

2018  **NORFOLK SOUTHERN**

CORPORATE //

SOCIAL RESPONSIBILITY REPORT



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

PROGRESS

NORFOLK SOUTHERN CONTINUES TO BUILD LONG-TERM VALUE THROUGH A BALANCED STRATEGY THAT FOCUSES ON SAFETY, SERVICE, STEWARDSHIP OF RESOURCES, AND GROWTH.

PROSPERITY

NORFOLK SOUTHERN IS COMMITTED TO DELIVERING WIDESPREAD ECONOMIC BENEFITS BY PROVIDING CONSISTENT, RELIABLE CUSTOMER SERVICE AND HELPING COMMUNITIES PROSPER.

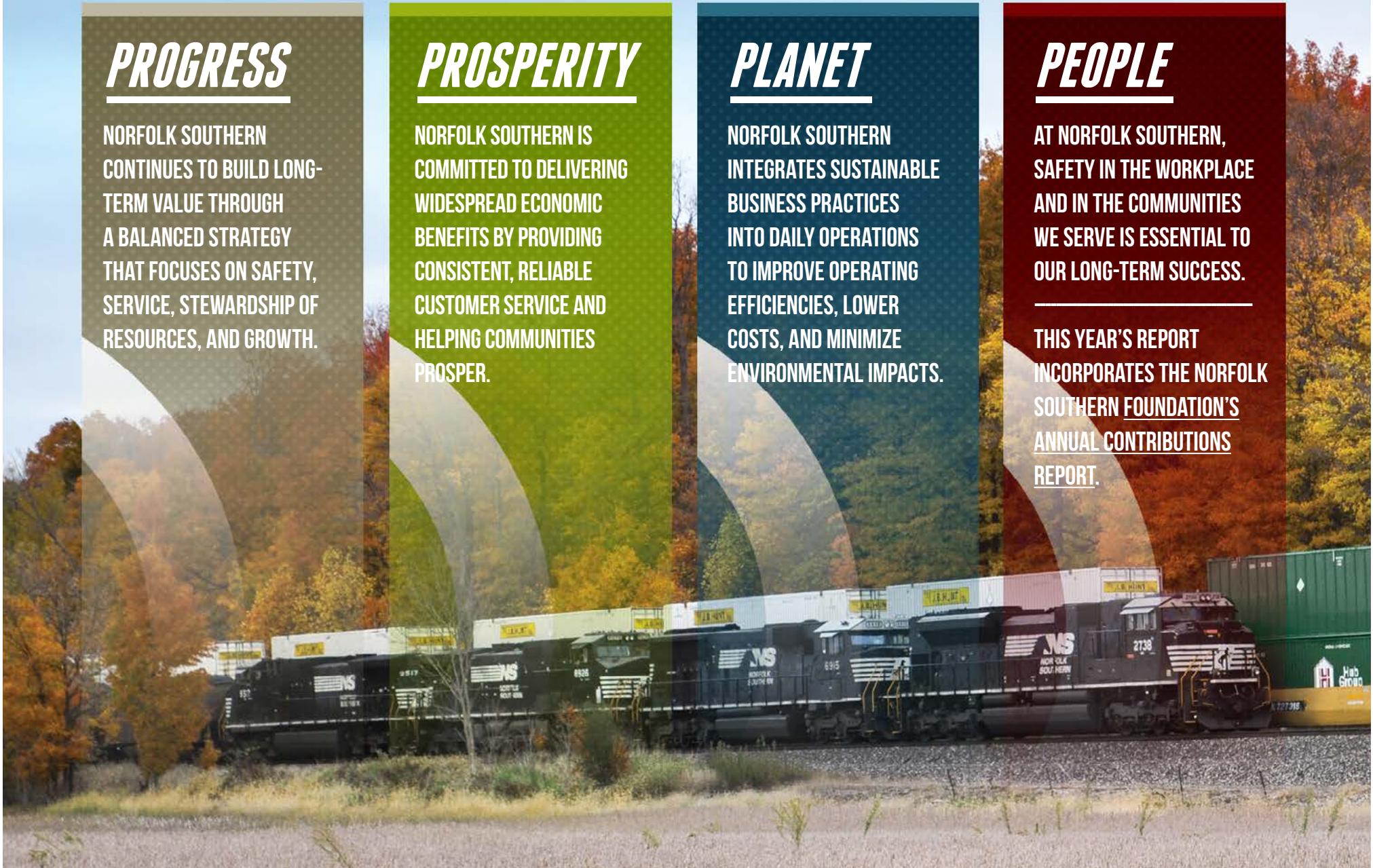
PLANET

NORFOLK SOUTHERN INTEGRATES SUSTAINABLE BUSINESS PRACTICES INTO DAILY OPERATIONS TO IMPROVE OPERATING EFFICIENCIES, LOWER COSTS, AND MINIMIZE ENVIRONMENTAL IMPACTS.

PEOPLE

AT NORFOLK SOUTHERN, SAFETY IN THE WORKPLACE AND IN THE COMMUNITIES WE SERVE IS ESSENTIAL TO OUR LONG-TERM SUCCESS.

THIS YEAR'S REPORT INCORPORATES THE NORFOLK SOUTHERN FOUNDATION'S ANNUAL CONTRIBUTIONS REPORT.



MOVING AHEAD AT NORFOLK SOUTHERN

With a focus on safety, service, stewardship of resources, and growth, Norfolk Southern continued to make gains in sustainable freight rail transportation in 2017.

- » Message from the CEO | 2
- » 2017 Performance Highlights | 3
- » Core Sustainability Issues | 4
- » Governance | 5
- » About This Report | 5



PROGRESS

A message from the CEO

Welcome to Norfolk Southern's 2018 report detailing our efforts to be a more sustainable company.

This is the 11th year we have reported on our sustainability achievements and challenges. To reinforce our commitment as a responsible corporate



citizen, we are now calling this our Corporate Social Responsibility Report to reflect the full range of our sustainability practices – whether they encompass environmental, economic, or social impacts.

For the first time, this report incorporates the annual contributions report of the Norfolk Southern Foundation, the company's charitable giving arm. Our aim is to provide stakeholders a more complete picture of our activities to support the communities we serve and the role that philanthropy plays in our sustainability efforts.

In 2017, the Foundation and corporation contributed more than \$10 million to nonprofits across our system, from health and human service organizations to cultural, educational, business, and environmental groups. This included local discretionary grants distributed by each of our operating divisions, giving front-line operations employees a direct say in how we support our communities.

At Norfolk Southern, we think about corporate social responsibility as being good stewards of resources – ours, our customers', and our communities'. We recognize that operating in sustainable ways is good business for employees, customers, shareholders, and communities.

As a freight rail transportation company, Norfolk Southern has a unique opportunity to help businesses both grow and achieve their sustainability goals, such as reducing their supply-chain carbon footprint. In 2017, Norfolk Southern achieved a company best in locomotive fuel economy, conserving 23 million gallons of diesel fuel and avoiding more than 233,750 metric tons of greenhouse gas emissions based on efficiencies gained through the application of technology and better locomotive management.

Ensuring the safety of our people and operating safely in our communities are essential components

of Norfolk Southern's corporate social responsibility efforts. In 2017, we introduced a new "Tell Me" peer-to-peer safety program as part of our goal to achieve zero injuries and incidents. In community outreach, employees in our Safety and Environmental Department provided training to more than 8,100 emergency responders on how to prepare for and safely respond to rail-related incidents.

For us, another key piece of corporate responsibility is a focus on creating shareholder value and supporting the growth and prosperity of customers. In 2017, we achieved an all-time best operating ratio, a measure of profitability and efficiency, and record earnings per share. In addition, the railroad added more than 147,000 carloads of new business for the year as a result of helping 75 customers locate or expand operations on our rail lines, which created more than 1,900 customer jobs.

Norfolk Southern is proud of the progress we have made on our journey to be the industry leader in corporate social responsibility. As we face today's challenges and look ahead to the railroad of tomorrow, we are leveraging new technologies and approaches to "reimagine possible" in how we conduct business. Our commitment, however, remains the same: to continually look for opportunities to integrate sustainable business practices into daily operations. Every day, we aspire to industry-best performance – in safety, in service, and in stewardship.



James A. Squires
Chairman, President and CEO

2017 performance highlights

Advancing sustainable transportation:

Norfolk Southern’s commitment to be a responsible corporate citizen drives operating performance that benefits the planet, commerce, and people.

PROSPERITY: ECONOMIC PERFORMANCE

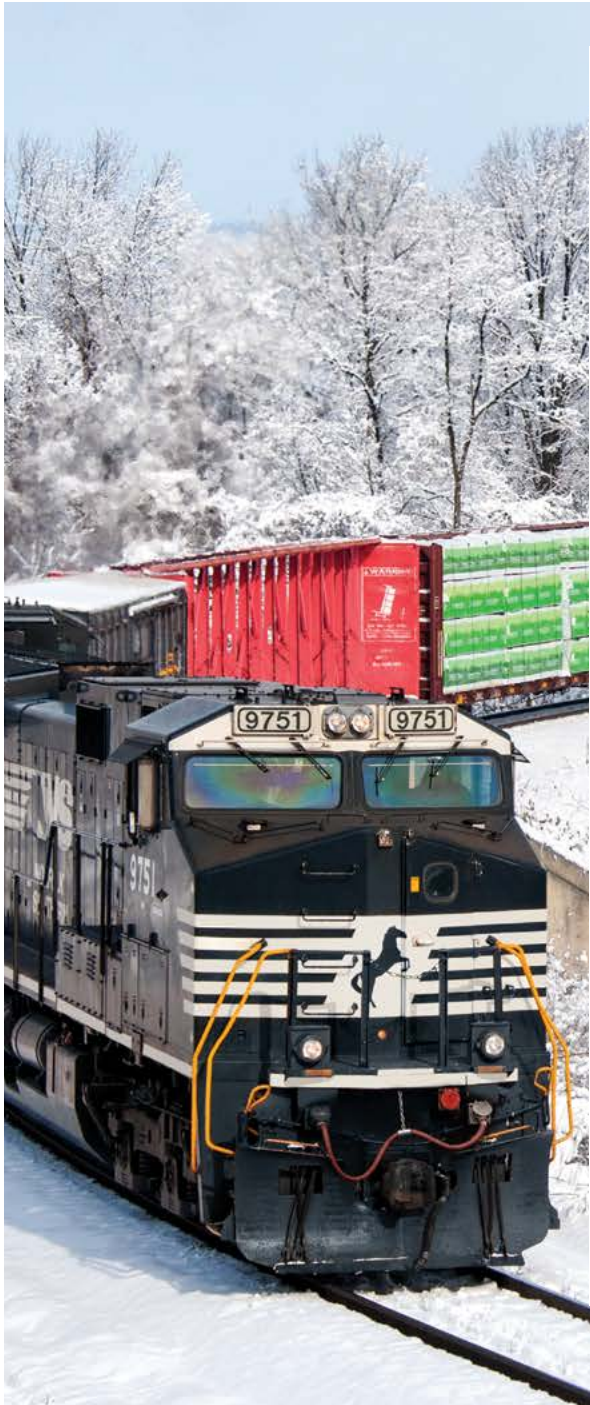
- » Achieved a best-ever operating ratio of 67.4 percent.
- » Generated more than 147,000 carloads of new business for the year that resulted from NS’ work assisting 75 businesses either locate or expand operations along NS rail lines. The volume growth represented customer investment of \$1.1 billion and creation of more than 1,900 customer jobs.
- » Awarded more than \$10.1 million in Norfolk Southern Foundation and corporate grants to communities in support of health and human services, education, arts and culture, business and economic development, and the environment.

PEOPLE: SOCIAL PERFORMANCE

- » Rolled out a “Tell Me” safety campaign, focused on peer-to-peer safety communications and the company’s goal to achieve zero accidents and injuries.
- » Experienced zero employee work-related fatalities.
- » Trained more than 8,100 emergency responders on how to prepare for and safely respond to potential transportation incidents involving hazardous materials.
- » Received the American Chemical Council’s Responsible Care® Partner of the Year Award for exemplary performance and safety record in the transport of chemical products during 2017.
- » Held NS’ first “inspire! Summit,” a two-day employee workshop to promote diversity and inclusion at the company.

PLANET: ENVIRONMENTAL PERFORMANCE

- » Achieved record locomotive fuel efficiency, conserving 23 million gallons of diesel fuel and avoiding more than 233,750 metric tons of greenhouse gas emissions.
- » Reduced absolute emissions of greenhouse gases for the third consecutive year and reduced emissions intensity for the second consecutive year. Since 2010, NS has reduced GHG emissions intensity by more than 15 percent.
- » Reduced electricity use as measured in kilowatt hours by 4 percent and reduced overall energy costs by nearly 3 percent, reflecting energy-efficiency initiatives undertaken in recent years.



NS' core sustainability issues

This report covers topics that Norfolk Southern considers key to the company's long-term success and are relevant to employees, customers, investors, and communities the railroad serves. NS aims to provide stakeholders with information about its most significant environmental, economic, and social impacts and the company's management approach to ensure balance between its business imperatives and its environmental and social commitments.

Norfolk Southern has identified these core sustainability issues through interviews with senior management; a formal Enterprise Risk Management process; goals outlined in the company's strategic plan developed by CEO Jim Squires and senior managers, with input from the board of directors; discussions with investors and customers; and feedback from a range of community stakeholders, including local, state, and federal elected officials.

Following are issues that Norfolk Southern considers central to its sustainability efforts:

PLANET

- » Locomotive fuel efficiency
- » Diesel emissions reduction
- » Environmental partnerships
- » Energy-efficient operations

PROSPERITY

- » Customer-focused service
- » Network operating efficiencies
- » Long-term value creation
- » Corporate integrity

PEOPLE

- » Workplace safety
- » Safe operations in communities
- » Diverse and inclusive workforce
- » Support of communities NS serves

Committed to good governance

As a freight transportation industry leader, Norfolk Southern is committed to good corporate governance in the workplace, the marketplace, and the communities where the company operates.

The company holds its board of directors, senior managers, and employees to high standards of ethical behavior. The company's Thoroughbred Code of Ethics and SPIRIT values – safety, performance, integrity, respect, innovation, and teamwork – provide the foundation for business conduct and relationships with shareholders, customers, co-workers, suppliers, competitors and other stakeholders.

Guided by these bedrock principles, NS creates long-term economic, environmental, and social value that benefits the company and its stakeholders.



More information on 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 Fund political contributions

NS corporate contributions to trade organizations in 2017

» ABOUT THIS REPORT

This is Norfolk Southern Corporation's 11th annual sustainability report. The report provides information on the company's primary environmental, economic, and social impacts during 2017 and early 2018. The 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 greenhouse gas emissions reflects the company's commitment to assess and reduce the environmental impacts of business operations. NS engaged auditing firm KPMG LLP to review the railroad's GHG emissions data.

Read KPMG's review letter and NS' 2017 GHG emissions report. More information about Norfolk Southern's carbon footprint and efforts to reduce emissions is in this report's **Planet** section.

» LET US KNOW WHAT YOU THINK

Norfolk Southern Corporation, a publicly traded business (NYSE: NSC) headquartered in Norfolk, Virginia, welcomes stakeholder feedback on this report. Comments and questions may be emailed to **footprints@nscorp.com**.

NORFOLK SOUTHERN IS COMMITTED TO MEETING THE UNIQUE BUSINESS NEEDS OF EACH CUSTOMER.

The railroad delivers widespread economic benefits by offering safe and reliable service, meeting the transportation needs of businesses and industries, and helping communities across its 22-state operating territory grow and prosper.

- » Strategic Plan Creates Value | 7
- » Meeting Customer Needs | 8
- » Tracking Service | 10
- » Diverse Business Markets | 11
- » Delivering Economic Benefits | 12
- » CapEx Advances Goals | 16
- » Sustainable Supply Chain | 17



PROSPERITY



NS' strategic plan is creating value

In 2017 and continuing into 2018, Norfolk Southern has made progress on the financial and operational goals in the railroad's strategic plan. The current plan, rolled out in late 2015, is harnessing the talent and energy of the railroad's employees to enhance safety and service, make operations more efficient, and support business growth.

The key takeaway:

NS' strategic plan is driving business gains and creating long-term shareholder value.

DELIVERING ON NS' STRATEGIC PLAN

Three key metrics	2017 performance	2020 goal
Operating ratio	67.4% (record low)	< 65%
Productivity savings	\$150 million (\$400 million over two years)	> \$650 million
Earnings Per Share	18%▲ year-over-year	Double-digit annual compounded growth rate

Meeting customer needs



At Norfolk Southern, business begins and ends with customer service. As a freight transportation company, NS is committed to meeting the market demands of customers.

In 2017, higher-than-expected volume growth and a series of weather-related events in the third and fourth quarters contributed to network congestion that slowed service, especially across the railroad's Southern Region. As a result, NS' service performance, as measured by composite service, train speed, and terminal dwell time, declined in 2017 vs. 2016.

NS recognizes that the railroad was not where we needed to be - or where our customers needed us to be - regarding service. The company understands where the challenges lie and has been working hard to address them.

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

With a focus on safety, service, stewardship of resources, and growth, Norfolk Southern is committed to creating long-term value for shareholders.

	2015	2016	2017
Railway operating revenues	\$10,511	\$9,888	\$10,551
Income from railway operations¹	\$2,884	\$3,074	\$3,435
Net income¹	\$1,556	\$1,668	\$1,922
Dividends per share	\$2.36	\$2.36	\$2.44
Dividend payout ratio¹ (as % of net income)	46%	42%	37%
Stockholders' equity	\$12,188	\$12,409	\$16,359
Operating ratio¹	72.6%	68.9%	67.4%
Debt-to-total-capitalization ratio	45.3%	45.1%	37.5%

¹ For 2017, 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. For more information, see page K18 of NS' 2017 Annual Report on Form 10-K.

Following are key areas of focus as NS works to enhance both service and the customer experience.

» HUMAN RESOURCES:



NS has stepped up hiring of train crew employees. While NS hired around 1,100 conductors in 2017, the numbers did not keep pace with near-record volume growth. In 2018, NS set a target to hire 1,800 train and engine crew employees, with a plan to have around 200 more qualified crews at the end of the year than at the same time in 2017.

In first-quarter 2018, NS launched innovative “Go Teams,” enabling the railroad to quickly move employees into short-term voluntary assignments in territories experiencing congestion or train crew shortages. To date, the company has created a Transportation Go Team for train crew employees and a Mechanical Go Team for employees who repair rail cars. The Go Team concept advances the company’s strategic plan goals by enhancing service, promoting stewardship of resources, and supporting growth.

» LOCOMOTIVE FLEET:

NS during 2018 began temporarily leasing locomotives to address network congestion and speed up network velocity. For the long term, NS is investing in its locomotive fleet through a DC-to-AC traction motor conversion program. By mid-year 2018, NS had received 75 converted locomotives and expects another 50 by year end, equipping NS with more powerful and reliable units at about half the cost of buying new.

» RAILROAD INFRASTRUCTURE:

NS is making targeted investments in track projects to increase capacity in strategic areas across the network, easing congestion while supporting growth. Projects underway or in the planning include construction of new siding tracks in Louisville, Ky., Macon, Ga., and between Sheffield, Ala., and Chattanooga, Tenn.

In addition, NS remains flexible to idle or resume service on lines and yards depending on network needs. In May 2018, for example, NS restored humping operations at its Chattanooga, Tenn., rail yard for local service. These changes aim to give NS the best balance between efficiency and service and reflect the dynamic nature of the company’s strategic plan.

» INFORMATION TECHNOLOGY:

NS is working on multiple IT initiatives focused on operational efficiencies tied directly to service. For example, NS’ new rail car distribution program – known as TEAMS, for Thoroughbred Equipment Asset Management System – is paying dividends by lowering rail car “empty” miles. The car-tracking system helps NS better manage the movement of cars to get them to customers more quickly and to reduce the miles they travel without freight.

In early 2018, NS’ Operations and Service Support group began using a new system, Transit Exception Queue, that helps them track and research delayed shipments in real time. The next phase of rollout involves proactively pushing out information that alerts customers about delays, helping customers better plan their supply-chain logistics.

In March 2018, NS announced release of its next-generation AccessNS, an e-commerce tool that gives customers an efficient and convenient one-stop digital platform to conduct business with NS.

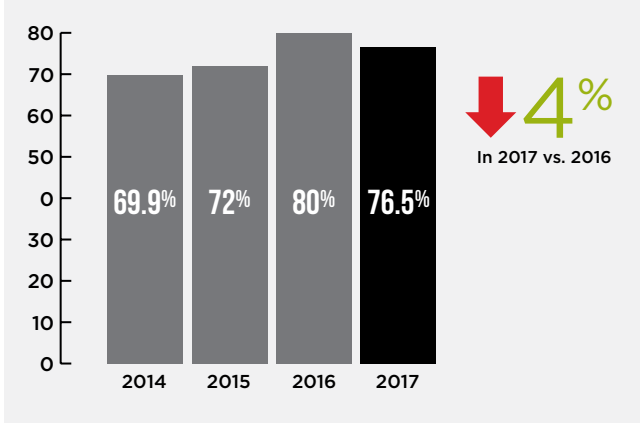
In September 2018, NS began rolling out ConnectNS, a Customer Relationship Management system that will provide an enterprise-wide view of customers’ shipping needs. All customer-facing departments eventually will be using the system, providing employees across all shifts a real-time view of customer calls and issues affecting a shipment.

Tracking service

Norfolk Southern monitors service performance using several metrics that track things such as train speed, shipment consistency, and rail car connections. The three primary metrics – composite service, train speed, and terminal dwell – are shared with employees on a weekly basis. All operations employees contribute to the safe and efficient delivery of customers' freight.

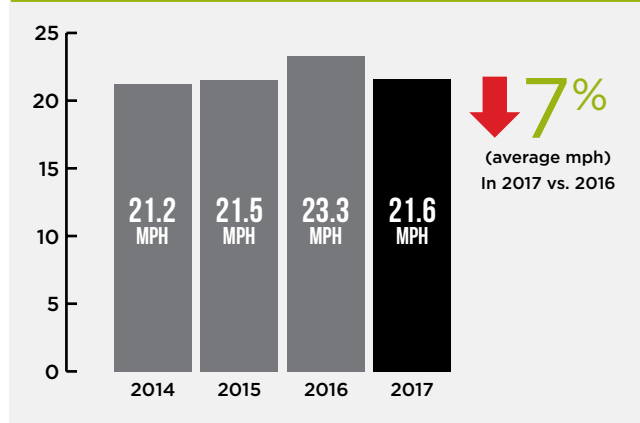


COMPOSITE SERVICE



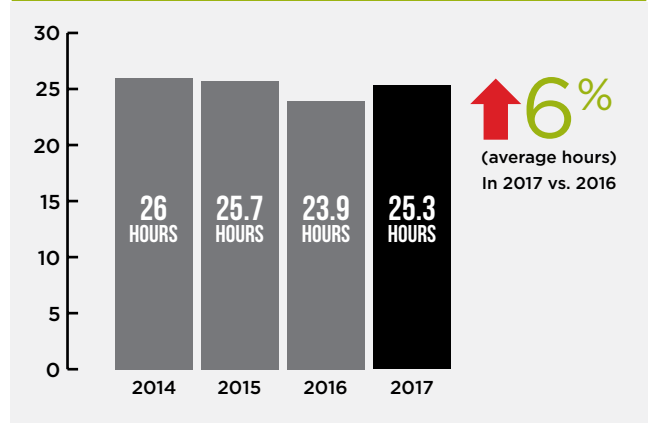
NS shipments have a trip plan. Our composite service metric combines three metrics to track how well NS keeps to schedule: the percentage of trains arriving at destination as scheduled; the percentage of customer carload pickups and setouts completed as scheduled; and the percentage of carloads making scheduled connections for delivery to customers.

TRAIN SPEED



Train speed is an indicator of network efficiency. By increasing train velocity, the railroad can turn assets faster, moving more freight with fewer locomotives and rail cars and adding network capacity. The result: improved delivery times and reduced operating costs.

TERMINAL DWELL TIME



Dwell time is another measure of efficiency. The metric records the average time rail cars remain in a terminal before departing on an outbound train. The shorter the dwell time, the better.

NS serves diverse markets, meets economic demands

Norfolk Southern plays an essential role in the U.S. freight transportation network. As a transporter of raw materials, intermediate goods, and finished products, NS provides rail transportation services for virtually every sector of America's manufacturing and industrial base, as well as retail markets.

In 2017, NS moved 7.6 million units of freight and generated railway operating revenues of more than \$10.5 billion. NS' rail intermodal business - the movement of shipping containers and trailers - generated the most volume and revenue of any single market. Combined, NS' merchandise markets, ranging from chemicals and agriculture commodities to automotive, metals, and paper products, produced the most volume and revenue. NS' coal markets - for power generation, steel making, and industrial uses - rounded out the company's franchise.

The chart demonstrates the diversity and reach of NS' business and the economic sectors served. The chart shows revenue by market, percentage of revenue by market, and total volume by market.

2017 OPERATING REVENUES AND VOLUMES

(Numbers are rounded)



NS delivers widespread economic benefits

A Fortune 300 company, Norfolk Southern generates widespread economic benefits – as an employer, an engine for development, and a consumer of goods and services needed to conduct business operations. These benefits ripple through communities across 22 states and beyond.

In 2017 across its network, Norfolk Southern:

» FUNDED

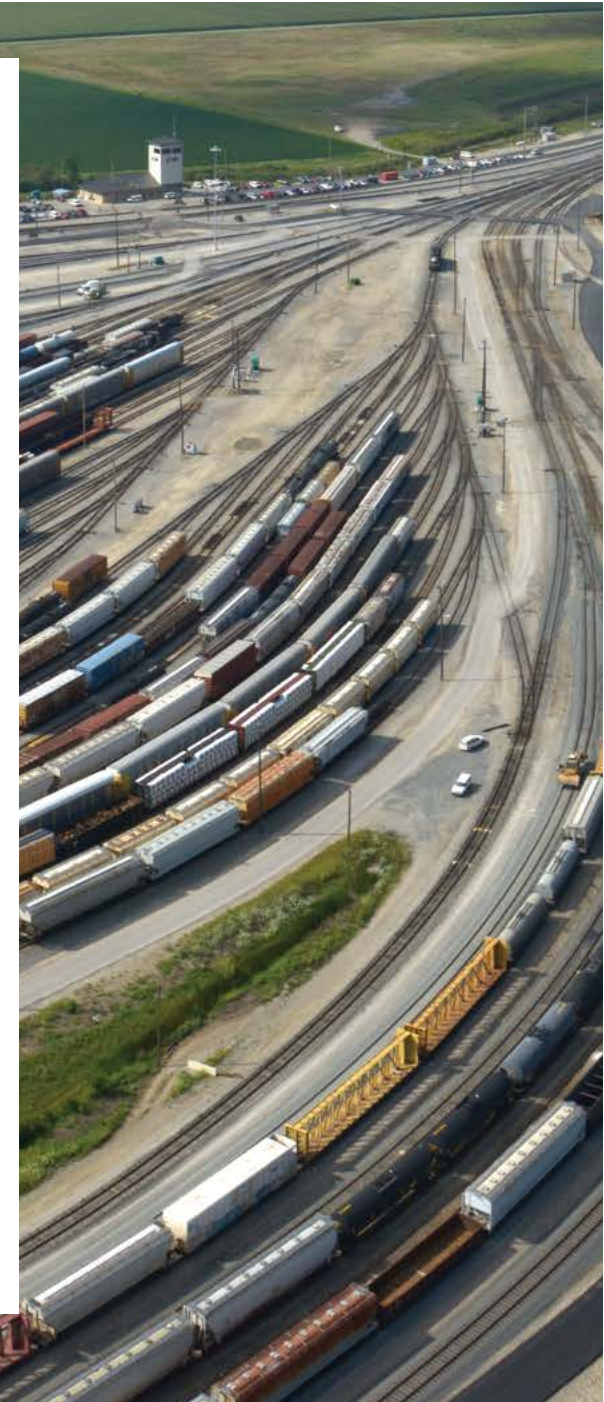
an employee payroll of more than \$2.1 billion and spent more than \$5.4 billion in purchases, taxes, and other payments.

» GENERATED MORE THAN 147,500 CARLOADS

of additional business as the result of assisting 75 businesses expand or build new rail-served facilities on NS' rail lines. This development represented more than \$1.1 billion in customer investment and creation of nearly 2,000 new jobs.

» INVESTED \$1.7 BILLION

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



NORFOLK SOUTHERN'S 2017 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 12/31/2017	Industry Investment in Facilities on NS Network	New Customer Jobs	Additional Customer Carloads
ALABAMA	1,721	\$113,469	\$131,573	1,304	\$5,910	10	12,611
DELAWARE	95	5,145	10,246	78	8,000	50	600
DISTRICT OF COLUMBIA	4	519	14,943	13			
FLORIDA	204	12,401	96,695	148			
GEORGIA	4,710	346,127	421,604	1,705	133,075	282	4,650
ILLINOIS	1,495	99,803	1,147,246	1,256	1,572	11	785
INDIANA	2,616	179,909	130,855	1,441	16,804	0	11,779
IOWA	14	755	7,954	43	17,000	20	500
KENTUCKY	1,080	70,510	114,055	429	22	0	233
LOUISIANA	92	4,947	5,674	76			
MARYLAND	129	7,898	39,343	233			
MICHIGAN	760	52,593	55,905	487	49,517	105	73,442
MISSISSIPPI	255	16,102	26,498	211			
MISSOURI	602	39,757	158,294	409			

(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 2017 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 12/31/2017	Industry Investment in Facilities on NS Network	New Customer Jobs	Additional Customer Carloads
NEW JERSEY	204	\$12,364	\$85,200	931	\$190,021	72	15,650
NEW YORK	494	32,829	127,983	890	20,001	150	501
NORTH CAROLINA	1,245	80,614	341,551	1,187	89,140	102	8,739
OHIO	3,734	253,747	474,459	2,021	83,500	237	5,340
PENNSYLVANIA	4,650	305,953	938,244	2,402	50,118	4	2,744
SOUTH CAROLINA	737	47,992	49,499	762	56,685	87	1,390
TENNESSEE	1,629	104,529	104,583	829	352,015	614	492
VIRGINIA	4,014	307,040	200,513	1,990	30,047	53	2,045
WEST VIRGINIA	828	54,122	39,446	618	37,712	182	6,002
ALL OTHER	88	5,143	756,481	4			
TOTAL	31,400	\$2,154,26	\$5,478,844	19,467	\$1,141,139	1,979	147,503

(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.

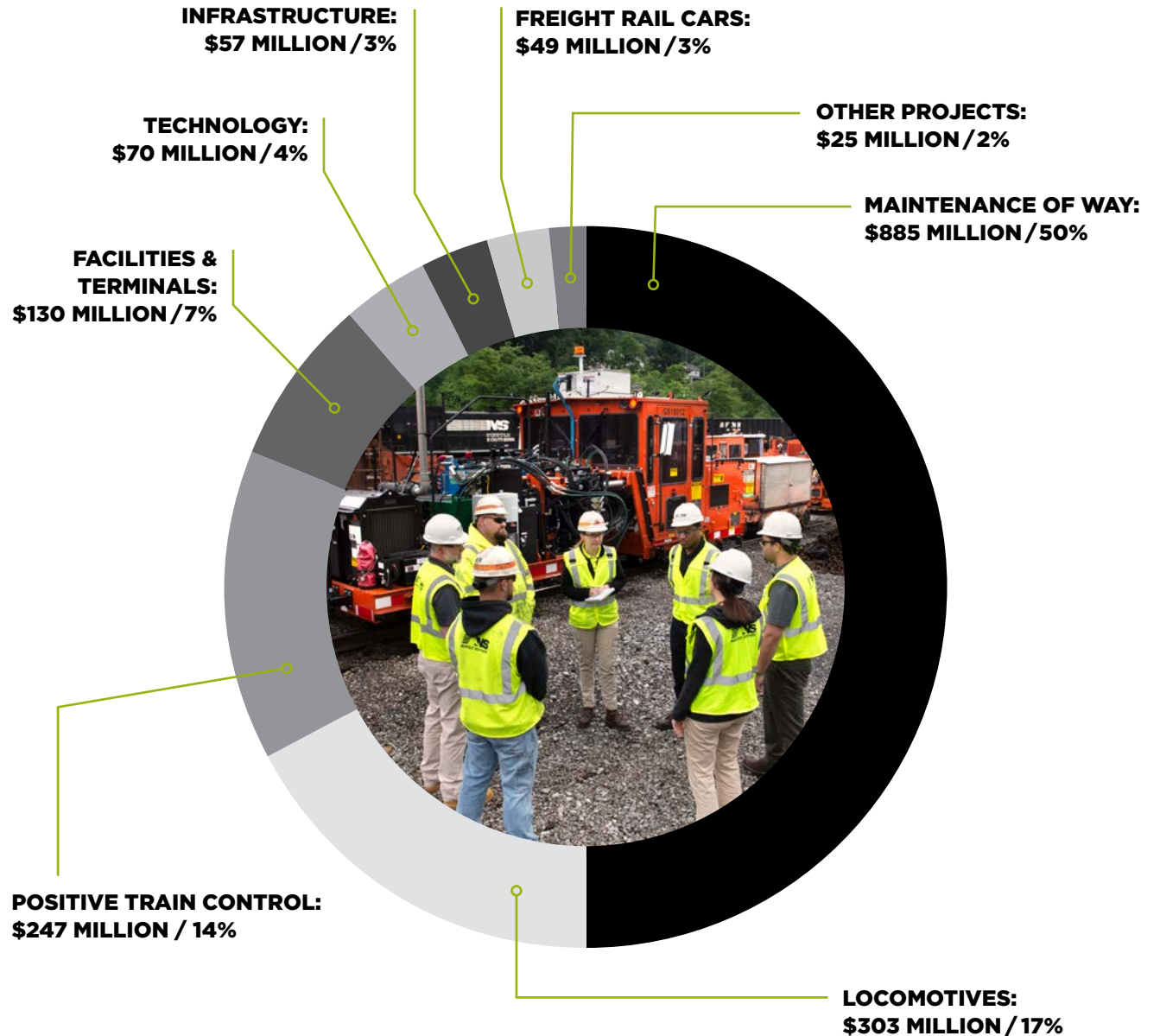
Investing to make the franchise stronger

NS' CapEx program supports four priorities:

- » **Maintain or add assets, such as locomotives and track infrastructure.**
- » **Ensure consistent and reliable customer service.**
- » **Boost operating efficiencies and productivity.**
- » **Support growth in targeted markets.**

In addition to enhancing safety, service, and growth, the railroad's capital expenditures filter through local and state economies as income for NS suppliers and their employees and as tax revenue that supports community needs, such as schools and job-creating economic development.

NS 2017 CAPITAL INVESTMENTS: \$1.76 BILLION



2017 CapEx investments advance strategic goals

In 2017, Norfolk Southern invested nearly 17 cents of every dollar of operating revenue into capital projects that strengthen the railroad's competitive position and support continued growth. From locomotive rebuilds to technologies that enhance customer service, NS' investments advanced the company's strategic goals.

Following is a snapshot of key capital projects:



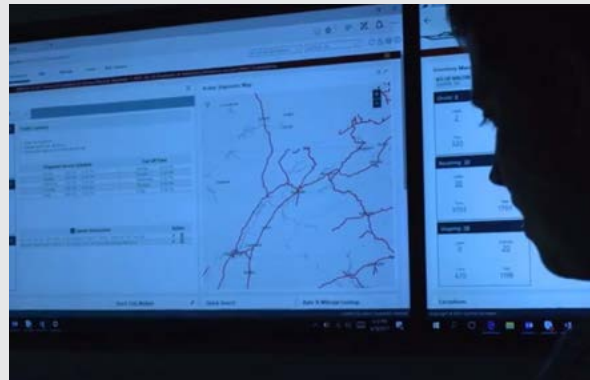
DC-TO-AC LOCOMOTIVE CONVERSIONS



This multiyear initiative involves modernizing 1990s-era road locomotives by converting their traction power from DC to AC technology. The conversion increases their reliability and pulling power at about half the cost of buying new models. The fleet modernization program involved converting 57 units in 2017.



UNIFIED CUSTOMER COMMUNICATIONS



In another multiyear effort, NS is improving the way it engages and communicates with customers, including upgrading its e-commerce portal, AccessNS. The effort includes developing an enhanced and robust Customer Relationship Management system and proactive communications tools that help customers meet their service priorities.



INTERMODAL FACILITY EXPANSIONS



NS is investing in various expansion projects at company-owned intermodal facilities to enhance operating efficiencies and support growth. Projects in 2017 included facilities in Chicago; Columbus, Ohio; Jacksonville, Florida; and St. Louis.



ENERGY EFFICIENCY AT MECHANICAL SHOPS



As part of energy-efficiency efforts, NS invested in projects to replace heating systems at locomotive shops in Elkhart, Indiana, and Enola, Pennsylvania. The goal is to reduce costs and environmental impacts. The shops' current heating systems, which use combinations of heating oil, propane, and diesel fuel, are being replaced with more cost-efficient and cleaner burning natural gas systems. With completion in 2018, NS anticipates energy cost savings of around 66 percent at the facilities.

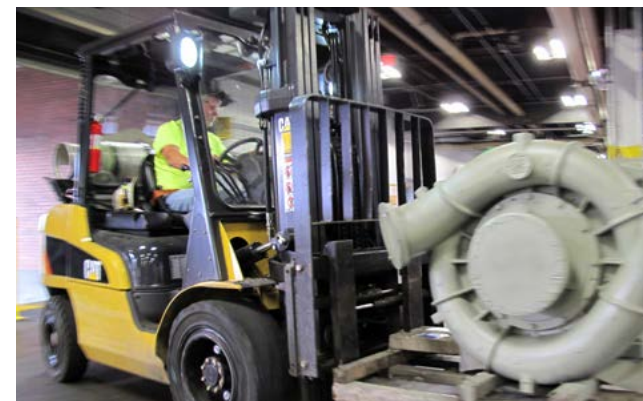
A sustainable supply chain

Norfolk Southern maintains a supply chain of thousands of businesses across its 22-state network to ensure the railroad meets the needs of the nation's freight transportation system.

The company's ongoing efforts to develop and support a diverse supplier base benefits both Norfolk Southern and the communities that the railroad serves. NS increased its supply chain base by 4 percent in 2017, adding more than 260 suppliers to its approved supplier list. NS provides opportunities for minority businesses, with women-owned and black American-owned businesses comprising the company's largest spend with minority vendors in 2017, followed by small business concern, Asian-Indian American, Hispanic American, and veteran owned.

The company spent more than \$3.3 billion with vendors in 2017, an increase of about 1.5 percent over 2016. Materials purchased included diesel fuel; crossties; rail; wood and steel products; and locomotive, rail car, and communications equipment. Services purchased included train crew transportation, pest control, snow removal, engineering design, automotive and intermodal distribution services, crosstie disposal, janitorial services, and rail inspection services.

Norfolk Southern supports suppliers that show a commitment to sustainable business practices. NS periodically surveys major suppliers on their sustainability efforts, including steps taken to ensure cost-effective operations and to reduce their environmental impacts.



NS' 2017 SUPPLY CHAIN BY THE NUMBERS

Approved suppliers	6,816
Minority suppliers	276
Spend with minority vendors	\$122.5 million
Total spend	\$3.36 billion

STEWARDSHIP OF RESOURCES A CORE VALUE

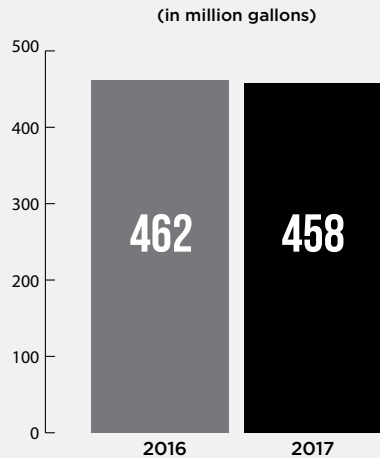
Norfolk Southern strives to create long-term value by integrating sustainable business practices into daily operations. The goal is to improve operating efficiencies and productivity and lower operating costs. These efforts drive growth and profitability while reducing the company's environmental footprint.

- » Continued gains in locomotive fuel efficiency | **19**
- » NS effort to reduce fuel use involves multiple strategies | **20**
- » NS reduces GHG emissions | **22**
- » NS gains from energy efficiency efforts | **24**
- » NS Waste Scorecard 2016 | **25**
- » NS reduces waste, achieves savings | **25**

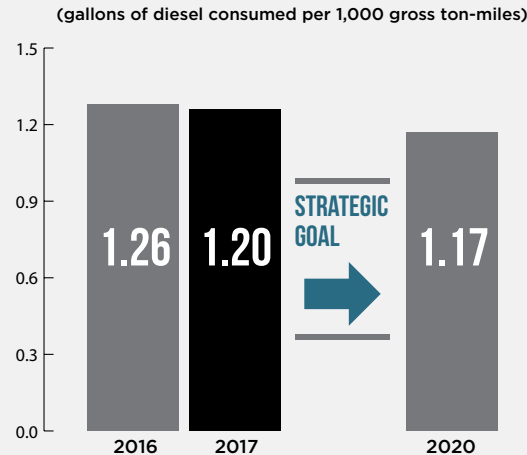


Continued gains in locomotive fuel efficiency

LOCOMOTIVE DIESEL FUEL USE



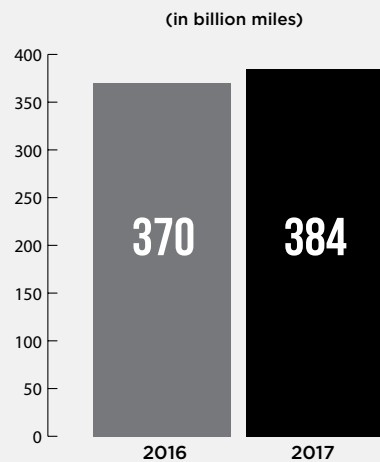
RECORD FUEL EFFICIENCY



NS makes steady gains in fuel efficiency



GROSS TON-MILES



2017 FUEL-EFFICIENCY GAINS

Conserved:
23 MILLION
gallons



Emissions avoided:
233,750 metric
tons CO₂



In 2017, for the second consecutive year, Norfolk Southern achieved record locomotive fuel efficiency. The company is on target to meet its goal of 1.17 gallons per 1,000 gross ton-miles of freight by 2020.

NS' locomotive fleet consumed 1.20 gallons of diesel per 1,000 GTMs on average, a 5 percent improvement over 2016. With the fuel-efficiency gains, NS for the year conserved 23 million gallons of diesel fuel and avoided more than 233,750 metric tons of CO₂ emissions.

These savings came as overall business volumes on the rails grew 5 percent in 2017. This achievement is a direct result of the company's strategic initiatives to increase fuel efficiency.

NS effort to reduce fuel use involves multiple strategies

Norfolk Southern’s efforts to reduce fuel use benefit the environment and the railroad’s bottom line. Fuel is one of the railroad’s major expenses: In 2017, the company spent about \$840 million on fuel – close to 12 percent of total expenses. Even small improvements in efficiency can generate big savings.

Key NS initiatives to enhance locomotive fuel efficiency include:

LOCOMOTIVE ENERGY-MANAGEMENT



NS uses onboard GPS-based train-handling systems that monitor track profile and train conditions in real-time to determine ideal throttle position and dynamic braking to achieve maximum fuel efficiency. The railroad has advanced from systems that provide user prompts to technology capable of automatically adjusting throttle position based on operating conditions.

HORSEPOWER PER TON:



This operations tool, known as HPT, provides guidance to train crews on maximum locomotive horsepower required based on train type, tonnage, and track segments. Locomotive engineers operating a train with three engines, for example, may need only one to pull the train on certain track segments, saving fuel. In 2018, NS began rolling out HPT 2.0, a refinement that features more detailed track topography across shorter segments of track, allowing more precise adjustments to engine horsepower during road trips.



LOCOMOTIVE SHUT-DOWN POLICY :



NS has engine idle-reduction policies that require train crews to shut down locomotives unless they must be kept running for operational reasons – such as in below-freezing weather to prevent cooling water from freezing or to maintain proper pressure in a train’s air-brake lines.

At rail yards, NS has expanded use of customized plug-in heater systems that keep locomotive engines heated and the battery system charged. Locomotives can be turned off while plugged in to the system, known as the SLEEPER – an acronym for Stationary Locomotive Emissions Elimination Plug-in Electric Receptacle.



LONGER TRAINS:



NS conserves locomotive power by running longer trains. Operating longer trains means that fewer trains are needed. That reduces the number of locomotives on the road and fuel consumption.



LOCOMOTIVE MODERNIZATION:



NS is a leader in recycling older locomotives into like-new units. These conversions result in locomotives that are more reliable and efficient than before. Through public-private partnerships, NS has converted 1980s yard-switcher locomotives into low-emission “Eco” locomotives, helping cities such as Atlanta, Chicago, and Pittsburgh reduce transportation-related emissions.

NS is working on a multiyear plan to convert several hundred 1990s-era locomotives from DC traction power to more advanced AC power technology. The conversion improves the locomotives’ reliability and tractive effort. Typically, two AC units can provide the pulling power of three DC units, enabling the company to save fuel and costs by reducing the number of locomotives needed for service.

NS reduces GHG emissions

In 2017, Norfolk Southern's efforts to improve locomotive fuel efficiency contributed to a continued reduction in greenhouse gas emissions. As the railroad's workhorses, locomotives account for more than 90 percent of the company's total GHG emissions.

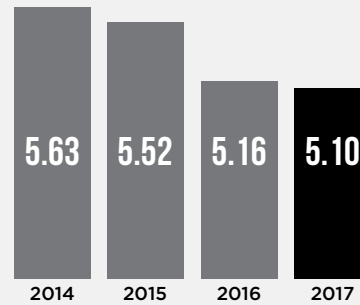
For the year, the company reduced absolute GHG emissions by 1 percent versus 2016. The railroad reduced its intensity of emissions – as measured by grams of CO₂ per revenue ton-mile of freight – by 6.5 percent versus 2016.

2017 is the third consecutive year that Norfolk Southern has reduced absolute emissions and the second consecutive year of reducing emissions intensity. Over the 2015-2017 period, the railroad reduced GHG emissions intensity by 8 percent. Since 2010, when NS set a five-year goal to reduce emissions intensity by 10 percent per revenue ton-mile, the railroad has achieved a reduction of more than 15 percent.



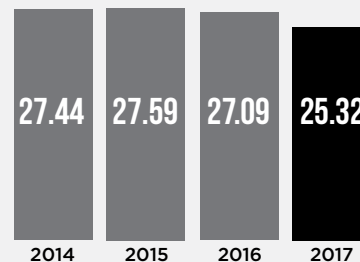
ABSOLUTE GHG EMISSIONS:

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



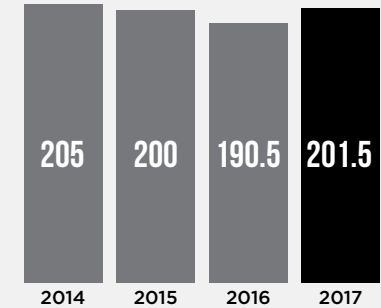
GHG EMISSIONS INTENSITY:

CO₂ equivalents per revenue ton-mile
(in grams)



TOTAL REVENUE TON-MILES OF FREIGHT:

(in billions)



NS 2017 EMISSIONS

CO₂ equivalents in metric tons

	SCOPE 1	SCOPE 2	SCOPE 3
CO ₂	4,826,780	227,740	5,337
CH ₄	11,497	107	4
N ₂ O	34,197	967	13
Total	4,872,474	228,814	5,354

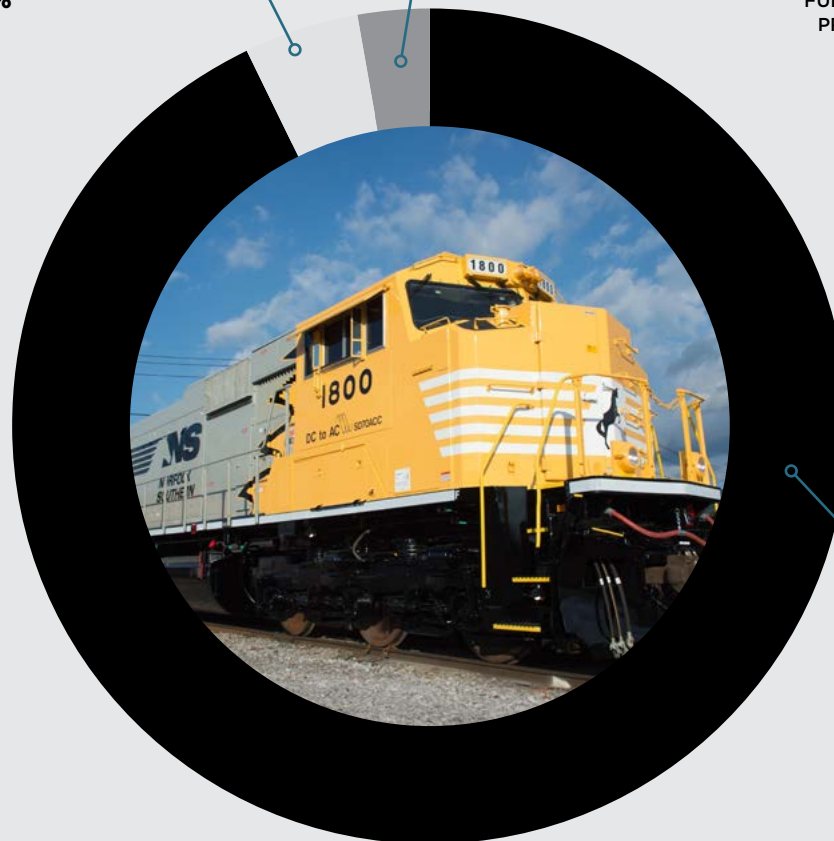
2017 NS EMISSIONS BY SOURCE IN CO₂ EQUIVALENTS (Scope 1 and 2)



PURCHASED ELECTRICITY: 4.4%
228,813 METRIC TONS



STATIONARY SOURCES: 2.6%
136,408 METRIC TONS
FUEL OIL, KEROSENE, NATURAL GAS,
PROPANE, NON-VEHICLE GASOLINE



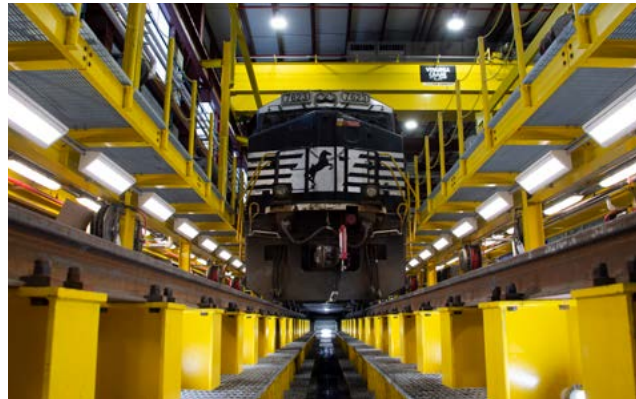
MOBILE SOURCES: 93%
4.74 MILLION METRIC TONS
LOCOMOTIVE DIESEL, NS FLEET AND
NON-FLEET VEHICLE FUEL, JET FUEL

NS gains from energy efficiency efforts

Norfolk Southern has achieved significant reductions in electricity use and costs over the last three years. While weather and utility rates affect both usage and costs, Norfolk Southern has adopted energy efficiency measures designed to generate savings and reduce environmental impacts.

Over the past six years, for example, NS' energy services group has overseen projects that equipped more than 100 railroad facilities with longer-lasting and more efficient LED lighting systems. Aging HVAC systems in mechanical shops and other operational facilities systemwide have been replaced with more energy-efficient equipment. Shop facilities once heated by coal or oil have been outfitted with more efficient and cleaner-burning natural gas systems.

NS is generating solid returns on the investments. Between 2015 and 2017, NS reduced electricity use systemwide by 62 million kilowatt hours, or 13 percent, and achieved cost savings of more than \$4.5 million. In addition to the bottom-line benefits,



it's been good to the environment, resulting in the avoidance of over 46,150 metric tons of CO₂ emissions – the equivalent of removing 9,800 passenger vehicles from the road for a year.

NS energy scorecard

2017	419.8 million kilowatt hours
2016	437 million kilowatt hours
2015	481.8 million kilowatt hours

2017 vs. 2016
4% REDUCTION
 in kilowatt hours



2017	\$43.8 million energy costs
2016	\$44.9 million energy cost
2015	\$48.3 million energy cost

2017 vs. 2016
2.6% REDUCTION
 in energy costs



NS reduces waste, achieves savings

Norfolk Southern mechanical shops stepped up efforts to reclaim and recover used oil, solvents, and other waste materials as the company reduced its overall waste generation in 2017.

Through a new vendor contract, for example, NS' Juniata Locomotive Shop in Altoona, Pa., increased solvent recovery and paint recycling by 900 percent in 2017, to 960 tons. Systemwide, shops increased tonnage of reclaimed used oil and grease by 25 percent, to 6,460 tons. At the same time, NS reduced generation of hazardous waste materials by 70 percent versus 2016 and by 75 percent compared with 2015.

NS achieved savings of more than \$166,000 through a "right-sizing" initiative with the company's waste collection vendor. The initiative included audits across the railroad's operating system to determine the number and size of trash containers and the frequency of collection needed at rail yards and other field facilities. The savings resulted from reducing the container count and the frequency of collections based on actual need.

NS WASTE SCORECARD 2017	
SUMMARY*	TONS
Waste generated	252,083
Waste to landfill	98,597
Waste diverted	153,303
RCRA hazardous waste**	43
Total waste diverted from landfill	61%

MATERIALS REUSED OR RECYCLED	TONS
Crossties for energy	93,839
Crossties for landscaping	7,533
Crossties reused internally	1,258
Mixed scrap metal/steel	39,011
Reclaimed used oil/grease	6,460
Recycled trash/cardboard	85

BATTERY RECYCLING	TONS
Lead acid	162
Nickel-cadmium	43
GNB absolyte	33
Alkaline	4
Zinc/carbon & mercury	1
Locomotive refurbished	3,026
Locomotive reclaimed as scrap	878

OTHER RECOVERED MATERIALS	TONS
Fluorescent light bulbs	7
Solvent recovery/paint recycle	960
Fuels recovery	0.5

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

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

AT NORFOLK SOUTHERN, SAFETY IS A CORE VALUE AND ESSENTIAL TO THE RAILROAD'S LONG-TERM SUCCESS

The railroad engages with employees and communities to ensure that everyone goes home safely to family and friends at the end of each day.

With safety at the forefront, NS offers meaningful careers, supports workforce diversity and inclusion, and encourages employees to give back to the towns and cities where they work and live.

- » Employee safety: Norfolk Southern's No. 1 priority | **27**
- » A community partner in rail safety | **29**
- » Focus on reducing train accidents | **32**
- » NS Workforce Snapshot | **34**
- » Thoroughbred Volunteers lend a hand to NS communities | **39**



Employee safety: Norfolk Southern's No. 1 priority

Above all else, Norfolk Southern strives to ensure that all employees work safely. That commitment is underscored by our safety brand statement, "I am coming home."



NS adopted "I am coming home" several years ago after an extensive review of the railroad's safety program. The message appears on posters, banners, and other promotions at offices, yards, and field facilities across the system. It is a daily reminder for employees that safety at NS is about returning home each day to loved ones and the people who depend on them.

Safety at the grassroots



Workplace safety and service committees at the local, regional, and divisional levels are the backbone of safety at NS. Committee members oversee workplace safety assessments and engage with co-workers to discuss safety concerns.

To support their efforts, NS since 2015 has held annual "Lead It" safety summits to provide educational and training resources to employee leaders of the local committees. In February 2018, NS divided the summit into four regional meetings, allowing for more interaction among safety and service committee members and providing an opportunity for more employees to attend.

Identifying and reducing risks

NS trains employees to identify and reduce risks using a safety technique known as "Pause, Process, and Proceed." Before beginning a task, employees pause to assess potential risks, process how to perform the work safely and efficiently, and then proceed in the safest manner possible.

'Tell Me' if you see me doing something unsafe



NS supports a safety culture where everyone feels comfortable addressing risky or unsafe workplace behaviors with co-workers.

To encourage peer-to-peer communication that can help prevent injuries, NS in 2017 rolled out "Tell Me." This safety tool empowers co-workers to tell each other if they see their peer taking a job shortcut, failing to wear required personal protection equipment, or doing other things that could increase their risk of injury. The goal is to encourage employee accountability that fosters teamwork and concern for each other's well-being, ensuring that everyone goes home safely.

In addition to complementing the "I am coming home" brand, "Tell Me" aligns with NS' behavior-based safety program, which emphasizes positive reinforcement and coaching to ensure that employees comply with workplace safety rules.

Sharing 'close calls' to enhance safety

NS' "Close Call Experience" program, introduced at the railroad's Chicago terminals in 2014, is driven by our peer-to-peer approach. Using local safety and service committee platforms, employees can anonymously report "close calls" - behaviors or actions that could have resulted in an injury or accident. Sharing close calls encourages employees to honestly assess their behaviors while helping others avoid similar risks. In 2017 and 2018, the program continued to expand across NS' network, with employees able to submit close call experiences electronically.



“AT NORFOLK SOUTHERN, SAFETY IS A PERSONAL RESPONSIBILITY. We also recognize that we are all more effective when we work together. While it starts with one person working safely one day at a time, it takes everybody working together and looking out for each other, too, for our safety performance to continue to improve. Peer-to-peer accountability is an important building block for the continued success of our safety initiatives, and respecting each other enough to say ‘Tell Me ...’ makes us all stronger and safer.” - JASON MORRIS, assistant vice president, safety and environmental

NS EMPLOYEE SAFETY SNAPSHOT

	2015	2016	2017	YoY change 2016 to 2017
Reportable injuries	303	337	337	0%
Employees who lost work days due to injury	221	254	262	3%▲
Reportable injury ratio per 200,000 employee-hours	1.06	1.29	1.33	3%▲
Work-related fatalities	1	2	0	100%▼

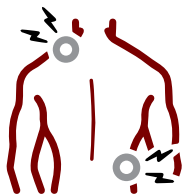
In 2017, zero fatalities

From daily job safety briefings to regular workplace safety checkups, Norfolk Southern places employee safety as job No. 1. NS’ ultimate goal is zero injuries and incidents.

In 2017, NS had zero on-the-job employee fatalities, a significant achievement. In addition, the number of reportable injuries was stable year-over-year. Unfortunately, the number of employees who missed work due to an injury increased in 2017. NS thoroughly investigates reportable injuries as part of ongoing efforts to prevent accidents and incidents.

Most frequent reportable injuries in 2017

Nearly two-thirds of reportable injuries were of three types:



Strains: 131
38% of total

Bruise/Contusion: 51
15% of total

Laceration/Cut: 39
12% of total



COMMUNITY SAFETY

A community partner in rail safety

Norfolk Southern is committed to operating safely in the communities we serve. NS partners with customers, communities, and other key stakeholders to continuously improve the safety of rail operations.

Following are examples of how NS advanced community rail safety in 2017:

» Trained 8,185 emergency responders on how to prepare for and safely respond to potential transportation incidents involving hazardous materials. A highlight of NS' first responder training is the company's safety train, a rolling learning lab that concluded its second year of operation. The safety train includes a dedicated locomotive, two box cars converted to classrooms, four tank cars, and two flat cars outfitted with multiple valve arrangements for hands-on training. The train visited 23 communities across 14 states.

» Provided 101 grants totaling \$207,000 to emergency management agencies and first responders in 15 states on NS territory to purchase equipment and supplies. The grants came through the Norfolk Southern Foundation, NS' charitable giving arm.



» Sponsored six emergency responders to attend a 40-hour tank car emergency response training course at the rail industry's Security and Emergency Response Training Center in Pueblo, Colorado, at a cost of \$19,200.

» Worked with the Association of American Railroads and AAR Class I railroad members to support a free web-based training for first responders on crude oil rail transport. The online training offers emergency responders basic information on how to respond to rail incidents involving crude oil transport.

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.

An industry leader in responsible chemical transport

Norfolk Southern received the American Chemistry Council's 2018 Responsible Care® Partner of the Year award for its exemplary performance and safety record in the transport of chemical products during 2017.

Norfolk Southern was the only freight railroad to receive the council's premier partner award. The award goes to high-performing companies involved in the distribution, transportation, storage, use, treatment, disposal, and sales and marketing of chemicals vital to American businesses and households.

NS voluntarily participates in the council's Responsible Care Partner program, working with shippers to identify, reduce, and manage process risks from environmental, health, safety, and security perspectives. NS' participation reflects the company's commitment across business sectors to ensure the safety and security of its employees, communities, and environment while delivering quality service.

As a partner, Norfolk Southern must achieve third-party certification of its business management systems every three years, a rigorous process that includes reviews of the railroad's safety, environmental stewardship, and security programs.



NS EARNS TRANSCAER ACHIEVEMENT AWARD. Norfolk Southern earned a 2017 TRANSCAER® National Achievement Award for efforts to help communities prepare for and respond to potential rail incidents involving hazardous materials. This is the 18th time and 16th consecutive year that NS has received this recognition from the Transportation Community Awareness and Emergency Response organization.

During TRANSCAER outreach events in 2017, NS hazmat specialists led training for community first responders that included information about rail safety precautions, railroad operations, initial-response procedures, and rail equipment. Many sessions included hands-on drills and training that used rail equipment to simulate responses to emergency situations.

NS recognizes customer safety

Norfolk Southern values customers that share the railroad's commitment to safe operations. In 2017, NS presented its Thoroughbred Chemical Safety Award to 52 chemical customers in recognition of their safe handling of products shipped by rail.

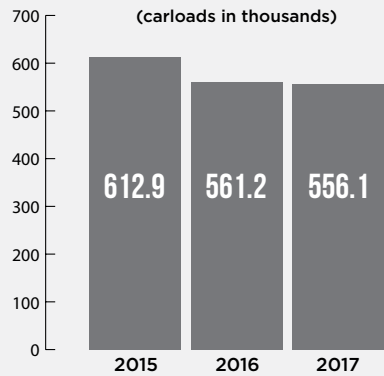
The award goes to manufacturers and plants that ship at least 1,000 carloads of hazardous materials over the railroad without a single incident for the year. During 2017, these customers shipped 163,213 carloads of chemical products regulated as hazardous without incident. These products are shipped in tank cars that typically are owned and maintained by the chemical customers.

Chemical customers not qualifying for the award experienced at least one "nonaccident" release that occurred while a tank car was in transit, including loading and unloading while in railroad possession. Nonaccident releases do not involve derailments, collisions, or other rail-related accidents. Typically, they are associated with issues such as a loose or faulty tank car valve or cap and related mechanical issues or human errors.

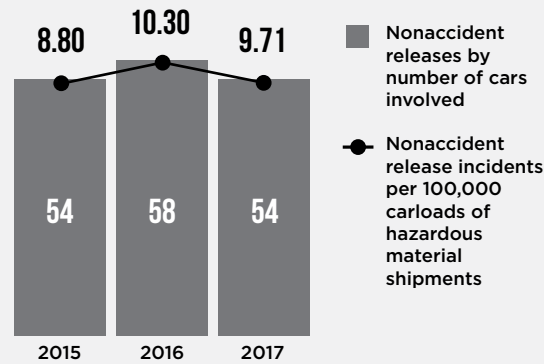


Moving safely by rail - 2017

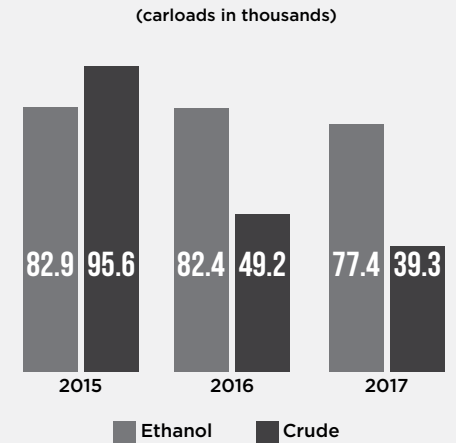
CARLOADS OF REGULATED HAZARDOUS MATERIAL TRANSPORTED



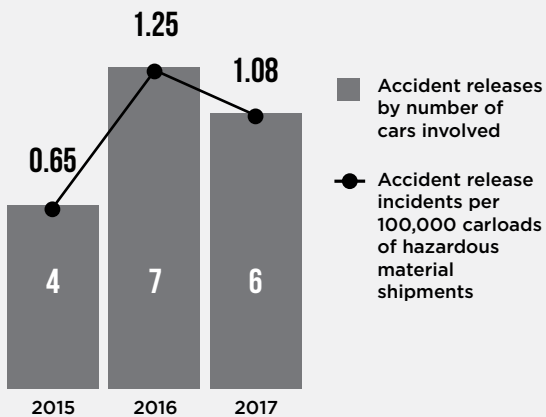
HAZMAT NONACCIDENT RELEASES



NS CARLOADS OF ETHANOL AND CRUDE OIL BY RAIL

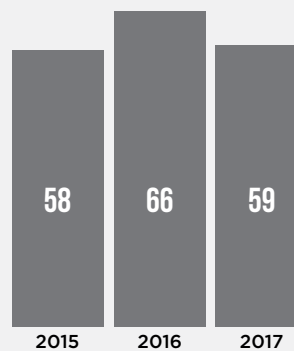


HAZMAT ACCIDENT RELEASES



TOTAL REPORTABLE HAZMAT INCIDENTS

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



NS sees decline in incidents involving hazmat release

As a common carrier, NS, like other U.S. railroads, is obligated to offer transportation of hazardous materials. NS moves hazmat products needed to manufacture commercial products that are used daily by businesses and households and are essential to the U.S. economy.

In 2017, the number and frequency of incidents involving the release of federally regulated hazardous materials declined on Norfolk Southern. The railroad's goal is zero releases, and the total number of releases remained small relative to the more than 556,000 carloads of hazmat that NS transported.

NS reported five accidents that resulted in the release of hazmat from six cars. No injuries were reported in any of the incidents, and NS worked with regulatory authorities and contractors to secure, clean, and remediate spill sites as required.

For the year, reportable nonaccident releases on NS declined 11 percent and accidents involving a hazmat release declined 17 percent.

Following is a list of the 2017 accident releases:

- » On Feb. 17, in Catawba, South Carolina, NS personnel discovered that a covered hopper car transporting sodium chlorate had been punctured by an undetermined object and was leaking. Sodium chlorate is used by the pulp and paper industry to bleach wood pulp in the manufacture of high-quality and environmentally friendly white paper products.
- » On March 5, at NS' Reading, Pennsylvania, rail yard, a tank car containing a commercial alcohol derailed and fell on its side, dripping a small amount of product from the vacuum relief valve. The alcohol product was associated with the ethanol industry.
- » On May 19, in Pell City, Alabama, a covered hopper transporting sodium chlorate breached in a mainline derailment and spilled an estimated 80,000 pounds.
- » On July 8, at an NS intermodal facility in Jersey City, New Jersey, a hostler driver lost control of a vehicle, causing a shipping container to flip off the chassis. Two 55-gallon drums inside the container were damaged and leaked approximately 55 gallons of heptane, a resin solution. Heptane is used in many industrial applications, ranging from anesthetics to solvents.
- » On Aug. 18 at NS' Allentown, Pennsylvania, rail yard, a covered hopper car carrying crude zinc oxide derailed during switching operations, causing spillage of about 10 pounds of the product. Crude zinc oxide is used as a feedstock to produce zinc metal and zinc.

Focus on reducing train accidents

Over the past three years, Norfolk Southern has made progress in reducing the number and frequency of train accidents. In 2017, the total number and the frequency of train accidents per 1 million train miles were stable year-over-year.

A train accident, including derailments and collisions, is an event that involves on-track rail equipment that results in monetary damage to equipment and track above a certain threshold. In 2017, 66 percent of NS train accidents occurred within rail yards.

Prevention of train accidents is a priority for operations employees in transportation, engineering, and mechanical. As with ongoing efforts to prevent employee injuries, NS' ultimate aim is to achieve zero train accidents.

NS TRAIN ACCIDENTS			
	2015	2016*	2017
Total number	213	229	210
Incidents per million train miles	2.21	2.53	2.32

*Updates numbers listed in NS' 2017 social responsibility report. (Does not include accidents at highway-rail grade crossings.) Source: Federal Railroad Administration, as of 10/9/2018.

NS police spread the word about railroad safety

As part of the railroad's public safety efforts, Norfolk Southern's Police Department conducts a Trespasser Abatement Program to educate people in communities across NS' system about the dangers of walking on or near railroad tracks.

In 2017, NS police held six of the two-day TAPs, targeting the University of Alabama-Tuscaloosa; Fairfax County in Manassas, Virginia; Griffin, Georgia; the Elyria-Amherst-Vermillion area in Ohio; Lebanon, Pennsylvania; and Decatur, Illinois. These places were selected based on the previous year's trespassing activity and pedestrian injuries or fatalities on railroad property. The events included meeting with local law enforcement, talking with community members, patrolling the tracks, and handing out anti-trespassing brochures.

Walking on railroad tracks is not only dangerous but also is illegal. In 2017, NS police warned and ejected 11,987 individuals for trespassing on tracks and other railroad property. NS police arrested 588 individuals for trespassing.

In addition to TAP, NS police teach a course that focuses on safety and techniques for law enforcement when investigating collisions involving trains and motor vehicles at highway-rail grade crossings. In 2017, NS held 18 of the Grade-Crossing Collision Investigation classes in communities across nine states attended by 181 members of law enforcement on NS' territory.



HIGHWAY-RAIL GRADE-CROSSING INCIDENTS* (as of 6/21/2018)

	2015	2016	2017
Injuries	110	115	98
Fatalities	38	25	24
# of highway-rail incidents	330	319	332
# of train miles (millions)	96.4	91.5	94.4
Incidents per million train miles	3.4	3.4	3.5

*Updates numbers from 2015 and 2016 listed in NS' 2017 social responsibility report

TRESPASSER INCIDENTS* (not at grade crossings/as of 6/21/2018)

	2015	2016	2017
Injuries	56	65	68
Fatalities	69	63	53
Incidents per million train miles	1.32	1.41	1.27

*Updates numbers from 2015 and 2016 listed in NS' 2017 social responsibility report

NS Workforce Snapshot

Norfolk Southern employed a total of 25,147 employees at the end of 2017. Of that number, 20,728 – or nearly 83 percent – were unionized employees covered by collective bargaining agreements that set terms for wages, health and welfare, and work scheduling.

NS employees are represented by 13 trade unions. Most of these craft employees work in transportation, mechanical, or engineering, the company's three main operating departments.

NS' unionized employees include:

- » Transportation: locomotive engineers and conductors.
- » Mechanical: machinists, electricians, pipefitters, boilermakers, and firemen and oilers who maintain and repair locomotives, and freight car repairers.
- » Engineering: track and bridge maintenance workers, train dispatchers, and electronic specialists and maintainers in communications and signals.

Through efficiency and productivity gains, NS over the past two years has advanced a strategic goal to reposition its workforce to a more sustainable level for the long-term. On Dec. 31, 2015, NS had a total workforce of more than 29,300, nearly 4,200 more employees than at the end of calendar 2017.

Focus on growing the ranks of female employees

As part of its diversity and inclusion efforts, Norfolk Southern has made hiring and retaining women a priority. After a record recruitment year in 2015, Norfolk Southern continues to actively recruit women to the railroad, where jobs in operations historically have been held by men.

NS has made progress advancing women into senior operations jobs. In 2017, NS appointed its second female terminal superintendent in Transportation and named its first-ever female locomotive shop manager in Mechanical. In March 2018, NS named its first-ever female regional engineer structures in Engineering. Moving more women into these leadership positions should help the company recruit more females into operations field jobs, the long-term goal.

In addition, NS has expanded the ranks of women in senior leadership positions. In 2017, the company appointed two women as vice presidents, overseeing customer service and audit and compliance. In 2018, the company named a woman as vice president of law.

Three women currently serve on NS' Board of Directors, comprising 25 percent of members.

An NS employee resource group, WiNS – Women in Norfolk Southern – provides leadership development opportunities and support for female employees.



Military veterans a good fit for NS

Norfolk Southern is committed to hiring military veterans. The military's training and focus on safety, leadership skills, and work ethic prepares veterans for the railroad work environment. In 2017, about 15 percent of NS' new hires self-reported as military veterans. As of mid-June 2018, 3,667 veterans worked at NS, meaning approximately one out of every seven employees has previous military experience.

In 2017, NS earned Bronze status as a Military Friendly® Employer from VIQTY, a disabled veteran business enterprise that publishes such magazines as G.I. Jobs and Military Spouse. NS exceeded standards in all six categories of ranking of veteran support, including support and retention, culture and commitment, and policies and compliance. The company's VeteraNS employee resource group offers networking for veterans, support of company efforts to retain veterans, and helps connect NS with the broader military community.

For the 10th consecutive year, NS was named by GI Jobs magazine to its 2017 Military Friendly® Employer lists.



Creating a workplace where employees thrive

Norfolk Southern supports a diverse and inclusive workplace as a way to improve business performance, drive growth, and enhance employee engagement. Under the leadership of CEO Jim Squires, the company has created grassroots Diversity and Inclusion Councils on each of its nine operating divisions and at its office locations in Norfolk and Atlanta.

In 2017, the railroad held its first “Inspire! Summit,” bringing together members of the D&I councils for two days of workshops, discussions, and meetings with senior leadership, underscoring the importance the company places on diversity and inclusion. In addressing employees, Squires said he views diversity and inclusion as a core value at NS. He stressed that he wants the railroad to be a place where “we create a culture of opportunity for everyone.”



In February 2018, Squires became the first CEO at a Class I railroad to sign the CEO Action for Diversity & Inclusion pledge. The pledge is a public commitment to cultivate a workplace environment where diverse

experiences and perspectives are welcomed and where employees feel comfortable and empowered to discuss diversity and inclusion. The commitment includes providing employees with education on unconscious bias and sharing best practices in diversity and inclusion.

NS recognized as diverse and inclusive

Norfolk Southern is gratified that its efforts in providing corporate leadership in diversity and inclusion are recognized by others.

DEI Award – Norfolk Southern was a top-scoring company on the 2018 Disability Equality Index®, a national benchmarking tool that allows U.S. corporations to self-report disability policies and practices. Top scorers are recognized as “Best Places to Work for Disability Inclusion.” The index, a joint initiative of the American Association of People with Disabilities and Disability:IN, assesses a corporation’s policies and practices for disability inclusion across organizational culture, leadership, accessibility, employment, community engagement, support services, and supplier diversity.

HRC Award – Norfolk Southern received a perfect score of 100 percent on the 2018 Corporate Equality Index, a national benchmarking survey and report on corporate policies and practices during calendar year 2017 related to lesbian, gay, bisexual, transgender, and queer workplace equality. The index, administered by the Human Rights Campaign Foundation, evaluates and scores businesses based on LGBTQ-related practices, including non-discrimination workplace protections, domestic partner benefits, transgender-inclusive health

care benefits, competency programs, and public engagement with the LGBTQ community. The railroad was designated as a Best Place to Work for LGBTQ Equality.



Best Employers for Women – Norfolk Southern was one of 300 companies named to Forbes’ first-ever ranking of America’s best employers for women, announced in 2018. Based on employee surveys, the rankings were based on things including working conditions, diversity, parental leave policies, discrimination, and pay equity. The ranking also took into account companies with the most gender diverse boards of directors and executive ranks.

WORKFORCE DEMOGRAPHICS

As of 12/31/2017

AGREEMENT (UNIONIZED) WORKFORCE

Female	993	4.8%
Male	19,735	95.2%
Total	20,728	100%

Under 30	3,002	14%
30 to 50	12,561	61%
Over 50	5,165	25%
Total	20,728	100%

White	17,691	85%
Black or African American	2,475	12%
Other	562	2%
Total	20,728	100%

NONAGREEMENT WORKFORCE

Female	873	19.9%
Male	3,522	80.1%
Total	4,395	100%

Under 30	652	15%
30 to 50	2,575	59%
Over 50	1,168	27%
Total	4,395	100%

White	3,363	77%
Black or African American	822	19%
Other	210	5%
Total	4,395	100%

SENIOR MANAGEMENT

Female	4	17%
Male	20	83%
Total	24	100%

Under 30	0	0%
30 to 50	4	17%
Over 50	20	83%
Total	24	100%

White	23	96%
Black or African American	1	4%
Other	0	0%
Total	24	100%

2017 NEW HIRES*

AGREEMENT (UNIONIZED) WORKFORCE

Female	77	7.9%
Male	892	91.2%
Total	969	100%

Under 30	563	58%
30 to 50	399	41%
Over 50	7	1%
Total	969	100%

White	730	75%
Black or African American	182	19%
Other	57	6%
Total	969	100%

*Includes NS subsidiaries Thoroughbred Direct Intermodal Services and TransWorks.

2017 NEW HIRES*

NONAGREEMENT WORKFORCE

Female	57	22.4%
Male	197	77.6%
Total	254	100%

Under 30	167	66%
30 to 50	77	30%
Over 50	10	4%
Total	254	100%

White	182	72%
Black or African American	52	20%
Other	20	8%
Total	254	100%

*Count of 2017 new hires includes only those who were employed at NS as of 12/31/2017.

EMPLOYEES WHO LEFT IN 2017*

AGREEMENT (UNIONIZED) WORKFORCE

Female	133	5.8%
Male	2,153	93.5%
Total	2,286	100%

Under 30	522	23%
30 to 50	1,055	46%
Over 50	709	31%
Total	2,286	100%

White	1,818	76%
Black or African American	396	16%
Other	72	8%
Total	2,286	100%

EMPLOYEES WHO LEFT IN 2017*
NONAGREEMENT WORKFORCE

Female	142	25%
Male	423	75%
Total	565	100%

Under 30	125	22%
30 to 50	211	37%
Over 50	229	41%
Total	565	100%

White	401	61%
Black or African American	132	19%
Other	32	20%
Total	565	100%

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

CONDUCTOR TRAINEES HIRED IN 2017*

	2015	2016	2017
Female	152	26	72
Male	1,919	306	1,058
Total	2,071	332	1,130
% Female	7.3%	7.8%	6.4%

*Totals include hires who left before the end of 2017

MANAGEMENT TRAINEES HIRED

	2015	2016	2017
Female	48	44	24
Male	121	149	137
Total	169	193	161
% Female	28%	23%	15%

*Totals include hires who left before the end of 2017

Thoroughbred Volunteers lend a hand to NS communities

Norfolk Southern employees regularly give their time and talent to support their communities. In 2017, the Thoroughbred Volunteers, the railroad's formal employee volunteer program, contributed more than 1,200 hours of service across the network. This does not include the uncounted hours that employees contribute on their own to make their communities better places to live, whether it be serving on community boards, volunteering in their churches and neighborhoods, or contributing to civic clubs.

In 2017, Norfolk Southern had active Thoroughbred Volunteer chapters in Norfolk, Atlanta, and Greenville, S.C.

Norfolk: In NS' headquarters city, employees participating in Thoroughbred Volunteers activities contributed 657 hours to community events in 2017. That included coaching and cheering Special Olympians during the Special Olympic Virginia's Fall Championships in Virginia Beach.

"It's a really rewarding event," said John Fletcher, regional manager Claims, who coached the soccer challenge. "The athletes really put their hearts into it and love to be cheered on. Seeing the smiles on their faces is heartwarming."

Atlanta: Thoroughbred Volunteers here participated in a variety of community activities,

including reading to elementary school students, sorting items for the local food bank, and collecting more than 1,000 pairs of socks for the homeless. Volunteers also spent a Saturday morning clearing weeds and litter and landscaping at Woodland Gardens, an 8-acre preserve in Decatur, Ga.

"We have long-time volunteers who volunteer for every event, as well as new employees who feel strongly that they want to be part of a team at NS that's involved with the community," said Stacia Minton, assistant vice president accounting operations. "It's a testament to the kind of people we hire who want to work for a company that gives back to the community."

Greenville, S.C.: The newest chapter of the Thoroughbred Volunteers is based at the railroad's Piedmont Division headquarters. In 2017, these employees participated in various charitable activities, including raising money in support of South Carolina military members and their families through A Hero's 5K Veteran's Race. They also collected school supplies for local disadvantaged children.





2017

NS CHARITABLE GIVING CONTRIBUTIONS ANNUAL REPORT



Charitable Statement

From our rail yards and tracks across the East Coast and beyond, we see people pulling together every day to keep America moving ahead.

Norfolk Southern supports the groups that pursue goals none of us could achieve alone. Our thousands of employees are woven into the fabric of communities large and small, near and far – and they give back, organizing blood drives, stocking food banks, collecting school supplies, volunteering as firefighters, and contributing so much more.

We are proud of our legacy of giving back and serving our neighbors, by investing in the communities we all call home. We are proud to serve our environment, by being generous stewards of our resources. We are proud to serve our country, by leading the way toward a more prosperous future.

We are Norfolk Southern, and we are pulling together to power progress today and tomorrow.

Contents

» THE YEAR IN REVIEW | 42

» FOUNDATION ASSETS | 42

» CONTRIBUTIONS BY FUND | 43

» CONTRIBUTIONS BY CATEGORY | 43

» ITEMIZED CONTRIBUTIONS BY CATEGORY | 44

Education | 45

Culture & the Arts | 47

Business & Economic Development | 49

Civic & Community | 50

Environment | 51

Matching Gifts | 51

Good Government Fund Matching Gifts | 52

Non-cash Donations | 52

» PULLING TOGETHER IN THE COMMUNITIES WE SERVE | 54

An Innovative way to Provide Healthy Meals to Schoolkids | 54

Helping Sustain People and the Environment | 55

A Multi-Year Commitment Expands Support System for Homeless Families | 55

Local Discretionary Grants Connect Employees to their Communities | 56

The Year in Review

In 2017, Norfolk Southern gave more than \$10.1 million in charitable contributions to the communities where we work and live. That represents a 12.9 percent reduction in overall contributions from 2016, reflecting a year-over-year decrease in cash contributions. 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.

The table below compares the total charitable contributions by financial category through December 31 for the last five years:

		2017	2016	2015	2014	2013
Foundation	\$	6,731,009	7,280,423	7,353,170	6,985,866	6,948,479
Corporate	\$	3,427,828	4,387,724	6,432,808	6,813,515	4,775,921
Total	\$	10,158,837	11,668,147	13,785,978	13,799,381	11,724,400

*Corporate includes Good Government Fund matching, corporate memberships, corporate sponsorships, non-cash donations, and other charitable contributions that do not fit into the Foundation.

Foundation Assets

As of Dec. 29, 2017, the Foundation held the following assets:

Cash	\$9,236,504.70
Total	\$9,236,504.70

In 2017, Norfolk Southern donated cash to the Foundation in the amount of \$583,333 per month, for a total of \$7 million. The corporation has provided the Foundation \$6.5 million for 2018.

Contributions by Fund



- 66% FOUNDATION
- 10% MEMBERSHIPS & DUES
- 10% NON-CASH
- 9% GOOD GOVERNMENT FUND
- 5% SPONSORSHIPS

Contributions by Category

(Excludes GGF-related matching contributions)



- 34% COMMUNITY RELATIONS
- 18% MATCHING GIFTS
- 12% BUSINESS & ECONOMIC DEVELOPMENT
- 11% NON-CASH
- 10% CULTURE & THE ARTS
- 9% EDUCATION
- 4% CIVIC & COMMUNITY
- 2% ENVIRONMENT

Itemized Contributions by Category

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

COMMUNITY RELATIONS

UNITED WAY	2017	2016	% Difference
Hampton Roads	\$ 274,400	\$ 263,900	3.98 %
Atlanta	204,370	204,370	0.00 %
Roanoke	100,000	184,370	-45.76 %
Other	1,058,210	1,107,210	-4.43 %
TOTAL UNITED WAY	\$ 1,636,980	\$ 1,759,850	-6.98 %

HEALTH & HUMAN SERVICES

American Red Cross	\$ 150,000
Foodbank of Southeastern Virginia	150,000
Children's Hospital of the King's Daughters	100,000
ForKids	100,000
Atlanta Community Food Bank	60,000
Feeding America Southwest Virginia	50,000
Houston Food Bank	50,000
Second Harvest Food Bank of Northeast Tennessee	45,000

YWCA of South Hampton Roads	37,000		
Hope House Foundation	35,000		
Other	756,000		
TOTAL HEALTH & HUMAN SERVICES	\$ 1,533,000	\$ 1,260,000	21.67 %
TOTAL COMMUNITY RELATIONS	\$ 3,169,980	\$ 3,019,850	4.97 %

EDUCATION (EXCLUDING MATCHING GIFTS)

OPERATING GRANTS	2017	2016	% Difference
Georgia Tech Foundation	\$ 65,000		
Old Dominion University	45,000		
University of Pittsburgh	35,000		
Michigan State University	32,500		
Pennsylvania State University	31,000		
Virginia Tech Foundation	30,000		
North Carolina State University	30,000		
Other	199,150		
TOTAL OPERATING GRANTS	\$ 467,650	\$ 616,400	-24.13 %

CAPITAL GRANTS

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	\$ 105,000	-52.38 %

SCHOLARSHIPS & FELLOWSHIPS

National Merit Scholarship Corporation	\$ 95,770		
ACCESS Scholarship Foundation	65,000		
Other	5,000		
TOTAL SCHOLARSHIPS & FELLOWSHIPS	\$ 165,770	\$ 179,350	-7.57 %

OTHER	2017	2016	% Difference
Virginia Early Childhood Foundation	\$ 50,000		
Horizons Hampton Roads	15,000		
Other	17,000		
TOTAL OTHER	\$82,000	\$ 93,905	-12.68 %

TOTAL EDUCATION	\$ 815,420	\$ 1,044,655	-21.94 %
------------------------	-------------------	---------------------	-----------------

CULTURE & THE ARTS (EXCLUDING MATCHING GIFTS)

MUSIC	2017	2016	% Difference
Virginia Symphony	\$ 84,000		
Virginia Opera	84,000		
Other	11,365		
TOTAL MUSIC	\$ 179,365	\$ 223,500	-19.75 %

MUSEUMS

Chrysler Museum of Art	\$ 100,000		
Virginia Aquarium	25,000		
Virginia Museum of Fine Arts	25,000		
Other	45,000		
TOTAL MUSEUMS	\$ 195,000	\$ 480,800	-59.44 %

PUBLIC RADIO & TV

WHRO	\$ 35,000		
Georgia PBS	10,000		
Blue Ridge PBS	7,800		
TOTAL PUBLIC RADIO & TV	\$ 52,800	\$ 72,800	-27.47 %

ARTS FUNDS OR COUNCILS	2017	2016	% Difference
Business Consortium for Arts Support	\$ 80,000		
Other	1,000		
TOTAL ARTS FUNDS OR COUNCILS	\$ 81,000	\$ 50,165	61.47 %
THEATRES			
Virginia Stage Company	\$ 89,000		
Other	13,500		
TOTAL THEATRES	\$ 102,500	\$ 114,000	-10.09 %
CULTURAL CENTERS			
Kennedy Center for the Performing Arts	\$ 60,000		
Woodruff Arts Center	50,000		
Sandler Center for the Performing Arts	25,000		
Other	1,500		
TOTAL CULTURAL CENTERS	\$ 136,500	\$ 203,175	-32.82 %
DANCE			
Richmond Ballet	\$ 10,000		
TOTAL DANCE	\$ 10,000	\$ 10,000	0.00 %

LIBRARIES

Gwinnett County Public Library	\$ 10,000		
Other	7,489		
TOTAL LIBRARIES	\$ 17,489	\$ 66,000	-73.50 %
OTHER	2017	2016	% Difference
Virginia Arts Festival	\$ 134,000		
Norfolk Botanical Garden	25,000		
Other	500		
TOTAL OTHER	\$ 159,500	\$ 195,500	-18.41 %
TOTAL CULTURE & THE ARTS	\$ 934,154	\$ 1,415,940	-34.03 %

BUSINESS & ECONOMIC DEVELOPMENT

	2017	2016	% Difference
American Coalition for Clean Coal Energy	\$ 500,000		
U.S. Chamber of Commerce	110,000		
National Association of Manufacturers	71,590		
Hampton Roads Chamber of Commerce	60,021		
Georgia Allies	50,000		

Operation Lifesaver	15,000		
Business memberships and dues (not included elsewhere)	104,797		
Business sponsorships (not included elsewhere)	54,000		
Chambers and other state-level business groups (various)	145,973		
Other	6,250		
TOTAL BUSINESS & ECONOMIC DEVELOPMENT	\$ 1,117,631	\$ 2,025,786	-44.83 %

CIVIC & COMMUNITY

	2017	2016	% Difference
Local police, fire, and emergency services	\$ 221,000		
Lead Virginia	25,000		
Urban League of Greater Atlanta	25,000		
Other	83,366		
TOTAL CIVIC & COMMUNITY	\$ 354,366	\$ 499,766	-29.09 %

ENVIRONMENT (EXCLUDING MATCHING GIFTS)

	2017	2016	% Difference
John G. Shedd Aquarium	\$ 40,000		
Lowcountry Open Land Trust	32,500		
Elizabeth River Project	25,000		
The American Chestnut Foundation	25,000		
Other	99,950		
TOTAL ENVIRONMENT	\$ 222,450	\$ 323,000	-31.13 %

MATCHING GIFTS

	2017	2016	% Difference
Roanoke College	\$ 59,700		
The University of Tennessee Foundation	40,650		
Virginia Symphony Orchestra	35,468		
Virginia Tech Foundation	30,725		
Norfolk Academy	26,457		
University of North Carolina at Chapel Hill	23,720		
Foodbank of Southeastern Virginia	22,945		

The Chrysler Museum	22,565		
The College of William & Mary Foundation	21,950		
Pennsylvania State University	21,295		
Other	1,336,230		
TOTAL MATCHING GIFTS	\$ 1,641,705	\$ 1,778,678	-7.70 %

GOOD GOVERNMENT FUND MATCHING GIFTS

	2017	2016	% Difference
Good Government Fund Matching Gifts	\$ 867,940		
TOTAL GOOD GOVERNMENT FUND MATCHING GIFTS	\$ 867,940	\$ 901,407	-3.7 %

NON-CASH DONATIONS

ROLLING STOCK & EQUIPMENT	2017	2016	% Difference
Various freight cars to transportation museums and community organizations	\$ 30,112		
Equipment and materials	\$ 132,000		
TOTAL ROLLING STOCK & EQUIPMENT	\$ 162,112	\$ 221,547	-26.83 %

REAL PROPERTY

Roanoke, Virginia – Donation of 0.5877 acre of land and track	\$ 335,000		
Pooler, Chatham County, Georgia – Donation of 55.30 acres	250,000		
Martin, Weakley County, Tennessee – Donation of 8.943 acres	248,500		
TOTAL REAL PROPERTY	\$ 833,500	\$ 420,000	98.45 %

DONATED TRANSPORTATION

Various transportation moves for nonprofits	\$ 39,579		
TOTAL DONATED TRANSPORTATION	\$ 39,579	\$ 17,518	125.93 %

TOTAL NON-CASH DONATIONS	\$ 1,035,191	\$ 659,065	57.07 %
---------------------------------	---------------------	-------------------	----------------

Pulling Together in the Communities we Serve

Norfolk Southern's trains don't just roll through cities and towns along our 22-state network. Our employees live, work, and raise families in them.

As a major employer in communities large and small, Norfolk Southern has a vested interest in their quality of life – for our employees and for our neighbors. Where we live, we want first-rate educational opportunities for our children; affordable food, shelter, and medical care for those in need; cultural and arts enrichment for all; and safe and environmentally healthy workplaces and neighborhoods.

That's why giving back to the communities we serve is so important to us.

In 1983, a year after Norfolk & Western and Southern Railway merged to become Norfolk Southern Corporation, we formed the Norfolk Southern Foundation to oversee charitable giving. Since then, the Foundation has given more than \$167 million to thousands of nonprofit educational, cultural, environmental, and human service organizations across our network. In the past five years, the Foundation has donated more than \$35.2 million, including more than \$6.7 million in 2017.

The four articles that follow highlight some of the groups and causes we gladly support.

AN INNOVATIVE WAY TO PROVIDE HEALTHY MEALS TO SCHOOLKIDS



Thousands of children in Virginia's Roanoke Valley receive free and reduced-price meals during school hours. However, when school's not in session, getting a healthy meal can be a challenge –

some kids could just go hungry.

In 2017, the Norfolk Southern Foundation began working to prevent that as a sponsor of an innovative program called Café to Grow. The program is built around a food truck piloted by Feeding America Southwest Virginia. Since its debut last year, the 18-foot-long mobile kitchen has delivered hot, nutritious meals to more than 9,500 children who

attend summer and afterschool programs in the Roanoke area.

Café to Grow visits seven sites each week during the school year and three sites during the summer. Children can choose between menu options such as tacos, spaghetti, or chicken.

The Foundation, a longtime supporter of food banks across the railroad's network, awarded \$34,000 to Feeding America Southwest Virginia to launch Café to Grow. Norfolk Southern partnered on the effort with Coca-Cola Bottling, the Johnson Foundation, Food Lion Feeds, and Share Our Strength's No Kid Hungry Virginia.

"It's really giving back to the community and showing that we care," said Katie Fletcher, director corporate social responsibility. "The food truck is a creative idea, and it's something that we see as having an immediate positive impact."

The railroad has a storied history in the Roanoke region. Norfolk & Western Railway was founded and headquartered in Roanoke until merging with Southern Railway in 1982 to form Norfolk Southern. Today, NS' Pocahontas Division is based in Roanoke. NS also operates a rail yard, two locomotive shops, and a rail-to-truck transfer facility in the Star City.

"Norfolk Southern has been a great partner in our work at Feeding America Southwest Virginia for a number of years," said Pamela Irvine, the organization's president and CEO. "We appreciate the Norfolk Southern Foundation's willingness to be part of the innovative work Feeding America is doing to feed more children and offer more children fresher food."

HELPING SUSTAIN PEOPLE AND THE ENVIRONMENT



Soon after moving its operations to a new location, the Second Harvest Food Bank of Northeast Tennessee discovered that the building's electrical system needed an overhaul.

The \$94,044 expense was money that the Kingsport, Tenn., nonprofit did not have. After Feeding America and Southface Energy Institute awarded the foodbank a \$47,022 matching grant, the Norfolk Southern

Foundation pitched in to help Second Harvest meet the match requirement. The Foundation's \$25,000 grant in 2017 covered more than a quarter of the cost of the energy-efficiency project.

"Norfolk Southern is committed to being a responsible corporate citizen in the communities we serve across our 22-state network, and this was an opportunity to make a charitable impact and support environmental sustainability," said Tom Werner, vice president corporate communications and chief sustainability officer. "The financial savings that Second Harvest Food Bank accrues from making its warehouse more energy efficient will help maintain its programs to feed the hungry in northeast Tennessee."

With the lighting upgrade, the food bank expects to save more than \$14,000 annually in electric bills. Those savings will be reinvested into feeding approximately 43,000 people in eight northeastern Tennessee counties each month.

"Without the crucial matching grant from the Norfolk Southern Foundation, Second Harvest Food Bank would not have been able to make the improvements to the warehouse," said Angie Sproles, the food bank's development manager. "Every dollar saved on energy costs can be used to feed our hungry neighbors."

A MULTI-YEAR COMMITMENT EXPANDS SUPPORT SYSTEM FOR HOMELESS FAMILIES



On any given day, ForKids Inc. could be helping 200 families, including 400 children, break the cycle of homelessness and poverty.

With help from corporate donors like the Norfolk Southern Foundation, the nonprofit agency offers families shelter, education, and counseling programs, serving more than 49,000 people annually. Founded nearly 30 years ago in Norfolk, Va., the nonprofit agency has become one of Virginia's largest providers for homeless families.

Since 2014, the Foundation has donated more than \$500,000 to ForKids.

In 2017, the Foundation stepped up with its largest contribution yet to ForKids, pledging \$250,000 over three years for "Campaign ForKids," a project to construct two regional centers for children and families in Chesapeake and Suffolk. Slated to open in 2019, the facilities will expand services offered to families across the Hampton Roads region in Virginia.

"The Norfolk Southern Foundation has been a stalwart supporter of ForKids for years," said Thaler McCormick, CEO of ForKids, noting that the Foundation was the first corporate funder of the Campaign ForKids effort. "Our new regional centers were just ideas on paper without sites when we came to Norfolk Southern and told them what we wanted

to do. They could have told us to come back when we had everything farther along, but instead, they chose to be the engine pushing our projects forward. The Norfolk Southern Foundation's leadership and faith in us brought many others into the campaign and will surely make a profound difference in the lives of children and families throughout Hampton Roads."

Assisting ForKids dovetails with Norfolk Southern's commitment to help improve the communities the railroad serves.

"People tend to forget what a problem we have with homeless families with children," said Katie Fletcher, NS director corporate social responsibility. "By investing in communities and families, we help create opportunities for individuals to better themselves."

LOCAL DISCRETIONARY GRANTS CONNECT EMPLOYEES TO THEIR COMMUNITIES

From funding a thermal imaging camera that detects people trapped in burning buildings to subsidizing meals for children attending summer camps, Norfolk Southern's local discretion grant program gives railroad employees a way to meet the unique needs of their communities.

Every year, the Norfolk Southern Foundation allocates grant money to each of the railroad's operating divisions to distribute to nonprofit community groups. The divisions identify organizations eligible for the funds who then submit applications, requesting a dollar amount and specifying how the money would be used. Safety and service committees on each division review the applications and recommend how the funds should be awarded.

Much of the grant money has gone to local fire and police departments and emergency management and medical agencies. Employees call it boots on the grounds.

"Because our employees live and work in the communities Norfolk Southern serves across our network, we believe they can provide insight into how the Foundation can best assist nonprofit organizations in their areas," said Michael J. Wheeler, Norfolk Southern's executive vice president and chief operating officer.

In 2017, each division received \$30,000 in local discretion funds. The Foundation increased that amount to \$45,000 in 2018. Individual grants range from \$1,000 to \$5,000. While the majority of donations are made to police, firefighters, and rescue squads, nonprofits such as food banks, libraries, environmental organizations, and boys and girls clubs also receive local discretion funds.

The right thing to do

In 2017, the Lake Division, which covers much of Indiana and Ohio and includes rail lines in Michigan and Kentucky, gave 30 groups across its territory \$1,000 each.

"We really like to touch as many organizations as possible," said Wanda Combs, division office manager, who administers the division's fund program. "It's the right thing to do."

Emergency response departments often request funding for items not included in their annual budgets, such as video recording equipment for police body cameras, defibrillators, NOAA weather warning boxes, an in-car video camera system for police cruisers, and water resistant flashlights.

"They have a need for something that doesn't fit within their budget, and local discretionary funds help that need," said Pamela Custis, Georgia Division office manager. "We can't help everybody, but we try to help as many as we can. The groups we help are very appreciative because they're able to do something that they've dreamed about funding."

Helping those who help us

Divisions also look for opportunities to assist groups that have lent a hand to the railroad. Last year, the Georgia Division awarded grants to two volunteer fire departments that helped fight wildfires on the NS line in Valdosta and Macon, Ga. "They were right there helping us, and we wanted to express appreciation," Custis said.

"Through the Local Discretion Grant program, we make important contacts within the community, such

as with folks from the local administration, as well as with fire, rescue, police, and emergency responders," said Bryant J. Thomas, government relations manager in Ohio. "We are able to build a rapport with our communities and give them a sense of how we can work with them as a strong partner."



» LOCAL GRANTS: SMALL AMOUNT BIG IMPACT

In 2017, the Norfolk Southern Foundation allocated \$30,000 to each of the railroad's operating divisions to distribute as local discretionary grants - a total of \$300,000.

Here's how the divisions distributed the money:

\$189,500	Community volunteer fire departments, rescue squads, and police departments
\$86,000	Civic, community relations, and human services organizations
\$16,500	Arts, cultural, and historic organizations
\$4,000	Environmental organizations
\$4,000	Educational institutions