



2022

# Environmental, Social and Governance Report

**CSX**



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# A Message From Our President & Chief Executive Officer

The year 2022 was a pivotal year for CSX and the entire transportation sector. As the world emerged from the challenges of the COVID-19 pandemic and supply chain disruptions, CSX leveraged its investments in service improvements and in our workforce to deliver for our customers, employees, communities and shareholders.

I was proud and humbled to join CSX in September and take part in this journey. It is a company with a rich history of accomplishments, yet one focused firmly on the future. As we step forward, we are doing what we do best – moving our customers’ products reliably, efficiently and safely and serving our communities. Critical to our success are our 22,500+ employees, who represent the best in the rail sector.

### Investing in Safety

Everything we do relies on running a safe railroad and workplace – for our employees and the communities in which we operate.

In 2022, we spent \$1.7 billion – 11.4 percent of our total revenue – on infrastructure improvements to our core tracks, bridges, signals and on our equipment and early-warning detection tools. As in all aspects of our business, advanced technologies are playing an increasingly important role. From autonomous track assessment cars to drones to train inspection portals, we are working proactively to prevent incidents from occurring.

We are also continuing to work closely with first responders to prepare for unexpected events. In the past year, we have trained nearly 5,000 community first responders in 35 cities on how to safely respond to potential rail emergencies, including those involving hazardous materials.

### Valuing Our Employees

Within the first few weeks on the job, I could see the level of hard work and dedication of CSX railroaders. Often away from their families for days at a time, they work through snow, rain and heat to keep goods moving. It’s a demanding job, and it should be a rewarding one.

In 2022 and early 2023, CSX took concrete and historic actions to improve labor-management relations and quality of life for our front-line employees. Key steps included:

- Becoming the first in our industry to provide paid sick leave benefits
- Raising training pay for conductors by 40 percent – the highest increase for rail employees in more than 50 years
- Introducing a revised non-disciplinary and non-punitive attendance policy for all craft employees

We also advanced our ONE CSX workplace culture, which is built on teamwork across all levels, all departments and all locations. ONE CSX has become more than a slogan; it is the vision for the way we work together and treat one another – operating as one team in which all employees feel valued, included, appreciated and able to contribute to our business objectives. This is how I want to feel as a CSX employee, and it is how I want all employees to feel.

### Serving Our Customers

We earn the right to serve our customers by providing exceptional service and meeting their demand. In 2022, we transported approximately 3.3 million carloads and 3 million intermodal containers of goods, and we are taking steps to do even more in 2023.

The key to our success is having the right people in place – a challenge we and others faced during the pandemic. By the end of 2022, we had nearly reached our target of hiring 7,000 active train-and-engine employees and eclipsed that goal in the first days of 2023.

We also completed the acquisition of Pan Am Railways, significantly expanding our reach in New England, and introduced innovative dock-to-dock supply chain solutions.

As we grow, we are focused on moving more goods by rail than ever before. By taking trucks off the road, we are supporting a greener future. In 2022, CSX helped customers avoid approximately 12.5 million tons of carbon dioxide emissions by using rail vs. truck – the equivalent of taking 2.7 million passenger vehicles off the road. At the same time, we are working to bring about an even more sustainable future for rail through our investments in alternative fuels and other technologies.

### Showing Pride in Our Communities

CSX takes pride in the communities where we live, work and serve. We also recognize and honor the sacrifices of our nation’s military, veterans and first responders.

Through our Pride in Service community investment initiative, we are serving those who serve and helping to build resilient communities. In 2022, we supported more than 315,000 first responders and military-connected family members through our partnerships, programs and employee volunteers. We were proud to receive the Constance J. Milstein Philanthropic Award from our partner, Blue Star Families, an expression of the impact we are honored to help carry forward.

### Looking Ahead

Getting to know the employees of CSX and the customers and communities we serve has been an enormous joy. It has also instilled in me a deep sense of optimism. We understand the challenges we face, but just as importantly, we recognize the opportunities before us – to come together as ONE CSX, to build a sustainable future and to fuel economic growth through the movement of goods.

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

**Joe Hinrichs**

President and Chief Executive Officer







# About This Report

**This annual report provides detailed information about our policies, management approach and performance on our economic, workforce, environmental and social impacts from January 1, 2022, to December 31, 2022. Unless otherwise noted, this report captures activities and impacts for the 2022 calendar year.**

As part of our commitment to accessible and transparent communications, this report is prepared with reference to leading Environmental, Social and Governance (ESG) disclosure frameworks, including the Global Reporting Initiative (GRI) 2021 Universal Standards, the Sustainability Accounting Standards Board (SASB) Rail Transportation standards and the Task Force on Climate-related Financial Disclosures (TCFD).

Indices, ESG performance data and endnotes can be found in the [Appendix](#) of this report. Third-party limited assurance has been provided by Jacobs. For additional disclosures, please reference our latest [CDP Climate Change response](#).

We value and welcome feedback from all stakeholders. Please send comments or questions about this report to: [ESG@csx.com](mailto:ESG@csx.com).



# About CSX

**CSX is a premier transportation company based in Jacksonville, Florida. We provide rail, intermodal and rail-to-truck transload services and solutions to customers across an array of markets, including energy, industrial, construction, agricultural and consumer products. Our service spans a rail network of approximately 20,000 route miles of track connecting 26 states, the District of Columbia and the Canadian provinces of Ontario and Quebec.**

For nearly 200 years, CSX has played a critical role in the nation's economic expansion and industrial development. Its network connects every major metropolitan area in the Eastern United States, where nearly two-thirds of the nation's population resides.

## Our Vision

To be the best-run railroad in North America

## Our Purpose

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

## Our Strategy

- Drive Growth Through Innovation
- Harness Transformative Technologies
- Build a One-Team Workforce

## Our Guiding Principles





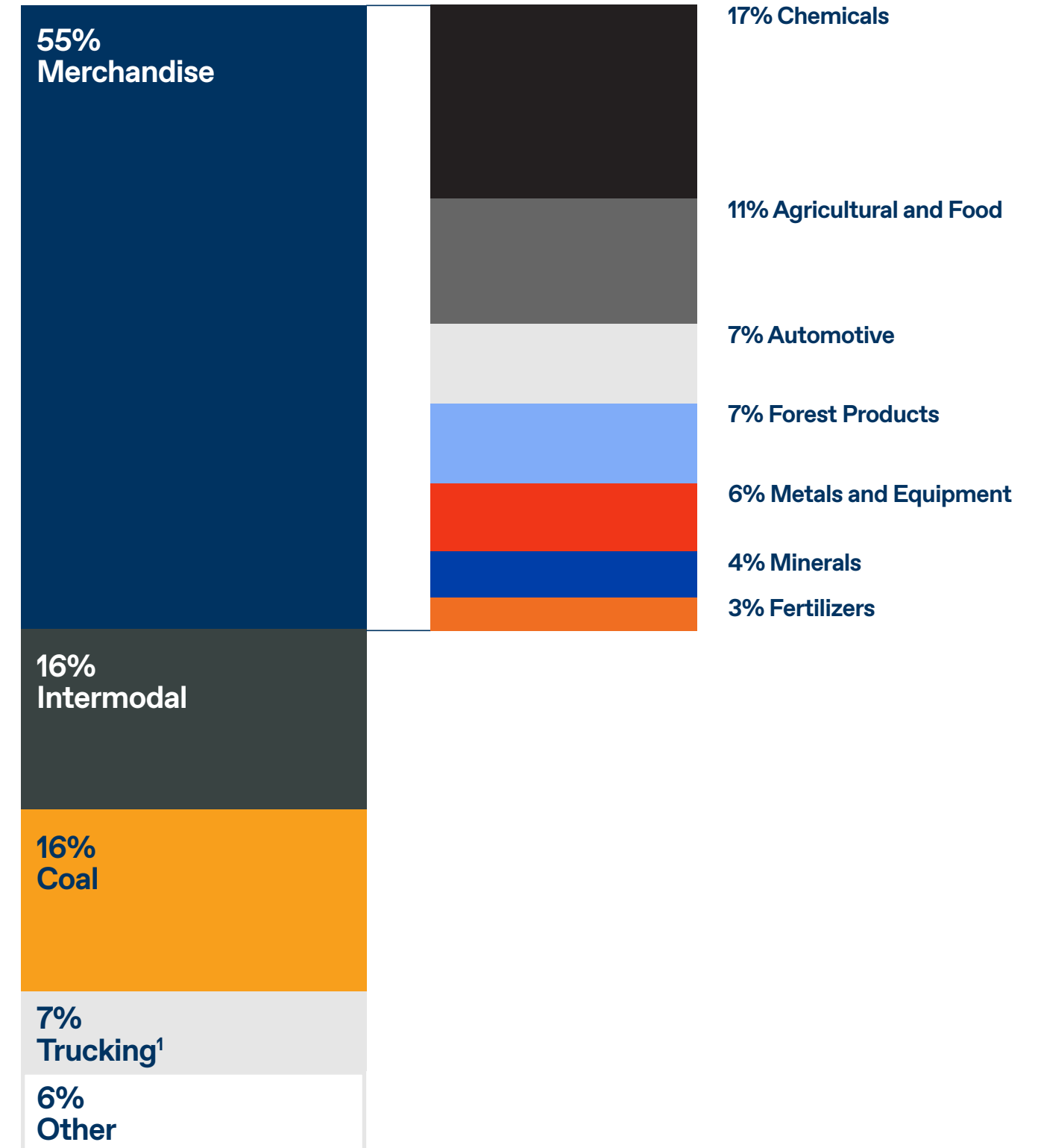


# 2022 Financial Performance

CSX delivered strong financial results in 2022, overcoming staffing challenges, inflationary pressures and headwinds in several key markets to increase revenue by 19 percent, operating income by 8 percent and earnings per share by 16 percent.

Operating ratio increased to 59.5 percent from the previous year's 55.3 percent, primarily reflecting higher costs for fuel, labor and services and lower gains from property sales. Total volume decreased 1 percent for the year, with increases in automotive, minerals and agriculture and food, which were offset by declines in fertilizers, metals and equipment, chemicals, coal and forest products.

# 2022 Revenue Mix







# CSX by the Numbers\*

**22,500+**  
Employees

Approximately  
**3.3 million**  
Carloads Transported

**70+**  
Port Terminals

Approximately  
**3 million**  
Intermodal Units Transported

**240+**  
Short-Line Partners

**\$14.9 billion**  
in Revenue Generated

\*As of December 31, 2022



# Our Business

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 by accelerating highway-to-rail freight conversion, which is a crucial step in facilitating the transition to a lower-carbon economy.

**CSX Transportation** provides an important link to the transportation supply chain through its approximately [20,000 route-mile rail network](#). This includes our acquisition of Pan Am Railways, which we completed in 2022, expanding CSX's reach into Northeastern markets and creating new single-line service opportunities for shippers.

**CSX Intermodal Terminals** provides and arranges the intermodal terminal services and trucking services for CSX Transportation's intermodal business. Containers and trailers are loaded and unloaded from trains, and trucks provide the link between more than 50 intermodal terminals and the customer.

**Pan Am Systems, Inc. (Pan Am)** was acquired by CSX in 2022 and was swiftly integrated into the broader rail network. This has enabled CSX to serve every major market in the Eastern U.S. with safe, dependable, environmentally responsible and fuel-efficient freight transportation and intermodal service.

**Quality Carriers** is the largest provider of bulk liquid chemicals truck transportation in North America with more than 2,500 trucks and 6,400 trailers that serve many of the largest chemical producers and processors.

**Total Distribution Services Inc. (TDSI)** offers additional vehicle-handling services through a network of automobile-distribution facilities, storage locations and facilities providing service to Eastern, Gulf and Southeastern ports. TDSI transloads customers' products from one transportation mode to another – rail car to truck, truck to rail car or rail car to ship.

**TRANSFLO**, a CSX subsidiary that provides bulk material transloading services at 46 active terminals across our network, helps customers take advantage of the economic and environmental benefits of rail without having rail infrastructure at their facilities.





# Supporting a Low-Carbon Economy

The environmental advantages of rail over other modes of ground transportation have emerged as an important driver of our business growth and competitive market advantage while helping facilitate the transition to a lower-carbon economy.

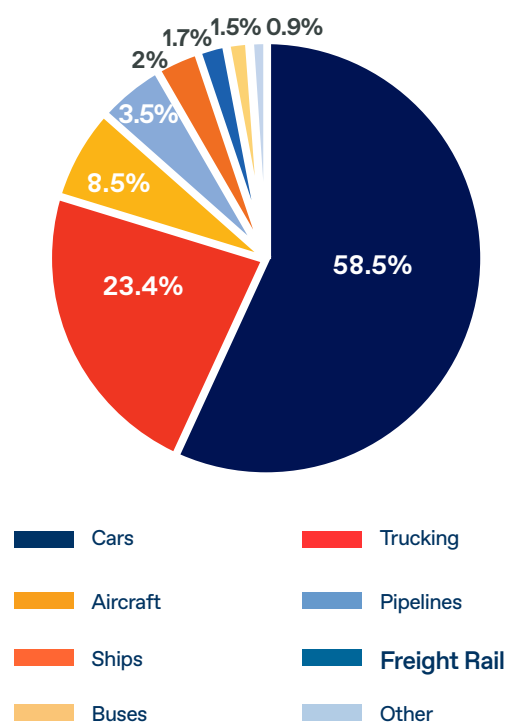
By continuing to invest in network capacity, customer service technology and new service offerings, CSX is building a solid operating foundation that will accelerate highway-to-rail freight conversion and support future business growth.

CSX continues to pursue innovative service solutions that combine long- and medium-haul rail with short-haul trucking, enabling customers to increase their use of safe and environmentally advantaged rail transportation.

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

- Rail can carry the freight of hundreds of trucks which reduces highway congestion<sup>2</sup>
- On average, railroads are three to four times more fuel-efficient than trucks<sup>3</sup>
- Moving freight by train instead of truck reduces greenhouse gas (GHG) emissions by up to 75 percent<sup>4</sup>
- Railroads account for around 40 percent of long-distance freight volume, but only 1.7 percent of U.S. transport related GHG emissions<sup>5</sup>

**U.S. Transportation Sector by GHG Emissions<sup>6</sup>**



# Creating Value, Together

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

<b>Employees</b>	<b>We care about our people.</b> We provide family-sustaining jobs with opportunities for significant growth and career advancement within our ONE CSX culture that values employee engagement and puts safety first.	\$2.1 billion salaries paid \$488 million benefits paid
<b>Customers</b>	<b>We help our customers reach their goals.</b> From soybeans to automobiles, we keep their goods moving reliably, safely and efficiently, while helping them reduce their GHG emissions in the process.	6.2 million units of freight transported
<b>Communities</b>	<b>We help build strong communities.</b> We support the vibrance and economic vitality of more than 1,600 communities across our network through direct and indirect investment that provides jobs and fuels local suppliers. We also promote rail safety, support active military, veterans and first responders, provide disaster relief and aim to improve the quality of life for communities and their residents.	\$10.4 million in community investment contributed 12,300 volunteer hours to our communities
<b>Investors</b>	<b>We create shareholder value.</b> Through increased growth and market share, we are poised to provide strong long-term returns to investors.	Increased earnings per share 16% on the strength of a 19% increase in revenue to \$14.9 billion



# Transforming for the Future, Guided by our Past

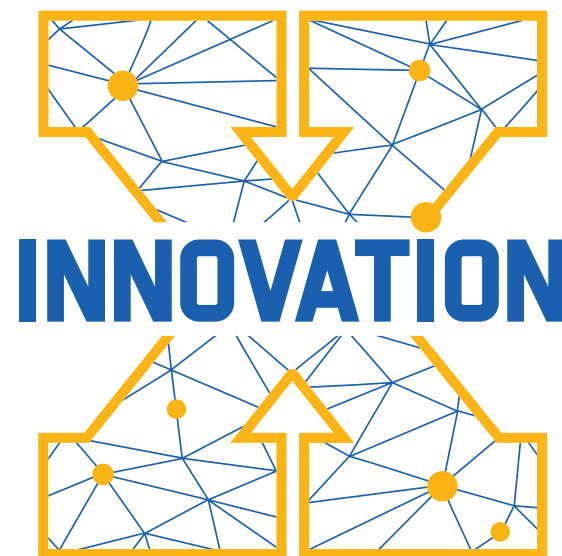
Our ability to drive long-term value resides on two fundamentals: staying true to our commitment to operate responsibly, which guided our success for our first 200 years, and pioneering new and innovative approaches and technologies that position us for success in the next 200.

## Unlocking Innovation

CSX has a long history of pioneering innovations to move our business—and our customers—forward. In 2022, we continued to drive new technologies—from drones that can spot railcar defects from 150 yards away, to the use of alternative fuels to make rail transit even more carbon efficient in the future.

Now more than ever, technology is transforming how we operate and playing a central role in everything we do – from rail safety and customer service to transforming the employee experience. To accelerate our digital transition, we elevated the role of Executive Vice President and Chief Digital and Technology Officer to our Executive Leadership team, reporting to the CEO. We are continuing to build our capabilities in technologies like artificial intelligence and augmented reality and are dedicating more resources to innovation through a centralized team supporting our operations and customer functions. This team isn't working alone; 22,500+ employees support their efforts through our recently launched InnovationX campaign.

InnovationX is a formal program that solicits employees' ideas for driving innovation and growth, while evaluating them in a structured way and developing those with the most promise.



**“CSX employees are our best experts on how we can improve and grow, because they are the ones doing the work that makes our company run day in and day out. InnovationX will leverage dedicated capital resources to bring their ideas to life to improve safety, service, sustainability and efficiency.”**

**Bill Jacobs**  
Senior Director, Innovation





# Transforming Our Culture

At CSX, we are at our best when we come together as one. This is the essence of our ONE CSX culture that we continued to embed across the organization in 2022.

Through ONE CSX, we are on a journey to create a unified culture that values everyone’s contributions while instilling a sense of pride, equality and belonging. It is a culture where all employees feel empowered to speak up and contribute to our broader business objectives.

Based on input from employees from across our crafts, regions and departments, we launched our ONE CSX values and behaviors and began embedding them into our workplace practices.

Our cultural transformation includes cultivating strong relationships with CSX’s unionized workforce and providing opportunities to work more closely with labor on solutions that improve the employee experience.

**ONE CSX is the vision for our culture at CSX, where we operate as one team in which all employees feel valued, included, appreciated, respected and able to contribute to our broader business objectives.**

## Our Values

- Work Safely
- Grow Through Service
- Lead With Passion and Integrity
- Create Our Future as ONE CSX
- Strengthen Our Communities

**“With well-defined values and behaviors, collaboration and communication across the company are stronger and – working together – we’re fostering an environment where every employee can thrive as a member of our ONE CSX team.”**

**Joe Hinrichs**  
President & CEO



**Frequent visits by CSX leaders with our teams in the field in 2022 helped connect our culture transformation to operating performance.**



# Approach to ESG

Our commitment to environmental stewardship, social responsibility and governance best practices are critical to our mission to be a leading supplier of rail-based freight transportation in North America—one that meets customers' needs, creates value for our shareholders and provides a safe and rewarding work environment for our employees.

## Key ESG Issues

### Materiality Assessment & Methodology

In January 2023, we worked with a third-party partner to conduct our latest non-financial materiality assessment in line with the GRI Sustainability Reporting Standards 2021 (GRI Standards) to determine the topics for which CSX has the most impact and which influence our stakeholders.<sup>7</sup> We used a dual materiality approach, gathering stakeholder perspectives on:

- The significance of our economic, environmental and social impacts
- Our impacts' substantive influence on the assessments and decisions of stakeholders<sup>8</sup>

We started by identifying 26 potential ESG topics and developing a scoring methodology to rank potential material issues. Next, we interviewed 18 stakeholders – including senior leaders, investors, community members, customers, suppliers and regulators – to determine the relevance of each issue. We prioritized our issues based on strategic importance, potential ESG impacts and importance to stakeholders. We presented the results to key stakeholders to validate our materiality matrix.



### Measuring & Managing Material Topics

We measure our progress against a set of key performance indicators within our ESG focus areas and work to achieve year-over-year progress through targeted strategies and initiatives. To guide our climate efforts, we measure our progress against our 2030 goals. We have highlighted our progress throughout this report.

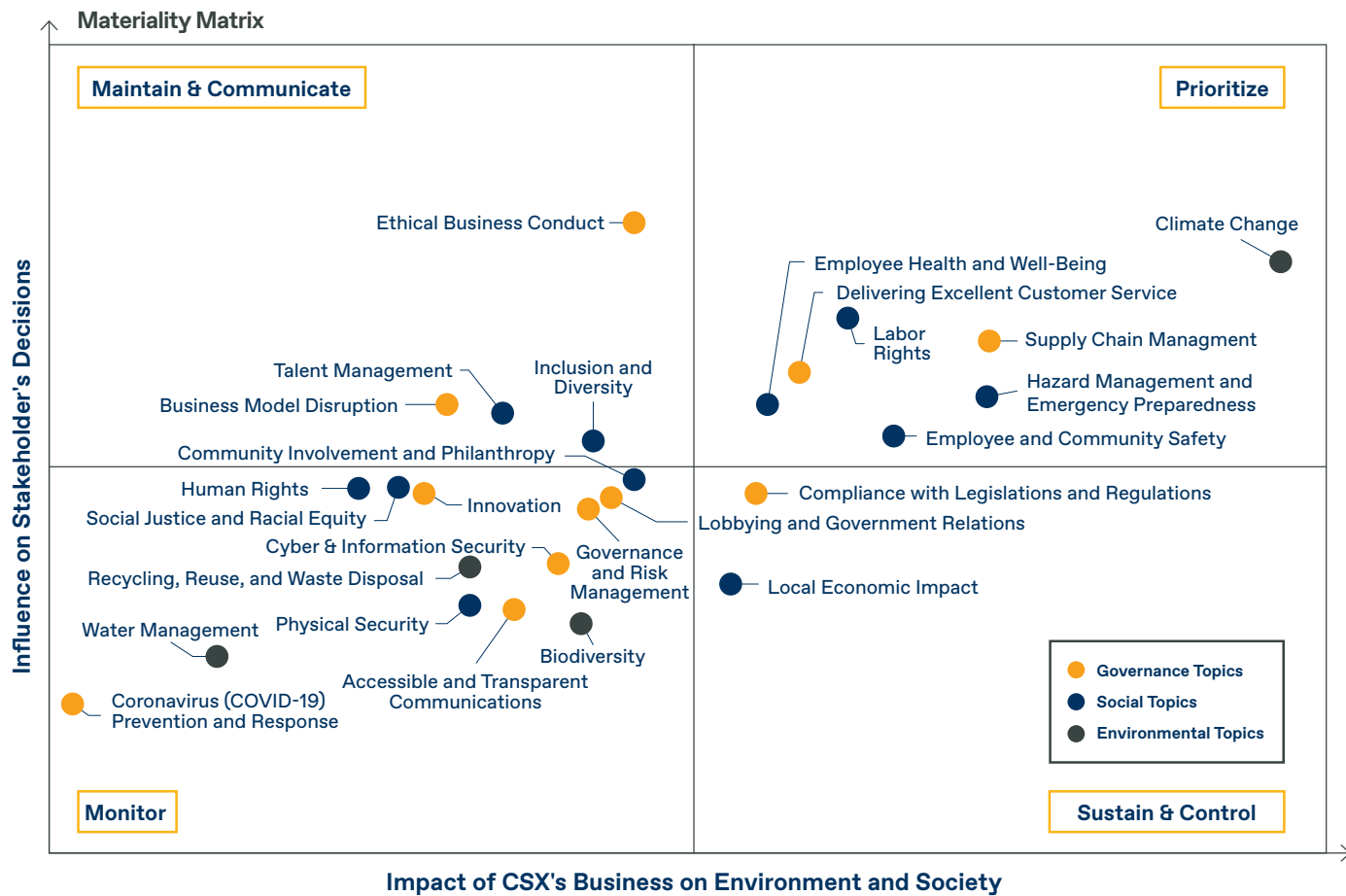


**Results**

Our last materiality assessment was conducted in 2020 and refreshed in 2021 and, most recently, the beginning of 2023. The 2021 refresh revealed increased focus on inclusion and diversity, as well as accessible and transparent communications; the 2023 refresh indicated increased focus on climate change, supply chain management and labor rights. Climate change, in particular, was mentioned by stakeholders as being not only a concern, but an opportunity for CSX to take advantage of, given our position as a low-carbon transportation option.

Through our assessment, we identified 7 out of 26 ESG topics as highest priority for CSX: Climate Change; Supply Chain Management; Hazard Management & Emergency Preparedness; Labor Rights; Delivering Excellent Customer Service; Employee & Community Safety; and Employee Health & Well-Being. We will place an enhanced focus on these topics to inform our efforts, priorities and business strategy and will continue to monitor and report on the remaining 19 topics.

We will continue to refresh our materiality assessment to help ensure we remain ready to meet shifting stakeholder expectations while growing our business.



**Comparison of Results**

The main changes in material topics from the materiality conducted in 2021 to the one in 2023 are detailed below.

2021 Material ESG Topics	2023 Material ESG Topics
1. Ethical Business Conduct	1. <b><u>Climate Change</u></b>
2. Delivering Excellent Customer Service	2. <b><u>Supply Chain Management</u></b>
3. Employee & Community Safety	3. Hazard Management & Emergency Preparedness
4. Employee Health & Well-Being	4. <b><u>Labor Rights</u></b>
5. Hazard Management & Emergency Preparedness	5. Employee & Community Safety
6. Compliance with Legislation & Regulations	6. Delivering Excellent Customer Service

**Bold and underlined topics** represent additions from the 2023 assessment.





# ESG Topics

The following tables define the 26 topics identified through our materiality assessment process.

Environmental	
<b>Biodiversity</b>	Protecting environmental biodiversity and minimizing land disturbances by reducing the impact of CSX's operational activities.
<b>Climate Change</b>	Managing the physical impacts of climate change and natural disasters on CSX's business operations. These impacts may be acute, such as increased severity of extreme weather including hurricanes or floods, or chronic issues, including shifting temperatures, changes in precipitation patterns, rising sea levels and extreme variability in weather patterns.
<b>Recycling, Reuse &amp; Waste Disposal</b>	Minimizing the amount of waste produced through operational activities and taking advantage of opportunities to reuse or recycle materials.
<b>Water Management</b>	Managing the impact of CSX's operations on local water sources and minimizing releases of effluents and pollutants.



Social	
<b>Community Involvement &amp; Philanthropy</b>	Supporting community interests by investing in community-based initiatives and providing opportunities for employees to volunteer in and support philanthropic activities.
<b>Employee Health &amp; Well-being</b>	Supporting CSX employees and their ability to perform their roles to their greatest capacity by providing the resources to improve their emotional, social, physical and financial well-being both in their work and home lives.
<b>Employee &amp; Community Safety</b>	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.
<b>Hazard Management &amp; Emergency Preparedness</b>	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.
<b>Human Rights</b>	Managing human rights issues, such as modern slavery, human trafficking, forced and bonded labor, and child labor by maintaining effective oversight, policies and risk management and compliance programs.
<b>Inclusion &amp; Diversity</b>	Maintaining an inclusive culture that enables employees, contractors and business partners to contribute to CSX's success.
<b>Labor Rights</b>	Respecting employees' right to organize and maintaining productive relationships with labor unions as well as respecting the right to freedom of association, collective bargaining and fair working conditions.
<b>Local Economic Impact</b>	Supporting the growth of the communities in which CSX operates by providing employment opportunities, engaging local suppliers and through the payment of taxes.
<b>Physical Security</b>	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.
<b>Social Justice &amp; Racial Equality</b>	Upholding the fair treatment of people of all races that results in equitable opportunities and outcomes for everyone.
<b>Talent Management</b>	Attracting, developing and retaining skilled talent that will enable CSX to pursue its corporate strategy by providing development opportunities, competitive employee benefits and a positive culture.





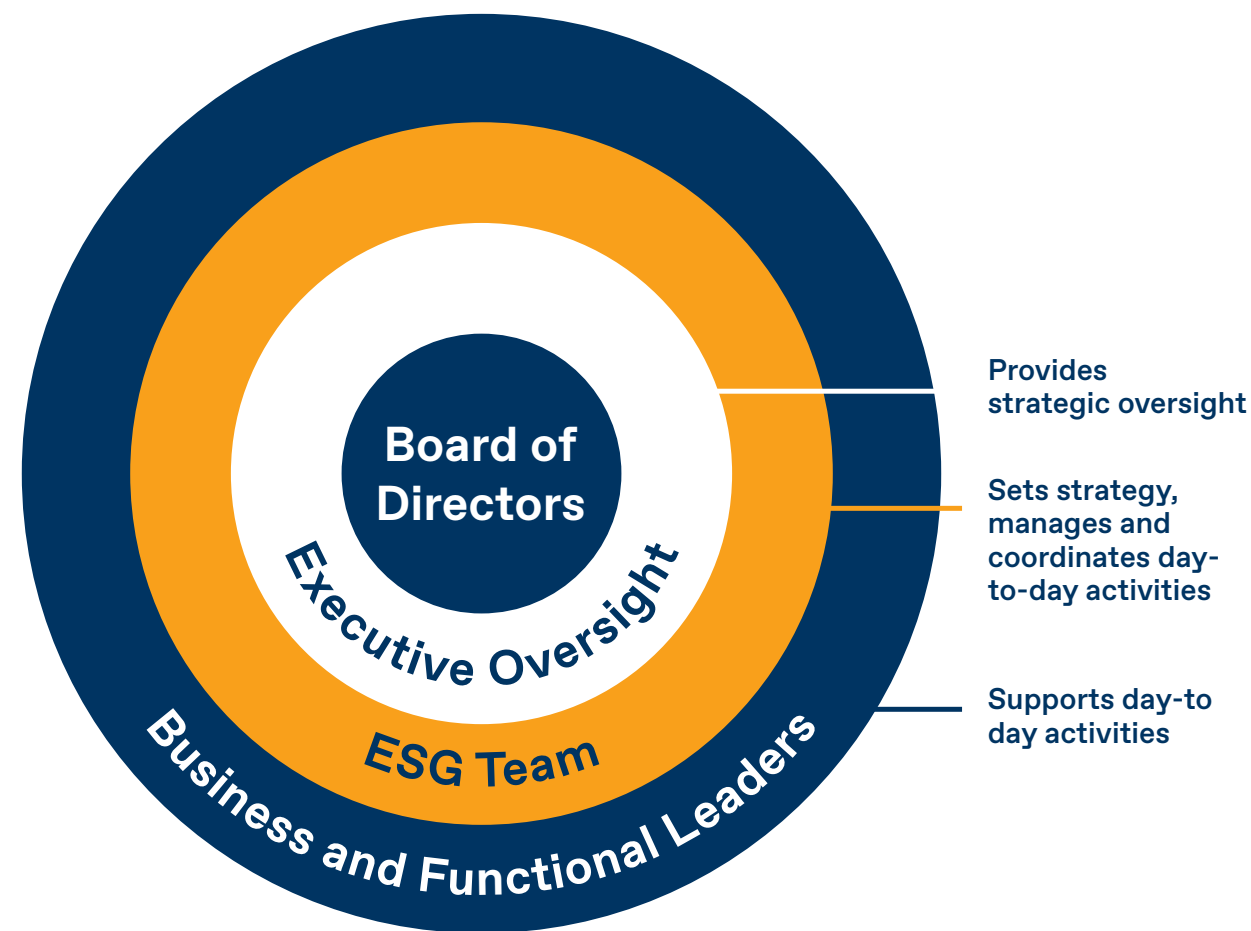
Governance	
<b>Accessible &amp; Transparent Communications</b>	Maintaining strategies, policies and processes to conduct regular, insightful and effective communications with stakeholder groups.
<b>Business Model Disruption</b>	Anticipating, managing and responding to disruptive impacts that affect CSX's strategy, business model and operations. These impacts may include emerging climate-related policy, legal, technological, market or reputational risks, such as changes in customer preferences and the emergence of new competitors or technologies.
<b>Cyber &amp; Information Security</b>	Maintaining effective cyber security infrastructure and data protection controls.
<b>Coronavirus (COVID-19) Prevention &amp; Response</b>	Railroad operations were amended to meet the needs of customers while protecting the health of employees, customers and the community by following the 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.
<b>Compliance with Legislation &amp; Regulations</b>	Upholding compliance with existing and emerging legislation and regulations.
<b>Delivering Excellent Customer Service</b>	Delivering reliable, responsive and cost-effective logistical services to CSX's existing and future customers.
<b>Ethical Business Conduct</b>	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.
<b>Governance &amp; Risk Management</b>	Governance structure and practices that enable effective oversight of strategy and risk management.
<b>Innovation</b>	Identifying and implementing innovations in CSX's operations, such as digitalization, to improve the efficiency of processes and services.
<b>Lobbying &amp; Government Relations</b>	Conducting constructive lobbying efforts during the policy development process and maintaining productive relationships with government and regulatory entities.
<b>Supply Chain Management</b>	Identifying, minimizing and managing the social and environmental risks present in CSX's supply chains, such as human trafficking or outsized environmental impact, by assessing supplier performance throughout their engagement with CSX and setting minimum standards for social and environmental performance and engaging with suppliers to improve performance.





# ESG Governance & Risk Management

The CSX Board of Directors, through its committees, oversees the Company's ESG strategies and initiatives and receives and responds to regular updates on priority ESG goals. The Governance and Sustainability Committee is responsible for assessing CSX's progress on sustainability issues and overseeing our sustainability policies, strategies and programs. The Compensation and Talent Management Committee helps to ensure ongoing emphasis on human capital management, including diversity, equity and inclusion initiatives. The Audit Committee oversees key risks, including cybersecurity and our Enterprise Risk Management program.



## Board ESG Expertise

CSX directors proactively engage in opportunities to stay informed on the rapidly changing industry, societal and regulatory landscapes, stakeholder expectations and ESG issues.

For example, in 2022, directors Messrs. Bostick and Halverson and Mses. Alvarado and Riefler completed a three-month course, co-developed by the UC Berkeley School of Law and Ceres, to bolster knowledge of how ESG and effective management should be embedded in Board operations.

Sustainability is designated as one of our Board's key skills and experiences and is considered in Board composition discussions accordingly. Additional information on skillsets and experience of our Board of Directors can be found in the [2023 Proxy Statement](#).

The CSX Leadership team provides executive oversight of our ESG performance. In addition to financial metrics, our annual management incentive compensation program includes ESG goals related to workplace safety and fuel efficiency. These metrics account for 30 percent of the annual evaluation of executive performance. More information can be found in our [2023 Proxy Statement](#).

On a day-to-day basis, ESG is led by our centralized ESG and sustainability team. ESG is implemented throughout CSX by business and functional leaders. Together, they are responsible for measuring and monitoring progress against key performance indicators and reviewing and applying stakeholder feedback and insights.

# Stakeholder Engagement

Regular communication and engagement with our stakeholders are key components of our efforts to better understand evolving trends and enable strategic decision-making. We engage and collaborate with a broad range of stakeholders to listen, share, discuss and learn. We take this feedback and integrate it into our projects, strategies and how we do business.

In addition to interviews conducted as part of our 2023 materiality assessment, the table to the right illustrates how we engaged with key stakeholder groups and topics of greatest interest.<sup>9</sup> For more information on how we engage with our shareholders, see our [2023 Proxy Statement](#).



Stakeholders	How We Engage	Key Topics of Interest
<b>Employees</b>	Materiality interview, 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)	<ul style="list-style-type: none"> <li>Community Involvement &amp; Philanthropy</li> <li>Supply Chain Management</li> <li>Hazard Management &amp; Emergency Preparedness</li> <li>Employee &amp; Community Safety</li> <li>Delivering Excellent Customer Service</li> <li>Climate Change</li> </ul>
<b>Customers</b>	Materiality interviews, safety brochures, e-business tools, Customer Advisory Council, events and trade shows, semi-annual customer engagement forums, Voice of the Customer surveys, Trip Plan Performance tool, individualized business unit outreach, visits to customers' sites and headquarters, Chemical Safety Excellence Awards	<ul style="list-style-type: none"> <li>Climate Change</li> <li>Supply Chain Management</li> <li>Employee &amp; Community Safety</li> <li>Hazard Management &amp; Emergency Preparedness</li> <li>Ethical Business Conduct</li> </ul>
<b>Investors/Shareholders</b>	Materiality interviews, quarterly earnings conference calls, industry and investment community conferences, investor road shows, analyst meetings	<ul style="list-style-type: none"> <li>Climate Change</li> <li>Biodiversity</li> <li>Employee Health &amp; Well-Being</li> <li>Lobbying &amp; Government Relations</li> <li>Employee &amp; Community Safety</li> <li>Labor Rights</li> <li>Local Economic Impact</li> <li>Talent Management</li> </ul>
<b>Suppliers</b>	Materiality interviews, Customer Service Excellence & Partnership awards, procurement and supply chain management department outreach	<ul style="list-style-type: none"> <li>Climate Change</li> <li>Hazard Management &amp; Emergency Preparedness</li> <li>Labor Rights</li> <li>Lobbying &amp; Government Relations</li> <li>Supply Chain Management</li> </ul>
<b>Community (Residents and Nonprofits)</b>	Materiality interviews, annual volunteer safety efforts, ongoing communication with Pride in Service nonprofit partners, community volunteer events and follow-up surveys, CSX's PSCC hotline	<ul style="list-style-type: none"> <li>Inclusion &amp; Diversity</li> <li>Local Economic Impact</li> <li>Delivering Excellent Customer Service</li> </ul>
<b>Others (Emergency responders, Union members, Industry associations, Regulators)</b>	Materiality interviews, emergency responder training, AskRail mobile app, direct interactions	<ul style="list-style-type: none"> <li>Climate Change</li> <li>Hazard Management &amp; Emergency Preparedness</li> <li>Labor Rights</li> <li>Compliance with Legislation &amp; Regulation</li> <li>Supply Chain Management</li> </ul>





# 2022 ESG Highlights

## Environmental, Social and Governance

# 13.1%

reduction in emissions intensity (since 2014)

Upgraded  
**~180**

locomotives to Distributed Power, which moves more freight with less fuel

Engaged 50 suppliers representing

# 75%

of spend in CDP's Supply Chain program

Raised training pay for conductors by

# 40%

the highest increase in 50+ years

Became the

# 1st

in our industry to provide sick leave benefits to union employees<sup>10</sup>

Served

# 12,300

employee volunteer hours in our communities—nearly double 2021

# 2,000+

new conductors successfully onboarded

Updated our Materiality Assessment, which was conducted in-line with the GRI Sustainability Reporting Standards 2021 (GRI Standards), discussed further in this report

Welcomed our new CEO who completed

# 20+

site visits in his first 100 days

Began quarterly series of ethics-related employees communications



Join the Journey and Follow [Joe Hinrichs](#) on LinkedIn for Updates

## Awards and Recognitions

### FORTUNE

Most Admired Companies



Dow Jones Sustainability Index

### 3BL MEDIA

100 Best Corporate Citizens List

### Newsweek

Most Responsible Companies

### S&P

Top Industry Performer on 2022 Corporate Sustainability Assessment

# Commitment to Safety & Service

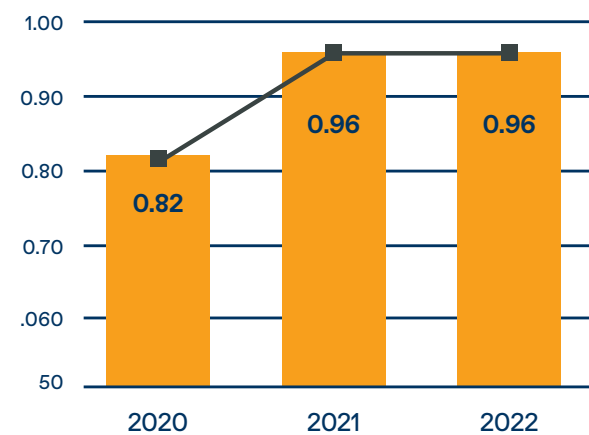
**At CSX, safety is the foundation of everything we do. But don't judge us by our words; judge us by our actions and our record.**

## 2022 Highlights

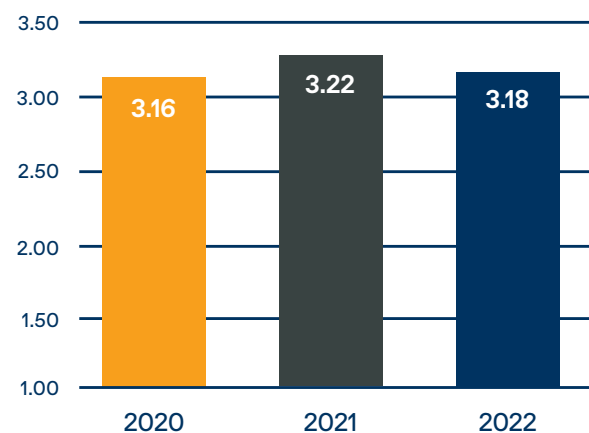
Trained nearly  
**4,000**  
craft employees at the  
CSX Atlanta Training Center

Trained nearly  
**5,000**  
first responders, police and employees  
across 40 events in 35 cities

FRA Personal Injury Frequency Index<sup>22</sup>



FRA Train Accident Rate<sup>23</sup>



### Our Safety Culture & Approach

We can't be the best-run railroad in North America without being the safest. Our goal: zero incidents where every CSX employee returns home safely every day. This requires ongoing investment in new equipment and technologies and continuous training of employees to proactively identify risks, initiate action to mitigate those risks and work collaboratively to keep each other safe.

Safety has always been one of our guiding principles, and now it is reflected in our new ONE CSX values and behaviors.

Our Chief Safety Officer maintains the highest level of oversight across safety at CSX. Our Executive Safety Council meets with general managers and above throughout our operations to discuss safety updates, concerns and areas for improvement. In addition to sharing safety information with our Board quarterly, safety is the first order of business discussed in every Board meeting.

Throughout the year, we conduct outreach and awareness campaigns, trainings and rigorous emergency preparedness practices. We also conduct a comprehensive industry risk assessment on an annual basis in partnership with the Association of American Railroads (AAR). When a safety incident occurs within our industry, we assess it and apply learnings to our own policies and practices to help ensure we have appropriate safeguards in place to mitigate a similar risk in our own operations. We also review our action plans and training so that our crews are prepared should an incident occur.

We have multiple, well-established company initiatives to encourage reporting of safety issues through email, voicemail and web forms, without fear of reprisal. Complementing CSX's employee safety reporting programs, CSX also participates in the Federal Railroad Administration's [Confidential Close Call Reporting System \(C3Rs\)](#).

**“Compliance with operating rules is essential, but we can't reach the highest level of safety through rule compliance alone. We need to build a strong safety culture with input from those that do the work. Together, we can make collaborative changes to improve safety. I see some of those changes coming soon.”**

**Jim Schwichtenberg**

Vice President and  
Chief Safety Officer





# Safety

## Using Data to Improve Safety

We use data to make our operations more efficient, reliable and safer. Each quarter, we review insights from our Safety Observation Program and conduct an enterprise-wide review of our safety data, including near-miss incidents. Based on the findings, relevant teams and departments are then engaged to identify root causes, adapt behaviors and make any necessary process modifications to improve safety.

For example, in 2022, we identified a near-miss involving two employees who were riding on opposite sides of equipment. We went to the site to audit their compliance with our safety processes and policies and conducted training to help ensure that in similar situations employees are properly positioned on the equipment.

### Putting Safety First When Adverse Weather Strikes:

We partner with customers to help ensure they take necessary precautions to address seasonal railroad hazards that may affect employees, rail traffic and infrastructure.



To learn more, watch this [short video](#).

### Investing and Innovating for Safety

Investing in infrastructure improvements and technology has helped us maintain strong safety performance over time. In 2022, CSX continued to invest in its business to create long-term value for shareholders, including via infrastructure investment of \$1.7 billion—11.4 percent of total revenue. This included improvements in our core tracks, bridges and signals and in our equipment and detection technology.

Operating Safely has always been one of our guiding principles, and now, it is reflected in our new ONE CSX values and behaviors.



## Investing in Infrastructure Safety & Improvements

	2020	2021	2022
Infrastructure Investments	\$1.4B	\$1.4B	\$1.7B
<b>Total Capital Spending</b>	<b>\$1.6B</b>	<b>\$1.8B</b>	<b>\$2.1B</b>
New Ties Installed	2.95M	2.52M	2.50M
New Rail Installed	899 linear miles	919 linear miles	916 linear miles
Surfacing	4,543 miles	4,142 miles	3,838 miles

# Safety

We also use advanced digital tools and technologies to drive meaningful performance improvements, including increased service agility, reliability and, most importantly, safety. Below are just a few examples.



## Asset Monitoring & Detection Technology

Our access control system, including our badge system, is linked to employee status through our HR systems (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 cyber security efforts, preventing cyber issues from impacting our asset monitoring initiatives.



## Autonomous Track Assessment Cars (ATACs)

Autonomous track assessment cars have the ability to gather critical data by measuring track conditions and detecting defects and deterioration. 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 inspection system processes the information and helps ensure tracks are repaired promptly. Our eight ATACs are constantly traveling in trains across our entire network and can be seen in action in this [video](#).



## Drones

CSX has an extensive drone safety program that uses unmanned aerial vehicles to perform a wide range of tasks, including aerial mapping of yards, facility inspection, storm response, accident investigation and law enforcement. We demonstrated significant progress with drone technology following the successful use of autonomous drones to optimize yard inspections and inventory processes in 2020. In 2022, we identified, tested and purchased three new autonomous drone solutions and received authorization from the Federal Aviation Administration for phase 1 of our waiver request to conduct operations beyond visual line of sight.

## Improving Hot Bearing Detectors

A key aim of our safety program is preventing train derailments. While rare, derailments can happen for multiple reasons. One device that can play a role in preventing derailments is the wayside hot bearing detector (HBD). It uses infrared sensors to detect bearings, axles or other components of a rail car that are overheating, then uses radio signals to flag rail crews of any overheated components. Specialized signalmen maintain the devices.

CSX has made improvements over the past three years to HBDs across our rail network to facilitate remote monitoring. The company has also updated the HBDs to second-generation technology that is more effective in detecting overheated rail car wheel bearings. We consistently inspect the units every two weeks to help ensure optimal performance. The HBDs are deployed every 15.1 miles along key routes and 16.2 miles along all CSX routes. Additionally, the company is proactively preparing to install

53 additional detectors over the course of 2023, extending coverage to ensure that HBDs are in place every 14.3 miles along its key routes and 14.9 miles along all CSX routes.

CSX uses an industry-leading best practice for monitoring the condition of hot bearings and is actively participating with other major carriers to share best practices on standards for tracking and analyzing trends in bearing condition. CSX incurred only one minor bearing-related incident in 2022.

CSX has also been updating its acoustic bearing detectors (ABDs) over the past several years to second-generation technology to assist with safety inspections. The railroad currently has nine units in place and is in the process of installing 12 additional ABDs, which analyze the acoustic signature inside the bearing to help identify potential issues.

In hump yards and terminals, where we have complex network of tracks to switch cars, we conduct inspections by drone, so we don't have to put people in harm's way by walking the tracks. In 2022, we used drones to survey areas of our network at risk of rockslides and to map dangers during

hurricane conditions. We also use drones to inspect our railcars, which allows us to identify missing or defective components from 150 yards away. By scaling the use of drones, our people can spend more time mitigating risks and addressing any issues identified.



# Safety



## Mobile Tablets

CSX has equipped nearly 100 percent 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 efficiency and modernize CSX's work tools across the business. In 2022 and into 2023, we are updating tablets to be even more reliable with expanded capabilities that enable crews to electronically submit repair orders and access safety bulletins.



## Positive Train Control (PTC)

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. In 2022, we focused on enforcing speed and signal compliance to help ensure the safety of our rails and the communities where we operate.



## Train Inspection Portal (TIPs)

CSX has installed three automated train inspection portals on high-volume main lines, with more planned for 2023. With this pioneering industry 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 a portal at track speed. Watch a short [video](#) to see how they work.



## Vendor IS Network

CSX uses IS Network (ISN) as a resource to confirm qualifications and access for vendors and contractors that work on CSX property. ISN allows for insight into vendor and contractor companies and the employees these companies are putting on our property. We provide training through this network to our vendors, contractors and third-party groups. The network grades contractors based on a combination of qualifications and 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.







# Safety

## Managing Hazardous Goods & Emergency Preparedness

Our commitment to safety extends to the management of hazardous goods that we transport for our customers. CSX continually conducts inspections of hazardous material shipments to help ensure the safety of our employees, our customers' freight and the communities we serve. We conduct comprehensive materials inspections in major rail yards annually, as well as smaller, more frequent yard inspections with local CSX hazardous materials managers. Reviews include a detailed inspection of CSX trains, customer railcars, shipment documentation and employee actions in compliance with U.S. Department of Transportation regulations related to hazardous materials. CSX regularly communicates any findings with customers to help improve the safety of hazardous materials shipments. Yard emergency response plans are reviewed by CSX Hazardous Materials Managers on a regular basis.

CSX uses advanced risk assessment technology annually to determine the shortest and safest routes to transport goods categorized as hazardous. We also have robust emergency preparedness programs in place in partnership with first responders.

## CSX Honors 65 Customers with Annual Chemical Safety Excellence Award

In 2022, CSX held our 28th 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 65 of our shippers who finished 2021 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 185,000 carloads of hazard materials on the CSX network, represented a

wide range of industry segments and products, including chemicals, biofuels, waste and fertilizers.

Among the 65 award winners, we gave special recognition to the global chemical company Kemira, which led all hazard materials shippers with 21 consecutive years as a CSX award winner. Also receiving special recognition were ExxonMobil Chemical Company and Messer North America, which reached their 10-consecutive-year milestone as award winners.

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

## Emergency Responder Training & Education Assistance

Our 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 help ensure all issues are promptly resolved.

Throughout the year, we conduct [ongoing training](#) for CSX employees, CSX contractors and community first responders. We also provide our Community Emergency Response Guide annually to first responders across our network.

Our CSX Responder Incident Training (RIT) program leverages a combination of effective virtual and hands-on training to successfully train first responders on how to safely respond to potential rail emergencies, including those involving hazardous materials. Using our specially constructed RIT train and other tools, CSX hosted 40 events across 35 cities in 2022, training nearly 5,000 first responders.

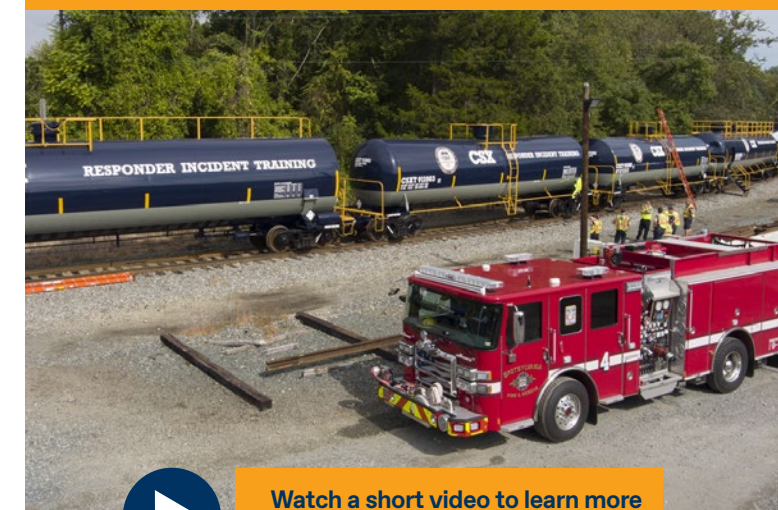
We also facilitated a Hazardous Materials Technician course in partnership with the York County, Virginia, Hazmat Credible Chemical, Biological, Radiological, Nuclear & Energetic Materials (CBRNE) training facility for CSX response contractors. The class included how to respond to emergencies involving hazardous materials.

Additionally, we 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. In 2022, we also began offering in-person training to community first responders on hazmat and emergency response preparedness through [Transcaer](#).

## Training First Responders to Manage Hazardous Chemicals

In addition to our RIT program, our TRANSFLO team conducted intensive training in 2022 with 49 first responders from the Knoxville, Tennessee, Emergency Response Team and the University of Tennessee. The hands-on training focused on transferring hazardous chemicals, specifically ethanol, from railcars to tankers. Participants split into three groups where they learned about:

- TRANSFLO transfer equipment utilized for ethanol transfers and all safety devices associated with the equipment.
- General service cars and high-pressure cars, including DOT105, DOT111, and DOT117 cars, placarding, waybills/ paperwork and braking requirements.
- Ethanol car valves and emergency response procedures when dealing with ethanol or hazardous materials in a rail car.



Watch a short video to learn more and see inside our RIT rail car.



# Safety

## Employee Training & Physical Safety

Beyond first responders, we provide robust safety training to all CSX railroaders from day one. In 2022, we onboarded more than 2,000 new rail conductors and new employees. Every new craft employee participates in our training center.

After new conductors complete their initial training, they continue on-the-job training where they are matched with a mentor in a mentor-trainee-program. Through the program, dedicated resources and tenured conductors provide hands-on guidance over the course of a few weeks in which they ride trains together. As part of a new program launched in 2022, trainers continue to check in with their trainees after they reach their field positions to offer ongoing coaching and support.

Safety is the responsibility of every individual CSX employee. As such, we have a comprehensive drug and alcohol testing program and subsequent support systems in place to ensure our employees are prepared, trained and able to perform their jobs for their own safety and those around them. This starts with a pre-employment substance screening and once hired, continues via random testing. If there is a situation in which an employee tests positive, they will be connected with the necessary sobriety and regulatory resources.

In daily morning briefings, managers advise their teams on the day's priorities, conditions and other critical information. Managers start these meetings with a safety bulletin to ensure their teams are aware and equipped to navigate the day ahead. At these meetings, managers are trained to detect reasonable suspicion and identify if a railroader is not in a condition to perform work safely and intervene accordingly.

Every new hire undergoes training to ensure all railroaders understand the expectations and resources related to their ability to safely perform their jobs. Additionally, we provide several well-being resources including our [Employee Assistance Program \(EAP\)](#). Accessible 24 hours a day, 7 days a week, the confidential EAP hotline is available to all employees and their family members needing counseling, guidance and/or referral services to manage personal and work-related issues.

An important cornerstone of safety at CSX is Operation RedBlock, a union-initiated and CSX management-supported program that uses peer involvement to prevent employee use of alcohol and/or drugs while on duty or subject to call. More than 3,000 operating employees at CSX are trained as prevention committee volunteers who lead activities and projects designed to educate co-workers about the program.







# Safety

## Safety Summits Programs

CSX conducts a series of classroom Safety Summits and field Safety Tours which brings members of senior leadership to the field during daily on-the-ground work to interact with groups of up to 20 employees at time. These programs allow for open and honest discussions about safety expectations and obstacles at respective locations. This supports our ONE CSX values and behaviors by giving employees an opportunity to raise suggestions for changes to procedures and protocols to improve rail and workplace safety. In 2022, over 10,000 CSX field employees attended one or more safety summits.

## Frontline Leadership Program

Through our Frontline Leadership Program, CSX's frontline leadership walk alongside local union 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.

## Partnering with First Responders to Improve Community Safety

According to [national statistics](#), approximately 2,100 North Americans are killed or seriously injured when engaging in unsafe behavior around tracks and trains each year.<sup>12</sup> In the United States alone, a person or vehicle is hit by a train every three hours.

In 2022, we launched a community-based program and increased the number of our safety personnel to help reduce trespassing and pedestrian and vehicle traffic on rail tracks that lead to serious injuries and potential rail incidents. We focused on our initial efforts in three locations with high concentrations of pedestrian traffic and crossing collisions. We trained first responders in effective management and investigation of rail-related incidents, holding 160 classroom-based trainings for approximately 2,300 police officers.

We also joined with our long-time partner Operation Lifesaver, Inc., to conduct the sixth annual [Rail Safety Week campaign](#) to educate and empower the public to make safe decisions around trains and railroad tracks. Along with the campaign, we also unveiled a new Operation Lifesaver rail safety commemorative locomotive, painted at the railroad's locomotive shop in Huntington, West Virginia. The CSXT 4568 engine will travel the company's rail network as a visual reminder for the public to be safe at highway-rail grade crossings and near railroad tracks.







# Customer Experience

**We are committed to meeting customer demand for rail through building increased network capacity, offering new products and services and leveraging the latest technologies and digital tools.**

At 2022 year-end, key service metrics including velocity, car dwell, cars online and merchandise and intermodal trip plan performance were significantly improved over the year. Traffic fluidity improved across the network, which increased the railroad’s capacity to handle more customer shipments.

### Commitment to Customer Service

CSX is proud of the resiliency our customer service teams have demonstrated in recent years. Despite varying degrees of disruption, we responded to supply chain challenges in 2022 with innovative solutions and adjusted our operating plans accordingly, resulting in the successful transportation of 6.2 million units of freight across the United States.

Recognizing that we had to quickly adapt to deliver the best-in-class service and interaction that our customers have grown to expect from CSX, in 2022, we worked with great urgency and resolve to hire and train crew employees to handle unmet demand for rail service. By the end of the year, we had nearly reached our target of 7,000 active train-and-engine employees and eclipsed that goal in the first days of 2023.

Our successful hiring campaign significantly increased our ability to handle customer business and support service improvements, putting us on a path to re-attain — and surpass — the performance highs we reached prior to the COVID-19 pandemic. We also completed the acquisition of Pan Am Railways, significantly expanding our reach in New England markets, and introduced innovative supply chain solutions offering dock-to-dock service.

As supply chain constraints continued to impact customers in the first half of the year, our intermodal capabilities offered flexible solutions. For example, we continued to operate a temporary “pop-up” yard in a formerly dormant CSX terminal in Hulsey, Georgia, to relieve congestion at the Port of Georgia. This allowed customers to move goods by rail, rather than sit idle, to get them to their final destination.

## 2022 Highlights

CSX customers avoided emitting  
**12.5 million tons**  
of carbon dioxide by shipping  
with CSX versus truck

Invested in new technology to  
enhance the customer experience  
its ShipCSX online customer  
service platform

Launched the Environmental  
Customer Excellence Awards

## Expanding Inland Port Service

We offer services in three inland ports: Northwest Georgia, Northeastern South Carolina and Syracuse, New York. In 2022, we announced we are working with the Alabama Port Authority, which is developing a new intermodal container transfer facility in Montgomery, Alabama. The plan will re-establish regularly scheduled CSX intermodal service at the Port of Mobile. CSX will contribute up to \$12.5 million toward infrastructure improvements. The project is expected to generate 2,618 direct and indirect jobs, \$340 million in revenues for local businesses, and more than \$14.2 million in state and local taxes.

We also identified nearly 90 growth 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.





# Customer Experience

## Service Innovations

Providing excellent customer service means investing in the tools and technologies that provide added value and efficiencies.

**Intermodal Terminal Reservation System** allows us to ensure maximum flexibility and fluidity at CSX Intermodal terminals, with 99 percent of customers leveraging the technology solution to make gate reservations. In addition, our Intermodal Reservation Standby service, which operates similarly to flying standby, allows for increased reservation efficiencies and optimization.

**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 while working with customers to develop custom transfer solutions. In 2022, we expanded our multimodal focus to both the forest products group and the metals group while also adding Quality Carriers to TRANSFLO's services.

**Quality Carriers** launched an intermodal, truck-rail-truck service in 2022 after receiving the first production units of a patent-pending, 20-foot ISO tank. The tanks can move easily from trucks to rail, allowing chemical manufacturers to efficiently transport their goods while reducing their carbon footprint.

**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](https://shipcsx.com) website, we are making ongoing improvements to better support customer needs, including adding a new version of our [Carbon Calculator](#) to help customers calculate GHG emission savings. We are also adding functionality that allows customers to link their own systems to ShipCSX for even greater convenience.

Our **XGate System** not only accelerates the pace of customer deliveries, but also reduces potential emissions from idling trucks 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.

**GPS tracking** is another example of how we are taking the rail customer experience to the next level. In 2023, we are piloting [GPS tags](#) on our rail cars and containers to provide customers with up-to-the-minute location information anywhere on our 20,000-mile network. GPS is a major advancement from automated equipment identification (AEI) because it enables customers to track rail cars and container locations anywhere on the railroad, not just when they pass AEI wayside readers.

## CSX Select Site Program Adds New Sustainability Criteria to Assist Growing Companies and Communities

For more than a decade, the [CSX Select Site program](#) has been a win-win-win for customers, communities and CSX.

Through the program, CSX and its partners help locate and certify the best rail-served sites for industrial development or expansion in the Eastern United States. For manufacturers, the program helps identify sites that can be served by rail, helping increase speed to market and reducing GHG emissions. For communities, CSX Select Site provides an inventory of certified sites, primed and ready for buyers. This helps foster economic development by building the tax base and creating jobs.



Since the program's inception, Select Sites have attracted dozens of manufacturers, with capital investments projected to reach \$14 billion and create nearly 11,000 jobs.

In 2023, the program will introduce four levels of qualification — Platinum, Gold, Silver and Bronze – to further assist companies in locating properties that meet a wide range of development criteria. In addition, for the first time, criteria will include sustainability and ESG factors such as renewable energy, community impacts and brownfield site reuse. All sites will receive valuable feedback regarding potential areas of improvement and are encouraged to engage with CSX on how to continually improve their score.

## Select Site Spotlight

In 2022, Manna Beverages & Ventures—a minority-owned business enterprise—chose a CSX Select Site in Montgomery, Alabama, to develop a \$600 million beverage complex with an emphasis on production and supply chain sustainability. It is expected to create 280 full-time jobs when it opens in 2025.

As MB&V's business continues to grow, the Montgomery Select Site will provide the company with quick and reliable access to rail, enabling them to bring products to market in a cost-effective and carbon-friendly way.





# Customer Experience

## Helping Customers Meet Their Environmental Goals

Beyond providing reliable, cost-effective service, we are helping our customers achieve their carbon-reduction goals by switching from highway to rail transportation. As part of our broader growth strategy, we are continuing to invest in network capacity, customer service technology and new service offerings that will support future business growth by accelerating highway-to-rail freight conversion—a crucial step in accelerating the transition to a lower-carbon economy.

In 2022, CSX customers avoided emitting **12.9 million tons** of carbon dioxide – the equivalent of taking **2.7 million** passenger vehicles off the road — by shipping with CSX versus truck.

In early 2023, we introduced an enhanced [carbon emissions reduction calculator](#) that allows customers to see how much they are – or can – reduce their GHG emissions by transporting goods by rail versus truck. Based on customer feedback, the tool enables carload freight shippers to generate carbon savings analyses based on their historical shipment data, view year-to-date totals and year-to-year trends and apply

variables that provide additional insight for weighing carbon emission impacts when making supply chain decisions. The calculator incorporates freight type, distance and volume into its methodology. Moving forward, the Carbon Calculator will include the ability to calculate emissions savings on intermodal container shipments.

**“For our customers, carbon savings used to be nice to have. Now, our value proposition is not just the capacity we can provide or the cost savings, but the carbon savings they can achieve transporting goods on our trains that will help them meet their carbon goals.”**

**Daniel Kistler**  
Director of Marketing



## Environmental Customer Excellence Awards

Last year, we recognized six customers with our inaugural [CSX Customer Environmental Excellence Awards](#) for their contributions in reducing carbon emissions through truck-to-rail conversions the previous year. The 13 [2023](#) winners—announced earlier this year—include companies whose conversions resulted in substantial emissions savings and those who displayed environmental ingenuity in 2022.

### 2023 Highway-to-Rail Conversion Awards



### Innovation Awards





# Customer Feedback & Engagement

We improve by engaging and listening to our customers, understanding their needs and challenges and co-creating solutions together. In 2022, we were excited to return to in-person engagement.

### Customer Engagement Forum

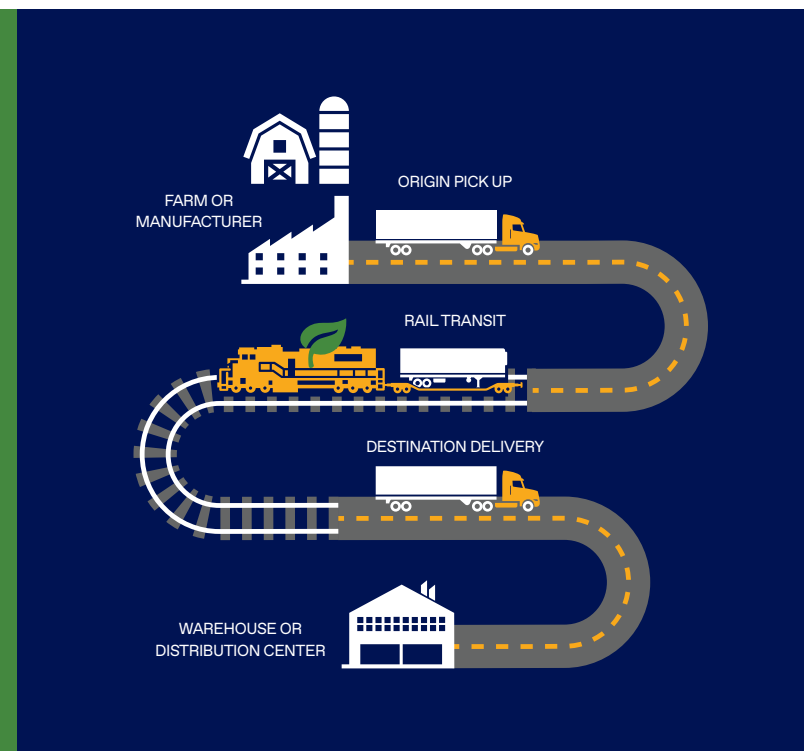
Bi-annually, we convene large CSX customers from across a range of sectors to engage firsthand with our executive team and hear from senior leadership on the state of the railroad in an intimate environment. Customer sustainability goals were a significant part of the dialogue in 2022, as well as increased visibility into shipments.

### Voice of the Customer Survey

We are continuing to conduct voice of the customer (VOC) surveys on a quarterly basis to receive feedback on priority topics to help inform how we can better serve customers.

### Art-of-the-Possible Sessions

In 2022, we rolled out a series of whiteboarding sessions with customers in forest products, metals and chemicals to develop future-oriented ways we can build new solutions to help meet their business goals. We will host sessions with additional sectors in 2023.



## CSX Greenway Provides a Sustainable Solution to Shipping Produce

In 2022, we launched [CSX Greenway](#), a new door-to-door service to help customers move fresh produce, frozen foods and other refrigerated products between the Northeast and Florida along the I-95 corridor. Through this service, refrigerated trailers pick up produce from a farm or manufacturer and transport it to CSX's rail terminals in Florida and Georgia. From there, the products are sent to New Jersey, New York, Pennsylvania and Massachusetts before reaching their final destination.

From truck to rail, Greenway offers a seamless solution that helps get perishable foods to market at a lower cost to both customers and the environment.



**Brandi John**  
Seed and Plant Manager,  
Melon 1 Sales Corporation

**“We take our watermelons from the farm to the packaging facility and then directly to New Jersey and then from there we can ship to our customers in the Northeast because of CSX. They are able to expediate our watermelons to help ensure they stay fresh for our customers.”**

[Listen to the Full Customer Testimonial Here](#)





# Our People & Partners

To keep our company, customers and communities moving forward, it takes all of our 22,500+ employees working together. By partnering with those who share our purpose, we aim to co-create a culture where every employee is valued, respected, appreciated, included and given the opportunity to develop a rewarding career.

## 2022 Highlights

# 2,000+

new conductors  
successfully onboarded

Introduced our  
**8th**

BRG  
Hispanic Origin/  
Latin American (HOLA)

### Talent Strategy:

#### Building a One-Team Workforce

We continue to evolve and transform the next phase of our culture strategy. To be our best and remain successful, we are intentionally building a workplace centered on communication, collaboration and appreciation of all our employees' contributions. Everyone at CSX plays a role in strengthening our culture, advancing our business and improving how we meet the needs of our customers. By working as ONE CSX, we are able to unlock innovation and achieve collective success.

In 2022, our strategic focus on building a one-team workforce helped strengthen our ONE CSX culture as we launched new values and behaviors to the organization. ONE CSX is both a call-to-action and an ambition we share. How we work together as ONE CSX is what unites us across crafts, regions and departments. This enables us to operate efficiently, deliver on our strategy and serve our customers.

# Workforce

We embrace our ONE CSX values and behaviors to work together as one team. These values and behaviors set clear expectations for who we are, what we stand for and how we work together every day. In addition to generating engagement, these are principles that help ensure all employee contributions are valued while further fostering a ONE CSX team workforce. When put into action, we can achieve our guiding principles of scheduled railroading, deliver on our business strategy and deliver value for our customers, communities and each other.

ONE CSX is both a call to action and ambition for our culture at CSX, where we operate as one team with all employees feeling valued, included, appreciated, respected and able to contribute to our broader business objectives.

Values	Behaviors
Work Safely	<ul style="list-style-type: none"> <li>Protect yourself and each other</li> <li>Speak up no matter what</li> <li>Don't cut corners</li> </ul>
Grow Through Service	<ul style="list-style-type: none"> <li>Be a reliable, trusted partner</li> <li>Operate efficiently to deliver on our promises</li> <li>Anticipate customer needs to create solutions</li> </ul>
Lead With Passion and Integrity	<ul style="list-style-type: none"> <li>Give your best every day</li> <li>Act in the interest of all our stakeholders</li> <li>Respect and learn from diverse perspectives</li> <li>Be open and transparent</li> </ul>
Create Our Future as ONE CSX	<ul style="list-style-type: none"> <li>Reach across teams to drive progress</li> <li>Acknowledge each other's work and contributions</li> <li>Support and develop one another</li> </ul>
Strengthen Our Communities	<ul style="list-style-type: none"> <li>Take pride in our role in society</li> <li>Positively impact where we live and work</li> <li>Commit to a sustainable future</li> </ul>

# Workforce

## Talent Management & Oversight

CSX's dedicated human resources professionals are responsible for building our talent pipeline, reaching the broadest pool of talent and supporting talent once onboard. Among their critical tasks, the team's support includes delivering quality benefits and pay offerings and integrating our social justice and diversity, equity and inclusion initiatives within the organization and delivering effective learning and development programming to support professional development.

The Compensation and Talent Management Committee of our Board of Directors oversees our executive compensation philosophy, strategy and design, as well as reviewing talent and leadership development, diversity and pay equity initiatives.

**“Our ONE CSX cultural transformation is helping refocus CSX railroaders around common goals and integrate our shared values and behaviors more deeply into our ways of working. It is strengthening how we engage across departments, crafts and geographies. While we know there is more work to be done, we are committed to this culture that inspires each of us to show up for each other every day.”**

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





# Workforce

## Talent Development & Education

In 2022, we worked to embed ONE CSX values and behaviors into our talent management processes, communications and training programs.

We continue to support the ongoing development of our employees. Whether it is building leadership skills or gaining expertise on new technologies, training and development is essential to our growth strategy.

In 2022, we expanded our portfolio of employee training and development opportunities. Other examples include:

**Career & Leadership:** We offer and support various programs to help employees hone their leadership skills including training for our frontline operations leaders and new people leaders. We also have partnerships with external organizations including, National African American Women’s Leadership Institute (NAAWLI), Generation W, UNF Executive Training, American Corporate Partners (Military Mentorship) and SOAR.

**Continuing Education:** Accredited universities and college partners offer tuition discounts to employees and their dependents.

**Scholarships & Grants:** All employees are eligible to apply for a full tuition grant from Colorado Tech University or University of Arizona Global Campus. Additionally, Columbia Southern University offers employees an annual opportunity to apply for scholarship.

**Self-Directed Learning:** CSX offers a catalog of over 3,000+ courses ranging from technical to leadership training.

**Tuition Reimbursement:** Full-time, active employees with three months of consecutive service are eligible to receive a tuition reimbursement each year.

**Virtual & Live Events:** All employees are invited to attend monthly virtual and in-person trainings, College Connections and Let’s Connect events.

### CSX Workforce Terminology

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

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

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

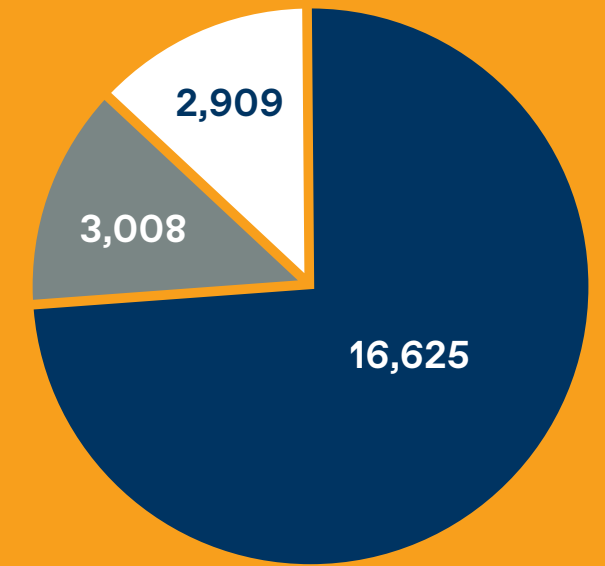
**Under-Represented:** Employees who identify as female, Black or African American, Native Hawaiian or Pacific Islander, Asian, American Indian or Alaskan Native or two or more races.

## Who We Are<sup>12</sup>

As ONE CSX, we are gathering data on our workforce, including information on race, ethnicity and identity affinities in order to get a detailed view of who is working for the company year over year. The following data is as of 12/31/2022.

### Headcount

**22,542 Total Employees**



■ Union ■ Management ■ Subsidiary Company Employees

### Under-Represented Employees in the Workforce

**22%** of Total Workforce  
**45%** of Management New Hires  
**37%** of Union New Hires  
**35%** of Management Promotions

### Women in the Workforce

**5%** of Total Workforce  
**21%** of Management  
**2%** of Union

### People of Color in the Workforce

**18%** of Total Workforce  
**28%** of Management New Hires  
**31%** of Union New Hires

### Retention

**90%** Overall Retention Rate  
**96%** Under-Represented Retention  
**15** Average Years of Service

### Generations

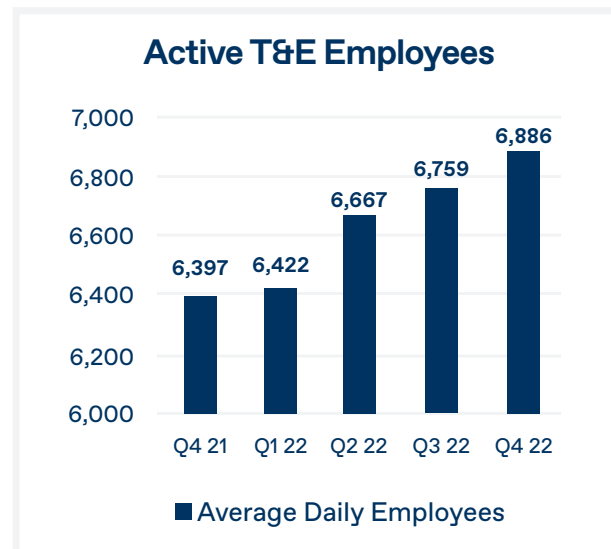
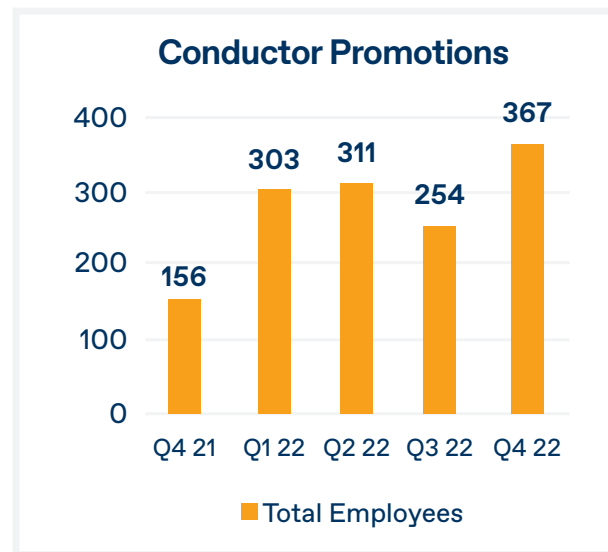
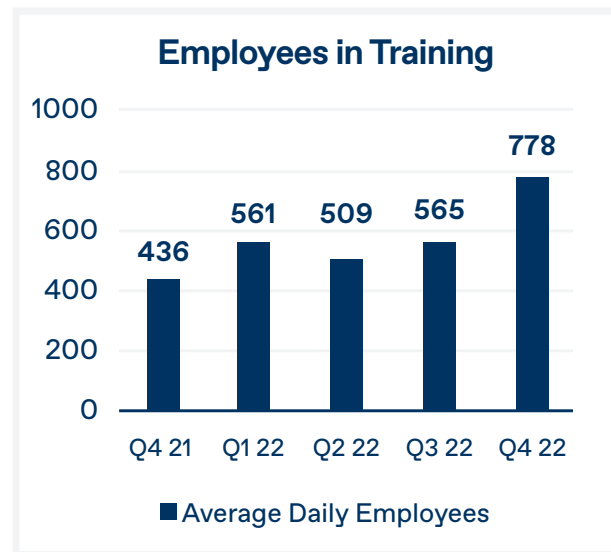
**11%** Boomers  
**54%** Gen X  
**31%** Gen Y/Millennials  
**4%** Gen Z  
**46** Average Age

### Veteran and Active-Duty Status

**16%** of Total Workforce  
**3,140** Veterans, active-duty military and first responders



# Workforce



## Operational Training Camps

In 2021, we launched operational camps in which a cross-functional group of executives instilled 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 enable managers to better leverage innovation, technology and our high-performance workforce to provide best-in-class service and unprecedented reliability to customers. We operated one Operations Training Camp each month through 2022, reaching 10 percent of Operating Management.

54

virtual or live training sessions held in 2022

160

classroom training hours for new conductors – prior to working in the field

600

total hours of training including classroom and field for new conductors

## Training in the Field

In 2022, CSX hired 2,083 conductors. To ensure new conductors have the necessary support and training needed to safely and efficiently drive locomotives, CSX brought in seasoned front-line employees to help counsel junior conductors and new hires. Through this process, conductor-mentors ride with the operator in training so they can provide real-time feedback and on-the-job learnings.

By building our employees' skills, we help prepare them to fill future open roles at CSX. In 2022 alone, 1,235 conductors were promoted to higher level roles. To further support field employees, CSX raised the training pay for conductors by 40%, eliminating the previous pay progression which started new hire conductors at a fraction of normal rates.



# Workforce

## Employee Engagement

ONE CSX is transforming how we engage and listen to our employees and act on their feedback by leveraging existing engagement mechanisms as well as new ways of building strong relationships with our workforce.

## Increased Transparency & Leader Support: On Track With Joe

The Employee Survey found that employees wanted to see increased transparency, communications, visibility and support from leaders and managers, starting with senior executives. As a result, leadership increased their field presence to bolster on-the-ground relationships and visibility. CEO Joe Hinrichs led by example, visiting more than 20 CSX train yards, terminals and sites during his first 100 days on the job.

In addition to town halls—which were resumed in 2022—we engage through people leader communications, small roundtable discussions with senior leaders, our employee intranet and electronic communications, newsletters and fliers available in our field-based offices, and training.

To complement these efforts, in February 2022, we launched an enterprise-wide Employee Survey that assessed topics including trust and business ethics, communications and talent management, satisfaction with culture and perceptions of CSX as a company and employer. Responses highlighted that we must continue to work toward critical changes – from how we respect, treat and communicate with each other, to how we serve our customers and better prepare the railroad and our employees to deliver for our customers. Over the past year, we have been intentional about taking action on and implementing this feedback.

While we plan to conduct the next enterprise-wide Employee Survey in 2024, we will continue checking in with employees on an ongoing basis by holding discussions with senior leadership and deploying quarterly pulse surveys to measure progress.

## Showing Employee Appreciation: CSX Family Days

We resumed Family Days for the first time since the pandemic to express appreciation for employees and their families across our network. Hosted in rail yards across our network, Family Days provide rail workers and their families time back to spend together, relax and connect. Events were held across Birmingham, Alabama; Avon, Indiana; Selkirk, New York; Cumberland, Maryland; Walbridge, Ohio; and Waycross, Georgia.



Hear what employees say Family Days mean to them



## Encouraging Innovation: Invitation to Think Big

Another finding from the Employee Survey revealed that many employees did not feel comfortable speaking up or sharing their ideas. To better foster idea-sharing and reinforce the belief that good ideas come from every corner of the business, we introduced the **InnovationX** challenge in early 2023. Employees are invited to submit their best ideas for capturing technology, process improvement and anything else that sparks your imagination for improving our company. Funds have been dedicated to exploring creative ideas with the most potential to drive growth and improve safety and service.

To bolster the communication lines with craft employees—who have invaluable insight from their work on-the-ground—we introduced a **Technology Check-In Form** through which they are able to submit ideas on technologies, tools and processes CSX can implement to improve the work experience.

# Workforce

## Performance Management & Professional Development

Our robust performance management process for management employees helps us measure and foster a high-performing workforce focused on delivering CSX’s business and strategic goals. Effective goal planning is an important step 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. However, CSX people leaders play an important role by providing support, advice and feedback, all of which can positively impact overall employee engagement.

Through our performance review process, employees complete a self-assessment of their progress and results against departmental and company goals. Managers gather feedback across the employees’ teams before sharing insights. While the formal review cycle is annual, we encourage having continuous conversations about goals, performance and development and sharing feedback on an ongoing basis to align with our ONE CSX strategy and CSX values and behaviors.

## Compensation & Total Rewards

CSX offers highly competitive total rewards packages for our employees designed to support employee recruitment, retention, engagement, and diversity and inclusion, as well as our growth objectives as a company. However, we understand that there is no one-size-fits-all approach to health and well-being. We work to meet the diverse needs of our employees where they are in their life journeys through tailored tools, resources and support programs.

Through our Total Rewards program, we offer benefits that support physical, mental, emotional, social and financial health, including:

- Aetna’s Transform Oncology Care program was added in 2022 and uses the latest cancer science and treatment guidelines to help oncologists start their patients on the best treatment faster
- Autism support resources
- Back-up care options for children, seniors, special needs adults and even pets
- Chiropractor and acupuncture visits

## Recognizing Contributions: Celebrating Bold Strides

Employees also told us they wanted more recognition for their vital contributions to the company. Designed to celebrate the ways employees are helping take CSX to the next level, the **Accelerate Recognition Program**—a channel through which employees recognize their colleagues’ efforts to make CSX better—was updated to include the **Honoring the Miles** years of service program, which celebrates employee service milestones every five years throughout their CSX career.



Randy Hilton and Kermit Purvis, CSX Engineering employees recognized at Q4 2022 Town Hall for saving a life using CPR

**“We understand the future of CSX rests on the actions that we take to restore the trust of our employees and our ability to work as one team to deliver great service to our customers. Trust won’t be gained with words but through stronger relationships, proper actions and candid communication and engagement.”**

**Joe Hinrichs**  
President and CEO







# Workforce

## Compensation & Total Rewards (cont.)

- Expanded medical plan coverage to include domestic partners (same and opposite sex) as covered family members
- Expanded travel services reimbursement benefit to include additional Aetna institutes of quality, additional mental health and substance abuse facilities, transgender care and female reproductive services, in addition to already covered travel benefits for transplants and pediatric heart conditions
- Financial planning services
- Health savings accounts with an employer match up to \$1,200 per employee or \$2,400 for employee plus family
- Infertility support and services
- Medical plan coverage for same- and opposite-sex domestic partners
- Student loan repayment for eligible management employees with \$200 a month, up to \$2,400 a year
- Telemedicine for acute symptoms, dermatology and behavioral health services
- Voluntary, enhanced benefits coverages for hospital stays, critical illnesses, accidents, identity theft and legal services

We regularly benchmark our compensation and benefits against railroad peers and general industry standards to help ensure CSX's Total Rewards package remains competitive. A full summary of our elective benefits is available on the [Benefits Summary](#) page of our website.

In 2022, we conducted a pay equity study to evaluate compensation practices of CSX management employees—pay for union employees is negotiated under a separate process. An independent vendor partner performed our 2023 pay equity analysis and confirmed our management employees are paid fairly and equitably. Our next analysis will occur in 2024.

## Diversity, Equity & Inclusion

DEI begins when every employee feels valued, appreciated, respected and included as part of ONE CSX. This important work has been a priority at CSX for several years and is only growing in strength over time. Our new ONE CSX values and behaviors reinforce the important elements of DEI actions, from “reaching across teams to drive progress” to “respecting and learning from diverse perspectives.”

In 2022, we worked to evolve our commitment, mission and actions related to advancing DEI across the company and embarked on a process to examine and evolve our corporate-wide DEI roadmap. The effort was led by our HR team and informed by external experts as well as focus groups and interviews with employees across a variety of levels, roles and backgrounds. These insights are helping create a refreshed DEI mission, vision and roadmap for the company which we plan to share in 2023.

As we continue moving in this direction, we recognize there is more work to be done. Last year, we began releasing our annual EEO-1 data to provide insight into the makeup of our workforce and provide transparency around how we are advancing diversity across the organization. 2022 EEO-1 data is not available at the time this report was published but can be found on our website.

Among many recent actions designed to attract and support employees with disabilities, we commissioned a third-party accessibility evaluation of our headquarters office buildings. This resulted in multiple upgrades, such as changing doorknobs to handles, installing automatic badge-activated parking lot gates with extended open time to accommodate wheelchairs, and lowering of automated external defibrillator boxes for easier access.

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

## Building a Diverse Talent Pipeline

In August 2022, CSX proudly signed the White House Talent Pipeline Challenge Pledge, an initiative designed to strengthen the nation's infrastructure and supply chains by training and hiring skilled, diverse workers. This work has led to increased collaboration with key Historically Black Colleges and Universities (HBCUs), the Congressional Black Caucus Foundation, and the National Association of Black Accountants to attract a more diverse talent pipeline.

Within our home state, we expanded our partnership with the University of North Florida by announcing \$700,000 in funding for its Diversity in Business program within the Coggin College of Business.



Employees share their CSX DEI stories



# Workforce

## Business Resource Groups (BRGs)

The year 2022 saw incredible growth in involvement in our CSX employee and community programming and a focus on the development and expansion of our Business Resource Groups. From professional development and and personal interest activities to community engagement initiatives, the CSX BRGs helped drive a more supportive and inclusive workplace in 2022. We also introduced our eighth BRG with the relaunch of Hispanic Origin/Latin American (HOLA).

**BRGs held 40+ events resulting in over 2,000 employee engagements in 2022 through a mix of virtual, in-person and volunteer opportunities.**



**ABLE Disability Inclusion Group (ABLE):**  
Focuses on fostering a sense of belonging for those living with disabilities. In 2022, ABLE hosted a virtual panel discussion with experts and parents from the CSX community, helping employees learn more about autism spectrum disorder and the ways in which people with autism learn, think and problem-solve. ABLE was instrumental in enabling Jacksonville to host one of the Special Olympics’ Race for Inclusion events for the first time and invited friends and family to join as well.



**Hispanic Origin/Latin American (HOLA):**  
Commits to the engagement and professional growth of CSX’s Hispanic and Latinx employees with a focus on recruitment, development, cultural awareness and community involvement. During Hispanic American Heritage Month, employees held a Latin dance class, which also featured Hispanic food and Latin music.



## Creating an Inclusive Workplace

In 2022, CSX was recognized as a ‘Best Place to Work for Disability Inclusion’ by the American Association of People with Disabilities and Disability:IN for the fourth consecutive year and achieved a top score of 100 on the Disability Equality Index® (DEI). The company was also named a Top Veteran-Friendly Company by U.S. Veterans Magazine, a bronze-rated employer by Military-Friendly® Companies and a Best for Vets employer by Military Times magazine.



**Asian Professionals for Excellence (APEX):**  
Seeks to promote stronger working relationships between Asian and non-Asian employees, with representation from more than 15 ethnic groups. As part of Asian Pacific Islander American Heritage Month, APEX hosted a discussion with Agnes Lopez, Filipino-American editorial and commercial photographer, to share stories of Filipino Americans serving in the U.S. military and to re-examine the history of immigration.

**“It is an honor to be recognized as an inclusive place to work, as it recognizes the hard work we have put into to making it happen. Inclusion makes us a stronger company by tapping into valuable perspectives and solutions that come from a workforce with a wide range of backgrounds, experiences and abilities.”**

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





# Workforce



**LGBTQ+A(Illies):** Focuses on advocacy, education, policy and community outreach in support of the LGBTQ+ community and engages families and friends to serve as allies. For Pride Month 2022, the group organized informative and fun opportunities open to all employees, including a conversation with Brandon Wolf, a nationally recognized LGBTQ+ advocate who serves on the Florida Advisory Committee of the U.S. Commission on Civil Rights. The group—together with our benefits partner, Progyny—also hosted a special Pride Month webinar on family-building resources focused on surrogacy.



**The Women's Business Resource Group:** Creates forums to engage aspiring women leaders on career and leadership development. In 2022, the group spearheaded numerous informational events and volunteer opportunities to raise awareness of human trafficking and the role railroaders can play in helping identify victims. Throughout Women's History Month, the group planned a month of activities ranging from weekly videos that addressed human trafficking myths to leading a team of volunteers in supporting Rethreaded, a non-profit organization that employs and counsels survivors of human trafficking.

**CSX Earns Women's Choice Award as 'Best Company to Work For'**  
CSX received a 2022 Women's Choice Award as a 'Best Company to Work For' based on female representation in the workforce, work/life balance and support networks amongst other factors. In addition to being selected as a Best Company for Women overall, CSX earned recognition as a top choice for multicultural and millennial women.



**On Giving Tuesday 2022, the Women's Business Resource Group sponsored a pop-up shop for Rethreaded at CSX headquarters in Jacksonville, Florida. All proceeds went to help Rethreaded grow its programs for survivors and raise community awareness.**





# Workforce



**Military Business Resource Group:** Supports CSX’s veterans and active-duty military employees, Pride in Service activities and employees’ families when their loved ones are deployed in active military service. CSX employees signed up, laced up and shaped up for the fifth year of the Carry Forward 5K. Participants joined in person and virtually on their own schedule. In total, nearly 200 employees raised more than \$23,000 to help fund programs that assist military service members who were wounded while serving their country



**African American Inclusion Group:** Focuses on creating a culture that embraces inclusion and promotes African American representation at CSX and within our industry. The group joined President and CEO Joe Hinrichs on a special train trip to talk about teaming up as ONE CSX to further improve the employee experience and make a deeper impact on the communities where we operate. The group also held a virtual discussion with tennis star MaliVai Washington to discuss his journey through the highest levels of tennis stardom to creating a foundation that supports young people in his hometown.



**STEAM:** Sparks interest in technology and innovation across employees in the areas of science, technology, engineering, art and math (STEAM). STEAM BRG members hosted CSX’s second annual Innovation Week, which included a series of events for employees to learn about the innovators and technologies that are supporting CSX’s strategic vision for delivering growth.







# Workforce

## Hiring for Growth

We cast a wide net to attract top talent from different industries and geographies and with diverse backgrounds and experiences. In 2022, we worked with great urgency and resolve to hire train crew employees to handle our customers' unmet demand for rail service. Through a successful hiring campaign, by the end of the year, we had nearly reached our target of 7,000 active train-and-engine employees and exceeded that goal in the first days of 2023.

We seek to attract employees through new technology, direct recruitment efforts as well as through collaboration with a wide array of partners, from local community organizations where we operate to national organizations such as G.I. Jobs.

In 2022, we added dedicated diversity and military recruiters to better identify and attract talent. In addition, we have increased our participation in hiring events with military and diversity partners. We continuously examine job descriptions for open positions, eliminating unnecessary requirements that create barriers to entry.

**"I joined the Military Business Resource Group as a member of the steering committee. It has allowed me to hone my skills as a leader as well as give back to the veterans CSX employs and those we service in our communities. Through the Pride in Service initiative, we've partnered with Operation Gratitude and Operation Homefront to put care packages together for people expecting children and backpacks together for people going back to school. Working with other CSX employees across the company and networking with people I've never had the chance to work with before have been some of the most enjoyable parts of this experience for me."**

**John Blanton**  
Real Estate Analyst



## 2022 Business Resource Group Award Winners

To recognize exceptional contributions to the BRGs, CSX honored three individuals as 2022 Business Resource Group Award winners. Recipients demonstrated positive and supportive attitudes, exemplified CSX values and behaviors, and helped drive an inclusive ONE CSX culture. Congratulations to:

### Leaders of the Year



**Christionna Griffin**  
Manager, Transportation Services



**Kim Perry**  
Senior Project Manager, CSX Technology



**Roberto Reyes**  
Senior Product Manager, Information Technology

# Labor Relations

The year 2022 was significant for labor relations in our industry and at CSX. We are proud of the progress we made together with our unions and employees covered by collective bargaining agreements. Through ONE CSX we aim to lead the industry by example, as we collaborate with employees to identify mutually beneficial solutions to challenges.

## 2022 Highlights

Being the first in our industry to provide sick leave benefits<sup>13</sup>

Raised training pay for conductors by

# 40 percent

– the highest increase for rail employees in more than 50 years

Introduced a revised non-disciplinary and non-punitive attendance policy for all craft employees

### Management Overview

Our Labor Relations team engages with 15 labor organizations and 44 collective bargaining agreements covering a variety of crafts and approximately 17,100 employees (over 75 percent of our workforce). CSX Labor Relations is responsible for acting on claims and grievances submitted by employees and unions, negotiating new collective agreements or modifying existing agreements, working with labor organizations to address operational needs, and overseeing certain critical employee relations policies such as disciplinary and attendance policies.

At CSX, our approach to engagement with unionized employees emphasizes coaching, working together and non-punitive, non-disciplinary approaches.

### Addressing Quality of Life Issues

With an emphasis on enhancing communication

and recognizing the role of our front-line employees in creating value for our customers and our shareholders, our cultural transformation includes rebuilding strong relationships with CSX’s unionized workforce and providing opportunities to work more closely with labor on solutions that improve their welfare and well-being.

In the past year, we worked collaboratively with all our union partners to find solutions that improve the quality of life for our employees, so they are able to provide the best service to our customers.

At the end of 2022, we revised our attendance policy for operations employees. In addition to addressing concerns from the recently concluded national bargaining round, the updates sought to build on previous revisions to operational testing and corrective action policies, while affording employees more flexibility with their work experience.

In early 2023, CSX reached agreements with four unions that provide [paid sick leave](#) for nearly 7,700 railroad workers, further demonstrating our commitment to listening to railroaders and working with their representatives to find solutions. These agreements are a direct result of the collaborative relationships CSX is working to cultivate, and we will continue to pursue similar agreements with our remaining unions throughout 2023. At the time of this report, paid sick leave agreements had been made with [IBEW Union](#), [SMART-MD](#), [IAM and NCFO](#), and [additional IAM and BRC Divisions](#).

**As of March 2023, 46% of CSX’s union-represented workforce has paid sick leave.**

**“We believe there’s an opportunity to build a better relationship with our employees – especially those in the field – and improve the employee experience. We know this won’t happen overnight, but building trust starts with engagement and action. At the end of the day, we want everyone to feel that they are part of the CSX team.”**

**Jeff Wall**  
Vice President of  
Labor Relations





# Labor Relations



**“It should be known that Joe works hard and does not make a ‘dog and pony show’ when it comes to giving back. It should also be understood that after meeting with several influential people in my lifetime...if they take over 10 minutes to talk to you in passing, they are probably the real deal.”**

## Johnny Walker

Union Representative,  
SMART TD/United Transportation Union



## Starting Off on the Right Track

On his very first day as President and CEO, Joe Hinrichs didn't head to his office in Jacksonville, Florida. His boots were on the ground meeting CSX rail crewmembers, listening and learning. It was the first of more than 20 visits to CSX train yards, terminals and sites during this first 100 days on the job.

Visits from Joe and members of the CSX Leadership Team are part of a concerted ONE CSX effort that will continue in 2023 and beyond to increase leadership visibility with employees in response to their feedback shared in the 2022 Employee Trust Survey. For Hinrichs, it also helped him learn and see firsthand the work CSX field workers do.



Join Joe as he travels the country to meet employees and get a frontline view of the business with the On Track with Joe video series



# Supply Chain & Economic Growth

**We are dedicated to supporting the growth of local economies in the areas where we live and operate. To achieve this, we have formed partnerships with local suppliers, which helps to reduce transportation-related carbon emissions, enhance the resiliency of our supply chain, and ultimately benefits the environment.**

## Managing Responsible Sourcing

In 2022, we continued to respond to the nation's supply chain challenges while furthering our environmental commitments as well as our customers'. Customers increasingly look to our rail-based supply chain solutions to help reduce their carbon footprint and achieve their sustainability objectives, leading to the successful transport of 6.2 million units of freight across the country in 2022.

In early 2023, we initiated six Procurement Focus Groups to help refine our current processes and approach to supplier and business partner engagements. Employees in each group will work throughout 2023 to develop cross-functional solutions and enhanced ways of working when it comes to communicating procurement policies and procedures; supplier engagement and development; and further integrating ESG into procurement practices.

## Responsible Sourcing & Supply Chain Engagement

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

Since recommitting to [CDP's Supply Chain](#) program, we have been working to find synergies and advance ESG practices on an ongoing basis with our suppliers. We require Tier 1 suppliers to report environmental data through

**Recognized by Inbound Logistics as a 2022 Green Supply Chain Partner (G75)**



CDP's questionnaires including the proportion of their GHG emissions that they can attribute to business with CSX. In addition, we request they provide company-wide sustainable practices to help us better understand our supply chain footprint. CSX and CDP held a supplier training to review best practices and priorities for reporting data.

In 2022, we identified 50 suppliers representing around 75 percent of total spend and engaged them to better glean insight into their emissions reduction goals and ESG initiatives. Additionally, we hosted a webinar to educate suppliers about CSX's own environmental goals. Moving forward, we will continue to work with our Tier 1 suppliers and through the CDP Supply Chain project to drive climate action across our supply chain.

## Supplier Diversity

Through our [Diverse Supplier Procurement Program](#), we work to strengthen supplier relationships with small businesses, as well as disability-owned, veteran-owned, women-owned, LGBTQ+-owned and minority-owned businesses. While we do not award suppliers based on preferences that would result in unfair competitive advantages over others, we are committed to actively seeking and engaging diverse suppliers to compete for opportunities to support CSX. In 2022, we proudly worked with over 150 diverse suppliers representing more than \$333 million in spend.

	2020	2021	2022
<b>Total Procurement Spend</b>	\$3.4 billion	\$3.5 billion	\$4.6 billion
<b>Number of Suppliers</b>	3,732	3,440	3,487
<b>Total Diverse Supplier Spend (Includes Tier 2)</b>	\$23 million	\$327 million	\$333 million
<b>Total Number of Diverse Suppliers</b>	164	157	153

## Goal Progress Update: 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

**2022 Performance:** Engaged 50 top-tier suppliers through CDP Supply Chain with 38% participation



# Supply Chain & Economic Growth

## Driving Local Economic Opportunity

As we look to expand engagements with our supply chain, we are also looking for opportunities to partner with customers and urban territories to strengthen our communities. In 2022, we continued to drive local-level economic growth and opportunity through our community investments and infrastructure projects.

State	Track Miles*	System Capital Investments
Alabama	1,469	\$157,475,171
Connecticut	215	\$1,407,201
Delaware	127	\$2,620,127
District of Columbia	70	\$1,540,179
Florida	2,361	\$228,273,460
Georgia	2,602	\$228,967,098
Illinois	1,169	\$54,453,952
Indiana	2,487	\$70,479,636
Kentucky	2,860	\$73,959,282
Louisiana	134	\$19,592,235
Maine	518	\$3,853,219
Maryland	1,345	\$85,574,553
Massachusetts	545	\$13,592,888
Michigan	1,123	\$2,165,279
Mississippi	130	\$20,997,804
New Hampshire	113	\$—
New Jersey	977	\$9,989,932
New York	2,570	\$77,534,546
North Carolina	1,709	\$57,363,975
Ohio	3,891	\$116,133,692
Ontario (Canada)	48	\$88,565
Pennsylvania	2,015	\$46,983,423
South Carolina	1,754	\$78,207,688
Tennessee	1,522	\$104,747,128
Virginia	1,986	\$64,228,030
West Virginia	1,951	\$60,408,185
Quebec	59	\$390,339

\*Including yard, sidings, and mainline track



## Championing Economic Investment: Chicago Projects to Improve Traffic Flow & Intermodal Capacity

CSX held a groundbreaking ceremony to announce the construction of a new \$25 million intermodal container storage yard at 63rd Street in Chicago in June 2022. The project aims to transform a former industrial site and will provide additional options for manufacturers and distributors throughout the region, while supporting the local economy.

As a member of the neighborhood for 20+ years, CSX is proud to invest in the Englewood community to bring additional options for manufacturers and distributors throughout the region and bring more jobs and business opportunities to local residents.



Watch the [video](#) to hear community stakeholders share what the investment means to them

# Social & Community Impact

At CSX, service is core to who we are and is at the heart of every decision we make, whether for our customers, our employees or our communities. This commitment is reflected in our new ONE CSX value focused on strengthening our communities.

## 2022 Community Engagement Highlights

Contributed nearly  
**\$10.4M**  
in financial support

CSX employees donated  
**12,300**  
volunteer hours and  
**\$216K**

Supported  
**315,000+**  
military, veterans, first responders  
and their families with \$7 million  
in contributions through Pride in  
Service programs

Distributed  
**400+**  
grants to  
service members

Granted  
**192**  
youth scholarships

Sponsored  
**751**  
community events

# Pride in Service

Since 2018, CSX Pride in Service (CPIS) has helped reach hundreds of thousands of first responders, veterans and military family members. As Pride in Service has continued to grow and evolve, we have tailored our approach to better serve the ever-changing priorities of our nation's service members.



## Serving Those Who Serve

Pride in Service is our company-wide commitment to honor and serve those who serve our country and our communities—our nation's veterans, military, and first responders. This cause is important to us as nearly one in five of CSX's own employees have served in some capacity.








# Pride in Service

## Serving Those Who Serve (cont.)

Many military bases are located in or near the communities that our trains roll through every day, and we employ our own railroad police — our special agents. Through Pride in Service, in collaboration with our nonprofit partners, we connect first responders, service members, and their families with the resources and support they need—when they need it and where they need it.

To help fulfill our commitment, we partner with several of the nation's leading veteran, military family and first responder organizations. The following founding partners each address unique areas of need within the service community.

-  Blue Star Families
-  First Responder Children's Foundation
-  Operation Gratitude
-  Operation Homefront
-  Wounded Warrior Project

We take a comprehensive approach to providing support via grantmaking, employee volunteerism, thought-leadership, community-based events and custom programs. Over four years, Pride in Service, has expanded to make connections with beneficiary audiences most in need, including: first responder and

military-connected families facing financial and emotional hardships, children of deployed troops, children of fallen first responders, spouses moving into new communities, racially and ethnically diverse military families, veterans transitioning in the workforce and wounded warriors – delivering unique impact for each group at the national and local levels.

In 2022, CSX worked with our partners to better understand the most pressing issues facing our target audiences. To better assess the needs of these groups, CSX supported research initiatives including the Blue Star Families' Military Family Lifestyle Survey and Racial Equity Initiative, as well as the Wounded Warrior Project's Annual Warrior Survey.

## 212,000

warriors reached through the CSX-sponsored Wounded Warrior Project's Annual Warrior Survey released in 2022.

## 2,731

military family members of color surveyed and over

## 19,000

policymakers and leaders were reached through the CSX-sponsored Blue Star Families' Social Impact Research 2021: The Diverse Experiences of Military & Veteran Families of Color.

From these results, deep collaboration with partners on trends and insights, as well as an evaluation of our impact over time, CSX was able to identify and prioritize funding and support across four specific areas:

- Bridging Community Divides
- Mental, Social & Emotional Health
- Food Insecurity & Financial Assistance
- Workforce Development

### Bridging Community Divides

Due to the unique lifestyle of servicemembers, including deployment, relocation, unpredictable schedules and absent family members, many lack a sense of belonging and connection to their local community. According to [Blue Star Families' 2022 Military Family Lifestyle Survey](#), only 36% of respondents either “somewhat agree,” “agree,” or “strongly agree” with the statement “I feel a sense of belonging to my local civilian community.”

Relationships between law enforcement and local communities continue to be strained in many areas and nationally. As such, we are committed to fostering deeper connections between the military, first responders and their civilian neighbors. To do this, CSX funds programs that bring these communities closer together, encourages employees and volunteers to participate in acts of gratitude and hosts community-based events.

- **Welcome Week:** For example, Pride in Service proudly sponsors Blue Star

Families' Welcome Week, a national initiative aimed at ensuring all military families who have relocated feel more at home in their new communities, given that one-third of military families move in a given year, compared to just 13% of civilian families.

- **Toy Express:** CSX also supports First Responder Children's Foundation programs that foster positive reasons for law enforcement officers to connect and communicate with local youth, including toy giveaways like the holiday event, Toy Express.<sup>14</sup>

### Mental, Social & Emotional Health

While mental health is a growing issue for almost all audiences, service members face unique dangers and hardship in the line of duty as well as abrupt transitions into civilian life which can take a toll on their overall mental, social and emotional well-being.

- **Suicide Prevention Training:** Together with Wounded Warrior Project, CSX supported mental wellness initiatives, including suicide prevention training offered to civilians to help them understand the warning signs as well as what support resources are available to help. Many CSX Special Agents have elected to take this training, given their role “on the ground” in keeping communities safe. We also worked with WWP on a PTSD awareness campaign to ensure that all Warriors are aware of the available resources to help them carry the invisible wounds they bring home with them.

# Pride in Service

- **Care Packages:** CSX also works with Operation Gratitude to bring together railroaders, community volunteers and local service members to assemble care packages and pouches to boost the morale and overall well-being for U.S. troops in Eastern Europe and local community first responders. Last year events were held in Jacksonville, FL, Tampa, FL, Troy, NY and Waycross, GA.

## Financial & Food Insecurity

Many military members and their families are plagued with financial hardships resulting in an inability to make ends meet and provide for their families.

- **Financial Relief for First Responders & Family:** In 2022, CSX worked with the First Responders Children’s Foundation to provide financial relief to first responder families facing financial hardship, including those who had lost a loved one in the line of duty. This included providing 192 college scholarships to children of first responders, the highest amount to-date.
- **Providing Financial Assistance & Resources:** We also partnered with Operation Homefront, providing more than \$3.2 million in critical financial

assistance to struggling military families in 26 states. Additional initiatives with Operation Homefront include Star-Spangled Baby Showers and Back to School Brigades that provide gifts and critical supplies to ease the financial burdens associated with these milestones as well as the United We Stand campaign which raises critical funds for veterans transitioning back to the home front.

“These scholarships change our lives because that is the way we can further our education. Without that generosity, it’s not always possible to go to school.”

**Mabel Jesse**  
FRCF Pride in Service Scholar



## Workforce Development

Service members often find themselves unemployed or underemployed when transitioning into the civilian workforce due to the lack of networking opportunities and the need to reskill.

- **Warriors to Work:** CSX helps veterans transition to the civilian workforce through the WWP’s Warriors to Work program. In 2022, CSX’s Military BRG partnered with WWP to provide servicemembers in communities where we operate with information about transitioning to civilian life and a panel discussion during which warriors shared their own success stories.
- **Veteran Mentoring:** CSX also partners with American Corporate Partners, (ACP), to provide more than 30 employee mentors to veterans seeking job placement. Pride in Service also works closely with our HR and talent teams to connect our partners serving military and veterans to share open positions and help build our own pipeline. More than ten warriors in the WWP network have been placed into CSX positions.





# Pride in Service

## Supporting Employees' Passion for Giving Back

CSX makes it easy for employees to volunteer and support causes that matter to them. 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. To encourage employee support of organizations that promote social justice, we offer a two-to-one company match.
- **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.

### Over 3,200,000

items of gratitude gifted or deployed to military members and their families

### Nearly 1,500

events held to support moments of transition and financial stress

### Over 450

scholarships given to the children of first responders impacted by injury or death in the line of duty or overall financial strain

### Nearly 19,000

grants distributed to financially support first responders, service members and their families

### 8

Blue Star Families Community Chapters supported



## CSX Recognized with the Blue Star Families Corporate Philanthropic Award

Blue Star Families awarded CSX the Constance J. Milstein Philanthropic Award, which showcases the power of partnerships and aims to inspire more companies to give in meaningful, results-driven and forward-leaning ways.

Our partnership with Blue Star Families encompasses eight chapters throughout our network, including the New England and National Capital Region Chapters that were launched in 2022. We also support ongoing research on military families to continue to find new ways to close the military-civilian divide. Through localized support from their chapter model, we are able to deliver critical resources to military families that need it most.

**"I want to thank our entire ONE CSX team for continually demonstrating the power of teamwork. I am in awe of the work you have done and all that you have accomplished together."**

**Joe Hinrichs**  
President & CEO



# Social Justice & Racial Equity

CSX believes that social justice and racial equity is imperative for expanding economic prosperity for all people, in all communities. Our commitment is rooted on building a culture of inclusion raising our voice and standing with others against racism and in support of inclusivity, tolerance and equity for all.

## 2022 Highlights

# \$216,000

contributed to employee-designated organizations, impacting communities across our network

# 16,000+

CSX employees engaged to-date via City Year partnership

# 15

teams of City Year AmeriCorps members working in schools across the U.S.

### Commitment to Social Justice and Racial Equity

CSX believes that social justice is essential for expanding economic prosperity for all people, in all communities. We are committed to building a stronger country, company and communities by supporting activities that enable everyone to contribute the full extent of their abilities. CSX supports social justice and combats racial inequities through a detailed action plan that promotes engagement, education and opportunity, both in the CSX workforce and in the community.

As we work to address social justice with purpose, we are continuing efforts with our own social justice advisory roundtable which oversees the company’s racial justice action plan and efforts. This group reflects a diverse range of perspectives and expertise and is responsible for developing strategy and overseeing the Company’s social justice action plan.

### Social Justice Action Plan

#### Awareness, Education and Communication:

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

#### Potential or Perceived Inequities:

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

#### Employee Development:

Enhancing professional development for mid-level managers; increasing mentoring opportunities and leadership coaching for people of color; sponsoring industry-related diversity resource groups; and developing executive sponsors and leaders of BRGs.

#### Voter Education:

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

The internal portion of the plan includes specific items that directly impact employees and improve the corporate culture, ranging from anti-racism awareness seminars and development opportunities for people of color to voter education and changing potentially offensive job titles.

Externally, the plan includes partnerships with organizations that promote anti-racism awareness and provide support for people and communities of color.

**“At CSX, we recognize we are stronger—as a company, community and country—when we are able to show up as our full selves and know that everyone is valued and respected . . . addressing barriers to social justice is key not only for personal well-being but for economic development within communities.”**

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





# Social Justice & Racial Equity



## Addressing Social Justice & Racial Equity

In 2022, we continued to partner with organizations that focus on awareness, education and empowerment.

CSX joined with other organizations and business leaders in support of the [Together Strong Community Fund](#) to promote diversity, equity and inclusion in Jacksonville, Florida. CSX's \$100,000 contribution will help the fund develop education, conversation and interaction initiatives to address antisemitism and bring the community together.

We also teamed up with the United Way of Northeast Florida to sponsor the inaugural **Jacksonville Civil Rights Conference**. Tammy Butler, CSX Vice President of Internal Audit, addressed attendees on how diversity, equity and inclusion are fundamental to CSX's culture and long-term success.

Together with **City Year**—a CSX partner since 1995—we continued advancing social justice programming to help build the next generation of leaders and engage employees, customers and community members in service days throughout the year. CSX participates on various City Year Boards and sponsors 15 teams of City Year AmeriCorps members working in schools across the U.S. In 2021, we launched the 100,000 Steps Toward Social Justice initiative which supports systemically under-resourced schools with the tools they need to help children succeed. In 2022, CSX employees from 12 states also supported City Year AmeriCorps members in Jacksonville, Philadelphia and Washington, D.C.



Get a closer look at the City Year program in action

Through our two-to-one company match on employee donations, we support organizations promoting social justice on the front lines. In 2022, we supported seven groups, including **100 Black Men**, a group that develops and supports leadership in building stronger Black communities, and the **Southern Poverty Law Center**, which works in partnership with communities to dismantle white supremacy, strengthen intersectional movements and advance human rights.



Learn more about our commitment to social justice and racial equality in our report 'Alignment of CSX's Political Contributions & Lobbying Activities With the Company's Commitments to Anti-Racism'

## 2022 Social Justice Matching Program Partners

- 100 Black Men
- Brennan Center for Justice
- Color of Change Education Fund
- NAACP Legal and Defense Education Fund
- National Urban League
- Southern Poverty Law
- UNCF

## Congressional Black Caucus Foundation (CBCF) 2022 Milestones

CBCF seeks to advance the Black community by developing leaders, informing policy and educating the public. 2022 highlights include:

- Financially supported and participated in an annual event that provides scholarships for minority students in South Carolina who attend college or trade school.
- Attended Congressional Black Caucus Foundation's 51st Annual Legislative Conference in Washington D.C., to support the advancement of diversity and inclusion across the broader transportation industry.
- Engaged Dr. Dietra Trent, Executive Director of the White House Initiative on Historically Black Colleges and Universities, to discuss a job fair and the Administration's diversity and inclusion goals by increasing hiring of graduates.



# Community Safety & Disaster Relief

Many of the communities where we operate were impacted by extreme weather events in 2022 and CSX was there to help – not only by delivering critical food, water and rebuilding supplies, but also through financial support.

## 2022 Highlights

# \$138,500

granted through CSX's Employees Disaster Relief Fund (EDRF)

# 21

CSX employees supported with EDRF

[Learn how we partner with Operation Lifesaver to keep our communities safe](#)

We contributed \$200,000 to the American Red Cross and Florida's Disaster Fund as they worked to help communities in Florida and South Carolina affected by [Hurricane Ian](#). We also joined the relief effort for Eastern [Kentucky residents](#) impacted by floods in August 2022. CSX funding helped the American Red Cross, the Team Eastern Kentucky Flood Relief Fund, and the Kentucky Steam Heritage Corporation bring relief to thousands of residents.

Many of our own people were impacted by these same and other unexpected emergencies. Employees throughout the network can support their colleagues by making a tax-deductible contribution to the CSX Employees Disaster Relief Fund (EDRF), or the Red Cross through the CSX Matching Gifts program. CSX matches employee contributions of up to \$1,000, dollar-for-dollar. In 2022, CSX distributed more than \$138,000 in grants to support 21 employees who had been impacted by medical issues and property damage due to natural disasters.



Operation Lifesaver is an education and awareness organization dedicated to ending collisions, fatalities and injuries at highway-rail grade crossings and along railroad rights-of-way. Each year, Operation Lifesaver's network of authorized volunteers conducts free programs on rail safety education for hundreds of groups around the country. Most are volunteers donating personal time to speak with such audiences as schoolchildren, community organizations, driver education classes, and professional truck and bus drivers. They also provide specialized training for law enforcement officers who investigate highway-rail grade crossing collisions, as well as first responders to ensure their personal safety when responding to a rail incident.





# Environmental Sustainability

In addition to helping customers decrease their environmental impact by moving goods and materials by rail, we are taking action to reduce our own GHG emissions, divert waste from landfill, conserve natural resources and clean up the sites on which we operate.

## 2022 Progress on Environmental Goals

CSX remains dedicated to advancing innovative solutions and progressive action in our operations to reduce our impact on the environment as we track toward specific targets. In 2022, we continued to make progress on our set of 2030 goals.



## Environmental Management and Oversight

Our Board of Directors maintains ultimate responsibility of environmental stewardship and compliance of our operations. The Governance and Sustainability Committee of the Board oversees environmental matters, risk oversight and evaluation, including risks associated with climate impact.

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

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

GHG Emissions	
Goal	Continue working towards 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
2022 Performance	Achieved 13.1% reduction in Scope 1 and 2 emissions intensity since 2014
Renewables	
Goal	Increase the company's use of renewable energy to 50% of the Scope 2 footprint
Plan	Develop a viable Scope 2 strategy to include partnerships, energy audits, energy efficiency retrofits and renewable energy
2022 Performance	Continued forward progress with strategies for power purchase agreements and the purchase of renewable energy credits
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
2022 Performance	Worked with field employees to help reduce hazardous chemical usage and reduce disposal; identifying new strategies for material circularity
Sustainable Operations	
Goal	Expand efforts to engage our supply chain through evaluation of GHG quantification, ESG goals and evaluation of risks and opportunities by engaging our suppliers through CDP Supply Chain
Plan	Partner with suppliers to create efficiencies and positively impact our businesses, our stakeholders and the environment
2022 Performance	Engaged our top 50 suppliers by spend through CDP Supply Chain with 38% participation



# Environmental Sustainability

Our [Environmental Policy](#) guides our decisions and actions for delivering positive impacts. We measure and track our performance through our enterprise-wide Environment Management System (EMS). It incorporates major elements of ISO 14001 and is certified under the requirements of the American Chemistry Council (ACC) Responsible Care® management system. We voluntarily incorporate the U.S. Environmental Protection Agency National Enforcement Investigations Center's Compliance-Focused EMS and other industry-specific standards. CSX regularly reviews and updates the system and employs a third party to verify the effectiveness of existing programs.

**“By prioritizing sustainability and green initiatives throughout our operations, we are positively impacting our workplace culture, customers, partners and our overall business results. We look forward to expanding these efforts and delivering additional solutions and innovations that are reliable, cost-effective and operationally efficient.”**

**Raghu Chatrathi**  
Senior Director of  
Public Safety, Health  
and Environment





# Climate Change

As the impacts of climate change intensify, we are stepping up our actions to mitigate the risk to our business and accelerating efforts to achieve our science-based GHG emissions target.

## 2022 Highlights

# 520 miles

moved one ton of freight on a single gallon of fuel

### Emissions & Energy

CSX's GHG emissions reduction goal is among the most aggressive in the transportation industry, targeting 37.3 percent reduction in GHG intensity by 2030, against a 2014 base year. Our target was validated by the Science-Based Target initiative (SBTi) in 2020 in alignment with a well-below 2-degree target.

Increasing the fuel efficiency of our locomotive fleet will have the greatest impact in reducing our overall GHG reductions. We are pursuing multiple technologies and are already seeing results; in 2022, we moved 1,000 gross ton-miles of freight on less than one gallon of fuel, making CSX as much as four times more fuel efficient than trucks on average.

As we work to track and manage our GHG emissions, our priority is reducing our Scope 1 and 2 emissions where we have the greatest control and, thus, the most direct ability to drive change. Tracking Scope 3 emissions, which are not in our direct control, is significantly more complex. We are requesting that our Tier 1 suppliers report environmental data through

## Renewable Energy Community Solar Programs

Within our non-rail operations, we are working to decrease our Scope 2 emissions by purchasing renewable energy through community solar programs. We are also exploring on-site solar opportunities for several of our Total Distribution Services Inc. (TDSI) terminals.

In 2022, we executed an agreement for the Champlain Hudson Power Express (CHPE) high voltage direct current (HVDC) transmission line project that will deliver 1250 megawatts of clean and renewable hydro power from Quebec to New York City. A 50-mile portion of the 339 HVDC transmission line will be located within the CSX corridor. CHPE will play a key role in lowering GHGs, creating jobs and generating billions of dollars in new investment in New York's economy while delivering low-cost renewable energy to New York state, and contribute 28% toward achieving New York City's GHG reduction target by 2030.



CDP's questionnaires including the proportion of their GHG emissions that they can attribute to business with CSX and company-wide sustainable practices. Through December 2022, 38 percent of our requested suppliers provided emissions data through CDP. Moving forward, we will continue to work with our Tier 1 suppliers and through the CDP Supply Chain project to drive climate action across our supply chain.



**CSX earned a place in the Climate Leadership Awards (CLA) Hall of Fame which recognizes companies for their commitment to increasing sustainability and lowering carbon emissions.**

# Climate Change

From 2014 through 2022, we have improved fuel efficiency by 13.1 percent – an emissions intensity reduction of 13 percent. We measure our Scope 1 and 2 GHG emissions in accordance with the GHG Protocol.

## Aligning Our Emissions Reduction to Our Science-based Target (37.3% reduction)

Year	Value	Year	Value
2014-2015	-0.9%	2019-2020	-3.4%
2015-2016	-3.7%	2020-2021	-2.1%
2016-2017	-0.5%	2021-2022	2.9%
2017-2018	-2.2%	<b>2014-2022</b>	<b>-13.1%</b>
2018-2019	-3.9%		

During 2022, CSX experienced multiple government and supply chain pressures that required additional energy and locomotive horsepower to improve performance. While train velocity and trip plan performance were improved through the year to meet customer demands, fuel efficiency temporarily declined. We remain fully committed to reducing our carbon emissions as we prioritize technology and alternative energy sources to help sustain the progress we have made.

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

Year	Scope 1 Value <sup>15</sup>	Scope 2 Value	Scope 3 Value
2020	3,815	185	179
2021	3,956 <sup>15</sup>	144	325
2022	4,080	134	221

## Reducing Emissions at our TDSI Terminals

TDSI operates a network of automobile-distribution storage locations in Eastern, Gulf and Southeastern ports, transporting customer products from one transportation mode to another – rail car to truck, truck to rail car, or rail car to ship. To help reduce its emissions, TDSI purchased its first electric shuttle van in 2022. The carbon-free shuttle picks up TDSI employees after they deliver a vehicle to a storage or waiting area and returns them to the terminal. In Jacksonville, TDSI is piloting autonomous shuttle vans. TDSI will use the pilot results to determine

if it will scale up a fleet of Electric Vehicle (EV) autonomous shuttles at its terminals over the next three to five years.

Additionally, in 2023, TDSI will be the first in the rail industry to use a battery-powered, rather than gas- or diesel-powered, ramp to unload vehicles from train cars. The battery will be 100 percent solar-charged. We plan to install five ramps in 2023 at our Jacksonville terminal.





# Climate Change

## Climate-Related Risk

### Management & Oversight

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. Once a risk is identified and deemed material and strategic to our business, we integrate it into our multi-disciplinary company-wide risk management process.

### 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. As part of this analysis, we applied an internal methodology to evaluate potential scenarios where climate change and other types of disruption may impact operations and safety. We consider climate-related risk and opportunity types based on the TCFD risk types and classifications. Our analysis considered:

- **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 on growth and technology projections

The following are the key risks and opportunities we identified. We continue to use this to plan for business continuity and to 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 latest CDP Climate Change response and the TCFD index in the appendix of this report.

## Climate-Related Risks

Risk Type	Classification	Description
Physical	Acute	CSX's rail network encompasses approximately 20,000 route miles of track across 26 states, the District of Columbia and two Canadian provinces. As such, weather-related impacts on the company's operations are a regular part of business and are incorporated into the company's operational and financial planning.
Physical	Chronic	Since the CSX operating network includes potentially vulnerable bridges, trackage, facilities and customers along these coastal routes, assessing chronic physical climate-related risks is relevant and always included in the risk assessment process.
Transition	Current and Emerging Regulation	Legislation passed by Congress, new regulations issued by federal agencies or executive orders issued by the President of the United States can significantly affect the revenues, costs and profitability of the company's business.
Transition	Legal	CSX is subject to wide-ranging federal, state, provincial and local environmental laws and regulations concerning, among other things, discharges to air, land and water; handling, storage, use, generation, transportation and disposal of waste and other materials; clean-up of hazardous material and petroleum releases; and the health and safety of employees.
Transition	Market	Fluctuations in market conditions can have significant impacts on CSX revenues, and global economic conditions could negatively affect demand for commodities and other freight. 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.

# Climate Change

## Climate-Related Opportunities

Opportunity	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 20,000-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.

## Compliance

The CSX Environmental Operations team is responsible for overseeing and engaging on all local and federal compliance matters. In 2022, this included:

- Maintained 40 Clean Air Act permits and 170 Clean Water Act permits across our networks
- Conducted 103 compliance reviews of our facilities and an annual review of all environmental management processes
- Completed risk profiles at each of our facilities, as needed



## Responsible Care Partner Program

Every three years, CSX reapplies for its Responsible Care Partner Program Certification, overseen by the ACC. 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 March 2022, we completed our latest review and received [recertification](#).



# Fuel & Locomotives

While rail transport is already one of the least carbon-intensive modes of transportation, we are working to reduce its impact even further. We are investing to develop, test and bring to scale emerging alternative fuels and other technologies that will bring about an even more sustainable future for rail.

## 2022 Highlights

Awaiting regulatory approval to become the first railroad to use Trip Optimizer's Zero-to-Zero function

Implemented Trip Optimizer across the entire mainline network which saved approximately

**38 million**  
gallons of fuel in 2022

At CSX, the next generation of fuels and propulsion technology is already in development. Fuel efficiency is the primary driver of GHG reduction.

In 2022, we continued to expand our use of cutting-edge fuel-saving technologies with a pilot program testing bio-fuel use in locomotives.

“At CSX, we are committed to finding, testing and implementing innovative alternative fuel solutions to minimize our environmental impact. From biofuels to battery-powered locomotives, we are ensuring sustainability for both our long-term business strategy and the planet.”

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



## Rebuilding Locomotives for Bio-Impact

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 locomotives by assessing opportunities to rebuild or “repower” engines so they run cleaner and more efficiently on new and emerging fuels that help reduce carbon emissions.

## CSX Locomotive Fleet

Year	2020	2021	2022
Freight	3,142	3,126	3,194
Switching	219	212	237
Auxiliary	178	178	177
Total	3,539	3,516	3,608



# Fuel & Locomotives

## Locomotive Engine Improvements

We know that reaching net-zero will require multiple pathways within the rail sector, and we are committed to exploring all options.

In 2022, partnering with Wabtec, we began a pilot test program of a 20 percent biodiesel fuel blend (B20) in 10 rebuilt FDL Advantage locomotives with a new high pressure common rail fuel system. Originating in our Tampa, Florida, rail yard, the 10 locomotives are being tested in a controlled service area which benefits Mosaic, our local customer. We are testing to understand the impact on engine components, maintenance and performance. Testing will continue over the coming months and we anticipate submitting data for EPA certification in 2024 for approval of long-term use of B20 fuel.<sup>16</sup>

We are also 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.

CSX is researching and collaborating for innovative solutions that will become the next generation of locomotive power. Additional engine alternatives we are actively exploring include:

- **Liquified natural gas** for locomotive fuel. Additionally, we are working on a concept that uses compressed natural gas to supply a generator that in turn supplies power to locomotives.
- **Hydrogen** as a long-term fuel alternative. New for 2023, CSX and Canadian Pacific Kansas City (CPKC) have announced their intent to enter into a joint venture to build and deploy hydrogen locomotive conversions kits for diesel electric locomotives. CSX is planning to convert one of its diesel locomotives with a hydrogen conversion kit developed by CPKC at the Huntington, WV locomotive shop. This collaboration with CPKC demonstrates CSX's commitment to implementing alternative fuel solutions that could further improve our emissions reduction and offer our customers an even more environmentally friendly transportation solution. This initiative will help CSX and the rail industry achieve long-term carbon reduction targets with zero-emission locomotives.
- **Battery-electric** locomotives based on studies we conducted in 2022 that showed zero emission, battery powered locomotives are viable in some local and yard operations.

## Innovating for Fuel Efficiency

In addition to innovations in fuel efficiency, we are maximizing sustainability and efficiency through a number of automation technologies, initiatives and process changes.

### Trip Optimizer Zero-to-Zero Technology

In 2020, CSX was the first railroad to test Wabtec's new Trip Optimizer Zero-to-Zero technology. Trip Optimizer is a smart system for trains that is similar to cruise control. It automatically controls locomotive throttle and brakes to lower fuel burn based on dynamics like the terrain and speed restrictions. We already use Trip Optimizer technology across our mainline fleet of locomotives, helping us save approximately 38 million gallons of fuel a year – or an average savings of 1.4 gallons of fuel per auto mile. Trip Optimizer Zero-to-Zero technology is expected to help us save an additional five million gallons of fuel per year. As of April 2023, we continue to work with the FRA to test and implement the technology.



Watch CSX become the first railroad to test Wabtec's Zero-to-Zero Trip Optimizer

### 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. In 2022, we upgraded approximately 180 of our locomotives to DP, bringing our total to 1,200.

## 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 since 2000 in idle reducing technologies which are 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.

**Idling-reduction technology can reduce unnecessary idle time by 50%<sup>17</sup>**



# Fuel & Locomotives

## Meet Pass Planner (MPP)

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.

## Trailing Unit Shutdown

We continued to implement a trailing unit shutdown process, an operational change that provides 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.

## Wi-Tronix Fuel Monitoring

Wi-Tronix's fuel management system is helping us reduce fuel spend and consumption through better remote monitoring of speeds and idle times. This allows us to work with our rail crews to eliminate excess idle times and improve overall efficiency.

## Recognized for Environmental Leadership

In 2022, we were proud to be recognized by Toyota Logistics Services with its annual Environmental Leadership Award for our efforts to deliver innovative sustainability solutions that improve operational efficiency and provide reliable and cost-effective service.

One example of our efforts noted in the recognition is an initiative to upgrade air compressor systems at railyards across our network. The outdated systems experienced maintenance and operational issues that often resulted in train delays. Designed by CSX, our new dual-redundant smart system allows crews to complete air brake testing without idling the engine. It also cuts total system run time, reduces energy expended, improves fuel efficiency and decreases related GHG emissions.



## Training Spotlight: Operating Locomotives with Efficiency in Mind

CSX provides locomotive operating employees with training, education and feedback to help them operate locomotives in the most fuel-efficient manner possible to reduce Scope 1 emissions. We use locomotive Event Recorder Automated Download (ERAD) technology to monitor and record train operations data and provide feedback to the engineers on how to adjust their locomotive operation to improve fuel efficiency.

Our locomotive engineers are also trained on locomotive simulators, developing best practices and improving their awareness of fuel-efficient train handling.



# Recycling, Reuse & Waste

CSX is working toward a circular future by reducing the amount of waste generated and maximizing reuse and recycling wherever possible. The majority of the waste we generate comes from locomotive and equipment maintenance activities required for ongoing operations. Examples of our waste reduction efforts include:

- **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, we recycle more than two million gallons of oil.
- **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. In 2022, we onboarded three new partners in different regions for tie disposal. This will decrease miles traveled to pick up ties and transport them to disposal centers, further reducing our overall GHG emissions. In 2022, the only cross ties that were recycled were concrete ties.

## Materials CSX Recycles

Material	Unit of Measurement	2020	2021	2022
Used Oil	Million Gallons	1.77	1.26	1.05
Batteries	Short Tons	266	327	259
Steel	Short Tons	137,069	329,481	109,846
Cross Ties	Millions	1.47	0.38	--
Asphalt	Short Tons	121,215	115,354	102,290
Concrete	Short Tons	33,135	--	43,117

We also work with partners to repurpose locomotives. Not only does this extend the locomotive's life, but it also reduces carbon emissions by avoiding incineration.

We also support recycling and waste reduction in our non-rail operations. Through our recycling program at our Jacksonville headquarters and other administrative offices, 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. Additionally, 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.

Coming out of the COVID-19 pandemic, we have also re-instituted re-usable plates, glasses and cutlery in our Jacksonville cafeteria. Additionally, we are exploring local partnerships to donate excess food to those in need.

## Hazardous Waste Disposal

A very effective way to reduce the generation of hazardous waste is to review operating procedures of a process. For example, the CSX Signal Shop in Savannah, GA used the same Proceco Cleaner for decades which generated large volumes of hazardous waste. A simple change of cleaning chemical in 2022 reduced the volume of hazardous waste from a large quantity generator (LQG) of hazardous waste to a very small generator (VSG) of hazardous waste.







# Water Management

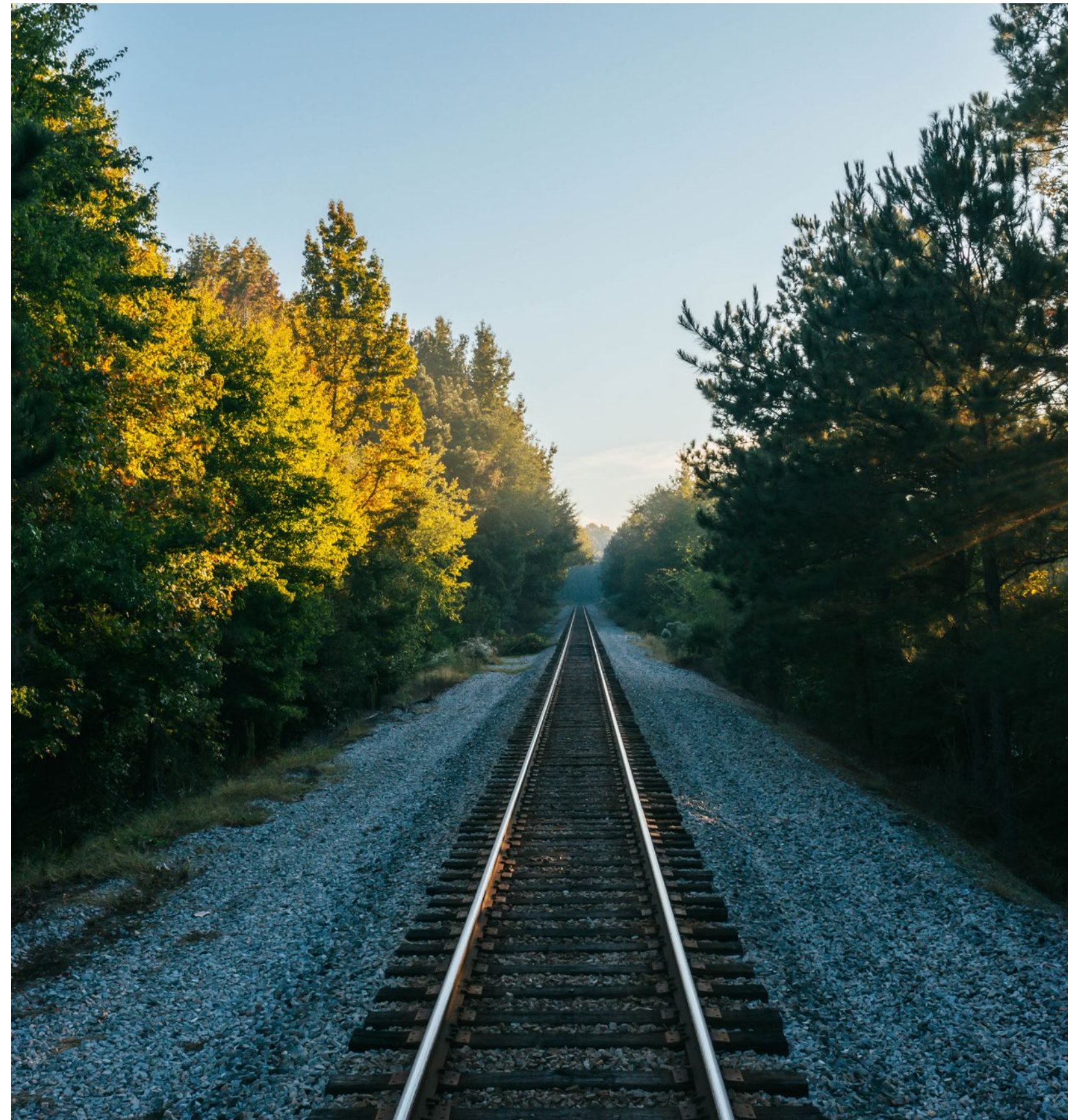
From our rail yards to our corporate offices, we're constantly working to preserve one of nature's most precious resources — water. Our primary use of water is used to wash locomotives and other equipment and suppress dust. We continue to manage our water consumption by identifying and implementing water reduction measures, collecting rainwater and recycling, wherever feasible.

## Serving as Environmental Stewards

We work to clean up sites no longer in use by removing rails, rail ties and debris. In 2022, we also invested in efforts to demolish vacant buildings and foundations at several former facilities.

Upon completion of our acquisition of Pan Am Railways last year, we conducted several clean-up efforts of existing facilities. In sites in Chicago and Atlanta, we improved drainage to reduce water run-off onto neighboring properties. In Wrigley, Maine, we brought buildings up to current energy efficiency standards and recycled old foundations into material for roadbeds. At the Pan Am site in Waterville, Maine, we invested in enhancements to the site's environmental treatment plant.

We support the [Rails-to-Trails Conservancy](#), a nonprofit group dedicated to creating trail networks from former rail lines to bring transformative benefits to communities across the country. In 2022, we donated 40 miles of no-longer-used rails in Alabama and Georgia to the organization.







# Responsible Business Practices

We are committed to strong governance practices and steadfast adherence to the highest standards of ethical conduct. These are essential to earning the trust of our employees, customers, regulators, communities and partners, while also mitigating risks to our business over the long term.

# Corporate Governance

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

## 2022 Highlight

Reported self-identified race/ethnicity and gender composition of our individual Board members for the first time





# Corporate Governance

## Board of Directors

CSX's Board of Directors influence CSX's long-term strategy by tracking opportunities and challenges and monitoring and mitigating risks.

As of April 2023, 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 September 2022, James M. Foote stepped down as President and CEO of the Company and Chairperson of the Executive Committee of the Board of Directors, succeeded by Joseph R. Hinrichs.

Starting with our Board of Directors, CSX strives to cultivate an environment that embraces teamwork and capitalizes on the value of diversity. To help ensure our commitment to diversity is reflected in our director qualifications and selection policies, in 2022, the Board amended the [CSX Corporate Governance Guidelines](#). They specify that the Governance and Sustainability Committee will instruct any third-party search firm to use its best efforts to include qualified candidates who reflect diverse backgrounds, including, but not limited to, experience, diversity of race, ethnicity, national origin and gender. Over the past several years, the Board has prioritized ensuring that committee chair positions represent gender and racial/ethnic diversity.

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

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

**Racial/Ethnic Diversity:**  
18% Diverse

**Gender Diversity:**  
27% Female

**Independence:**  
91% Independent including the Chairman of the Board

**Average Tenure:**  
7.5 years

**Average Age:**  
65.1 years

**Meeting Attendance:**  
98.5%

The Board undergoes an annual review of its performance, as a whole and as individual directors, including fulfillment of its oversight responsibilities, strategic planning and communications and identifying areas for improvement.

In 2022, the Board started to include third-party evaluation through confidential interviews every third year, supplemented by a peer assessment questionnaire. In the interim years, the Board will conduct a self-evaluation via a confidential questionnaire. The Chair of the Governance and Sustainability Committee will also meet with each individual director to gather additional feedback, particularly around Board composition, leadership, vision and functionality.

## Succession Committee Responsibilities

The Board's robust succession planning process is led by the Governance and Sustainability Committee. In 2022, they recommended the formation of a special committee comprised of Board members representing diverse skills, expertise and experience to oversee the success planning process for the CEO. The Succession Committee, with support from an outside consultant, led the evaluation of internal and external candidates to identify an individual with—amongst other factors—leadership experience at a large public company, the ability to lead a cultural transformation with emphasis on prioritizing safety, diversity, equity and inclusion.

The 2022 appointment of Joseph R. Hinrichs as the CSX President and Chief Executive Officer exemplifies the Board's role and diligence in succession planning. More information on the succession planning process is available in the [2023 Proxy](#).

# Corporate Governance

## Board Committees

There are five standing committees of the Board:

### 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; is responsible for overseeing environmental matters, risk oversight and evaluation, including risks associated with energy and environmental policy and succession planning for Board members, the CEO and senior management.

Each committee has its own written charter capturing its scope of oversight and responsibilities which can be found on our [website](#). More information about our Board of Directors can be found in our [2023 Proxy Statement](#) and on the [Board of Directors](#) page on our website.



(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. 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 Committee

**Mr. Joseph R. Hinrichs**  
Management Director Nominee / President and Chief Executive Officer

**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 Committee

**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 Committee

## 2022 Board of Directors

### Diversity:

**4 of 11**

Directors are women or racially/ethnically diverse

**3** Directors are Female

**1** Director is Hispanic or Latinx

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

### Tenure:

**<5 years** (4 Directors)

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

**>10 years** (3 Directors)

### Independence:

**10 of 11**

are independent





# Corporate Governance

## Executive Compensation

The primary objectives of the company's executive compensation program are as follows:

- Attract, engage and reward executives for extraordinary results that create shareholder value
- Reinforce a pay-for-performance culture with a significant portion of each executive officers' total compensation at-risk
- Implement short- and long-term incentive compensation plans with stretch targets that drive strong financial results in achieving sustainable growth and consider ESG expectations of shareholders

Elements of our 2022 executive compensation program include:

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

In 2022, we conducted and facilitated extensive shareholder outreach on our executive compensation program. Based on feedback, we took several actions, including:

- Increased specific disclosure of our Management Incentive Compensation Plan (MICP) program and resulting payouts in our annual proxy statement
- Re-evaluated the circumstances under which individual performance adjustment(s) might be appropriate, and determined that such circumstances should be exceptional
- Reviewed the equity mix and metrics used in the Long-Term Incentive Plan (LTIP) that best support CSX's business strategy over the next several years. Based on this review, the Board increased the weighting of performance units from 50 percent to 60 percent for the 2023-2025 LTIP cycle.

**30% of 2022 MICP is tied to ESG-related KPIs**

Please see our [2023 Proxy Statement](#).

## CSX Executive Compensation Practices

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



# Corporate Governance

## Enterprise Risk Management

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

The Audit Committee of our Board oversees our risk management strategy, cyber security program and Enterprise Risk Management (ERM) program and receives regular updates from our Executive Risk Committee. The Committee is comprised of our Executive Vice President of Operations, our Executive Vice President and Chief Financial Officer, our Executive Vice President and Chief Digital & Technology Officer and our Executive Vice President and Chief Legal Officer. In addition to the Audit Committee, management periodically reports to the Board and its other committees on current risks and the company’s approach to avoiding and mitigating risk exposure, including through robust internal processes and effective internal controls.

Our ERM framework focuses on core enterprise risks and mitigation activities with oversight responsibilities across relevant risk categories. Within the ERM program, dedicated Risk Leaders are tasked with monitoring and managing our four designated risk categories and the “core” risks within them. Each Risk Leader reports to a member of

the Executive Risk Committee, with a separate annual ERM report out to the CEO.

Our ERM approach includes monitoring, managing, reporting and mitigating ESG-related risks including climate risks. Our company-wide climate change strategy includes comprehensive business plans to help 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.

## ERM Framework and Oversight

Audit Committee and Board Review

Chief Executive Officer

Executive Risk Committee

Risk Leaders

### Operations:

Safety;  
Physical Infrastructure;  
People &  
Material Availability

### Finance:

Liquidity;  
Financial Reporting

### Technology:

Cyber,  
Reliability  
& Resiliency;  
Operations Technology

### Compliance:

Compliance with Laws;  
Antitrust and Regulatory





# Ethics & Compliance

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

All CSX employees 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 business matters including conflicts of interest; anti-bribery and combatting corruption; 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.

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, we require robust annual ethics training – which focuses on applying the code in daily interactions – for all CSX management employees and highly recommend training for union employees. We also provide training to all new employees during onboarding and to new people managers and supervisors. In 2022, we began a quarterly series of ethics-related employee communications, including reminders on how employees can report concerns and ask conduct-related questions.

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

“Speak up no matter what” is one of our new ONE CSX behaviors. We are working to create an organization where psychological safety is the norm for all employees.

**In 2022, 992 reports were made to the helpline. Upon further review, we found 63 fraud-related investigations of the code.**

## 2022 Highlights

# 100%

of Management employees trained on Code of Ethics

# 88%

of Union employees trained on Code of Ethics - an increase of more than 20 percentage points over 2021

**“Creating an environment where people feel safe to raise ideas or concerns starts with the CSX leadership team. We need to listen to our employees and take action. This is the culture CSX leaders are building within their teams. It is a critical driver to not only reducing risks, but also to making employees feel comfortable sharing ideas that can strengthen our business and improve our workplace.”**

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





# Human Rights

CSX is committed to operating its business in a manner consistent with international human rights principles, including those contained in the United Nations Universal Declaration of Human Rights and Global Compact and the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work. Our commitments and efforts to uphold human rights across our operations, businesses, communities and supply chains are outlined in our [Human Rights Policy](#).

## Human Trafficking

As a signatory to the U.S. Department of Transportation’s “Transportation Leaders Against Human Trafficking Pledge,” CSX is committed to helping raise awareness and collaboration across the transportation and travel industries. In 2022, we continued our employee awareness campaign on how to recognize and report suspicious situations that may be related to human trafficking.

This included a panel for National Slavery and Human Trafficking Prevention Month hosted by the CSX Interchange Women’s Leadership Network with experts from the Federal Bureau of Investigation, the Jacksonville-based Rethreaded non-profit organization and the national Polaris Project. During the panel, employees were encouraged to sign the [Polaris Project’s Pledge](#) to learn more about human trafficking.

In addition to information, CSX is providing tangible support to non-profit partners to help end human trafficking and support survivors. In 2022, the company made a \$50,000 gift to Rethreaded to help provide a safe, supportive work environment where survivors of human trafficking can gain financial independence while learning new skills. CSX employees also volunteered their time to support the organization.

# Cyber & Information Security

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

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

## Management & Oversight

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

Over the last few years, CSX has brought in Board and executive-level experts to expand oversight of our cybersecurity and technology systems. Stephen Fortune joined CSX as Executive Vice President and Chief Digital & Technology Officer in April 2022, bringing decades of experience as a corporate technology leader and CIO.

Our Executive Vice President and Chief Digital & Technology Officer is responsible for day-to-day management and strategy

**2022 Highlights**

**100%**  
of Management employees trained on cybersecurity

---

**90%**  
of the information security team has industry-recognized cybersecurity certification







# Cyber & Information Security

implementation and oversees our Information Security team. The team equips CSX systems with the latest cybersecurity tools; conducts daily vulnerability scans; regularly provides critical cybersecurity information to all application users; and facilitates the annual required cybersecurity awareness trainings for all corporate employees. Cybersecurity and data privacy are also included in the [CSX Code of Ethics](#).

## Monitoring & Responding to Cyber Vulnerabilities

We identify, track, prioritize and manage cyber risks from inception to validated remediation. Performance is summarized in “Technology Scorecards” that 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. In 2021, we worked with a third party to conduct a performance review or “cyber security maturity assessment” to measure CSX’s performance against security goals. The assessment found all goals had been met.

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 2022, CSX experienced no material informational security breach or cyber security incidents; zero complaints concerning breaches of customer privacy and losses of customer data.

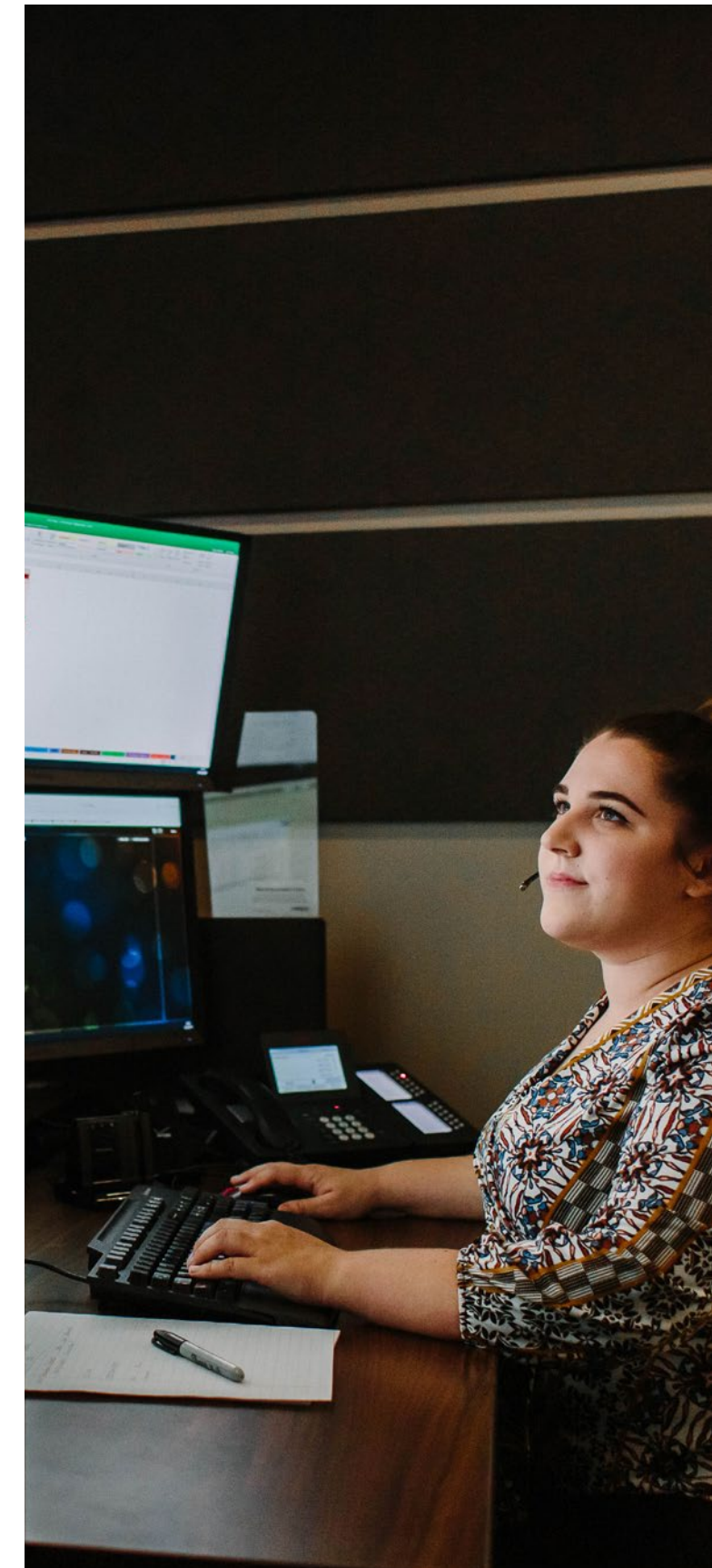
CSX performs routine security assessment of key third-party vendors to prevent, anticipate, detect and/or react to cyber incidents in a timely manner.

## Engaging Our Employees in Cyber Safety

Everyone has a responsibility and role to play when it comes to upholding cyber and information security practices.

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. In addition, our voluntary Cyber Security Awareness training provides additional guidance to employees on how to stay electronically vigilant.

Employees are encouraged to report suspicious or unusual behavior to the CSX Information 24x7 Technology Service Desk. In 2022 CSX implemented a partnership to establish a managed service for our SOC (Security Operation Center) for continuous monitoring.



# Public Policy & Advocacy

CSX operates in a highly regulated environment. Maintaining strong policy engagement with officials at the federal, state and local levels provides us insight and opportunity to shape regulatory matters, support important legislation and communicate the benefits of rail.

We also recognize the importance of working together with regulators and public officials to create solutions that move our industry forward. In 2022, we strengthened our relationships with regulatory agencies and public officials through cooperative actions, which included a key agreement that will restore Amtrak passenger rail service in the Gulf Coast corridor.

CSX leadership met with significantly more Members of Congress and the Executive Branch than 2021 to transparently educate on high-profile policy discussions that were under way on Paid Sick Leave and the rail labor agreements that were being considered by our employees. CSX also provided regular updates on industry leading rail service. Concurrent to greater engagement with field employees, CSX leadership shared its renewed vision with elected officials at the state and federal level to serve as a resource for good policy to serve customers, employees and communities.

Guided by our corporate [Political Giving Policy](#), our Federal and State Relations team participates

responsibly and constructively in the legislative process. We work to communicate information to elected officials and other policymakers in Washington, D.C., and in U.S. state capitols in support of public policies that are consistent with our vision and purpose.

The Governance and Sustainability Committee of the Board of Directors oversees public policy and advocacy activities at CSX. CSX also administers an employee-funded political action committee (PAC)

through which direct contributions are made to federal and state candidates for elected office and related committees. In addition to the company's own political and legislative activity, we maintain memberships in trade associations that report lobbying activity to the U.S. government, a list of which can be found [here](#).

More information on our political contributions and annual expenditure summaries can be found on our [website](#).

## Broadband Deployment and Expansion

In recent years, broadband companies have increasingly sought to install fiber cable on CSX's privately owned or controlled property as part of a national effort to expand broadband access. Recognizing that access to the Internet plays an important role in everyday life, CSX serves as a reliable partner to facilitate broadband deployment in rural, underserved areas, while balancing the need to ensure the safety of CSX's federally regulated rail operations, its employees, and the public in the communities in which it serves.

To achieve these goals, CSX has implemented standard engineering and safety policies and permitting requirements for proposed broadband installations. CSX's permitting process is consistent with federal regulations. Over the years, CSX has invested millions of dollars to develop a streamlined, web-based system to expedite railroad property access requests from broadband providers.

Preparation, collaboration and communication are the keys to success for broadband and other utility installations across the CSX network. The CSX Real Estate team provides regular educational sessions to assist companies interested in applying and regularly engages with applicants to identify more efficient installation alternatives.



## Railroad Day 2022

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.

In 2022, CSX employees engaged 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

## 2022 ESG Performance Data

### Business & Governance

Data	Unit	2020	2021	2022
Total Revenues	\$ Billions	10.6	12.5	14.9
<b>Carload Volume by Market (in carloads)</b>				
Merchandise	# Millions	2.5	2.6	2.6
Coal	#	637,000	706,000	697,000
Intermodal	# Millions	2.7	3	3
<b>Supplier Data</b>				
Number of suppliers	#	3,732	3,440	3,487
Diverse suppliers <sup>18</sup> - spend	\$ Millions	222.6	315	333.4
Diverse suppliers <sup>18</sup> - number of businesses	#	164	157	153
<b>CSX Ethics Helpline</b>				
Total cases handled	#	890	959	992
Fraud-related investigations	#	52	56	63
<b>Ethics Training Participation</b>				
Management employees	Percentage	100	100	100
Union employees trained	Percentage	63	66	88
<b>Capital Expenditures</b>				
Total investment	\$ Millions	1,626	1,791	2,133
<b>Cybersecurity</b>				
Number of information security incidents	#	0	0	0
Number of information security breaches	#	0	0	0
<b>Additional Metrics</b>				
Average locomotives per year	#	3,539	3,516	3,608
Average active trains per day <sup>19</sup>	#	1,642	1,634	1,630

## Safety & Security

Data <sup>20</sup>	Units	2020	2021	2022
<b>Network Maintenance</b>				
Ties replaced	# Millions	2.95	2.52	2.50
Rail replaced	Miles	899	919	916
Ballast installed	Million tons	1.9	2.0	1.9
Existing rail surfaced	Miles	4,543	4,142	3,838
Regulatory (including PTC) investment	\$ Millions	39	36	30
<b>Public Safety</b>				
Responder Incident Training (RIT) train events	#	0	3	10
Hazmat Responder training provided	#	3,602	2352	3592
Closed crossings	#	61	83	61
Frequency of internal integrity inspection <sup>21</sup>	#	2.53	2.53	1.76
<b>Incidents</b>				
FRA Personal Injury Rate <sup>22</sup>	Injury Rate	0.82	0.96	0.96
FRA Train Accident Rate <sup>23</sup>	Accident Rate	3.16	3.22	3.18
Work-related fatalities	#	2	1	0
Fatal trespassing incidents	#	81	70	78
Non-fatal trespassing incidents	#	74	75	139
Crossing accidents	#	336	362	324
Total Recordable Incident Rate (TRIR) <sup>24</sup>	Incident Rate	0.82	0.94	0.96
Fatality Rate <sup>25</sup>	%	0.01	0.01	0.00
Number of accidents and incidents (combined) <sup>26</sup>	#	804	857	856
Number of accident releases and non-accident releases of hazardous material <sup>27</sup>	#	53	44	48
Number of FRA Recommended Violations <sup>28</sup>	#	461	480	477
Number of FRA Recommended Defects <sup>29</sup>	#	30,048	27,135	25,162

## Employees

Data	Units	2020	2021	2022
<b>Snapshot Data</b>				
Total full-time employees	#	19,282	20,919 (Adjusted active status: 20,685 <sup>30</sup> )	22,542
Management employees	#	3,112	3,112	3,008
Union employees	#	15,728	16,023	16,625
Subsidiary company employees	#	442	1,784	2,909
Overall retention rate	%	89%	92%	90%
<b>Union New Hires</b>				
Diverse <sup>31</sup>	%	27%	37%	37%
Female	%	2%	4%	4%
<b>Workforce Diversity</b>				
Overall Workforce	%	20%	20%	22%
Management	%	37%	37%	37%
Union	%	17%	17%	19%
Female	%	5%	5%	5%
<b>Generations of Our Workforce</b>				
Gen Z	%	--	--	4%
Gen X	%	68%	56%	54%
Gen Y	%	24%	31%	31%
Boomers	%	7%	13%	11%
<b>Average Age and Years of Service</b>				
Average age	Years	46	46	46
Average years of service	Years	15	15	15
<b>Management New Hires</b>				
Diverse <sup>32</sup>	%	36%	49%	46%
Female	%	22%	27%	26%



## Employees (continued)

Data	Units	2020	2021	2022
<b>Management Promotions</b>				
Diverse <sup>33</sup>	%	38%	35%	35%
Female	%	27%	23%	22%
Number of promotions	#	266	352	465
% of promotions from union workers	%	37%	24%	20%
<b>Veteran and Active Duty Military Status</b>				
Number of veterans, active duty military and first responders	#	3,126	2,983	3,140
Percent of total workforce	%	16%	16%	16%
<b>Employee Reviews</b>				
Formal performance reviews for management employees	# of reviews	3,060	3,051	3,054
Frequency of formal performance reviews for management employees	# of times annually	2x/year	2x/year	2x/year
<b>Employees by State or Province (does not include employees of subsidiary companies)</b>				
Alabama	#	802	859	891
California	#	0	0	0
Colorado	#	0	0	0
Connecticut	#	5	5	6
District of Columbia	#	15	12	16
Delaware	#	44	46	40
Florida	#	2,949	3,070	5,841
Georgia	#	1,576	1,616	1,691
Illinois	#	500	491	501
Indiana	#	924	916	987
Kansas	#	0	0	0
Kentucky	#	989	999	1,032

Data	Units	2020	2021	2022
Louisiana	#	81	81	83
Maine	#	0	0	0
Maryland	#	765	781	801
Massachusetts	#	170	138	147
Michigan	#	254	268	269
Mississippi	#	44	42	38
Missouri	#	0	0	0
New Hampshire	#	0	0	1
New Jersey	#	96	98	94
New Mexico	#	0	0	0
New York	#	1,317	1,249	1,239
North Carolina	#	544	574	611
Ohio	#	1,973	1,882	1,877
Ontario (Canada)	#	30	23	22
Pennsylvania	#	519	494	530
Quebec	#	13	15	9
South Carolina	#	510	505	532
Tennessee	#	879	839	892
Texas	#	0	0	0
Vermont	#	0	0	0
Virginia	#	633	604	669
Washington	#	0	0	0
West Virginia	#	820	800	810
Unassigned location	#	2,388	2,728	4

## Community Giving and Involvement

Data	Unit	2020	2021	2022
Number of states where CSX has philanthropic giving	# Territories	23 states and DC	23 states and DC	35
Investment in capital expenditures	\$ Millions	1,626	1,791	2,133
Investment in capital expenditures - used for infrastructure improvement	\$ Millions	1,366	1,443	1,673
Total community giving	\$ Millions	8.7	10.4	10.3
Employee volunteer hours	Hours	5,769	6,791	12,300
Inquiries handled by PSCC <sup>34</sup>	#	3,160	5,912	5,394

## Environment

Data	Units	Category	2020	2021	2022
<b>Waste by Type of Disposal Method</b>					
Hazardous waste from ongoing operations	Short Tons	Landfilled	21.04	0.84	20.90
		Incinerated	10.11	8.49	12.13
		Recycled	17.51	13.41	10.07
		Total	48.66	22.74	43.10
Hazardous waste from remediation and emergency response activities	Short Tons	Landfilled	45.73	111.24	14.18
		Incinerated	2.23	43.99	8.76
		Recycled	18.57	12.69	11.49
		Total	66.53	167.92	34.43
Non-hazardous waste from ongoing operations	Short Tons	Landfilled	23,238	35,724	113,940
		Incinerated	220	294	27
		Recycled & Reuse	1,995	1,901	11
		Total	25,453	37,919	113,978
Non-hazardous waste from remediation and emergency response activities	Short Tons	Landfilled	81,229	376,529	105,603
		Incinerated	3	49	3
		Recycled & Reuse	4,496	70,277	4,156
		Total	85,728	446,855	109,762
Recycling	Million Gallons	Used oil	1.77	1.26	1.05
	Short Tons	Batteries	266	327	259
	Short Tons	Steel	137,069	329,481	109,846
	# Millions	Crossties	1.47	0.38	--
	Short Tons	Asphalt	121,215	115,354	102,290
	Short Tons	Concrete	33,135	--	43,117
	Short Tons	Electronics	--	--	37





## Environment (continued)

Data	Units	2020	2021	2022
<b>Greenhouse Gas Emissions</b>				
Direct (Scope 1) GHG emissions <sup>35</sup>	Metric tons CO <sub>2</sub> Eq	3,815,113	3,956,081 <sup>35</sup>	4,080,649
Energy indirect (Scope 2) GHG emissions	Metric tons CO <sub>2</sub> Eq	185,216	144,891	133,532
Other indirect (Scope 3) GHG emissions	Metric tons CO <sub>2</sub> Eq	179,446	325,168	221,322
GHG emissions intensity for SBT <sup>36</sup>	CO <sub>2</sub> Eq/MGTM	10.43	10.21	10.51
Reduction of GHG emissions for SBT <sup>37</sup>	% Reduction	-13.8%	-15.6%	-13.1%
Emissions of ozone-depleting substances (ODS)	Metric tons	0.15	0.09	0.08
<b>Other Significant GHG</b>				
Nitrogen Oxide (NO <sub>x</sub> )	Metric Tons	37,874	37,440	37,991
Sulfur Oxide (SO <sub>x</sub> )	Metric Tons	44	48	53
Carbon Dioxide (CO <sub>2</sub> )	Metric Tons	4,119,235	5,108,928	4,038,154
Methane (CH <sub>4</sub> )	Metric Tons	466	464	451
Nitrous Oxide (N <sub>2</sub> O)	Metric Tons	100	103	104
Hydrofluorocarbons (HFCs)	Metric Tons	0.20	0.31	0.18
Volatile Organic Compounds (VOC)	Metric Tons	1,601	1,573	1,488
Carbon Monoxide (CO)	Metric Tons	10,597	10,984	11,212
Particulate Matter (PM)	Metric Tons	1,105	1,088	1,002



## Environment (continued)

Data	Units	Category	2020	2021	2022
<b>Energy Consumption</b>					
Energy consumption within CSX	MMBTU	Diesel	49,035,569	51,024,356	52,545,714
		Biodiesel*	--	75,906	106,749
		Gasoline	1,040,003	1,050,085	1,132,775
		Natural Gas	626,107	469,837	459,604
		Propane	346,022	308,439	366,101
		Jet Fuel	10,844	29,786	44,654
		Used Oil	20,994	26,507	26,507
		Total Direct Consumption	51,079,540	52,984,916	54,682,104
Energy consumption outside CSX	MMBTU	--	1,478,266	1,419,179	1,417,059
<b>Energy Efficiency</b>					
Energy Intensity	MMBTU/MRTM	--	286	280	283
Fuel Efficiency <sup>38</sup>	RTM/gal	--	533	537	520

\*Biodiesel was not recorded in prior years.

Data	Units	Category	2020	2021	2022
<b>Fuel Use by Type</b>					
Indirect Energy Consumption	Gigajoules	Electricity	1,559,718	1,485,491	1,487,757
Direct Fuel Usage	Gigajoules	Diesel	52,270,550	53,830,696	55,435,728
		Biodiesel	--	80,081	112,620
		Gasoline	1,137,412	1,107,840	1,195,077
		Jet Fuel	11,422	31,424	47,110
		Natural Gas	660,421	495,678	484,882
		Propane	381,728	325,403	386,237
		Used Oil	22,379	27,965	27,965
		Total Direct Fuel Usage	54,483,912	57,384,578	59,177,376
		<b>Water</b>			
Water withdrawal by source	Kgal	--	536,000	559,530	588,912





# Indices

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## CDP

The following indices provide the link to our CDP Climate Change submissions, including our 2023 response, which will be posted once submitted. This report was published prior to the 2023 CDP submission, therefore we have identified where relevant disclosures can be found within our latest [CDP Climate Change Response](#).



# Global Reporting Initiative (GRI)

CSX is reporting the information cited in the following GRI index for the period January 1, 2022 to December 31, 2022, which has been prepared with reference to the GRI Standards. We report on environmental, social and governance topics that are material to us as defined by our most recent materiality analysis.

## Standards Index

Table 1. General Disclosures

Standard	Disclosure	Location
<b>The organization &amp; its reporting practices</b>		
2-1	Organizational details	CSX Corporation Location headquarters: <a href="#">2022 10-K</a> Location of operations: <a href="#">2022 10-K</a>
2-2	Entities included in the organization's sustainability reporting	<a href="#">2022 10-K</a>
2-3	Reporting period, frequency and contact point	Period: January 1, 2022 to December 31, 2022 Frequency: Annual Contact: <a href="#">See CSX website</a>
2-4	Restatements of information	p. 141
2-5	External assurance	2022 ESG Report (Appendix, p. 141)
<b>Activities &amp; workers</b>		
2-6	Activities, value chain and other business relationships	2022 ESG Report (Supply Chain & Economic Growth, p. 83) <a href="#">2022 10-K</a> <a href="#">Proxy Statement</a> <a href="#">CSX website (Suppliers page)</a>
2-7	Employees	Total full-time and part-time employees: 2022 ESG Report (Appendix—2022 ESG Performance Data; Employees Table, p. 145) Employees by gender: (Appendix—2022 ESG Performance Data; Employees Table, p. 145) Fluctuations: p. 145
2-8	Workers who are not employees	CSX does not disclose this information
<b>Governance</b>		
2-9	Governance structure and composition	2022 ESG Report (Responsible Business Practices, p. 123) <a href="#">Proxy Statement</a> <a href="#">CSX investor website (Governance Documents)</a>
2-10	Nomination and selection of the highest governance body	2022 ESG Report (Responsible Business Practices, p. 123; Approach to ESG, p. 21) <a href="#">Proxy Statement</a>





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

Standard	Disclosure	Location
2-11	Chair of the highest governance body	2022 ESG Report (Responsible Business Practices, p. 128) <a href="#">Proxy Statement</a>
2-12	Role of the highest governance body in overseeing the management of impacts	2022 ESG Report (Responsible Business Practices, p. 128; Approach to ESG, p. 21) <a href="#">Proxy Statement</a>
2-13	Delegation of responsibility for managing impacts	2022 ESG Report (Responsible Business Practices, p. 124; Approach to ESG, p. 21) <a href="#">Proxy Statement</a>
2-14	Role of the highest governance body in sustainability reporting	2022 ESG Report (Responsible Business Practices, p. 124; Approach to ESG, p. 21) <a href="#">Proxy Statement</a>
2-15	Conflicts of interest	<a href="#">Proxy Statement</a>
2-16	Communication of critical concerns	25
2-17	Collective knowledge of the highest governance body	29
2-18	Evaluation of the performance of the highest governance body	<a href="#">Proxy Statement</a>
2-19	Remuneration policies	<a href="#">Proxy Statement</a>
2-20	Process to determine remuneration	<a href="#">Proxy Statement</a>
2-21	Annual total compensation ratio	<a href="#">Proxy Statement</a>

Standard	Disclosure	Location
<b>Strategy, policy &amp; practices</b>		
2-22	Statement on sustainable development strategy	2022 ESG Report (Our Approach to ESG, p. 21)
2-23	Policy commitments	2022 ESG Report (Responsible Business Practices, p. 124) <a href="#">Proxy Statement</a> 2022 10-K <a href="#">Code of Ethics: CSX website</a> <a href="#">Human Rights Policy: CSX website</a> <a href="#">Supplier Policies: CSX website</a> <a href="#">Diverse Supplier Procurement Policy: CSX website</a> <a href="#">ADA Policy: CSX website</a> <a href="#">EEO Policy: CSX website</a>
2-24	Embedding policy commitments	2022 ESG Report (Responsible Business Practices, p. 124) <a href="#">Code of Ethics: CSX website</a> <a href="#">Human Rights Policy: CSX website</a> <a href="#">Supplier Policies: CSX website</a> <a href="#">Diverse Supplier Procurement Policy: CSX website</a> <a href="#">ADA Policy: CSX website</a> <a href="#">EEO Policy: CSX website</a> <a href="#">Environmental Policy: CSX website</a>
2-25	Processes to remediate negative impacts	2022 ESG Report (Cyber & Information Security, p. 136; Ethics & Compliance, p. 133)
2-26	Mechanisms for seeking advice and raising concerns	2022 ESG Report (Cyber & Information Security, p. 136; Ethics & Compliance, p. 133) <a href="#">Responsible Disclosure Policy: CSX website</a>
2-27	Compliance with laws and regulations	p. 133
2-28	Membership associations	<a href="#">Proxy Statement</a>
2-29	Approach to stakeholder engagement	<a href="#">Proxy Statement</a>
2-30	Collective bargaining agreements	<a href="#">Proxy Statement</a>

**Table 2. Topic-specific disclosures**

Standard	Disclosure	Location
<b>Material Topics</b>		
3-1	Process to determine material topics	2022 ESG Report (Approach to ESG, p. 21)
3-2	List of material topics	2022 ESG Report (Approach to ESG, p. 25)
<b>Economic Performance</b>		
3-3	Management of material topic	<a href="#">2022 10-K</a>
201-1	Direct economic value generated and distributed	2022 ESG Report (Supply Chain & Economic Growth, p. 83; Appendix—2022 ESG Performance Data Employees by State and Province Table p. 145)
201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">2022 10-K</a> 2022 ESG Report (Climate Change, p. 105; Appendix—TCFD Index, p. 173) <a href="#">Latest CDP Climate Change Response</a>
201-3	Defined benefit plan obligations and other retirement plans	<a href="#">Proxy Statement</a> <a href="#">2022 10-K</a> 2022 ESG Report (Workforce, p. 57) <a href="#">Benefits Summary: CSX website</a>
201-4	Financial assistance received from government	<a href="#">2022 10-K</a>
<b>Market Presence</b>		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	CSX does not collect this information
202-2	Proportion of senior management hired from the local community	CSX does not collect this information

Standard	Disclosure	Location
<b>Indirect Economic Impacts</b>		
3-3	Management of material topic	2022 ESG Report (Social & Community Impact p. 87)
203-1	Infrastructure investments and services supported	2022 ESG Report (Safety, p. 35; Supply Chain & Economic Growth, p. 83; 2022 ESG Performance Data Community Giving & Involvement Table p. 147)
203-2	Significant indirect economic impacts	2022 ESG Report (Creating Value Together, p. 16; Social & Community Impact p. 87; 2022 ESG Data Performance, p. 142)
<b>Procurement Practices</b>		
3-3	Management of material topic	2022 ESG Report (Supply Chain & Economic Growth, p. 83)
204-1	Proportion of spending on local suppliers	2022 ESG Report (Creating Value Together, p. 16; Supply Chain & Economic Growth, p. 83)
<b>Anti-corruption</b>		
3-3	Management of material topic	2022 ESG Report (Cyber & Information Security, p. 136; Ethics & Compliance, p. 133)
205-1	Operations assessed for risks related to corruption	2022 ESG Report (Ethics & Compliance, p. 133)
205-2	Communication and training about anti-corruption policies and procedures	2022 ESG Report (Ethics & Compliance, p. 133)
205-3	Confirmed incidents of corruption and actions taken	2022 ESG Report (Ethics & Compliance, p. 133)
<b>Anti-competitive Behavior</b>		
3-3	Management of material topic	2022 ESG Report (Ethics & Compliance, p. 133) <a href="#">Code of Ethics: CSX website</a>
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	<a href="#">Code of Ethics: CSX website</a>



Table 2. Topic-specific disclosures (continued)

STANDARD	DISCLOSURE	LOCATION
<b>Tax</b>		
3-3	Management of material topic	<a href="#">2022 10-K pp. 96, 97</a>
207-1	Approach to tax	<a href="#">2022 10-K pp. 96, 97</a>
207-2	Tax governance, control and risk management	<a href="#">2022 10-K p.33</a>
207-3	Stakeholder engagement and management of concerns related to tax	<a href="#">2022 10-K pp. 96, 97</a>
207-4	Country-by-country reporting	CSX does not collect this information
<b>Materials</b>		
3-3	Management of material topic	2022 ESG Report (Safety, p. 37; Recycling, Reuse and Waste, p. 119)
301-1	Materials used by weight or volume	2022 ESG Report (2022 ESG Performance Data Environment Table, p. 148)
301-2	Recycled input materials used	2022 ESG Report (Recycling, Reuse and Waste, p. 119; 2022 ESG Performance Data Environment Table, p. 148)
301-3	Reclaimed products and their packaging materials	CSX does not collect this information
<b>Energy</b>		
3-3	Management of material topic	2022 ESG Report (Climate Change, p. 105; Appendix—TCFD Index, p. 174) <a href="#">Latest CDP Climate Change Response</a>
302-1	Energy consumption within the organization	2022 ESG Report (2022 ESG Performance Data Environment Table, p. 152)
302-2	Energy consumption outside of the organization	2022 ESG Report (2022 ESG Performance Data Environment Table, p. 152)
302-3	Energy intensity	2022 ESG Report (2022 ESG Performance Data Environment Table, p. 152)
302-4	Reduction of energy consumption	2022 ESG Report (Climate Change, p. 105; 2022 ESG Performance Data Environment Table, p. 152)
302-5	Reductions in energy requirements of products and services	2022 ESG Report (Fuel & Locomotives, p. 113)

STANDARD	DISCLOSURE	LOCATION
<b>Water &amp; Effluents</b>		
3-3	Management of material topic	2022 ESG Report (Water Management, p. 121)
303-1	Interactions with water as a shared resource	CSX does not collect this information
303-2	Management of water discharge-related impacts	CSX does not collect this information
303-3	Water withdrawal	2022 ESG Report (2022 ESG Performance Data Environment Table, p. 152)
303-4	Water discharge	CSX does not collect this information
303-5	Water consumption	2022 ESG Report (Water Management, p. 121; 2022 ESG Performance Data Environment Table, p. 152)
<b>Biodiversity</b>		
304-1	Operational sites owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Omit
304-2	Significant impacts of activities, products and services on biodiversity	Omit
304-3	Habitats protected or restored	Omit
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Omit

Table 2. Topic-specific disclosures (continued)

Standard	Disclosure	Location
<b>Emissions</b>		
3-3	Management of material topic	2022 ESG Report (Climate Change, p. 105; Appendix—TCFD Index, p. 174) <a href="#">Latest CDP Climate Change Response</a>
305-1	Direct (Scope 1) GHG emissions	2022 ESG Report (2022 ESG Performance Data Environment Table, p. 149)
305-2	Energy indirect (Scope 2) GHG emissions	2022 ESG Report (2022 ESG Performance Data Environment Table, p. 149)
305-3	Other indirect (Scope 3) GHG emissions	2022 ESG Report (2022 ESG Performance Data Environment Table, p. 149)
305-4	GHG emissions intensity	2022 ESG Report (2022 ESG Performance Data Environment Table, p. 149)
305-5	Reduction of GHG emissions	2022 ESG Report (Climate Change, p. 105)
305-6	Emissions of ozone-depleting substances (ODS)	2022 ESG Report (2022 ESG Performance Data Environment Table, p. 149)
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	2022 ESG Report (2022 ESG Performance Data Environment Table, p. 149)
<b>Waste</b>		
3-3	Management of material topic	2022 ESG Report (Recycling, Reuse and Waste, p. 119)
306-1	Waste generation and significant waste-related impacts	CSX does not collect this information
306-2	Management of significant waste-related impacts	CSX does not collect this information
306-3	Waste generated	2022 ESG Report (Recycling, Reuse and Waste, p. 119; 2022 ESG Performance Data Environment Table, p. 148)
306-4	Waste diverted from disposal	2022 ESG Report (2022 ESG Performance Data Environment Table, p. 148)
306-5	Waste directed to disposal	2022 ESG Report (2022 ESG Performance Data Environment Table, p. 148)

Standard	Disclosure	Location
<b>Supplier Environmental Assessment</b>		
3-3	Management of material topic	2022 ESG Report (Supply Chain & Economic Growth, p. 83) <a href="#">Latest CDP Climate Change Response</a>
308-1	New suppliers that were screened using environmental criteria	2022 ESG Report (Supply Chain & Economic Growth, p. 83)
308-2	Negative environmental impacts in the supply chain and actions taken	<a href="#">Latest CDP Climate Change Response</a>
<b>Employment</b>		
3-3	Management of material topic	2022 ESG Report (Workforce, p. 57)
401-1	New employee hires and employee turnover	2022 ESG Report (2022 ESG Data Performance Employees Table, p. 144)
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<a href="#">Benefits Summary: CSX website</a>
401-3	Parental leave	<a href="#">Benefits Summary: CSX website</a>
<b>Labor/Management Relations</b>		
3-3	Management of material topic	2022 ESG Report (Labor Relations, p. 79)
402-1	Minimum notice periods regarding operational changes	CSX does not collect this information





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

Standard	Disclosure	Location
<b>Occupational Health &amp; Safety</b>		
3-3	Management of material topic	2022 ESG Report (Safety, p. 37)
403-1	Occupational health and safety management system	2022 ESG Report (Safety, p. 37)
403-2	Hazard identification, risk assessment and incident investigation	2022 ESG Report (Safety, p. 37)
403-3	Occupational health services	2022 ESG Report (Safety, p. 37)
403-4	Worker participation, consultation and communication on occupational health and safety	2022 ESG Report (Safety, p. 37)
403-5	Worker training on occupational health and safety	2022 ESG Report (Safety, p. 37)
403-6	Promotion of worker health	2022 ESG Report (Safety, p. 37)
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	CSX does not collect this information
403-8	Workers covered by an occupational health and safety management system	CSX does not collect this information
403-9	Work-related injuries	2022 ESG Report (2022 ESG Performance Data Safety & Security Table, p. 143)
403-10	Work-related ill health	2022 ESG Report (2022 ESG Performance Data Safety & Security Table, p. 143)

Standard	Disclosure	Location
<b>Training &amp; Education</b>		
3-3	Management of material topic	2022 ESG Report (Workforce, p. 57)
404-1	Average hours of training per year per employee	2022 ESG Report (Creating Value Together, p. 16)
404-2	Programs for upgrading employee skills and transition assistance programs	2022 ESG Report (Workforce, p. 57)
404-3	Percentage of employees receiving regular performance and career development reviews	2022 ESG Report (2022 ESG Data Performance Employees Table, p. 145)
<b>Diversity &amp; Equal Opportunity</b>		
3-3	Management of material topic	2022 ESG Report (Workforce, p. 57)
405-1	Diversity of governance bodies and employees	2022 ESG Report (Ethics & Compliance, p. 133) <a href="#">Code of Ethics: CSX website</a>
405-2	Ratio of basic salary and remuneration of women to men	CSX does not collect this information
<b>Non-discrimination</b>		
3-3	Management of material topic	2022 ESG Report (Workforce, p. 57)
406-1	Incidents of discrimination and corrective actions taken	p. 133



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

Standard	Disclosure	Location
<b>Freedom of Association &amp; Collective Bargaining</b>		
3-3	Management of material topic	2022 ESG Report (Labor Rights, p. 79)
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	CSX does not collect this information
<b>Child Labor</b>		
3-3	Management of material topic	<a href="#">Human Rights Policy: CSX website</a>
408-1	Operations and suppliers at significant risk for incidents of child labor	CSX does not collect this information
<b>Forced or Compulsory Labor</b>		
3-3	Management of material topic	2022 ESG Report (Human Rights, p. 135) <a href="#">Human Rights Policy: CSX website</a>
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	CSX does not collect this information

Standard	Disclosure	Location
<b>Security Practices</b>		
3-3	Management of material topic	2022 ESG Report (Cyber & Information Security, p. 136; Ethics & Compliance, p. 133)
410-1	Security personnel trained in human rights policies or procedures	CSX does not collect this information
<b>Rights of Indigenous Peoples</b>		
411-1	Incidents of violations involving rights of indigenous peoples	2022 ESG Report (Human Rights, p. 135)
<b>Local Communities</b>		
3-3	Management of material topic	2022 ESG Report (Social & Community Impact, p. 87)
413-1	Operations with local community engagement, impact assessments and development programs	2022 ESG Report (Safety, p. 37; Social & Community Impact, p. 87)
413-2	Operations with significant actual and potential negative impacts on local communities	CSX does not disclose this information
<b>Supplier Social Assessment</b>		
3-3	Management of material topic	2022 ESG Report (Supply Chain & Economic Growth, p. 83)
	414-1 New suppliers that were screened using social criteria	2022 ESG Report (Supply Chain & Economic Growth, p. 83; 2022 ESG Performance Data Business & Governance Table, p. 142)
	414-2 Negative social impacts in the supply chain and actions taken	CSX does not disclose this information





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

Standard	Disclosure	Location
<b>Public Policy</b>		
3-3	Management of material topic	2022 ESG Report (Public Policy & Advocacy, p. 139)
415-1	Political contributions	<a href="#">Political Contributions: CSX website</a>
<b>Customer Health &amp; Safety</b>		
3-3	Management of material topic	2022 ESG Report (Safety, p. 37; Customer Experience, p. 49)
416-1	Assessment of the health and safety impacts of product and service categories	Omit
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2022 ESG Report (Safety, p. 37)
<b>Marketing &amp; Labeling</b>		
417-1	Requirements for product and service information and labeling	Omit
417-2	Incidents of non-compliance concerning product and service information and labeling	Omit
417-3	Incidents of non-compliance concerning marketing communications	Omit
<b>Customer Privacy</b>		
3-3	Management of material topic	2022 ESG Report (Cyber & Information Security, p. 136) <a href="#">Privacy Policy: CSX website</a>
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2022 ESG Report (2022 ESG Performance Data Business & Governance Table, p. 142)



# Sustainability Accounting Standards Board Index (SASB)

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

## Sustainability Disclosure Topics & Accounting Metrics

Disclosure	Accounting Metric	Location
Greenhouse Gas Emissions	TR-RA-110a.1 Gross global Scope 1 emissions	2022 ESG Report (ESG Performance Data Table-Environment, p. 148)
	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	2022 ESG Report (Climate Change, p. 105) <a href="#">Latest CDP Climate Change Response (2022 C1.3, C4.1)</a>
	TR-RA-110a.3 Total fuel consumed, percentage renewable	2022 ESG Report (ESG Performance Data Table-Environment, p. 148)
Air Quality	TR-RA-120a.1 Air emissions of the following pollutants: (1) NOx (excluding N <sub>2</sub> O) and (2) particulate matter (PM10)	2022 ESG Report (ESG Performance Data Table-Environment, p. 148)
Employee Health & Safety	TR-RA-320a.1 (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	2022 ESG Report (ESG Performance Data Table-Safety, p. 143)
Competitive Behavior	TR-RA-520a.1 Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations <sup>39</sup>	In 2022, 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	2022 ESG Report (ESG Performance Data Table-Safety, p. 143)
	TR-RA-540a.2 Number of (1) accident releases and (2) non-accident releases (NARs) <sup>40</sup>	2022 ESG Report (ESG Performance Data Table-Safety, p. 143)
	TR-RA-540a.3 Number of Federal Railroad Administration (FRA) Recommended Violation Defects	2022 ESG Report (ESG Performance Data Table-Safety, p. 143)
	TR-RA-540a.4 Frequency of internal railway integrity inspections <sup>41</sup>	2022 ESG Report (ESG Performance Data Table-Safety, p. 143)

## Activity Metrics

Disclosure	Location
TR-RA-000.A Number of carloads transported <sup>42</sup>	2022 ESG Report (About CSX, p. 07) <a href="#">2022 10-K</a> (p. 4)
TR-RA-000.B Number of intermodal units transported <sup>43</sup>	2022 ESG Report (About CSX, p. 07) <a href="#">2022 10-K</a> (p. 4)
TR-RA-000.C Track miles <sup>44</sup>	2022 ESG Report (About CSX, p. 07) <a href="#">2022 10-K</a> (p. 13)
TR-RA-000.D Revenue ton miles (RTM) <sup>45</sup>	2022 ESG Report (ESG Performance Data Table-Environment, p. 148) <a href="#">2022 10-K</a> (p. 30)
TR-RA-000.E Number of employees	2022 ESG Report (2021 At-a-Glance, p. 12; Workforce, p. 57)





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

To advance transparency in our reporting, we support and align with the world’s leading sustainability reporting frameworks, including TCFD, and consider climate-related risk and opportunity types based on the TCFD classifications. The following table summarizes specific information that addresses the 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	2022 ESG Report (Climate Change, p. 105) <a href="#">Latest CDP Climate Change Response (2022 C1.1)</a>
	b) Describe management’s role in assessing and managing climate-related risks and opportunities	2022 ESG Report (Climate Change, p. 105) <a href="#">Latest CDP Climate Change Response (2022 C1.1)</a>
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	2022 ESG Report (Climate Change, p. 105) 2022 10-K (p. 10 & 12) <a href="#">Latest CDP Climate Change Response (2022 C2.1, C2.2, C2.3, C2.4)</a>
	b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning	2022 10-K (p. 10 & 12) <a href="#">Latest CDP Climate Change Response (2022 C3.1)</a>
	c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2-degree Celsius or lower scenario	<a href="#">Latest CDP Climate Change Response (2022 C3.1)</a>
Risk Management	a) Describe the organization’s processes for identifying and assessing climate-related risks	2022 ESG Report (Climate Change, p. 105) 2022 10-K (p. 12) <a href="#">Latest CDP Climate Change Response (2022 C2.2)</a>
	b) Describe the organization’s processes for managing climate-related risks	2022 ESG Report (Climate Change, p. 105) <a href="#">Latest CDP Climate Change Response (2022 C2.2)</a>
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management	<a href="#">Latest CDP Climate Change Response (2022 C2.2)</a>
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	<a href="#">Latest CDP Climate Change Response (2022 C-TS8.5)</a>
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	2022 ESG Report (Climate Change, p. 105; ESG Performance Data Table-Environment, p. 148) <a href="#">Latest CDP Climate Change Response (2022 C6.1 C6.2, C6.3, C6.4, C6.5)</a>
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	2022 ESG Report (Environmental Sustainability; 2022 Progress on Environmental Goals, p. 101)



# Statement of Verification

## SECTION 7

# Statement of Verification

## 7.1 Scope

Jacobs performed a verification of CSX's 2022 GHG Emissions Inventory to determine if a reasonable level of assurance could be provided. CSX's management is responsible for the collection and presentation of the information within the 2022 Emissions Inventory. Jacobs' responsibility is to express a conclusion as to whether anything has been identified to suggest that the reported Emissions Inventory is not presented fairly in accordance with referenced GHG accounting principles and associated guidance documents.

## 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 2022 reporting period (exclusive of purchased goods and services and capital goods) is 5,422,752 metric tonnes CO<sub>2</sub>e.

## 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 2022 Emissions Inventory are materially correct and presented fairly in accordance with stated criteria.

Jacobs

Mary Pat Campbell, P.E.

Lead Verifier

Chicago, IL

July 7, 2023





# Endnotes

1. Trucking revenue includes revenue from the operations of Quality Carriers, which was acquired by CSX effective July 1, 2021.
2. Source: <https://www.aar.org/wp-content/uploads/2023/06/AAR-Climate-Change-2023-Report.pdf>
3. Source: <https://www.aar.org/wp-content/uploads/2023/06/AAR-Climate-Change-2023-Report.pdf>
4. Source: <https://www.aar.org/wp-content/uploads/2023/06/AAR-Climate-Change-Fact-Sheet.pdf>
5. Source: <https://www.aar.org/facts-figures#2-fuel-efficiency>
6. Source: <https://www.railwayage.com/wp-content/uploads/2023/06/AAR-Climate-Change-2023-Report.pdf>
7. Our last non-financial materiality assessment was conducted in 2020. See our 2021 ESG report for more details.
8. In our 2023 assessment, material topics differed from previous years' due to a significant change in GRI Standards. In previous years' assessments, we asked interviewees to score ESG topics based on "What degree is CSX impacted by ESG topics," (internal focus) whereas in our 2023 assessment, we asked interviewees to score based on "How CSX's business activities impact each ESG topic" (external focus).
9. The following table lists the top ESG topics evaluated by each stakeholder group and reflects the average scores. These are the results for respondents' answers when asked about the 'impacts of CSX's business on the environment and society.'
10. Benefits negotiated through April 2022 with SMART-TD B&O; International Brotherhood of Electrical Workers (IBEW); the Brotherhood of Maintenance of Way (BMWED), which represents track workers; the Brotherhood of Railway Carmen (BRC), which represents mechanical employees; the International Association of Machinists and Aerospace Workers (IAM), which represents railroad machinists; and the National Conference of Firemen and Oilers (NCFO), which represents CSX's utility workers.
11. Source: <https://oli.org/about-us/news/public-urged-help-stop-track-tragedies-during-rail-safety-week-2022-and-beyond>
12. The data reflected in this table, which is calculated as of December 31, 2022, excludes employees of certain CSX subsidiary companies due to such companies' separate payroll systems. Such data has been processed through a more comprehensive data analytics procedure.
13. Benefits negotiated through April 2022 with SMART-TD B&O; International Brotherhood of Electrical Workers (IBEW); the Brotherhood of Maintenance of Way (BMWED), which represents track workers; the Brotherhood of Railway Carmen (BRC), which represents mechanical employees; the International Association of Machinists and Aerospace Workers (IAM), which represents railroad machinists; and the National Conference of Firemen and Oilers (NCFO), which represents CSX's utility workers.
14. Source: [https://bluestarfam.org/wp-content/uploads/2023/03/BSF\\_MFLS\\_Spring23\\_Full\\_Report\\_Digital.pdf](https://bluestarfam.org/wp-content/uploads/2023/03/BSF_MFLS_Spring23_Full_Report_Digital.pdf)
15. Scope 1 emissions exclude direct CO<sub>2</sub>e emissions from the use of biofuels.
16. The EPA has granted CSX a temporary exemption from that which allows it to conduct testing.
17. Source: <https://www.aar.org/facts-figures#2-fuel-efficiency>
18. Diverse suppliers spend is defined as the amount, in dollars, spent with suppliers that are small, minority-owned or women-owned businesses.
19. Average active trains per day excludes passenger and foreign trains.
20. Certain operations, performance and safety actuals can continue to settle over time.
21. 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).
22. FRA Personal Injury Rate calculated as number of FRA-reportable injuries per 200,000 employee hours. Safety statistics are estimated and continue to be updated as actuals settle; this data reflects estimates and actuals as reported in the 2022 Form 10-K.
23. FRA Train Accident Rate calculated as number of FRA-reportable train accidents per million train miles. Safety statistics are estimated and continue to be updated as actuals settle; this data reflects estimates and actuals as reported in the 2022 Form 10-K.
24. 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.
25. Fatality Rate is the rate of work-related fatalities / total number of full-time employees.
26. 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.
27. 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.
28. 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.
29. 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.

30. In order for reported data to more accurately reflect active, counts will no longer include union employees that have been 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.

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

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

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

34. 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.

35. Note: Scope 1 emissions exclude direct CO<sub>2</sub>e emissions from the use of biofuels.

36. 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.

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

38. 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.

39. 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.

40. 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.

41. 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.

42. 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.

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

44. 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.

45. 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.





We appreciate your interest in CSX's 2022 ESG performance.

At CSX, we see reporting as an ongoing, evolving process. As such, we welcome the opportunity to enhance our disclosures by engaging in a constructive dialogue with our stakeholders.

Please email us your thoughts, questions and feedback at [ESG@csx.com](mailto:ESG@csx.com).