



2024 Midyear Report on Safety Accomplishments and Ongoing Initiatives

# **DOING WHAT'S RIGHT**

We made a promise to make Norfolk Southern the gold standard in safety, and we're delivering on it. While safety has always been priority number one, we never stop looking for ways to do better — and are committed to making our safe railroad even safer.

I'm incredibly proud of our team for the focus and determination they've brought to this challenge. By working together with our employees, unions, and third-party advisors, we're enhancing our culture and processes.

When we make a promise, we deliver on that promise. That started with our Six-Point Safety Plan announced last spring. While the initiatives in the plan are based on the preliminary findings following the East Palestine, Ohio, derailment, our focus is on increasing safety across all our operations — in every facility and every community where we operate.

In 2023, we reduced the rate of mainline accidents by 38%, placing us among the best of the Class I railroads. Progress has continued in 2024 as we work toward becoming the gold standard of safety in the rail industry. Norfolk Southern is committed to keeping our employees and communities safe. We have maintained our positive safety momentum into 2024 with year-to-date improvement across all of our core safety metrics (compared to 2023 full-year performance).

Safety culture is about vigilance and continuous improvement. Our goal in East Palestine is to make things right. That philosophy applies to our approach to safety across our company as well. Doing the right thing on safety makes us a stronger company.

Alan H. Shaw, President & CEO, Norfolk Southern

# **ORGANIZATIONAL ACTIONS**



#### Summary of Board of Directors Actions

Norfolk Southern's Board of Directors is committed to ensuring that Norfolk Southern is among the safest railroads in the U.S. They have taken several actions to further improve safety, including:

- Increasing the meeting cadence of the board's Safety Committee and rotating the chair position
- Appointing Philip Davidson, a former U.S. Navy Admiral who led a comprehensive review of the Navy's safety protocols, to the board and the Safety Committee

 Adding safety metrics to the executive compensation plan to further hold management accountable and to increase the focus on safety across the company's management organization

As Norfolk Southern progresses with our Six-Point Safety Plan and implementing the recommendations from our independent safety consultant AtkinsRéalis US Nuclear (AtkinsRéalis) and the Federal Railroad Administration (FRA), the board has offered oversight and guidance at every step of the way, all to make us a stronger company.

#### Summary of Company-wide Actions

In the past 12 months, we have taken several important steps to continue enhancing our company's culture of safety. These include:

- Installing 187 out of a planned 259 (72%) additional hot bearing detector systems
- Installing our first three digital train inspection portals featuring machine learning vision

inspection technology, with the goal of having 20 systems operational by the end of 2026

- Becoming the first Class I railroad to join the FRA's Confidential Close Call Reporting System (C3RS) pilot program
- Enhancing training for all field-based employee operations
- Installing 17 new acoustic bearings detectors, quadrupling the size of the network
- Deploying the "Safety Up" mobile app, a custom-tailored and easy-to-use daily micro-learning tool, to our entire workforce
- Providing free training for 2,582 first responders across the region since January 2024

## Voices for Safety: John Fleps

"We are coming together with labor to do things differently," said John Fleps, Chief Safety Officer. "We want frontline leaders to have the knowledge they need to effectively engage their teams and move our strategy forward. It's all about mutual respect."

# SAFETY IMPROVEMENTS



## **Results of our Safety Efforts**

Safety is a team effort, and everyone contributes.

The results of the work we've done together speak for themselves:

- Reducing the mainline accident rate by 38% in 2023 — placing us among the best of the Class I railroads
- Decreasing our FRA Reportable Train Accident Rate from 3.95 in

2023 to 3.51 so far in 2024 (as of March)

- Reducing the FRA Reportable Mainline Train Accident Rate further from 0.59 in 2023 to 0.42
- Bringing our FRA Personal Injury Index down from 1.51 in 2020 to 1.09 in 2023, almost 14% lower than our 10-year average and ranking among the best of Class I railroads
- Working with our unions and lowering employee accidents by 28% since 2020

## Updates on the Six-Point Safety Plan

One of the main drivers of change and growth has been our Six-Point Safety Plan. A number of initiatives borne from that plan have been live since the spring of 2023, including:

- Next-generation hot bearing detectors pilot program
- Industry collaboration on practices for hot bearing detectors
- Accelerated timeline for digital train inspection program

Norfolk Southern is the first Class I railroad to join the FRA's C3RS pilot program. This allowed us to build upon our legacy Close Call Experience Program, which encourages employees to confidentially report incidents they consider to be "close calls."

#### Voices for Safety: Amit Bose, FRA Administrator

"The C3RS empowers railroad workers and reduces collisions, injuries, and deaths. I know that this program is just one of the safety improvements Norfolk Southern has made in recent months and it is an important one."

# PARTNERSHIPS



Our internal safety culture is our foundation as we've worked to make Norfolk Southern an even safer railroad. Our journey to becoming the gold standard in safety has also benefited from strong partnerships — not only with our employees and unions, but with independent consultants and government agencies as well.

## **FRA Safety Assessment**

The FRA's August 2023 Safety Assessment, while affirming positive aspects of Norfolk Southern's safety culture, did identify areas that could be strengthened further. Working with AtkinsRéalis, we promised to act, and are now close to completing all of the action items responsive to the recommendations. This includes:

 Enhanced communication protocols among dispatchers, our wayside help desk and field personnel in the event of a wayside line of road inspection

- Replacing our former disciplinefocused rules checks with Performance Standard Engagements that focus on coaching
- Completing additional safety training for more than 1,000 employees with less than one year of experience

## **Craft Employee Partnerships**

Our craft employees are on the front lines of our efforts to bolster our safety culture. Feedback from employees plays a key role in identifying opportunities for improvement.

In May of 2023, Norfolk Southern joined with the leaders of 12 labor unions to express a joint commitment to continuously improving safety – emphasizing that safety is a shared responsibility that requires buy-in at every level. As a result of these joint discussions, we have implemented several positive changes. One specific example: in October of last year NS and the Brotherhood of Railroad Signalmen, announced a one-year pilot program called Signal Safety Collaboration. The program's goal is to enhance signal safety for our employees as well as the communities in which we operate, ultimately developing an action plan to drive long-term safety improvements.

In addition to improvements to policies and procedures, we are also listening to our employees' equipment needs. Examples include:

- To improve communication among geographically dispersed crews, Norfolk Southern ordered over 2,300 Kenwood and Icom model antennas, which can be fitted to existing hand-held radios to help crew members communicate critical information more clearly
- Last fall, we launched the "Walk with a Purpose" program that made work boot vouchers available to all employees, and fulfilled orders for nearly 40% of our total workforce within the first two weeks
- Based on employee and union feedback, we are pairing conductor trainees with experienced and willing conductors to act as mentors *Continued on following page*

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#### Voices for Safety: Norfolk Southern Labor Joint Safety Letter

"Protecting the safety of workers is one of the founding values of labor unions. Norfolk Southern shares that deeply held value, and invests time, energy and resources to provide our people with the training, equipment and technology to support safe operations."

#### AtkinsRéalis Engagement

Our work with AtkinsRéalis is a deep, multi-phase commitment, and we've made substantial progress in implementing the firm's recommendations:

• Analysis of the effectiveness of the procedural improvements,

standards, and rigor associated with our Wayside Detector Help Desk and associated response processes

- Undertaking a formal rewrite of the Event Management Process detailing how we handle accidents, incidents, injuries and other "unexpected conditions"
- An internal assessment and strengthening of our FRA Risk Reduction Program
- Developing a comprehensive training matrix for all field-based employee operations, including the Ballast Line Leadership Program, a two-day course designed for frontline Operations

leaders and enhanced curriculum for conductor trainees

 AtkinsRéalis officials engaged local and general chairman from all 13 of our labor unions during field visits to 26 locations across our system

We continue to work with the firm to implement a two- to three-year roadmap of safety initiatives that will help Norfolk Southern set the gold-standard for safety culture in the rail industry. We have also established an enhanced governance structure to oversee the roadmap and hold us accountable in terms of final outcomes.

# **OUR COMMITMENT TO SAFETY CONTINUES**

We made a promise to our employees, customers, and communities that we would become the gold standard in safety in the railroad industry. We've listened to all our stakeholders, internal and external, to develop plans for improvement, together. And we've acted. Rail is the safest way to move freight over land and our commitment to safety improvement will never cease.

#### Voices for Safety: Claude Mongeau, Board Chair

"Safety is priority number one at Norfolk Southern. A culture of continuous improvement, keeping the wellbeing of our employees and communities at the forefront, is central to keeping our company strong. We're grateful to everyone who has contributed to this culture, from our craft employees to company leadership, to partners like AtkinsRéalis, and the government agencies we work with every day. Together, we'll ensure that Norfolk Southern remains a strong, sustainable and safe company for years to come."



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