

# Supplier Relationship Guide

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**CSX**





# Introduction

At CSX, we believe that reliable, efficient, ethical suppliers are essential to our success. We see them as an extension of our community – people who live as we do, dedicated to the principles of diversity, environmental stewardship and high ethical standards. We know them as companies we can count on, not only for the timely supply of materials and services at competitive prices, but also for creative ideas and input into our specifications, designs and engineering efforts. This guide contains some of the key information that you will need to become a valued supplier to CSX.

Please use this information to join us in creating opportunities that will reward both of our companies.

## Suppliers Are Key to Our Success

At CSX, ethical behavior is a critical component of our culture. We strive towards excellence in everything we do, and reinforce with our employees and partners that how we get there matters.

To ensure we can maintain the highest standard of professionalism and efficiency in our supplier partnerships, we've established clear guidelines that encompass supplier compliance, approval processes, and effective communication channels.

From procedures to forms and frequently asked questions, all supporting information that may be needed to clarify or take action on information within the guide can be found on our website at [csx.com/suppliers](https://csx.com/suppliers).

**Compliance** – CSX and its suppliers must adhere to the standards of ethical conduct outlined in the CSX [Code of Ethics](#). These standards apply not only on CSX property but also in supplier locations and all other settings. In addition, suppliers are required to review the CSX [Procurement General Terms and Conditions](#), register their company on our website, and provide timely updates when necessary.

**Approval** – To ensure a smooth process for suppliers seeking to do business with CSX, it is required that requests for new products or services be submitted through our dedicated [Doing Business With Us](#) page. The submitted requests will be thoroughly evaluated by relevant CSX personnel and routed through our established supplier approval process.

**Communication** – To ensure effective communication and foster a mutually successful partnership, suppliers are required to utilize their designated CSX Procurement Manager as the primary point of contact for all interactions with CSX.



## Our Procurement Approach

**Our objective is to procure all materials, supplies and services, including those for which contracts and subcontracts are awarded or renewed, through the CSX Competitive Bid Process.**

This process for supplier selection uses a team-oriented and cross-functional approach designed to maximize savings on a total cost basis. The CSX team will establish the goals and timeline of the project, conduct research and benchmarking, invite supplier input, conduct negotiations, and award the contract. The process also provides for periodic measurement and follow-up analysis.

### **Purchasing decisions are based on three primary factors:**

- 1. Value pricing resulting from efficient production facilities, sound engineering and research.**
- 2. Quality and logistics of materials and/or services.**
- 3. Customer service that meets the needs of CSX.**



## Partners in Cost Savings

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**Once a relationship is initiated through the selection process, CSX invites its incumbent suppliers to become partners in finding ways to further reduce costs.**

Because our suppliers are the best source of product and supply chain knowledge, CSX must rely on and challenge them to identify and help implement cost reduction ideas. Taking such initiative may present an opportunity for CSX to extend a supplier's contractual agreement, and provide both parties with financial benefit and process-related efficiencies.

In some cases, there may be other factors that influence the decision to extend a contract (e.g., new technologies, supplier performance); therefore, contract extensions are granted at the sole discretion of CSX.

For more information, contact your CSX Procurement Manager.



## Diverse Suppliers

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**Our company-wide commitment to diversity also extends to our suppliers and procurement processes.**

To that end, we offer opportunities for all suppliers, regardless of any social or economic distinction, such as age, race, creed, color, sex, ancestry or national origin. Our Diverse Supplier Procurement Program ensures that all business enterprises have an equal opportunity to supply the required services and commodities. Through this policy, we have in place processes under which we:

- Actively seek out and establish business relationships with diverse suppliers.
- Support and participate in the work of public and private organizations that promote purchases from diverse firms.

Although our company will not give diverse suppliers a preference that results in an unfair competitive advantage over other suppliers, our Diverse Supplier Procurement Policy is in place to ensure that all suppliers have an equal footing in the competitive bidding process.

Register as a diverse supplier at [csx.com/suppliers](https://csx.com/suppliers) then click on Supplier Diversity.



## Policies and Procedures

### Contracted Service Providers on CSX Property

If you are a contracted service provider or subcontractor performing services on CSX property, please see [Minimum Safety Requirements](#).

### Methods of Payment

CSX uses Electronic Data Interchange (EDI) for purchase orders and invoices.

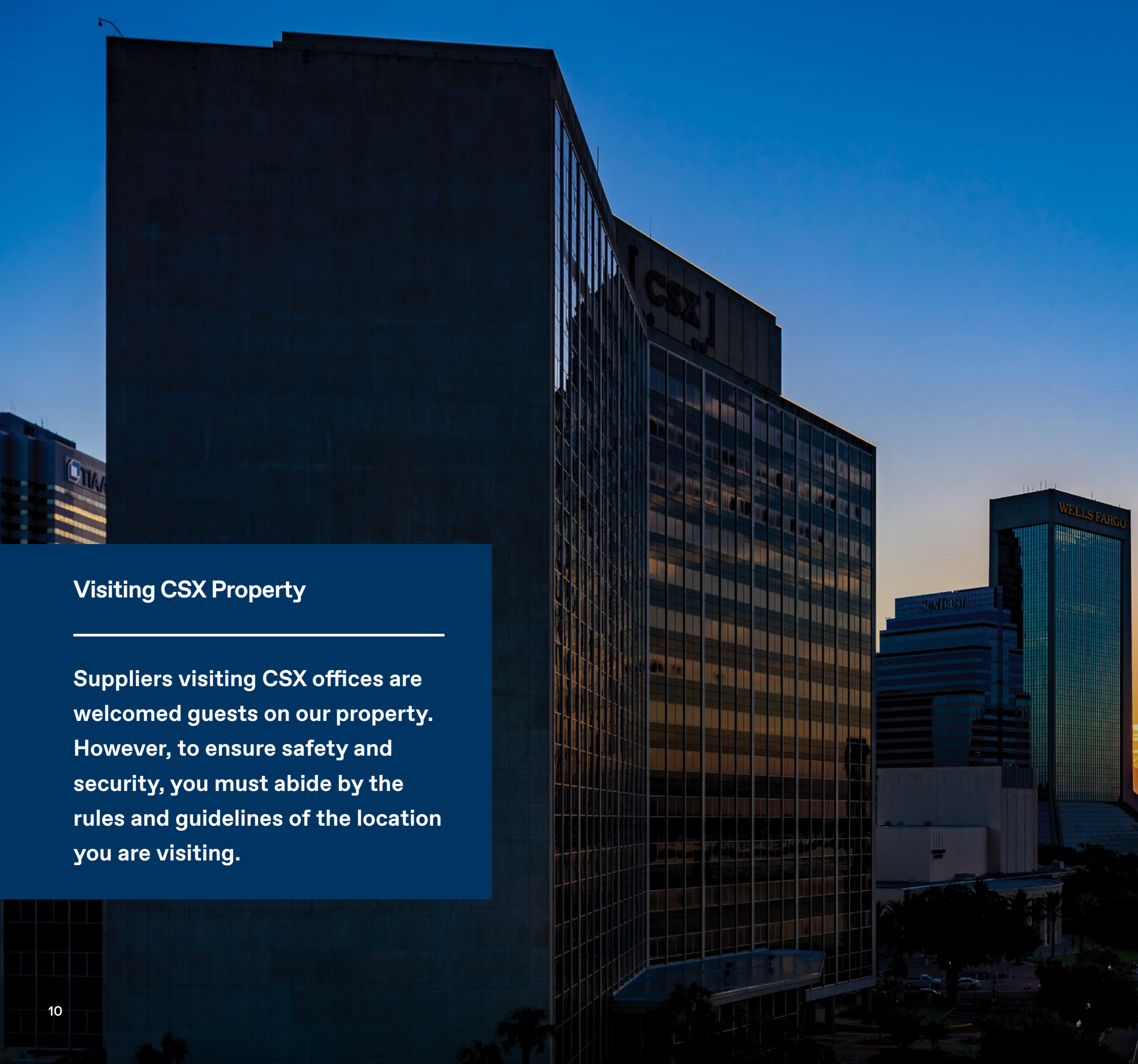
The preferred payment method for CSX suppliers is virtual credit card. If you are unable to accept card payments, all new U.S.-based suppliers must be set up for Electronic Funds Transfer (EFT) payments.

CSX reserves the right to implement a \$25 charge per check issued for U.S.-based suppliers. At this time, CSX cannot offer virtual credit card and EFT to suppliers who are not based in the U.S.

**CSX is committed to continually improving the safety and security of its operations for the benefit of its employees, contractors, customers and communities. CSX appreciates the support of its service providers, their subcontractors and their employees in this important effort.**







## Visiting CSX Property

**Suppliers visiting CSX offices are welcomed guests on our property. However, to ensure safety and security, you must abide by the rules and guidelines of the location you are visiting.**

## Visitor and Supplier Policy for Jacksonville Headquarters Building

**If you wish to visit someone in the Procurement group at the Jacksonville headquarters building, you must make an appointment. Please do not show up unannounced.**

To ensure a smooth visit to CSX headquarters, please follow these guidelines:

- Schedule an appointment with your CSX contact in advance.
- Prior to arrival, check with your contact for any specific safety requirements or visitor parking locations.
- Upon arrival, please proceed to the security desk to check-in. Your CSX contact will be notified of your arrival.
- Provide photo identification to receive a temporary access badge, and wear your temporary badge in plain view at all times during your visit.

The only exception to this process is for service and delivery persons dropping off or picking up a delivery in a predetermined safe zone.

## Visitor and Supplier Policy for Field Locations

All field location visits must be coordinated ahead of time through management on location.



# CSX Code of Ethics

## CSX requires suppliers to maintain high standards for business conduct, as expressed in our CSX Code of Ethics.

The CSX Code of Ethics can be found at [www.csx.com](http://www.csx.com). We also encourage you to be our partner in identifying ethical concerns.

Our toll-free Ethics Helpline, 1-800-737-1663, is always available for you to report suspected misconduct, ask questions or raise concerns about business ethics and compliance matters. All reports to the helpline are reviewed and investigated promptly, and callers have the right to remain anonymous.

## Gift & Entertainment Policy

We understand that suppliers may wish to provide gifts to CSX employees during normal operations. However, the acceptance of gifts and entertainment may influence or raise doubts as to the impartiality of the recipient, and such a risk is heightened for Procurement employees who regularly negotiate with suppliers over substantial amounts of money. To give you a better idea of our policy regarding gifts and entertainment, please review some highlights below:

- Gifts are anything of value, including tickets to events not attended with the supplier.
- A gift should not be accepted unless it has been approved in writing by a supervisor or is of nominal value (e.g., T-shirt or cap).
- Entertainment is a business courtesy, such as a meal or an event that is attended with the supplier.
- Entertainment can be accepted so long as it is (1) occasional; (2) not lavish under the circumstances; and (3) the Procurement employee is comfortable discussing it with his/her supervisor or disclosing it publicly, if required.
- During the negotiation process, Procurement employees directly involved in the negotiation with a supplier may only accept gifts of nominal value (e.g., T-shirt or cap) or modest entertainment (e.g., meals or refreshments) without the consent of their supervisor.

For more information, visit [csx.com/suppliers](http://csx.com/suppliers) then click on Our Policies to access the full Gift & Entertainment policy document.



# Corporate Social Responsibility

## Environmental Stewardship

We are a critical and sustainable component of our customers' supply chains. By investing in innovative new technology and further improving our operational practices, we can offer an even greater environmental advantage.

Working with responsible business partners and suppliers to ensure that our own supply chain is as sustainable and efficient as possible is critical to meeting our customers' needs and our own corporate social responsibility goals.

Our daily practices align business performance with a purpose and commitment to environmental, social and community stewardship. We ask that our suppliers work side by side with us as we:

- Reduce the environmental footprint of our operations.
- Support sustainable development in our service area.
- Engage openly on sustainability issues.







**CSX**