

A man and a young child are running across a vast, green grassy field towards the left. The sun is low on the horizon to the left, creating a warm, golden glow and long shadows. The sky is a deep blue with scattered white clouds. In the distance, a line of trees and a city skyline are visible under the twilight sky.

MOVING **FORWARD**

CSX Corporate Social Responsibility Report
2015





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CHAIRMAN’S MESSAGE



Welcome to CSX’s 2015 Corporate Social Responsibility Report, *Moving Forward*.

The primary function of our business is to move the essential goods that feed, fuel, and build communities. Just as CSX trains are always headed to the next destination, this company is constantly looking to the future. We’re transforming into the CSX of Tomorrow – while continuing to make decisions that advance the interests of customers, the environment and all of the people we serve.

This sixth-annual Corporate Social Responsibility Report tracks CSX’s performance against key goals and explores the importance of those goals to the diverse stakeholders who work with, and depend on, this company. Following a globally-recognized reporting process helps CSX understand stakeholders’ priorities, reflect on achievements and identify areas of opportunity.

Let me share three highlights from 2015 that provide great encouragement for the future:

- CSX is investing in infrastructure to stimulate economic growth and job creation along the company’s network. Construction has begun on the Virginia Avenue Tunnel in Washington, D.C., where CSX is rebuilding a 110-year-old tunnel to remove a historic freight bottleneck and expand double-stack intermodal service availability. This privately-funded infrastructure project promotes the conversion of freight from congested highways to rail and further leverages the efficiency and environmental benefits of freight rail for moving consumer goods.
- CSX remains committed to safety, as evidenced by the fact that freight rail continues to be the safest form of land transportation. In 2015, CSX continued its network maintenance by replacing 3.3 million ties and replacing or resurfacing more than 5,500 miles of track. In addition, CSX’s Safety Train rolling classroom made 20 stops across the network to share incident response expertise and build relationships at the local level. CSX has also supported resilient, safe communities by contributing to the recovery efforts led by the American Red Cross for the last 20 years and continuing the company’s Play It Safe initiative to promote safety awareness and education for motorists and pedestrians around the railroad.
- CSX continues to foster an inclusive and dynamic work environment. In 2015, CSX was again named to G.I. Jobs’ Top 100 Most Military Friendly Employers list, and veterans, reservists, and active duty military members made up 25 percent of new employees. CSX was also named one of ComputerWorld’s 100 Best Places to Work in IT, reflecting an innovative culture that is helping to propel the company with advanced technology.

With accomplishments come higher expectations, and there is more work to be done in the quest to be ever-better. Please join us, and help us, on the continued journey to be the safest, most progressive North American railroad.

Michael J. Ward

Chairman and CEO

(G4-1; G4-9)



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ABOUT CSX

CSX, based in Jacksonville, Florida, is a publicly traded premier transportation company. It provides rail, intermodal, and rail-to-truck transload services and solutions to customers across a broad array of markets, including energy, industrial, construction, agricultural, and consumer products. For nearly 190 years, CSX has played a critical role in America's economic expansion and industrial development. (G4-9; G4-17)



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CSX’s rail network encompasses about 21,000 route miles of track across 23 states and two Canadian provinces. The network connects every major metropolitan area in the eastern United States, where nearly two-thirds of the nation’s population resides. It also links more than 240 short-line railroads and more than 70 ocean, river, and lake port terminals along the Atlantic and Gulf Coasts, the Mississippi River, the Great Lakes, and the St. Lawrence Seaway.

As global population grows, the benefits of freight rail are ever-more valuable. Rail supports the broader transportation infrastructure that is critical to American competitiveness and encourages collaboration between the private and public sectors. In addition to being the safest form of land transportation, freight rail dramatically minimizes emissions compared with other forms of land transportation and takes traffic off the congested highway system. Importantly, rail provides efficient and competitively priced transportation solutions.

Every point along CSX’s network creates commercial potential and local opportunities to make a positive difference. As the company evolves into the CSX of Tomorrow, the commitment to shareholders, customers, employees, and communities will remain.
(G4-4; G4-5; G4-6; G4-9; G4-17)





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2015 HIGHLIGHTS

Named one of Fortune Magazine's
**World's Most Admired
Companies**



3 employees

honored with the Association
of American Railroads' top
environmental awards

Opened
Casky Yard
in Hopkinsville,
Kentucky,
with modern
environmental design
informed by LEED
standards



\$2.2 billion invested by customers
in development projects

Named to the Dow Jones
Sustainability Index for North America
for the **fifth consecutive year**



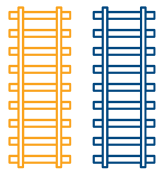
25% of new hires
in 2015 were veterans



66 transportation moves
to help communities



More than **\$13.5 million invested**
in programs to help communities



107 development
projects to build or expand
facilities on CSX's network
and short line partners

Began **reconstruction** of the more
than 110-year-old Virginia Avenue
Tunnel to create capacity for double-
stacked freight in Washington, D.C.



69.7%
operating ratio,
the first sub-70 full-
year ratio, helping
accelerate profitability



Computerworld's **100 Best
Places to Work** in IT



One ton of freight
can move **471 miles**
on one gallon of fuel

Reduced GHG emissions intensity
by **2.5% since 2011**



Nearly **5,000 CSX employees** received training at
the REDI Center in Atlanta, CSX's state-of-the-art
training facility for railroad operations and safety



company-record
\$2.00 earnings
per share



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IN THIS REPORT

Moving Forward is a review of the diverse topics that matter most to CSX's stakeholders. The pages ahead detail the company's environmental, social, and governance performance and the trends that had an impact on the business over the last year. Readers will also look inside the company at the people who make the network run every day. Within each section of this report, you will find:

- **2015 Highlights.** Each section starts with key performance metrics, progress against goals, and other notable highlights from 2015.
- **Trend in Context.** The 2014 report introduced five societal trends that influence how businesses operate. Throughout this report, the sections demonstrate linkage between CSX and those trends and how they continue to impact, challenge, and guide the business.
- **Core Values in Action.** Each section also explores one of CSX's five Core Values and how employees and partners are living them (see Core Values).
- **Responses to GRI Indicators.** This report was prepared in accordance with the Global Reporting Initiative's (GRI) G4 Sustainability Reporting Guidelines, which provide a framework for disclosure. The GRI asks businesses to determine what issues are most material, or important, to the business. Throughout the report, CSX lists the answers to the material aspects for 2015.



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TRACKING THE TRENDS: A 2015 UPDATE

In the 2014 report, CSX highlighted five trends that are influencing society. As a significant player in major supply chains and with a network that reaches nearly two-thirds of the American population, CSX’s progress is intertwined with those trends. Here is an update on those trends and the impact to CSX today — and to the CSX of Tomorrow.



The Century of Cities

According to the World Bank, 54 percent of the global population lives in urban areas.¹ By 2045, the urban population is estimated to increase by 1.5 times to 6 billion, adding 2 billion more urban residents. Providing a reliable and well-connected transport system is critical to creating sustainable, safe, resilient, and connected cities. CSX connects every major metropolitan area in the eastern United States, and reaches two in three American consumers through its transportation network. Read more in Safety & Security.



New Marketplace

Emerging economies and growing trade are redefining the global marketplace. Businesses of all sizes are increasingly becoming part of the global supply chain. This growing, vastly broadened marketplace means there are more goods to be transported and more complex supply chains to be made.

To learn more about the evolution of the marketplace and how CSX is prepared to capitalize on new opportunities, visit Evolving Economy.



Changing Workforce Demographics

Millennials became the largest share of the American workforce in 2015. Organizations are adapting and sometimes re-imagining talent strategies that match the diverse generations and skills in today’s workforce. To find out more information about how CSX is working to be an employer of choice for all generations, go to the Employees chapter.



Culture of Collaboration

Bridges and roads continue to age and face surging demand while there are limited resources for new infrastructure. Governments and businesses are looking to public-private partnerships to fund development projects. Research shows that public-private partnerships are also now used in more than 130 developing countries, contributing about 15–20 percent of total global infrastructure investment. CSX’s collaborative investment in communities includes new infrastructure projects, first responder training, and national and local non-profit partnerships. CSX’s outreach programs emphasize building mutually beneficial relationships with partners, customers, and neighbors that support more resilient communities. Read more in Business Performance & Governance and Communities.



Weather Variability

Catastrophic weather events can disrupt communities and commercial activity. CSX continues to make its operations more resilient to unpredictable weather conditions by investing in its workforce and infrastructure to increase preparedness and mitigate impacts. CSX also implements business practices and technologies that minimize the company’s environmental footprint and supports organizations working to enhance community preparedness and foster environmental stewardship. To learn more about how CSX prepares for, responds to, and seeks to improve environmental conditions, see the Environment & Efficiency chapter.

¹ Source: The World Bank, “Urban Development Overview,” April 2016



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CORE VALUES

The CSX Core Values propel the way CSX operates as a company, an employer, and a member of the community. Living the Core Values will help CSX achieve the vision to be the safest, most progressive North American railroad, relentless in the pursuit of customer and employee excellence. No matter the endeavor, the Core Values remain constant. More on the CSX Vision, Purpose, and Core Values is available on the [CSX website](#). (G4-56)

It Starts with the Customer | Reliable service is key to growth. Grow by understanding and meeting needs. Become easier to do business with. Own their problems – win their business.

People Make the Difference | Every employee engaged and adding value. Emphasis on professional and personal growth. Expect a lot – have fun – celebrate success. Treat each other with respect and dignity.

Safety Is a Way of Life | Live safely for your family. Take time to be safe. Look out for each other. Safety affects customers.

Fact-Based | Use customer-based performance measures. Fix the problem, not its symptoms. Improve performance with facts. Validate – don’t speculate.

Right Results, Right Way | Reward our shareholders. Be a positive influence on communities and the environment. How you get there matters. Avoid fault-fixing.

MATERIALITY ASSESSMENT

From March 1, 2015 to February 29, 2016, CSX conducted an assessment to identify material issues. That assessment included the criteria referenced below:

- Material issues reported in CSX’s 2014 Corporate Social Responsibility (CSR) Report were used for the 2015 CSR Report materiality assessment (refer to About This Report for 2014 and 2015 issues list).
- CSX established eight internal and external stakeholder groups and identified stakeholders within each group to survey, including:
 - Employees, Customers, Suppliers, Nonprofit Organizations, Government Organizations, Short Line Partners, Community Members, and Investors
- CSX prepared an online survey containing the material issues list and received survey responses from more than 100 internal and external stakeholders.
 - The survey asked stakeholders to rate issues on a 1 to 10 scale, with 1 being Not Important and 10 being Very Important to the long-term success of CSX’s business

- CSX weighted the customer and supplier responses to allow for comparability year-over-year between 2014 and 2015. This weighting resulted in customer response ratings for each issue in the survey being multiplied by 1.61 and supplier response ratings for each issue in the survey being multiplied by 0.67.
- Material issues were ranked based on the weighted average ratings of all stakeholder survey responses and the top 20 issues are presented in the materiality matrix.
- CSX conducted interviews and focus groups with Employees, Customers, Suppliers, and Nonprofit Organizations to document additional insights regarding select material issues included in the 2015 materiality matrix.

Ernst & Young LLP, CSX’s independent accountants, have performed review-level assurance for the time period of March 1, 2015 through February 29, 2016 on the materiality assessment described above. Ernst & Young’s Review Report can be found in the About This Report section.

(G4-25)



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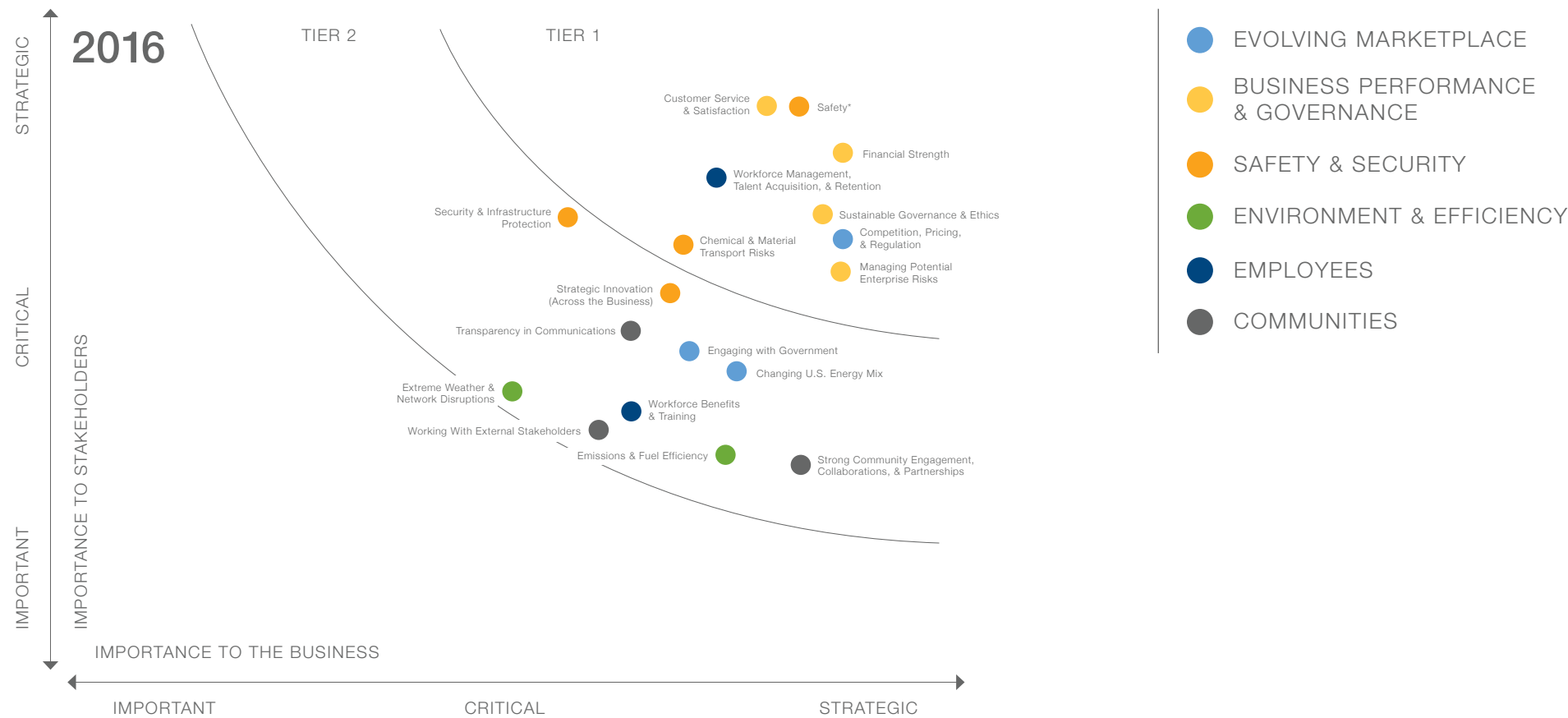
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IMPORTANT ISSUES

The material issues map presents the results of the materiality assessment, showing the relative importance of the top 20 issues to both stakeholders and CSX’s business. While all of the topics represented are important, the issues in Tier 1 in the top right-hand corner were identified as those that stakeholders consider to be the most material to CSX. Those in Tier 2 are also considered material to the business.

The colors of the issues on the map indicate their alignment within the sections of this report. Discussion of each issue will be primarily focused in the corresponding report section, as denoted by color. For example, the issue of Security & Infrastructure Protection, marked in orange, will be emphasized and discussed in the Safety & Security section. (G4-18)



* Workforce Safety, Network Safety, and Public Safety & Security were included in the materiality assessment survey as individual issues and were ranked 1, 2, and 5 respectively based on the weighted average ratings of all stakeholder survey responses. The weighted average ratings for these three issues were averaged together to be presented in the materiality matrix as a single issue – Safety. All top 20 issues are included in the matrix.



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To better understand which topics matter to each audience, and why they are significant, CSX asked stakeholders for specific feedback on important issues. The following table lists the issues that each group identified as most material to CSX’s business and provides an example of stakeholder commentary on one or more of those issues. (G4-27)

AUDIENCE

ISSUES OF IMPORTANCE

FROM THEIR VOICE



CUSTOMER

Customer Service & Satisfaction; Safety;
Financial Strength; Competition, Pricing &
Regulation

“ We recognize that companies that lack financial strength may not always make the best decisions for the network overall. A strong financial position is paramount to long-term **sustainability** and **success**. ”



INVESTORS

Financial Strength; Customer Service
& Satisfaction; Competition, Pricing,
& Regulation; Managing Potential
Enterprise Risks; Strategic Innovation
(Across the Business)

“ With continued challenges in coal and other commodity related markets starting out 2016, we view CSX’s outlook as a step in the **right direction** to set more realistic expectations in the sector.** ”



COMMUNITY MEMBERS

Financial Strength; Safety; Strong
Community Engagement, Collaborations
& Partnerships; Chemical & Material
Transport Risks

“ Please closely consider the **community’s needs**... This means protect our livelihoods... protect our children... protect our home values.* ”



CSX EMPLOYEE

Safety; Financial Strength; Competition,
Pricing & Regulation; Sustainable
Governance & Ethics

“ Sustainable governance & ethics means we’re doing **all the right things**, the right way, to position us for long-term success. It encompasses sound ethics, safety, customer service, long-term strategy, and financial success that rewards employees and shareholders. ”

*Feedback from public meeting for an infrastructure project which began in 2015.

**Feedback from an Analyst Report on January 13, 2016.



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AUDIENCE

ISSUES OF IMPORTANCE

FROM THEIR VOICE



GOVERNMENT ORGANIZATION

Safety; Chemical & Material Transport
Risks; Security & Infrastructure Protection;
Engaging with Government

“Railroads must adapt to the quickly changing energy mix.... the railroads that are proactive in **exploring** and **capturing new markets** – such as a greater share of intermodal – will prosper.



SHORT LINE PARTNER

Customer Service & Satisfaction; Financial
Strength; Safety; Sustainable Governance
& Ethics

“CSX needs to show **due diligence** in managing enterprise risks as there are thousands of customers and short lines across the country that rely on CSX.



NONPROFIT ORGANIZATION

Financial Strength; Safety; Working with
External Stakeholders; Strong Community
Engagement, Collaborations & Partnerships

“I would encourage CSX to continue to push the envelope on sustainability — I believe it is a business differentiator. Building **lasting** and **substantial** and selective partnerships that can help the company deliver its sustainability goals is one way it can get there.



SUPPLIER

Safety; Customer Service & Satisfaction;
Financial Strength

“CSX needs to... look to partner with other organizations that will bring **additional value** and improve their supply chain. This can reduce other costs and improve customer satisfaction.

(G4-27)



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EVOLVING ECONOMY

Railroads move a variety of essential goods, so many analysts and planners often look to the products moved and the demand for rail transportation as a leading economic indicator. Many nationwide and global trends can be seen through the lens of the railroad, from housing starts to energy consumption. In this section you will find:

- How CSX is positioned to serve the evolving marketplace
- Leadership perspectives on CSX's relationship with the global economy
- Overview of markets served by CSX in 2015



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TREND IN CONTEXT:
NEW MARKETPLACE

As the global population grows, demand for goods is increasing and capacity is constrained. Reuters finds that “for the first time in history, a truly global middle class is emerging. Rapid growth in China, India, Indonesia, Vietnam, Thailand, and Malaysia will cause Asia’s share of the new middle [class] to more than double from its current 30 percent.”³

These populations are also becoming more technologically-savvy and moving toward an online marketplace, where buyers and sellers can connect directly across country borders. Pew Research reported a “noticeable rise over the past two years in the percentage of people in the emerging and developing nations... who use the Internet and own a smartphone.” As the marketplace expands its geographic borders, and consumers and businesses connect online, anywhere, anytime, the world requires more flexible and integrated transportation solutions.

Increasingly, intermodal—which uses at least two modes of transportation to move freight—is providing the answer by moving products in a timely and safe fashion. Intermodal solutions create more capacity and fluidity within the transportation network, as trucks and trains work together so supply chain managers can utilize the best channel for each part of the journey.

CSX is investing in its intermodal network to capture this market. In early 2015, CSX completed the installation of two additional wide-span gantry cranes at its intermodal hub in northwest Ohio, which means the facility can increase the number of containers it can process. CSX also began reconstructing the Virginia Avenue Tunnel in Washington, D.C. to create capacity for efficient double-stacked freight. In addition, the construction of the Pittsburgh Intermodal Rail Terminal, which began in 2015, further expands CSX’s intermodal service offering. Currently, CSX is examining new opportunities to expand intermodal connectivity in the growing Carolina region. Together, these projects will help connect businesses to the global marketplace by shifting freight from highways to rail and enable service for shippers in smaller, growing markets.

Right: CSX’s intermodal hub in Northwest Ohio

³Source: Reuters, “The Swelling Middle,” 2012





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LEARNING FROM LEADERS

As the marketplace evolves, businesses must adjust to the trends and look for places to capitalize on new opportunities. In this section, three of CSX’s leaders offer their perspectives on some of the most pressing issues in the global marketplace, and how CSX is responding and preparing for the future. Read on for insights from:

- Fredrik Eliasson, Executive Vice President and Chief Sales and Marketing Officer,
- Cindy Sanborn, Executive Vice President and Chief Operating Officer, and
- Frank Lonegro, Executive Vice President and Chief Financial Officer.

What changes is CSX seeing in the marketplace and how is the company responding?

Fredrik: There are two types of changes: longer-term macro-trends and near-term shifts. As a nearly 190-year-old, capital-intensive railroad operator, we have a good track record of spotting the macro-trends and adjusting and investing to address them. For example, we know that intermodal is becoming increasingly attractive to customers, and we have made a decision to shift toward a hub-and-spoke strategy which supports that business. We have invested in new, longer trains that are more efficient and more environmentally sustainable — and offer even clearer competitive advantages over long-distance highway freight.

Cindy: At the same time, we are responding to shifts in global markets that have a direct impact on our volume. We’ve experienced decreased demand in the Appalachian region of our network, which has a long history tied to the rail industry. We ended the year by having to furlough some employees, which was a difficult decision, but one that was made in order to adjust to the current demand and keep CSX’s business success sustainable for the future.

Fredrik: What remains consistent is our focus on meeting and exceeding customer expectations, and running the most reliable and safe network in North America.

How did international markets affect CSX in 2015?

Frank: While our operational footprint is limited to the U.S. and Canada, our business is deeply connected to movements in international markets. Railroads have always been a barometer for the wider global economy, and in 2015, we were early to detect many

of the trends that are continuing today—including softening demand for commodities, declining oil prices, and continuing uncertainty in European economies. We serve approximately 60 percent of the U.S. economy and feel optimistic about CSX’s future. While international factors undoubtedly affected our performance in 2015, we still see areas for profitability and growth which will keep the company resilient, strong, and growing in the long run.

How did extreme weather affect CSX’s operations and performance in 2015?

Cindy: Severe winter weather in early 2015 affected several segments of the CSX network. We have learned some valuable lessons from the past two winters. We are now better prepared to handle weather disruptions and restore network fluidity quicker than we were, even just a year ago. For example, we ramped up our locomotive program, bringing online around 350 new and upgraded locomotives during 2015. We also added and improved technology for winter preparedness and prepared rapid response teams to quickly react when catastrophic weather did occur.





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How else is CSX using technology to manage business challenges?

Frank: Investing in technology is critical to CSX’s future and sustainability. Cindy recently told employees at a meeting that innovation isn’t a series of technology inventions, it’s a discipline to constantly find new ways to problem solve — and I agree. We continue to see that advanced technologies are a win-win for our business and our customers, boosting productivity, generating cost savings, and strengthening customer service. Technology is also enabling efficiency by reducing CSX’s environmental footprint and improving safety. One example is investment in Positive Train Control (PTC), which has been one of the biggest projects ever undertaken by the rail industry and has required the participation of virtually every department within CSX. We believe that, when installed and tested appropriately, PTC will enable great safety and efficiency enhancements to the network. CSX will continue to utilize cutting-edge technologies and innovations whenever there are opportunities to improve performance and increase safety.

How do you manage such a diverse workforce spread across a large network?

Cindy: Our people come from all kinds of backgrounds and cover an expansive geographic area. That’s why CSX’s Core Values are so important. They allow us to maintain a strong culture and a common commitment to always gaining the best perspectives, which requires having diverse perspectives.

Frank: We also know it’s critical to provide the training and resources needed on the job every day. We continue to invest in best-in-class development opportunities, including the CSX Railroad Education and Development Institute’s 60 front-line rail operations training programs. We also work to equip employees with advanced engineering skills and technologies, such as robotics and mobile apps, to allow them to focus on the highest-value work available.

Cindy: Development has driven my career at CSX, where I began nearly 30 years ago. I’m proud to come from a railroading family, and my parents instilled in me a love for railroading and an appreciation of how important it is to the success of America. It’s important to remember that a majority of the rail industry’s workforce is unionized. We continue to work with the union representatives to create agreements that make CSX a good place to work. In 2015, we reached an agreement with the International Association of Machinists and Aerospace Workers and the International Association of Sheet Metal, Air, Rail and Transportation Workers that improves flexibility and productivity for our people. Having an informed and engaged workforce helps CSX provide the best service — and we hope that it will keep employees committed to a rewarding career at CSX.

Looking at the big picture, how are CSX’s actions supporting the future of America’s infrastructure?

Fredrik: Modern, safe, and reliable infrastructure is not only good for CSX, it’s essential for the U.S. economy and long-term competitiveness. World-class rail infrastructure not only means better service for our customers, but it also creates more vibrant local economies, ensures community safety and accessibility, decreases highway congestion, and reduces environmental impacts.

Frank: This is why we continue to invest heavily in infrastructure improvements and partner with the public sector on significant projects. In 2015, CSX’s infrastructure investment reached \$2.6 billion. I’m particularly proud of our role in the redevelopment of the former Pittsburgh & Lake Erie Railroad Yard. We took a facility that had operated for more than 100 years and are upgrading it into a state-of-the-art intermodal facility. We’re also investing in the District of Columbia by replacing the existing Virginia Avenue Tunnel, which is more than 110 years old.



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2015 MARKET OVERVIEW

Adjusting to fluctuations in each market creates new opportunities and challenges — whether that’s identifying the best operating plan to match a customer’s demand levels or creating solutions to serve a new growing market. This market overview shows the breadth of markets served by CSX and how each market performed in 2015 as measured by carload volume and revenue totals. (G4-8)

Agricultural Products: CSX moved 411,000 carloads of agricultural products in 2015 for revenue of \$1.087 billion, a 2 percent volume decrease from 2014. Volume declined due to challenging world market conditions and a strong U.S. dollar. Specifically, high levels of imported ethanol reduced rail moves to Eastern markets and export grain was down significantly. These declines were partially offset by strength in feed grain and domestic soybean moves, reflecting the record 2014-2015 harvest.

Phosphates and Fertilizers: CSX moved 301,000 carloads of phosphates and fertilizers in 2015, for revenue of \$489 million, resulting in a 9 percent volume decrease from 2014. Volume declines reflected the weak demand for fertilizers driven by oversupply, low corn prices and a challenged export market due to strength of the U.S. dollar.

Food and Consumer: CSX moved 92,000 carloads of food and consumer products in 2015, for revenue of \$258 million in 2015, a 2 percent decrease in volume from 2014. Volume declined as excess truck capacity and poor western crop yields in produce led to lower shipments of fresh foods.

Chemicals: CSX moved 621,000 carloads of chemicals in 2015, for revenue of \$2.093 billion, keeping the volume flat year-over-year. Volume was flat as strong gains in LPG and petroleum products were offset by a slowdown in crude oil and frac sand due to low oil prices.

Automotive: CSX moved 450,000 automotive carloads for revenue of \$1.175 billion in 2015, a 3 percent increase in volume compared to 2014. Volume increased as gains in auto movement, especially SUVs and trucks, resulted from strong North American light vehicle production and consumer demand.

Metals: CSX moved 233,000 carloads of metals for revenue of \$596 million in 2015, resulting in a 16 percent decrease in volume from 2014. Volume declined due to high levels of steel imports which resulted from the strength of the U.S. dollar and led to lower production of domestic steel.

Forest Products: CSX moved 290,000 forest product carloads in 2015, for revenue of \$796 million, a 6 percent volume decrease from 2014. Volume declines reflect high inventories of building products in the housing sector as well as declining demand due to electronic substitution in paper products.

Minerals: CSX moved 311,000 carloads of minerals for revenue of \$469 million in 2015, a 6 percent volume increase from 2014. Volume growth reflects strength in aggregates (which include crushed stone, sand, and gravel) due to increased highway and non-residential construction activity.

Waste and Equipment: CSX moved 151,000 carloads of waste and equipment in 2015, for revenue of \$308 million, a 4 percent volume decrease from 2014. Volume was down as a result of the conclusion of a customer’s major remediation project and reduced military vehicle movement partially offset by increases in municipal waste.

Coal: CSX moved 1.063 million carloads of coal for revenue of \$2.3 billion in 2015, resulting in a 16 percent volume decrease from 2014. Domestic coal volume declined as a result of mild weather, high stockpiles and low natural gas prices favoring natural gas power generation. For export coal, reductions in both metallurgical and thermal coal volume resulted from ongoing weak market conditions due to global oversupply and the strength of the U.S. dollar.

Intermodal: CSX moved 2.838 million intermodal containers in 2015, for revenue of \$1.762 billion, a 4 percent increase in volume from 2014. Domestic volume increased 12 percent due to customer growth, continued success with CSX’s highway-to-rail conversion program and new service offerings. In the international intermodal market, competitive losses resulted in a 5 percent international volume decline during a volatile year marked by West Coast port disruption, a subsequent volume surge and then a weaker-than-average peak season.



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BUSINESS PERFORMANCE & GOVERNANCE

Business results have kept CSX resilient for its nearly 190 year history. From on-time arrivals to shareholder gains, performance is measured through a variety of metrics — and effective and evolving governance is critical. In 2015, a responsible and collaborative approach to business allowed the company to improve operating income and deliver strong financial results despite significant losses in coal. This section includes:

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2015 HIGHLIGHTS



Reduced costs by nearly **\$375 million**

SPENT \$132 MILLION
with more than 250 diverse and
minority suppliers — up from
150 suppliers in 2013



#2 Best Overall
CFO by Institutional Investor



Began construction on an intermodal
terminal outside Pittsburgh



Generated company
record **\$2.00 earnings**
per share

Worked with
customers on
107 projects
to build or expand
facilities along
CSX's network



Delivered solid full-year
financial performance,
including the company's
**first sub-70 full-year
operating ratio**

**Began
reconstruction**
of the more than 110-year-
old Virginia Avenue Tunnel
to create capacity for
double-stacked freight in
Washington, D.C.



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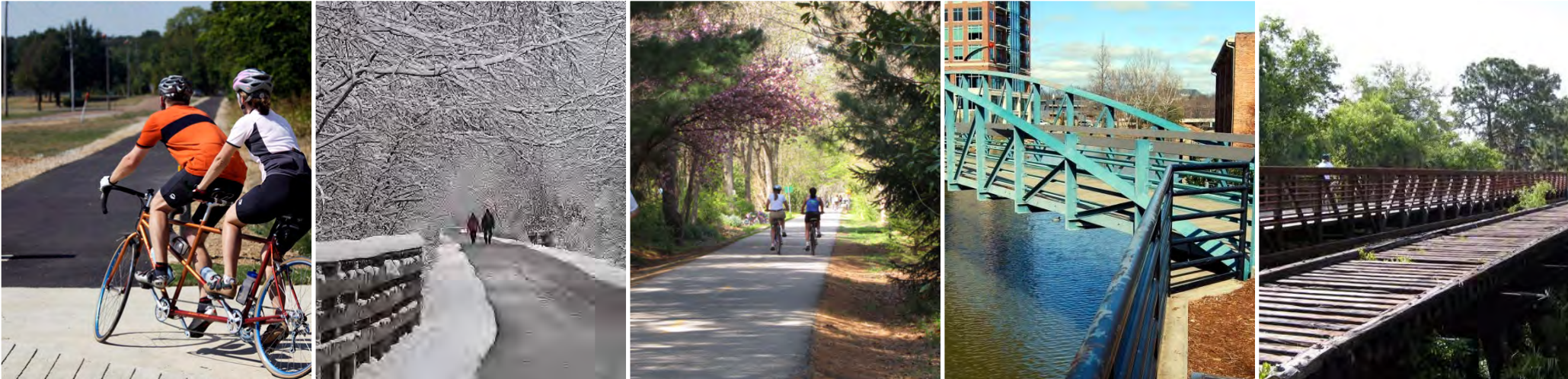
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TREND IN CONTEXT:
CULTURE OF COLLABORATION

Maintaining and developing infrastructure frequently requires close collaboration between the government, public organizations, private companies, and community members. CSX supports America’s rail infrastructure on both sides of the life cycle: to maintain and grow strategic projects, as well as determine the safest, best use of rail resources after they are no longer needed in an area due to the relocation of customers, decreased demand, or they reach the end of a useful life.

When a rail corridor is no longer needed for operations, CSX is a proponent of converting rail to trails for alternative transportation use through a process often called “railbanking.” CSX first identifies conversion opportunities where the company is ceasing operations, and then determines whether it will overlap with uses for the public, such as green spaces. Then, CSX works with communities to sell the property at fair market value. The CSX Real Property team and the Public Safety, Health, and Environment department also developed a process to review operations and identify any potential environmental impacts of a property prior to the sale.

Among many transactions in 2015, CSX completed a transaction in Athens, Georgia. The former rail corridor will become part of the Firefly Trail stretching from Athens to Union Point. Once complete, it will connect residential neighborhoods to the University of Georgia, providing alternative transportation routes for bicyclists and walkers and reducing road traffic.

“This trail will serve Athens-Clarke County citizens and visitors along with staff and students of the University of Georgia by connecting existing trails and future planned trails for multi-purpose recreation and personal transportation, including pedestrians and non-motorized vehicles,” said Derek Doster, Project Administrator for Athens-Clarke County. “This section is also conveniently located in close proximity to a public Park and Ride, making it very accessible and usable for the public.”

Above: Trail projects created from CSX rail property transactions. From left to right: Memphis, Tennessee; Indianapolis, Indiana; Washington, D.C.; Greenville, South Carolina; and Sarasota, Florida.



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CORE VALUES IN ACTION

It starts with the customer | *Reliable service is our key to growth. Grow by understanding and meeting needs. Become easier to do business with. Own their problems—win their business.* (G4-EC7)

CSX uses the term “Service Excellence” to describe how all employees, regardless of title, can improve customer experience through cutting-edge technologies and tailored solutions.

In 2012, the company first launched its Service Excellence initiative in the Chicago and Nashville divisions, empowering front line employees from operations and sales and marketing to coordinate between internal teams and shift from thinking of CSX as a service provider to CSX as a partner and solutions-finder. For example, Service Excellence includes periodic meetings where a diverse group of representatives from different departments join to solve customer concerns at the ground level and discuss growth opportunities.

Service Excellence was successful as a new program because its mission — putting a customer first and finding innovative solutions — had always been a part of the CSX DNA. Once it was formally introduced, the initiative produced measurable, positive results and garnered support, from train crews to the leadership team. Since 2012, it has been rolled out to all operating divisions, engaging all employees to recognize that their daily actions ultimately impact the customer experience. Along with better customer service, “Service Excellence” creates internal awards as well, as it frequently helps the company achieve better asset utilization.





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FINANCIAL PERFORMANCE

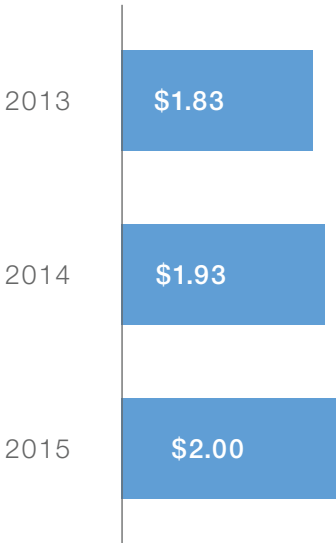
In 2015, CSX generated \$11.8 billion in revenue, nearly \$3.6 billion in operating income, and the company’s first sub-70 full-year operating ratio at 69.7 percent, despite \$500 million in losses in one of its most significant markets—coal.

The company delivered earnings per share of \$2.00, up four percent from 2014. CSX also improved shareholder value through actions announced in 2015, including a 13 percent increase in the quarterly dividend and a new \$2 billion share repurchase program.

CSX delivered a total cost reduction of nearly \$375 million, which includes both efficiency initiatives and savings from rightsizing resources to match demand. CSX also chose to find cost savings through the voluntary transfer of its stock exchange listing from the New York Stock Exchange to The Nasdaq Global Select Market, a transaction that was effective after market close on December 21, 2015.

(G4-DMA Economic Performance; G4-EC1; G4-9; G4-10)

EARNINGS PER SHARE (in dollars)



REVENUE / OPERATING INCOME (in millions)

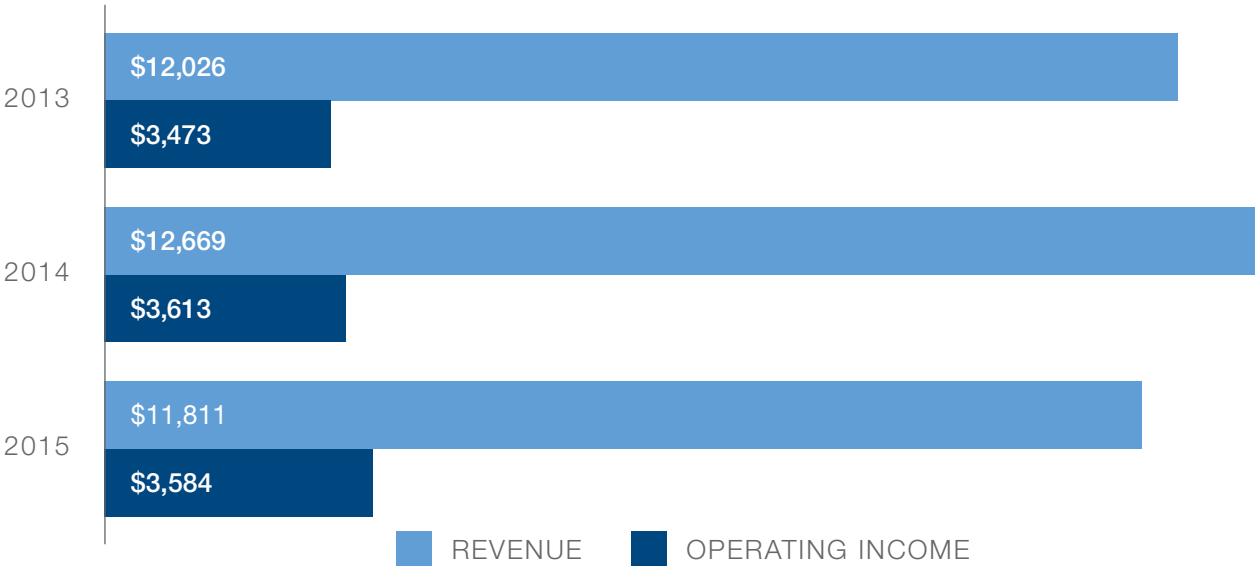




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2015 VOLUME BY MARKET

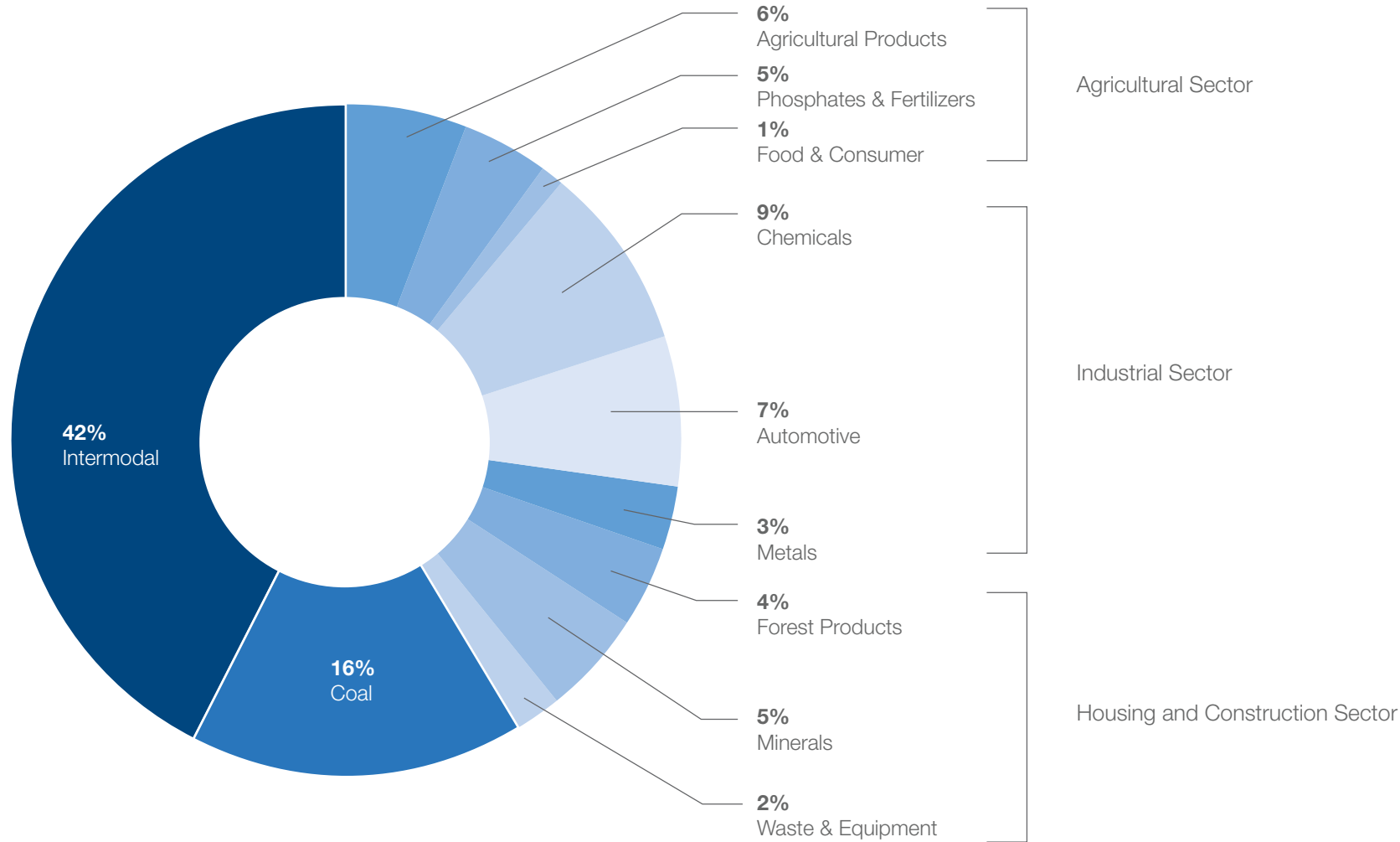




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CORPORATE GOVERNANCE

CSX is committed to top tier corporate governance practices and achieving the right results in the right way. The CSX Executive Team and Board of Directors understand the opportunities and challenges across the business and help make decisions that support the company’s long-term growth and success. As of December 31, 2015:

- The Executive Team consists of seven individuals with diverse experience and is led by Chairman and CEO, Michael J. Ward.
- The Board of Directors has 12 members. Two members of the Board are women of color. (G4-LA12)
- All members of the Board, with the exception of Michael J. Ward, are independent.
- The Board has five standing committees, which each met at least five times in 2015, in addition to the five or more full Board meetings each year. It also has an Executive Committee, which did not meet in 2015.
- The Public Affairs Committee has responsibility for Corporate Social Responsibility, overseeing compliance with legal requirements and internal policies relating to equal employment, diversity in the workplace, employee safety, environmental impact, and corporate citizenship. (G4-34)

More information about the Executive Team and Board of Directors is available on the corporate governance page of the [company’s website](#). (G4-34)

Shareholders may communicate with the Board in writing or through attending the Annual Shareholders Meeting and various investor conferences. Shareholders are welcome to communicate with the Board of Directors at the address listed in “About This Report.” Shareholders may also request a free, printed copy of the CSX Corporate Governance Guidelines, the CSX Code of Ethics, the charters of each Board committee, and Board policies.

ETHICS

The [CSX Code of Ethics](#) lays out standards for the ethical behavior of all employees, officers, and Directors of the corporation and its subsidiaries. It covers matters such as conflicts of interest, insider trading, confidential information misuse, compliance

with laws and regulations, discrimination and harassment, whistle-blower protection, public and employee safety, and proper use of corporate assets. (G4-56)

In addition to the Code of Ethics, CSX also has the following practices and policies in place to promote ethical behavior:

- Ethics and Compliance Trainings: Each year, management employees complete multiple training courses on ethics and compliance, including anti-corruption policies. In 2015, 100 percent of management employees completed the mandatory ethics training. Approximately 88 percent of craft employees voluntarily completed the ethics training course in 2015, compared with 84 percent of union employees in 2014. (G4-SO4)
- Reporting Unethical or Unlawful Behavior: CSX employees can voice concerns if they suspect a violation of the Code of Ethics or are unsure about undertaking certain actions through the 24-hour CSX Ethics Helpline and associated website. In 2015, CSX received 1,376 inquiries (128 of which were repeat issues) via the Helpline, website, and letters. When violations are uncovered during the investigation process, the Ethics team ensures appropriate action is taken to resolve the issue. CSX management reviews aggregate Helpline activity with the Audit Committee at least once per year. (G4-58)
- Anti-Competition and Anti-Corruption: CSX believes in fair competition, complies with antitrust laws, and expects all employees to comply with the company’s strict antitrust and anti-corruption policies. (G4-DMA Anti-Corruption and G4-DMA Anti-Competitiveness Behavior)

BUSINESS RISK MANAGEMENT

CSX strives to responsibly manage inherent business risks. The goal is to proactively identify and mitigate risks which have the ability to impact CSX’s objectives. In pursuing this goal, CSX adheres to a risk assessment process that is closely aligned with business strategy and the compliance, external, and strategic risks of the business. The company’s approach to business risk management focuses on activities the company owns or controls, as well as those outside the company.

During 2015, CSX identified and reviewed risk factors that could have a materially adverse effect on the company, including:



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- Legislative, governmental, or regulatory changes;
- Capacity constraints;
- Security of information technology systems and data;
- Global economic and supply chain conditions; and
- Changing dynamics in the U.S. and global energy markets.

These and many other identified risks are routinely communicated to and reviewed by leaders within CSX, along with CSX’s Board of Directors or a committee of the Board. The Audit Committee of the Board provides overall monitoring of the risk management process.

CYBERSECURITY

CSX uses many technology applications to run its business, such as systems that automate daily activities and systems that plan and inventory train movement to increase efficiency. As a vital component of the nation’s infrastructure, CSX understands the critical importance of a secure technology network to protect customers, employees, and communities. In 2015, the company reported no incidents related to breaches of data or disruption of rail service due to cybersecurity issues.

The company invests in cybersecurity protocols that seek to ensure prevention in a dynamic threat environment. CSX’s cybersecurity team proactively detects technology threats and responds to prevent intrusion and minimize potential impacts.

In the past year, significant cybersecurity activities have included internal and external reviews of the CSX security program against best-practice frameworks, reviewing the internal CSX network design relative to the ability to monitor and control communication traffic, augmenting controls to better address potentially destructive cyber scenarios, improving monitoring for security events, and improving protection against unauthorized system access.

CSX also partners with enforcement agencies to deliver timely cyber intelligence and conducts regular audits to ensure processes are functioning as designed. The full Internet privacy and information security policy can be found on the Privacy page of the website [here](#).

PUBLIC POLICY AND CONTRIBUTIONS

CSX often interacts with federal, state, and local governments and regulatory agencies to discuss aspects of the business and potential outcomes of legislative and regulatory actions. In these interactions, the company and its employees act in compliance with federal, state, and local laws and regulations. CSX is also a member of organizations that support policies for a strong business and economic environment, including the U.S. Chamber of Commerce, Business Roundtable, Association of American Railroads, and Business for Social Responsibility. CSX’s political and third-party contributions, as well as independent expenditures, are disclosed on the [website](#). (G4-DMA Public Policy; G4-SO6)

CUSTOMERS AND SUPPLIERS

As a transportation services provider, CSX is in the business of making connections. The company creates responsible transportation between points on the value chain – from suppliers to customers, and then on to consumers.

Customers

CSX continues to invest in training, communication, and technologies to improve the customer experience. In 2015, CSX achieved an overall satisfaction score of 108, which is managed by J.D. Power and tracked through the company’s annual Voice of the Customer survey. Overall satisfaction scores are comprised of service as the main indicator, along with planning and customer assistance scores. In 2015, a total of 569 employees received an award for outstanding performance, the CSX Service STAR Award, nearly half of which came directly from the survey. (G4-PR5)

VOICE OF THE CUSTOMER SURVEY RESULTS*			
2012	2013	2014	2015
110	113	108	108
*Scores are indexed as a percentage over the baseline year 2008 as a score of 100.			



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- **Communication:** CSX communicates regularly with customers through many cross-functional forums and workshops and the company's Customer Advisory Council, which meets twice a year. In 2015, 14 active CSX customers served on the Council.
- **Technologies:** CSX provides train updates, tracks shipments, and manages customer inquiries through a suite of mobile tools on ShipCSX.com and ShipCSX Mobile. CSX has also been integrating the Mobile Rail Tool into train operations. The company developed this tablet technology to better service customers with real-time data, including:
 - Automatically logging arrival and departure times;
 - Accessing the most recent customer maps; and
 - Easily sending customer notifications about shipment arrival time.

Comprehensive Approach: CSX uses a Total Service Integration process to support customer needs when loading or unloading products. By reducing this transition time, both CSX and customers can find efficiencies and open more capacity. (G4-DMA Product and Service Labeling)

Suppliers

CSX works with approximately 7,000 suppliers throughout its network and internationally. The company procures the vast majority of supplies and services through a centralized, competitive supplier selection process. This process incorporates cost considerations, long-term maintenance, quality, the logistics of materials and services, and environmental and labor policies.

To better manage risks and relationships within the supply chain, CSX determines critical Tier 1 and Tier 2 suppliers using a segmentation process that identifies top suppliers on the basis of criticality, risk, and spend. There are currently 16 Tier 1 and 15 Tier 2 suppliers. CSX evaluates environmental risks within its supply chain and opportunities for partnership with suppliers by using CDP's Supply Chain questionnaire. Many of CSX's customers request greenhouse gas emissions and other environmental data through CDP's Supply Chain program. CSX passes that request on to all Tier 1 and 2 suppliers as well as other selected suppliers to maximize transparency and identify areas for continuous improvement.

CSX's contract language requires suppliers to uphold laws and regulations and maintain corporate policies that support diversity and non-discrimination. A specially

trained team of supplier quality auditors reviews supplier policies and procedures to gauge safety, environmental, and other quality factors. More information on the environmental performance of suppliers can be found in the Environment & Efficiency section. (G4-12)

The CSX Supplier Diversity Program gives suppliers of all sizes an equal opportunity to compete to provide required services and commodities CSX needs to effectively run its business. In 2015, CSX's diverse spend was more than \$132 million. This spend includes transactions with more than 250 businesses, including those that are certified through agencies such as the Women's Business Enterprise National Council and National Minority Supplier Development Council.

Below: CSX's Mobile Rail Tool increases productivity and reports data more accurately

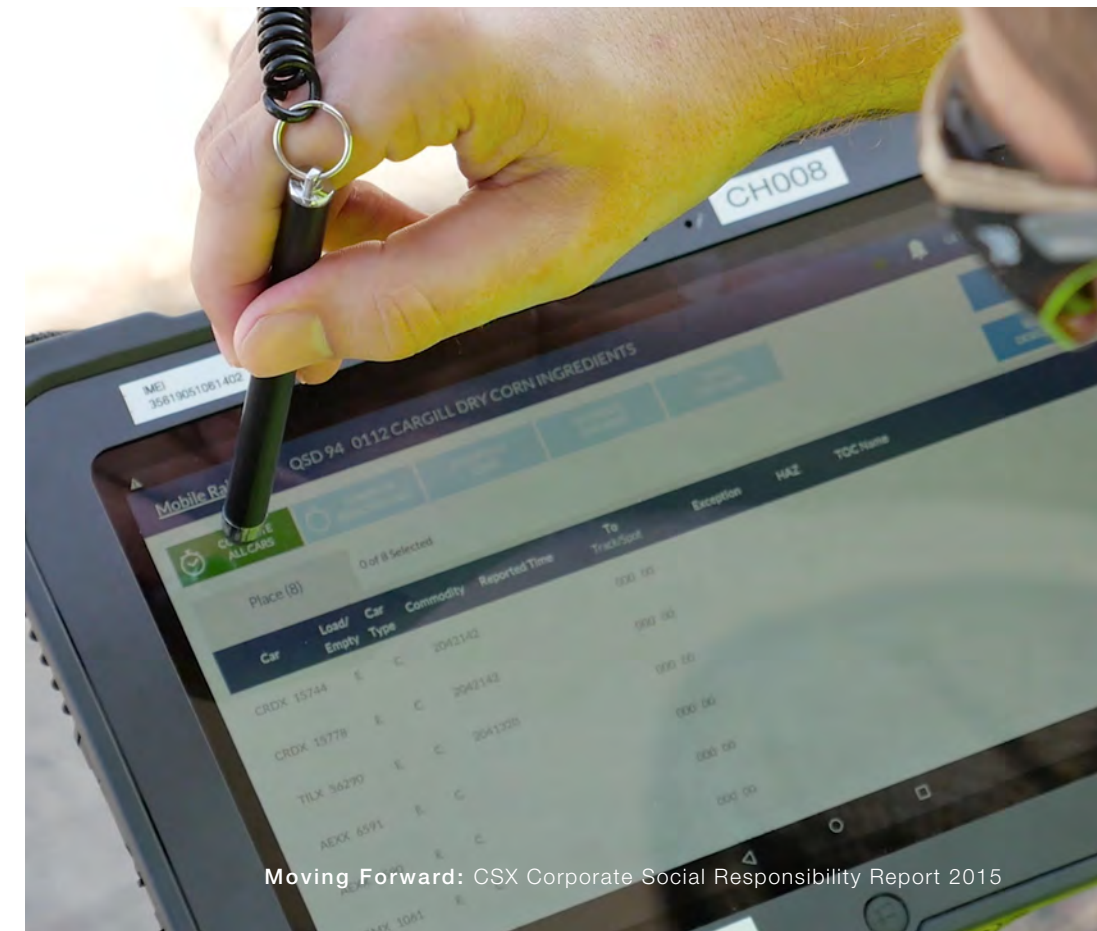




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LOCAL IMPACT

CSX helps contribute to the economic health of communities across the network by providing wages and benefits to employees and retirees; paying taxes at the local, state, and federal level; and helping to grow commerce and attract more local business. CSX also helps fuel local economies through job opportunities, new facilities, and support of business operations on and around the rail network. In 2015, CSX worked with customers on 107 projects to build or expand facilities along its network. CSX customers invested more than \$2.2 billion in these projects, which are expected to generate approximately 1,500 new jobs in communities served by CSX. Since 2000, customers along CSX’s 23-state network have helped create more than 62,000 jobs.

For all of the benefits these projects bring, they can mean major changes for the communities where they are constructed. CSX believes that maintaining an ongoing, two-way conversation with stakeholders is the best approach to all infrastructure projects. Just as the geographies that CSX serves are diverse, each of the company’s infrastructure projects requires a customized approach.

(G4-DMA Indirect Economic Impacts; G4-EC7; G4-EC8; G4-DMA Local Communities; G4-EC1)

VIRGINIA AVENUE TUNNEL:

After receiving final permitting approval in 2015, CSX began the reconstruction of the more than 110-year-old Virginia Avenue Tunnel to create capacity for double-stacked freight, thereby significantly reducing rail and truck congestion around the Washington, D.C. region. Chief Project Engineer, Chuck Gullakson, lives near the site and hosts periodic “Coffee with Chuck” morning briefings where residents can join in an informal conversation about the project status and ask questions. Information is also available at www.virginiaavenuetunnel.com or at the community office near the construction project.



CASKY YARD:

In the summer of 2015, CSX opened its first new yard in nearly 40 years. The \$95 million investment in Casky Yard — located in Hopkinsville, Kentucky — will include 10 inspection tracks once completed, a full service car shop, a locomotive servicing facility, and storage. At full capacity, the yard can employ approximately 70 employees.

PITTSBURGH INTERMODAL RAIL TERMINAL:

In September 2015, CSX began construction on an intermodal terminal in Stowe Township and the Borough of McKees Rocks outside Pittsburgh, Pennsylvania. The project, which revives the former Pittsburgh & Lake Erie Rail Yard, represents a CSX investment of more than \$60 million and will create new opportunities for jobs and development in the region. In this close-knit community, CSX has created a Facebook group for project updates, along with a dedicated webpage at www.railpittsburgh.com.



CAROLINA CONNECTOR INTERMODAL RAIL TERMINAL:

In early 2016, CSX announced plans to develop a new intermodal rail terminal in North Carolina. This terminal will serve as a major transportation hub in the South, a catalyst for economic growth in the region, and a competitive advantage for the Carolinas. CSX is currently working with state and local leaders, and listening to residents, to find the best solution for locating this terminal.



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SAFETY & SECURITY

CSX is committed to constantly improving safety performance, which means everything from keeping the public safe to maintaining a secure rail network to keeping employees safe. Guided by the Core Value "Safety is a Way of Life," it's every employee's job to promote safety. Topics covered in this section include:

- Public Safety
- Infrastructure Safety and Security
- Emergency Planning and Response
- Workforce Safety



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2015 HIGHLIGHTS



Shared safety messages with more than **237,000 neighbors** through Operation Lifesaver, a national program dedicated to reducing incidents at crossings and on railroads



Trained and provided resources to train more than **7,000 first responders** in rail safety



Improved Federal Railroad Administration **personal injury rate by 5.4%** since 2014

Held **20 Safety Train Stops** in the U.S. and Canada, providing rail-response training



Started operating **PTC-equipped trains** in revenue-earning service



Completed **446 safety presentations** to the public through nonprofit partner Operation Lifesaver



Closed **132 crossings** to improve public safety near railroad tracks



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TREND IN CONTEXT: CENTURY OF CITIES

As more people choose to live in cities, CSX is well positioned to serve a growing urban population primarily located along the company’s network. With this growth opportunity comes the need for enhanced safety practices around rail crossings and tracks.

CSX works on safety initiatives to raise public awareness of the potential hazards of highway-rail grade crossings (where a rail line crosses at the same level as the tracks). The Play It Safe initiative stresses the importance of staying safe around trains and tracks through a marketing and visibility partnership with NASCAR, which helps the company reach wide audiences, including 18 to 34 year-old males, the group most likely to be involved in rail crossing and pedestrian safety incidents.

CSX also supports Operation Lifesaver, a national, non-profit public information program dedicated to reducing collisions, injuries, and fatalities at highway-rail crossings and on railroads. Each year, Operation Lifesaver’s network of trained volunteers conducts rail safety education for hundreds of groups around the country. In 2015, CSX employees volunteered 355 hours for safety activities with Operation Lifesaver and shared safety information with more than 237,000 neighbors.

After an incident in South Fulton County, Georgia, involving a public transportation bus and train, CSX worked with the Metropolitan Atlanta Rapid Transit Authority (MARTA) and Operation Lifesaver to increase bus operator awareness of rail crossing safety and incorporate it into current training and internal communication programs. Since the training started in mid-2015 more than 250 professional bus operators from MARTA have been trained. Additionally, two MARTA bus supervisors have become Operation Lifesaver volunteer trainers.

Ultimately, CSX believes that minimizing the number of opportunities to cross the railroad at-grade creates the safest environment for communities. In 2015, CSX also reduced accident risk by closing 132 private and at-grade crossings in partnership with communities. Over the last five years, CSX has closed more than five percent of the railroad’s at-grade crossings.





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CORE VALUES IN ACTION

Safety Is a Way of Life | *Live safely for your family. Take time to be safe. Look out for each other. Safety affects customers.*

One of the largest safety-focused undertakings for CSX in the past decade has been the implementation of Positive Train Control (PTC), which can provide long-term benefits to public safety and help prevent accidents by automatically stopping trains that violate certain safety criteria.

PTC implementation was mandated by the U.S. Congress as part of the Rail Safety Improvement Act of 2008, requiring railroads to invent a new technology, make it compatible across freight and passenger railroads, and test and implement the technology; all with minimal disruptions to customers and the economy.

A large and cross-functional team has made great strides to install all hardware by 2018 and achieve full deployment by 2020, following extensive testing and training.

2015 was pivotal for the project: it was the first year CSX began operating PTC-equipped trains in revenue service. These Revenue Service Demonstrations signal the start of transition from technology development to implementation. CSX was the second Class I railroad to start Revenue Service Demonstrations.

As of the end of 2015, nearly 12,000 employees have been trained and teams have equipped more than 5,000 miles of lines with new signaling equipment; fully equipped more than 1,689 locomotives; partially equipped 2,895 locomotives; and installed more than 2,500 wayside interface units. CSX expects to spend another \$300 million on the project in 2016, and a total of about \$2.2 billion before the system is complete.

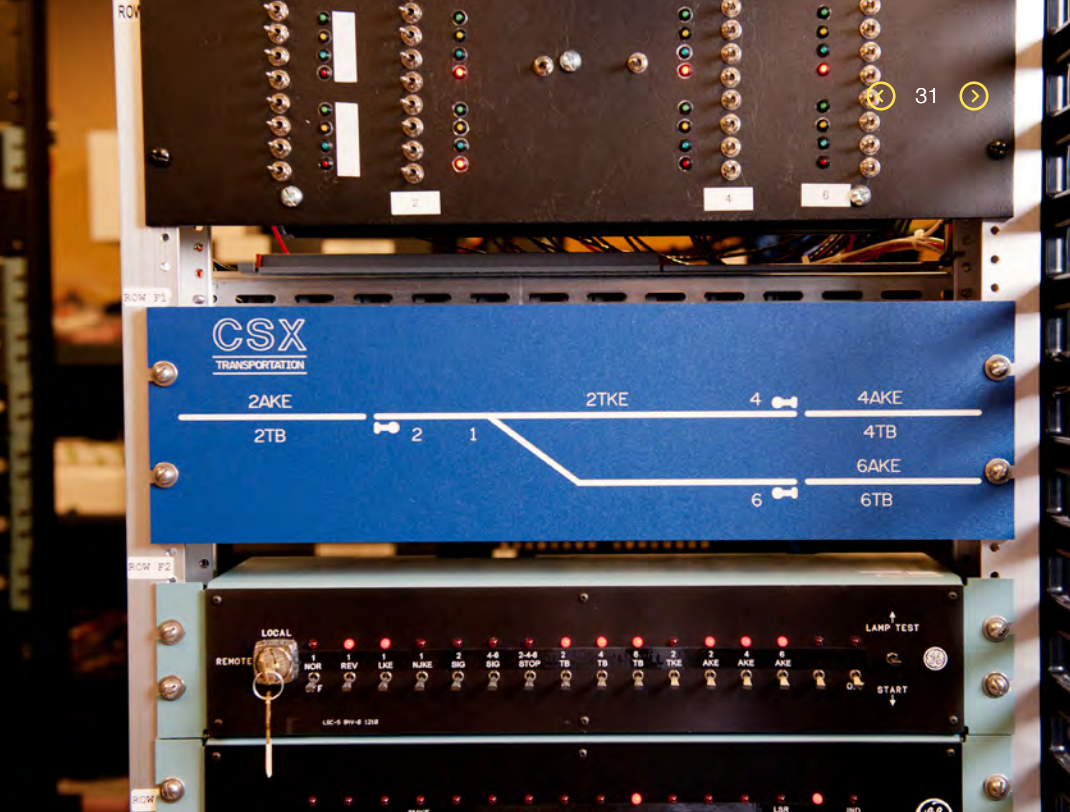




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PUBLIC SAFETY AND SECURITY

The CSX Public Safety Coordination Center (PSCC) is a call center that coordinates safety dispatching and response teams 24 hours a day. Reports to the PSCC include railroad emergencies such as blocked crossings, crossing accidents, signal problems, materials release, theft, vandalism, trespassing, or unsafe employee driving. The PSCC team engages directly with local authorities to address issues promptly. In 2015, the PSCC managed 388,896 inbound and outbound phone calls regarding safety and security concerns.

To further promote the safety of the company's rail network and neighbors, the CSX Police work to safeguard personnel, infrastructure, property, and provide security. CSX Police Special Agents, who are located strategically across CSX's network, are sworn law enforcement professionals who meet rigorous standards and partner with local, state, and federal law enforcement. More information is available on the CSX website [here](#).

CSX's Infrastructure Protection team complements the resources of the CSX Police by focusing on the security threats against the network. These employees work closely with local, state and federal agencies to collaborate and share information on public security matters. As a part of this effort, they have established public-private partnerships to work

with federal, state, and local homeland security and emergency management officials, sharing valuable, current information to assist in protecting the communities CSX serves. (G4-DMA Grievance Mechanisms for Impacts on Society, G4-SO11)

INFRASTRUCTURE SAFETY

In order to run an efficient, safe railroad, the infrastructure must be maintained and upgraded as needed. Approximately 7,500 employees are dedicated to maintaining critical infrastructure at CSX. In 2015, the company replaced 3.3 million ties, installed 3 million tons of ballast, and replaced or resurfaced more than 5,500 miles of rails.

There are more than 14,000 bridges along the company's network. Virtually no two bridges are the same, and understanding these unique characteristics is critical to ensuring CSX bridges are safe. CSX maintains its own bridge fabrication shop in Barboursville, West Virginia. CSX also has a bridge management program, which is compliant with FRA regulations and subject to review by Federal authorities. The program establishes criteria for evaluating the condition of bridges based (G4-SO2)



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on sound engineering principles and requires that any deficiencies identified are repaired promptly.

As a common carrier, CSX is required to transport hazardous materials, and the company takes the utmost care to transport these materials safely and efficiently. CSX works to accomplish that objective through a comprehensive program of employee training, technology deployment, infrastructure investment, inspection protocols, and dialogue with communities and public officials. CSX guidelines for transporting hazardous materials build on the Association of American Railroads’ published standards of operating practices (Circular No. OT-55), and meet or exceed federal requirements, including track inspection rates, speeds, and tank car standards. (G4-SO2)

EMERGENCY PLANNING AND RESPONSE

In the event of a rail-related incident, every minute counts, and safety is paramount. That’s why CSX has worked hard to build relationships with first responders and empower them with the skills and knowledge they need. In fact, CSX was one of the first railroads to put together a dedicated hazardous materials response team. Today, the team includes two directors and 10 regional managers across the company’s network to facilitate strong relationships between CSX, local first responders, and emergency management agencies.

The CSX Hazardous Materials Team provided resources and training to more than 7,000 emergency responders in 2015. The team regularly hosts specialized training programs for state and local responders, including a series of three-day classes for community emergency management coordinators. By the end of 2015, these training sessions had reached 115 coordinators. In addition, the CSX Hazardous Materials Team trained 1,773 first responders at Safety Train events hosted at 20 stops in the U.S. and Canada. CSX also trained 537 contractors, customers, and Short Line Partners.

CSX has also worked to give first responders the information they need in an easily-accessible format, in near-real time through a mobile application called CSX Rail Respond. The application gives first responders information such as the exact contents of any rail car on a CSX train, along with emergency response information and recommendations for protective action. CSX Rail Respond is free for first

responders, and today, nearly 12,000 first responders are enrolled. If you are a first responder, you can request access at www.csxrailrespond.com.

In 2015, CSX had two significant derailments in Mount Carbon, West Virginia and Maryville, Tennessee that impacted communities and the environment, and forced evacuations. Zero accidents is the goal, but when derailments and other railroad emergencies do happen, CSX is prepared with significant resources to minimize the impact on communities and the environment. Through a trained group of CSX employees and trusted support organizations, the CSX response is immediate and comprehensive, and CSX personnel remain in affected communities as long as needed.

CSX’s incident response protocol includes:

- Facilitating lodging, meals, animal care, and other needs for displaced residents;
- Providing factual and timely information to the public and officials;
- Working with businesses and schools to minimize disruptions to regular activities;
- Providing timely updates to customers and suppliers;
- Monitoring impacts to soil, air, and water; and
- Restoring the environment.

Even after the emergency response is concluded and the initial cleanup is complete, CSX continues its dialogue with affected communities. To ensure the company is serving residents’ needs and to better prepare for future incidents, CSX revisits the community within six months for a conversation about response performance and lessons learned. (G4-EN13; G4-DMA Environmental Grievance Mechanisms; G4-EN34)



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WORKFORCE SAFETY

Workplace safety is important at all levels and in all tasks. As employees take on new roles and react to changes in the business mix, it is even more critical to focus on safe work behaviors. CSX strives to continuously improve its safety culture through training, innovation, and investment, including:

- New hire and employee training
- Annual job-based training on safety and operating rules
- Monthly training sessions led by local supervisors and supported by updated video tutorials
- Regularly scheduled train accident prevention and safety skills training
- CPR, AED, and First Aid training (more than one-third of CSX employees are currently certified)

There are several governing bodies that regulate employee and operational safety in the rail industry.

The Federal Railroad Administration (FRA) regulations govern appropriate personal actions, safety standards, and equipment. FRA’s personal injury rate measures the number of reportable injuries, per 200,000 man-hours. In 2015, CSX’s FRA personal injury rate improved 5.4 percent year-over-year to 0.93, making it the second lowest personal injury rate across Class I railroads. The reported FRA train accident frequency rate, which tracks train accidents per million train miles, weakened two percent year-over-year from 2.44 to 2.49.* In 2012, CSX also began tracking a new internal injury frequency measurement, the Life Changing Index (LCI), which quantifies the potential severity of an event on a numerical scale from 0-2. By measuring the LCI, managers are armed with valuable information to target behaviors and issues that have the greatest potential risk. (G4-LA6)

The Occupational Safety and Health Administration (OSHA) sets standards for worker safety outside of train operations and track/signal maintenance. CSX’s Industrial Hygiene Team is focused on anticipating, recognizing, evaluating, and controlling these occupational health hazards to promote employee safety. Four additional team members received professional certifications this year, bringing CSX’s total to seven certified safety professionals and four certified industrial hygienists — making the company the industry leader. In 2015, the team

conducted 167 days’ worth of workplace exposure assessments that included the collection of 876 samples and targeted for 44 different chemicals. (G4-DMA Occupational Health and Safety)

**As of Federal Railroad Administration data accessed on April 15, 2016.*





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EMPLOYEES

As CSX evolves its business strategies, the company continues to align its talent with the needed skills and resources. The diversity of CSX's business requires people with different abilities, backgrounds, and experiences who can be counted on to operate safely and contribute new ideas and business solutions. In this section, you will learn about a few of the ways CSX is working to ensure the company has a robust talent pipeline in place to support the business through:

- Resources and Capabilities
- Diversity and Engagement
- Health and Wellness

(G4-DMA Employment)



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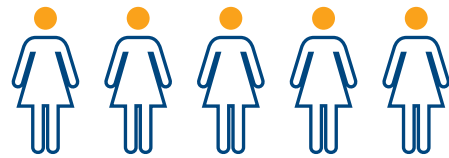
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2015 HIGHLIGHTS

Hired **2,016 EMPLOYEES** in 23 states and Canada 



As of July 2016,
**women hold half of the
leadership positions**
on CSX's Executive Team

**55% of
management hires**
were people of color

Nearly **5,000 CSX employees** received
training at the REDI Center in Atlanta,
a state-of-the-art training facility for
railroad operations and safety



25% of new hires
in 2015 were
VETERANS



Named one of IDG Computerworld's **"100 Best Places to Work in IT"**
and GI Jobs' **"Top 100 Most Military Friendly Employers"**



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TREND IN CONTEXT: CHANGING WORKFORCE DEMOGRAPHICS

CSX has transitioned through a 10 year period of retirements. Baby Boomers now make up 25 percent of the management workforce, versus 70 percent in 2005. Today, CSX has a nearly balanced composition of Baby Boomers, Gen Xers, and Millennials.

In 2015, as CSX experienced the continued transition to a “multigenerational” workforce, the company also experienced changes in the business environment. These forces have changed the way that the company is planning for its workforce of the future.

CSX is continuing to develop talent to demonstrate technology skills, collaboration, customer insight and influence, and analytical excellence. CSX also recognized that the workforce needs to be more innovative and flexible, in order to respond to rapidly changing markets. The company is investing in more technology-focused work tools and strengthening the technology competencies of its employees to drive efficiency and productivity.

CSX also continues to evolve its recruitment and retention initiatives to respond to its changing workforce. The company prides itself on fostering an inclusive culture that celebrates the valuable experiences of those who have served our country. More than 20 percent of CSX employees have served in the U.S. military, and CSX has been named a “Top 10 Company for Veterans” by G.I. Jobs Magazine. CSX also partners with workforce engagement and inclusion organizations such as the U.S. Business Leadership Network to share and learn best practices for productive and inclusive workplace environments.





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CORE VALUES IN ACTION

People Make the Difference | *Every employee engaged and adding value. Emphasis on professional and personal growth. Expect a lot — have fun — celebrate success. Treat each other with respect and dignity.*

CSX is made up of a diverse workforce of thousands of employees, with one thing in common: they are all “Born Movers,” meaning that no matter what position employees hold with CSX, the work they do every day keeps the company — and the country — moving forward.

In 2015, the “Born Mover” initiative spotlighted employees who are exemplifying excellence in their roles and inspiring those around them. This was a fun, new recognition campaign to showcase employee success in the diverse career opportunities available at CSX. Along with individual recognition, the initiative became a rallying point for departments, who were nominating colleagues and celebrating successes. Here are some examples of the CSX “Born Movers” highlighted in the first year of the initiative:

- Yousef Abdel-Moty began considering a career with CSX while he was still in college at the University of Miami, where he studied aerospace engineering. After completing training, Yousef’s first position was assistant plant manager at the Selkirk Locomotive Shop. Today he is a manager, mechanical systems, creating modifications or new specifications for locomotives and conducting failure analysis.
- Shannon Drown is approaching her CSX five-year service anniversary. She began her career as a management trainee in Procurement & Supply Chain Management in Jacksonville, and she is a member of the Load Engineering & Design Services group in Louisville. Shannon facilitates collaboration across departments to ensure shipments of finished vehicles and automotive parts are delivered without damage.
- Chad Varney has had a dynamic CSX career from operations to technology. He began his career as a conductor in Erwin, Tennessee, then New Castle, Pennsylvania, then to Pikeville, Kentucky where he worked as a conductor and substitute yardmaster at Shelby Yard. In 2002, Chad joined Coal Operations in Jacksonville, and today, Chad is a member of Technology’s Customer Experience Infrastructure team.





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RESOURCES AND CAPABILITIES

At the end of 2015, CSX had 28,878 full-time employees. They hold a variety of positions from engineers, conductors, and customer service representatives, to information technology project managers and network modeling analysts. Over the last year, CSX hired 2,016 employees, 24.6 percent management and 75.4 percent craft positions. Craft employees currently make up 84 percent of CSX’s overall workforce. (G4-10; G4-LA1; G4-DMA Labor/Management Relations)

**As of December 31, 2015. An employee breakdown is on page 82.*

In 2015, CSX adjusted resource levels to account for lower traffic volumes in some areas as a result of challenging business conditions. Some of the reductions took place in the headquarters organization to streamline support, mostly through a voluntary retirement program. Resources were also reduced at field facilities like Corbin, Kentucky, and Erwin, Tennessee, which served the coal market. CSX believes in treating employees with dignity and respect, and while the reductions were difficult, the company provided transition support and helped employees find opportunities in other positions when possible. Craft employees were notified in accordance with collective bargaining agreements and state and federal regulations.

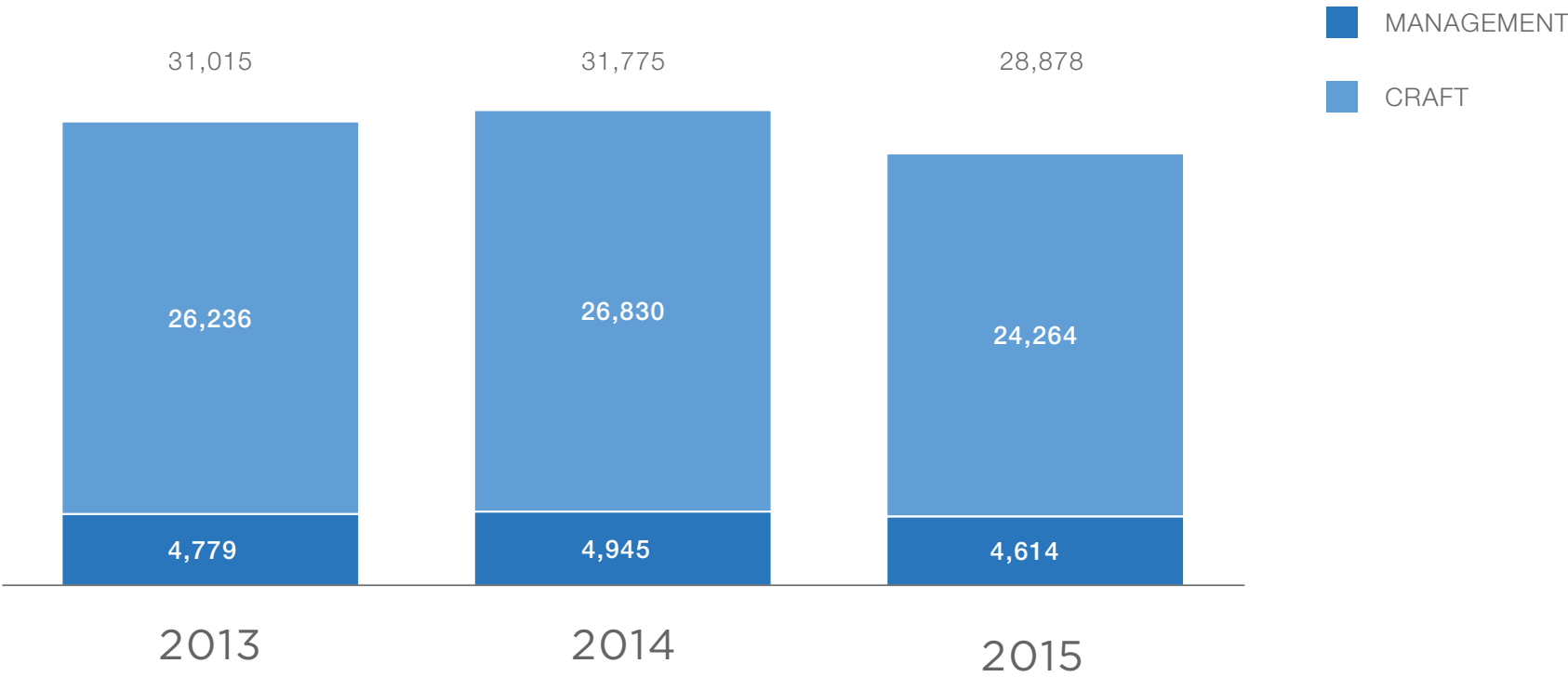




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Some examples of support included:

- A dedicated webpage with tools and resources about transfer opportunities and contact information;
- Outplacement services for management employees to receive resume assistance and career search resources; and
- Local employment agency partnerships to help provide furloughed employees with job resources where they live.

(G4-DMA Employment; G4-DMA Labor / Management Relations; G4-LA10)

As CSX continued the transition to a smaller workforce, the company also re-examined its talent strategies to refine approaches to the hiring, development, and retention of talent. The goal is to ensure that CSX’s development resources meet current and future business needs and maximize the ability to grow talent from within the company. The examination resulted in several key changes in 2015, including:

- Increasing resources about career planning, including posting open positions more frequently;
- Improving online training resources aligned to each leadership level to address improved proficiency in analysis and learning agility;
- Increasing frequency of advanced technical and functional training classes;
- Requiring 100 percent of hiring managers to complete an effective interview training; and
- Planning to introduce unconscious bias seminars in 2016 to improve decision making.

Skills development and planning takes many forms at CSX. The company uses a combination of skills training, coaching, and mentoring. The company provides learning opportunities on a 70-20-10 model, which emphasizes practical on-the-job experience as 70 percent; coaching as 20 percent; and formal instruction making up the last 10 percent.

To support on-the-job training and coaching, CSX employees completed 1,636,008 hours of skills and compliance training through the company’s online “TrainingTrax” system. A full list of ongoing employee training courses and opportunities is available on the CSX website [here](#).

(G4-DMA Training and Education; G4-LA1; G4-LA10)





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Last year, CSX also celebrated the 10th anniversary of the opening of the Railroad Education & Development Institute (REDI) in Atlanta, Georgia. The state-of-the-art facility offers beginning and advanced railroad training for CSX employees, as well as certifications in specific skills. Today, the REDI offers 60 programs for CSX employees, short line partners, first responders, and customers. To date, CSX has had 52,000 course completions at the REDI, from initial railroad training to advanced technical courses.

In addition to skills training, formal instruction and development programs are available to employees at all levels of the company.

- Career Progressions Planning (CPP) was founded in 2012 to support craft employees who are interested in promotion opportunities with programs including resume review, interview techniques, development planning, career coaching, and networking opportunities. Participation in the program is voluntary and does not require manager approval. In just three years, 2,204 employees have completed the online CPP self-assessment, and 2,074 active CSX employees have received advisory sessions through CPP.
- The Associate Development Program (ADP) is designed to prepare employees for leadership positions by broadening their knowledge of the company and creating a personalized development plan. Each participant is paired with a mentor to build and enhance their plan, emphasizing business-critical skills and field training. Forty-eight employees graduated from ADP in 2015.
- The Management Trainee Program (MTP) prepares top college graduates to hold a position as a Front Line Supervisor, managing employees in operational roles. Opportunities for MTP positions are offered in Transportation, Engineering, Mechanical, Intermodal, and Customer Service/Network Operations. CSX had 189 MTP students in 2015.
- Leadership Programs are also available to company leaders to enhance business acumen and internal networks. These learning opportunities facilitate a common understanding of macroeconomic issues impacting the business, and engage the leaders to help solve real-world CSX business challenges through action-learning projects. Participants in these programs are developed to meet stretch goals that demonstrate their dynamic skills, while they create new and innovative ways to grow CSX’s business.

(G4-DMA Training and Education; G4-LA10)





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As CSX realigned overall resources in 2015, the company was able to provide many new opportunities for employees. Over the last year, 541 management employees transferred to different roles throughout the company to address new and expanded business needs. An additional 412 management employees were promoted to new positions in response to attrition, and 120 management employees were promoted within their current roles to take on more responsibility at CSX.

DIVERSITY AND ENGAGEMENT

CSX’s goals include sustaining a diverse workforce that reflects the communities where the company operates, nurturing an inclusive culture, and engaging employees in support of the company’s vision. Women and people of color remain a focus of hiring efforts (see sidebar for 2015). The company is also focused on hiring and developing employees with science, technology, engineering, and math (STEM) competencies. A full list of CSX’s diversity and inclusion groups, councils, employee resource groups, and partnerships is available on the CSX website. (G4-10; G4-DMA Diversity and Equal Opportunity; G4-LA12)

In 2015, CSX participated in the mandatory federal requirements for workforce disclosure by launching “Count Me In,” an initiative to gain a more complete picture of the number of disabilities and veterans represented in the workforce. The campaign is providing CSX with high-level data that will support improved diversity, inclusion, and engagement programs.

Employees are working hard every day to help build the CSX of Tomorrow. Working safely, serving customers, and achieving business goals are points of pride for CSX employees. The company recognizes employees who go the extra mile through many formal awards programs. A few examples of award-winning employee contributions in 2015 are on the next page.

DIVERSITY REPRESENTATION: WOMEN			
	2013	2014	2015*
Total	2,015	2,043	1,852
Percent of Employees	6%	7%	6%
Managers Total	1,092	1,161	1,078
Percent of Managers	23%	23%	23%
Percent of Management New Hires	29%	35%	21%
*As of December 31, 2015			

DIVERSITY REPRESENTATION: PEOPLE OF COLOR			
	2013	2014	2015*
Total	4,759	4,886	4,634
Percent of Employees	15%	15%	16%
Managers Total	936	1,017	1,015
Percent of Managers	20%	21%	22%
Percent of Management New Hires	34%	31%	27%
*As of December 31, 2015			



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- **The Pinnacle Awards**, recognize CSX operations teams that set the standard of excellence in service and safety. In 2015, the Huntington Division won the Service Pinnacle Award, which recognizes the best year-long Service Excellence measurements. The Mechanical Operating Unit won the Safety Pinnacle Award for having the lowest Life Changing Index rate in the company.
- **The Chairman’s Award of Excellence**, celebrates extraordinary achievements in the workplace by management employees. In 2015, Chairman’s Award honorees were recognized for their efforts to capture new business, identify new revenue, expand capacity, improve productivity, advance environmental goals, and enhance safety.

CSX recognizes the importance of providing tangible and intangible benefits to retain key skills for the future. The company is preparing for formal and informal conversations in 2016 with current employees to better identify additional drivers of engagement or issues that may yield turnover.

CSX also encourages an engaged community of employee support during times of need. The Employees Disaster Relief Fund provides short term financial assistance to CSX employees and their dependents after an incident resulting from natural disasters, catastrophic illness, or accidental injury. CSX employees can also make charitable donations directly to the Fund to build this support system.

When Engagement and Efficiency Align

In 2015, CSX piloted the “Crew Life” mobile application designed for approximately 12,000 Train & Engine employees. The app provides data for employees to see how likely it is that they will be called to work, by viewing train locations and the number of employees waiting for the next assignment.

Prior to the app, employees had to check their status by either a phone line or a desktop computer. Now, by having instant access to this data in their hands, employees have more control to plan the balance between career and personal responsibilities. Since CSX began to implement “Crew Life” in December 2014, more than 85 percent of eligible employees are using the app on a repeated basis.

“It gives you the ability to go through your normal day without being stuck to a laptop,” said James Weiss, CSX employee and Local Chairman for the United Transportation Union, C&O District. “It really adds to your quality of life.”

HEALTH AND WELLNESS

Because many jobs in transportation require long periods of sedentary work and travel away from one’s home, CSX wants to make sure that employees keep a healthy lifestyle and get the rest they need in order to safely perform their jobs. The company is looking at health from a comprehensive viewpoint, incorporating mental and physical wellbeing and quality of life assessments.

Physical health and wellness is an important component of an employee’s experience. CSX continues to integrate employee health and wellness programs into business operations. The company maintains health and wellness facilities at 45 worksites to provide easy access for employees. In addition, CSX offers 25 voluntary health and wellness programs and access to a team of Licensed Dietitians and Health Fitness Specialists.

In 2015, the company offered a “HealthyWage” Challenge, encouraging employees to recruit a team of five coworkers and/or family members to all lose weight over a 12-week period. The challenge included weekly games and giveaways, and more than \$20,000 in cash and prizes. Five members of the Huntington Locomotive Shop — who named themselves the “Half Fast Five” — won the challenge, with a combined weight loss of 255 pounds, more than 16.5 percent of their starting weight. Overall, more than 750 employees and their family members lost a total of nearly 10,000 pounds in connection with these programs.

CSX also has an Employee Assistance Program (EAP), which provides counseling, relief, guidance, and referral services to help employees and their families manage personal and work-related stress and incidents. EAP professionals are located around the network, and additional counselors are available through a 24-hour toll-free phone line. Services provided by CSX EAP are at no cost to the employee or family members. The EAP also helps implement CSX’s comprehensive “Critical Incident Response Plan” to support the employees who are directly affected by these traumatic events.

More information about CSX’s competitive health and welfare benefits programs can be found [online](#).



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ENVIRONMENT & EFFICIENCY

Environmental sustainability and resource efficiency support CSX's growth and minimize the footprint of rail transportation. Employee actions combined with and supported by technological advancements drive progress toward CSX's 2020 goals and support sustainable development. In 2015, advanced environmental management helped to minimize environmental impacts and at the same time reduce expenses, improve customer service, and strengthen relations with communities and other key stakeholders. This section includes:

- Fuel Use and Efficiency
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Raleigh Street Site in Tampa, Florida was awarded with the [Wildlife Habitat Council’s “Wildlife at Work” certification](#) for its transformation from the late 1980s to today



EARNED A PLACE
on the Dow Jones
Sustainability Index for
North America for the fifth
consecutive year

Reduced hazardous waste
from ongoing operations by 38.5
percent compared to 2014



Recycled more than
3 million crossties



Reduced
GHG
emissions
intensity by
2.5 PERCENT
since 2011



Received [three prestigious employee awards](#) from the Association of American Railroads for individual and environmental safety contributions



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TREND IN CONTEXT: WEATHER VARIABILITY

As the population in CSX’s service territory grows, catastrophic weather events such as hurricanes and flooding have an increasing impact on communities and rail operations. CSX’s operations and public safety departments play critical roles in weather event preparedness, from performing preventative maintenance that limit service disruptions for customers, to forming relationships with first responders and sharing resources with communities in need. CSX also continues to evolve its weather response playbooks, tailoring an approach specific to each area of the network and maintaining response teams to deploy when critical conditions arise.

In addition to planning and preparing for weather-resilient operations, CSX supports business practices and organizations that minimize environmental impact and even enhance the quality of the air, water, and land. CSX continues its work to improve fuel efficiency, as fuel accounts for the largest percentage of the company’s greenhouse gas (GHG) emissions. In 2012, CSX set a goal to reduce greenhouse gas (GHG) emissions intensity by 6 to 8 percent by 2020. CSX is making progress against this goal, and from 2011 to 2015, CSX reduced GHG emissions intensity by 2.5 percent thanks primarily to investments in technologies that drive fuel efficiency and people who enable technology in operations. (G4-EC2)

CSX has also established strategic partnership with national and regional organizations that aim to protect and preserve the environment for communities along the company’s network, such as The National Fish and Wildlife Foundation and The Arbor Day Foundation. These organizations are involved in major restoration projects of forests and rivers in the communities CSX serves. For more information on CSX’s environmental partnerships, see [Communities](#).





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CORE VALUES IN ACTION

Fact-Based | Use customer-based performance measures. Fix the problem, not its symptoms. Improve performance with facts. Validate — don’t speculate.

CSX strives for continuous improvement in environmental management by using data to design advanced processes and protocols. Raghu Chatrathi, the director of environmental remediation, engineering, and advanced technology applies this data to track progress and find solutions.

In 2015, Chatrathi was recognized with the North American Environmental Employee Excellence Award, the highest honor for rail industry environmental professionals from the Association of American Railroads. Among a number of significant accomplishments in environmental remediation, sustainability, and compliance programs over the years, Chatrathi has used data and facts to:

- Conduct a system-wide study of renewable energy use, the results of which led to a solar energy project that saved the CO2 emissions equivalent of burning 4,000 gallons of diesel fuel each year;
- Develop formulas behind the rail industry’s first Carbon Calculator, an online tool that calculates the emissions avoided by converting shipments to rail;
- Establish environmental protocols for CSX’s “Rails-to-Trails” conversion program, including directly working on 150 miles of community trails; and
- Upgrade the company-wide electronic environmental management system.

“Raghu’s ability to turn challenging problems into process-driven solutions and his unfailing commitment to constant improvement lead his colleagues to higher and higher measures of success – and ultimately help CSX minimize its environmental footprint,” said Skip Elliott, vice president of public safety, health, and environment.

Right: CSX’s Raghu Chatrathi receiving the Environmental Employee Excellence Award from Robert E. Fronczak, Assistant Vice President Environment & Hazmat, Association of American Railroads.





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ENVIRONMENTAL MANAGEMENT AT CSX

CSX employs a management system that provides a clear, actionable plan for actively managing and minimizing the environmental impact of approximately 11 million square feet of facilities and more than 4,000 locomotives.

CSX’s Public Safety, Health, and Environment Management System (PSHEMS) details specific protocols and practices around environmental management, resource usage, product after-life, and safety protocols. It is reviewed and updated regularly, and certified under the requirements of the American Chemistry Council’s Responsible Care initiative and informed by ISO 14001. CSX employees are trained annually on Environmental Policy.

CSX has developed an overall approach to environmental sustainability to further minimize the company’s footprint and engage on environmental topics on and off CSX property. The Sustainability Statement drives value by improving customer and supplier engagement, minimizing costs, and supporting long-term prosperity.

Right: At Raleigh Street in Tampa, Florida, four acres of railroad property had been used as an illegal dumpsite. In fall of 2015, this site was awarded with the Wildlife Habitat Council’s “Wildlife at Work” certification for its transformation from the late 1980s to today.

CSX Sustainability Strategy

- Reduce the environmental footprint of operations
- Engage openly on sustainability issues
- Support sustainable development

2020 Goals

As stated in the 2020 Environmental Goals launched in 2012, CSX aims to:

- Reduce GHG emissions intensity by 6 to 8 percent
- Increase energy blend to 10 percent renewable sources
- Reduce hazardous waste generator status by 25 percent
- Decrease asphalt, concrete and brick to landfill to zero
- Reduce quantity of water consumed
- Improve the quality of effluent water
- Continue to elevate sustainable standards of construction for new products
- Continue to raise expectations of suppliers’ sustainability performance
- Increase eco-friendly procurement
- Encourage employees to take sustainable actions in their everyday jobs
- Concrete and brick sent to landfill to zero

(G4-DMA Energy; G4-DMA Biodiversity; G4-DMA Emissions; G4-DMA Effluents and Waste; G4-DMA Products and Services; G4-DMA Compliance; G4-14; G4-16; G4-EN27)





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ENVIRONMENTAL PERFORMANCE DATA SUMMARY

Each year, CSX measures environmental performance on the Company’s emissions, consumption, fuel efficiency, water, and waste goals.

	UNIT	2013	2014	2015	% CHANGE (2014 TO 2015)
Emissions					
Total Scope 1 (G4-EN15)	metric tons CO2e	5,251,734	5,212,604	5,300,099	1.7%
Total Scope 2 (a) (G4-EN16)	metric tons CO2e	313,226	327,233	280,588	(14.3)%
Total Scope 3 (b) (G4-EN17)	metric tons CO2e	259,368	223,647	326,247	45.9%
Total Scope 1, 2 & 3	metric tons CO2e	5,824,328	5,763,779	5,906,934	2.5%
Emissions Intensity, Normalized Scope 1 & 2 (G4-EN18)	metric tons CO2e/ million revenue ton-mile	24.55	23.82	24.31	2.1%
NOX Emissions (G4-EN21)	metric tons	80,693	87,419	79,743	(8.7)%
SOX Emissions (G4-EN21)	metric tons	953	990	945	(4.5)%
Emissions of Ozone Depleting Substances (G4-EN20)	metric tons		0.22	0.23	4.5%
Emissions by Kyoto Gas Type					
CO2	metric tons	5,672,010	5,951,468	5,696,090	(4.3)%
CH4	metric tons	613	626	602	(3.8)%
N2O	metric tons	139	146	139	(4.8)%
HFCs	metric tons	0.048	0.102	0.0586	(42.5)%
Consumption					
Total Direct Consumption (G4-EN3)	million BTU	70,863,517	74,409,063	71,541,259	(3.8)%
Diesel (c)	million BTU	69,084,287	72,447,348	69,657,181	(3.9)%
Gasoline	million BTU	1,126,930	1,138,544	1,127,844	(0.9)%



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	UNIT	2013	2014	2015	% CHANGE (2014 TO 2015)
Natural Gas	million BTU	355,929	434,834	434,594	(0.1)%
Propane	million BTU	226,070	315,931	256,208	(18.9)%
Jet Fuel	million BTU	34,310	31,054	29,798	(4)%
Used Oil	million BTU	35,991	41,352	35,634	(13.8)%
Total Indirect Consumption – Electricity (G4-EN4)	million BTU	1,925,369	2,018,103	1,945,917	(3.6)%
Energy Intensity (G4-EN5)	million BTU/ million revenue ton-mile	321	312	320	2.6%
Locomotive Fuel Efficiency					
Fuel Efficiency (G4-EN6)	revenue ton-mile per gallon diesel consumed	470	483	471	(2.5)%
Water					
Water Consumed (d)	million gallons	1,458	1,742	1,614	(7.3)%



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	UNIT	2013	2014	2015	% CHANGE (2014 TO 2015)
Waste					
Hazardous Waste from Ongoing Operations (e) (G4-EN23)	short tons	62	85	52	(38.8)%
Landfilled	short tons	17	27	19	(29.6)%
Incinerated	short tons	30	6	5	(16.7)%
Recycled	short tons	15	52	28	(46.2)%
Hazardous Waste from Remediation and Emergency Response Activities (e)	short tons	453	2,791	5,241	87.8%
Landfilled	short tons	3	2,525	4,904	94.2%
Incinerated	short tons	77	264	282	6.8%
Recycled	short tons	373	2	54	2,600%
Non-Hazardous Waste from Ongoing Operations (G4-EN23)	short tons	42,863	56,678	35,438	(37.5)%
Landfilled	short tons	40,639	38,135	34,124	(10.5)%
Incinerated	short tons	1,064	219	307	40.2%
Recycled	short tons	1,372	2,405	1,008	(58.1)%
Non-Hazardous Waste Construction, Remediation, and Emergency Response Activities (G4-EN23)	short tons	119,102	179,247	233,065	30%
Landfilled	short tons	109,618	31,623	169,449	435.8%
Incinerated	short tons	3,075	175	749	328%
Recycled	short tons	6,409	48,370	62,867	30.0%
Reuse	short tons	N/A	115,017	27,363	(76.2)%



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	UNIT	2013	2014	2015	% CHANGE (2014 TO 2015)
Recycling (G4-EN23)					
Used Oil	million gallons	2.12	2.58	2.80	8.5%
Batteries	short tons	357	314	251	(20)%
Steel	short tons	200,227	180,517	169,984	(5.8)%
Crossties	millions	4.2	3.4	3.14	(7.6)%
Asphalt	short tons	N/A	108,177	81,203	(24.9)%
Concrete	short tons	N/A	3,638	1,808	(50.3)%

- (a) Emission factors for purchased electricity were obtained from the U.S. Environmental Protection Agency’s Emissions & Generation Resource Integrated Database (eGRID2012 Version 1.0).
- (b) These values include emissions from employee business travel in personal and rented vehicles, as well as air travel, employee commuting, and contracted taxi service.
- (c) Annual locomotive diesel fuel consumption is reported in the Annual Report to the Surface Transportation Board.

- (d) Water consumed (in thousands of gallons) is estimated from total cost of water and from actual water usage data when available at certain facilities.
- (e) CSX is displaying hazardous waste data from ongoing operations and remediation and emergency response as two separate values to better reflect the distinction between fixed facility generation and waste that is generated from onetime cleanups.



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FUEL USE AND EFFICIENCY

Fuel efficiency benefits CSX’s business, CSX customers, and the environment. In 2015, CSX invested more than \$633 million in upgrades, improvements, and solutions that helped to improve fuel efficiency, mostly on the purchase of state-of-the-art locomotives. These efforts included using:

- Trip Optimizer, which gives crews the ability to help minimize fuel output by planning the route ahead of time and looking for opportunities for fuel efficiencies;
- Trailing unit shut down, or the optimization of locomotive horsepower by turning off the power of non-lead locomotives when not in use; and
- Tier 4 locomotives that reduce nitrous oxides and particulate emissions by at least 70 percent from Tier 3 standards and follow new regulatory requirements set by the U.S. Environmental Protection Agency.

Since 1980, fuel efficiency improved by more than 100 percent. CSX continues to invest in progress, putting more than \$2.4 billion into fuel-efficient technology over the last decade. Challenges in 2015 caused fuel efficiency to decrease from the ability to move a ton of freight 483 miles on a single gallon of fuel to 471 miles on a gallon. This slight decrease in overall efficiency was impacted by many factors, including the shift from heavy coal shipments to lighter intermodal trains. Weight, speed, and network fluidity all impact the number of miles that one ton of freight can move on a single gallon of fuel.

On average, a typical CSX freight train is four times more fuel-efficient than highway freight transportation, and an intermodal train can carry the cargo load of 280 trucks. CSX emphasizes the fuel efficiency of rail compared to highway transportation as one of the benefits that customers enjoy. CSX’s Highway-to-Rail conversion program converted 51,279 loads from highway transportation to rail in 2015 and nearly 150,000 loads since the program’s start in 2013.

(G4-DMA Energy; G4-EN7; G4-EN19; G4-DMA Products and Services; G4-EN27)

LAND AND FACILITIES

CSX employees are committed to continuing the company’s legacy of responsible remediation. In 2015, CSX completed remediation construction on the Nocatee Hull Creosote site in Hull, FL. Since the start of the construction in November 2013, CSX restored 3 acres of wetlands by improving biodiversity, nutrient cycling, and habitat for wildlife.

In 2015, CSX opened Casky Yard in Hopkinsville, Kentucky, the company’s first new transportation rail yard in nearly 40 years. From the beginning, CSX set out to incorporate modern systems that minimize the environmental impact of the facility. For example, Casky Yard includes specially designed stormwater ponds, uniquely constructed fuel truck areas, and three oil-water separators that are equipped with remote monitoring systems. The office building design and construction was informed by LEED standards.

(G4-DMA Biodiversity; G4-EN13)

WASTE MANAGEMENT

CSX employees minimize waste by using resources efficiently and by implementing various recycling programs. CSX diverted 63 percent of hazardous waste and 95 percent of nonhazardous waste from landfills. By the end of 2015, the company successfully decreased hazardous waste generator status at 24 percent of facilities, making progress towards its goal of a 25 percent decrease by 2020. To encourage these reductions, CSX held employee training that focused on both federal and state standards around the proper handling of materials and the importance of reducing and recycling materials whenever possible. (G4-DMA Effluents and Waste)

WATER USE

In 2015, CSX reduced its water consumption by 7.3 percent from the prior year. This reduction was informed by insights from CSX’s water risk evaluation conducted in 2013, which identified areas in the network with water vulnerability. Since that time, CSX has invested in projects and technologies that save water, including improving wastewater treatment facilities and rainwater harvesting efforts, among other practices.



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- Over the past year, CSX connected more locations to the centralized water management system that allows for remote monitoring and control of wastewater treatment facilities. The company currently has 34 facilities with this technology, bringing it closer to its goal of 46 facilities — or nearly 75 percent of total facilities — in the coming years.
- New wastewater treatment facilities and upgrades in New Orleans, Louisiana; Montgomery, Alabama; and Clifton Forge, Virginia, enabled CSX to reduce energy consumption, improve reliability, monitor process equipment, and permit remote access and control. Some of the efficiencies in the new system include:
 - Programmable Logic Controller — Continuously monitors inputs and levels, notifies the manager of any corrective actions needed, and provides the ability to remotely make changes to certain functions through an online, easily accessible interface.
 - Variable Frequency Drives — Controls the inflow of water, which helps create stable conditions, reduces energy consumption and chemical use, and extends the life of the equipment.

Above: A new waste water treatment facility in New Orleans, Louisiana allows employees to monitor controls on-site or from a secure remote desktop

INFLUENCING THE VALUE CHAIN

The company is still in the early stages of measuring its Scope 3 emissions within the supply chain. For a second year, CSX used the World Resources Institute and World Business Council on Sustainable Development GHG Protocol Scope 3 Evaluator Tool and annual spend on capital and purchased goods to estimate roughly 3 million metric tons of carbon dioxide equivalent from these sources.

In 2015, CSX collected additional data and information from 80 suppliers through CDP. The CDP Supply Chain program provides a platform for CSX to gather business-critical environmental data from key suppliers, and thereby better measure climate impacts and risks within the company’s supply chain. It also helps CSX and suppliers collaborate on sustainability programs throughout the year. (G4-DMA Supplier Environmental Assessment; G4-EN32)



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CSX also works with partners to help conserve the environment:

- 2015 marked the fourth year of CSX’s support of the Anacostia Watershed Society’s (AWS) Rice Rangers Program to engage schools and students in hands-on restoration of the Anacostia River’s wetlands. AWS has worked with more than 800 students and 37 teachers to grow wetland plants and transplant them into the tide marshes of the river.
- CSX supports the National Fish and Wildlife Foundation’s Chesapeake Bay Stewardship Fund, which is a portfolio of grant programs designed to help restore rivers and streams in the region in partnership with the Environmental Protection Agency. Since 2000, the Fund has restored 2,110 miles of streams and treated 1,342 acres of urban runoff.

(G4-DMA Supplier Environmental Assessment; G4-EN32)

ENVIRONMENTAL RECOGNITIONS

In 2015, CSX and its employees received top industry awards for its environmental practices, including:

- Holden-Proefrock Award for the safe transportation of hazardous materials by rail;
- John H. Chafee Environmental Excellence Award for outstanding environmental leadership from a non environmental employee; and
- North American Environmental Employee Excellence Award for environmental accomplishments.

CSX is also proud of the recognitions from global organizations that set high standards for corporate environmental performance and transparency:

- CSX was again named to the Dow Jones Sustainability Index in North America for its strong sustainability performance, especially in the areas of environmental policy and management system, fuel efficiency, climate strategy, corporate governance, and stakeholder engagement. 2015 marks the fifth consecutive year that CSX received this recognition.

- CSX is one of five U.S. industrial companies and the only railroad to be included in the Climate A List 2015 on CDP’s Global Performance Report. CSX received the highest possible score of 100 for sustainability performance and disclosure from CDP, an independent, global non-governmental organization dedicated to advancing sustainable business practices.

Below: Blackwater Marsh in the Chesapeake Bay was restored with support from the National Fish and Wildlife Foundation. Photo credit: Mike Land.





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COMMUNITIES

Many regions use railroad history to define origins and mark history. In other neighborhoods, railroads may be a part of a dense, competing transportation grid. No matter the association, CSX is a member of the communities on either side of the 21,000 miles of track. As such, the company aims to operate ever-more responsibly, create local economic opportunities, and give back to communities as much as possible. In this section, you can learn more about:

- Transparency and Engagement
- Community Investment and Philanthropy
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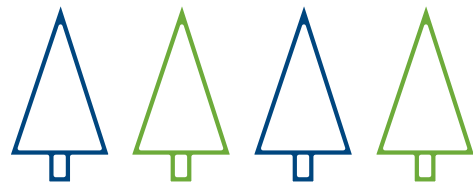
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2015 HIGHLIGHTS



More than
70% percent
complete on a
company goal to
plant 42,000 trees
by 2018, planting
3,566 additional
trees in 2015



Named one of Corporate Responsibility Magazine’s
100 Best Corporate Citizens

More than
\$13.5 million
in programs
to help our
communities



Provided **66 transportation moves** to support
our communities



Awarded 231 Dollars-for-Doers
grants to 155 organizations,
totaling \$81,090



Hosted and participated in
11 major volunteer service days



Raised **more than \$855,000** in workplace giving
contributions through the donations of 1,446 employees

Logged **21,859** volunteer
hours from **971 employees**



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TREND IN CONTEXT:
CULTURE OF COLLABORATION

According to the United States Department of Agriculture, more than 23 million Americans have limited access to fresh food, in part due to lack of access to food sources and growers’ inability to get their products to market. Transporting agricultural and food-service products is an important part of CSX’s business. Yet, for far too many Americans, getting access to fresh, healthy food is a constant struggle.

CSX began working with The Conservation Fund in 2007, and in 2014, the partnership focused its efforts on improving access to healthy food in areas known as food deserts along the CSX network. This partnership leverages the Fund and CSX’s respective strengths: the Fund’s mission to redefine conservation and support healthy, vibrant communities by building deep relationships with regional and local food organizations and farmers paired with CSX’s understanding of transportation and infrastructure in driving social and economic stability.

In 2014, the partnership created a micro-grants program designed to improve resources devoted to transporting, storing, packaging, and distributing fresh food and produce. CSX and the Fund also supported farmers markets in West Virginia counties that have been identified as areas of need.

In just two years, the grant funding is projected to enable recipient organizations to collectively serve an additional 150,000 families with more than 9 million pounds of food and increase the number of meals provided by 4.5 million.

“Through our partnership with CSX, we are able to provide a lifeline to Americans who struggle to make fresh food a part of their daily meals,” said Katie Allen, Director of The Conservation Fund’s Conservation Leadership Network. “Together we’re connecting vulnerable populations to healthy food by expanding and improving the local transportation and storage of produce and meats from nearby farms to local food distribution centers and farm markets; sustaining and supporting a viable food system for millions of people.”

Right: A farmers market in Kermit, West Virginia supported by The Conservation Fund and CSX.





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CORE VALUES IN ACTION:

Right Results, Right Way | *Reward our shareholders. Be a positive influence on communities and the environment. How you get there matters. Avoid fault-fixing.*

Years of experience have informed and transformed how CSX works with partners to address community issues. Today, CSX focuses many of its resources with major national partners who can extend programs across the network, supplemented by targeted local grants distributed by regional council employees.

One partnership that has grown over the last two decades is CSX’s work with City Year, which began in 1995. At that point, City Year had around 1,000 Corps Members and nearly 1,500 alumni. After CSX employees walked by a City Year “Opening Day” event, where City Year AmeriCorps members take their pledge to serve the community that year, the company decided to sponsor two teams of Corps members in Boston and Cleveland. CSX noticed how working with City Year would help the company support students in urban, population-dense communities in the Eastern U.S. — the very communities that the CSX network connects — and build the next generation of leaders.

Today, CSX is City Year’s largest corporate partner, sponsoring more than 150 Corps Members on 15 teams across 13 cities, who are serving nearly 7,000 students in high-need schools. City Year currently has more than 3,000 City Year AmeriCorps members and 25,000 alumni. CSX has also supported City Year’s recruitment strategies by sponsoring the launch of a database to better manage candidates which provided critical infrastructure for the team. With CSX’s support, City Year increased the number of applications in 2015 and overall Corps numbers increased by six percent.

City Year has also helped CSX employees find opportunities to give back to the communities where they live and work through organized service events hosted by the City Year Care Force Team. Since 2003, CSX and Care Force have engaged more than 15,800 CSX employees, partners, and community members in nearly 87,000 hours of service at events across 53 communities.

“Throughout our partnership of more than 21 years, it is clear that CSX is a company that truly lives its values through a steadfast commitment to strengthening the communities the company serves,” said City Year CEO and Co-Founder Michael Brown. “CSX’s generous investment will continue to support City Year’s efforts to recruit highly-talented, idealistic young adults to invest a year of service in high-need, urban schools, as well as engage thousands of CSX employees in service days to transform neighborhoods and communities.”





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TRANSPARENCY AND ENGAGEMENT

Because the company operates 24 hours per day, 7 days per week across a large network, CSX maintains a team of community affairs specialists who promote safety and track local issues and opportunities. These regional colleagues organize safety events, attend public meetings, follow up on local questions, and more.

As a part of that team, CSX created and manages a TellCSX phone and email system, staffed by community affairs specialists. Community members can contact TellCSX regarding any company topics, from issues with horn noise to awareness of a local community event near rail property. Reported topics are shared with relevant departments for a prompt response. The TellCSX team has seen a shift in communications to more digital platforms like email that allow community members to submit more detailed information, including photos and videos. In 2015, more than 79,000 web-forms and emails and 29,000 phone calls were submitted to TellCSX. The most common call topics were related to railroad crossings. More information about how CSX engages community stakeholders is in About This Report. [\(G4-DMA Grievance Mechanisms for Impacts on Society; G4-SO11\)](#)





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COMMUNITY INVESTMENT AND PHILANTHROPY

CSX’s community investment strategy aligns with the Core Values and translates into support for four focus areas that address real societal needs: Safety, Community, Environment, and Wellness. In 2015, CSX invested more than \$13.5 million in grants and in-kind donations. More than half of the company’s philanthropic support went to its major national partners, which each run distinct, tailored programming to support communities. (G4-EC1; G4-DMA Local Communities)

Safety: Because of the nature of the CSX business, safety is at the core of community programming. CSX works relentlessly to prevent injuries and accidents through education, outreach, and advocacy at all levels.

- National Safe Place assists with immediate help and supportive resources for youth in need. CSX provides National Safe Place volunteer service, program funding, and leadership support.

Community: The CSX network serves nearly two-thirds of the American population, which means there are 21,000 miles of neighbors the company aims to support.

- For 20 years, CSX has supported the American Red Cross as part of the company’s commitment to creating resilient communities. CSX supports the organization’s efforts to alleviate disaster-related suffering and foster recovery.
- FFA, the largest youth service organization in the country, provides leadership and community service opportunities for more than 610,000 student members through agricultural education. CSX sponsors FFA Chapter Leadership programs in 22 states, helps develop curriculum, and offers leadership scholarships in each of its divisions.

Environment: CSX recognizes the importance of preserving the environment now and for the generations that follow.

- The National Fish and Wildlife Foundation (NFWF) uses private and public grant matching to help local communities clean up and restore polluted rivers and streams in the Chesapeake Bay region. Since 2013, NFWF has implemented 2,000 acres of farmland conservation practices for improved water quality.
- The Arbor Day Foundation’s mission is to “inspire people to plant, nurture, and celebrate trees,” promoting urban and community tree planting across the U.S.

CSX partners with the organization for the Trees for Tracks program, through which CSX employees and community volunteers planted 3,566 trees in 2015. Since 2009, a total of 29,749 trees have been planted toward the company’s goal of 42,000 trees — two for every mile of CSX track. (G4-EN13; G4-EN27)

Wellness: Improved transportation access can play an important role in the health of communities. CSX is focused on using transportation expertise to address hunger by reducing the number of nutritional food deserts and developing the next generation of healthy citizens.

- Since 2013, CSX has joined forces with Action for Healthy Kids to increase the number of kids becoming physically active, which is a catalyst for improving community health. Partner schools in AFHK and CSX’s How Tomorrow Moves: Active Kids Campaign have increased the amount of daily active time for students by 41 percent on average.

CSX also uses its resources and expertise to help nonprofit organizations reduce or eliminate their transportation spending. CSX frequently provides intermodal equipment and rail service to help an organization move its products to areas of high demand. Feeding Northeast Florida was one of the organizations that CSX worked with in 2015, logging 21 moves of nonperishable foods at a value of approximately \$32,000. (G4-EC8)



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















Employees

Environment & Efficiency

Communities

- 2015 Highlights
- Trend in Context:
Culture of Collaboration
- Core Values in Action
- Transparency and Engagement
- Community Investment and
Philanthropy
- Employee Volunteer Programs
and Giving
- What’s Next

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PARTNER	FOCUS AREAS	OUTPUT EXAMPLES
		In Columbia, South Carolina, where CSX sponsors a team, 84 percent of students at City Year Schools demonstrated improvement on their English assessments.
	 	With a grant from AFHK and CSX, West Jasper Elementary in Walker County, Alabama, is hosting several Walking School Buses – a fun group event where children, led by adults, walk to school together on a predetermined route.
	 	10 FFA students per year receive a scholarship renewable for a total of 4 years. This helps to develop agriculture leaders of the future and potential CSX employees, customers, and suppliers.
	 	In the wake of Hurricane Joaquin, CSX delivered 38 pallets of water to Red Cross chapters in South Carolina. Donations from CSX employees and the CSX Foundation Match came to \$6,800.
	 	On May 5, 2015, CSX and OLI representatives presented safety information for 150 students at Stanton Elementary School in Southeast Washington D.C.
	 	Second Harvest Food Bank in Middle Tennessee is using its “Healthy Food Transportation Grant” to store and transport fresh green beans through its Green Bean Project, which allows area food banks to keep the produce fresher for longer.
		In October, volunteers planted 77 trees in Hollybrook Park, a site in need of ecological stabilization, to minimize flooding.
		In 2015, 54 acres of green infrastructure in urban areas were targeted for improved storm water management through CSX’s support.



COMMUNITY



ENVIRONMENT



WELLNESS



SAFETY



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EMPLOYEE VOLUNTEER PROGRAMS AND GIVING

In 2015, 971 volunteers from the CSX workforce and its community, supplier, and nonprofit partners logged 22,214 volunteer hours. These acts of service occurred across 125 different communities, showing the reach of the CSX network. In addition, through the combination of donations and matching programs, CSX employees raised \$855,006 in workplace giving funds for nonprofits in 2015.

CSX supports employee volunteering, philanthropy, and service with both corporate contributions and the CSX Foundation through a number of programs:

- **Service Days** are CSX-sponsored events hosted each year throughout the network in collaboration with national nonprofit partners. The events bring employees and their families, community members, and the public to advance CSX’s core focus areas “Beyond Our Rails.”
- The **Team Service** program creates team-building opportunities where five or more employees can select a charity and lead their own volunteer event.
- The **Dollars for Doers** program, funded through the CSX Foundation, contributes \$10 to match every employee volunteer service hour logged at nonprofit organizations. Employees can choose which organization they’d like to individually support with their earned grant.
- The **Board Service** program encourages employees in the position of director and above to contribute their time on the boards of directors of nonprofit charities, which also includes a grant from the CSX Foundation.
- The **Employee Disaster Relief Fund** gives employees an opportunity to support colleagues in times of need through a grant donation. In 2015, CSX awarded 24 grants from its Employee Disaster Relief Fund for a total of \$171,000.

To capture all of the company’s initiatives and efforts in one place and recognize the individuals and organizations contributing to positive change in CSX communities, CSX launched #LocalMotive, an ongoing digital conversation. #LocalMotive highlights examples of CSX’s presence in communities through service and volunteerism, job creation, infrastructure investments, and moving

essential goods — all on a digital hub that aggregates content from different social media networks. Check out #LocalMotive [online here](#).

WHAT’S NEXT

The future of community giving, development, and engagement at CSX includes plans for many exciting projects. The common thread among these plans is close collaboration with communities, schools, and local nonprofit organizations.

One of these projects is already underway. Baybrook Park is a development project led by the Cal Ripken, Sr. Foundation in partnership with the City of Baltimore and other organizations like CSX to build a Youth Development Park in the Curtis Bay area. Plans for Baybrook Park include a state-of-the-art, multi-purpose youth sports facility to benefit the community and the students at nearby Ben Franklin High School, which has moved from one of the city’s lowest performing high schools in 2011 to a current top choice high school.





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CSX

ABOUT THIS REPORT

Along with the reporting materiality process, CSX engages stakeholders throughout the year. In this section, you will find more information regarding ongoing communication and the CSX reporting process, including:

- Stakeholder Engagement
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STAKEHOLDER ENGAGEMENT

Stakeholder input shapes the CSX Corporate Social Responsibility strategy. Throughout the year, CSX actively involved a variety of stakeholders, including investors, employees, nonprofit organizations, government organizations, and community members. CSX engages stakeholders via multiple activities and channels to understand the diversity of interests and tailor the approach to most effectively reach each group. (G4-26) The following table outlines examples of CSX's ongoing stakeholder engagement.

AUDIENCE	ENGAGEMENT CHANNEL
Community Members	Corporate citizenship programs, including philanthropic partners and volunteer events; public meetings; safety education campaigns; TellCSX helpline; CSX Public Safety Coordination Center
Customers	Customer events and trade shows; e-business tools; Voice of the Customer survey; website; survey responses; Customer Advisory Councils
Employees	Ethics helpline; CSXConnect employee phone line; internal “Gateway” website; leadership meetings; newsletters; town hall meetings; training programs; e-mail
Investors	Quarterly earnings conference calls; investor conferences; standardized reports, such as annual SEC reports, the CSR report, and Carbon Disclosure Project and Dow Jones Sustainability Index responses
Non-governmental Organizations	Organizational and project-specific partnerships; Carbon Disclosure Project and Dow Jones Sustainability responses
Public and Regulatory Officials	CSX employees from State Government Affairs, Federal Affairs, Strategic Infrastructure, Environment, and CSX Police
Suppliers	Supplier quality program; Carbon Disclosure Project Supply Chain

(G4-24)



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If you are interested in reaching out to CSX, there are many ways to contact the company depending on the topic:

- To report a railroad emergency: 1-800-232-0144
- To report a non-emergency issue: 1-877-835-5279
- To report an ethics violation: 1-800-737-1663
- To write to the company or Board of Directors:

500 Water Street, 15th Floor
Jacksonville, FL 32202
904-359-3200

MATERIALITY GUIDE

In line with the GRI’s G4 requirements, CSX’s 2015 materiality assessment asked stakeholders to identify and prioritize the issues they found as most critical to CSX’s business. The company prioritized 29 issues that drive the business, defined by GRI as “material issues,” which can be categorized into seven larger topic areas: community; customers and markets; economic; environment; governance and strategy; operations and infrastructure; and people.

The report also includes many disclosures that were not identified as the most material issues in 2015. Issues such as health and wellness in the workforce, water, responsible supply chain, land management, and remediation are all actively managed and integral to continued safe and sustainable operations; this year’s report reflects this and aims to include information disclosed and validated by ESG ratings and ranking systems, such as the Dow Jones Sustainability Index and the Carbon Disclosure Project.

The results of the materiality assessment guided the structure and content of this Corporate Social Responsibility Report. The top “material issues” were matched with the “material aspects” defined by GRI’s G4 requirements, as outlined in the following pages. This chart identifies the relevant section of the report where each issue is addressed. Some issues impact many different areas of CSX’s business; and therefore, they are mentioned in multiple sections. These issues were also used for the 2014 CSR Report process and materiality guide. (G4-19; G4-20; G4-21)





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Issue Area	Corresponding GRI G4 Material Aspect	Materiality Boundary	Aspect Boundary Within CSX	Aspect Boundary Outside of CSX	Corresponding Report Chapter
Tier 1 Issues					
Workforce Safety	Occupational Health and Safety	Internal	Corporate Office; Transportation/ Field Operations and Services		Safety & Security
Network Safety	Environmental Impacts of Products & Services; Local Communities; Product Compliance	Internal; External	Corporate Office; Transportation/ Field Operations and Services	Communities and Broader Ecosystem	Safety & Security
Financial Strength	Economic Performance; Indirect Economic Impact	Internal; External	Corporate Office	Communities and Broader Ecosystem	Business Performance & Governance
Customer Service & Satisfaction	Product Service & Labeling	Internal; External	Corporate Office; Transportation/ Field Operations and Services	Customers	Business Performance & Governance
Public Safety & Security	Local Communities; Society Grievance Mechanisms	Internal; External	Corporate Office; Transportation/ Field Operations and Services	Communities and Broader Ecosystem	Safety & Security
Competition, Pricing & Regulation	Public Policy; Anti-Competitive Behavior	Internal; External	Corporate Office; Transportation/ Field Operations and Services	Customers; Suppliers; and Communities and Broader Ecosystem	Evolving Economy; Business Performance & Governance
Sustainable Governance & Ethics	Governance; Ethics and Integrity; Anti-Corruption; Society Compliance	Internal	Corporate Office	Customers; Suppliers	Business Performance & Governance
Workforce Management, Acquisition, & Retention¹	Employment; Labor/ Management Relations; Training and Education	Internal	Corporate Office; Transportation/ Field Operations and Services		Employees
Managing Potential Enterprise Risks	Governance	Internal	Corporate Office		Business Performance & Governance; Safety & Security

(G4-19, G4-20, G4-21)



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Chemical & Material Transport Risks²	Effluents & Waste; Environmental Impacts of Products & Services; Environmental Compliance; Environmental Grievance Mechanisms; Local Communities; Product Compliance	Internal; External	Corporate Office; Transportation/ Field Operations and Services	Communities and Broader Ecosystem	Safety & Security; Environment & Efficiency
Tier 2 Issues					
Security & Infrastructure Protection	Indirect Economic Impact; Local Communities	Internal; External	Corporate Office; Transportation/ Field Operations and Services	Suppliers; Customers; Communities and Broader Ecosystem	Safety & Security
Strategic Innovation (Across the Business)	Does not map directly to a GRI material aspect	Internal	Corporate Office; Transportation/ Field Operations and Services		Business Performance & Governance; Environment & Efficiency
Changing U.S. Energy Mix	Does not map directly to a GRI material aspect	External		Suppliers; Customers	Evolving Economy; Business Performance & Governance
Engaging with Government	Public Policy	Internal	Corporate Office		Business Performance & Governance
Transparency in Communications	Ethics and Integrity	Internal	Corporate Office		Business Performance & Governance
Strong Community Engagement, Collaborations, & Partnerships	Local Communities	External		Communities and Broader Ecosystem	Safety & Security; Communities
Workforce Benefits & Training	Employment; Training and Education	Internal	Corporate Office; Transportation/ Field Operations and Services		Employees
Working with External Stakeholders	Stakeholder Engagement; Local Communities	Internal; External	Corporate Office	Suppliers; Customers; Communities and Broader Ecosystem	Business Performance & Governance; Safety & Security; Communities

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Emissions & Fuel Efficiency	Energy; Emissions; Environmental Impacts of Products & Services	Internal; External	Corporate Office; Transportation/ Field Operations and Services	Customers	Environment & Efficiency
Extreme Weather & Network Disruptions	Economic Performance; Local Communities	Internal; External	Corporate Office; Transportation/ Field Operations and Services; Customers		Business Performance & Governance; Environment & Efficiency

(G4-19, G4-20, G4-21)

¹ Workforce Management, Talent Acquisition & Retention was listed as Workforce Management in the 2014 CSR Report.
² Chemical & Material Transport Risks was listed as Chemical Commodity & Material Transport Risks in the 2014 CSR Report.
³ Additional issues were included in the 2014 CSR Report Materiality Matrix as follows: Local Economic Impact; Relationship with Unions; Water; Responsible Supply Chain; Health and Wellness in the Workforce; Responsible Waste Disposal & Reuse; Biodiversity, Land Management & Remediation; Human Rights; Diversity in the Workforce.



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GRI CONTENT INDEX
GENERAL STANDARD DISCLOSURES – CORE



GENERAL STANDARD DISCLOSURES	PAGE OR DIRECT ANSWER	EXTERNAL ASSURANCE	DESCRIPTION
Strategy and Analysis			
G4-1	Chairman’s Message (p. 3)	No	Statement from the most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy.
Organizational Profile			
G4-3	CSX Corporation	No	Name of the organization.
G4-4	CSX Corporation is one of the nation’s leading transportation companies. The company provides rail-based transportation services including traditional rail service and the transport of intermodal containers and trailers. All of the information contained in this report is fully representative of the company’s principal operating subsidiary, CSX Transportation, as well as its other subsidiaries, including: CSX Intermodal Terminals, Inc. (CSX Intermodal Terminals); Total Distribution Services, Inc. (TDSI); Transflo Terminal Services, Inc. (TRANSFLO); and CSX Technology, Inc. (CSX Technology).	No	Primary brands, products and services.
G4-5	Jacksonville, Florida, USA	No	Location of organization’s headquarters.
G4-6	The company operates in two countries: Canada and the United States	No	Number of countries where the organization operates.
G4-7	CSX Corporation is a publicly traded company, incorporated in Virginia. CSX’s common stock is listed on the Nasdaq Global Select Market. The official trading symbol is “CSX.”	No	Nature of ownership and legal form.
G4-8	2015 Market Overview (p. 17)	No	Markets served.

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Organizational Profile			
G4-9	About CSX (p. 5) Business Performance & Governance, Financial Performance Table (p. 22)	No	Scale of the reporting organization.
G4-10	Employees, Workforce Overview & Hiring (p. 39); Additional Data (p. 82)	No	Total workforce by employment type, employment contract, and region, broken down by gender.
G4-11	At CSX, 84 percent of employees are covered by collective bargaining agreements.	No	Percentage of employees covered by collective bargaining agreements.
G4-12	Business Performance & Governance, Suppliers (p. 26)	No	Description of the organization's supply chain.
G4-13	There were no significant changes regarding size, structure, ownership or supply chain in 2015.	No	Significant changes during the reporting period regarding size, structure, ownership or supply chain.
G4-14	Environmental Management at CSX (p. 48)	No	Explanation of whether and how the precautionary approach or principle is addressed by the organization.
G4-15	Environmental Management at CSX (p. 48)	No	Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes.
G4-16	CSX's memberships include the Business Roundtable, National Association of Manufacturers, the U.S. Chamber of Commerce and state Chambers of Commerce, Railroad Associations in states of CSX operation, and Business for Social Responsibility.	No	Memberships in associations and advocacy organizations.

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Identified Material Aspects and Boundaries			
G4-17	About CSX (p. 4-5)	No	Operational structure of the organization.
G4-18	In this Report, Important Issues (p. 10)	No	Process for defining report content.
G4-19	About this Report (p. 66-69)	No	Material aspects identified in the process for defining report content.
G4-20	About this Report (p. 66-69)	No	Aspect boundary within the organization for each material aspect.
G4-21	About this Report (p. 66-69)	No	Aspect boundary outside the organization for each material aspect.
G4-22	There are no restatements of information provided in earlier reports.	No	Explanation of any restatements of information provided in earlier reports, and the reasons for such restatements.
G4-23	There were no significant changes from previous reporting periods in the scope and aspect boundaries in 2015.	No	Significant changes from previous reporting periods in the scope and aspect boundaries.
Stakeholder Engagement			
G4-24	About This Report, Stakeholder Engagement (p. 65)	Yes, See External Assurance Statement (p. 83)	List of stakeholder groups engaged by organization.
G4-25	In This Report, Materiality Assessment (p. 9)	Yes, See External Assurance Statement (p. 83)	Basis for identification and selection of stakeholders with whom to engage.
G4-26	About This Report, Stakeholder Engagement (p. 65)	Yes, See External Assurance Statement (p. 83)	Approach to stakeholder engagement, including frequency of engagement by type and group.
G4-27	In This Report, Important Issues (p. 11-12)	Yes, See External Assurance Statement (p. 83)	Key topics and concerns that have been raised through stakeholder engagement and how the organization has responded.

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Report Profile			
G4-28	Information in this report covers 2013 through 2015, with a focus on activities during fiscal year 2015 (December 27, 2014 to December 25, 2015).	No	Reporting period.
G4-29	The 2014 report was released on July 13, 2015.	No	Date of most recent previous report.
G4-30	CSX reports on an annual basis.	No	Reporting cycle.
G4-31	Report back cover (p. 85)	No	Contact point for questions regarding the report.
G4-32	GRI Content Index (p. 70-81)	No	Table identifying the location of standard disclosures in the report.
G4-33	Ernst & Young LLP, CSX's independent accountants, have performed review-level assurance for the time period of March 1, 2015 through February 29, 2016 on the materiality assessment described on page 9. Ernst & Young's Review Report can be found in About This Report, Letters of Assurance (p.83). CH2M performed a verification of CSX's 2015 GHG emission inventory for the 2015 reporting period. CH2M's Statement of Verification can be found in About This Report, Letters of Assurance (p. 84).	No	External assurance.
Governance			
G4-34	Business Performance & Governance, Corporate Governance (p. 24)	No	Governance structure of the organization.
Ethics and Integrity			
G4-56	About CSX, Core Values (p. 9); Business Performance & Governance, Ethics (p. 24)	No	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.
G4-58	Business Performance & Governance, Ethics (p. 24)	No	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.

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SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECTS	DMA AND INDICATORS	PAGE OR DIRECT ANSWER	OMISSIONS	EXTERNAL ASSURANCE	DESCRIPTION
Category: Economic					
Economic Performance	G4-DMA	Business Performance & Governance, Financial Performance (p. 22)		No	DMA Economic Performance
	G4-EC1	Business Performance & Governance, Financial Performance (p. 22); Additionally, in 2015, CSX paid \$3.29 billion in employee wages, payroll taxes, health and welfare costs, pension, other post-retirement benefits, and incentive compensation.		No	Direct economic value generated and distributed
	G4-EC2	Environment & Efficiency, Trend In Context (p. 46). CSX also reports annually to the Carbon Disclosure Project (CDP) with more detailed financial information related to climate change.		No	Financial implications and other risks and opportunities for the organization's activities due to climate change
	G4-EC3	Benefits vary by craft for contract or agreement positions. Management employees are eligible for CSX's pension plan after 3 years of eligible service. CSX will also match 100% on the first 1% and 50% of the next 2-6% of employee contributions to the CSXtra 401 (k) Plan. The Railroad Retirement Board covers retirement for the majority of CSX employees, after vestign for 5 years of eligible service. CSX also offers competitive health and wellness benefits, a full list of which is available here .		No	Coverage of the organization's defined benefit plan obligations
Indirect Economic Impacts	G4-DMA	Business Performance & Governance, Local Impact (p. 27)		No	DMA Indirect Economic Impacts
	G4-EC7	Business Performance & Governance, Trend in Context (p. 21); Business Performance & Governance, Local Impact (p. 27)		No	Development and impact of infrastructure investments and services supported
	G4-EC8	Business Performance & Governance, Local Impact (p. 27) and Community, Investment and Philanthropy (p. 61)		No	Significant indirect economic impacts, including the extent of impacts

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Category: Environmental					
Energy	G4-DMA	Environmental Management at CSX (p. 48); Fuel Use and Efficiency (p. 53)		No	DMA Energy
	G4-EN3	Environment & Efficiency, Environmental Performance Data Summary (p. 49)		No	Energy consumption within the organization
	G4-EN4	Environment & Efficiency, Environmental Performance Data Summary (p. 50)		No	Energy consumption outside of the organization
	G4-EN5	Environment & Efficiency, Environmental Performance Data Summary (p. 50)		No	Energy intensity
	G4-EN6	Environment & Efficiency, Environmental Performance Data Summary (p. 50)		No	Reduction of energy consumption
	G4-EN7	Environment & Efficiency, Fuel Use and Efficiency (p. 53)		No	Reductions in energy requirements of products and services
Biodiversity	G4-DMA	Environmental Management at CSX (p. 48); Environment & Efficiency, Land and Facilities (p. 53)		No	DMA Biodiversity
	G4-EN13	Safety & Security; Emergency Response (p. 33); Environment & Efficiency, Land and Facilities (p. 53); Communities, Community Investment and Philanthropy (p. 61)		No	Habitats protected or restored

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Category: Environmental					
Emissions	G4-DMA	Environmental Management at CSX (p. 48)		No	DMA Emissions
	G4-EN15	Environment & Efficiency, Environmental Performance Data Summary (p. 49)		Yes, See External Assurance Statement (p. 84)	Direct greenhouse gas (GHG) emissions (Scope 1)
	G4-EN16	Environment & Efficiency, Environmental Performance Data Summary (p. 49)		No	Energy indirect greenhouse gas (GHG) emissions (Scope 2)
	G4-EN17	Environment & Efficiency, Environmental Performance Data Summary (p. 49)		No	Other indirect greenhouse gas (GHG) emissions (Scope 3)
	G4-EN18	Environment & Efficiency, Environmental Performance Data Summary (p. 49)		Yes, See External Assurance Statement (p. 84)	Greenhouse gas (GHG) emissions intensity
	G4-EN19	Environment & Efficiency, Fuel Use and Efficiency (p. 53)		Yes, See External Assurance Statement (p. 84)	Reduction of greenhouse gas (GHG) emissions
	G4-EN20	Environment & Efficiency, Environmental Performance Data Summary (p. 49)		Yes, See External Assurance Statement (p. 84)	Emissions of ozone-depleting substances
	G4-EN21	Environment & Efficiency, Environmental Performance Data Summary (p. 49)		Yes, See External Assurance Statement (p. 84)	NOX, SOX, and other significant air emissions
Effluents and Waste	G4-DMA	Environmental Management at CSX (p. 48); Environment & Efficiency, Waste Management (p. 53)		No	DMA Effluents and Waste
	G4-EN23	Environment & Efficiency, Environmental Performance Data Summary (p. 51)		No	Total weight of waste by type and disposal method

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Category: Environmental					
Products and Services	G4-DMA	Environmental Management at CSX (p. 48); Environment & Efficiency, Fuel Use and Efficiency (p. 53)		No	DMA Products and Services
	G4-EN27	Environment & Efficiency, Environmental Management at CSX (p. 48) and Fuel Use and Efficiency (p. 53); Communities, Community Investment and Philanthropy (p. 61)		No	Extent of impact mitigation of environmental impacts of products and services
Compliance	G4-DMA	Environmental Management at CSX (p. 48)		No	DMA Compliance
	G4-EN29	In 2015, CSX paid \$530,000 in environmental fines and penalties. These fines and penalties were largely the result of a derailment in Lynchburg, Virginia in 2014.		No	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations
Supplier Environmental Assessment	G4-DMA	Environment & Efficiency, Influencing The Value Chain (p. 54-55)		No	DMA Supplier Environmental Assessment
	G4-EN32	Environment & Efficiency, Influencing The Value Chain (p. 54-55)		No	Percentage of new suppliers that were screened using environmental criteria
Environmental Grievance Mechanisms	G4-DMA	Safety & Security, Emergency Response (p. 33)			DMA Environmental Grievance Mechanisms
	G4-EN34	Safety & Security, Emergency Response (p. 33)			Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms

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Category: Social					
Sub-Category: Labor Practices and Decent Work					
Employment	G4-DMA	Employees (p.35)		No	DMA Employment
	G4-LA1	In 2015, a total of 6,457 individuals left CSX, representing about an 11 percent employee attrition rate; Employees, Resources and Capabilities (p. 39-40); About This Report, Additional Data (p.82).		No	Total number and rates of new employee hires and employee turnover by age group, gender and region
	G4-LA2	Benefits information can be found on our website .		No	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation
	G4-LA3	Throughout 2015, there were 612 employees who took parental leave, split almost evenly between men and women employees.		No	Return to work and retention rates after parental leave, by gender
Labor/ Management Relations	G4-DMA	Employees, Resources and Capabilities (p. 39-40)		No	DMA Labor/Management Relations
	G4-LA4	Craft employees are covered by one of the company’s many collective bargaining agreements. CSX negotiates and administers agreements together with the country’s other Class I railroads. The agreements cover all aspects of the employment relationship, except in cases in which terms and conditions are covered by federal law, including minimum notice periods of significant changes, wages, and hours. Nearly 100 percent of craft employees choose to participate in these benefits.		No	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements

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Sub-Category: Labor Practices and Decent Work					
Occupational Health and Safety	G4-DMA	Safety and Security, Workforce Safety (p. 34)		No	DMA Occupational Health and Safety
	G4-LA5	Currently, CSX conducts business with more than 17 different labor unions and organizational subsets. Union organizations are encouraged to participate in the CSX Safety Overlap Process, a formal management-union joint health and safety committee; a majority of unions currently participate.		No	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs
	G4-LA6	Safety and Security, Workforce Safety (p. 34)		No	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender
Training and Education	G4-DMA	Employees, Resources and Capabilities (p. 40-41)		No	DMA Training and Education
	G4-LA10	Employees, Resources and Capabilities (p. 40-41)		No	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings
	G4-LA11	Throughout their careers, management employees receive formal performance reviews twice a year, with several self-directed opportunities throughout the year to review progress on goals with their managers.		No	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category
Diversity and Equal Opportunity	G4-DMA	Employees, Diversity and Engagement (p. 42)		No	DMA Diversity and Equal Opportunity
	G4-LA12	Business Performance & Governance, Corporate Governance (p. 24); Employees, Diversity and Engagement (p. 42) In 2015, 21.4 percent of CSX’s new hires were considered minorities, and minorities currently make up 16 percent of the overall workforce. Only 3.5 percent of management employees are a people of color. In 2015, 5.9 percent of new hires employees were women and women make up 6 percent percent of the overall workforce. Women held 20 percent of management positions.		No	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity

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Sub-Category: Society					
Local Communities	G4-DMA	Business Performance & Governance, Local Impact (p. 27) and Communities, Community Investment and Philanthropy (p. 61)		No	DMA Local Communities
	G4-SO1	All of CSX’s operations implement local community engagement, impact assessments, and development programs.		No	Percentage of operations with implemented local community engagement, impact assessments, and development programs
	G4-SO2	Safety & Security, Infrastructure Safety (p. 32) and Emergency Response (p. 33)		No	Operations with significant actual and potential negative impacts on local communities
Anti-Corruption	G4-DMA	Business Performance & Governance, Ethics (p. 24)		No	DMA Anti-Corruption
	G4-SO3	All operations are assessed for risks related to corruption. No significant risks were identified in 2015.		No	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified
	G4-SO4	Business Performance & Governance, Ethics (p. 24)		No	Communication and training on anti-corruption policies and procedures
	G4-SO5	We have not had any incidents of corruption in 2015.		No	Confirmed incidents of corruption and actions taken
Public Policy	G4-DMA	Business Performance & Governance, Public Policy and Contributions (p. 25)		No	DMA Public Policy
	G4-SO6	Business Performance & Governance, Public Policy and Contributions (p. 25)		No	Total value of political contributions by country and recipient/beneficiary
Anti-Competitiveness Behavior	G4-DMA	Business Performance & Governance, Ethics (p. 24)		No	DMA Anti-Competitive Behavior
	G4-SO7	In Note 7 (p. 77) of 2015 10-K , CSX discloses information around legal actions and claims.		No	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes

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Sub-Category: Society					
Grievance Mechanisms For Impacts on Society	G4-DMA	Safety & Security, Public Safety (p. 32); Communities, Transparency and Engagement (p.60)		No	DMA Grievance Mechanisms For Impacts on Society
	G4-SO11	Safety & Security, Public Safety (p. 32); Communities, Transparency and Engagement (p. 60)		No	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms
Sub-Category: Product Responsibility					
Product and Service Labeling	G4-DMA	Business Performance & Governance, Customers (p. 26)		No	DMA Product and Service Labeling
	G4-PR5	Business Performance & Governance, Customers (p. 25)		No	Results of surveys measuring customer satisfaction

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ADDITIONAL DATA

WORKFORCE DATA				
STATE	GENDER		NEW HIRES	EMPLOYEES TURNING OVER
	MALE	FEMALE		
Floating	3,586	9		318
AL	974	20	70	334
CA	3	1		
CT	11			
DC	40	5	7	8
DE	55		7	7
FL	3,194	1,176	485	787
GA	2,530	88	167	570
IL	826	91	74	259
IN	1,434	42	97	427
KY	1,707	39	86	511
LA	126	3	8	27
MA	208	4	23	41
MD	1,418	37	116	254
ME	1			
MI	337	27	23	92
MO	1			
MS	42		2	1
NC	889	28	43	190
NJ	155	23	8	26
NM	1			
NY	1,864	35	134	393
OH	2,720	93	294	657
ON	30	3	7	8
PA	797	16	83	192
QC	22		10	9
SC	792	19	51	179
TN	1,185	31	98	510
TX	6	1		2
VA	832	21	59	315
WA	3	1		
WV	1,237	39	64	340
TOTAL	27,026	1,852	2,016	6,457

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INDEPENDENT ACCOUNTANTS’
REVIEW REPORT

To the management of CSX Corporation:

We have reviewed the materiality assessment (the “Subject Matter”) included in the accompanying schedule (the “Schedule”) and as presented in CSX Corporation’s 2015 Corporate Social Responsibility (CSR) Report (the “Report”) for the period March 1, 2015 to February 29, 2016 in accordance with CSX Corporation’s criteria set forth in the schedule (the “Criteria”). We did not review all information included in the Report. We did not review the narrative sections of the Report, except where they incorporated the Subject Matter. CSX Corporation’s management is responsible for the Subject Matter included in the accompanying schedule and as also presented in the Report, based on the Criteria set forth in the schedule. Our responsibility is to express a conclusion on the Subject Matter based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our review to obtain limited assurance about whether any material modifications should be made to the Subject Matter in order for it to be in accordance with the Criteria. A review consists principally of applying analytical procedures, making inquiries of persons responsible for the subject matter, obtaining an understanding of the data management systems and processes used to generate, aggregate and report the Subject Matter and performing such other procedures as we considered necessary in the circumstances. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether the materiality assessment is in accordance with the Criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. A review also does not provide assurance that we became aware of all significant matters that would be disclosed in an examination. We believe that our review provides a reasonable basis for our conclusion.

Based on our review, we are not aware of any material modifications that should be made to the materiality assessment for the period March 1, 2015 to February 29, 2016, in order for it be in accordance with the Criteria set forth in the schedule.

Ernst + Young LLP

June 10, 2016

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Schedule of Subject Matter and Criteria	
Indicator Name	Assertion
Materiality assessment	From March 1, 2015 to February 29, 2016, CSX conducted an assessment to identify material issues. That assessment included the criteria referenced below:
Criteria ¹	
<ul style="list-style-type: none">• Material issues reported in CSX’s 2014 Corporate Social Responsibility (CSR) Report were used for the 2015 CSR Report materiality assessment (refer to About This Report for 2014 and 2015 issues list)• CSX established eight internal and external stakeholder groups and identified stakeholders within each group to survey, including:<ul style="list-style-type: none">• Employees, Customers, Suppliers, Nonprofit Organizations, Government Organizations, Short Line Partners, Community Members, Investors• CSX prepared an online survey containing the material issues list and received survey responses from more than 100 internal and external stakeholders<ul style="list-style-type: none">• The survey asked stakeholders to rate issues on a 1 to 10 scale, with 1 being Not Important and 10 being Very Important to the long-term success of CSX’s business• CSX weighted the customer and supplier responses to allow for comparability year over year between 2014 and 2015. This weighting resulted in customer response ratings for each issue in the survey being multiplied by 1.61 and supplier response ratings for each issue in the survey being multiplied by 0.67• Material issues were ranked based on the weighted average ratings of all stakeholder survey responses and the top 20 issues are presented in the materiality matrix• CSX conducted interviews and focus groups with Employees, Customers, Suppliers, and Nonprofit Organizations to document additional insights regarding select material issues included in the 2015 materiality matrix	

¹ The About This Report section referenced in the Criteria section can be found in CSX’s 2015 CSR Report.



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VERIFICATION OF CSX CORPORATION 2015 GREENHOUSE GAS INVENTORY

Statement of Verification

7.1 Scope

CH2M performed a verification of CSX’s 2015 GHG emission inventory to determine if a reasonable level of assurance could be provided. CSX’s management is responsible for the collection and presentation of the information within the 2015 EI. CH2M’s responsibility is to express a conclusion as to whether anything has been identified to suggest that the reported emission inventory is not presented fairly in accordance with referenced GHG accounting principles and associated guidance documents.

7.2 Methodology

Our verification review was completed in accordance with ISO 14064-3:2006[E] section 4.4. As such, CH2M 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 Scope 1, Scope 2, and listed Scope 3 emissions for the 2015 reporting period (exclusive of purchased goods and services and capital goods) is 5,910,060 metric tonnes CO2e.

7.4 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 2015 EI are materially correct and presented fairly in accordance with stated criteria.

CH2M

Stephanie McMackin, P.E. (OH, KY, WV)
Senior Reviewer
Dayton, Ohio
May 9, 2016

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CSX Corporate Headquarters
500 Water St., 15th Floor
Jacksonville, FL 32202
(904) 359-3200
www.csx.com

CONTACTS

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CORPORATE SOCIAL RESPONSIBILITY

[Tori Kaplan](#)
Assistant Vice President,
Corporate Social Responsibility
500 Water St., C420
Jacksonville, FL 32202
(904) 359-1799
Tori_Kaplan@CSX.com

INVESTOR RELATIONS

[David Baggs](#)
Vice President,
Treasurer and Investor Relations
500 Water St., C110
Jacksonville, FL 32202
(904) 359-4812
David_Baggs@CSX.com

MEDIA AND PUBLIC RELATIONS

[Gary Sease](#)
Vice President,
Corporate Communications
500 Water St., C420
Jacksonville, FL 32202
(904) 359-1719
Gary_Sease@CSX.com