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.

Sincerely,

Evan Bell
Head of Procurement
SUPPLIERS ARE KEY TO OUR SUCCESS

At CSX, we are committed to “Right Results, Right Way.” To meet that core value and effectively manage our supplier relationships, it is necessary to have some general guidelines for supplier compliance, approval and communication.

You will find everything you need to get started doing business with us on our website. For more details about procedures and processes, forms and FAQs, visit www.csx.com, click on About CSX, and then click on Suppliers.

Compliance – CSX and its suppliers must abide by the CSX Code of Ethics in all of its interactions, whether on CSX property, at their location or elsewhere. Suppliers are required to review and understand the CSX Procurement General Terms and Conditions, register their company on our website, and provide updates as necessary.

Approval – Suppliers of new products or services must submit their ideas through the appropriate Procurement Manager for the commodity or the Manager of Supplier Development. Suppliers’ ideas and products will be evaluated and routed through a supplier approval process. Contact information is available on our website.

Communication – Effective communication with our suppliers is essential to our mutual success. To maintain the best possible relationship with CSX, suppliers must use their CSX Procurement Manager as their 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, accept supplier Requests for Quotation (RFQs), 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

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

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 Supplier Diversity 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 Supplier Diversity Program Policy is in place to ensure that all suppliers have an equal footing in the competitive bidding process.

Register as a diverse supplier. Visit [www.csx.com](http://www.csx.com), click on About CSX, click on Suppliers, and 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.

Method of Payment

CSXT 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 US based suppliers must be set up for EFT payments. CSX reserves the right to implement a $25 charge per check issued for US based suppliers. CSX cannot offer virtual credit card and EFT to non-US based suppliers at this time.
CSX is committed to 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 welcome guests on our property. However, to ensure safety and security, you must abide by the rules and guidelines of the location you are visiting.
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.

You will be required to check in at the HQ security desk and provide photo identification to receive a temporary access badge. You are required to wear your temporary badge in plain view at all times.

Visitors must:

• Schedule an appointment with your CSX contact ahead of time.
• Check with your contact before arrival to be aware of any safety requirements specific to the location, including visitor parking locations.
• Check in at the HQ Security Desk so your contact can be notified of your arrival.

The only exception to these rules 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. We also encourage you to be our partner in identifying ethical concerns.

Our toll-free Ethics Helpline at 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.

CSX 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 www.csx.com, click on About CSX and click on Suppliers to find a PDF of the full Gifts & Entertainment policy.
Environmental Stewardship

We are a critical and environmentally friendly 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 environmentally sensitive 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.**
Committed to “Right Results, Right Way.”