privacy and Cyber Security
404-2: Programs for upgrading employee skills and transition assistance programs	Developing a Talented Workforce
404-3: Performance and career development reviews	For new hires, G&W conducts a 30-60-90 day performance review for the first three months of employment. Employees receive annual performance reviews from their supervisors and are encouraged to have career discussions at least once a year.
Diversity & Equal Opportunity	
405-1: Diversity of employees	ESG Data Tables
Local Communities	
413-1: Operations with implemented local community engagement	Helping our Communities Thrive; Partnering with Our Communities on Safety; Operation Lifesaver ; Charitable Giving
Customer Privacy	
418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	No substantiated security breaches of customer information or privacy in 2020.



SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) CONTENT INDEX

Accounting Metrics

Topic	Accounting Metric	Response / Information Location
Greenhouse Gas Emissions	TR-RA-110a.1: Gross global Scope 1 emissions	ESG Data Tables
	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	Our Sustainability Ambition; Our Commitment to Climate Action; Taking Climate Action
	TR-RA-110a.3: Total fuel consumed, Percentage renewable	ESG Data Tables; 0% Renewable
Air Quality	TR-RA-120a.1: Air emissions of the following pollutants: (1) NOx (excluding N2O) and (2) particulate matter (PM10)	ESG Data Tables
Employee Health & Safety	TR-RA-320a.1: (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	ESG Data Tables
Competitive Behavior	TR-RA-520a.1: Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	\$0.00
Accident & Safety Management	TR-RA-540a.1: Number of accidents and incidents	ESG Data Tables
	TR-RA-540a.2: Number of (1) accident releases and (2) nonaccident releases (NARs)	ESG Data Tables
	TR-RA-540a.3: Number of Federal Railroad Administration (FRA) Recommended Violation Defects	ESG Data Tables
	TR-RA-540a.4: Frequency of internal railway integrity inspections	Frequency of track inspections are based on U.S. Regulatory Track Inspection Frequency Regulation: FRA 213.233 and Transport Canada Regulatory Track Inspection Frequency Regulation

Activity Metrics

Activity Metric	Response
TR-RA-000.A: Number of carloads transported	1,656,262
TR-RA-000.B: Number of intermodal units transported	90,087 Carloads 556,851 Containers
TR-RA-000.C: Track miles	13,859
TR-RA-000.D: Revenue ton miles (RTM)	7,973,640,193
TR-RA-000.E: Number of employees	5,126

¹ Employment numbers include all full-time U.S. and Canadian employees.

