

MOVING **FORWARD**

CSX Corporate Social Responsibility Report
2016



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A LETTER FROM PRESIDENT AND CHIEF EXECUTIVE OFFICER, E. HUNTER HARRISON

Responsibility creates the foundation for success.

Corporate Social Responsibility may seem like a complex term, but it's actually simple - it's about making good business decisions that do right by our customers, shareholders, employees and communities. To customers, success means we are providing the precise service they expect. To shareholders, it's generating exceptional, lasting value. To employees, success is pride and development in a culture that enables the company to win. And to communities, it means working cooperatively to promote economic safety and growth in the areas in which we operate.

With increasing consumer demand, the need for freight rail as a safe, reliable and sustainable transportation solution is ever more pressing. As the most fuel-efficient mode of freight transportation on land, rail will continue to enable significant emission reductions and help drive economic prosperity.

This report documents CSX's commitment to responsibility across environmental, social and governance topics during 2016. For every topic, we've taken a moment to explain the historical approach and outline recent performance. By leveraging these accomplishments and implementing the Precision Scheduled Railroading model at CSX, we will build upon the foundation for success. Tomorrow's new era will see us improve customer service, control costs, optimize asset utilization, operate safely and develop employees.

With a clear vision forward, and a strong foundation in responsible business practices, CSX is well-positioned for the future. I hope you will be part of our journey.

A handwritten signature in black ink, appearing to read 'E. Hunter Harrison', with a long horizontal flourish extending to the right.

E. Hunter Harrison

President and Chief Executive Officer

ABOUT CSX

CSX, based in Jacksonville, Florida, is a publicly traded premier freight rail transportation company. In this section, you'll learn more about the company's network, the many benefits rail provides, recent awards and connections with broader societal trends.

About CSX

CSX and its employees are all about making connections. Connections, that is, among world markets, seaports, factories, distribution centers and ultimately you, the consumer.

To that end, CSX 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 the past 190 years, CSX has played a critical role in America's economic expansion and industrial development.

CSX's rail network encompasses approximately 21,000 route miles of track across 23 states, the District of Columbia, 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 apparent. Rail supports the broader transportation infrastructure that is critical to American competitiveness. In addition to being the safest form of land transportation, freight rail dramatically minimizes emissions compared to other forms of freight transportation, while taking traffic off already congested highway systems, reducing the "wear and tear" on public roadways and lessening the burden on taxpayers. For manufacturers, distributors and other businesses, rail lowers shipping costs and expands access to domestic and international markets.

While CSX operates in many kinds of communities, the company's focus remains constant. CSX has an unwavering commitment to the safety, the service of its customers, the disciplined utilization of assets, and the development of people and the communities where the company operates.

(102-2; 102-3; 102-4; 102-5; 102-6; 102-7; 102-45)

Network Map



2016 Awards and Accomplishments

In 2016, CSX was recognized with several high-profile awards, rankings and selections for its business practices, long-term investment value and commitment to excellence:



Top 100 Military Friendly Employers—CSX was named to the G.I. Jobs list for the eighth consecutive year recognizing the company's commitment to hiring veterans. Approximately one in five CSX employees is a veteran.



Forbes' America's Best Employers—For the second year in a row, CSX was recognized by this independent survey. CSX had the fourth highest score in the "Transportation and Logistics" industry.



2016 Dow Jones Sustainability Index—CSX received this top sustainability honor for the sixth consecutive year for high performance in environmental management, corporate governance, supply chain management and corporate citizenship and philanthropy.



Fortune's World's Most Admired Companies—For the sixth consecutive year, CSX's reputation and long-term investment value was recognized by Fortune Magazine, taking second place within the trucking, transportation and logistics industry.



Corporate Responsibility Magazine's Best Corporate Citizens List—CSX was ranked 47th on the 2016 list, which highlights the company's commitment to stewardship through ongoing grant programs, in-kind donations and increased transparent reporting, while maintaining shareholder returns.



IDG Computerworld's Best Places to Work in IT—CSX was one of 100 companies that received this award for excelling at creating a dynamic and satisfying IT work environment.



Disability Equality Index Best Place to Work—CSX achieved a score of 90 percent on the 2016 Disability Equality Index, making it a best-in-class organization for disability inclusion practices.



Association of American Railroads' John H. Chafee Environmental Excellence Award—Director of Construction Engineering Michael Hoey received this award for his career contributions toward elevating environmental standards in rail construction and design. Hoey was the fourth CSX employee in a row to be recognized with this honor.



Center for Public Accountability Zicklin Index—In 2016, CSX was again recognized as a leader in political disclosures and accountability practices.

CSX in Context

Reporting frequently focuses on the “boundaries” and “relevancy” of key issues. As a significant player in supply chain logistics, CSX’s business is intertwined with the actions and viewpoints of many different stakeholders. Following are a few examples of the ways in which CSX is interconnected with broader societal trends.

Connectivity

CSX makes connections that allow economies and communities to prosper. In 2016, CSX announced the development of a \$270 million state-of-the-art intermodal hub and transfer facility in Rocky Mount, North Carolina. This project, known as the Carolina Connector Intermodal Rail Terminal (CCX), will leverage the economic and environmental benefits of rail, while connecting North Carolina ports, businesses and consumers to hundreds of domestic and international markets. In addition to being a catalyst for economic development, CCX will provide more than \$300 million in public benefits, including less demand on highway infrastructure, improved roadway safety, less fuel consumption and cleaner air.

Collaboration

CSX collaborates with communities and organizations to drive economic development in a respectful, sustainable manner. CSX’s National Gateway initiative clears the way for double-stacked intermodal trains that transport containerized freight between Mid-Atlantic ports and the Midwest. At the end of 2016, CSX celebrated the on-time completion of the first phase of a major National Gateway project: the Virginia Avenue Tunnel in Washington, D.C. This project revitalizes a 110-year-old tunnel and alleviates a transportation bottleneck. While this much-needed update has created a temporary disruption for some neighbors, CSX has partnered with the community on enhancements to create even more beautiful, thriving Capitol Hill, Navy Yard, and Southeast DC communities for the long term.

Innovation

All businesses must evolve in order to prosper. Railroads were early innovators. In fact, their invention was one of the most significant “disruptive innovations” in history. Today, CSX uses innovation to create resource efficiencies and provide even better maintenance. For example, CSX locomotives use an innovative control system called Trip Optimizer to reduce fuel use while enhancing safety, simplifying train handling and improving efficiency. On the maintenance front, wayside detectors use heat and acoustic indicators to identify any potential defects in the railcar system. CSX also continually examines systems to be more resourceful with assets. As CSX looks to the future, the company plans to provide the best service by having a more efficient, less asset-intensive operation, using the innovative Precision Scheduled Railroading model.

(102-54)

APPROACH TO REPORTING

For the past seven years, CSX has issued an annual corporate social responsibility report. This report follows the latest Global Reporting Initiative (GRI) Standards, using the core option, which represents a best practice for reporting on a range of economic, environmental and social impacts.

CSX's cross-functional team focused on sustainability and responsibility continually monitors trends, benchmarks progress and annually discloses the company's performance on related topics. In this section, you'll learn more about CSX's stakeholder engagement and current focus issues. Timely updates and more detailed stories are updated throughout the year on CSX.com to ensure transparency.

Stakeholder Engagement

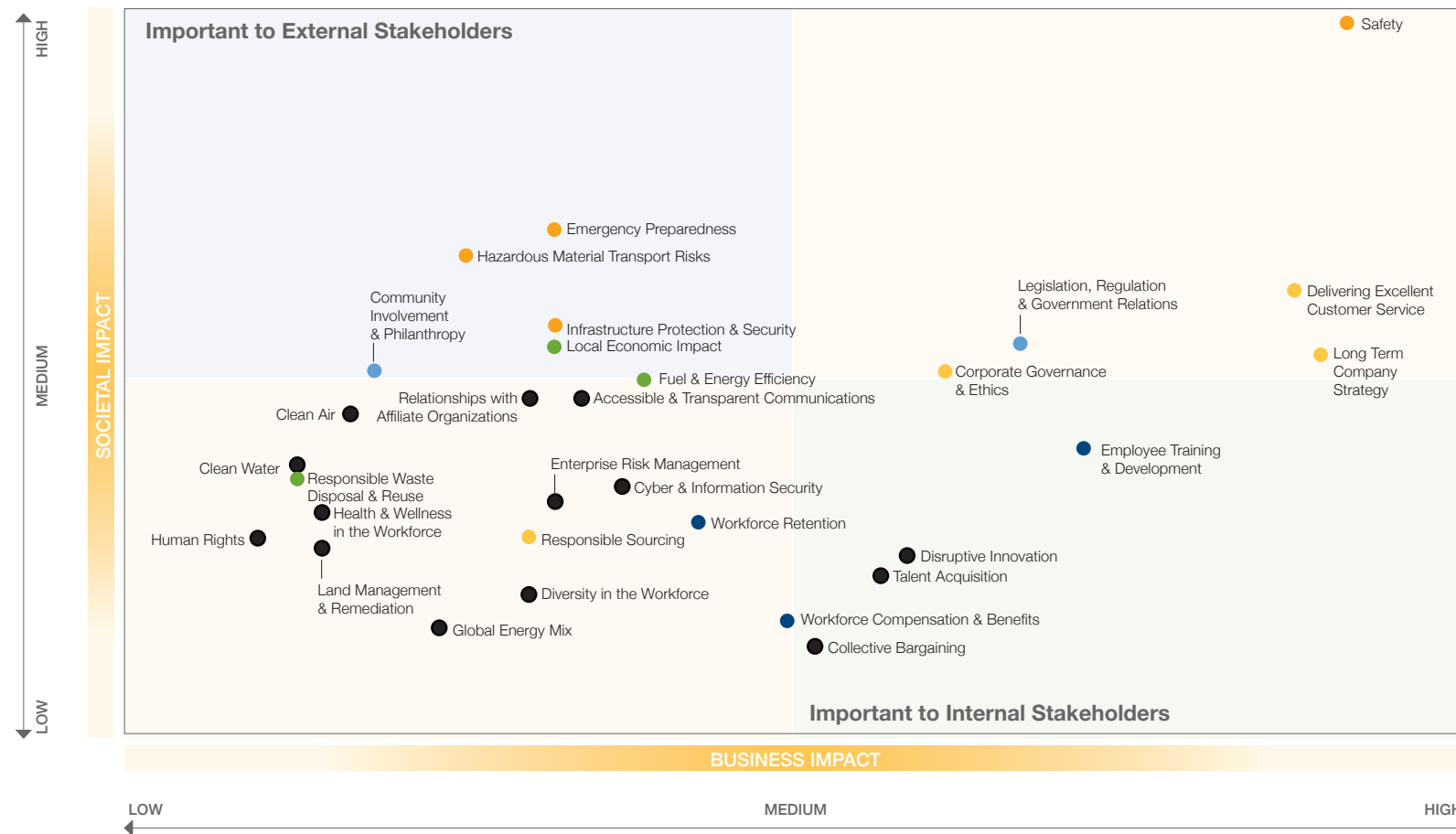
Stakeholder input helps shape CSX’s Corporate Social Responsibility strategy. Throughout the year, CSX actively engages a variety of stakeholders through outreach that is tailored to reach each group using the most effective communication channels available.

In 2016, CSX partnered with Business for Social Responsibility (BSR), a global, non-profit consulting organization, to reach new stakeholders for the report. This partnership with BSR enabled CSX to obtain new insights from a more diverse group of stakeholders and to build stronger relationships through interviews with thought leaders.

Outside of the reporting process, CSX engages stakeholders throughout the year in a variety of venues to address key issues through systematic and customized approaches.

STAKEHOLDER	ISSUES OF IMPORTANCE	ENGAGEMENT CHANNELS
CUSTOMERS	Safety; Delivering Excellent Customer Service; Infrastructure Protection & Security; Long-Term Company Strategy	E-business tools; Customer Advisory Council; Voice of the Customer Survey; online customer advisories; events and trade shows
INVESTORS	Long-Term Company Strategy; Safety; Corporate Governance & Ethics; Legislation, Regulation & Government Relations	Quarterly earnings conference calls; investor conferences; financial and sustainability reporting; survey responses
CSX EMPLOYEES	Safety; Delivering Excellent Customer Service; Long-Term Company Strategy	Joint Union-Management Safety Committee; internal “Gateway” website; town hall meetings; Ethics Helpline; online training; CSX Connect employee phone line
SUPPLIERS	Safety; Long-Term Company Strategy: Delivering Excellent Customer Service; Legislation, Regulation & Government Relations	Annual meeting with top suppliers; supplier quality program; Carbon Disclosure Project Supply Chain
NON-PROFIT ORGANIZATIONS	Community Involvement & Philanthropy; Safety; Local Economic Impact	National and local partnerships; employee volunteering and non-profit service; responses to the Carbon Disclosure Project and Dow Jones Sustainability Survey
GOVERNMENT ORGANIZATIONS OR REGULATORS	Legislation, Regulation & Government Relations; Relationships with Affiliate Organizations; Safety; Emergency Preparedness	Direct interaction between public officials and CSX departments including State Relations, Federal Affairs, and Public Safety, Health and Environment; bipartisan financial support from CSX’s Good Government Fund
COMMUNITY RESIDENTS	Safety; Local Economic Impact; Emergency Preparedness; Hazardous Material Transport Risks	Safety education campaigns; project-specific open house meetings; volunteer events; website and social media updates
EMERGENCY AND FIRST RESPONDERS	Safety; Emergency Preparedness; Hazardous Material Transport Risks	CSX’s Public Safety Coordination Center; training and simulation exercises
SHORT LINE OR REGIONAL RAILROADS	Relationships with Affiliate Organizations; Delivering Excellent Customer Service; Safety; Legislation, Regulation & Government Relations; Long-Term Company Strategy	Direct interaction with CSX counterparts; annual Shortline Conference

(102-40; 102-43)



Focus Issues

The focus issues for this report were identified by internal and external stakeholders, selected by CSX subject matter experts based on insights that are specifically relevant to the company and its operations. These stakeholders helped CSX complete a materiality assessment through an online survey.

The 2016 materiality assessment survey asked stakeholders to identify and prioritize a set of 30 issues determined by a cross-functional team at CSX, using Global Reporting Initiative's reporting aspects as a framework. Respondents were asked to rank these issues based on two considerations:

- Importance to the success of CSX's business, and
- Importance to the stakeholder.

This approach aligns to GRI Standards and demonstrates the company's holistic approach to stakeholder engagement. The results of stakeholder responses are indicated in the matrix and informed the focus issues for this report.

CSX employees are defined as the internal audience, and their responses are used to determine the X axis, Business Impact. All other stakeholders (customers, suppliers, non-profit organizations, government organizations or regulators, short line or regional railroads, community residents, and emergency and first responders) are defined as the external audiences and CSX calculated the weighted average of these rankings to determine placement on the Y axis, Societal Impact.

Following are the weights used for CSX's external stakeholders: customer rankings were multiplied by 1.32; supplier and non-profit organization rankings were multiplied by 1.26; governmental organization and regulatory and short line or regional railroad rankings were multiplied by 5.03; emergency and first responder rankings were multiplied by 4.19; and community resident rankings were multiplied by 0.25.

2016 PERFORMANCE

This section details CSX's management approach and 2016 performance for each of the 10 highest scoring focus issues, along with a few additional issues that are material to long-term sustainability, regardless of placement on the matrix.

Focus issues have been organized into five categories:

- Business & Governance
- Safety & Security
- Employees
- Environment
- Community

BUSINESS & GOVERNANCE

Focus Issues

- *Corporate Governance & Ethics*
- *Long-Term Company Strategy*
- *Delivering Excellent Customer Service*
- *Responsible Sourcing*

2016 Volume By Market

CSX generated \$11.1 billion in revenue as volume declined 5 percent overall, including a 21 percent decline in the company's coal business. CSX's trends mirror those of the U.S. freight rail industry in that the business mix continues to evolve toward more time-sensitive merchandise and intermodal shipments. The company also drove efficiency and cost control, delivering savings of nearly \$605 million in 2016.



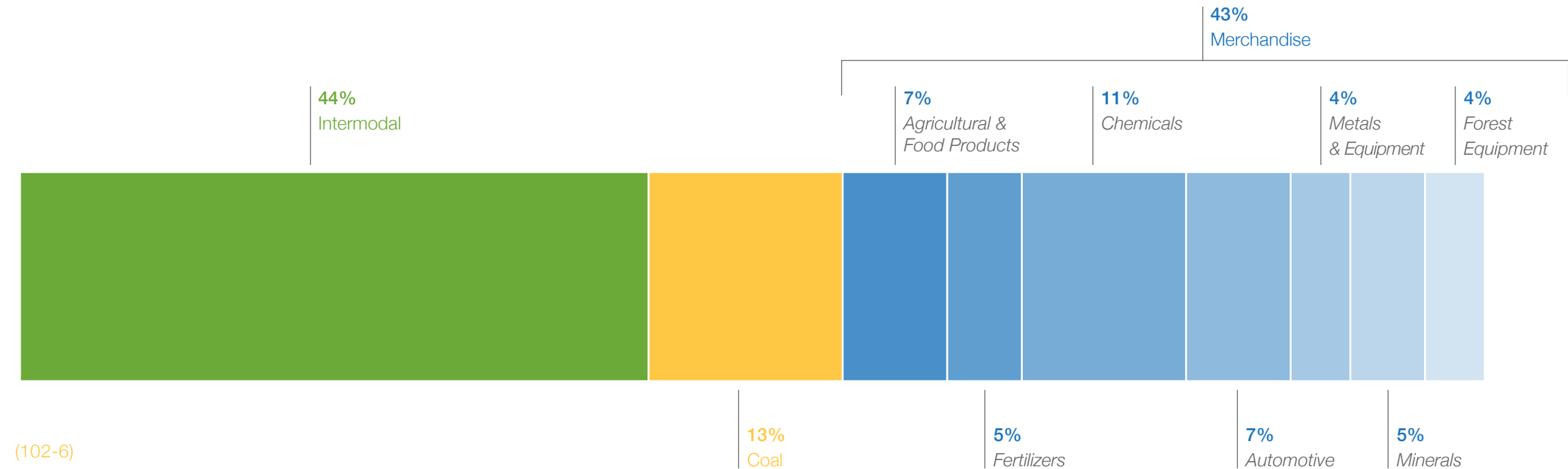
\$11.1 billion net revenue



approximately **1,100 average number** of trains per day



6,451,000 total number of carloads



Corporate Governance & Ethics

CSX corporate governance practices are led by the Executive Team and Board of Directors, who understand the opportunities and challenges across the business and help make decisions that support the company's long-term growth and success. More information about the Executive Team and Board of Directors is available on the corporate governance page of the company's [website](#).

CSX updated its Code of Ethics in 2016, which applies to all employees and suppliers. The 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. Employees are requested to complete ethics training, which is mandatory for management employees and highly recommended for craft employees.

2016 ETHICS DATA	
Management Employees Trained	100%
Craft Employees Trained	76.5%
Ethics Helpline	1393 calls, 204 of which were previously reported

Long-Term Company Strategy

CSX moves goods that are critical to industries and economies across the country, creating value by providing safe, efficient and reliable rail service. Looking ahead, CSX will implement Precision Scheduled Railroading — a model proven to create more efficient operations across the network, better returns for shareholders and improved safety for employees and communities. This strategy involves constant monitoring and optimization of every asset throughout the entire organization.

The five foundations of precision railroading are:

- Improving customer service
- Controlling costs
- Optimizing asset utilization
- Operating safely
- Developing employees.

To ensure long-term success, CSX proactively identifies and mitigates business risks that have the ability to impact company growth and productivity. The company's approach to risk management focuses on activities that the company controls, as well as those outside the company's control. Throughout 2016, CSX identified and reviewed risk factors that could have a material effect on the company, including:

- Cybersecurity
- Workforce engagement and transformation
- Disruptive innovation
- Transporting hazardous materials
- Environmental law and regulation

These and many other identified risks are routinely communicated to and reviewed by company managers within CSX, along with CSX's Board of Directors. The Audit Committee monitors the risk management process.

Delivering Excellent Customer Service

Customers are core to CSX's business. Leveraging a network that includes the largest production and consumption areas in the country, CSX provides a reliable, cost-efficient and environmentally friendly transportation solution that is safe, smart and sustainable. Whether directly serving customers or supporting someone who does, all employees are expected to produce outcomes that provide our customers the service that meets or exceeds their needs.

Communication is central to good service. Driven by a commitment to do what we say we are going to do, CSX believes it is important to keep lines of communication open, both internally and externally. Internally, it is the responsibility of operations, sales and marketing and other teams to work collaboratively to determine the most effective ways to integrate the efficiencies of rail to reliably serve customers. Externally, CSX is continuing to utilize technology to provide timely updates to customers regarding shipping, tracking and billing, and improvements in operations that impact their supply chain.

In addition, CSX consistently listens to the needs, wants and challenges of its customers. CSX has established a Customer Advisory Council, consisting of 12 members representing customers of varying industries, size and focus, to provide feedback on the company's service levels and performance. With a two-way dialogue, CSX is able to learn more about customers' priorities and how CSX can

best match those focuses. Members of the CSX Customer Advisory Council participated in the focus issue survey that informed this year’s Corporate Social Responsibility Report.

Responsible Sourcing

CSX works with approximately 5,400 suppliers domestically and internationally to support the company’s operations. In 2016, the vast majority of goods and services were procured through a centralized, competitive supplier selection process. This process incorporated cost considerations, long-term maintenance, quality and the sourcing of materials and services, as well as environmental and labor policies, when applicable.

The CSX Supplier Diversity Program gives suppliers of all sizes an equal opportunity to compete to provide the resources needed to run CSX’s business effectively. In 2016, CSX spent \$141 million with nearly 310 diverse businesses, many of which are certified through agencies such as the Women’s Business Enterprise National Council and National Minority Supplier Development Council.

In 2016, CSX also worked with the Carbon Disclosure Project’s (CDP) Supply Chain program, which is the largest collection of self-reported environmental information and risk analysis data. Through this voluntary program, CSX collected and monitored environmental, social and risk information relative to its critical suppliers. CSX again responded to CDP’s annual questionnaire about the company’s performance as a key measure of transparency to customers and shareholders.

2016 SUPPLIER DATA	
CDP Supply Chain - Number Surveyed	82
CDP Supply Chain - Response Rate	70% (81% of critical suppliers)
Diverse Controlled Spend	\$141 million

SAFETY & SECURITY

Focus Issues

- Safety
- Infrastructure Protection & Security
- Hazardous Material Transport
- Emergency Preparedness

Safety

Safety is the company's top priority. In 2016, CSX invested \$2.7 billion to continue delivering safe, reliable service.



2.8 million ties replaced



440 miles of rail replaced



1.6 million tons of ballast installed



5,000 miles of existing rail resurfaced

In addition to the annual capital expenditures that ensure the safety and reliability of the network, CSX continually works to further improve employee safety awareness through training and development, 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

(403-2)

2016 SAFETY DATA

Personal injury frequency rate*	1.01
FRA accident rate**	2.70
Work-related fatalities***	0
Fatal trespassing incidents	80
Non-fatal trespassing incidents	118
Crossing accidents	338

*The Federal Railroad Administration (FRA) governs this measure, which measures the number of reportable injuries per 200,000 work-hours. This data was reported by the FRA on February 23, 2017.

**The FRA accident rate tracks train accidents per million train miles. This data was reported by the FRA on February 23, 2017.

***In 2016, CSX did not have any fatalities of on-duty employees due to personal injury.

CSX reports train accidents and incidents by type to the Federal Railroad Administration, which regulates the industry within the U.S. In addition to the federal guidelines, the CSX Industrial Hygiene Team focuses on anticipating, recognizing, evaluating and controlling occupational health hazards to promote employee safety. Additional team members received professional certifications this year, bringing CSX's total to four certified industrial hygienists.

2016 WORKPLACE EXPOSURE DATA*

Workplace exposure assessments	112
Workplace exposure samples taken	753

*The Occupational Safety and Health Administration (OSHA) sets standards for worker safety outside train operations and track and signal maintenance.

CSX is committed to openly communicating safety priorities throughout the company between executive leadership and front-line employees. Two-way dialogue is critical to continuously strengthening the company's safety culture. This communication at the local level is achieved through joint union-management safety committees, which meet regularly to discuss aspects of employee safety, including safety processes, employee operating manual updates, accident prevention, and inspections, among others.



CSX actively promotes safety around railroad tracks throughout the year. The company’s “Play it Safe” initiative stresses the importance of staying safe around trains and tracks through a partnership with NASCAR. CSX also works closely with Operation Lifesaver, Inc., a non-profit public safety and awareness organization dedicated to reducing collisions, fatalities and injuries at highway-rail grade crossings and on or near railroad tracks through a nationwide network of volunteers, social media and other public awareness campaign activities.

In 2016, CSX’s partnership with Operation Lifesaver reached nearly 725,000 people with in-person rail safety messages. Partnership activities in 2016 also included:

- Photography and filming on railroad tracks have resulted in several tragic deaths in recent years. To raise awareness and prevention, in April of 2016 Operation Lifesaver launched the “No Selfie is Worth the Risk” a campaign to spread awareness. CSX supported Operation Lifesaver by supporting targeted outreach around the campaign using social media.
- Railroads are frequently featured in advertisements, television shows and films. When Operation Lifesaver and CSX spot images or footage that could encourage dangerous behavior near the tracks, they connect with advertisers to flag content and urge that changes be made or a safety disclaimer be added. They also encourage the advertisers to share rail safety messages with their viewers and followers to extend Operation Lifesaver’s reach.
- CSX and Operation Lifesaver also partner in hosting local rail safety events. In 2016, Alabama’s Operation Lifesaver chapter celebrated its 40th anniversary with a 40-city tour across the state. Events included safety trains, enforcement blitzes, media opportunities and more, all to raise awareness and promote rail safety education.

More information about CSX and Operation Lifesaver’s partnership is available on www.beyondourrails.org.

Infrastructure Protection & Security

Moving an average of 1,100 trains per day on its network, CSX has a responsibility to maintain secure technology that protects customers, employees and communities. In 2016, CSX's Information Security Team recorded no substantiated complaints concerning breaches of customer privacy, from either outside parties or regulatory bodies. Furthering efforts to promote information security, the company has increased its focus on third parties that house CSX data to limit any vulnerability.

The Infrastructure Protection Team focuses on security threats pertaining the operating network. 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 to share relevant information to assist in protecting the communities CSX serves.

Hazardous Materials Transport

CSX is committed to increasing transparency around the safe movement of hazardous materials, balancing publicly available information with the ongoing need to promote safe operations and protect customer proprietary information. While not all hazardous materials are the same, CSX treats every hazardous material movement with the same high level of care and focus on safety. Certain information about the types and volumes of hazardous products moved on a state-by-state basis are made available on CSX's [website](#). More detailed reports about specific rail shipments are provided to first responders. This process ensures transparency for stakeholders interested in the transport of materials, while keeping customer shipments secure and first responders aware.

Emergency Preparedness

CSX also deploys significant resources to support first responders in the event of a rail emergency. In 2016, the company continued to promote emergency preparedness by building relationships with first responders, providing them information, tools and enhanced training, and coordinating efforts in the event of incidents and emergencies.

CSX utilizes technology to provide first responders the information they need in an easily accessible format, in near-real time through a mobile application. Developed with advice from emergency responders, application details the contents of every rail car on a CSX train, along with emergency response information and recommendations for protective action, if needed. In 2017, CSX plans to join the rail industry by combining its information into a singular, streamlined AskRail mobile application.

CSX's Safety Train is a rolling classroom that visits communities across the network to share incident response expertise with local first responders, while building relationships at the local level. A total of 6,844 first responders and emergency officials in CSX communities were trained and provided resources by CSX.



6,844 responders provided tools or training from CSX

CSX's Public Safety Coordination Center (PSCC) complements safety efforts by coordinating with first responders and dispatchers 24 hours a day in situations, as needed. The public can easily report railroad incidents by calling the PSCC to report blocked crossings, crossing collisions, signal problems, materials released, theft, vandalism or trespassing. The PSCC engages directly with local authorities and internal resources to address issues promptly.

EMPLOYEES

Focus Issues

- *Workforce Retention*
- *Employee Training & Development*
- *Compensation & Benefits*

Workforce Retention

Railroaders bring special dedication to their jobs serving customers every day, whether in the field or in a support function. Every employee has the opportunity to make a difference. CSX believes in hiring and developing top talent, setting clear expectations and rewarding good work.

At the end of 2016, CSX employed 26,653 people with full-time positions. The company hired 336 new employees, 85 percent of which were local hires, living in the communities in which they work.

CSX prides itself on fostering an inclusive culture where every employee, regardless of age, gender, interest or background, is engaged and focused on efficient, safe service. This dedication to a diverse workforce allows the company to maximize employee potential and better serve CSX’s mix of customers. CSX employees participate in inclusion groups and employee engagement surveys that help the company identify new ways to create a collaborative culture.

Changing market conditions compelled CSX to make difficult business decisions to realign resources with demand. Recognizing the challenges that this realignment presented for individuals and their families, CSX worked to provide materials and resources about transfer opportunities, outplacement services, career search resources and local employment agency partnerships.

(102-7; 202-2; 401-1; 404-2)

2016 EMPLOYEE DATA

Snapshot Data

Total full-time employees	26,653
Management employees	5,005
Craft employees	21,648

New Employees

Number of new hires	336
Number of new management hires	216
Number of new contract hires	120
Percentage of new hires that are people of color	32%
Percentage of new hires that are women	20%

Employee Turnover

Employee turnover rate	10%
Voluntary employee turnover rate	4%

Employee Training & Development

CSX believes that a highly trained and skilled workforce is essential to meeting the needs of its customers and to ensuring the long-term success of the company. CSX uses a combination of skills training, coaching, and mentoring to help develop and train employees. The company provides learning opportunities on a 70-20-10 model, that emphasizes 70 percent practical, on-the-job experience; 20 percent coaching; and 10 percent formal instruction.

Additionally, CSX employees complete skills and compliance training through the company’s online “TrainingTrax” system to support on-the-job training and coaching. A full list of ongoing employee training courses and opportunities is available on the CSX website [here](#). Formal instruction and development programs are also available to employees at all levels of the company.

- 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, decision-making abilities and field training.

- CSX offers two programs for those looking to get their foot in the door at CSX. The Management Training Program (MTP) and Leadership Development Program (LDP) are designed to develop tomorrow's leaders through a blend of top-notch training and on-the-job experience. These programs, which provide top college graduates the opportunity to work alongside senior management, are progressive, immersive, stimulating and highly rewarding. More importantly, these programs provide future leaders the skills needed to make critical choices on a daily basis, the ability to influence real-world decisions and the chance to apply classroom and prior job experience to an actual work environment. Opportunities for the MTP are available in Transportation, Engineering, Mechanical, Intermodal and Customer Service/Network Operations. Opportunities for the LDP are available in Sales and Marketing, Purchasing, Finance, Information Technology and the CSX Police Department.



958,103 total computer training hours

- Senior Leadership Programs are also available to enhance business acumen and internal networks. These learning opportunities facilitate a common understanding of macroeconomic issues that affect CSX's business, engaging leaders to help solve real-world challenges through action-learning projects. Participants in these programs are encouraged to meet stretch goals that utilize their dynamic skills, while creating new and innovative ways to grow CSX's business.

Compensation & Benefits

Retaining top talent requires CSX to compensate employees accordingly for good work. CSX provides competitive benefits and compensation programs, which vary by craft, based on specific contracts or agreements with labor unions. For management employees, CSX offers a pension plan for which employees are eligible after three years of service. CSX will also match 100 percent on the first 1 percent and 50 percent of the next 2 to 6 percent of employee contributions to the CSXtra 401(k) Plan. Unique to the industry, Railroad Retirement handles retirement for the majority of CSX employees, rather than the traditional Social Security Administration.

Building upon the company's long-standing commitment to supporting employees who have served or are serving in the Armed Forces, CSX's Military Leave Policy provides employees with information and procedures regarding leave requests, pay differential, continuation of certain benefits and returning to work from a military leave of absence.

CSX also offers competitive health and wellness benefits, including a network of on-site fitness centers. A full list of benefits is available [here](#).

ENVIRONMENT

Focus Issues

- Fuel & Energy Efficiency
- Responsible Waste Disposal & Reuse

CSX’s [Public Safety, Health, and Environment Management System](#) details specific practices and procedures pertaining to environmental management, compliance, and sustainability. The system is reviewed and updated regularly, and certified under the requirements of the American Chemistry Council’s Responsible Care initiative and as informed by ISO 14001.

To guide the company’s approach to minimizing its footprint and engaging on environmental topics, CSX created a [Sustainability Statement](#) and launched its 2020 Environmental Goals. Each of the goals drives value by improving customer and supplier engagement, encouraging the efficient use of resources, and supporting long-term prosperity.



2020 ENVIRONMENTAL GOALS



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



Encourage employees to **take sustainable actions** in their everyday jobs, such as conserving energy, reducing waste and identifying efficiencies

Fuel & Energy Efficiency

The inherent fuel efficiencies of rail derived from the movement of steel wheels on steel rail are good for CSX's business, its customers and the environment. Since 1980, CSX's fuel efficiency has improved by more than 100 percent. CSX continues to invest in technology that benefits the environment, spending nearly \$2.8 billion on fuel-efficiency measures from 2007-2016. In 2016, CSX's fuel efficiency improved, due primarily to shutting down extra locomotive power whenever possible, running longer trains, trailing unit shutdown and utilizing technology solutions. On average, the company can currently move a ton of freight 474 miles on a single gallon of fuel.



\$2.8 billion into fuel-efficiency measures
from 2007-2016

A typical CSX freight train is four times more fuel efficient than highway freight transportation and an intermodal train can carry an average cargo load of 280 trucks. Since 2013, CSX has enabled the conversion of 198,000 loads equivalent to containerized freight from truck traffic to trains through its Highway to Rail (H2R) initiative, reducing greenhouse gas emissions for those shipments by 78%.

Responsible Waste Disposal & Reuse

CSX employees minimize waste by using resources efficiently and by implementing recycling programs. CSX encourages these reductions through programs to track waste generated, reuse products and material whenever possible, and reduce waste generated through efficient operations.

More detailed information on CSX's 2016 environmental performance, including emissions, energy and water consumption, recycling and waste can be found in the Appendix.

COMMUNITY

Focus Issues

- *Local Economic Impact*
- *Legislation, Regulation & Government Relations*
- *Community Involvement & Philanthropy*

Local Economic Impact

CSX aims to be a good neighbor by operating responsibly, generating economic opportunities and giving back to communities along the company's network. Local economic opportunities come from the wages and benefits CSX provides its employees and retirees; the local, state and federal taxes paid by the company; investments in infrastructure and new facilities; and the support of ongoing business.

CSX reported an economic value creation (revenue) of nearly \$11.1 billion in 2016. Throughout the year, the company also worked with customers to announce 114 new or expanded facilities to be located on the company's rail network or connecting short lines. These new projects represent \$9.5 billion in customer investments that are expected to generate approximately 8,100 new jobs in areas served by CSX. Since 2000, CSX customers have invested more than \$51 billion in rail-served facilities.

Infrastructure improvements and new facilities are sometimes necessary to accommodate new business opportunities and economic growth. In the event that a project disrupts local communities, CSX addresses these challenges by engaging stakeholders in ongoing dialogues and forums, such as open house meetings, e-mail and social media channels. Each of the company's infrastructure projects are unique and CSX develops a customized approach tailored to each locale.

Legislation, Regulation & Government Relations

In addition to conversations with local communities, CSX interacts with federal, state and local officials to review and understand the potential or existing business impacts of legislative and regulatory actions. The company has a highly skilled team of employees focused on state and federal relations who manage these interactions to promote compliance with laws and regulations.

CSX's Good Government Fund is a voluntary, employee-driven political action committee that financially supports candidates and organizations that best represent the company's interests, regardless of political affiliation. These contributions are regularly disclosed on the company's

(201-1; 203-2; 413-1; 415-1)

[website](#). In 2016, CSX was again recognized as a leader in political disclosures and accountability practices by the Center for Political Accountability's Zicklin Index.

CSX also supports a number of membership organizations that promote policies that advance a strong business and economic environment. These membership organizations provide CSX an opportunity to further its voice on policy issues impacting the company, its customers, shareholders, employees and other key stakeholders. CSX's memberships include the Business Roundtable, Association of American Railroads, National Association of Manufacturers, and Business for Social Responsibility, among others.

Community Involvement & Philanthropy

CSX believes in creating a positive influence within the communities where we live and work. CSX's robust community investment program, "Beyond Our Rails," focuses on four areas that address societal needs: safety, community, environment and wellness. In 2016, CSX invested nearly \$16.1 million in grants, sponsorships and in-kind donations, more than half of which went to major national partners that run distinct, tailored programs that align with CSX's values. CSX's national partners include: Action for Healthy Kids, American Red Cross, Arbor Day Foundation, National Audubon Society, City Year, Cal Ripken Sr. Foundation, The Conservation Fund, FFA, National Fish & Wildlife Foundation and Operation Lifesaver.

The company's volunteerism program also supports individual employees who dedicate their personal time in service to non-profit organizations. Over the course of the year, CSX hosted seven major service days across the network, where employees joined local organizations and CSX's national partners to give back to their local communities. In total, employees logged 18,025 hours of volunteer service through the company's "Dollars-4-Doers" program, which was matched by CSX with \$85,770 in grants to 155 employee-selected organizations.

More information about CSX's citizenship projects and national partnerships is available at www.beyondourrails.org.

2016 COMMUNITY INVOLVEMENT & PHILANTHROPY	
Total Corporate Giving (cash and grants)	\$16.1 million
Number of states where CSX has philanthropic giving	23

APPENDIX

Following are further details on CSX's performance on sustainability topics in 2016. To find a specific GRI Standard, please use the GRI Index on pages 28-42.

2016 ENVIRONMENTAL PERFORMANCE DATA

	UNIT	2014	2015	2016	% CHANGE (2015 TO 2016)
Emissions					
Total Scope 1 (305-1)	metric tons CO ₂ e	5,512,604	5,300,099	4,774,800	-10%
Total Scope 2 (a) (305-2)	metric tons CO ₂ e	327,528	280,588	229,217	-19%
Total Scope 3 (b) (305-3)	metric tons CO ₂ e	223,647	326,247	301,169	-8%
Total Scope 1, 2 & 3	metric tons CO ₂ e	6,063,779	5,906,934	5,305,186	-10%
Emissions Intensity, Normalized Scope 1 & 2	metric tons CO ₂ e/ million revenue ton miles	23.82	24.31	24.11	-1%
NOX Emissions (305-7)	metric tons	87,419	79,743	71,967	-10%
SOX Emissions (305-7)	metric tons	990	945	866	-8%
Emissions of Ozone-Depleting Substances (305-6)	metric tons	0.22	0.23	0.17	-26%

(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.

Emissions by Kyoto Gas Type					
CO ₂	metric tons	5,951,468	5,696,090	5,121,387	-10%
CH ₄	metric tons	626	602	572	-5%
N ₂ O	metric tons	146	139	125	-10%
HFCs	metric tons	0.102	0.059	0.162	176%
Consumption					
Total Direct Consumption (302-1)	million BTU	74,409,063	71,541,259	64,682,614	-10%
Diesel (c)	million BTU	72,447,348	69,657,181	62,962,063	-10%
Gasoline	million BTU	1,138,544	1,127,844	1,022,408	-9%

	UNIT	2014	2015	2016	% CHANGE (2015 TO 2016)
Consumption					
Natural Gas	million BTU	434,834	434,594	457,954	5%
Propane	million BTU	315,931	256,208	174,859	-32%
Jet Fuel	million BTU	31,054	29,798	32,991	11%
Used Oil	million BTU	41,352	35,634	32,339	-9%
Total Indirect Consumption - Electricity	million BTU	2,020,385	1,945,917	1,549,209	-20%
Energy Intensity (302-3)	million BTU/million revenue ton-mile	312	320	311	-3%

(c) Annual locomotive diesel fuel consumption is reported in the Annual Report to the Surface Transportation Board.

Locomotive Fuel Efficiency					
Fuel Efficiency	revenue ton-mile per gallon	483	471	474	1%
Water					
Water Consumed	million gallons	1,742	1,614	1,199	-26%
Waste					
Hazardous Waste from Ongoing Operations (d)	short tons	85	52	76	46%
Landfilled	short tons	27	19	11	-40%
Incinerated	short tons	6	5	29	482%
Recycled	short tons	52	28	35	26%
Hazardous Waste from Remediation and Emergency Response Activities (e)	short tons	2,791	5,241	114	-98%
Landfilled	short tons	2,525	4,904	53	-99%
Incinerated	short tons	264	282	30	-89%
Recycled	short tons	2	54	30	-44%
Non-Hazardous Waste from Ongoing Operations	short tons	56,678	35,438	43,948	24%
Landfilled	short tons	38,135	34,124	42,208	24%

	UNIT	2014	2015	2016	% CHANGE (2015 TO 2016)
Waste					
Incinerated	short tons	219	307	538	75%
Recycled	short tons	18,325	1,008	1,202	19%
Non-Hazardous Waste Construction, Remediation, and Emergency response Activities	short tons	64,230	233,065	313,145	34%
Landfilled	short tons	31,623	169,449	166,524	-2%
Incinerated	short tons	175	749	52	-93%
Recycled	short tons	32,432	62,867	146,570	133%

(d) 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.

(e) These figures are generated by emergency response situations, therefore figures show a higher variability year-over-year depending on the number and severity of incidents.

Recycling					
Used Oil	million gallons	2.58	2.8	2.57	-8%
Batteries	short tons	314	251	289.9	16%
Steel	short tons	180,517	339,968	205,695	-39%
Crossties	millions	3.4	3.14	3	-5%
Asphalt	short tons	108,177	81,203	94,577	17%
Concrete	short tons	3,638	1,808	1,270	-30%

2016 EMPLOYEE DATA

EMPLOYEES BY STATE (102-7)

Alabama	976
California	2
Connecticut	8
DC	39
Delaware	50
Florida	4,220
Georgia	2,317
Illinois	835
Indiana	1,282
Kentucky	1,353
Louisiana	115
Massachusetts	174
Maryland	1,277
Maine	1
Michigan	320
Missouri	1
Mississippi	37
North Carolina	868
New Jersey	143
New Mexico	1
New York	1,776
Ohio	2,601

Ontario	31
Pennsylvania	746
Quebec	21
South Carolina	764
Tennessee	1,131
Texas	5
Virginia	758
Washington	3
West Virginia	1,118

DIVERSITY REPRESENTATION: WOMEN

	2014	2015	2016
Total	2,043	1,852	1,687
Percent of Employees	7%	6%	6%
Managers Total	1,161	1,078	1,077
Percent of Managers	23%	23%	24%
Number of Women on the Board of Directors	2	2	3

DIVERSITY REPRESENTATION: PEOPLE OF COLOR

	2014	2015	2016
Total	4,886	4,634	4,114
Percent of Employees	15%	16%	15%
Managers Total	1,017	1,015	989
Percent of Managers	21%	22%	22%
Number of People of Color on the Board of Directors	2	2	2

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE, DIRECT ANSWER OR URL
GRI 102: General Disclosures 2016	102-1: Name of the organization	CSX Corporation
GRI 102: General Disclosures 2016	102-2: Activities, brands, products, and services	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).
GRI 102: General Disclosures 2016	102-3: Location of headquarters	Jacksonville, FL, USA.
GRI 102: General Disclosures 2016	102-4: Location of operations	The company operates in two countries: Canada and the United States.
GRI 102: General Disclosures 2016	102-5: Ownership and legal form	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."
GRI 102: General Disclosures 2016	102-6: Markets served	About CSX ; CSX 2016 10K (pages 2, 31 and 36) for revenue and volume by market served: http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9NjYwMjE4fENoaWxkSUQ9MzY2NjU5fFR5cGU9MQ==&t=1
GRI 102: General Disclosures 2016	102-7: Scale of the organization	CSX recorded \$11.1 billion in revenue in 2016. CSX serves three primary lines of business: merchandise, coal and intermodal. During 2016, the merchandise business shipped 2.8 million carloads, and the coal business shipped 839 thousand carloads. The intermodal business moved an additional 2.8 million containers..
GRI 102: General Disclosures 2016	102-8: Information on employees and other workers	Employees: Workforce Retention
GRI 102: General Disclosures 2016	102-9: Supply chain	Business & Governance: Responsible Sourcing

GRI STANDARD	DISCLOSURE	PAGE, DIRECT ANSWER OR URL
GRI 102: General Disclosures 2016	102-10: Significant changes to the organization, including facility openings and closings	In 2016, CSX adjusted resource levels to account for lower traffic volumes in some areas as a result of challenging business conditions. Facility closures included: Huntington headquarters offices; the Winston, FL Yard, and the New Castle, PA Mechanical car facility.
GRI 102: General Disclosures 2016	102-11: Precautionary Principle or approach	Not applicable.
GRI 102: General Disclosures 2016	102-12: External initiatives	Not applicable.
GRI 102: General Disclosures 2016	102-13: Membership of associations	Community: Legislation, Regulation & Government Relations
GRI 102: General Disclosures 2016	102-14: Statement from senior decision-maker	Ceo & President Letter
GRI 102: General Disclosures 2016	102-15: Key impacts, risks, and opportunities	Business Governance: Long Term Company Strategy
GRI 102: General Disclosures 2016	102-16: Values, principles, standards, and norms of behavior	https://www.csx.com/index.cfm/about-us/
GRI 102: General Disclosures 2016	102-17: Mechanisms for advice and concerns about ethics	The CSX toll-free Ethics Helpline is available 24 hours a day, seven days a week. Callers may report suspected misconduct, raise concerns about ethics and compliance matters, or ask questions without fear of retaliation. Reports to the Helpline are investigated promptly and corrective action is taken, if necessary.
GRI 102: General Disclosures 2016	102-18: Governance structure	CSX's Board of Directors has 15 members with diverse experiences and background. Six committees are made up of Directors: Audit, Compensation, Executive, Finance, Governance, and Public Affairs. The Public Affairs Committee of the Board of Directors has oversight responsibility for environmental matters, including carbon emissions. The Audit Committee of the Board of Directors has responsibility for risk oversight and evaluation, including risks associated with energy and environmental policy.
GRI 102: General Disclosures 2016	102-20: Executive-level responsibility for economic, environmental, and social topics	The Vice President of Public Safety, Health, and Environment and the Vice President of Communications and Field Support jointly oversee responsibility for sustainability and responsibility topics. Both report to the Executive Vice President of Law and Public Affairs, and both provide updates to the Board of Directors.

GRI STANDARD	DISCLOSURE	PAGE, DIRECT ANSWER OR URL
GRI 102: General Disclosures 2016	102-22: Composition of the highest governance body and its committees	CSX has 15 members on its Board of Directors, including the Chairman. Two members of the Board are women of color.
GRI 102: General Disclosures 2016	102-23: Chair of the highest governance body	Mr. Edward J. Kelly, III is the presiding Chairman of the Board.
GRI 102: General Disclosures 2016	102-27: Collective knowledge of highest governance body	The Vice President of Public Safety, Health, and Environment and the Vice President of Communications and Field Support provide separate, annual presentations to the board on topics including, but not limited to, environmental policy, environmental performance, citizenship efforts, reporting standards, infrastructure projects, and specific associated risks.
GRI 102: General Disclosures 2016	102-30: Effectiveness of risk management processes	Business & Governance: Long Term Company Strategy
GRI 102: General Disclosures 2016	102-31: Frequency of the highest governance body's review of economic, environmental, and social topics – and their impacts, risks, and opportunities	Annual updates on corporate social responsibility and environmental topics are provided to the Board of Director's Public Affairs Committee and Audit Committee, respectively.
GRI 102: General Disclosures 2017	102-32: Highest governance body's role in sustainability reporting	The Public Affairs Committee of the Board of Directors receives an annual update on reporting trends each spring related to sustainability and responsibility. All members of the Board of Directors are provided with a preview copy of the report and the opportunity to provide guidance as seen fit.
GRI 102: General Disclosures 2016	102-40: List of stakeholder groups	Approach to Reporting: Stakeholder Engagement
GRI 102: General Disclosures 2016	102-41: Collective bargaining agreements	There are 16 different union organizations with whom CSX conducts business. 81 percent of CSX's overall workforce are covered by one of the company's many collective bargaining agreements
GRI 102: General Disclosures 2016	102-42: Identifying and selecting stakeholders	Approach to Reporting: Stakeholder Engagement

GRI STANDARD	DISCLOSURE	PAGE, DIRECT ANSWER OR URL
GRI 102: General Disclosures 2016	102-43: Approach to stakeholder engagement	Approach to Reporting: Stakeholder Engagement
GRI 102: General Disclosures 2016	102-44: Key topics and concerns raised through stakeholder engagement around the report	Approach to Reporting: Focus Issues
GRI 102: General Disclosures 2016	102-45: Entities included in the consolidated financial statements	In addition to CSX, the Company's subsidiaries include CSX Intermodal Terminals, Total Distribution Services, Transflo Terminal Services, CSX Technology, and other subsidiaries. CSX Corporation's public filings account for these subsidiaries and holdings.
GRI 102: General Disclosures 2016	102-46: Defining report content and topic boundaries	The content in this report covers CSX Corporation and its subsidiaries.
GRI 102: General Disclosures 2016	102-47: List of material topics	Approach to Reporting: Focus Issues
GRI 102: General Disclosures 2016	102-48: Restatements of information	<p>The FRA Injury Frequency Rate and FRA Accident Rate for 2015 have changed slightly, due to incidents that have been reported since April 15, 2016. The 2015 Injury Frequency Rate is 0.94 (previously reported 0.93). The 2015 FRA Accident Rate is 2.61 (previously reported 2.49). Based on review with CSX's environmental consultants, the following changes have been made in the 2016 Environmental Performance Data summary on pages 24-26:</p> <ul style="list-style-type: none"> • 2014 Total Scope 1 Emissions were previously reported in the 2014 and 2015 Reports as 5,212,604. The 2014 Total Scope 1 Emissions figure is 5,512,604. • 2014 Total Scope 2 Emissions were previously reported in the 2014 and 2015 Reports as 327,233. The 2014 Total Scope 2 Emissions figure is 327,604. • 2014 Total Scope 1, 2 & 3 Emissions were previously reported in the 2014 and 2015 Reports as 5,763,779. The 2014 Total Scope 1, 2 & 3 Emissions figure is 6,063,779. • 2014 Recycled Non-Hazardous Waste from Ongoing Operations was previously reported in the 2015 Report as 2,405. The 2014 figure is 18,325. • 2014 Non-Hazardous Waste Construction, Remediation, and Emergency Response Activities was previously reported in the 2014 and 2015 Reports as 179,247. The 2014 figure is 64,230. • 2014 Recycled Non-Hazardous Waste Construction, Remediation, and Emergency Response Activities was previously reported in the 2015 Report as 48,370. The 2014 figure is 32,432. • 2015 Recycled Steel was previously reported in the 2015 Report as 169,984. The 2015 figure is 339,968.

GRI STANDARD	DISCLOSURE	PAGE, DIRECT ANSWER OR URL
GRI 102: General Disclosures 2016	102-49: Changes in reporting	None
GRI 102: General Disclosures 2016	102-50: Reporting period	Data within the report covers from January 1, 2016 to December 30, 2016, CSX's fiscal year-end.
GRI 102: General Disclosures 2016	102-51: Date of most recent report	CSX's most recent Corporate Social Responsibility Report was published on June 14, 2016.
GRI 102: General Disclosures 2016	102-52: Reporting cycle	CSX reports on an annual basis.
GRI 102: General Disclosures 2016	102-53: Contact point for questions regarding the report	Back Cover
GRI 102: General Disclosures 2016	102-54: Claims of reporting in accordance with the GRI Standards	Approach to Reporting
GRI 102: General Disclosures 2016	102-55: GRI content index	Appendix
GRI 102: General Disclosures 2016	102-56: External assurance	Ernst & Young LLP, CSX's independent accountants, have performed review-level assurance on the materiality process. CH2M performed a verification of CSX's 2016 GHG emission inventory. Both letters can be found in the Appendix.
TOPIC SPECIFIC DISCLOSURES		
Business & Governance		
Corporate Governance & Ethics		
Materiality Boundary: Inside CSX		
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	Business & Governance: Corporate Governance & Ethics
GRI 103: Management Approach 2016	103-2: The management approach and its components	Business & Governance: Corporate Governance & Ethics

GRI STANDARD	DISCLOSURE	PAGE, DIRECT ANSWER OR URL
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	Business & Governance: Corporate Governance & Ethics
GRI 205: Anti-corruption 2016	205-1: Operations assessed for risks related to corruption	CSX's Code of Ethics applies to all employees and locations.
GRI 205: Anti-corruption 2016	205-2: Communication and training about anti-corruption policies and procedures	Business & Governance: Corporate Governance & Ethics
GRI 205: Anti-corruption 2016	205-3: Confirmed incidents of corruption and actions taken	Business & Governance: Corporate Governance & Ethics
Long-Term Company Strategy		
Materiality Boundary: Inside CSX		
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	Business & Governance: Long-Term Company Strategy
GRI 103: Management Approach 2016	103-2: The management approach and its components	Business & Governance: Long-Term Company Strategy
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	Business & Governance: Long-Term Company Strategy
Delivering Excellent Customer Service		
Materiality Boundary: Inside CSX, Outside of CSX		
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	Business & Governance: Delivering Excellent Customer Service

GRI STANDARD	DISCLOSURE	PAGE, DIRECT ANSWER OR URL
GRI 103: Management Approach 2016	103-2: The management approach and its components	Business & Governance: Delivering Excellent Customer Service
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	Business & Governance: Delivering Excellent Customer Service
Responsible Sourcing		
Materiality Boundary: Inside CSX, Outside of CSX		
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	Business & Governance: Responsible Sourcing
GRI 103: Management Approach 2016	103-2: The management approach and its components	Business & Governance: Responsible Sourcing
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	Business & Governance: Responsible Sourcing
GRI 308: Supplier Environmental Assessment 2016	308-1: New suppliers that were screened using environmental criteria	Business & Governance: Responsible Sourcing
Safety & Security		
Safety		
Materiality Boundary: Inside CSX, Outside of CSX		
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	Safety & Security: Safety
GRI 103: Management Approach 2016	103-2: The management approach and its components	Safety & Security: Safety

GRI STANDARD	DISCLOSURE	PAGE, DIRECT ANSWER OR URL
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	Safety & Security: Safety
GRI 403: Occupational Health and Safety 2016	403-1: Workers representation in formal joint management-worker health and safety committees	Safety & Security: Safety
GRI 403: Occupational Health and Safety 2016	403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Safety & Security: Safety
GRI 403: Occupational Health and Safety 2016	403-4: Health and safety topics covered in formal agreements with trade unions	Safety & Security: Safety
Infrastructure Protection & Security		
Materiality Boundary: Outside of CSX		
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	Safety & Security: Infrastructure Protection & Security
GRI 103: Management Approach 2016	103-2: The management approach and its components	Safety & Security: Infrastructure Protection & Security
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	Safety & Security: Infrastructure Protection & Security
GRI 418: Customer Privacy 2016	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	Safety & Security: Infrastructure Protection & Security

GRI STANDARD	DISCLOSURE	PAGE, DIRECT ANSWER OR URL
<i>Hazardous Materials Transport</i>		
Materiality Boundary: Outside of CSX		
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	Safety & Security: Hazardous Materials Transport
GRI 103: Management Approach 2016	103-2: The management approach and its components	Safety & Security: Hazardous Materials Transport
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	Safety & Security: Hazardous Materials Transport
GRI 306: Effluents and Waste 2016	306-4: Transport of hazardous waste	https://www.csx.com/index.cfm/about-us/safety/hazardous-materials1/
<i>Emergency Preparedness</i>		
Materiality Boundary: Outside of CSX		
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	Safety & Security: Emergency Preparedness
GRI 103: Management Approach 2016	103-2: The management approach and its components	Safety & Security: Emergency Preparedness
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	Safety & Security: Emergency Preparedness

GRI STANDARD	DISCLOSURE	PAGE, DIRECT ANSWER OR URL
Employees		
<i>Workforce Retention</i>		
Materiality Boundary: Inside CSX		
GRI 401: Employment 2016	401-1: New employee hires and employee turnover	Employees: Workforce Retention
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	Employees: Workforce Retention
GRI 103: Management Approach 2016	103-2: The management approach and its components	Employees: Workforce Retention
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	Employees: Workforce Retention
GRI 202: Market Presence 2016	202-2: Proportion of senior management hired from the local community	85 percent of the 336 new hires in 2016.
GRI 405: Diversity and Equal Opportunity 2016	405-1: Diversity of governance bodies and employees	Two members of the Board are women of color.
GRI 404: Training and Education 2016	404-2: Programs for upgrading employee skills and transition assistance programs	Employees: Workforce Retention
<i>Employee Training & Development</i>		
Materiality Boundary: Inside CSX		
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	Employees: Employee Training & Development

GRI STANDARD	DISCLOSURE	PAGE, DIRECT ANSWER OR URL
GRI 103: Management Approach 2016	103-2: The management approach and its components	Employees: Employee Training & Development
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	Employees: Employee Training & Development
GRI 404: Training and Education 2016	404-1: Average hours of training per year per employee	Employees: Employee Training & Development
GRI 404: Training and Education 2016	404-3: Percentage of employees receiving regular performance and career development reviews	Since 2012, 2,276 employees have completed the online Career Progression Planning (CPP) self-assessment. 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 and/or department leaders at town hall meetings.
Compensation & Benefits		
Materiality Boundary: Inside CSX		
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	Employees: Compensation & Benefits
GRI 103: Management Approach 2016	103-2: The management approach and its components	Employees: Compensation & Benefits
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	Employees: Compensation & Benefits
GRI 201: Economic Performance 2016	201-3: Defined benefit plan obligations and other retirement plans	https://www.csx.com/index.cfm/working-at-csx/benefits/pay-benefits/
GRI 401: Employment 2016	401-3: Parental leave	Employees: Compensation & Benefits
GRI 402: Labor/Management Relations 2016	402-1: Minimum notice periods regarding operational changes	Craft employees were notified in accordance with collective bargaining agreements and state and federal regulations (i.e., specifications in the WARN Act).

GRI STANDARD	DISCLOSURE	PAGE, DIRECT ANSWER OR URL
Community		
Local Economic Impact		
Materiality Boundary: Outside of CSX		
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	Community: Local Economic Impact
GRI 103: Management Approach 2016	103-2: The management approach and its components	Community: Local Economic Impact
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	Community: Local Economic Impact
GRI 201: Economic Performance 2016	201-1: Direct economic value generated and distributed	CSX reported revenue of \$11.1 billion in 2016.
GRI 203: Indirect Economic Impacts 2016	203-1: Infrastructure investments and services supported	Community: Local Economic Impact
GRI 203: Indirect Economic Impacts 2016	203-2: Significant indirect economic impacts	Community: Local Economic Impact
Legislation, Regulation & Government Relations		
Materiality Boundary: Inside CSX, Outside of CSX		
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	Community: Legislation, Regulation & Government Relations

GRI STANDARD	DISCLOSURE	PAGE, DIRECT ANSWER OR URL
GRI 103: Management Approach 2016	103-2: The management approach and its components	Community: Legislation, Regulation & Government Relations
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	Community: Legislation, Regulation & Government Relations
GRI 415: Public Policy 2016	415-1: Political contributions	https://www.csx.com/index.cfm/responsibility/political-contributions/

Community Involvement & Philanthropy

Materiality Boundary: Outside of CSX

GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	Community: Community Involvement & Philanthropy
GRI 103: Management Approach 2016	103-2: The management approach and its components	Community: Community Involvement & Philanthropy
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	Community: Community Involvement & Philanthropy
GRI 413: Local Communities 2016	413-1: Operations with local community engagement, impact assessments, and development programs	CSX made philanthropic investments in all 23 of its operating states, along with Washington, D.C. and Canada. These contributions were split approximately evenly through national partners who have the scale to execute programs across the CSX network and local causes, as determined by a regional council of employees in the area.

Environment

Fuel & Energy Efficiency

Materiality Boundary: Inside CSX, Outside of CSX

GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	Environment: Fuel & Energy Efficiency
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GRI STANDARD	DISCLOSURE	PAGE, DIRECT ANSWER OR URL
GRI 103: Management Approach 2016	103-2: The management approach and its components	Environment: Fuel & Energy Efficiency
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	Environment: Fuel & Energy Efficiency
GRI 302: Energy 2016	302-1: Energy consumption within the organization	Environment: Environmental Performance Summary
GRI 302: Energy 2016	302-2: Energy consumption outside of the organization	Environment: Environmental Performance Summary
GRI 302: Energy 2016	302-3: Energy intensity	Environment: Environmental Performance Summary
GRI 302: Energy 2016	302-4: Reduction of energy consumption	Environment: Fuel & Energy Efficiency
GRI 302: Energy 2016	302-5: Reductions in energy requirements of products and services	Environment: Fuel & Energy Efficiency
GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG emissions	Environment: Environmental Performance Summary
GRI 305: Emissions 2016	305-2: Energy indirect (Scope 2) GHG emissions	Environment: Environmental Performance Summary
GRI 305: Emissions 2016	305-3: Other indirect (Scope 3) GHG emissions	Environment: Environmental Performance Summary
GRI 305: Emissions 2016	305-4: GHG emissions intensity	Environment: Environmental Performance Summary
GRI 305: Emissions 2016	305-5: Reduction of GHG emissions	Environment: Fuel & Energy Efficiency
GRI 305: Emissions 2016	305-6: Emissions of ozone-depleting substances (ODS)	Environment: Environmental Performance Summary

GRI STANDARD	DISCLOSURE	PAGE, DIRECT ANSWER OR URL
GRI 305: Emissions 2016	305-7: Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Environment: Environmental Performance Summary
<i>Responsible Waste Disposal & Reuse</i>		
Materiality Boundary: Outside of CSX		
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	Environment: Responsible Waste Disposal & Reuse
GRI 103: Management Approach 2016	103-2: The management approach and its components	Environment: Responsible Waste Disposal & Reuse
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	Environment: Responsible Waste Disposal & Reuse
GRI 306: Effluents and Waste 2016	306-1: Water discharge by quality and destination	Environment: Responsible Waste Disposal & Reuse
GRI 306: Effluents and Waste 2016	306-2: Waste by type and disposal method	Environment: Responsible Waste Disposal & Reuse
GRI 301: Materials 2016	301-1: Materials used by weight or volume	Environment: Environmental Performance Summary
GRI 301: Materials 2016	301-2: Recycled input materials used	Environment: Environmental Performance Summary
GRI 301: Materials 2016	301-3: Reclaimed products and their packaging materials	Environment: Environmental Performance Summary
GRI 303: Water 2016	303-3: Water recycled and reused	Environment: Environmental Performance Summary

GRI STANDARD	DISCLOSURE	PAGE, DIRECT ANSWER OR URL
GRI 304: Biodiversity 2016	304-3: Habitats protected or restored	Environment: Environmental Performance Summary
GRI 303: Water 2016	303-3: Water recycled and reused	Environment: Environmental Performance Summary
GRI 304: Biodiversity 2016	304-3: Habitats protected or restored	Environment: Environmental Performance Summary



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 2016 Corporate Social Responsibility (CSR) Report (the “Report”) for the period September 1, 2016 through March 31, 2017 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 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 Subject Matter, 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 September 1, 2016 through March 31, 2017, in order for it to be in accordance with the Criteria.

June 2, 2017
Jacksonville, Florida



CSX Transportation, Inc.
Corporate Communications & Field Support
500 Water Street, C420

INDICATOR NAME	ASSERTION
Materiality assessment	From September 1, 2016 through March 31, 2017, CSX conducted an assessment to identify material issues. That assessment included the criteria referenced below:

CRITERIA

- The 29 material issues reported in CSX’s 2014 Corporate Social Responsibility (CSR) Report were revised and expanded into the 30 focus issues used for the 2016 CSR Report materiality assessment.
- CSX established nine internal and external stakeholder groups and identified stakeholders within each group to survey, including:
 - CSX Employees, Customers, Suppliers, Non-profit Organizations, Government Organizations or Regulators, Short Line or Regional Railroads, Community Residents, Investors, and Emergency and First Responders
- CSX prepared an online survey containing the focus issues list and received survey responses from more than 200 internal and external stakeholders.
 - The survey asked stakeholders to consider all 30 focus issues, identify the top 10 focus issues from their perspective and rank them from 1-10, with 1 being Most Important. The two considerations for ranking the issues included:
 - Importance to the success of CSX’s business
 - Importance to the stakeholder
- The 30 focus issues are presented in the materiality matrix.
 - CSX used internal stakeholder rankings of each focus issue regarding the importance to the success of CSX’s business. The rankings from all internal stakeholders were averaged to determine placement on the X axis.
 - CSX used external stakeholder rankings of each focus issue regarding the importance to the stakeholder. CSX calculated the weighted average of external stakeholder rankings to determine placement on the Y axis. These calculations resulted in the issues ranked in the top 10 by the following CSX stakeholders to be weighted: customers; suppliers; non-profit organizations; government organizations or regulators; short line or regional railroads; emergency and first responders; and community residents.

CH2M HILL ENVIRONMENTAL ASSURANCE LETTER

7.1 Scope

CH2M performed a verification of CSX's 2016 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 2016 Emissions Inventory (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 2016 reporting period (exclusive of upstream transportation and distribution, purchased goods and services, and capital goods) is 5,305,188 metric tonnes CO₂e.

7.4 Conclusion

Based on the verification review conducted, the GHG Scope 1, Scope 2, and listed Scope 3 (exclusive of upstream transportation and distribution, purchased goods and services, and capital goods) assertions in CSX's 2016 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 12, 2017

CSX CORPORATE HEADQUARTERS

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