

2019  **NORFOLK SOUTHERN**

CORPORATE

SOCIAL RESPONSIBILITY REPORT



NORFOLK SOUTHERN, A LEADING FREIGHT RAILROAD, IS COMMITTED TO BEING A RESPONSIBLE CORPORATE CITIZEN IN THE COMMUNITIES WHERE WE OPERATE. LEARN MORE IN THIS REPORT.

PROGRESS

NORFOLK SOUTHERN CREATES LONG-TERM VALUE THROUGH A BALANCED STRATEGY THAT FOCUSES ON SERVICE, OPERATING EFFICIENCIES, AND GROWTH.

PROSPERITY

AS A FREIGHT RAIL TRANSPORTATION PROVIDER, NORFOLK SOUTHERN GENERATES WIDESPREAD ECONOMIC BENEFITS FOR STAKEHOLDERS, INCLUDING SHAREHOLDERS, CUSTOMERS, EMPLOYEES, AND COMMUNITIES WE SERVE.

PLANET

NORFOLK SOUTHERN ACHIEVES OPERATING EFFICIENCIES, CONTROLS COSTS, AND MINIMIZES OUR ENVIRONMENTAL IMPACTS BY INTEGRATING SUSTAINABLE BUSINESS PRACTICES INTO DAILY OPERATIONS.

PEOPLE

NORFOLK SOUTHERN IS COMMITTED TO SAFE RAIL OPERATIONS, STRIVES TO BE AN EMPLOYER OF CHOICE, AND GIVES BACK TO THE COMMUNITIES WHERE OUR EMPLOYEES LIVE AND WORK.

GO



REIMAGINING POSSIBLE AT NORFOLK SOUTHERN

Norfolk Southern in 2018 and early 2019 continued to make gains in sustainable freight rail transportation with a focus on service, operating efficiencies, growth, and long-term shareholder value. We are committed to Reimagining Possible in all aspects of our business to achieve industry-best performance in corporate social responsibility.

- » Message from the CEO 2
- » 2018 performance highlights 3
- » Core sustainability issues 4
- » Governance 5
- » About this report 5

FORWARD-LOOKING STATEMENTS

Certain statements in our corporate social responsibility report are "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, as amended. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or our achievements or those of our industry to be materially different from those expressed or implied by any forward-looking statements.

In some cases, forward-looking statements can be identified by terminology such as "may," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "project," "predict," "potential," "feel," or comparable terminology. We have based these forward-looking statements on our current expectations, assumptions, estimates, beliefs, and projections. While we believe these forward-looking statements are reasonable, they are only predictions and involve known and unknown risks and uncertainties, many of which involve factors or circumstances beyond our control. These and other important factors, including those discussed under "Risk Factors" in our latest Form 10-K, as well as our subsequent filings with the Securities and Exchange Commission, may cause actual results, performance, or achievements to differ materially from those expressed or implied by these forward-looking statements.

Forward-looking statements in this report are made only as of the date they were first issued, and unless otherwise required by applicable securities laws, we disclaim any intention or obligation to update or revise any of them, whether as a result of new information, future events, or otherwise. Additional information about NS is available at www.norfolksouthern.com, or you can contact Norfolk Southern Corporation Investor Relations at (470) 867-4807.



A message from the CEO

Welcome to Norfolk Southern's 12th annual sustainability report, and thank you for your interest in what we are doing to be a socially responsible and sustainable company.



Our objective as a publicly owned company is to create value for our shareholders. Our social responsibility program helps us achieve that objective.

Our social responsibility includes an intense focus on

the environment. Freight trains are better for the environment than trucks, and customers who use freight rail reduce their carbon footprint. Studies show that trains on average are three to four times more fuel-efficient and produce 75 percent fewer greenhouse gas emissions than trucks. Our fuel-efficiency initiatives leverage that advantage. Over the past two years, we have conserved a cumulative 47 million gallons of diesel and avoided more than 481,000 metric tons of GHG emissions on behalf of our customers and shareholders.

Our social responsibility includes an intense focus on talent. Providing well-paying jobs and benefits and a work environment where everyone can thrive helps us attract and retain top talent to drive shareholder value. Our union employees enjoy negotiated wages and benefits that put them near the top of comparable industries. Our managers enjoy market-based wages and benefits including a defined benefit pension plan. In 2018, I became the first CEO of a Class I railroad to join the CEO Action for Diversity and Inclusion coalition. This public commitment by our company to embrace diversity and inclusion reflects our belief that we must be diverse and inclusive: We will capitalize on the full potential of our human resources for the benefit of our shareholders only when we welcome all perspectives and empower all employees to express their views.

Our social responsibility includes an intense focus on safety. Minimizing – eliminating, if possible – workplace injuries serves both our employees and shareholders. Over the past several years, we've seen a decline in serious workplace injuries. With our safety program, built around peer-to-peer support, on-the-job safety briefings, and workplace safety checkups, our ultimate goal is zero workplace injuries and incidents.

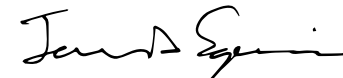
Safe operations serve our communities as well. During 2018, Norfolk Southern provided training and other resources without charge to more than 6,200 first responders across our network to help prepare them to safely respond to potential rail-related incidents. Our safety train, a mobile learning classroom that offers hands-on training, stopped in 22 communities across 15 states for multi-day sessions with emergency responders on railroad safety.

Our social responsibility includes an intense focus on economic development. Norfolk Southern helps communities prosper. Our railroad partners with shippers and local and state leaders to promote and attract rail-served economic development that

creates jobs and tax revenues. As a result of our industrial development outreach, Norfolk Southern in 2018 began moving freight for 90 industries that invested over \$1.5 billion in new or expanded facilities along our rail lines and created nearly 3,000 customer jobs in communities where we operate.

In 2018, our Norfolk Southern Foundation and the corporation gave more than \$8.8 million in charitable contributions to support the communities where our employees work and live. These donations provided much-needed resources to health and human service organizations, to cultural and educational institutions, and to environmental groups.

Since issuing our first sustainability report in 2008, Norfolk Southern continues to make significant progress on sustainability and social responsibility. As we "Reimagine Possible" throughout our company, we remain committed to industry-best performance for the benefit of our shareholders, customers, employees, and communities.



James A. Squires
Chairman, President and CEO

2018 performance highlights

Advancing sustainable freight rail transportation:

Norfolk Southern’s commitment to corporate social responsibility drives operating performance that benefits the planet, commerce, and people.

PROSPERITY: ECONOMIC PERFORMANCE

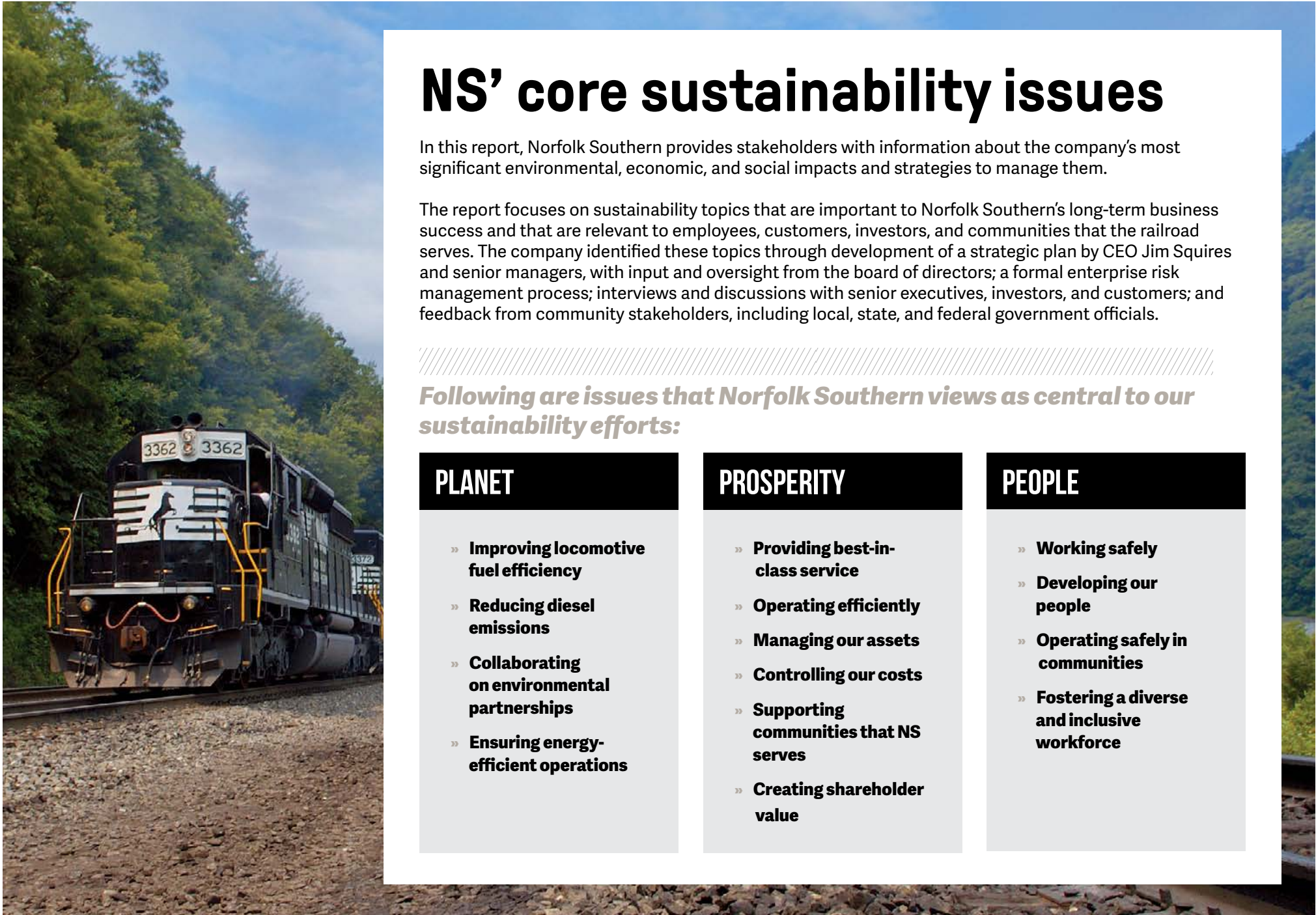
- » Began implementing precision scheduled railroading initiatives to increase operating efficiencies, improve customer service, and support growth. This transformational effort drove improvements in the first half of 2019 that included a more fluid, resilient network and more consistent and reliable service.
- » Achieved record financial results, including all-time best operating ratio of 65.4% and record income from railway operations.
- » Gained more than 60,000 carloads of new business through industrial development efforts. The additional traffic was generated by 90 industries that built new or expanded existing facilities on our rail network. This represented customer investment of more than \$1.5 billion that created more than 2,970 customer jobs across our service territory.
- » Donated more than \$8.8 million in charitable contributions through the Norfolk Southern Foundation and the corporation to communities where we operate in support of health and human services, education, arts and culture, business and economic development, and the environment.

PLANET: ENVIRONMENTAL PERFORMANCE

- » Maintained record-level locomotive fuel efficiency for the second consecutive year. Over the past two years, our fuel-efficiency initiatives have conserved more than 47.3 million gallons of diesel compared to 2016 fuel-economy performance and avoided more than 481,000 metric tons of greenhouse gas emissions – equal to removing 102,123 passenger vehicles from the road for a year.
- » Advanced our favorable trend of reducing greenhouse gas emissions. Year-over-year, we reduced absolute emissions (Scope 1 and 2) by 2.6% even as business volumes, as measured by revenue ton miles, increased by nearly 3 percent – a reflection of our fuel- and energy-efficiency initiatives.
- » Continued to make gains in energy performance, reducing electricity use by more than 1% and lowering electricity costs by more than 5%

PEOPLE: SOCIAL PERFORMANCE

- » Experienced zero employee work-related fatalities and reduced the number of serious on-the-job injuries.
- » Expanded our “Don’t just work here, thrive here” program to enhance employee experience.
- » Provided free training to more than 6,200 emergency responders, including police and firefighters, on how to prepare for and safely respond to potential rail-related incidents involving hazardous materials.
- » Visited 22 communities in 15 states on our territory in our safety train, a mobile training lab, providing classroom and hands-on rail-safety training to more than 2,060 first responders.
- » Became the first railroad to sign the CEO Action for Diversity and Inclusion pledge, a public commitment to cultivate a workplace environment where diverse experiences and perspectives are welcome and where employees feel comfortable and empowered to discuss diversity and inclusion.



NS' core sustainability issues

In this report, Norfolk Southern provides stakeholders with information about the company's most significant environmental, economic, and social impacts and strategies to manage them.

The report focuses on sustainability topics that are important to Norfolk Southern's long-term business success and that are relevant to employees, customers, investors, and communities that the railroad serves. The company identified these topics through development of a strategic plan by CEO Jim Squires and senior managers, with input and oversight from the board of directors; a formal enterprise risk management process; interviews and discussions with senior executives, investors, and customers; and feedback from community stakeholders, including local, state, and federal government officials.

Following are issues that Norfolk Southern views as central to our sustainability efforts:

PLANET

- » Improving locomotive fuel efficiency
- » Reducing diesel emissions
- » Collaborating on environmental partnerships
- » Ensuring energy-efficient operations

PROSPERITY

- » Providing best-in-class service
- » Operating efficiently
- » Managing our assets
- » Controlling our costs
- » Supporting communities that NS serves
- » Creating shareholder value

PEOPLE

- » Working safely
- » Developing our people
- » Operating safely in communities
- » Fostering a diverse and inclusive workforce

Good governance is an imperative at NS

As a leader and seasoned veteran of the freight transportation industry, Norfolk Southern is committed to good corporate governance within the workplace, the marketplace, and the communities we serve.

From our board of directors to senior managers and employees in the field, Norfolk Southern operates as a united organization and holds all members of our team to the highest standards of operational integrity, ethical behavior, and accountability.

The company's Thoroughbred Code of Ethics and our SPIRIT values – safety, performance, integrity, respect, innovation, and teamwork – are central to who we are and how we conduct business. A commitment to high ethical standards drives our company culture, conduct, and professional relationships with shareholders, suppliers, customers, colleagues, competitors, and other stakeholders.

By practicing and applying these foundational principles, NS fosters a legacy of awareness, dependability, and trust while generating long-term economic, environmental, and social value for the benefit of the company and our stakeholders.

Learn more about NS governance

Visit Norfolk Southern's corporate website for details on:

[Board of Directors](#)

[Risk Management](#)

[Thoroughbred Code of Ethics](#)

[Governance Documents](#)

[NS Corporate and Good Government Funds and Political Documents](#)

[NS Corporate Contributions to Trade Organizations in 2018](#)

» ABOUT THIS REPORT

Norfolk Southern Corporation's 12th annual sustainability report provides a comprehensive review of the company's primary environmental, economic, and social impacts during 2018 and early 2019. This report is intended to help stakeholders assess NS' commitment to corporate social responsibility. Norfolk Southern's reporting is informed by the Global Reporting Initiative Standards.

» THIRD-PARTY GHG EMISSIONS REVIEW

Norfolk Southern's disclosure of our greenhouse gas emissions demonstrates our commitment to assess and reduce environmental impacts. NS engaged auditing firm KPMG LLP to independently review our GHG emissions data.

Read KPMG's review letter and NS' 2018 GHG emissions report. For more information on Norfolk Southern's carbon footprint and our efforts to reduce emissions, please continue to the **Planet** section of this report.

» FEEDBACK IS WELCOME

Norfolk Southern Corporation, a publicly traded company (NYSE:NSC) with headquarters in Norfolk, Virginia, welcomes comments about this report. Send them via email to [**footprints@nscorp.com**](mailto:footprints@nscorp.com).



NORFOLK SOUTHERN DELIVERS A WEALTH OF ECONOMIC BENEFITS.

Our railroad plays a vital role in the nation's freight transportation system, helping to keep the economy rolling. We serve the shipping needs of a diverse mix of customers, assist in development that creates jobs and tax revenue, and make investments that strengthen our network and support suppliers and businesses in communities across our 22-state territory.

- » Moving the economy 7
- » Reimagining our business 9
- » Measuring service 12
- » Driving economic benefits 13
- » Making disciplined investments 16
- » Supporting growth 17
- » Pursuing a sustainable supply chain 18



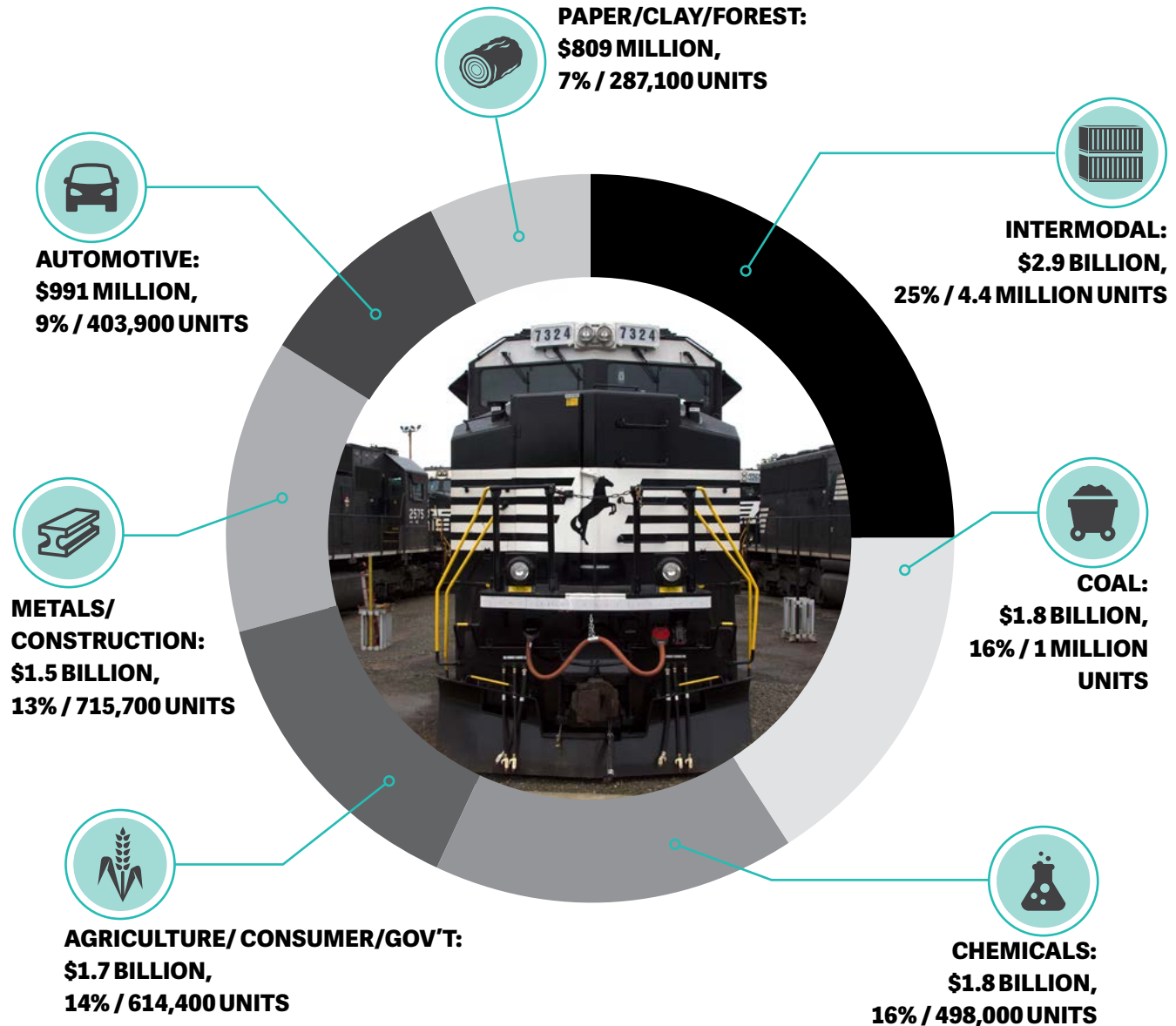
Steel wheels on steel rail: NS moves the economy

As an East Coast freight rail transportation provider, Norfolk Southern, a Fortune 300 company, plays a critical role in the nation's economy. Rain or shine, 24/7, we move goods used every day by businesses and households across the eastern U.S. and beyond.

Our company offers rail transport and logistics services for every sector of America's industrial and manufacturing base as well as for wholesale and retail markets. We transport raw materials, intermediate goods, and finished products. We maintain a strong and healthy franchise, operating on some 19,500 route miles of track across 22 states. Our reach extends to a majority of the country's population, manufacturing, and energy consumption, and we serve every major port on the eastern United States, connecting customers to international markets.

2018 OPERATING REVENUES AND VOLUMES

(Numbers are rounded)*



* The graphic shows 2018 revenue, percentage of total revenue, and volume by each market.

In 2018, NS moved more than 7.9 million units of freight and generated railway operating revenues of more than \$11.4 billion. Our rail intermodal business – moving primarily consumer goods in shipping containers and trailers – generated the highest volumes of business. Combined, our merchandise markets, ranging from metals and construction to chemicals, agriculture, and paper products, produced the most revenue. Our coal markets – for power generation, steel making, and industrial uses – continue to be an important part of our diverse franchise.



NS FINANCIAL VALUE (Numbers in millions, except per-share amounts)

With service, efficiency, and growth as drivers of our strategic plan, Norfolk Southern is committed to creating long-term shareholder value. Our goal is to achieve an operating ratio of 60% or less by 2021. (Visit the [Annual Reports](#) page on NS' corporate website for a complete review of our 2018 financial performance.)

	2018	2017	2016
Railway operating revenues	\$11,458	\$10,551	\$9,888
Income from railway operations¹	\$3,959 (record result)	\$3,371	\$3,009
Dividends per share	\$3.04	\$2.44	\$2.36
Operating ratio¹	65.4% (record result)	68.1%	69.6%
Free cash flow¹	\$1,775 (record result)	\$1,530	\$1,147

(1) For 2017 and 2018, NS' financial statements reflect the impact of the Tax Cuts and Jobs Act, signed into law on Dec. 22, 2017. However, for purposes of year-over-year comparability, these financial results are adjusted to exclude the effects of the tax act and are considered to be non-GAAP financial measures. See NS' 2018 Annual Report for more information.



Rethinking our business with Reimagine '21

In 2018, Norfolk Southern’s senior leadership, with input and oversight from our board of directors, began developing a new three-year strategic plan to advance customer service, operating efficiencies, growth, and long-term shareholder value.

While NS began implementing elements of the plan in 2018, we publicly introduced the plan, Reimagine '21, in Atlanta at our 2019 Investor Day conference in February. The plan is built around precision scheduled railroading and five core principles that we call the NS Way: Serve customers, manage assets, control costs, work safely, and develop people.

Our goal is to be the most efficient railroad with the best customer service and growth in the industry and deliver superior shareholder value. We want to grow our customers’ business and our business while operating more efficiently and safely.

With Reimagine '21, we are rethinking all aspects of our business to become a faster, smarter, more resilient railroad. The strategic plan is a blueprint to help us achieve the optimal balance between our customers’ needs and the capabilities of our railroad to deliver consistent and reliable service every single day. As our CEO Jim Squires told financial analysts at our Investor Day: Our new mantra is, promise only what you can deliver and then deliver what you promise.

How we Reimagine Possible

NS is transforming the way we do business to operate more efficiently and better serve our customers.

As we've rolled out our new strategic plan during the first half of 2019, we've seen significant improvement in performance metrics we use to track customer service.

Following are key initiatives launched in 2018 and early 2019 that will help us achieve our strategic plan goal of best-in-class service:

ENHANCING THE CUSTOMER EXPERIENCE

A key part of our efforts focus on driving business growth and supply-chain value through enhanced service offerings, including technology that significantly improves the customer experience.

AccessNS: Our next-generation AccessNS e-commerce tool provides customers with an efficient and convenient one-stop digital platform to conduct business with the railroad. The revamped AccessNS contains features and functions that enable customers to manage their daily business and supply chain needs, giving them real-time visibility of shipments across the entire pipeline. The information is presented in an easily understood format similar to what they might see if they were checking on an airline flight or tracking a parcel package.

NS Trax: Leveraging data available on AccessNS, NS Trax is a mobile app for smartphones that offers customers a real-time, on-the-go connection to manage their shipping and logistics needs from the palm of their hand.

ConnectNS: Our new customer relationship management system, ConnectNS is integrated into AccessNS. ConnectNS includes a case management tool that provides customers with a customized, connected, and efficient customer service experience. The system gives NS employees across all departments and shifts who interact with customers a real-time view of customer calls, enabling the railroad to provide immediate answers about the status of a customer's shipment.

IMPROVING OUR SERVICE PRODUCT

In operations, we are increasing efficiencies in our rail yards and running a faster, more fluid network through our adoption of precision scheduled railroading.

Clean Sheeting: Beginning in 2018, NS conducted a top to bottom review of operations at all of our rail yards and terminals, starting with a "clean sheet" – and without preconceived ideas – to rethink work processes. The review involved breaking down every movement in a yard, down to the car level, to identify ways to streamline operations. Each yard developed an operating plan that has improved our use of assets and resources – including train crews, locomotives, and rail cars – even as we have increased the frequency of service to customers.

TOP'21: Launched systemwide in July 2019, TOP'21, our PSR-based Thoroughbred Operating Plan, is designed to make our entire network more fluid and efficient. With TOP'21, we are focused on reducing circuitry of freight car movements to and from customers and balancing our network flows. This will enable us to run fewer trains, operate trains faster across the network, use our operating assets more efficiently, and create capacity for growth. Customers benefit through faster, more predictable transit times that require fewer assets to move their shipments.



RESTRUCTURING OUR ORGANIZATION

Transforming our company into a next-generation railroad requires getting the right people and the right teams in place. Over the past year, we have reshaped our organizational structure to achieve optimal teamwork and collaboration.

Network Planning and Optimization

Department: Our creation of this department aligns marketing and operations people in new ways to create a shared and unified goal: to serve the customer and support customer growth. The NPO oversaw development of TOP'21, and its primary role is to continually refine the plan to ensure it remains efficient and cost-effective and can be executed daily by our operations forces to provide consistent and reliable service. The NPO balances the needs of customers against what the railroad can execute safely and efficiently every day.

Network Operations Center: In 2018, NS consolidated train dispatching and all groups that support the safe and efficient movement of trains into a single network operations center, the NOC, in Atlanta. Now, the NOC, rather than individual divisions, is responsible for routing trains across the network, making it easier to coordinate traffic, especially after service interruptions caused by rail-related incidents or weather. Housed in this central “nerve center” are dispatchers, the positive train control help desk, the communications and signals desk, locomotive power planners, mechanical support, and the wayside detection desk.

COLT (Cars On Line Team): This initiative formed a team that not only tracks cars but, for the first time, also identifies and works to eliminate issues that cause cars to accumulate on line, creating congestion and slowing the network. COLT teams at headquarters and in the field, made up of marketing and sales employees, work with customers and NS transportation and operations employees to reduce the number of cars sitting idle in yards, terminals, and customer facilities.

Customer Operations: This new department, formed in early 2019, is focused on creating best-in-class service and customer experience across three areas of responsibility. One involves collaborating with customers and NS field transportation forces to optimize service and engagement. Another is ensuring that we have the terminals, equipment, and assets needed to provide consistent and reliable service today and in the future. The third is pursuing new technologies and practices that support continuous improvement in operations performance and service to meet evolving market demands.

Measuring our service performance

Norfolk Southern continuously monitors our performance to ensure we are delivering on commitments to customers, shareholders, and other key stakeholders.

Three primary metrics – composite service, train speed, and terminal dwell – offer a performance snapshot of on-time delivery, network fluidity, and rail yard efficiency. These metrics are shared weekly with all of our employees, who each contribute to

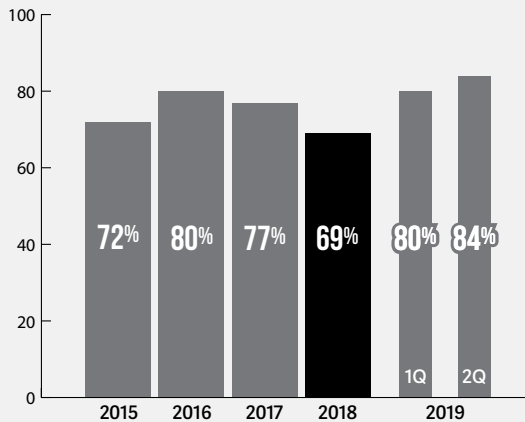
the efficient, cost-effective, and safe transport of customers' freight.

Our 2018 performance results declined across all three of these metrics. Norfolk Southern recognized that we were not meeting customers' needs and our own expectations. Our commitment to achieve industry-best customer service led to development of our new strategic plan, Reimagine '21, which outlines performance goals and the initiatives we are putting in place to achieve them.

Since NS began implementing our new strategic plan in the first two quarters of 2019, we have seen steady – and significant – improvements in composite service, train speed, and terminal dwell. We include these 2019 metrics to demonstrate we are on the right track – we have the right plan and the right people in place to deliver on our commitments.

COMPOSITE SERVICE ↓ 10%

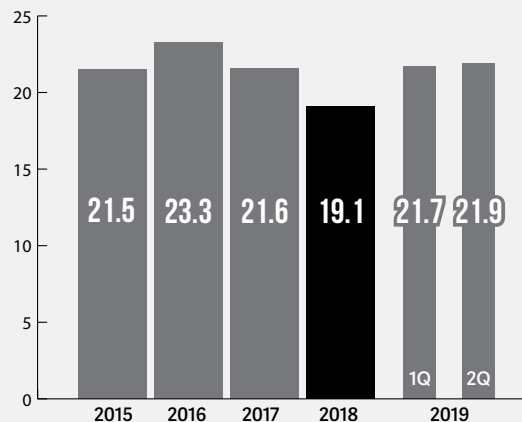
2018 vs. 2017



Each rail car on NS has a trip plan, and composite service measures how well it keeps to schedule based on three metrics: percentage of trains arriving at destination as scheduled; percentage of customer carload pickups and setouts completed as scheduled; and percentage of carloads making scheduled connections for customer delivery.

TRAIN SPEED ↓ 12%

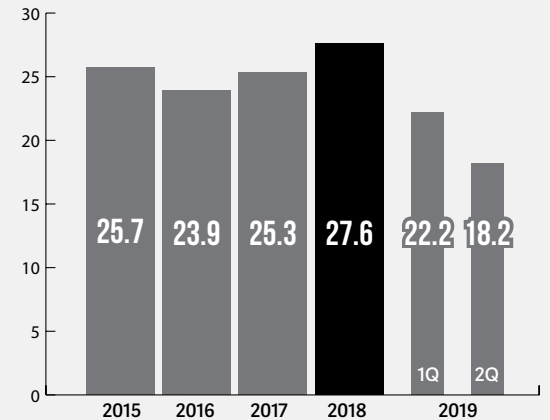
in average mph 2018 vs. 2017



Train speed is an indicator of network efficiency. Keeping the network fluid enables us to increase train velocity, which results in significant benefits. The railroad can turn assets faster, move more freight with fewer locomotives and rail cars, and add network capacity. This supports improved service, reduced operating costs for us and customers, and capacity for growth.

TERMINAL DWELL ↑ 9%

in average hours 2018 vs. 2017



Terminal dwell is a measure of rail yard efficiencies. Dwell is the average amount of time rail cars spend in a terminal before departing on an outbound train for customer delivery. The shorter the dwell time, the better.

2019 PERFORMANCE IMPROVEMENTS

With our new strategic plan in place, NS made notable improvements in performance during the first half of 2019. In the second quarter, train speed improved 15% and terminal dwell time decreased 34% versus full-year 2018 results.

2019 FIRST QUARTER

Composite: 80.4% | Train Speed: 21.7 mph
Terminal Dwell: 22.2 hours

2019 SECOND QUARTER

Composite: 84.4% | Train Speed: 21.9 mph
Terminal Dwell: 18.2 hours

NS is a driver of economic benefits

As an employer, a partner in economic development, and a buyer of goods and services to support our business operations, Norfolk Southern produces widespread benefits that contribute to a healthy and growing economy. We help communities prosper.

Across our network, Norfolk Southern in 2018:

» FUNDED

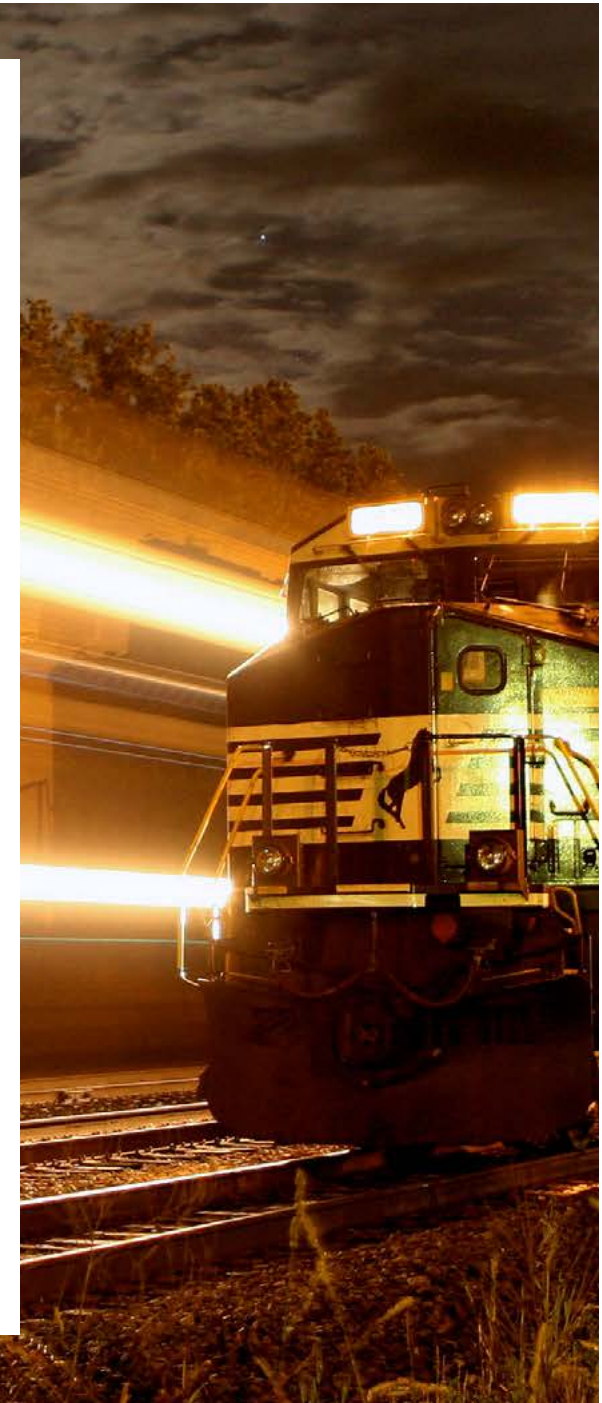
an employee payroll of over \$2.4 billion and spent more than \$6 billion in goods and services, taxes, and other payments.

» GREW OUR BUSINESS BY MORE THAN 60,000 CARLOADS

of freight as the result of assisting 90 businesses expand or build new rail-served facilities on NS' rail lines. This development represented more than \$1.5 billion in customer investment and creation of nearly 3,000 new customer jobs.

» INVESTED \$1.95 BILLION

in capital projects, including track, locomotives, rail cars, technologies, and facilities to ensure safe and efficient operations and support growth.



NORFOLK SOUTHERN'S 2018 ECONOMIC FOOTPRINT (\$ in thousands)

State	Total Number Of Employees Paid (A)	Total Payroll (A)	Total Taxes, Purchases & Other Payments (B,C)	Miles Of Road Operated 12/31/2018	Industry Investment in Facilities on NS Network (\$ in thousands)	New Customer Jobs	Additional Customer Carloads
ALABAMA	1,867	\$126,823	\$141,214	1,304	\$199,722	265	6,371
DELAWARE	82	4,887	5,441	79			
DISTRICT OF COLUMBIA	6	664	14,808	13			
FLORIDA	207	14,352	117,544	148	0	0	1
GEORGIA	5,086	433,578	485,820	1,706	\$35,070	41	517
ILLINOIS	1,576	111,057	1,225,618	1,256	\$14,051	20	725
INDIANA	2,689	196,310	132,571	1,441	\$78,520	14	7,998
IOWA	13	778	5,438	43			
KENTUCKY	1,136	78,225	126,134	429	\$9,000	100	462
LOUISIANA	95	5,584	7,255	76	\$7,100	40	4,500
MARYLAND	131	7,961	51,664	233			
MICHIGAN	747	52,782	59,187	487	\$780	5	54
MISSISSIPPI	268	17,213	23,349	211	\$1,000	20	1,870

(A) Employment based on W-2's state of residence.

(B) Taxes include state income, property, sales and use, franchise, and other miscellaneous taxes.

(C) Total purchases includes capital items, rolling stock, joint facility, employee claims, legal fees, and other payments.

NORFOLK SOUTHERN'S 2018 ECONOMIC FOOTPRINT (\$ in thousands)

State	Total Number Of Employees Paid (A)	Total Payroll (A)	Total Taxes, Purchases & Other Payments (B,C)	Miles Of Road Operated 12/31/2018	Industry Investment in Facilities on NS Network (\$ in thousands)	New Customer Jobs	Additional Customer Carloads
MISSOURI	630	42,232	160,789	409			
NEW JERSEY	210	14,332	113,388	931	\$608	59	508
NEW YORK	500	34,979	141,805	841			
NORTH CAROLINA	1,305	89,676	388,265	1,186	\$81,682	343	2,981
OHIO	3,918	282,399	591,367	2,021	\$292,376	735	5,381
PENNSYLVANIA	4,723	332,467	993,457	2,403	\$56,457	129	17,281
SOUTH CAROLINA	757	53,878	47,966	762	\$114,040	227	5,643
TENNESSEE	1,677	114,224	110,645	829	\$42,014	110	356
VIRGINIA	4,072	342,532	198,635	1,990	\$73,150	55	1,516
WEST VIRGINIA	899	59,386	35,733	618	\$510,202	810	3,840
ALL OTHER	95	5,696	887,078	4			
TOTAL	32,689	\$2,422,015	\$6,065,173	19,420	\$1,515,773	2,973	60,004

(A) Employment based on W-2's state of residence.

(B) Taxes include state income, property, sales and use, franchise, and other miscellaneous taxes.

(C) Total purchases includes capital items, rolling stock, joint facility, employee claims, legal fees, and other payments.

Disciplined investment to support the franchise

Operating a freight railroad is a capital intensive business.

Norfolk Southern takes a disciplined approach to investing in our network to ensure safety and reliability of operations and drive the greatest return for shareholders.

In 2018, NS invested \$1.95 billion – about 17 cents of every dollar of operating revenue – into capital projects to maintain the network, ensure safety, enhance our competitiveness, and support growth. This is in line with targets in our Reimagine '21 strategic plan to annually reinvest 16% to 18% of operating revenue in our network to achieve business goals.

At our Investor Day in February 2019, we outlined the following breakdown of projected annual capital expenditures through 2021:

» **60% will be invested in our core network for line-of-road, infrastructure, and terminal projects necessary to ensure a safe and efficient network.**

» **20% will be allocated for locomotives, primarily towards our multi-year project converting DC locomotives to AC traction power.**

» **20% will be spent on other needs, with technology making up the biggest portion as we complete implementation of positive train control and invest in advanced technology projects to increase operating efficiencies and improve customer service.**

NS' CapEx program supports four priorities:

» ENSURE CONSISTENT AND RELIABLE CUSTOMER SERVICE

» ENHANCE OPERATING EFFICIENCIES AND SAFETY

» REPLACE OR ADD ASSETS, SUCH AS LOCOMOTIVES AND TRACK

» SUPPORT GROWTH IN TARGETED MARKETS

CAPITAL COMMITMENT:

A snapshot of NS track roadway additions and replacements over the past five years to support safe and efficient operations and growth.

	2018	2017	2016	2015	2014
Track miles of rail installed	416	466	518	523	507
Miles of track surfaced	4,594	5,368	4,984	5,074	5,248
Crossties installed (millions)	2.2	2.5	2.3	2.4	2.7

NS supports industrial development

Collaborating with customers and local and state economic development leaders, Norfolk Southern participated in business expansions that generated more than 60,000 carloads of new rail traffic in 2018 across 17 states on our network.

The NS team works with customers and economic development officials on site location and infrastructure development to connect businesses to our rail system. The railroad provides free and confidential facility location services, including industrial park planning, site layout, track design, and supply-chain analysis.

Among the largest development projects that generated new annual rail carloads on NS in 2018 were:

- » **Circleville, Ohio:** A new tissue mill opened by one of the world's largest producers of tissue products.
- » **Talladega, Alabama:** Conversion of a closed plywood plant to an advanced-technology saw mill by one of the world's largest pulp and paper companies.

- » **Martinsburg, West Virginia:** A new manufacturing facility opened by a multinational consumer goods corporation.

- » **Blythewood, South Carolina:** A new manufacturing facility that produces film products used in packaging, constructed by a leading independent manufacturer of high-performance plastic films.

- » **Princeton, Indiana, and Armstrong Township, Pennsylvania:** New production facilities for coal-mining companies engaged in mining operations for thermal coal used by electric utilities and metallurgical coal used in steel-making.



Maintaining a sustainable supply-chain

Norfolk Southern draws on a diverse mix of suppliers across a range of businesses to meet the needs of the nation’s freight transportation system.

We purchase goods and services from thousands of companies, supporting jobs and generating tax revenue for local communities across our 22-state network.

Diesel fuel for our locomotive fleet, track materials such as crossties and rail, communications equipment, and rolling assets such as locomotives and rail cars comprise a significant portion of our supply-chain spend. We also purchase a range of services, including train crew transportation, engineering design, automotive and intermodal distribution services, crosstie disposal, janitorial services, and rail inspection services.

BY THE NUMBERS: NS' 2018 SUPPLY CHAIN

Approved suppliers	7,233
Minority and Disadvantaged suppliers	261
Spend with minority vendors	\$168 million
Total spend	\$3.8 billion



NS explores ways to increase supply-chain diversity



Norfolk Southern’s commitment to foster a diverse and inclusive workplace extends to our business supply chain. In 2018, our Sourcing Department launched an initiative aimed at expanding opportunities for minority-owned firms to do business with NS.

Our support of a diverse supply chain encourages competition and adds resiliency, making our business more sustainable. In addition, we recognize that buying services and supplies from minority businesses strengthens local economies where we operate.

“We want to build up our supplier diversity program,” said Lisa Holloman, a sourcing staffer helping to manage the initiative. “Expanding our network of minority-owned businesses is good for us, and, when we use that group of suppliers, we’re supporting those communities. It’s a win for everybody.”

NS has worked through RailMarketplace, an e-commerce exchange created by North America’s



largest railroads, including NS, to expand our network of diverse suppliers. NS also is a member of the Georgia Minority Supplier Diversity Council, based in Atlanta, and Holloman has connected with minority suppliers through that organization. To date, she has participated in diversity events in both Atlanta and Chicago.

Knowing that smaller companies often have challenges meeting requirements to do business with us, such as adequate insurance coverage, NS’ initiative includes exploring ways to connect minority businesses with larger companies that are NS prime contractors. Areas of potential opportunities at NS include construction projects, security and janitorial services, office supplies, and personal safety gear, such as hardhats, gloves, and safety glasses.

NS seeks suppliers committed to sustainability

Norfolk Southern is committed to being a responsible steward of the environment and helping to protect the communities where we operate and source materials. As part of that effort, Norfolk Southern seeks suppliers that demonstrate a commitment to sustainable business practices.

Starting with a 2015 pilot, NS continues to periodically survey key suppliers in its major supply chains on their sustainability efforts. In 2018, Norfolk Southern sent outreach emails to 12 large suppliers asking them to complete a CDP survey. The suppliers were asked to identify the proportion of their greenhouse gas emissions that could be attributed to business conducted with Norfolk Southern. Half of the suppliers completed the survey.

Additionally, NS looks for opportunities to partner with suppliers on innovative business solutions that help reduce the environmental impacts of railroad operations.

CONSERVING RESOURCES THROUGH RESPONSIBLE BUSINESS PRACTICES

Norfolk Southern strives to create long-term value by integrating sustainable business practices into daily operations. The goal is to improve operating efficiencies and productivity and lower operating costs. These efforts drive growth and profitability while reducing the company's environmental footprint.

- » Maintaining record locomotive fuel efficiency 21
- » Continued gains in energy efficiency 22
- » Strategic approach to reduce fuel use 23
- » Favorable trend on GHG emissions 25
- » Better managing our waste stream 28
- » A sustainable approach to business 29





NS maintains record-level fuel efficiency

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 In 2018, Norfolk Southern matched our record fuel-efficiency performance achieved in 2017.

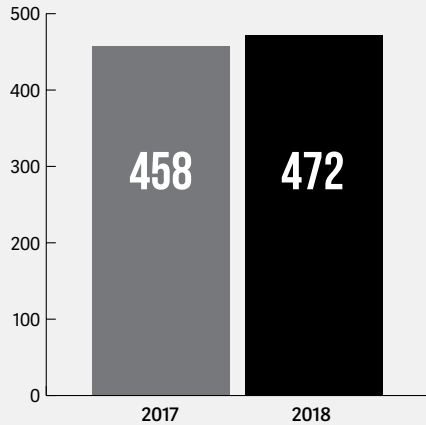
Our fleet locomotives consumed 1.20 gallons of diesel per 1,000 gross ton miles in 2018, the same as 2017. Our business volumes increased by 4 percent, while our gross ton miles and locomotive diesel consumption each grew by 3 percent. Our continued focus on fuel-efficiency initiatives enabled us to maintain gains in fuel economy.

Compared with our 2016 fuel-efficiency performance of 1.26 gallons per 1,000 GTM, NS over the past two years has conserved a cumulative 47.3 million gallons of diesel and avoided more than 481,000 metric tons of greenhouse gas emissions – equal to removing 102,123 passenger vehicles from the road for a year.

At NS, locomotive fuel economy a top priority

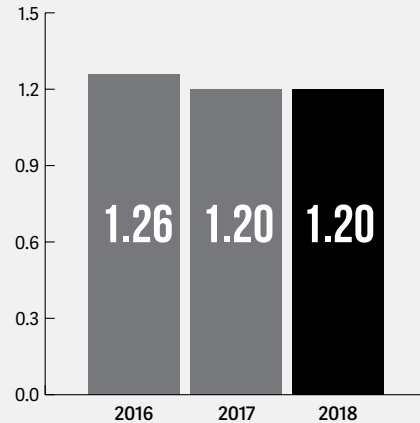
LOCOMOTIVE DIESEL FUEL USE

(in million gallons)



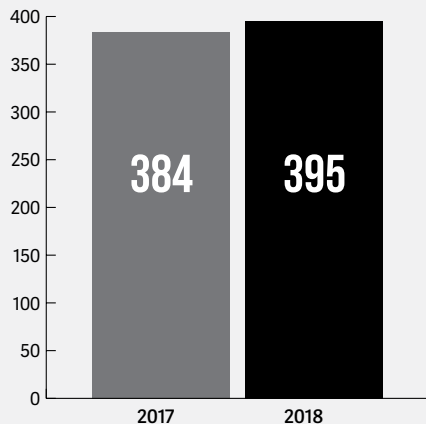
FUEL-EFFICIENCY HOLDS STEADY

(gallons of diesel consumed per 1,000 gross ton-miles)



GROSS TON-MILES

(in billion miles)



SUSTAINABILITY GAINS SINCE 2016

Conserved:
47 MILLION
gallons



Emissions avoided:
481,000 metric
tons CO_{2e}



Positive outlook

Norfolk Southern's new strategic plan, with a core focus on asset management and controlling costs, is driving operating efficiencies that support continued gains in fuel efficiency.

Among them:

» **REDUCTION IN THE NUMBER OF LOCOMOTIVES REQUIRED.**

» **IMPROVEMENTS IN OUR ONBOARD ENERGY MANAGEMENT TECHNOLOGIES,**
resulting in more efficient train handling.

» **STREAMLINED YARD AND NETWORK OPERATIONS,**
which contribute to fewer train stops and fewer idling locomotives.

Strategic approach to locomotive fuel efficiency

Norfolk Southern's strategy to reduce locomotive diesel fuel use is multi-pronged and ever-evolving as we evaluate new technologies and industry best practices.

Our efforts to improve fuel economy benefit the environment, in terms of reduced emissions, and are a key way we can control operating expenses. In 2018, our fleet of diesel locomotives consumed more than 470 million gallons of fuel at a cost of nearly \$1.1 billion – more than 14 percent of total operating expenses and the third largest expense behind compensation and benefits and purchased services and rents.

Small improvements in fuel economy can generate significant savings. By reducing fuel consumption by just 1%, NS would save approximately 5 million gallons of fuel, or roughly \$11 million at the average cost in 2018 of \$2.18 a gallon.

NS' fuel-efficiency initiatives involve a mix of energy-management technologies and smart rules-based operating practices.



INTEGRATING ENERGY MANAGEMENT WITH PTC



In one of our most significant initiatives, NS is leveraging our investment in positive train control by integrating onboard locomotive energy-management train-handling systems into the safety-based PTC technology. The merging of these advanced technologies provides us with enhanced operational safety while giving us greater capabilities to improve locomotive fuel economy.

NS has deployed two types of onboard energy management systems – LEADER and Trip Optimizer. These GPS-based systems identify the proper throttle position and dynamic braking setting to achieve optimal fuel efficiency based on factors such as track topography and train tonnage. The latest models have automated features similar to cruise control in automobiles, enabling the train to operate in an autopilot mode.

PTC is designed to prevent certain train accidents linked to human error, such as train-to-train collisions, derailments caused by excessive speed, improperly placed switches, and unauthorized train movements on tracks undergoing maintenance. Integrating energy management into PTC enables train crews to use the adaptive autopilot features of LEADER and TO in speed-restricted areas detected by PTC.

By mid-2019, NS had outfitted approximately 1,300 road locomotives – about two-thirds of our road fleet – with energy management technology integrated into PTC. In addition, our entire network has been certified to operate trains equipped with TO or LEADER, meaning it has been mapped and is equipped with the required hardware and software that communicates with the train-handling technologies.

"This is a step toward autonomy in the sense the system is now driving to train signals and is capable of operating in autopilot mode," said Dan Bostek, NS director operations practices and special projects. "We have committed ourselves in a stronger way than ever before to manage the energy we consume in a holistic way, ensuring that we get the greatest benefit in the most efficient way possible."



HORSEPOWER PER TON 2.0

Known as HPT, this operations tool conserves fuel by enabling train crews to match locomotive horsepower with operating requirements, such as train type, tonnage, and topography of track segments. On road trips, a train with a consist of three locomotives might require the pulling power of all three only on a short segment, while only one might be needed on most other segments. This provides opportunities to save on fuel use. In 2018, NS rolled out an upgrade, HPT 2.0, which automates what had been a manual process for crews. Now, when a crew boards a train, they receive specific instructions on which locomotives in a train consist should be online and offline, based on the track territory and work event.



THROTTLE LIMITING



This “rules based” operating practice was introduced in late 2018 when NS began increasing maximum train speeds to 60 mph as part of efforts to increase network velocity and fluidity. Under throttle limiting, train engineers operating at speeds of 50 mph or more are limited to a throttle power setting of no higher than Notch 5. The only exception to the rule is for intermodal trains, which transport the most time-sensitive freight and can be operated at the maximum Notch 8 throttle power. Trains operating in Notch 5 can reach 60 mph by capitalizing on “free momentum,” which occurs on descending grades when trains naturally pick up speed. This strategy improves fuel efficiency and conserves fuel.



LOCOMOTIVE SHUT-DOWN POLICY

As a way to save fuel and reduce emissions, NS has long had engine idle-reduction policies and programs in place to reduce unnecessary idling.

For operational reasons, locomotives must sometimes be kept idling to prevent the engine from freezing in cold weather or to maintain proper pressure in air-brake lines. To offset that, NS road locomotives are outfitted with automatic engine start stop technology that saves fuel by automatically shutting down an idling engine when conditions allow. In cold weather, the locomotive will shut down automatically when certain engine-temperature thresholds are met and then restart as needed to prevent freezing.

In addition, NS has expanded the use of our customized plug-in heater systems, known as the “Sleeper,” that are installed in rail yards to reduce engine idling. Locomotives can be shut down and plugged into the Sleeper, which heats the engine and keeps the battery system charged. Through innovative public-private partnerships aimed at reducing transportation-related emissions in urban environments, NS has installed Sleeper units in some rail yards in Atlanta, Chicago, Kansas City, Missouri, and across Ohio.



DISTRIBUTED POWER

This operating technique involves strategically distributing locomotives at the front, middle, and rear of a train. The locomotives are equipped with technology that enables the train crew in the lead unit to remotely operate the distributed units. Distributed power improves train handling, which in turn boosts fuel efficiency and makes it possible for NS to run longer, heavier trains. As a result, NS is running fewer trains and needs fewer locomotives, which is another way that we save on fuel.



DC-TO-AC LOCOMOTIVE CONVERSIONS

This locomotive rebuild program, one of our Reimagine '21 strategic plan initiatives, involves converting older DC locomotives in NS' fleet to more reliable and fuel-efficient AC technology. Replacing direct-current traction motors with alternating-current motors gives us like-new locomotives at about half the cost of buying new units. The AC-powered motors provide greater tractive effort, enabling NS in some applications to replace three DC units with two AC units, which reduces fuel burn.

Positive trend in GHG emissions

In 2018, Norfolk Southern continued to manage greenhouse gas emissions through strategic efforts to improve locomotive fuel economy and reduce energy use.

Given that locomotive diesel burn accounted for more than 91 percent of NS' total GHG emissions, our focus on fuel efficiency plays a significant role in controlling GHG emissions.

For the year, NS reduced our absolute emissions by 2.5%. We reduced our emissions intensity, as measured by revenue ton-miles of freight, by 5.3%. We achieved these reductions even as our freight business as measured by revenue ton-miles increased by 3 percent.

In 2018, NS also achieved GHG emissions reduction associated with our vehicle fleet and our energy use. Emissions from NS' vehicle fleet declined 3%, while emissions from our use of purchased electricity dropped by 14 percent.

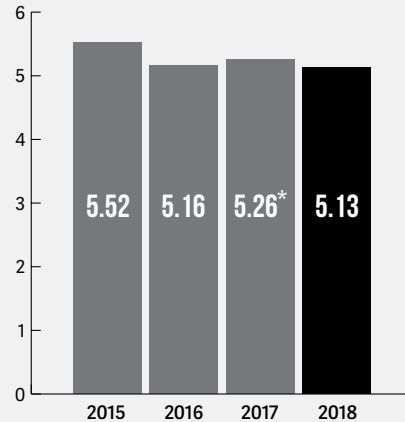
Since 2010, NS has reduced our emissions intensity by 18% per revenue ton-mile, mainly through gains in locomotive fuel efficiency.

(Some reduction in our GHG impact in 2018 is attributable to changes in the GHG Protocol's emissions factors, which NS uses to measure and report on our emissions.)



ABSOLUTE GHG EMISSIONS:

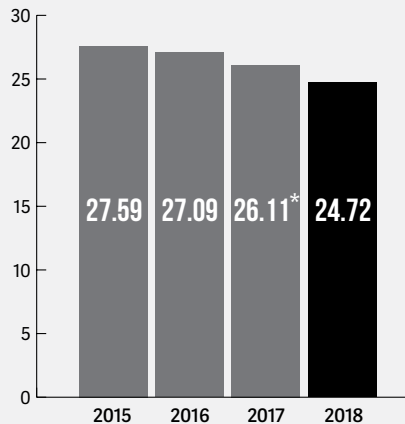
Total Scope 1/Scope 2
CO₂ equivalents (in million metric tons)



* Restated from 5.10 million metric tons in 2018 CSR report

GHG EMISSIONS INTENSITY:

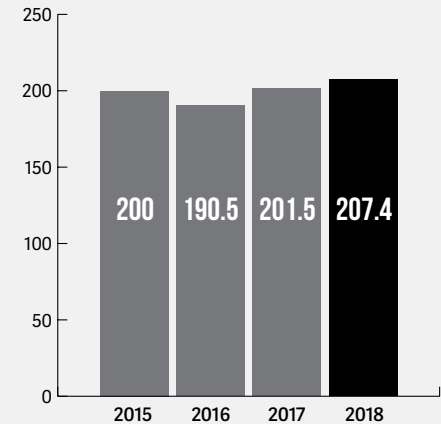
CO₂ equivalents per revenue ton-mile
(in grams)



* Restated from 25.32 in 2018 CSR report

TOTAL REVENUE TON-MILES OF FREIGHT:

(in billions)



NS 2018 EMISSIONS

CO₂ equivalents in metric tons

	SCOPE 1*	SCOPE 2	SCOPE 3
CO ₂	4,887,270	195,012	2,701
CH ₄	10,579	419	5
N ₂ O	32,281	723	7
Total	4,930,130	196,154	6,668**

* Scope 1 emissions exclude 90,246 tons of direct CO₂ emissions from the use of biofuels.

** Emissions related to employee commercial air flights on business travel. The total emissions for Scope 3 are not included here.

2018 NS EMISSIONS BY SOURCE IN CO₂ EQUIVALENTS (Scope 1 and 2)

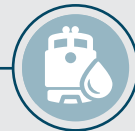
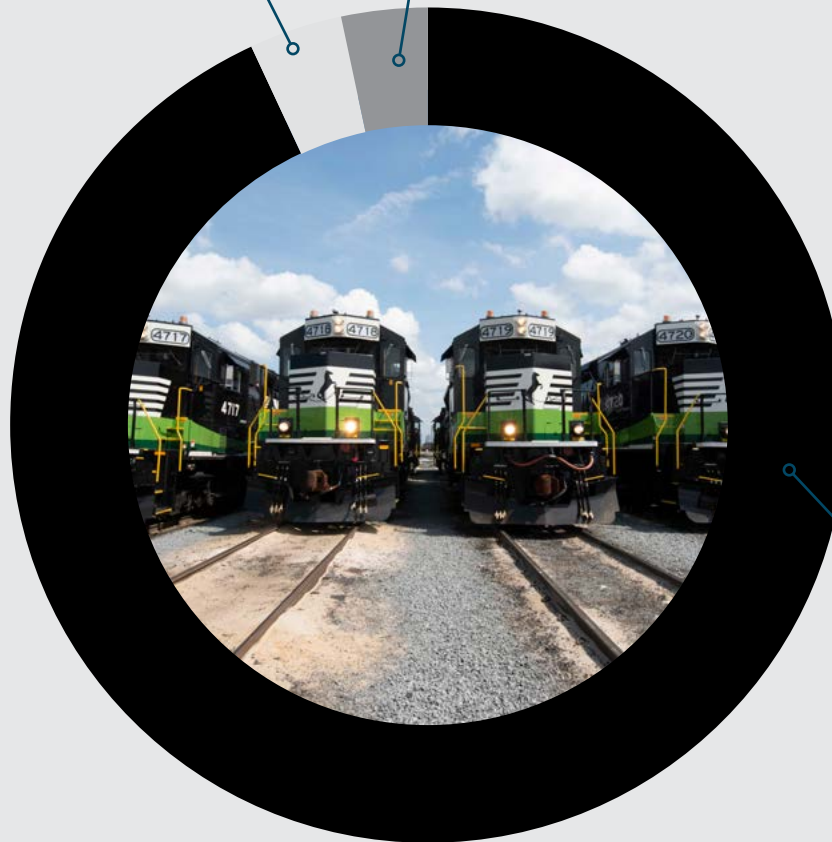


PURCHASED ELECTRICITY: 3.8%
196,154 METRIC TONS



STATIONARY SOURCES: 3.1%
156,516 METRIC TONS

FUEL OIL, KEROSENE, NATURAL GAS,
PROPANE, NON-VEHICLE GASOLINE



MOBILE SOURCES: 93.1%
4.77 MILLION METRIC TONS

LOCOMOTIVE DIESEL, NS FLEET AND
NON-FLEET VEHICLE FUEL, JET FUEL

Another year of gains in energy efficiency

For the third consecutive year, Norfolk Southern achieved gains in energy management, reducing both our use and cost of electricity.

Year to year, weather and market utility rates can impact energy usage and cost. Helping to offset those variables, NS has implemented energy initiatives across our system that have enabled us to control costs and reduce our environmental impacts.

These initiatives include installing energy-efficient lighting and advanced environmental controls in shops and offices and replacing older heating and air systems in yard facilities. NS pursues opportunities to reduce energy use and emissions in ways that are profitable and good for the environment. NS has outfitted shop facilities once heated by coal or oil with more efficient natural gas systems that have lowered our GHG emissions.

In 2018, NS reduced CO₂-equivalent emissions by more than 32,600 metric tons versus 2017, in part as a result of emission-reduction activities. Also, emissions intensity from our electricity use decreased as the grid included a greater mix of cleaner power-generating units, such as natural gas and renewable energy. Over the past four years, the company reduced our electricity use by nearly 70 million kilowatt hours while saving about \$6.8 million in energy costs.



NS energy scorecard

USAGE

2018	414.9 million kilowatt hours
2017	419.8 million kilowatt hours
2016	437 million kilowatt hours

2018 vs. 2017
1.2% REDUCTION
 in kilowatt hours



ELECTRICITY COST

2018	\$41.5 million
2017	\$43.8 million
2016	\$44.9 million

2018 vs. 2017
5.3% REDUCTION
 in energy costs



When it comes to waste, NS polishes processes, yields positive results

As an industry leader, Norfolk Southern is committed to reducing our environmental impacts by actively tracking, managing, and repurposing waste produced by essential business operations. Our goal is to reduce, reuse, and recycle.

Over the past five years, we have evolved our data-tracking processes to better measure progress, track company trends, and target areas for improvement. Our increased visibility of the company's waste stream has enabled us to advance waste-management solutions, increase operational efficiencies, and identify opportunities to reduce the amount of waste we send to landfills across our operating territory.

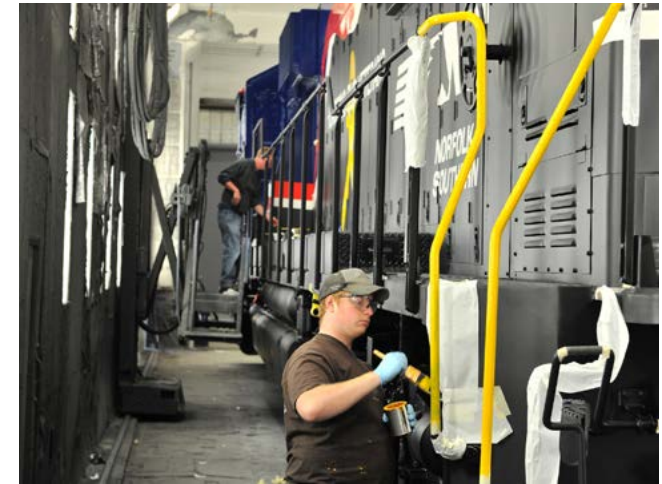
In 2018, Norfolk Southern system wide diverted nearly 48 percent of our total generated waste from landfills. We achieved record highs across our programs for total battery recycling (about 547 tons), fuel recovery (about 19 tons), solvent recovery (about 1,065 tons), and fluorescent bulbs recovery (about 12 tons).

Battery recycling: Since initiating our data tracking process in 2015, NS has maintained a steady, positive trend recycling all battery types. Total diverted tonnage has increased year-over-year, due mainly to better tracking of batteries being recycled. In addition, NS over the past two years has collected more batteries as a result of upgrading signals equipment to support implementation of positive train control.

Fuel recovery: After reviewing NS' waste management initiatives in 2017, we recognized that our fuel recovery and repurposing efforts were served by multiple contract service providers. By developing strategic partnerships and centralizing the collection process, NS expanded recovery efforts to include additional locations across our network. As a result, our fuel recovery tonnage in 2018 reflects a 97 percent increase over the previous year, due mainly to improved tracking.

Solvents recovery: Similar to NS' battery recycling efforts, NS has achieved year-over-year gains in our solvents recovery and paint recycling practices. In 2018, with a focus on collecting and reusing these resources, our efforts diverted 1,065 tons of solvents and paints from landfills. That represents a substantial increase over the 3.9 tons NS diverted in 2015.

Fluorescents: Though often overlooked, fluorescent lighting contains mercury. By developing a standard protocol for the disposal of fluorescent bulbs to include the capture and recycling of mercury, NS has reduced hazardous waste generation companywide. Overall in 2018, NS saw a 43 percent increase in recycled fluorescents, yielding approximately 11.8 tons in recycled fluorescent bulbs.



NS WASTE SCORECARD 2018

SUMMARY*	TONS**
Waste generated	368,582
Waste to landfill	158,176
Waste diverted	175,653
RCRA hazardous waste***	678
Total waste diverted from landfill	48%

MATERIALS REUSED OR RECYCLED	TONS**
Crossties for energy	103,023
Crossties for landscaping	7,000
Crossties reused internally	175,653
Mixed scrap metal/steel	56,003
Reclaimed used oil/grease	5,248
Recycled trash/cardboard	987

BATTERY RECYCLING	TONS**
Lead acid	248
Nickel-cadmium	105
GNB absolyte	177
Zinc/carbon & mercury	2
Locomotive refurbished	7

OTHER RECOVERED MATERIALS	TONS**
Fluorescent light bulbs	12
Solvent recovery/paint recycle	1,065
Fuel recovery	19

* NS hired an independent consultant to collect and quality-check waste stream data.

** Numbers are rounded to the nearest ton.

*** Resource Conservation and Recovery Act wastes are managed by NS according to applicable federal and state laws governing hazardous waste.

A sustainable approach to business

In early 2019, Charlotte Water recognized Norfolk Southern's Charlotte Roadway Shop in North Carolina as a platinum award winner for excellence in environmental compliance. It marked the third consecutive year the shop has earned platinum level from the largest public water and wastewater utility in the Carolinas.

The Charlotte Roadway Shop repairs, maintains, and builds track maintenance equipment. It is one of over 50 facilities at NS that operate waste management systems to treat and dispose of industrial wastewater produced by railroad operations, such as diesel fuel and lube oil. At the Charlotte shop, wastewater is thoroughly processed to capture and contain potentially harmful materials. During this process, waste materials are skimmed from the water, collected, and pumped into drying beds to solidify before being disposed of at a designated facility off-site.

To achieve platinum level, the shop maintained 100 percent environmental compliance for a minimum of five consecutive years. This compliance applies to all requirements for reporting, monitoring, and permit limits related to the discharge of pollutants into the municipal sewer system.

NS' roadway shop exemplifies our proactive approach to providing quality service to our customers and communities, as well as the high standards of environmental responsibility, stewardship, and safety that we uphold.

AT NS, PEOPLE ARE OUR MOST VALUABLE ASSET

To attract and retain top talent, Norfolk Southern is committed to a diverse and inclusive workplace. We offer employees rewarding careers with opportunities for development and advancement. Over the past two years, we have expanded benefits and launched an employee-focused program with the theme, "Don't just work here – thrive here."

Safety in the workplace and in the communities we serve is a core company principle. Our goal is for everyone to go home safely to family and friends at the end of each workday.

We live, work, and play in communities that span a 22-state operating territory, and we encourage and provide opportunities for employees to give back to the towns and cities they call home.

- » Employee safety 31
- » Community safety 33
- » Safely moving hazmat 36
- » NS as employer of choice 41
- » A workforce snapshot 42
- » A focus on developing people 45
- » Giving back to our communities 48



At NS, working safely is a matter of pride

At Norfolk Southern, employees take pride in carrying on a tradition of safety and serving our customers. Safety is ingrained in who we are as a company. It is a core principle of our Reimagine '21 strategic plan and one of our SPIRIT values of safety, performance, integrity, respect, innovation, and teamwork.

While working safely is each employee's responsibility, NS' Safety and Environmental Department is devoted to promoting safety and ensuring that employees have the tools and training necessary to recognize, mitigate, and manage workplace risks.

Our focus on safety is summed up in the Safety and Environmental Department's vision statement: "To create and sustain an environment of workplace and operations safety for all Norfolk Southern employees while enhancing public safety."

The S&E Department promotes two central messages: They are our safety motto "I Am Coming Home," which reinforces the personal nature of safety, and our "Tell Me" campaign, reminding employees of the importance of creating a climate where peer-to-peer feedback on safety is both freely shared and warmly welcomed.



This safety math adds up

In early 2019, we rolled out a supporting campaign based on the theme that one employee working safely, one day at a time, equals zero injuries. We introduced it as the "safety math that adds up:" $1 + 1 = 0$.

"We emphasize that employees are directly accountable for their own safety and share responsibility for the safety of their co-workers," said Melvin Crawley, system director safety. "We recognize that operating safely is good business, and employees drive value when they take ownership of the safety process."

Boots-on-the-ground safety

While safety at NS is embraced from the top of our company, craft employees at the grassroots level are the hands-on drivers of safe workplaces across our network. Peer-to-peer support is at the heart of what we do. Operations employees in transportation, mechanical, and engineering serve on local safety and service committees, whose role is to promote safety awareness, conduct workplace safety checkups, and lead safety initiatives.

We promote a safety culture where all employees, regardless of title or pay grade, are comfortable addressing risky or unsafe workplace behaviors with co-workers. A main focus of the safety committees is peer-to-peer safety communications and accountability, as demonstrated by our "Tell Me" campaign. This safety initiative empowers co-workers to tell each other if they see a peer ignoring a safety rule or doing something that could increase their risk of injury. The goal is to increase employee accountability and an atmosphere where everyone looks out for each other.

Risk reduction is another key focus area. NS uses a safety tool called "Pause, Process, Proceed" to identify, mitigate, and manage risks on the job. Before starting a work task, employees are trained to pause to assess potential risks, process how to perform the work safely, and then proceed in a safe manner.

Employees share 'close calls' to prevent injuries

A program that allows employees to share their "close calls" with co-workers continues to expand since employees at our Chicago Terminal started a pilot in 2014. Through this experience-driven safety initiative, employees can confidentially fill out forms to report close calls – actions or behaviors that came close to resulting in an injury or accident.

In 2018, NS helped expand the initiative systemwide by creating an electronic form and database that enables employees companywide to share and read about close calls.

From these shared stories, local safety and service committees and our safety department have taken action, including devising training and education around recurring close-call issues and behaviors.

During 2018, employees submitted 211 close call encounters, a significant increase over the 50 in 2014. This growth in close call reporting reflects the trust being cultivated by NS management and craft employees. The program is employee-driven and does not involve disciplinary action.

"The idea of employees feeling safe enough to share their stories is extraordinary and we believe is a real leading indicator of our open safety culture," said Chip Feininger, system safety coordinator.



"AS BOTH AN NS SPIRIT VALUE AND CORE PRINCIPLE, safety is part of who we are and an essential part of our success as a company. We are here to serve our customers, manage our assets, control our costs, work safely, and develop the next generation of leaders. In short, our mindset is, 'We're here to serve our customers safely and go home safely after an honest day of work.'"

– JASON MORRIS, AVP safety and environmental

NS EMPLOYEE SAFETY SNAPSHOT

	2016	2017	2018	YoY change 2017 to 2018
Reportable injuries	337	337	348	3% ▲
Employees who lost work days due to injury	254	262	249	5% ▼
Reportable injury ratio per 200,000 employee-hours	1.29	1.33	1.37	3% ▲
Work-related fatalities	2	0	0	0%

Top three most frequent reportable injuries in 2018:



Decline in serious injuries

Over the past several years, NS has focused on reducing the number of injuries classified as serious, including injuries that result in death or seven or more lost days of work. This focus has produced positive results.

In 2018, we celebrated two consecutive years without an employee workplace fatality. Since 2016, serious injuries at NS have declined 17%, from 69 in 2016 to 57 in 2018. Serious injuries accounted for 16% of all reportable injuries in 2018. Our ultimate goal is zero injuries – period.



COMMUNITY SAFETY

A community partner in rail safety

Operating safely in the communities we serve is Norfolk Southern’s unwavering commitment. We partner with customers, local first responders, and other key stakeholders to continuously enhance the safety of rail operations and keep our communities safe.



Following are examples of how NS advanced community safety in 2018:

- » Provided rail-accident response training across 20 states on our territory to 6,226 emergency responders, including police and fire personnel, through participation in the Transportation Community Awareness and Emergency Response (TRANSCAER®) Program.
- » Participated in tabletop emergency-preparedness drills with local, state, and federal agencies.
- » Donated \$300,000 through the Norfolk Southern Foundation to 111 emergency response service organizations.
- » Sponsored training for several local emergency responders at the rail industry’s Security and Emergency Response Training Center in Pueblo, Colorado.
- » Visited 22 communities in 15 states across our territory with our safety train to offer first responders free rail-safety training. Hazardous material specialists in NS’ Safety and Environmental Department provided classroom and hands-on training for more than 2,060 first responders. Our safety train includes a locomotive, two training box cars, four tank cars, and two flat cars with intermodal containers

and multiple valve arrangements for hands-on training that simulates a hazmat release.

- » Provided classroom training courses on “Responding to Flammable Liquid Emergencies” for 120 first responders across our territory. The classes were conducted in Chattanooga, Tennessee, Greensboro, North Carolina, and Linwood, North Carolina.
- » Helped teach an industrial firefighting course at Texas A&M Engineering’s TEEX Extension Service.
- » Continued to promote the rail industry’s AskRail® mobile app, which allows emergency responders arriving at a rail incident to search a rail car database to quickly identify hazardous materials a car is transporting. NS and other Class I railroads collaborated to create the app. First responders can use the app to make safe and informed decisions when responding to a derailment or other rail incident involving hazmat.

Award recognizes NS support of community safety

Norfolk Southern has a long history of working with local communities across our rail network to support safety. That record of support is demonstrated through our participation in TRANSCAER®, the Transportation Community Awareness and Emergency Response program. For our efforts to help communities prepare for and respond to potential transportation-related hazardous material incidents, NS earned the 2018 TRANSCAER® National Achievement Award.

This is the 19th time and 17th consecutive year that NS has received the award. During TRANSCAER® outreach events, NS offers free training to local emergency responders that includes information about rail safety precautions, railroad operations, initial-response procedures, and rail equipment. Many sessions include hands-on drills and training that uses rail equipment to simulate responses to emergency situations.

“We have an exceptional hazmat team at NS, and I am so proud of what they’ve accomplished to better prepare emergency responders across our system,” said Robert Wood, system manager hazardous materials.

Learn more about our safety commitment

Visit the company’s [Operation Awareness and Response website](#) to learn more about NS’ community outreach efforts and commitment to safely transport hazardous materials and support the U.S. economy.



“NS UNDERTAKES MANY INITIATIVES every year in the interest of hazardous materials safety and emergency preparedness, but our outreach efforts with local emergency responders really pay off.”

– DAVID SCHOENDORFER, NS system director environmental protection



TRANSCAER National Committee Chair Keith Silverman, at right, stands with employees who are part of NS’ Safety and Environmental Department. From left are James “Bubba” Bryan; David Schoendorfer; and Robert Wood, holding the TRANSCAER National Achievement Award.



“WE ARE PROUD TO RECOGNIZE VALUED BUSINESS PARTNERS

for their industry-leading safety practices. Together, we work hard every day to demonstrate that rail is an efficient, reliable, and safe way to transport the nation’s freight.”

– ED ELKINS, vice president industrial products



Partnering with customers for safe chemical transport

At Norfolk Southern, serving our customers and working safely are core principles of our strategic plan, and we appreciate our customers’ shared commitment.

NS recognizes chemical customers with our Thoroughbred Chemical Safety Award, an initiative to promote safe rail-shipping practices in the communities we serve.

In 2018, 58 chemical customers, including chemical manufacturers and plants, earned the award for safely shipping more than 265,370 carloads of regulated hazardous material over our rail network. To qualify for the award, the customers shipped at least 1,000 carloads on Norfolk Southern and handled all shipments without a single incident. Fourteen companies safely shipped more than 4,000 carloads each.

NS established the annual chemical award in 1995 to recognize customers who safely handle products vital to U.S. consumers and businesses that also are regulated as hazardous materials. In 2018, Norfolk Southern moved hazmat freight such as industrial chemicals, crude petroleum, ethanol, and fertilizers for these shippers.

Moving hazmat safely by rail: 2018 by the numbers

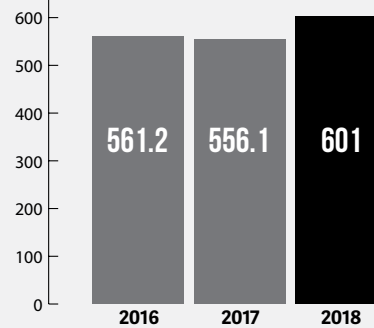
As common carriers, Norfolk Southern and other U.S. railroads have obligations under federal law to offer transportation services to companies that manufacture or use hazardous materials in their businesses. Typically, these products move in tank cars owned or leased by customers, who are responsible for maintaining the cars and ensuring that they are properly secured for transit.

Norfolk Southern works closely with customers across business lines to enhance the environmental, health, safety, and security performance of chemical transport by rail. As a voluntary participant in the American Chemistry Council's Responsible Care® Partner Program since 1996, Norfolk Southern observes strict standards to identify, reduce, and manage safety risks in chemical transport. Norfolk Southern received the council's 2018 Responsible Care Partner of the Year award in recognition of its exemplary performance and safety record during the previous year.



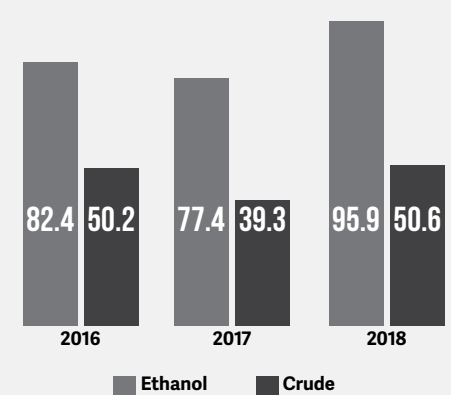
NS CARLOADS OF REGULATED HAZARDOUS MATERIAL

(carloads in thousands)



NS CARLOADS OF ETHANOL AND CRUDE OIL

(carloads in thousands)



NS strives for zero hazmat incidents

With a steadfast commitment to safe operations, Norfolk Southern’s goal in the transport of hazardous materials is for shipments to reach their destination without incident. We have a strong record of safely moving hazmat: more than 99.99% of carloads, year in and year out, including 2018, move without a reportable incident.

In 2018, NS experienced six accidents that resulted in hazmat releases from seven tank cars – a small number relative to the more than 601,000 carloads of hazmat that NS transported during the year. There were no injuries associated with releases. In all cases, NS worked with regulatory authorities and contractors to secure, clean, and remediate spill sites as required.

The number of incidents in 2018 involving accident and nonaccident releases increased 3% over 2017, while hazmat carloads transported by NS increased 8%, driven by growth in ethanol and crude oil shipments. Nonaccident releases – a release that does not involve a derailment, collision, or other rail-related incident – are associated with issues such as loose or faulty tank car valves and caps.

Following are accident releases that occurred in 2018:

» On Jan. 6, a covered hopper transporting ammonium nitrate fertilizer derailed at NS’ Debutts Yard in Chattanooga, Tennessee, damaging a hopper chute and releasing approximately 1,000 pounds of product. Ammonium nitrate is an important chemical for the agricultural industry, used as a plant nutrient in fertilizers.

» On Jan. 16, a tank car transporting glacial acetic acid derailed on a yard track in Knoxville, Tennessee, releasing approximately 20 gallons of product from the tank car’s manway cover. Glacial acetic acid has many industrial uses, including as an ingredient in making wood glue, synthetic fibers, photographic film, and personal care products.

» On Feb. 3, a tank car transporting odorized liquefied petroleum gas and a covered hopper car transporting crude zinc oxide derailed on a mainline near Loudonville, Ohio. The derailment breached the LPG tank car, releasing approximately 30,232 gallons. One chute on the hopper car was damaged, causing the release of approximately 200 pounds of product. LPG is used as a fuel in heating appliances, cooking equipment, and vehicles. Zinc oxide is used in health care products, including for diaper rash, minor burns, chapped skin, and other minor skin irritations.

» On March 18, a tank car transporting sodium hydroxide solution released approximately three gallons of product from its pressure relief valve following a mainline derailment of an NS train near Georgetown, Kentucky. Sodium hydroxide has many industrial and manufacturing uses, including in the manufacture of fabric, plastic wrap, and paper as well as in chemical manufacturing, oil refining, water treatment, and metal processing.

» On May 5, a tank car transporting denatured ethanol was breached during a bypassed coupler incident at NS’ Moorman Yard in Bellevue, Ohio. The incident led to the release of approximately 28,500 gallons of product. Denatured ethanol is used as a cleaning agent and fuel additive, in addition to other industrial uses.

» On Nov. 13, a mainline derailment of an intermodal train near Petersburg, Virginia, resulted in the release of approximately 1,100 gallons of glutaraldehyde from a shipping container transporting 16 totes of the product. Glutaraldehyde is used to disinfect and clean heat-sensitive medical, surgical, and dental equipment.

NS TRAIN ACCIDENTS*

	2016	2017	2018
Total number	237	220	228
Incidents per million train miles	2.59	2.33	2.47

*Updates 2016 and 2017 data in NS’ 2018 CSR report. (Accidents include yard and mainline derailments and collisions. Does not include accidents at highway-rail grade crossings.)

Preventing train accidents

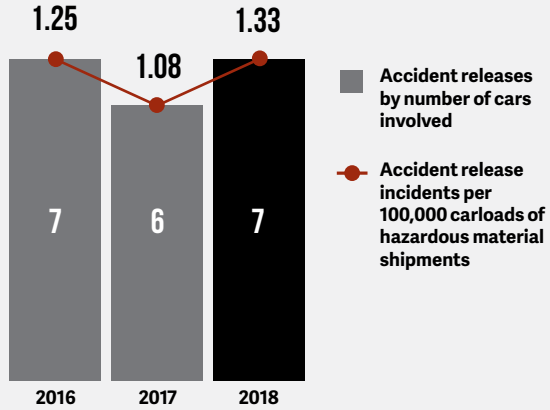
Prevention of train accidents is a priority for operations employees in transportation, engineering, and mechanical. As with employee injuries, our goal is zero accidents.

A train accident, including derailments and collisions, involves on-track equipment that results in monetary damage to equipment and track above a certain threshold. Data reported to the Federal Railroad Administration show that the top three categories of train accidents – at NS and industrywide – are human factor caused, track caused, and motive power or equipment caused.

Over the past five years, the total number and rate of accidents per million miles have remained relatively stable at NS. In 2018, we saw a 3% increase in accidents year-over-year. The year before, however, NS achieved a 7% decrease in train accidents.

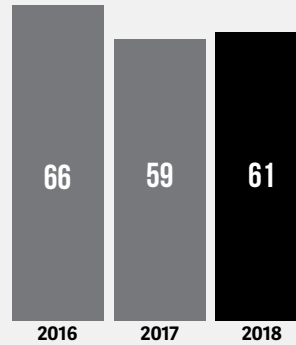
Nearly two-thirds, or 64%, of NS train accidents in 2018 occurred on tracks in rail yards.

HAZMAT ACCIDENT RELEASES

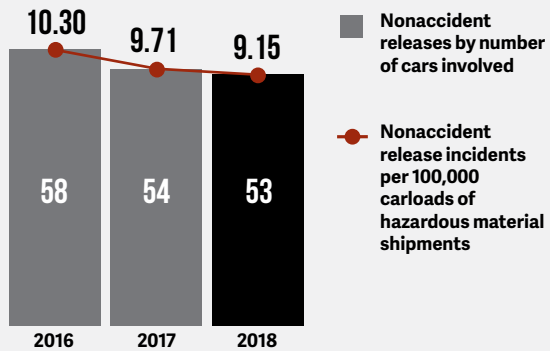


TOTAL REPORTABLE HAZMAT INCIDENTS

- » Includes accident and nonaccident releases
- » 99.99% of carloads moved without a reportable incident



HAZMAT NONACCIDENT RELEASES



NS police work on the front lines of safety

Norfolk Southern’s Police Department plays an active role in promoting rail safety in our communities. Through the department’s Trespasser Abatement Program, or TAP, NS police hold a series of events in communities across our system to educate people about the dangers of walking on or near railroad tracks.

In 2018, NS police held five of the two-day TAPs in locations selected based on the previous year’s trespassing activity and pedestrian injuries or fatalities on railroad property. The 2018 events focused on the Forest Park-Hapeville areas in Georgia; Painesville, Ohio; New Orleans-Slidell areas in Louisiana; Reading, Pennsylvania; and Greensboro, North Carolina. The events included meeting with local law enforcement, talking with community members, patrolling the tracks, and handing out antitrespassing brochures.

Walking on railroad tracks is not only dangerous but also is illegal. In 2018, NS police warned and ejected 9,581 individuals for trespassing on tracks and other railroad property. NS police arrested 473 individuals for trespassing.

Working with local law enforcement

In addition to TAP, NS police teach a course for local law enforcement officers that focuses on safety and techniques for investigating collisions involving trains and motor vehicles at highway-rail grade crossings. In 2018, NS held 17 of the Grade-Crossing Collision Investigation classes in six states on our territory attended by 321 members of law enforcement.



HIGHWAY-RAIL GRADE-CROSSING INCIDENTS

	2016	2017	2018
Injuries	115	98	109
Fatalities	25	24	31
# of highway-rail incidents	319	332	357
# of train miles (millions)	91.5	94.4	92.4
Incidents per million train miles	3.4	3.5	3.9

TRESPASSER INCIDENTS

	2016	2017	2018
Injuries	65	68	66
Fatalities	63	53	54
Incidents per million train miles	1.4	1.3	1.3

Partnering with communities on rail safety

Across our 22-state network, Norfolk Southern trains operate through an estimated 27,000 public and private highway-rail grade crossings. Our grade-crossing safety team, part of NS' Safety and Environmental Department, works with communities to identify crossings for closure – the safest crossing is a closed crossing – and to partner on projects to equip crossings with safety equipment such as warning lights and gates.

To raise public awareness about grade-crossing safety and the dangers of trespassing on railroad property, we partner with community groups and Operation Lifesaver to educate people about rail safety. NS employees across our network are trained as volunteers with Operation Lifesaver, a nationwide nonprofit public safety education and awareness organization dedicated to reducing collisions, fatalities, and injuries at railroad crossings and on railroad property.

In January 2019, NS partnered with Operation Lifesaver in Georgia to set up an educational booth at the Professional Photographers of America's Imaging USA conference in Atlanta. The focus was to make photographers aware that posing people on railroad tracks – a seemingly attractive backdrop – is both dangerous and illegal.

Many photographers were unaware that taking photos on railroad tracks is trespassing on private property and punishable by a fine and possible arrest. Most important, however, is that posing people on tracks is extremely dangerous and potentially deadly.

One photographer who visited the booth said that she became a certified Operation Lifesaver presenter in Florida following the death of her 22-year-old cousin, who was struck by a train while walking on railroad tracks.



Steve Bookera, a photographer from Cyril, Oklahoma, stopped by the Norfolk Southern-Operation Lifesaver booth at the Imaging USA conference in Atlanta, where he learned that taking photos on railroad tracks is trespassing and extremely dangerous. He acknowledged that he had taken photos on tracks, but said, "Never again."

NS as employer: ‘Don’t just work here, thrive here’

Over the past two years, Norfolk Southern has renewed emphasis on developing and retaining our talented employees.

In 2018, we enhanced job benefits, expanded technology-enabled learning opportunities, and initiated quarterly “pulse” surveys to measure employee engagement and identify opportunities to enhance the employee experience.

Our goal is to offer employees not just a job but a long-term career opportunity. 2018 marked the start of a transformation for our railroad. In December 2018, we announced plans to move our corporate headquarters from Norfolk to Atlanta, a world-class city and global transportation hub. Having all of our corporate operations in one location will foster the enhanced alignment, collaboration, and teamwork we envision for our reimagined railroad.

Through our Reimagine ‘21 strategic plan, we will continue transforming our operating culture to better serve customers and find new ways to drive efficiencies, growth, and shareholder value.

Visit our [Thrive at NS](#) section of the corporate website to learn more about our commitment to be an employer of choice.

Visit the corporate website’s [Benefits page](#) for more details on benefits that NS offers unionized and nonunionized employees.

A workforce snapshot



Our workforce is second to none, with employees in office settings and in the field who dedicate themselves every day to safely, efficiently, and cost-effectively serve our customers.

At the end of 2018, Norfolk Southern had 26,539 employees. Of that number, 22,203 – or 84 percent – were unionized employees covered by collective bargaining agreements that set terms for wages, health and welfare benefits, and work scheduling. NS employees are represented by 13 trade unions. Unionized employees in our three main operations departments include:

» **In Transportation:** locomotive engineers and conductors. They operate trains and make customer deliveries.

» **In Mechanical:** machinists, electricians, pipefitters, boilermakers, firemen and oilers, and car repairers. These employees maintain, repair, and rebuild locomotives and rail cars.

» **In Engineering:** track and bridge workers, electronic specialists, and signal maintainers. These employees maintain track and bridges and the railroad’s communication and signals systems.

More than 4,300 nonunionized employees – the remaining 16 percent – perform a range of management and professional functions, including information technology, marketing, strategic planning, human resources, labor relations, and finance.

Good fit for veterans

Norfolk Southern actively recruits military veterans and is recognized externally as a military-friendly employer. In 2018, we hired more than 400 people who are veterans, or nearly 18 percent of new hires for the year. About 13 percent of NS’ overall workforce has served in the military.

“THE SUCCESS OF OUR organization is driven by the varied perspectives and diverse abilities of our many talented employees.”



– ANNIE ADAMS,
executive vice
president and chief
transformation officer

WORKFORCE DEMOGRAPHICS

As of 12/31/2018

AGREEMENT (UNIONIZED) WORKFORCE

Female	1,000	4.5%
Male	21,203	95.5%
Total	22,203	100%

Age under 30	3,510	9.8%
30 to 50	13,517	58.5%
Over 50	5,176	31.7%
Total	22,203	100%

White	18,330	82.6%
Black or African American	2,792	12.6%
Hispanic/Latino	763	3.4%
Asian	52	0.2%
Other	266	1.2%
Total	22,203	100%

NONAGREEMENT WORKFORCE

Female	876	20.3%
Male	3,435	79.7%
Total	4,311	100%

Age under 30	531	7.6%
30 to 50	2,641	57.5%
Over 50	1,139	34.9%
Total	4,311	100%

White	3,219	74.7%
Black or African American	752	17.4%
Hispanic/Latino	160	3.7%
Asian	116	2.7%
Other	64	1.5%
Total	4,311	100%

SENIOR MANAGEMENT

Female	6	24%
Male	19	76%
Total	25	100%

Age 30 to 50	5	20%
Over 50	20	80%
Total	25	100%

White	23	92%
Black or African American	1	4%
Asian	1	4%
Total	25	100%

2018 NEW HIRES*
AGREEMENT (UNIONIZED) WORKFORCE

Female	90	4.2%
Male	2,056	95.8%
Total	2,146	100%

Age Under 30	1,185	55.2%
30 to 50	927	43.2%
Over 50	34	1.6%
Total	2,146	100%

White	1,619	75.4%
Black or African American	404	18.8%
Hispanic/Latino	67	3.1%
Asian	5	0.3%
Other	51	2.4%
Total	2,146	100%

2018 NEW HIRES*
NONAGREEMENT WORKFORCE

Female	60	31.3%
Male	132	68.7%
Total	192	100%

Age Under 30	88	45.8%
30 to 50	84	43.8%
Over 50	20	10.4%
Total	192	100%

White	127	66.1%
Black or African American	40	20.8%
Asian	17	8.9%
Hispanic/Latino	4	2.1%
Other	4	2.1%
Total	192	100%

*Excludes those hired who left before 12/31/2018

EMPLOYEES WHO LEFT EMPLOYMENT IN 2018 *
AGREEMENT (UNIONIZED) WORKFORCE

Female	171	6%
Male	2,698	94%
Total	2,869	100%

Age Under 30	795	27.7%
30 to 50	1,324	46.2%
Over 50	750	26.1%
Total	2,869	100%

White	2,178	75.9%
Black or African American	554	19.3%
Hispanic/Latino	67	2.4%
Asian	5	0.1%
Other	65	2.3%
Total	2,869	100%

*Includes employees who were discharged, resigned, left due to disability or workforce reduction, and retired.

EMPLOYEES WHO LEFT EMPLOYMENT IN 2018*
NONAGREEMENT WORKFORCE

Female	156	22.5%
Male	536	77.5%
Total	692	100%

Under 30	257	37.1%
30 to 50	202	29.2%
Over 50	233	33.7%
Total	692	100%

White	462	66.8%
Black or African American	125	18.1%
Asian	21	3%
Hispanic/Latino	10	1.4%
Other	74	10.7%
Total	692	100%

*Includes employees who were discharged, resigned, left due to disability or workforce reduction, and retired.

CONDUCTOR TRAINEES HIRED IN 2018*

Female	16	2.5%
Male	637	97.5%
Total	653	100%

White	453	69.4%
Black or African American	145	22.2%
Hispanic/Latino	35	5.4%
Asian	2	0.2%
Other	18	2.8%
Total	653	100%

Under 30	366	56%
30 to 50	276	42.3%
Over 50	11	1.7%
Total	653	100%

*Total excludes hires who left before the end of 2018 and also those who marked up as conductors before year-end. It takes 14 weeks of training, on average, before a conductor trainee is qualified to mark up as a conductor.

MANAGEMENT TRAINEES HIRED*

Female	16	17.2%
Male	77	82.8%
Total	93	100%

White	66	70.9%
Black or African American	20	21.5%
Asian	5	5.4%
Hispanic/Latino	1	1.1%
Other	1	1.1%
Total	93	100%

Under 30	56	60.2%
30 to 50	36	38.7%
Over 50	1	1.1%
Total	93	100%

*Total excludes hires who left before the end of 2018.

Developing our people

As Norfolk Southern transforms our company, we have identified the development of people as one of our five core principles. Two areas of focus are enhancement of the overall employee experience and commitment to a diverse and inclusive workforce. The following initiatives are underway to demonstrate our commitment.

Employee Experience

» **Project Fusion.** One of our key initiatives to increase cross-functional collaboration and innovation is the consolidation of our Norfolk and Atlanta offices into a new corporate headquarters in Midtown Atlanta. Scheduled for completion in the third quarter of 2021, this building is designed with the employee experience top of mind. It will provide work and meeting spaces that drive engagement and teamwork and feature best-in-class amenities that encourage informal interactions and promote employee well-being.



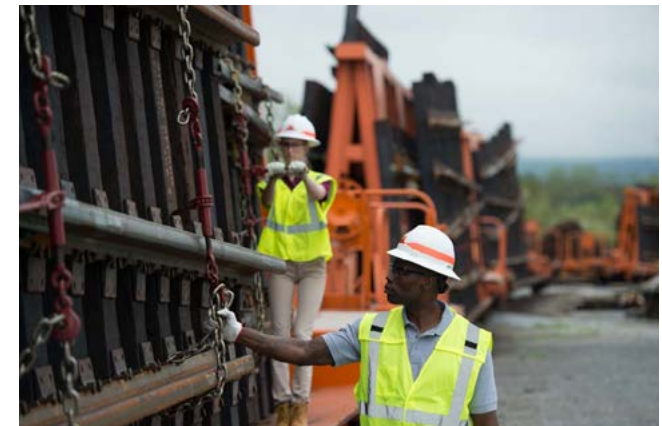
» **Pulse Surveys.** These quarterly employee surveys are designed to increase engagement, develop our people, and improve business results. Employee feedback from the surveys provides valuable insight to identify areas for improvement. To address one focus area identified by this tool – communication – we began hosting workshops on effective communication techniques, launched an executive “leadership chats” series, and formed a cross-functional team whose focus is on improving company-wide communications and engagement.

» **Candidate Experience.** To attract and retain top talent, we’ve taken steps to provide job candidates with a more realistic preview of the railroad work environment by leveraging social media and other outlets. These recruitment tools, along with a robust college internship program, give prospects a better idea of job expectations and whether a railroad job would be a good fit. Because we provide new hires with extensive training, which means time and money, the effort helps us identify the most suitable candidates with the skills and interests required for the jobs. Once hired, they are more likely to make a career with the company.

» **Transportation Leadership Program.** We launched this initiative after conducting a study that identified opportunities to improve employee retention in transportation, our largest operating department. The leadership development program, offered to field

supervisors in transportation, is designed to retain top talent, enhance operating efficiencies, and build stronger relationships with customers and communities. The program provides opportunities for new managers in transportation to train and move through various development levels while remaining in the region where hired. In addition to offering more stability, the initiative enables them to build longer-term relationships with employees who report to them and with customers in their operating territory.

» **Dress for your Day.** This program reimagines our approach to workplace attire, empowering employees to dress based on each day’s specific demands. This gives employees flexibility to wear the most appropriate professional look based on the day’s schedule, tasks, and environment to reflect one’s personality and business needs. Our CEO has led the way, often wearing blue jeans when his schedule allows.



Diversity & Inclusion

» **CEO in Action for Diversity & Inclusion.** In 2018, Norfolk Southern was proud to become the first Class I railroad to join the CEO Action for Diversity and Inclusion™ coalition, pledging to cultivate a workplace environment that is diverse and inclusive. The coalition is the largest CEO-driven business commitment to advance workplace diversity and inclusion. Our commitment is driven by a realization that addressing diversity and inclusion is not only a competitive issue, but also a societal issue.



» **Women in Operations.** Each year, we sponsor an off-site business retreat for female employees who hold supervisory positions in our operations departments. The multi-day event provides opportunities for leadership development, networking, and face-time with senior executives of the company. In early 2019, reflecting the steady increase of women in leadership positions in NS operations, the company held multiple sessions for the first time to accommodate the growth. That is a positive trend we celebrate.

» **Empowerment of Diversity and Inclusion Councils.** We strive to create an inclusive workplace where every voice and perspective is valued and respected. In support of these efforts, diversity and inclusion ambassadors, in both offices and the field, create and lead initiatives focused on building an employee experience that empowers us to explore different points of view, challenge the status quo, and authentically express ourselves.

» **Cultivating a safe environment.** In 2018, as part of our commitment to joining the CEO Action for Diversity and Inclusion, we introduced unconscious bias training to raise awareness of how we all have unconscious biases based on upbringing, background, and personal experiences. The theme, “if you have a brain, you are biased,” creates an open and safe environment for candid conversations about how biases are formed and how they can affect our decisions.

An NS ambassador for diversity and inclusion

Since hiring on at Norfolk Southern in 2013, Tony Fedrick has become an ambassador for diversity and inclusion in our Atlanta office building, where he works on the process engineering team.

In 2016, Fedrick joined our Atlanta Diversity and Inclusion Council and became council chair in 2019. He has been gratified by NS’ commitment to creating an inclusive work environment.

“Our company is undergoing tremendous changes, but we still have those family values ingrained in our culture,” Fedrick says. “From the events we promote to improve our employees’ professional lives to the new inclusive benefits we offer like parental leave, I feel NS truly values its employees. Not all companies do that today.”

Fedrick helped organize the Atlanta D&I council’s first “InclusioNS Fair,” an event that brought together representatives of employee resource groups, including groups that provide networking opportunities and leadership development for females, young professionals, and military veterans.



Tony Fedrick, an NS ambassador for diversity and inclusion

As NS grows in diversity, Fedrick said the council is focusing more on inclusiveness.

“Inclusion helps to make individuals feel like they are a part of their team, groups, department, and company,” he says. “It gives them ownership and will increase the amount of discretionary effort they put forth. Having employees who feel comfortable sharing their ideas and concerns in a constructive manner elevates a company’s performance and positions them to be a leader in the industry with forward-thinking ideas and technology.”

Fedrick said he has grown professionally and personally by taking the time to listen to and appreciate the different experiences, backgrounds, and perspectives of co-workers.

“Listening to fellow employees and understanding the different views they have helps me to be more considerate and thoughtful of my co-workers,” he said, “and it’s helped me to be a better husband, father, co-worker, and citizen.”

NS Recognized as Inclusive Employer

» IN 2018, THE HUMAN RIGHTS CAMPAIGN LISTED NS AS ONE OF THE WORLD'S BEST PLACES TO WORK FOR LGBTQ EQUALITY.

» IN 2018, THE DISABILITY EQUALITY INDEX NAMED NS A BEST PLACE TO WORK FOR DISABILITY INCLUSION.

» IN 2019, NS WAS NAMED A MILITARY FRIENDLY® EMPLOYER FOR THE 12TH CONSECUTIVE YEAR.



Giving back: Thoroughbred Volunteers have a positive impact on communities

As a good corporate neighbor, Norfolk Southern and its employees are committed to giving back to the communities where we work and live. In 2006, looking for ways to strengthen our community ties, we formed the Thoroughbred Volunteers. Through this formal company volunteer program, employees join with co-workers on impactful community-service volunteer projects.

While individual employees contribute untold volunteer hours on their own – serving on community boards, in civic clubs, and churches and neighborhood groups – the Thoroughbred Volunteers is a way for them to represent the company to work on projects for the greater good.

In 2018, the volunteer outreach was extensive in the greater Atlanta and Norfolk communities, home of the two largest Thoroughbred Volunteers chapters.

Organizations we supported included the following:

- » Trees Atlanta
- » Special Olympics
- » Big Brothers Big Sisters
- » Toys for Tots
- » A.G. Rhodes Rehab
- » Kate’s Club
- » American Red Cross
- » Virginia Aquarium
- » Foodbank of Southeastern Virginia
- » Atlanta Foodbank
- » Greater Atlanta Area Schools
- » Norfolk Area Schools

A sampling of 2018 programs run by Thoroughbred Volunteers:

- » **Everybody Wins/REACH (Reading Enriches All Children):** In these reading programs, employees donate books and read to children at area schools over their lunch breaks or after work throughout the school year.
- » **Back-to-School donation drives:** Employees collect backpacks and school supplies for children in need.
- » **Socktober:** Employees collect and donate socks to homeless shelters and rescue missions.



- » **Cards for Veterans:** Employees write cards and letters that are distributed to military service members.
- » **HUGS (Hats, Underwear, Gloves, Scarves):** Employees collect cold-weather clothing items for people in need.
- » **Blood Drives:** Employees give blood during company-sponsored events with the American Red Cross.
- » **Foodbank Sorting and Collections:** Employees help local foodbanks sort cans and goods.
- » **Other events include:** canned-food drives, environmental cleanup initiatives for parks, trails, and waterways, and family volunteer days.

Supporting a culture of volunteerism

As co-chair of the Atlanta Thoroughbred Volunteers, Carrie Oliver enjoys working alongside co-workers to support the community – and she is helping to instill the same sentiment in the next generation.

Oliver, manager ethics compliance, explains her involvement: “It gives you the opportunity to see how fortunate you are and to give back to the community.”

Oliver has experienced first-hand both the rewards of volunteering and the benefits that accrue to the community. Through the volunteer reading program Everybody Wins, Oliver read to the same student over three years, as the student progressed from second grade to fourth grade. Over those years, she said, it was gratifying to witness the visible improvements the girl achieved in her reading skills.

As a parent, Oliver wants to pass along the spirit of giving to her now 8-year-old daughter, McKinley. For the past two years, on her birthday, McKinley has asked that friends and family attending her birthday party not bring her gifts, but instead, bring school supplies for children in need. The supplies are donated to local schools through the Thoroughbred Volunteers’ Back 2 School drive and the Atlanta Community Food Bank – Kids In Need program.

“I want my daughter to understand how blessed she is not to have to worry about having school supplies and that not everyone is as fortunate,” Oliver said. “I hope by donating supplies it helps her understand what it means to give back and how rewarding that can be.”

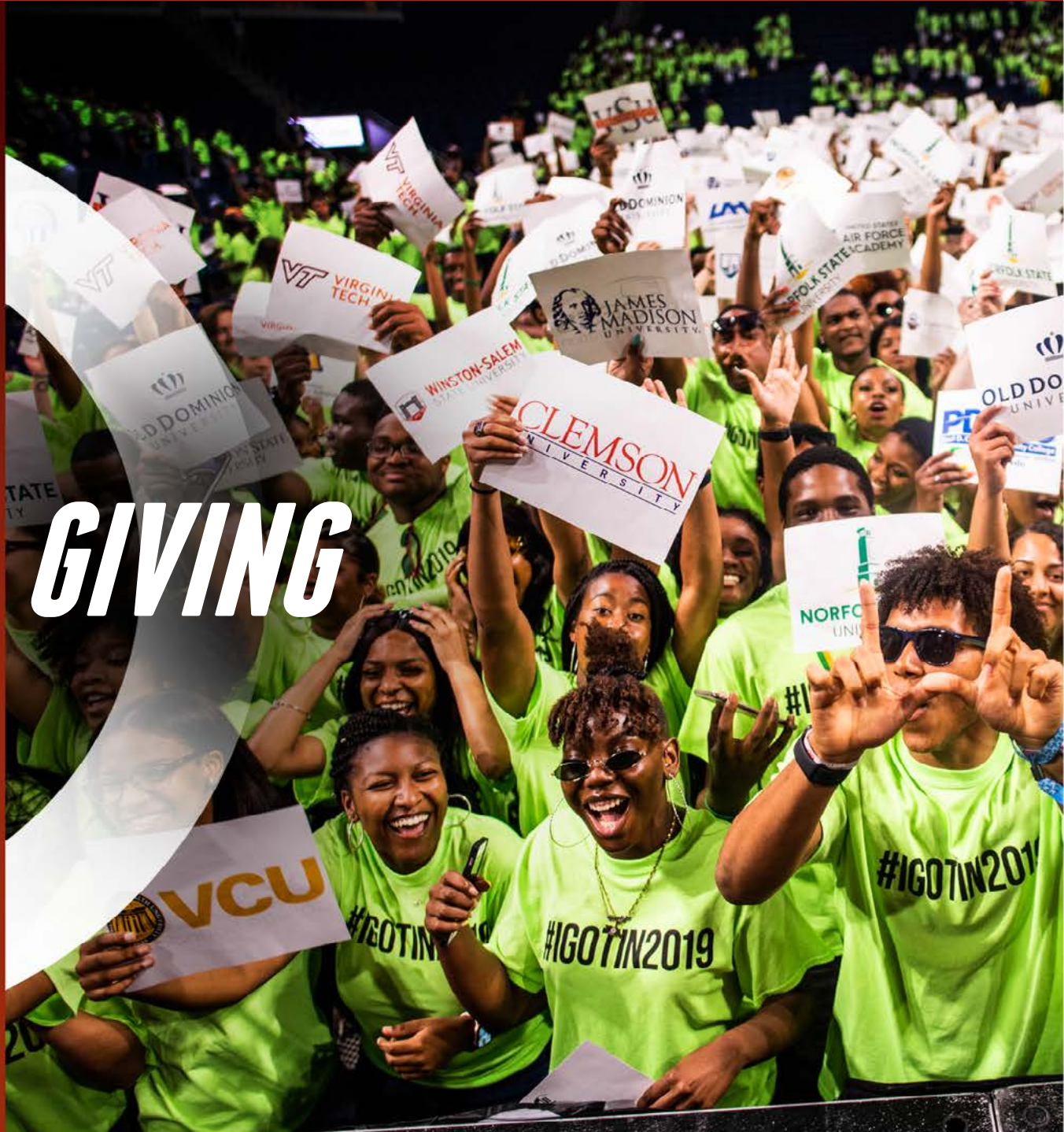


McKinley Oliver stands beside a grocery cart of backpacks and school supplies she collected from friends and family.

AT NORFOLK SOUTHERN, A COMMITMENT TO GIVING

As a good corporate citizen and neighbor, we give back to the communities where our employees work, live, and operate. The Norfolk Southern Foundation leads our charitable giving, identifying needs and strategically directing investments to enhance the quality of life in communities large and small.

- » The Year In Review 52
- » Foundation Assets 52
- » Contributions By Fund 53
- » Contributions By Category 53
- » Itemized Contributions By Category 54
- » Norfolk Southern Foundation reimagines its future 63
- » Helping communities thrive: Putting a face on NS 64
- » Local grants: Building partnerships 65
- » Providing relief to communities when it's needed the most 66
- » Helping students find a path to success 68



Charitable Statement

Formed in 1983, the Norfolk Southern Foundation is the heart of the railroad’s corporate social responsibility efforts.

As Norfolk Southern’s charitable giving arm, the Foundation is committed to improving the livability of towns and cities across our 22-state network, where our own employees live, work, and raise families.

Norfolk Southern gives back to our communities because it’s the right thing to do. The Foundation looks for opportunities to make impactful donations that benefit the common good in communities where we operate. We partner with nonprofits across our territory to leverage existing resources and achieve results that none of us could accomplish acting alone.

The Foundation and company employees give to United Way agencies to assist the neediest among us. We donate to health and human service agencies to help families get the housing and nourishment they need. We fund educational institutions, recognizing that access to knowledge is the door to opportunity. We contribute to arts and cultural groups to enrich our communities in ways that elevate mind and soul. To promote a healthy environment, we support groups dedicated to conserving our forests and waterways.

Norfolk Southern is committed to being a good corporate citizen and neighbor. Our Foundation makes good on our commitment.



The Year in Review

In 2018, Norfolk Southern Corporation and Foundation gave more than \$8.8 million in charitable contributions to the communities where we work, live, and operate. These contributions include cash from both the Norfolk Southern Corporation and the Norfolk Southern Foundation, and non-cash donations from a variety of charitable programs.

Total charitable contributions by financial fund through December 31 for the last five years:

		2018	2017	2016	2015	2014
Foundation	\$	6,340,683	6,731,009	7,280,423	7,353,170	6,985,866
Corporate*	\$	2,491,094	3,427,828	4,387,724	6,432,808	6,813,515
Total	\$	8,831,777	10,158,837	11,668,147	13,785,978	13,799,381

*Corporate includes Good Government Fund (GGF, Norfolk Southern's Political Action Committee) matching, corporate memberships, corporate sponsorships, non-cash donations, and other charitable contributions that do not align with the Foundation's mission and recipient requirements.

Foundation Assets

As of December 28, 2018, the Foundation held the following assets:

Cash	\$2,967,413.45
Total	\$2,967,413.45

In 2018, Norfolk Southern Corporation donated cash to the Foundation in the amount of \$583,333 per month, for a total of \$7 million.

Contributions by Fund



- 72% FOUNDATION
- ↑ CORPORATE
- 11% MEMBERSHIPS & DUES
- 9% GOOD GOVERNMENT FUND
- 4% NON-CASH
- 4% SPONSORSHIPS

Contributions by Category

(Excludes GGF-related matching contributions)



- 36% COMMUNITY RELATIONS
- 19% MATCHING GIFTS
- 13% BUSINESS & ECONOMIC DEVELOPMENT
- 10% EDUCATION
- 9% CULTURE & THE ARTS
- 5% CIVIC & COMMUNITY
- 4% NON-CASH
- 4% ENVIRONMENT

Itemized Contributions by Category

(MAJOR GRANTS ARE ITEMIZED) By Norfolk Southern Foundation and Norfolk Southern Corporation

COMMUNITY RELATIONS

UNITED WAY	2018	2017	% Difference
Hampton Roads	\$ 319,900	\$ 274,400	16.58 %
Atlanta	207,370	204,370	1.47 %
Roanoke	50,000	100,000	-50.00 %
Other	1,026,275	1,058,210	-3.02 %
TOTAL UNITED WAY	\$1,603,545	\$1,636,980	-2.04 %

HEALTH & HUMAN SERVICES

ForKids	\$ 200,000
Foodbank of Southeastern Virginia	140,000
Children's Hospital of the King's Daughters	90,000
Atlanta Community Food Bank	85,000
American Red Cross	75,000
Food Bank of Central & Eastern North Carolina	65,000
Feeding America Southwest Virginia	55,000

YWCA of South Hampton Roads	35,000		
Other	503,000		
TOTAL HEALTH & HUMAN SERVICES	\$ 1,248,000	\$ 1,533,000	-18.59 %
TOTAL COMMUNITY RELATIONS	\$ 2,851,545	\$ 3,169,980	-10.05 %

EDUCATION (EXCLUDING MATCHING GIFTS)

OPERATING GRANTS	2018	2017	% Difference
Georgia Tech Foundation	\$ 50,000		
Virginia Tech Foundation	45,000		
University of Pittsburgh	41,300		
Purdue University	35,000		
Michigan State University	32,500		
North Carolina State University	30,000		
Other	203,450		
TOTAL OPERATING GRANTS	\$ 437,250	\$ 467,650	-6.50 %

CAPITAL GRANTS	2018	2017	% Difference
College of William & Mary (Law School)	\$ 50,000		
TOTAL CAPITAL GRANTS	\$ 50,000	\$ 50,000	0.00 %

STATE & NATIONAL FUND RAISING

Virginia Foundation for Independent Colleges	\$ 50,000		
TOTAL STATE & NATIONAL FUND RAISING	\$ 50,000	\$ 50,000	0.00 %

SCHOLARSHIPS & FELLOWSHIPS

National Merit Scholarship Corporation	\$ 75,610		
ACCESS Scholarship Foundation	65,000		
Other	31,000		
TOTAL SCHOLARSHIPS & FELLOWSHIPS	\$ 171,610	\$ 165,770	3.52 %

OTHER

Virginia Early Childhood Foundation	\$ 25,000		
Horizons Hampton Roads	15,000		
Other	39,725		
TOTAL OTHER	\$ 79,725	\$ 82,000	-2.77 %

TOTAL EDUCATION	\$ 788,585	\$ 815,420	-3.29 %
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CULTURE & THE ARTS (EXCLUDING MATCHING GIFTS)

MUSIC	2018	2017	% Difference
Virginia Opera	\$ 75,000		
Virginia Symphony	75,000		
Other	12,000		
TOTAL MUSIC	\$ 162,000	\$ 179,365	-9.68 %
MUSEUMS			
Chrysler Museum of Art	\$ 90,000		
Virginia Museum of Fine Arts	25,000		
Other	31,000		
TOTAL MUSEUMS	\$ 146,000	\$ 195,000	-25.13 %
PUBLIC RADIO & TV			
WHRO	\$ 35,000		
Georgia PBS	10,000		
TOTAL PUBLIC RADIO & TV	\$ 45,000	\$ 52,800	-14.77 %

ARTS FUNDS OR COUNCILS	2018	2017	% Difference
Business Consortium for Arts Support	\$ 55,000		
Other	3,000		
TOTAL ARTS FUNDS OR COUNCILS	\$ 58,000	\$ 81,000	-28.40 %
THEATRES			
Virginia Stage Company	\$ 75,000		
Other	10,000		
TOTAL THEATRES	\$ 85,000	\$ 102,500	-17.07 %
CULTURAL CENTERS			
Kennedy Center for the Performing Arts	\$ 60,000		
Woodruff Arts Center	55,000		
TOTAL CULTURAL CENTERS	\$ 115,000	\$ 136,500	-15.75 %
OTHER			
Virginia Arts Festival	\$ 125,000		
Other	8,000		
TOTAL OTHER	\$ 133,000	\$ 186,989	-28.87 %
TOTAL CULTURE & THE ARTS	\$ 744,000	\$ 934,154	-20.36 %

BUSINESS & ECONOMIC DEVELOPMENT

	2018	2017	% Difference
American Coalition for Clean Coal Electricity	\$ 500,000		
U.S. Chamber of Commerce	110,000		
National Association of Manufacturers	71,590		
Metro Atlanta Chamber of Commerce	55,000		
Georgia Allies	50,000		
Georgia Transportation Alliance	25,000		
Business memberships and dues (not included elsewhere)	57,801		
Business sponsorships (not included elsewhere)	52,600		
Chambers and other state-level business groups (various)	120,688		
Other	15,000		
TOTAL BUSINESS & ECONOMIC DEVELOPMENT	\$ 1,057,679	\$ 1,117,631	-5.36 %

CIVIC & COMMUNITY

	2018	2017	% Difference
Local police, fire, and emergency services	\$ 295,500		
Urban League of Greater Atlanta	25,000		
Other	58,450		
TOTAL CIVIC & COMMUNITY	\$ 378,950	\$ 354,366	6.94 %

ENVIRONMENT (EXCLUDING MATCHING GIFTS)

	2018	2017	% Difference
John G. Shedd Aquarium	\$ 40,000		
Lowcountry Open Land Trust	30,000		
Elizabeth River Project	25,000		
Friends of the Elizabeth River Trail Foundation	25,000		
Nature Conservancy – Virginia Chapter	25,000		
Piedmont Park Conservancy	25,000		
The American Chestnut Foundation	25,000		
Virginia Aquarium	25,000		
Other	53,000		
TOTAL ENVIRONMENT	\$ 273,000	\$ 222,450	22.72 %

MATCHING GIFTS

	2018	2017	% Difference
Roanoke College	\$ 54,350		
The University of Tennessee Foundation	50,549		
Virginia Symphony Orchestra	48,500		
Virginia Tech Foundation	46,276		
Norfolk Academy	39,526		
University of North Carolina at Chapel Hill	38,953		
Foodbank of Southeastern Virginia	38,350		
The Chrysler Museum	31,107		
The College of William & Mary Foundation	27,658		
Pennsylvania State University	25,865		
Other	1,144,394		
TOTAL MATCHING GIFTS	\$ 1,545,528	\$ 1,641,705	-4.82 %

GOOD GOVERNMENT FUND MATCHING GIFTS

	2018	2017	% Difference
Good Government Fund Matching Gifts	\$ 830,482		
TOTAL GOOD GOVERNMENT FUND MATCHING GIFTS	\$ 830,482	\$ 867,940	-4.32 %

NON-CASH DONATIONS

ROLLING STOCK & EQUIPMENT	2018	2017	% Difference
Various freight cars to transportation museums and community organizations	\$ 36,628		
Equipment and materials	319,980		
TOTAL ROLLING STOCK & EQUIPMENT	\$ 356,608	\$ 162,112	120 %

REAL PROPERTY

Foundation made no donations of real property in 2018	\$ 0		
TOTAL REAL PROPERTY	\$ 0	\$ 833,500	-100 %

DONATED TRANSPORTATION

Various transportation moves for nonprofits	\$ 5,400		
TOTAL DONATED TRANSPORTATION	\$ 5,400	\$ 39,579	-86.36 %

TOTAL NON-CASH DONATIONS	\$ 362,008	\$ 1,035,191	-65.03 %
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Norfolk Southern Foundation reimagines its future

From Virginia to Georgia, the commitment stands



As Norfolk Southern prepares to relocate its corporate headquarters from Norfolk to Atlanta in the third quarter of 2021, the company is planning a transition in charitable giving.

To demonstrate our commitment to long-time nonprofit partners in Norfolk and the surrounding region, the Norfolk Southern Foundation is laying out a three-year plan for funding to help provide continuity for these organizations in their budget forecasting. Even as we grow, our Foundation will shift focus to opportunities and needs in Atlanta and other areas of the Peach State.

Reimagining Possible: Planting New Seeds

“Now is the time for us to begin rethinking our strategy,” says Tom Werner, vice president corporate communications. Atlanta, he notes, is a “wonderfully charitable city,” and Norfolk Southern hopes to make an impact in its new headquarters city while leveraging existing programs.

“As we construct our new building in Atlanta and establish our roots, we’re going to have a great opportunity to figure out where the needs are and where we might make the greatest impact,” he said.

Norfolk Southern already has a sizable presence in Atlanta, with more than 2,000 employees working in a Midtown operations center office building. Werner and senior executives are in the process of drafting a charitable giving plan that includes programs funded by the Foundation, such as the United Way of Greater Atlanta and Trees Atlanta, whose mission is

to “protect Atlanta’s urban forest through planting, conservation, and education.”

“As Norfolk Southern ‘Reimagines Possible’ in a new headquarters and a new city, it’s a perfect time to develop a charitable strategy that matches our optimistic vision of the future,” Werner says.

Why It Matters

Volunteerism is something that resonates loudly with Werner, who serves on the Board of The Foodbank of Southeastern Virginia.

“One thing that’s going to be really nice from a volunteer standpoint is having all of our employees in the corporate office in one location,” Werner says. “Bringing everybody together gives us more power as a group.”

Werner emphasizes the importance in recognizing employees and instilling pride for the time they spend in the community for the greater good.

“I always tell employees: If you are out volunteering, you are the face of Norfolk Southern. Your devotion of time and effort represents yourself, and the company, as a positive presence in the community,” Werner says. “We certainly hope that our employees benefit from that experience, and equally wish that the recipient sees Norfolk Southern as a partner.”

Whether through volunteering or charitable giving, Werner says giving back to the community is at the heart of the company’s efforts.

“While recognition is nice, we give because we want to help make our communities better places to live and work,” he said. “We strive to be a good corporate citizen.”

Helping communities thrive: putting a face on NS

As a major employer in communities across the eastern U.S., Norfolk Southern is committed to helping these towns and cities prosper.

Across our nine operating divisions, the Foundation's Local Discretion Grant Program is one important way that we assist communities. Under this program, each division can award grants of \$1,000 to \$5,000 to nonprofits, promoting goodwill, diversity, and safety.

The power of the program: NS employees who live and work in the divisions select the nonprofits that receive the grants, helping the company forge stronger community connections. In 2018, each division received \$45,000 in local discretion funds to distribute. Due to the program's success, for 2019, the Foundation increased the amount to \$50,000.

Safety is a priority



Pittsburgh Division carman Todd Dixon presents a \$4,500 check to the Cresson Volunteer Fire Company in Pennsylvania.

Because safe rail operations are an NS priority, safety is at the core of our community giving.

Across NS' network in 2018, public safety and emergency response organizations such as police departments, rescue squads, and firefighters in 111 municipalities received local discretion grants totaling \$295,500.

"Our local safety and service committees really drive our discretionary grant program," says Jason Eddy, the Lake Division superintendent, based in Fort Wayne, Indiana. "The committee members are employees who live in some of these towns and communities, and they see the benefits of working with local fire, sheriff, and police departments to help promote safety and safe rail operations."

Making connections



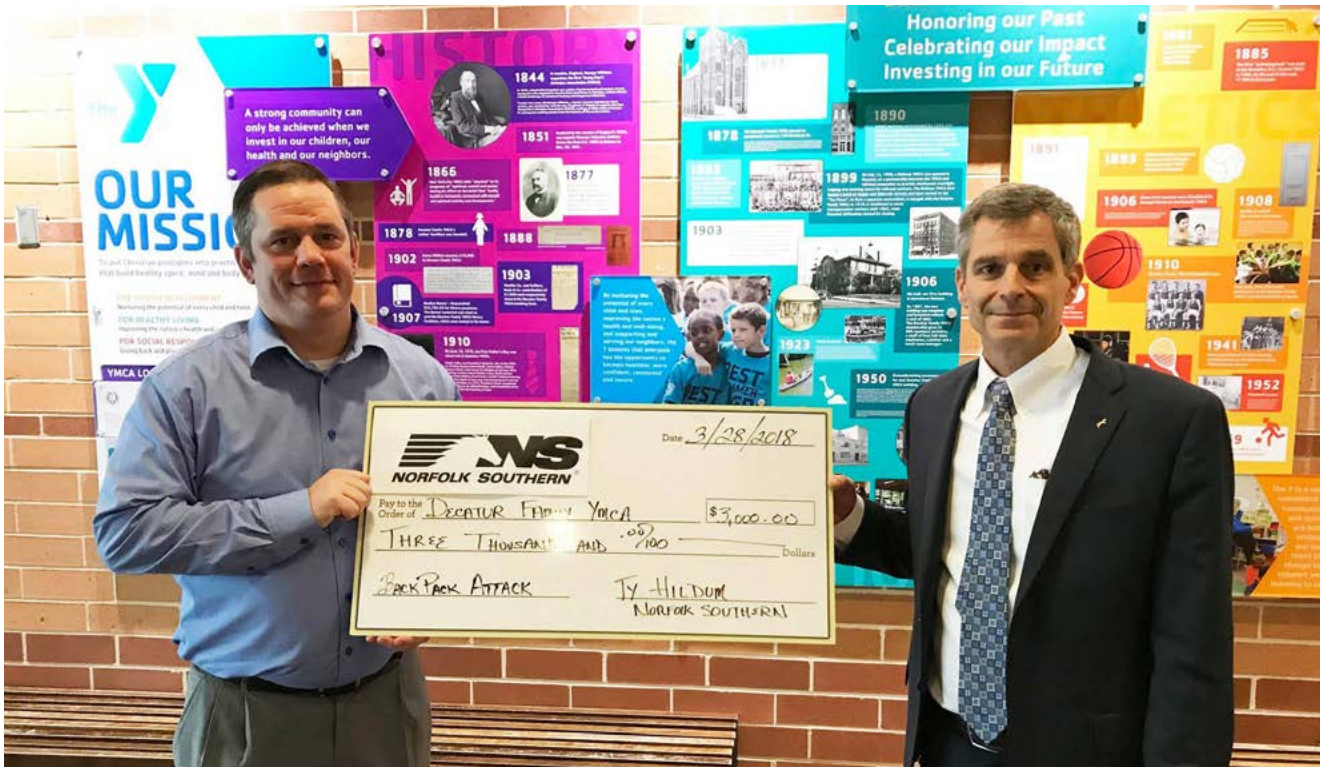
Gastonia Fire Department in North Carolina receives a \$3,000 check from NS' Piedmont Division to purchase needed equipment.

In 2018, the Lake Division distributed \$24,500 to 11 emergency medical services organizations in Indiana, helping these groups attain new tools and resources, Eddy said.

Building relationships with first responders, he says, not only helps NS improve community safety – it also helps put a face on the company.

"The discretionary grants afford our safety and service committee members the opportunity to meet first responders," Eddy says. "A partnership is developed. A \$1,500 donation might provide a local fire department the funds to obtain a Jaws of Life or a tool they previously did not have that helps save a life. The benefits are so far-reaching."

The grant program puts NS employees on a first-name basis with local emergency responders and offers an opportunity to humanize what could be perceived as a large, impersonal corporation, says Derek Sublette, NS government relations executive director, who is based in Indianapolis.



Ty Hildum, NS national account manager in Decatur, Illinois, presents a \$3,000 check to the Decatur Family YMCA to provide backpacks to school children in need.

Addressing community needs

"Norfolk Southern can present the check to the municipality and then use the opportunity to educate them about the railroad and what we do," explains Sublette, who works closely with local and state government officials. "In turn, we can learn about their needs and what's going on in the community from their perspective."

On the Lake Division, which includes Indiana, Ohio, and parts of Michigan and Kentucky, over 36

organizations – such as Boys and Girls clubs, Stop Child Abuse Now, and the YWCA – benefited from local discretion grants in 2018.

"We are part of many different communities in our operating network," says Stephen Whitaker, division office manager. "Many of the organizations we donate to have a hard time getting funding for sorely needed programs to help address social issues. Norfolk Southern's local discretionary fund is a great way for us to support our neighbors – and it allows us to be strong members of the community."

» LOCAL GRANTS: BUILDING PARTNERSHIPS

In 2018, the Norfolk Southern Foundation allocated \$45,000 to each of the railroad's nine operating divisions to distribute as local discretion grants.

Here's how the divisions distributed the money:

\$295,500	community volunteer fire departments, emergency medical service/rescue squads, and police departments
\$85,500	civic, community relations, and human services organizations
\$12,000	arts, cultural, and historic organizations
\$11,000	educational institutions
\$1,000	environmental organizations

Providing relief to communities when it's needed the most

Days before the hurricane hit, Norfolk Southern operations personnel had plans in place to restore train service on impacted rail lines as soon as possible after the storm passed. Katie Fletcher, NS director corporate social responsibility, was preparing, too.

As Hurricane Florence slammed into North Carolina last September, Fletcher was on the phone with American Red Cross partners, talking about disaster relief to communities in the storm's path. Fletcher knew that NS employees in the Tar Heel state could be among those affected.

"When something like this hits our operating territory we feel a responsibility to the communities impacted," says Fletcher, who oversees the Norfolk Southern Foundation. "We feel drawn to help them get back to normal, as much as we can."

Giving back to communities where employees live and work is part of our culture and mission to be a socially responsible corporate neighbor. For relief efforts in the wake of Florence, the Foundation donated \$50,000 to the American Red Cross and \$50,000 to the Food Bank of Central & Eastern North Carolina. Twenty-two counties in the food bank's

service area were declared disaster areas due to catastrophic flooding and damage from wind and falling trees.

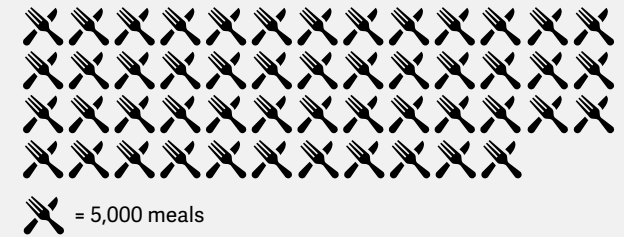
As part of an NS gift-matching program that includes the Red Cross and Feeding America food banks, the railroad gave an additional \$6,640 to the Red Cross and \$850 to the food bank to match employee donations.



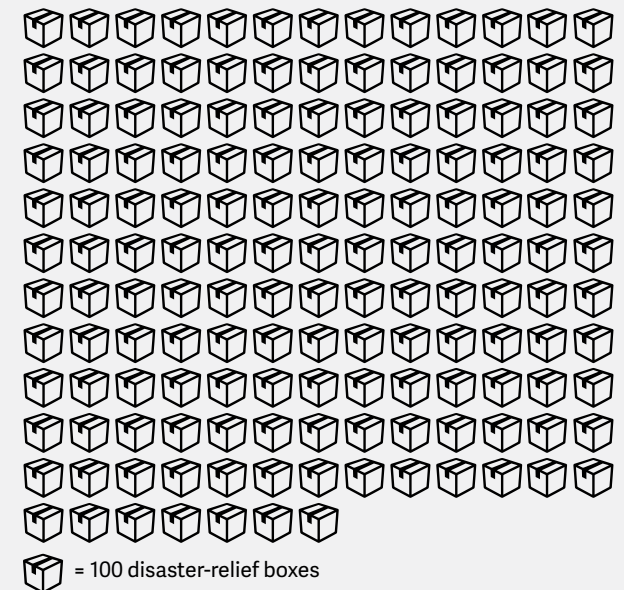
A volunteer with the Food Bank of Central & Eastern North Carolina hands out bags of water and nonperishable food to people affected by Hurricane Florence.

» NS' GIFT TO NORTH CAROLINA FOOD BANK TRANSLATES TO:

250,000 meals



15,000 disaster-relief boxes





American Red Cross volunteers serve hot food in a shelter in North Carolina after Hurricane Florence.

Relief groups use funds to meet most urgent needs

Monetary gifts let relief groups on the front lines handle the most urgent needs. The Foundation's donation to the Raleigh-based food bank equated to 250,000 meals, or about 15,000 disaster-relief boxes for families in need. That's enough relief assistance to fill about 7.5 truck loads with food and supplies, said Jessica Whichard, the food bank's communications director and disaster lead.

"Organizations like Norfolk Southern understand how long the community needs to recover and rebuild and restock the things that were lost," Whichard says.

"With the grants they provide, we can stretch what we're able to do for recovery, on top of our regular operations of serving folks. We feel fortunate to have a relationship like that with Norfolk Southern."

Jenny Lester, regional philanthropy officer with the American Red Cross of Coastal Virginia, says NS has a history of providing disaster relief after floods, hurricanes, and tornadoes. "In times of disaster, we are grateful to be able to turn to Norfolk Southern for financial assistance," she says.

Since at least 1985, she says, Norfolk Southern has contributed over \$800,000 to the Red Cross and also regularly hosts employee blood drives.

"As a loyal annual fund donor, NS helps the Red Cross in our daily mission to alleviate human suffering in the face of emergencies," Lester says. "We are truly thankful for the valuable partnership."

Fast response and wide reach

Tom Werner, NS vice president corporate communications and chief sustainability officer, says NS likes to partner with the Red Cross because the agency typically is first on the ground with immediate relief of food, blankets, water, and shelter after a disaster.



To show appreciation, residents assisted by the American Red Cross after Hurricane Florence pose with a Red Cross volunteer who handed out needed supplies.

The railroad partners with Feeding America food banks for the breadth of their network and the value they add to donations through their U.S. Department of Agriculture credits and partnerships with food manufacturers. In 2018, the Foundation donated more than \$510,000 in non-disaster funding to Feeding America food banks.

"For every dollar we give, they typically turn it into \$6 worth of food, so it's a smart and strategic way for us to give back and broaden the positive impacts we can have on our communities," Werner says. "They can take our money and make it go a lot further in purchasing food or water or whatever they need."

Helping students find a path to success

Over the past three decades, the ACCESS College Foundation has helped more than 60,000 students in southeastern Virginia on their path to college.

Norfolk Southern, as one of the first donors, has supported the ACCESS program every year since its founding in 1988. The program has expanded from serving only high school students in Norfolk, Virginia, to serving middle and high school students across the region, including in Portsmouth, Virginia Beach, Chesapeake, Suffolk, and Northampton County.

“It is unusual for a funder to be such a supporter for a nonprofit’s entire history, but that is the case with the ACCESS College Foundation and Norfolk Southern,” said Bonnie Sutton, ACCESS College’s president and CEO.

The power of leveraging

Added up, Norfolk Southern has given more than \$2 million to the program, whose mission is to help make college more affordable for under-represented and low-income students.

“With our 20-to-1 leverage for every dollar spent on program services,” Sutton explains, “Norfolk Southern’s financial support has made a \$40-million impact on the education of thousands of students.”

The ACCESS program reaches out to students in middle school, high school, college, and beyond. For middle-school students, ACCESS offers such things as college awareness programs. High schoolers can receive assistance with college admissions, financial aid, and finding scholarships. On 13 college campuses, ACCESS offers advisory services.

Long-term benefits

The program’s “last-dollar” scholarships bridge the gap between the total amount of aid for which a family qualifies and the final cost of attending college. ACCESS helps open the door to career opportunities for college juniors and seniors, connecting them with internships and job possibilities.

Many students assisted by ACCESS return to live and work in communities across southeastern Virginia and contribute to the region’s economic sustainability.

Through its work, ACCESS is helping today’s students become tomorrow’s leaders. As a committed partner, Norfolk Southern, with its ongoing financial and leadership support, aims to make a difference in the lives of local students and in the communities that Norfolk Southern employees call home.

