

FOR THE *Long Haul*

2020 KCS sustainability report

for complete reporting, visit: [KCS Corporate Responsibility](#)



Delivering Prosperity
Valuing People
Protecting the Planet



tracking our successes

2020 sustainability highlights

delivering prosperity

\$907 million
spent on goods and services
in 2020, driving the economy
during the COVID-19 crisis



nearly
2.2 million
carloads/units
transported
in 2020

\$39 million
total diverse supplier spend

valuing people

24
diversity, equity, and inclusion
(DEI) roundtable sessions
held across the U.S. and
Mexico with more than
200 participants



27%
improvement in safety
performance in 2020 for
consolidated frequency rate
of reportable workplace
injuries and illnesses



protecting the planet

42%
per million gross ton-miles
(MGTM)
reduction goal set for Scope 1
and 2 greenhouse gas (GHG)
emissions by 2034 from a 2019
base year with our science-
based target commitment



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

5%
improvement in fuel
efficiency in 2020

21.2 million
gallons of diesel fuel usage
avoided in 2020



a message from our CEO

2020 performance & challenges



We are proud to share these sustainability highlights from our 2020 operations. As we think about the past year, we cannot help but focus on the unprecedented challenges of the COVID-19 pandemic. The pandemic caused severe disruption to the global economy and has changed our business and our industry in ways that will endure. But the pandemic was not the only crisis of the year. Recurring racist and discriminatory events in the U.S. set off an intense period of national contemplation on diversity, equity, and inclusion (DEI). The urgent need to address racial and social inequities led to important conversations and initiatives at Kansas City Southern (KCS), and diversity and inclusion will be a key focus going forward. We have learned much in the last year and candid feedback from our stakeholders will help us continue to change for the better.

Resilience, resolve, and agility all describe KCS's handling of the complexities presented by COVID-19. We quickly adjusted work practices, reconfigured workspaces, and leveraged technology in new ways to accommodate travel restrictions and to minimize close contact among employees. We implemented comprehensive hygiene standards and provided our employees with clear guidance on preventive measures. While prioritizing the health and safety of our team, we played a critical role in sustaining the uninterrupted flow of essential goods in North America. This would not have been possible without a well-crafted preparedness program, strong leadership, and the commitment of our people—particularly our employees on the front lines. We often say “railroading

is an outdoor sport,” and indeed our workers responsible for hauling freight, maintaining track, right-of-way, and infrastructure, servicing and repairing equipment, and countless others, never had the option to work from home. I am proud of how those workers and our entire team pulled together. We took care of each other and performed for our customers.

Amidst the pandemic, we were reminded that there is no place in our world for racism. Society's urgent need to address racial and social inequities intensified crucial conversations we had already been having about inclusion and diversity at KCS. We facilitated constructive discussions around employee development, outreach, and equality in our workforce and designed programs to help build self-awareness to overcome our biases. We still have much work to do, but we are resolutely heading in the right direction.

Despite the disruptions of 2020, we never lost sight of our important environmental initiatives. The protection of the planet is a major priority for our company and our stakeholders. Over the course of 2020, we continued implementing fuel-efficient technology and refining our train-handling practices, which led to a 5% improvement in our fuel economy. These measures allowed us to haul one ton of freight 414 miles on one gallon of fuel—27 miles farther than in 2019. In 2021, we committed to a science-based carbon emissions reduction target approved by the Science Based Targets Initiative (SBTi). KCS will reduce Scope 1 and 2 carbon emissions by at least 42% per million gross ton-miles by 2034, from a 2019 base year. This commitment is an important next step on our journey to minimize KCS's carbon footprint.

I want to thank the entire KCS organization for rising to the challenges we faced in 2020. Our employees have shown their innovative spirit and resilience, and I'm grateful for their dedication to keeping our business operating safely and responsibly. I am inspired and humbled by the talent and commitment of the KCS team every day, but never more than in 2020.

A handwritten signature in black ink, appearing to read "Patrick J. Ottensmeyer".

Patrick J. Ottensmeyer
President & Chief Executive Officer (CEO)



KCS awards & recognition

KCS was recognized for our continued focus on sustainability with the following awards and recognitions in 2020:

RAILWAY AGE

Railway Age magazine 2020 Women in Rail honored KCS Senior Vice President of Human Resources Lora Cheatum. Assistant Vice President of Human Resources Kim Schwab received an honorable mention.



In 2020, Investor Relations Magazine awarded KCS "Best Overall Investor Relations (mid-cap)" as voted by buy-side investors and sell-side analysts. KCS was also a top-six finalist in the Industrials category.

Institutional Investor

Institutional Investor magazine awarded high marks to KCS in the categories of Best Chief Executive Officer, Best Chief Financial Officer, Best Investor Relations (IR) Professional, Best IR, Best IR Team, Best Financially Material Environmental, Social, Governance (ESG) Disclosures, and Best Communication of Strategy and Risk Management Amid COVID-19.



MSCI is an agency designed to measure a company's resilience to long-term, industry material ESG risks. In 2020, KCS scored an AA in the leader category of the transportation sector of the MSCI ESG Rating.

Progressive RAILROADING

Progressive Railroading magazine awarded Warren Erdman one of the "Ten Most Influential Leaders".

Four KCS employees were awarded *Progressive Railroading* magazine's Rising Star award in 2020:

- Olivia Daily – Vice President Purchasing
- Melissa Smith – Director of Indirect Purchasing
- Karen Monroy – Community Relations and Social Responsibility
- Francisco Fabila Rubio – former Institutional Relations Manager

INGRAM'S

- Patrick Ottensmeyer – Top 250
- Warren Erdman – Top 250
- Olivia Daily – 40 under Forty



Formerly known as the Carbon Disclosure Project, CDP is a highly regarded global, non-profit group developed by investors to understand the environmental impacts of businesses on climate change. In 2020, KCS ranked in the management level scoring a B.

INVESTOR'S BUSINESS DAILY

Investor's Business Daily magazine ranks KCS no. 34 among the "50 Best ESG Companies" based on ESG ratings from Morgan Stanley Capital International ESG research.

NEWSWEEK

Newsweek magazine included KCS among America's Most Responsible Companies. KCS ranks no. 4 in Travel, Transport, and Logistics companies.



in this report

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sustainability strategy at-a-glance



we are committed to sustainability for the long haul

KCS is a responsible corporate citizen, embracing our role as a conscientious steward of our environment. To ensure sustainability is integrated into our operations, we have strongly aligned our sustainability strategy with our business strategy. This approach helps us deliver on our goal to be the fastest-growing, best-performing, most customer-focused transportation provider in North America.

Our sustainability strategy is focused on three key areas: *delivering prosperity*, *valuing people*, and *protecting the planet*. These pillars encompass the ESG issues at the core of our values as a company and align with our goals as a business. Below we provide a summary of the key elements of our sustainability and business strategy.

delivering prosperity

- build a strong and nimble, customer-oriented culture
- focus on performance, accountability, and execution
- manage climate risks and opportunities
- create industry-leading shareholder returns
- ensure strong governance

valuing people

- operate safely and reliably
- provide excellent customer service
- enrich the communities in which we operate
- practice and inspire social responsibility
- actively promote equity and inclusivity

ESG strategy

protecting the planet

- deliver on our carbon reduction commitments
- continue to improve our operational resource efficiency
- maintain strong environmental compliance

for complete reporting, visit: [KCS Corporate Responsibility](#)

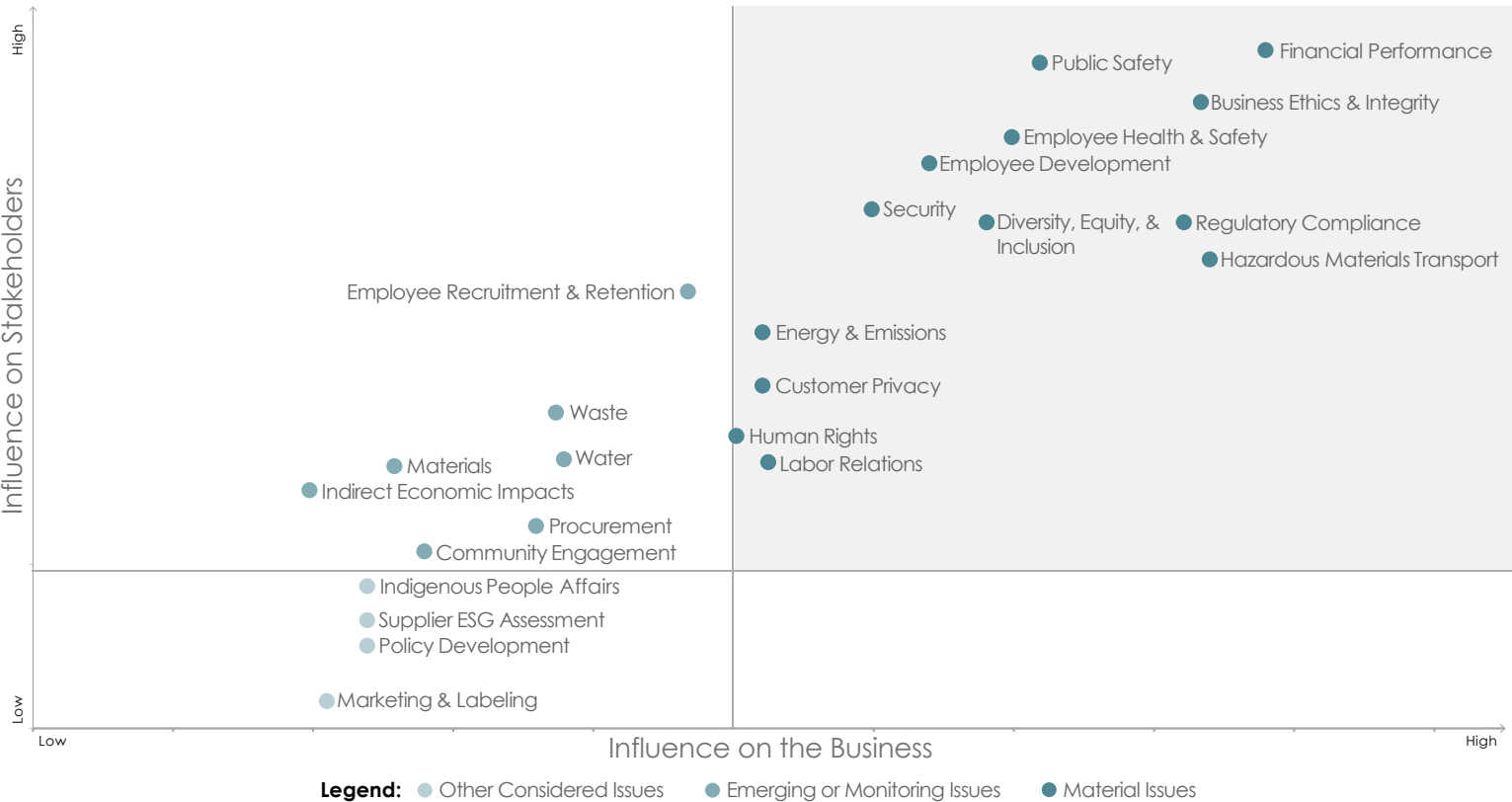


material topics

refining our focus

To focus our efforts on the ESG topics that are most important to our internal and external stakeholders, KCS conducted a formal materiality assessment in 2018. The matrix below provides the results of this assessment with each ESG topic mapped based on its importance to stakeholders and to the business. KCS plans to refresh the assessment in 2022.

Kansas City Southern Materiality Matrix



Material financial, environmental, and social issues facing our business:

ENVIRONMENTAL

- Energy & Emissions
- Hazardous Material Transport

SOCIAL

- Public Safety
- Employee Health & Safety
- Diversity, Equity, & Inclusion
- Employee Development

- Security Practices
- Customer Privacy
- Human Rights
- Labor Relations

ECONOMIC & GOVERNANCE

- Financial Performance
- Business Ethics & Integrity
- Regulatory Compliance



stakeholder engagement

gaining insight

Through stakeholder engagement efforts, KCS gains valuable insight into the needs and expectations of our internal and external stakeholders. We tailor our engagement approach to the unique needs of each stakeholder group. Our engagement activities include employee surveys, customer visits, employee “town hall” meetings, quarterly investor updates, customer satisfaction surveys, and annual shareholders’ meetings. More details on our 2020 stakeholder engagement activities are included in [Stakeholder Engagement](#).

As part of the materiality assessment process, we complete robust stakeholder engagement activities

on a four-year cycle. We solicit input from numerous internal and external stakeholders to help refine the focus areas for our sustainability strategy and initiatives. KCS will conduct our next materiality assessment in 2022.

To support stakeholder engagement, KCS also actively participates in a variety of industry organizations. Our professional engagement with these organizations includes individual memberships, corporate memberships, board positions, and company-wide partnerships. A full list of our professional engagements and memberships is included in [Professional Engagement](#).



our values & culture

culture & values fulfill vision

our vision

KCS strives to consistently be the fastest-growing, best-performing, most customer-focused transportation provider in North America. Our strong culture and our core values will allow KCS to fulfill our vision.

our values

KCS's culture is a set of core values, beliefs, and behaviors that define us and create a foundation for our growth and success. Our six core values guide our employees and shape our culture.

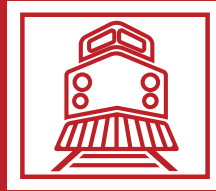


Learn more about our vision, values, and culture on our [website](#).



regarding KCS

vision, values, & culture





regarding KCS

vision, values, & culture

KCS & our holdings

KCS is a transportation holding company founded in 1887 with two primary subsidiaries, The Kansas City Southern Railway Company (KCSR) and Kansas City Southern de Mexico, S.A. de C.V. (KCSM), which form a cross-border rail network. KCSR is one of seven Class I railroads operating in the U.S. and KCSM is one of two large regional railroads operating in Mexico. Our rail network, which comprises approximately 7,100 route miles of track, allows us to provide our customers with secure cross-border transportation and greater

access to Mexico's industrial heartland, and links with all other North American Class I railroads.¹ Our operations at key ports along the Pacific Ocean and Gulf of Mexico promote the international transportation of freight.²

KCS also holds a 50% interest in Panama Canal Railway Company (PCRC), which provides ocean to ocean freight and passenger service on a 47-mile railroad along the Panama Canal.²

network and services

7,100

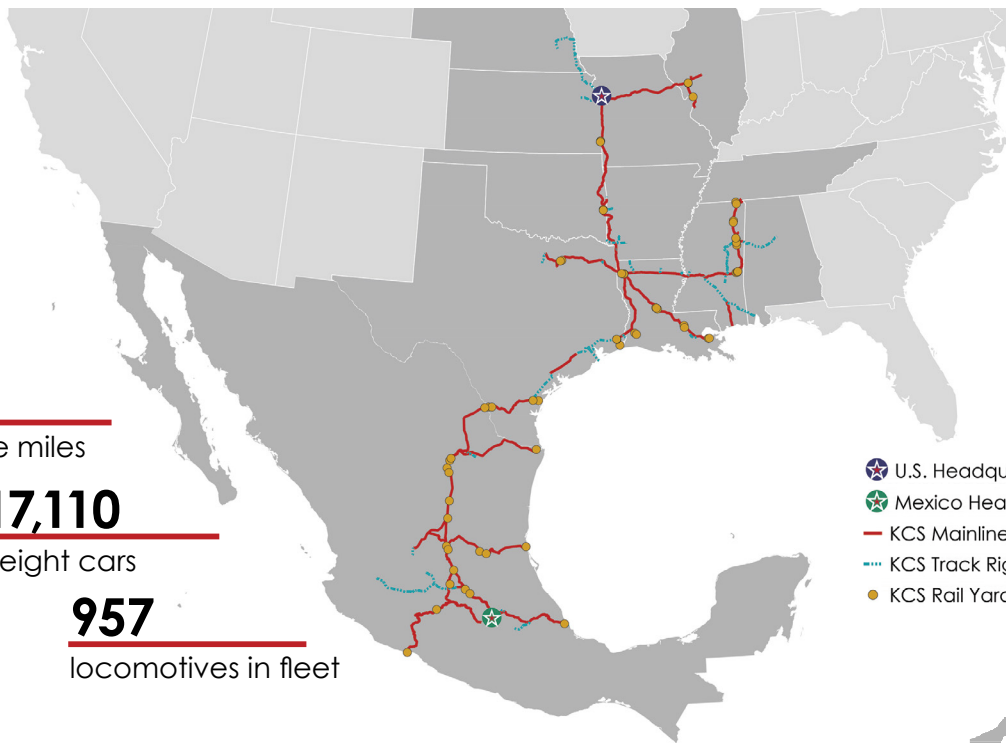
KCS route miles

17,110

freight cars

957

locomotives in fleet



- ★ U.S. Headquarters - Kansas City, MO
- ★ Mexico Headquarters - Mexico City, MX
- KCS Mainline Track
- ⋯ KCS Track Rights
- KCS Rail Yards



Panama
(not to scale)

¹A Class I Railroad, as defined by the Surface Transportation Board, has "annual carrier operating revenues of \$250 million or more in 1991 dollars, which equates to \$475 million in 2020.

²Sustainability information related to PCRC and other KCS holdings is not included in this report.





“During 2020, the employees of Kansas City Southern worked tirelessly under challenging circumstances to deliver essential freight transportation and keep the U.S. and Mexican economies running. Despite facing disruptions such as the COVID-19 pandemic, multiple hurricanes, and unprecedented fluctuations in volumes, our employees’ efforts allowed KCS to continue providing consistent and reliable service to our customers.”

” **Jeff Songer, Executive Vice President
Strategic Merger Planning**

delivering prosperity

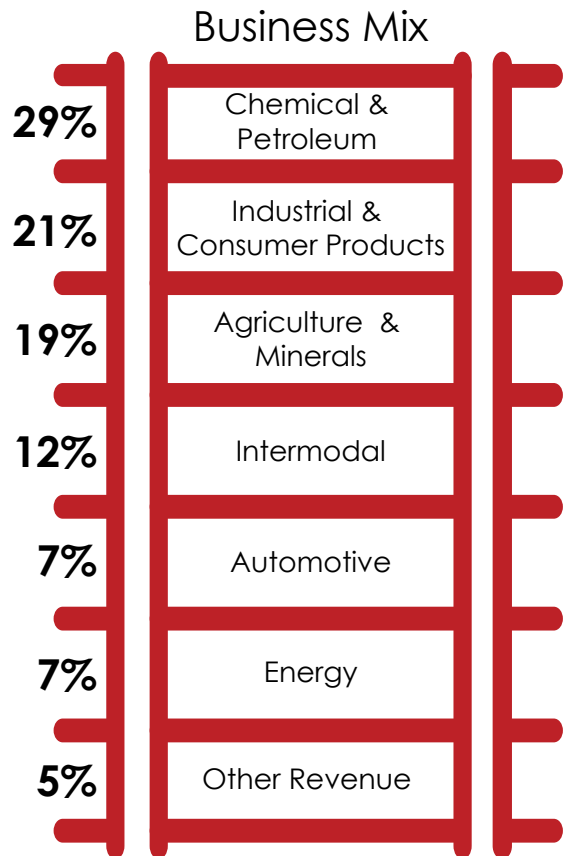
In spite of the COVID-19 pandemic, KCS delivered solid financial results. KCS is part of the critical infrastructure essential for the functioning of our society and economy. In this year of unprecedented challenges, we did our part, along with so many others, to fulfill a vital role. Without interruption, we adapted to keep freight moving quickly, safely, and securely across our network while never losing focus on the health of our employees.

In 2020, we shipped nearly 2.2 million customer carloads/units of freight delivering:

- Chemicals to produce medicines and disinfectants and to treat water
- Grain to mills and food products for grocery store shelves
- Feed for livestock and fertilizer for farmlands
- Steel, plastics, minerals, and other raw materials for manufacturers
- Commercial “pandemic products” to consumers
- Fuel to power businesses and homes

Our expertise in providing efficient and secure transportation delivers a competitive advantage to customers. In March 2020, as the world ground to a halt, KCS kept moving, making sure our customers were able to ship goods and materials to the places where they were needed most. Our operating model proved to be adaptive and agile.

From a business perspective, the diversity of freight KCS transports allows us to withstand sharp shifts in the market and continue to *deliver prosperity*.



\$2.6B
in revenue

2.2M
carloads/units
transported





supplier supporting operations

KCS manages our procurement process through a centralized competitive supplier selection process that incorporates considerations such as cost, quality of products and services, safety, and environmental and labor standards.

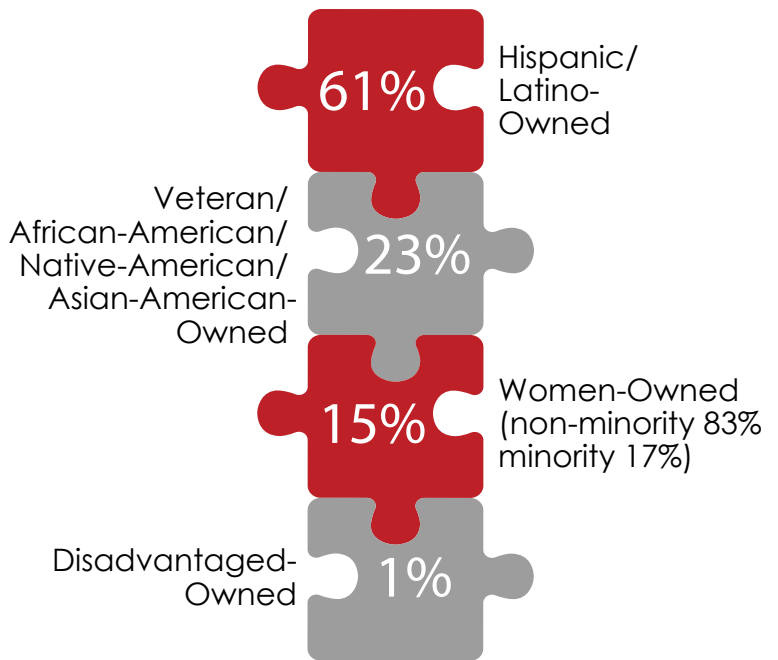
To bolster our ESG strategy, we prioritize partnerships with suppliers that embrace our core values. We seek partners equally dedicated to high ethical standards, environmental stewardship, and diversity and inclusivity.

To ensure our supplier management approach aligns with our business and sustainability strategies, we:

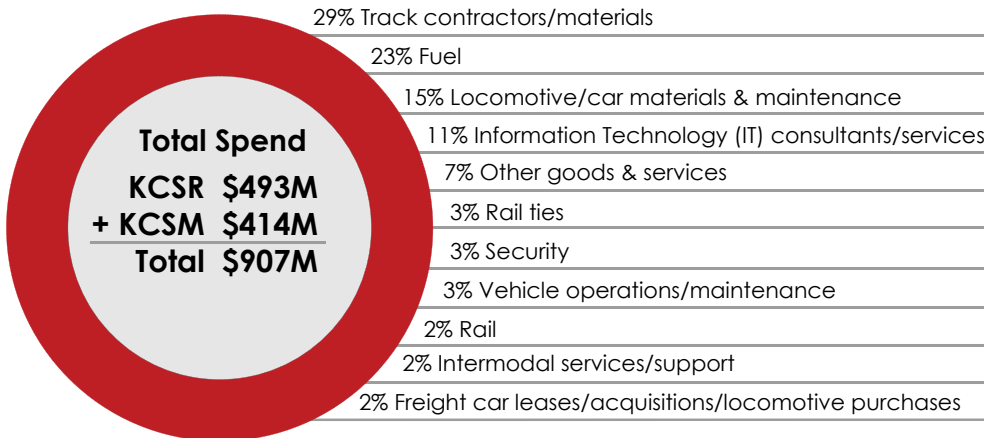
- Strategically source suppliers and carefully manage materials and contracts.
- Expect suppliers to conduct business in accordance with the highest ethical standards and in compliance with all laws and regulations.
- Welcome high-quality, certified, disadvantaged, minority-, women-, and veteran-owned businesses to bring added value to our purchasing process through our Supplier Diversity Program Initiative.

We believe working with suppliers from diverse segments of the community supports our business strategy and strengthens the local communities we serve. This diversity is the key to innovation, providing and allowing us to create new opportunities, and it is essential that we bring together talented and committed people with wide-ranging perspectives.

Supplier Business Enterprise Diversity



KCS types of goods and services purchased by percentage



In 2020, our top-10 goods and services purchased accounted for 98% of our supplier spend.

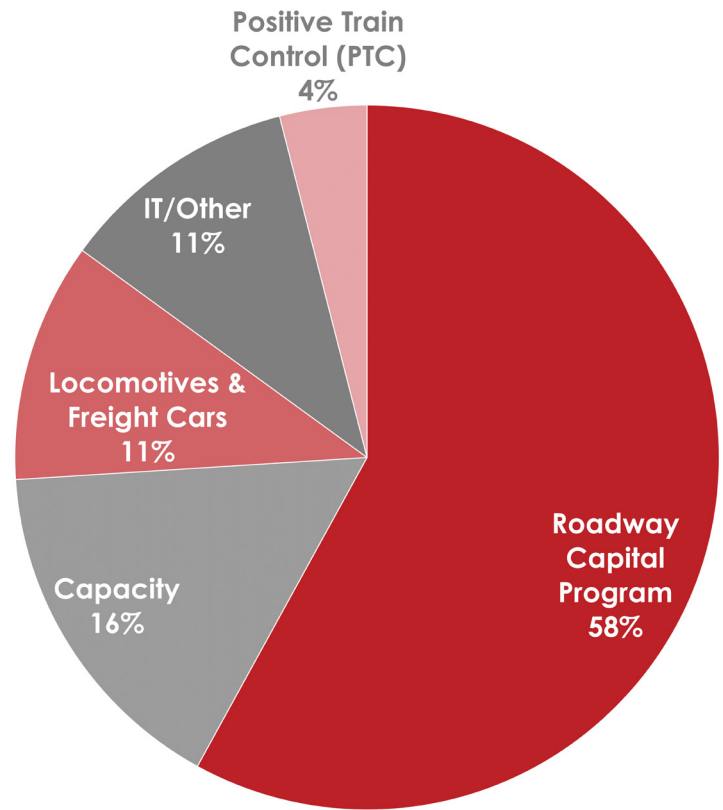
we prioritize suppliers who embrace our core values.





capital expenditures

In 2020, KCS invested approximately 16% of our \$2.6 billion of consolidated revenues into capital expenditures to upgrade and maintain our network and assets. Through our \$410.2 million infrastructure capital expenditures, KCS proudly supports local-level economic growth, which helps build a stronger network across the communities we serve. These capital investments show our continued commitment to long-term safety, efficiency, and growth.



capital investment builds a stronger network for our customers.



valuing people

safety, diversity, & community





valuing people

safety, diversity, & community



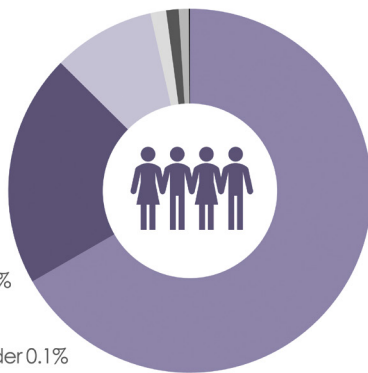
our people

Our employees are the foundation of our success. Through our vision and values, KCS fosters a culture of inclusivity where employees benefit from our values of civility, teamwork, safety, and communication. We actively engage employees through town hall meetings, focused workshops, weekly newsletters, and team-building events, among other activities.

KCS supports our employees as they develop their talents and advance their careers. We take care to provide employees with the tools they need to build successful and fulfilling careers. In this report, we outline the work we have done and continue to do to fight for diversity and equity, keep our people safe, and uplift the communities in which we operate.

KCSR Employee Self-Identified Diversity

- Caucasian 66.7%
- Black or African-American 20.7%
- Hispanic or Latino(a) 9.1%
- Asian or Asian-American 1.4%
- American Indian or Alaskan Native 1.1%
- Two or More Races 0.9%
- Native Hawaiian or Other Pacific Islander 0.1%



diversity, equity, & inclusion

This year, we reemphasized our commitment to diversity, equity, and inclusion. KCS embraces our cross-cultural heritage and encourages a work environment that is inclusive. Diversity, equity, and inclusivity are embedded in KCS's vision, values, and culture. We expect our employees to exemplify our company values by treating all individuals with dignity and respect and embracing diversity and inclusivity. We believe our focus on DEI not only makes KCS a great place to work but also ensures we hire the best people for the job from a diverse pool of candidates. Strong internal policies help us advance our values and ensure that KCS employees feel valued and respected.

- In the U.S. and Mexico, our Equal Employment Opportunity Policy and Política Modelo de Equidad y Género, respectively, outline our stringent equitable hiring and employment practices.
- Our Non-Discrimination and Anti-Harassment Policy applies to all KCS operations and prohibits discrimination and harassment on the basis of race, color, religion, sex, sexual orientation, gender identity, national origin, ancestry, age, disability, marital status, pregnancy status, citizenship status, genetic information, military or veteran status, or any status protected by law in the workplace.





“Our commitment to diversity, equality, treating all people with dignity and respect, and embracing our cross-cultural heritage helps us focus on promoting a work environment that is inclusive of everyone.”

” **Jeniene Rice, Workplace Inclusion Steering Committee member**

- Our Anti-Retaliation Policy protects employees from retaliation for reporting harassment, discrimination, or safety concerns, among other matters.
- In Mexico, our Política Modelo de Equidad y Género addresses equal opportunity employment, as well as non-discrimination, anti-harassment, anti-retaliation, and other issues.
- Employees can report discrimination or harassment via our [Speak Up! Report Line](#) or at ethicspoint.com.

racial equity

The ongoing racial injustice and inequality highlighted by the unacceptable use of deadly force by police officers in the U.S. triggered an internal effort at KCS to reassess what we can do to combat racism head-on. Specifically, our CEO spearheaded efforts to provide a forum for employees to share their views on workplace equity, inclusion, and opportunity at KCS. He hosted a series of virtual workshops with small focus groups to allow for real and engaging dialogue. The feedback provided during these workshops was largely positive, confirming that KCS is on the right track. However, areas where KCS has opportunity for improvement were also highlighted.

The findings of these efforts led us to establish the Workplace Inclusion Steering Committee (WISC), tasked with leading efforts to ensure KCS continues to become a more inclusive place to work. Their first action was to develop a company-wide DEI training module that is now required learning for new

employees. This training is just the first step. The WISC is developing initiatives to maximize internal promotion opportunities for diverse candidates and provide greater inclusivity for all employees.

gender equity

Gender equity and inclusion is another area of our focus. We leverage external partnerships to complement our internal efforts and remove barriers for women in railroading. In 2020, our Human Resources Team surveyed female employees within KCS operations to understand why there are fewer women among this group of employees. This initiative aimed to identify barriers that may be preventing women from pursuing operations roles and changes we can make to encourage gender diversity. The survey identified, for example, that women in our Mexico operation were provided uniforms cut and sized for men. We are now in the process of distributing uniforms made specifically for women.

57% of new U.S. management hires were women & people of color

28% of new Mexico management hires were women





League of Railway Women

KCS is proud to be a Platinum Partner with the League of Railway Women (LRW). Our partnership provides all KCS employees access to a complimentary LRW membership. This membership offers access to career growth opportunities such as the LRW Mentorship Program, connecting members with experienced railway professionals. KCS supports the LRW commitment to connect and cultivate women in rail, thereby promoting diversity and improving railroad industry business results.

Fairygodboss

KCS has also partnered with Fairygodboss (FGB), the largest career community for women in the U.S. The platform is used by millions of female professionals to obtain career advice, engage with other members of the FGB community, and leave anonymous employer reviews. KCS aims to use FGB to share our story about why KCS is a great place for women to work and provide resources for the women who already work at KCS. We also hope that this platform will help us increase our employer brand awareness among women and reach a wider network of women to increase the number of female applicants for open positions at KCS.





2020 LEAD program participants

supporting our people

To attract and retain the best people, we offer competitive compensation and high-quality benefits; we promote career growth by providing extensive Training & Education Opportunities.

Creating a culture that fosters long-term-career employees provides a professional consistency to our operations that is key to KCS's success. The results of these efforts are reflected in the fact that our employee turnover rate is less than half the average U.S. rate,³ and our average employee tenure is three times the national average.⁴

LEAD program

The KCS LEAD Program supports the career growth of promising KCS employees. The program affords participants the opportunity to learn more about our business and further develop leadership skills by rotating through up to three KCS departments for a one-year period each. The ten employees who are currently in the program as LEAD participants make important contributions to their host workgroups while preparing for positions of greater responsibility.

employee benefits

Our compensation program provides employees and their dependents a wide variety of health and welfare benefits. Employees can easily access resources for health, wellness, and retirement planning through our benefits portals.

Learn more about benefits offered to our employees on our website.

employee wellness program

KCS provides a holistic wellness program to all employees, including physical and mental health programs and financial and social wellness resources. Initiatives in 2020 included free financial wellness seminars, mental health support via our Employee Assistance Program, social initiatives to encourage volunteerism and charity in the communities we serve, and wellness incentives to promote overall employee health and wellbeing.

employee assistance program

Our Employee Assistance Program provides KCS employees and their dependents with high-quality mental health counseling and referral services. This voluntary and confidential program provides access to care by phone or website 24 hours a day, 7 days a week, as well as face-to-face and virtual counseling sessions, all at no cost to our employees.



³ <https://www.bls.gov/news.release/pdf/jolts.pdf>

⁴ <https://www.bls.gov/news.release/pdf/tenure.pdf>





training & education

KCS provides employees learning opportunities in both online and in-person formats to help develop our workforce and to continuously improve our safety culture and performance.

Training courses and programs cover a variety of topics including safety, team management, technology and systems improvements, and customer service improvement. In 2020, 2,814 U.S. and 2,093 Mexico employees completed one or more training activities. A list of some of the employee trainings we offer is provided in [Training & Education](#).

To promote feedback and communication between supervisors and their teams, we use our On-Track Performance Management System for annual performance reviews.

occupational health & safety



At KCS, nothing is more important than our safety culture. Through training, education, and stringent adherence to safety rules, we provide a safe and healthy work environment for our employees and protect our visitors, contractors, and communities from health and safety hazards.

KCS reviews and evaluates occupational health and safety through our Health, Safety, Security & Environmental Management System (HSSE MS). Our HSSE MS has a broad scope that includes the governance of HSSE-related activities at all levels of the organization. We ensure a collaborative occupational health and safety (OH&S) program



by seeking input from joint management-worker health and safety committees. This system is designed in compliance with the American Chemistry Council's (ACC's) Responsible Care Management System® (RCMS) 2013 Technical Specification, and the KCSR rail network is certified by RCMS.

Within our Operational Testing Program, KCS experts identify, monitor, and manage existing or emerging safety risks. In addition to our baseline efforts to continually test and measure employees' knowledge and compliance with our rigorous safety procedures, KCS deploys system-wide testing in response to newly identified risk trends and recent injuries or incidents.⁵

Our HSSE MS uses a risk-based hazard analysis approach to evaluate and prioritize identified potential hazards. Key areas in which we monitor risks include workforce health and safety, community awareness, emergency response, product safety, pollution prevention, and security. We use standardized methods to evaluate and continually improve our HSSE MS, including careful analysis of [Operational Testing Program](#) results and incident and injury data.

⁵ KCSR is the U.S. and KCSM in Mexico are subject to government regulations with regard to safety. These regulations direct safe operating practices, roadway worker protection, and other safety procedures. Our safe operating practices meet or exceed what is required by these regulations.





Our HSSE MS is designed to achieve consistently better health and safety rates than the industry average, decreased injury rates year-over-year, and recognition for our thorough approach to safety.

KCS works towards these goals every day by complying with all government regulations and our own internal health and safety standards, providing appropriate training initiatives, employing strong governance, and minimizing exposure to risks wherever possible.

Specific to OH&S training, KCS has developed the Transportation, Engineering, and Mechanical (TEaM) Training Center in the U.S. and the Technical Training Center in Mexico. These centers offer certification and training programs for all operations groups, both on-site and remotely, as business needs require. Due to the COVID-19 pandemic, many training programs were moved to virtual settings in 2020.

- In 2020, the TEaM Training Center provided 12,110 employee training hours in the U.S., covering safety, operating rules, and proper work practices.
- In 2020, the KCSM Operations Training Group provided 46,442 employee training hours in Mexico, covering safety, operating rules, and proper work practices.
- Our hotlines at the KCSR Critical Incident Desk and the KCSM Interrupción de Servicio are active 24/7, so anyone can report emergencies and safety issues.



automating safety – rail inspection portal

In 2020, KCS deployed its first automated inspection portal for rail cars in Ramos Arizpe, Mexico. This portal provides real-time inspection of rail cars as they move at track speeds. This new technology uses high-resolution, 360-degree imaging in combination with artificial intelligence applications to help detect mechanical problems. The data is transmitted in real-time to operators who live-monitor and review the imagery. The combination of artificial intelligence and expert review provides for highly effective inspection of rail cars before they even enter the yard. This allows us to proactively identify maintenance issues and minimize safety risks. Our use of innovative technologies to keep our people safe underpins our approach to our operations.





“Nothing is more important than health and safety. Operating our business responsibly is our top priority. This means investing in our people and their training, diligently maintaining our equipment and infrastructure, adhering to best practices, and utilizing technology to enhance the safety and security of our network.”

” **Jessica Botello/Gerencia de Capacitación Técnica**

adapting to COVID-19

The COVID-19 pandemic created unprecedented safety challenges for KCS. Our freight services support the North American economy and communities and are essential. We had to act quickly to implement policies and processes to keep our people safe.

To protect our employees, we implemented and continue to follow COVID-19 safety guidelines from the U.S. Centers for Disease Control and Prevention, the World Health Organization, and the Mexican government. This includes social distancing, facial coverings, temperature checks, health screenings, and staggered work schedules.

We also accelerated the timeline on our mobile device pilot program to reduce the potential for exposure to asymptomatic coworkers. The program tested the distribution of mobile field devices to KCS engineers and conductors, allowing them to access KCS Rule Books, General Orders, and other operational documentation digitally. The use of mobile devices made it easier for employees to skip the yard office at the end of their tour of duty. The pilot program was successful, and we have now expanded the program to its second phase with the distribution of 250 additional devices. In the long term, we plan to expand device functionality and distribute mobile devices to most train and engine employees.



To protect our people, KCS implemented COVID-19 protocols based on guidance from reputed health organizations.





"The consistent effort of these teams—resulting in this remarkable safety achievement—exemplifies KCS's core values and is proof that zero injuries can be achieved with dedication and focus. On behalf of the entire Senior Leadership Team, I am delighted to recognize their success!"

” Patrick Offensmeyer, CEO

safety excellence spotlight

2020 was the inaugural year for the “President’s Award” in our U.S. operations. The workgroup with the lowest Federal Railroad Administration reportable injury frequency ratio (IFR) in each department (transportation, engineering, and mechanical) was awarded the Vice President’s Award, and then those winners competed—across functions—for the President’s Award. Nine teams, identified below, achieved one year with zero reportable injuries. This accomplishment exemplifies our exceptional safety culture. These groups’ steady focus on safe work practices, particularly amid the challenges of 2020, highlights KCS’s commitment to safety:

- KCS Locomotive Department
- KCS Signal Department
- Jackson Mechanical Operations
- Laredo Mechanical Operations
- Baton Rouge Mechanical Operations
- Shreveport Car Shop
- KCSR Work Equipment Team
- KCSM Oriental Division Engineering Team
- Speedway Division

The Speedway Division was honored with the Vice President’s Transportation Award for the lowest IFR among the Transportation Department Teams.

The Signal Department was honored with the Vice President’s Engineering Award for the lowest IFR among the Engineering Department Teams.

The Shreveport Locomotive Team was honored twice—with the Safety Starts Here President’s Award for having the lowest IFR, and the Vice President’s Mechanical Award for having the lowest IFR in the Mechanical Department.



The Speedway Division receiving the 2020 Vice President’s Transportation Award



The Shreveport Locomotive Team receiving the 2020 Safety Starts Here President’s Award





“We believe it is our responsibility to raise awareness of the dangers of driving or walking near railroad tracks. To this end, we partner with emergency responders and local, state, and federal officials to develop strategies for preventing public injuries. We offer a robust public safety outreach program to educate communities along our network on how to be safe around highway-rail grade crossings and railroad tracks.”

” **Karen Monroy, Community Relations and Social Responsibility**

public safety

Our commitment to safety applies not only to our employees but also to the communities where we operate. Freight railroads are considered “common carriers” and, as such, are required by law to transport properly tendered freight, including hazardous materials that are critical to our nation’s health and quality of life. This mandate is a reflection of the fact that railroads are the safest above-the-ground mode of transportation for hazardous materials. Indeed, 99.99% of rail hazardous materials shipments reach their destination without a train accident-caused release. At KCS, we focus on prevention by properly maintaining and improving track and infrastructure and by investing in new technology.

We spend millions of dollars each year to maintain crossings, and we actively participate in public service campaigns and educational initiatives for bus drivers, teens, commercial drivers, and others. We seek and receive funds from the federal government to install new flashers and gates, to upgrade existing devices, and to improve grade crossing surfaces.

operation lifesaver/alto total

KCS continues to partner with non-profit Operation Lifesaver in the U.S. and a similar organization in Mexico, Alto Total. Through these programs, we engage with local law enforcement and the general public to promote rail safety.

Despite the challenges of the pandemic, our partnership with Operation Lifesaver and Alto Total still managed to reach more than 40,000 people via presentations, special events, and direct public outreach campaigns in 2020. We hope to exceed the approximately 250,000 people we reached in 2019 in future years when it is once again safe to hold large public events.



Operación Alto Total

We prioritize safety not only for our employees but also in the communities where we operate.





rail safety week

Rail Safety Week occurs annually, in late September, in the U.S., Mexico, and Canada. The week-long event encourages drivers and pedestrians to practice safe behavior near railroad tracks. Due to the pandemic in 2020, KCS largely participated by sharing public safety messages through its social media channels and by safely distributing printed materials. In Mexico, KCSM volunteers distributed more than 3,000 promotional items in the Municipality of Santa Catarina, with volunteers wearing red hats to promote #RedOutforRailSafety. KCS is proud to maintain an ongoing partnership with the Kansas City Zoo, which, during this week, distributed safety messaging and promotional items to visitors.

TRANSCAERSM

TRANSCAERSM (Transportation Community Awareness and Emergency Response) is a national outreach effort to help community first responders prepare for and respond to hazardous material transportation incidents. The organization offers free training courses that are led by industry experts who volunteer their time to support the TRANSCAER mission.

KCSR and KCSM provide support to TRANSCAER's training initiatives, educating and assisting communities regarding hazardous materials, and aiding community emergency response planning through donated time and expertise. For example, in 2020, we held a two-hour session for the Nuevo León Fire Department focused on tank car anatomy and railroad incident scene safety. Overall, our partnership with TRANSCAER engaged almost 2,000 people in 2020.

In 2020, TRANSCAER honored KCS with its Regional Achievement Award for the seventh consecutive year.

rail safety technology

KCS began deploying Positive Train Control (PTC) technology on our network and required assets in 2018. This advanced safety technology acts to automatically stop a train before certain incidents occur. PTC helps to prevent collisions, derailments, incidents due to misaligned track switches, and unauthorized entry into work zones, protecting both our employees and the communities along our rail network. In 2020, we completed the necessary work to ensure interoperability of PTC with our tenant and host railroads. To learn more about PTC, please visit our [website](#).

In addition to PTC, KCS deploys a wide range of technologies to make informed decisions and address unsafe conditions before an incident. Machine visioning technology uses specialized cameras and data analytics to inspect trains. High water detectors interact with nearby signals, alerting train crews to stop when track may be under water. Wayside detection systems identify wheel bearing defects, flat-shelled or cracked wheels, dragging equipment, and high, wide, or shifted loads.





“The 2020 pandemic demanded action and KCS was ready. We supported local COVID-19 relief efforts in the U.S. and Mexico through non-profits like the Red Cross and United Way and provided monetary donations, essential medical equipment, and personal protective equipment to healthcare workers.”

” **Oscar Del Cueto, KCSM President, General Manager and Executive Representative**

community engagement

COVID-19 relief efforts

The COVID-19 pandemic has greatly affected the communities where KCS operates. As with other challenges, KCS aims to support our communities in times of hardship. Over the course of 2020, we donated medical equipment, personal protective equipment, other COVID-19 relief supplies, and monetary support totaling \$350,000 to communities and organizations in need, including:

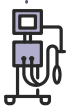
- Communities, hospitals, and schools in the states of Nuevo Leon, Michoacan, and Tamaulipas in Mexico
- Mexican Customs facilities
- United Way Agencies in 16 regions that cover the KCSR network
- Cruz Roja Mexicana (Mexican Red Cross)
- Guadalupe Centers



Mask donations to the Mexican Red Cross (Cruz Roja Mexicana)

KCS is committed to helping our communities in times of hardship and has donated equipment and supplies to aid in the COVID-19 relief effort.

COVID relief supplies



92

medical monitors



350

medical suits



4,100

medical masks



100

medical gloves



transportation services, hospital beds, respirators, safety glasses, anti-bacterial hand sanitizer





helped support vulnerable communities during the pandemic. The program also distributed 150 food boxes to vulnerable families who live near the KCSM network.

KCSM also works to protect those experiencing housing insecurity. In 2018, KCSM launched Operación Cobija (Operation KCSM Blanket) to protect vulnerable individuals sleeping on the streets, in nursing homes, or in houses without windows from experiencing hypothermia during winter months. In 2020, KCSM distributed 560 blankets to people in need through this campaign.

education

KCS supports the development of the next generation through charitable donations and efforts to support education.

In 2020, we established a program to donate gently used computers to organizations and communities in need. The first recipients of donated computers were underserved schools and afterschool programs in Shreveport, Louisiana and Kansas City, Missouri, along with several universities and schools in Mexico.

KCS also partnered with Fundación Empresarios por la Educación Básica to support education in Mexico. Through this partnership, KCS awarded 60 scholarships to teachers and school staff at 30 schools to further recipients' professional growth. The program's purpose is to help teachers and staff become agents of change. Recipients receive instruction in conducting respectful discussions, analyzing academic improvement strategies, and implementing a self-management model in the community designed to improve education.

food & housing insecurity

Over the course of 2020, KCS helped to fight food insecurity in its communities. As part of KCSM's Ruta de Ayuda (Help Route) Program, employees volunteered their time to safely make deliveries to 100 food pantries in San Luis Potosí. These donations



KCS cares fund

KCS partnered with the Greater Kansas City Community Foundation to establish the KCS Cares Fund. While the KCS Charitable Fund made the initial donation to establish the fund, the balance is now maintained by employee donations through payroll deductions and one-time contributions. The fund is available to support KCS employees affected by unforeseen financial stress. For example, in the wake of the 2020 fall hurricane season, affected employees applied for grants to help reduce financial stress, in turn minimizing the adverse impact on employees' work, family, and health.

Contributions by KCS employees to the KCS Cares Fund are matched by the KCS Charitable Fund. A total of \$635,000 was raised through this program to support KCS employees in 2020.





virtual KCS holiday express

The KCS Holiday Express was built on the tradition of the Santa Train that ran on a segment of the network acquired by KCS in 1997. In 2000, a group of warm-hearted KCS employees noticed that the communities were disappointed the Santa Train had been discontinued. The Santa Train was the only Christmas some of the children in these communities experienced and some of these children were lacking essential items like coats, hats, and gloves.



Preparations for the 2020 Virtual KCS Holiday Express

Determined to bring back the Santa Train tradition, they transformed a retired freight train into the KCS Holiday Express, an experience that thousands have enjoyed for the past 19 years.

Since its inception, the festive six-car KCS Holiday Express train has stopped in 20 or more communities in five or six states between Thanksgiving and Christmas. At each stop, visitors can board the train, meet Santa and elves, and tour the inside of three cars. Regrettably, in its 20th anniversary year, the tradition had to be held virtually due to the COVID-19 pandemic.

Despite being held virtually, fundraising was a success. KCS solicited contributions from employees, vendors, and the community via letters, email, and social media. Together with The Salvation Army, we raised more than \$270,000. Proceeds benefited 20 communities along our U.S. rail network.





Since the beginning, the KCS Holiday Express Program has raised well over \$2.3 million, which was donated to The Salvation Army at each scheduled train stop, to provide warm clothing and other necessities for local children in need.

Also in 2020, we honored one of the founders of the KCS Holiday Express, Tillie Cailleff. While not an employee, she was one of the company's greatest ambassadors. Thirty-nine years ago, Tillie and her husband, Warren, were among the founding members of the Kansas City Southern Historical Society. Warren's father had been a lifelong KCS employee. Tillie was an integral part of the creation and execution of the KCS Holiday Express Program. She helped design and create the train decor, drove donations, and recruited and organized the train's volunteer elves for 18 consecutive years. Tillie passed away in April of 2020, after a lengthy illness. Many will remember her as the first elf inside Santa's caboose, greeting each visitor with a warm smile. She will be sorely missed by her KCS family.



protecting the planet

efficiency & environmental stewardship





protecting the planet

efficiency & environmental stewardship

fuel efficiency

When it comes to environmentally friendly shipping, rail transport can't be beat. On average, rail emits 23 grams of carbon dioxide (CO₂) per ton-mile compared to 202 grams of CO₂ per ton-mile for medium/heavy duty trucks and 1,308 grams of CO₂ per ton-mile for air transport. We are proud to provide this sustainable shipping option to our customers.

In 2020, on average, KCS trains were able to haul one ton of freight 414 miles on a single gallon of fuel. Based on the year-over-year improvement in fuel efficiency, KCS was able to realize a savings of more than 8 million gallons of fuel, which equates to nearly 85,000 metric tons of carbon emissions savings. Improved efficiency means better fuel economy, fewer carbon emissions, and a more sustainable future as compared to other methods of shipping freight. KCS maximizes fuel efficiency by:

- Maintaining one of the youngest locomotive fleets in the industry, providing for better fuel efficiency and more reliability
- Data-driven train handling by locomotive engineers to maximize fuel efficiency

- Straightening track curves, lowering grades, and lubricating rails to maximize efficiency and reduce wheel and rail wear
- Investing in fuel-efficient technologies such as Wabtec Corporation's Trip Optimizer, SmartHPT, and excessive idle reduction technologies like Auto Engine Stop/Start
- Implementing management practices such as Precision Scheduled Railroading, which optimizes efficiency through hauling longer, heavier trains, and maximizing asset utilization
- Appointing cross-functional committees focused on fuel efficiency and conservation to set standards, publish guidelines, and monitor locomotive fueling, fuel consumption, train handling, and shutdown and isolation procedures as well as evaluating new technologies to promote efficiency efforts

KCS uses General Electric's Trip Optimizer system to minimize fuel use while achieving on-time arrival. This technology works like cruise control in a car to manage the throttle and brakes for optimal fuel savings. Train and track parameters are evaluated and compared with global positioning system (GPS) data to make real-time decisions, leading to more efficient train operations. In addition, KCS employs Precision Scheduled Railroading methods to maximize the efficiency of the overall network. With Precision Scheduled Railroading, trains are assembled to optimize delivery times for all customers rather than waiting until particular customers have an entire train of materials ready to ship.

average ton-miles traveled on a single gallon of fuel

2020: 414 miles



2019: 387 miles



2018: 370 miles





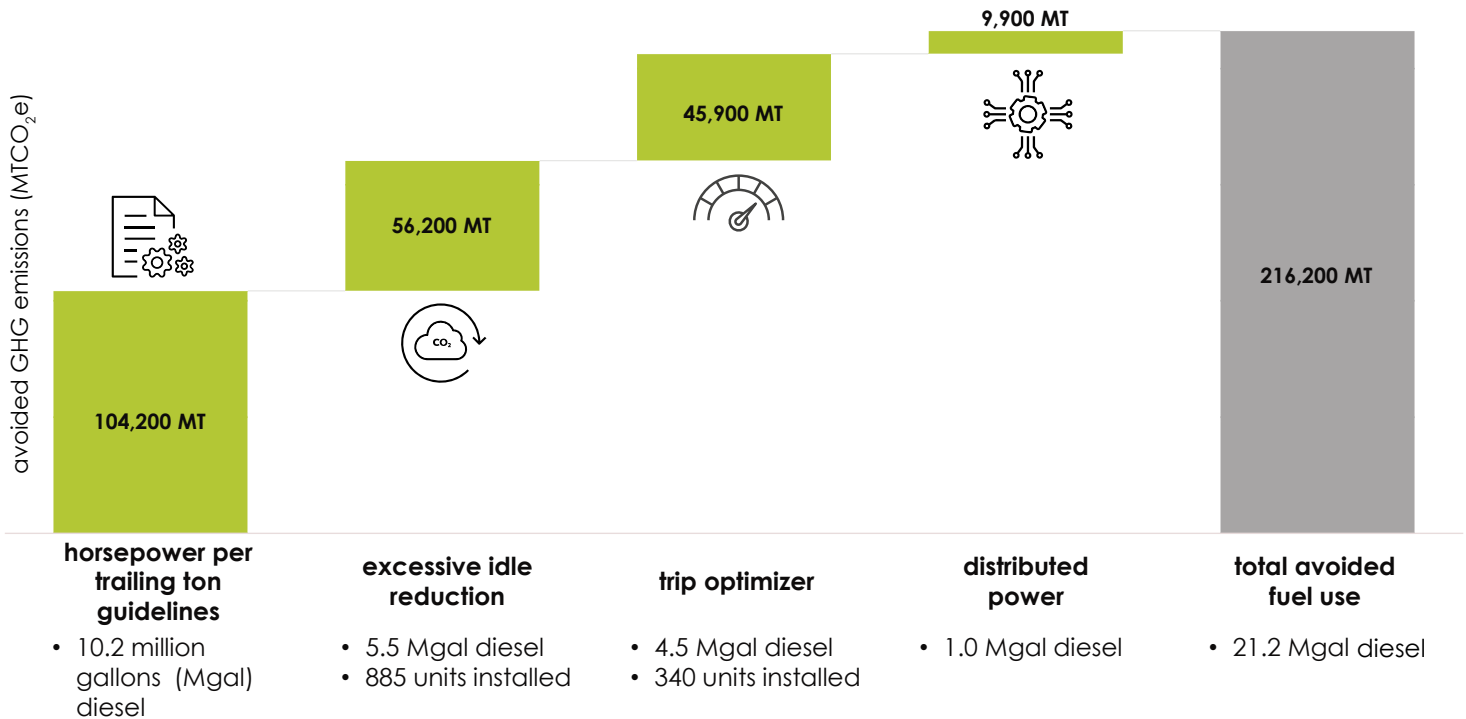
“Fuel is one of KCS’s largest expenses. Fuel efficiency is both essential to our bottom line and good for the environment. Our fuel efficiency initiatives provide benefits across multiple aspects of our operations, including equipment maintenance and improved scheduling.”

” Tony Roberts,
KCSR Director of Fuel Conservation

fuel reduction initiatives

In July 2020, KCSR Director of Fuel Conservation, Tony Roberts, was nominated for the Association of American Railroads (AAR) 2020 John H. Chafee Environmental Excellence Award for his efforts in KCS’s fuel reduction program. Roberts has implemented programs that achieved 21.2 million

gallons of diesel fuel avoidance in 2020 alone. The savings are the equivalent of taking 46,695 passenger cars off the road for a single year. From identifying problematic locomotives that are candidates for overhaul, to driving greater efficiency by deploying energy management technology, Roberts has skillfully used the tools available to drive fuel savings.



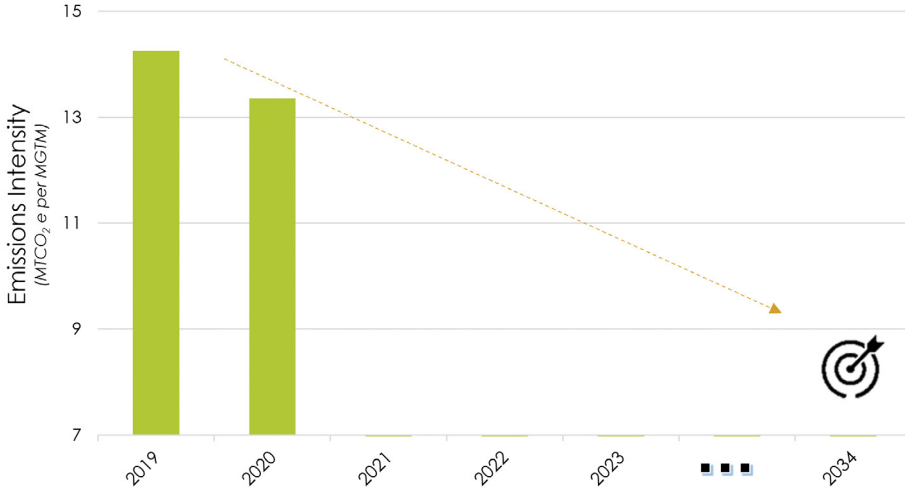
fuel efficiency initiative results





climate change commitment

science-based target progress



Exceeding the required science-based target trajectory, KCS reduced emissions intensity by 6.3% in the first year of our target timeframe

KCS has made an ambitious commitment to reduce our Scope 1 and 2 GHG emissions at least 42% per million gross ton-mile by 2034 from a 2019 base year.

In 2020, KCS set out to strengthen our commitment and solidify our efforts in the fight against climate change. This led us to partner with the SBTi on a journey to align our carbon reduction goals with climate change science. The SBTi is a partnership among CDP (formerly the Carbon Disclosure Project), the United Nations Global Compact, the World Resources Institute, and the World Wide Fund for Nature that defines and promotes best practices for various industries to reach a level of operation in line with limiting global warming to 2 degrees Celsius from pre-industrial levels.

We are excited to announce that our target was officially approved in May 2021. Our pledge to achieve this target reinforces our commitment to further improving fuel efficiency and lowering

emissions in support of a more sustainable North American supply chain.

KCS is continually improving the inventory management of our carbon footprint. For the first time, we commissioned a third-party company to verify our 2020 GHG emissions data to provide a level of assurance. With greater than 95% of our carbon footprint associated with locomotive fuel, we are continuing to focus our efforts on fuel efficiency initiatives and have made great improvements in the first year of our target. KCS acknowledges that achieving this goal will require the development of new low-carbon technologies and holistic investments by KCS, the rail industry, and its partners. We know that our success hinges on broad actions across both the company and industry, but it is a challenge we are ready to embrace.

Our KCS carbon calculator tool gives current and prospective customers the ability to estimate the potential carbon emissions savings associated with shipping by rail vs. by truck.





“Our annual energy symposium helps position the KCS cross-border network as a vital component of this important market segment. By sharing information with our customers and partners on the political and regulatory environment, as well as insights on security, terminal developments, and best practices for the movement of liquid energy products via rail to Mexico, we demonstrate our value as a leader in the Mexican energy sector, which continues to be an important growth driver for KCS.”

” **Michael J. Naatz,**
Executive Vice President and Chief Marketing Officer

annual energy symposium

KCSM hosted the fifth annual Energy Symposium in October 2020 with participation from more than 260 industry leaders from energy shippers, terminals, refiners, and traders throughout North America. For the first time, the event was hosted virtually instead of in Houston, Texas. The event’s objective is to highlight the value of shipping refined products and liquefied petroleum gases via rail to Mexico on KCS trains.

end, we have developed protocols for assessing facilities, and materials for training employees on mitigating pellet, flake, and powder loss. Specific initiatives underway in the U.S. and Mexico include the development of a transload environmental compliance evaluation program for facilities on KCS property, incorporation of OCS best management practices into our stormwater pollution prevention training, and incorporation of the OCS Program Manual in future plastics transload agreements.

resource management

plastic contamination reduction

In 2020, KCSR formally joined the global network of Operation Clean Sweep® (OCS)—the Plastic Industry Association and ACC Plastics Division campaign to reduce pellet, flake, and powder loss for greater product stewardship and environmental protection. OCS reaches all aspects of the plastics industry and is being adopted globally through the Global Declaration of Solutions to Marine Litter.

On March 17, 2021, KCSM President, General Manager, and Executive Representative, Oscar Del Cueto, was recognized on behalf of KCSM by the Asociación Nacional de Industrias del Plástico, A.C. (ANIPAC or the National Association of the Plastic Industry – one of the member organizations of the OCS coalition) for committing to the zero plastic pellets lost initiative in 2020. Recognition was given as part of the Zero Pellet Loss Program-Workshop, which supports businesses involved in plastic resin handling operations. The program recognizes areas such as educational information, outreach, and employee training designed to improve processes, ensure good management of raw materials, and increase awareness of the environmental impact associated with plastic pellet, flake, and powder loss.

In joining OCS, we committed to adopting and implementing best practices to reduce accidental pellet, flake, and powder loss. To that

KCS is committed to environmental stewardship.





“KCS is committed to responsible operating practices in every aspect of its business. Reducing incidental waste and stewarding best management practices with operators at our transload facilities is an important aspect of this commitment. Our ongoing pledge to OCS underlines this value with our stakeholders and customers.”

” Craig Borgmeyer,
Director of Environmental Engineering

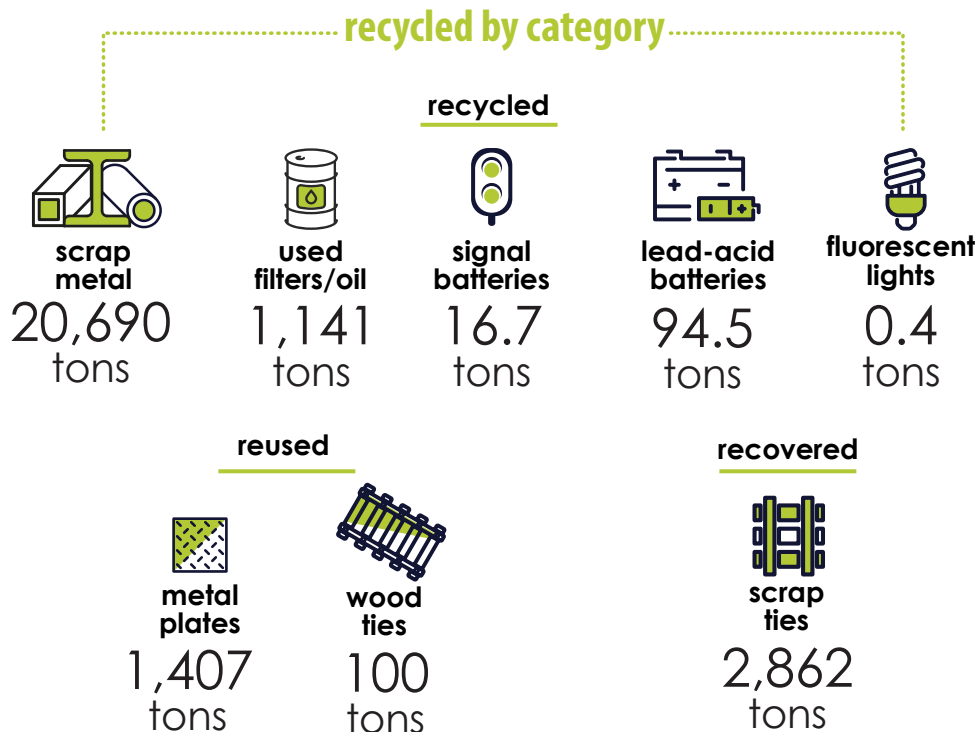
waste management

At KCS, we are mindful of the disposal of our waste and dispose of non-hazardous and hazardous waste in environmentally sound ways. We continue to work to improve our approach to waste management every year.

We manage waste through a focus on recycling, reusing, repurposing, and reducing, thereby limiting disposal. We consider the full lifecycle of our assets and properly maintain them to extend their life, which in turn reduces the amount of waste we generate.

Our approach includes:

- Reclaiming used oil through a petroleum refiner
- Conducting routine facility inspections to ensure best management practices and identify opportunities for improvement
- Assessing company travel to eliminate or reduce trips
- Monthly monitoring of utility consumption at facilities to identify leaks or excessive use
- Operating locomotive battery nursing stations to extend service life
- Upgrading facilities with energy-efficient lighting
- Increasing the use of long-lasting concrete ties





water management

KCS understands the importance of responsibly managing scarce water resources. We strictly adhere to all governing U.S. and Mexican regulatory guidelines in our approach to wastewater and stormwater discharge. In 2020, we responsibly discharged 134 million gallons of treated wastewater and stormwater to surface water or publicly owned treatment works at 33 locations requiring permits. As the primary methods of treating wastewater, KCS relies on American Petroleum Institute oil-water separators in eight treatment systems and a combination of oil-water separators and dissolved air flotation in three treatment systems.

In 2020, at all KCS locations, wastewater and stormwater treatment allowed us to discharge water from our operations without any significant negative effect on receiving water bodies or related habitats, even in ecologically sensitive areas. By segregating wastewater from stormwater, we are able to address the specific treatment needs of each water type, improving the quality of water entering local habitats and waterways. Best management practices and technology help us prevent wastewater and stormwater contamination. When contamination does take place, we protect communities along our rail network by investing in state-of-the-art treatment systems and operating, maintaining, and continually monitoring these systems. Routine inspections confirm that equipment and systems are working as designed and verify the quality of water in discharge areas. We obtain proper permitting and make special effort to safeguard stream and wetland habitats.





environmental protection

KCS takes pride in our efficient use of resources, minimizing our environmental impact on the communities in which we operate. Environmental compliance is the baseline, supplemented by voluntary targeted initiatives to preserve and protect the ecosystems in which we operate.

protecting the monarch butterfly

As the only Class 1 railroad serving both the U.S. and Mexico, KCS recognizes that, like the monarch butterfly, we are a symbol of North American connectivity. In this spirit, we are committed to doing our part to preserve this unique species.

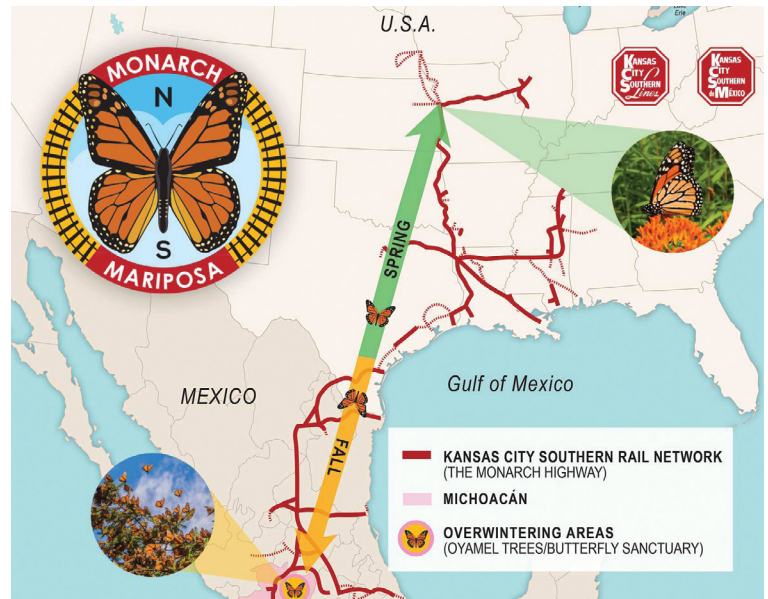
In the U.S., these efforts involve establishing pollinator habitats to provide resources necessary for monarchs to produce successive generations and sustain their migration. By planting milkweed and other nectar sources, KCS can help ensure that migrating monarchs have the resources required to fuel their journey and plants to lay their larvae.

In Mexico, we are committed to ensuring monarch butterflies that arrive for winter have an environment where they can thrive. In December 2020, KCSM President, General Manager, and Executive Representative, Oscar Del Cueto, visited the El Rosario monarch butterfly sanctuary in Michoacán to donate 1,000 trees for the reforestation and preservation of the monarch butterfly habitat. He also highlighted the need for development of sustainable water projects in the sanctuary.

In partnership with other organizations, KCS has initiated these cross-border projects to promote the protection of the monarch butterfly. We are honored to be part of the solution.

environmental compliance

KCS recognizes the reach of our potential environmental impact, and achieving full compliance with environmental laws and regulations has always been a given for KCS. Our Environmental Department is committed to minimizing the risks of spills of oil, fuel, waste, chemicals, or other items. This department is responsible for spills management, with a focus on preventive measures, preparedness, and response to limit potential impacts and minimize incidents. Our contingency plans address spills at our facilities and along our rail network to ensure prompt response and investigation. Conducting drills, training, and inspections as part of our process makes sure our teams stay vigilant in our efforts to protect the environment and the communities we serve. Through these continued efforts, KCS has not received any notices of violation that resulted in monetary fines, non-monetary sanctions, or dispute resolution mechanisms for the past 12 years.



The monarch butterfly migration path



corporate governance

leadership, integrity, & risk management





corporate governance

leadership, integrity, & risk management

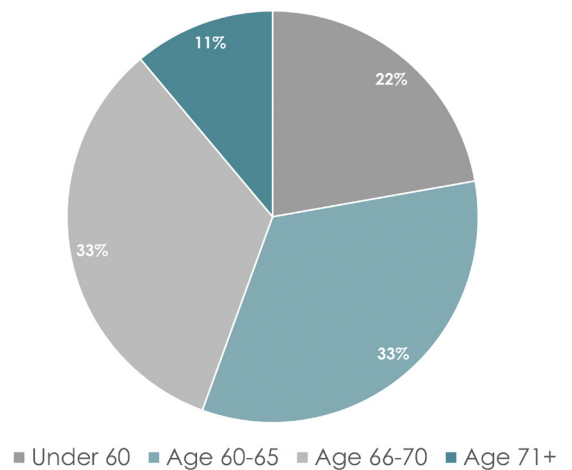


board of directors

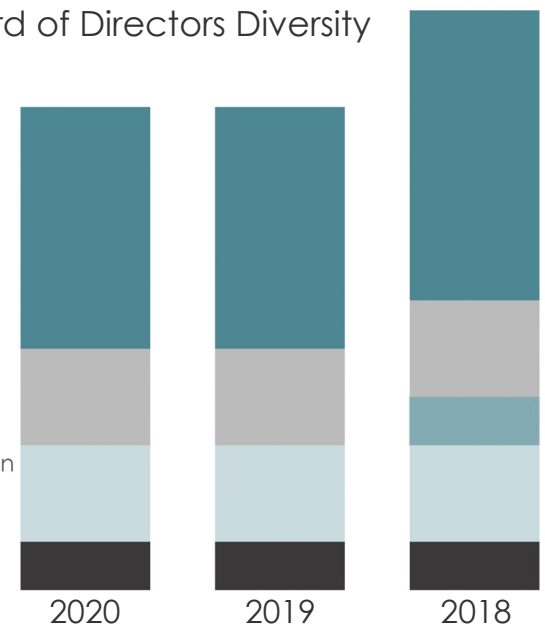
KCS's corporate governance structure is led by our Board of Directors (BOD) and our Executive Leadership Team. Our BOD oversees the development and execution of our business and sustainability strategies, including climate-related issues. In addition, the BOD assures the integrity of KCS's financial statements, customer and supplier relationships, and stakeholder engagement efforts. Our board recognizes the importance of environmental and social issues to our stakeholders, which include our stockholders.

Each board committee is responsible for a subset of ESG issues or topics. Specific ESG responsibilities of each board committee are presented in the [Managing Climate Risks and Opportunities](#) section of this report. The KCS BOD and Executive Leadership Team believe this integrated approach enables climate-related risks to be evaluated in connection with other broad-ranging risks that may affect the company.

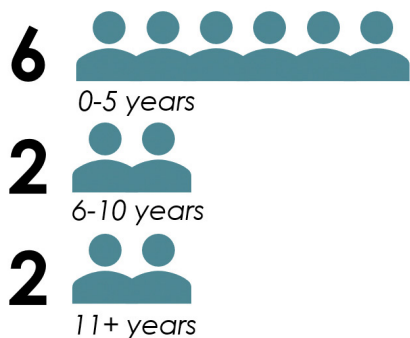
Board of Directors by Age



Board of Directors Diversity



Board of Directors Tenure



- Male Caucasian
- Male Hispanic
- Male African American
- Female Caucasian
- Female Hispanic





risk management

KCS's Enterprise Risk Management (ERM) process is used to determine which risks and opportunities may have a substantial or strategic impact on our business. Substantial and strategic impacts are those that would affect our operations or financial condition to a degree that would trigger shareholder or customer concern. Our ERM process also ensures the development of strategies that mitigate the probability or impact of risks and reduce the impediments to pursuing opportunities, including identifying, assessing, and responding to various climate-related risks. The ERM process is applied along all time horizons and stages of KCS's value chain.



KCS enterprise risk management process





managing climate risks & opportunities

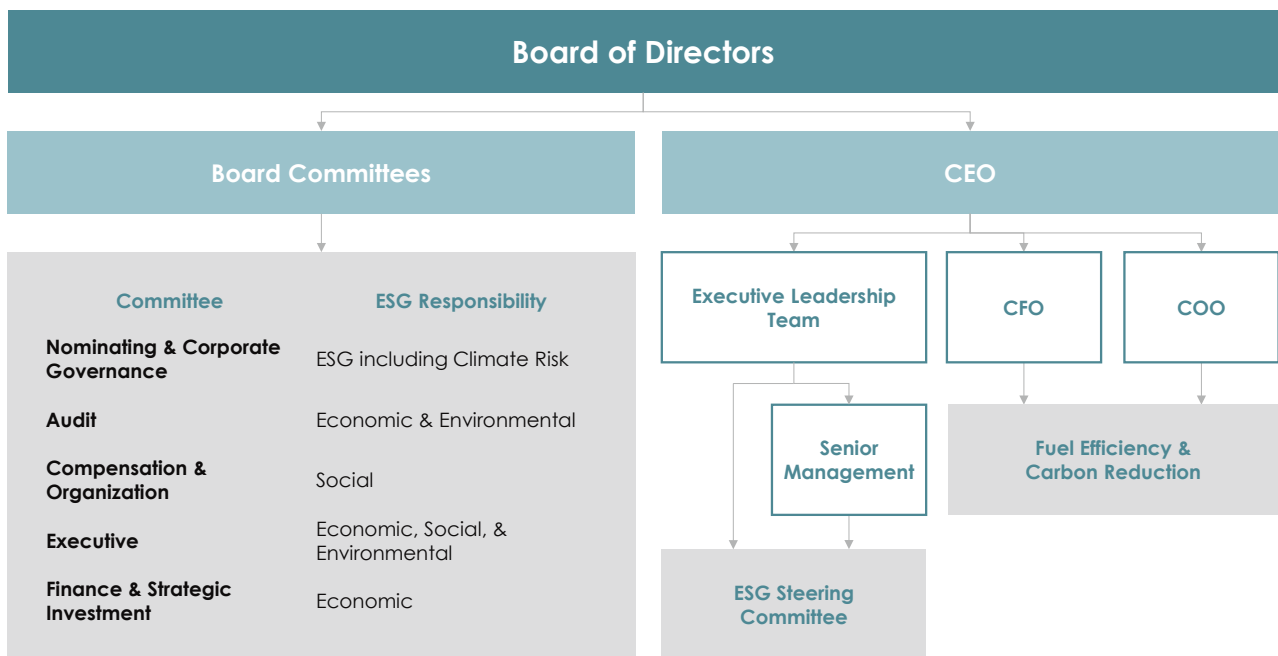
Managing climate risks and opportunities is a core part of our sustainability and business strategies. Ensuring risks are mitigated and opportunities are maximized helps uphold our commitment of *delivering prosperity*. To this end, climate risks and opportunities are robustly managed through our ERM process, Board Committees, and Executive Leadership Team.

Both short- and long-term climate impacts are considered as part of our scenario analysis process, which is integrated into our larger ERM process. As with all significant risks, KCS takes actions to monitor and mitigate climate risks identified through our scenario analysis process.

In the short-term, KCS considers issues such as the likelihood and extent of flooding along the Gulf Coast and takes action to mitigate anticipated impacts to our network. This includes reinforcing tracks and infrastructure and strategic planning and preparation for the increased frequency of extreme weather events.

We continue to invest heavily in our network to protect against potential impacts of increased temperature levels and more frequent natural disasters, such as hurricanes. We recently invested in improvements to our signal infrastructure to ensure its reliance and monitoring capabilities during significant power outages. Over the past five years, KCS has invested approximately \$2.7 billion toward improvements aimed at addressing climate risks.

KCS ensures strong management of climate risks and opportunities by assigning ESG responsibility to individuals or committees. Some ESG assignments take the form of specific ESG issues or topics such as climate risk and fuel efficiency, while others require that the responsible party monitor and address ESG risks and opportunities more broadly. To ensure strong communication and timely action on all forms of ESG risk and opportunity, our CEO and Executive Leadership Team discuss climate-related issues with the full BOD twice annually.



KCS climate risk & opportunity governance





“Shipping by rail is a smart way to fight climate change and create a more sustainable future. Moving freight by train instead of truck reduces greenhouse gas emissions by up to 75%. KCS is focused on continuously improving fuel efficiency through fuel-efficient locomotives, operational improvements, and fuel management systems. But we still have more work to do. Innovative technology solutions will be essential to protecting our environment for future generations.”

” Kayden Howard, Vice President of Health, Safety & Environmental

Broad ESG responsibility is held by our ESG Steering Committee, which consists of senior management personnel. The committee is, in part, responsible for developing climate-related strategies and targets. More specific ESG responsibilities are managed by the Chief Financial Officer (CFO) and Chief Operation Officer (COO). They are the leaders of KCS's sustainability strategy with the authority, influence, and resources to act on climate-related risks and opportunities in alignment with our corporate business strategy. As an example, both roles are responsible for important facets of our carbon footprint: the CFO leads the Fuel Conservation Team in developing fuel reduction initiatives, while the COO is responsible for implementing these initiatives into operations. These responsibilities play a pivotal part in reducing KCS's exposure to climate risks by reducing our carbon footprint.

To bolster our climate risk management and to facilitate the development of opportunities, KCS subscribes to many associations, economic charters, principles, and other initiatives such as:

- Science Based Targets Initiative
- CDP (formerly the Carbon Disclosure Project)
- Global Reporting Initiative
- Sustainability Accounting Standards Board
- Task Force on Climate-related Financial Disclosures
- SmartWay®
- TRANSCAERSM
- Responsible Care®
- Greenhouse Gas Protocol
- Association of American Railroads
- National Association of the Chemical Industry (Asociacion Nacional de la Industria Quimica - ANIQ).





reducing risks

We hold our company, our subsidiaries, and anyone doing business with KCS accountable to strict compliance with our stringent anti-corruption, conflict of interest, and ethics policies and codes. KCS ensures employees and partners are familiar with these policies. KCS's BOD reviews and approves corporate governance policies, which are then

implemented by our Legal and Human Resources Departments. These rigorous policies outline discipline for violations, which can include separation from employment or business partners. Accountability is ensured through our ERM process. In addition, we take certain targeted measures to reduce and mitigate risks. For more information, visit our [website](#).

2020 risk reduction by the numbers

- 100% of management employees completed the Conflict of Interest Questionnaire
- 100% of new management employees in the U.S. receive the KCS Anti-Corruption Policy
- 100% of new management employees in Mexico receive Política Ética de Negocios y Cumplimiento con las Leyes
- Zero legal actions for anti-competitive behavior or violations of anti-trust and monopoly legislation
- Zero significant fines or non-monetary sanctions for non-compliance with socioeconomic laws or regulations
- Zero monetary losses for non-compliance with anti-corruption laws





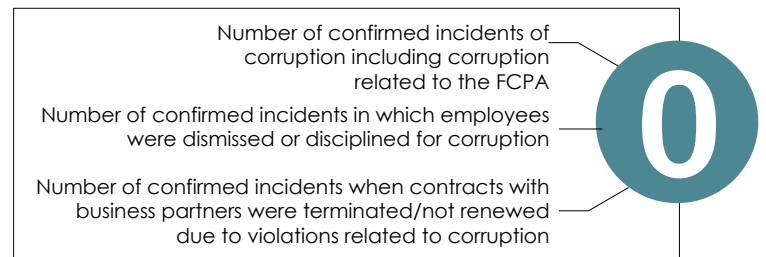
ethics & integrity

- Code of Business Conduct and Ethics – At KCS, we insist on honest and ethical business practices. All employees must abide by the Code of Business Conduct and Ethics provisions as applicable. The standards of our Code of Business Conduct and Ethics are extended to our suppliers through our supplier expectation policy. We view our suppliers as an extension of our company – equally committed to environmental stewardship, high ethical standards, diversity, and inclusivity.
- Whistleblower Policy – Our Code of Business Conduct and Ethics and our Anti-Retaliation policies ensure that employees can report violations of our internal policies, anonymously if they choose, without fear of reprisal.



corruption

- Anti-Corruption Policy – KCS does not tolerate violations of any U.S. or Mexico law, including laws related to corruption.
- Conflict of Interest and Compliance Questionnaire – This annual employee questionnaire requires employees to acknowledge our policy and code to signify compliance.
- Foreign Corrupt Practices Act (FCPA) Risk Assessment – This annual assessment provides an inventory of potential corruption touchpoints with non-U.S. federal, state, and local officials. KCS Internal Audit and management evaluate and rate the inherent risk of a material FCPA breach for each government interaction.



human rights

- Security personnel contracted by KCSR receive training regarding human rights, ethics, diversity, and communications skills during orientation within their companies.
- In 2021 we released a formal Human Rights Policy that aligns with the principles stated in the United Nations' Universal Declaration of Human Rights. These principles include the prohibition of child labor, the prohibition of forced labor in all forms, including modern slavery and human trafficking, freedom of association, and the right to collective bargaining. Our Code of Business Conduct and Ethics provisions require that all KCS employees and our suppliers and business partners adhere to these principles.

procurement

- U.S. Supplier Screening – We employ a third-party service to screen KCSR suppliers to confirm they meet our stringent safety and training standards and comply with all relevant regulations.
- Mexico Supplier Review – We employ a third-party service to screen all KCSM suppliers that may be politically exposed, state-owned, under sanctions, or on watch lists.





rail network security

- KCS prides itself on providing top-quality physical and IT security for customers' and partners' virtual and tangible assets.
- We are constantly assessing and improving our security performance through internal management and due diligence processes.
- Security personnel contracted by KCSR receive training regarding human rights, ethics, diversity, and communications skills.
- Our Critical Incident Desk in the U.S. and Interrupción de Servicio in Mexico are active 24/7, so anyone can report security issues.
- Confirming our commitment to security, in 2020, we were 100% compliant with Transportation Security Administration (TSA) regulations surrounding attendance and chain of custody transfers for Rail Security Sensitive Materials.



customer freight claims

- Our high-quality security program helps prevent freight losses and minimize customer freight claims. The excellence of our security framework is evidenced by our high claim-free delivery rate.
- For our most recent year of completed claims reported (2019), our claim-free delivery rate was 0.11%, an improvement of 0.01% over the prior year.⁶



insider trading

- Insider Trading Policy – KCS employees, subsidiaries, and affiliates are governed by our comprehensive insider trading policy.

**our claim-free
delivery rate was
99.89% in 2019.⁶**

⁶ The last full-year claims rate is for 2019 because customers can file claims related to the previous year into the following year. The 2020 claims rate will be reported in the 2021 report.



appendices





appendices

about this document

This document is our 2020 Sustainability Report, *For the Long Haul: Delivering Prosperity, Valuing People, Protecting the Planet*. This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option, and in alignment with the Sustainability Accounting Standards Board (SASB) and Task Force on Climate-related Financial Disclosures (TCFD) frameworks.

The information covered in this report includes available data spanning financial years 2018 to 2020 for KCS operations in the U.S. and Mexico. KCSR is comprised of KCS operations in the U.S., and KCSM consists of KCS operations in Mexico.

Additional information on our sustainability program and vision and values is available on the KCS [website](#), including disclosures on our management programs, policies, and procedures.

KCS also voluntarily participates in other ESG disclosures such as CDP (formerly the Carbon Disclosure Project), Dow Jones Sustainability Index, Sustainalytics, and Morgan Stanley Capital International (MSCI) ESG.

assurance

Our carbon data for KCSR and KCSM was assured by an independent third party, ERM Certification and Verification Services, in accordance with ISO 14064-3:2006 with a limited level of assurance. In addition, aspects of our energy and carbon data were audited by an independent third party, Ambiental AP S. de R.L. MI. The assessment was conducted in accordance with regulations from the government of Mexico, using Mexican standard, Norma NMX-SAA-14064-3-IMNC-2007.

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Independent Assurance Statement to Kansas City Southern Railway

ERM Certification and Verification Services (ERM CVS) was engaged by Kansas City Southern Railway (further 'KCS') to provide limited assurance in relation to specified Greenhouse Gas (GHG) data for US and Mexico operations in its 2020 Sustainability Report.

Engagement summary	
Scope of our assurance engagement	Whether the 2020 information and data are fairly presented in accordance with the reporting criteria. Total Scope 1 GHG emissions [metric tonnes CO ₂ e] (sources are diesel locomotive emissions, off-road equipment, on-road [fleet] equipment, stationary combustion sources, oil/water separators, refrigerants); Total Scope 2 GHG emissions [metric tonnes CO ₂ e] (source is electricity) – by location-based method; Total Scope 3 GHG emissions [metric tonnes CO ₂ e] for the following categories: <ul style="list-style-type: none"> Category 4 - Upstream transportation and distribution Category 5 - Waste generated in operations Category 6 - Business travel Category 7 - Employee commuting.
Reporting criteria	WBCSD/WRI GHG Protocol (2004, as updated January 2015) for the Scope 1, 2 and 3 GHG emissions; KCS's internal reporting criteria and definitions.
Assurance standard	ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised) and ISO 14064:3 for the verification of Greenhouse Gases.
Assurance level	Limited assurance.
Respective responsibilities	KCS is responsible for preparing the data and for its correct presentation in reporting to third parties, including disclosure of the reporting criteria and boundary. ERM CVS' responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.

Our conclusions

Based on our activities, nothing has come to our attention to indicate that the corporate 2020 data for the selected GHG emissions reported in KCS's 2020 Sustainability Report are not fairly presented, in all material respects, with the reporting criteria.

Our assurance activities

Our objective was to assess whether the assured emission data are reported in accordance with the principles of completeness, comparability (across the organisation) and accuracy (including calculations, use of appropriate conversion factors and consolidation). We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions. We applied a 5% material error threshold.

A multi-disciplinary team of EHS and assurance specialists performed the following activities:

- Interviews with relevant staff and third-party service providers to understand and evaluate the data management systems and processes (including IT systems and internal review processes) used for collecting and reporting the selected data.
- Virtual visits with KCS - Mexico review local reporting processes and consistency of reported annual data with selected underlying source data for each indicator.
- A virtual visit to the KCS headquarters to interview KCS personnel and review program documentation, including calls with business level representatives to review calculations and assess the local internal quality and assurance process.
- An analytical review of the data from all sites and a check on the completeness and accuracy of the corporate data consolidation.
- A review at corporate level of a sample of qualitative and quantitative evidence supporting the reported information. Reviewing the presentation of information relevant to the scope of our work in the KCS's 2020 Sustainability Report to ensure consistency with our findings.

The limitations of our engagement

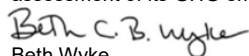
The reliability of the assured data is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

Force Majeure – COVID-19

Due to travel restrictions relating to COVID-19, our assurance activities consisted of desktop reviews of data and related information, and virtual meetings and interviews with KCS personnel. We did not perform any in-person meetings.

Our observations

Based on the work outlined above, we have provided KCS's management with a separate, confidential report detailing our assessment of its GHG emissions data for the year ended 31 December 2020.



Beth Wyke
Partner, Head of Corporate Assurance
23 June 2021

ERM Certification and Verification Services, London
www.ermcvs.com; email: post@ermcvs.com



ERM CVS is a member of the ERM Group. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. ERM CVS and the ERM staff that have undertaken this engagement work have provided no consultancy related services to KCS in any respect.





ESG performance data table

Data	Units	2020	2019	2018
Board of Directors				
Female	% of Board	30%	30%	25%
Hispanic	Total Number	1	1	1
Caucasian	Total Number	2	2	2
Male	% of Board	70%	70%	75%
African-American	Total Number	0	0	1
Hispanic	Total Number	2	2	2
Caucasian	Total Number	5	5	6
Age				
Age 30-50	% of Board	10%	10%	8%
Over Age 50	% of Board	90%	90%	92%
Tenure				
0-5 years	Total Number	6	6	6
6-10 years	Total Number	2	2	2
11+ years	Total Number	2	2	4
Skills & Qualifications				
Publicly Traded Company	% of Board	67%	67%	83%
Risk Management	% of Board	67%	67%	67%
CEO Experience	% of Board	67%	67%	58%
International/Global Experience	% of Board	100%	100%	50%
Economic Finance	% of Board	78%	78%	50%
Legal/Corporate Governance	% of Board	22%	22%	33%
Government/Regulatory	% of Board	22%	22%	25%
Supplier Diversity Program				
Hispanic/Latino-owned enterprises	% of Diverse Suppliers	61%	56%	51%
Woman-owned enterprises	% of Diverse Suppliers	15%	27%	21%
Woman-owned Non-Minority Business Enterprises	% of Women-owned Enterprises	83%	81%	68%
Woman-Owned Minority Business Enterprises	% of Women-owned Enterprises	17%	19%	32%
Disadvantaged enterprises	% of Diverse Suppliers	1%	3%	2%
Minority-owned veteran/ African-American/ Native-American/Asian-American owned enterprise	% of Diverse Suppliers	23%	14%	26%
Anti-Corruption Status				
Confirmed incidents of corruption	Total number	0	0	0
Incidents in which employees were dismissed or disciplined for corruption	Total number	0	0	0
Incidents when contracts with business partners were terminated/not renewed due to violations related to corruption	Total number	0	0	0





Data	Units	2020	2019	2018
Customer Freight Claims				
Transportation Security Administration Compliance	% Compliant	100%	100%	99.70%
Claims-Free Delivery Rate¹	Claims-Free Rate %		99.89%	99.88%
Customer Freight Claims¹	Claims Rate %		0.11%	0.12%
KCSR Shipment Claims	Claims Rate %		0.01%	0.01%
KCSM Shipment Claims	Claims Rate %		0.21%	0.24%
Public Safety Programs				
Grade Crossing Safety				
Installation of crossing surfaces	Total Number	11	12	15
Installation of flashers and gates	Total Number	26	24	22
Closed grade crossings	Total Number	14	14	10
Vegetation Control Measures	Total Acres Applied	48,804	52,727	55,018
KCSR	Acres Applied	21,413	23,310	25,780
KCSM	Acres Applied	27,391	29,417	29,238
KCSR Operation Lifesaver				
Presentations	Number of Activities	466	1,098	977
	Audience	10,366	38,318	32,193
Special events & courses	Number of Activities	8	86	60
	Audience	259	118,293	91,406
KCSM Alto Total				
Workshops	Number of Activities	14	58	50
	Audience (approx.)	16,500	50,200	21,250
Presentations and Direct Outreach	Number of Activities	4	29	25
	Audience (approx.)	15,500	44,100	43,250
Rail Safe Technology				
U.S. Centralized Traffic Control (CTC) & Track Warrant Control (TWC)				
U.S. Centralized Traffic Control (CTC)	Route Miles	1,515	1,515	1,509
U.S. Track Warrant Control (TWC)	Route Miles	1,031	1,031	1,037
Mexico Control Centralizado de Trafico (CCT) & Control de Mandatos de Via (CMV)				
Mexico Control Centralizado de Trafico (CCT) ²	Route Miles	995	995	995
Control de Mandatos de Via (CMV)	Route Miles	1,480	1,480	1,480
Broken Rail Detection Technology				
KCSR	Route Miles	346	346	346
KCSM	Route Miles	817	731	592

¹Last full-year claims rate is for the previous year (i.e. 2020 report is for 2019 claims) because customers can file claims related to the previous year into the following year. 2019 claims rate are reported in the 2020 Sustainability Report.

²Restatement: In 2018 and 2019 KCS utilized the incorrect KCSM marker which lead to an overestimate of CCT. The corrected route miles have been included.





Data	Units	2020	2019	2018
Occupational Health & Safety				
KCSR				
KCSR Reportable Injuries (FRA) ³	Injury Count	45	79	52
KCSR Reportable Injury Frequency Rate	Injuries per 200,000 Manhours	1.39	2.20	1.45
KCSR High-consequence Injuries ⁴	Fatal injuries and Injuries with >180 days leave of absence	18		
KCSR High-consequence Injury Frequency Rate ⁴	Injuries per 200,000 Manhours	0.56		
KCSR Fatalities ⁴	Fatality Count	1		
KCSR Fatality Frequency Rate ⁴	Fatalities per 200,000 Manhours	0.03		
KCSR Reportable Train Accidents ⁷	Train Accident Count	29	30	36
KCSR Reportable Train Accident Frequency Ratio	Accidents per Million Train Miles	3.09	2.76	3.40
KCSM				
KCSM Reportable Injuries (IMSS) ⁵	Injury Count	94	129	176
KCSM Reportable Injury Frequency Rate	Injuries per 200,000 Manhours	2.09	2.65	3.58
KCSM High-consequence Injuries ⁴	Fatal injuries and Injuries with >180 days leave of absence	4		
KCSM High-consequence Injury Frequency Rate ⁴	Injuries per 200,000 Manhours	0.09		
KCSR Fatalities ⁴	Fatality Count	0		
KCSR Fatality Frequency Rate ⁴	Fatalities per 200,000 Manhours	0		
KCSM Reportable Train Accidents ⁶	Train Accident Count	30	30	46
KCSM Reportable Train Accident Frequency Ratio	Accidents per Million Train Miles	4.82	3.80	5.55
Total				
KCS Reportable Injuries	Injury Count	139	208	228
KCS Reportable Injury Frequency Rate	Injuries per 200,000 Manhours	1.80	2.46	2.68
KCS High-consequence Injuries ⁴	Fatal injuries and Injuries with >180 days leave of absence	22		
KCS High-consequence Injury Frequency Rate ⁴	Injuries per 200,000 Manhours	0.28		
KCS Fatalities ⁴	Fatality Count	1		
KCS Fatality Frequency Rate ⁴	Fatalities per 200,000 Manhours	0.01		
KCS Reportable Train Accidents	Train Accident Count	59	60	82
KCS Reportable Train Accident Frequency Ratio	Accidents per Million Train Miles	3.78	3.20	4.34

³KCSR on duty injuries are reportable to the FRA per 49 C.F.R. Section 225.19(d).

⁴KCS began reporting this data in 2020 but did not track previously.

⁵KCSM on duty reportable injuries are those that involve lost time and are otherwise reportable to the Mexican Institute of Social Security (IMSS). Commuting injuries are excluded.

⁶KCSM Reportable Train Accidents are those that would be reported to the U.S. Federal Railroad Administration (FRA) if those accidents had occurred in the United States.

⁷KCSR train accidents include any collision, derailment, fire, explosion, act of God or other event involving the operation of on-track equipment (standing or moving), and excludes Highway-Rail Grade Crossing and Trespasser incidents. An accident is reportable when the damages to equipment and structure sum to be greater than the FRA-determined monetary threshold.





Data	Units	2020	2019	2018
Business Units and Revenues				
KCS Total Revenue	\$ Million	\$2,632.6	\$2,866.0	\$2,714.0
KCS Total Carloads	Carloads (K)	2,153.4	2,291.0	2,305.6
Agriculture & Minerals	Revenue (\$ Million)	\$505.4	\$506.3	\$486.4
	% of Total Revenue	19%	17%	18%
	Carloads (K)	251.0	253.3	241.9
Automotive	Revenue (\$ Million)	\$172.7	\$255.6	\$253.2
	% of Total Revenue	7%	9%	9%
	Carloads (K)	110.7	154.9	161.9
Chemical & Petroleum	Revenue (\$ Million)	\$763.8	\$737.2	\$622.1
	% of Total Revenue	29%	26%	23%
	Carloads (K)	356.7	337.4	297.9
Energy	Revenue (\$ Million)	\$195.0	\$246.2	\$256.3
	% of Total Revenue	7%	9%	9%
	Carloads (K)	210.0	244.7	248.6
Industrial & Consumer Products	Revenue (\$ Million)	\$537.7	\$610.4	\$591.0
	% of Total Revenue	21%	21%	22%
	Carloads (K)	300.5	320.9	324.9
Intermodal	Revenue (\$ Million)	\$319.1	\$370.2	\$382.8
	% of Total Revenue	12%	13%	14%
	Carloads (K)	924.5	979.8	1030.4
Other Revenue	Revenue (\$ Million)	\$138.9	\$140.1	\$122.2
	% of Total Revenue	5%	5%	5%
Capital Expenditures				
Total Invested on Capital Expenditures	\$ Million	\$410.2	\$584.3	\$512.3
KCS CapEx Spend by Category				
Roadway Capital Program	\$ Million	\$239.8	\$264.9	\$245.7
Locomotives & Freight Cars	\$ Million	\$45.2	\$182.8	\$101.2
Capacity	\$ Million	\$65.4	\$84.8	\$69.8
Positive Train Control (PTC)	\$ Million	\$15.9	\$15.5	\$28.9
IT/Other	\$ Million	\$43.9	\$36.3	\$66.7
Supplier Spend on Goods and Services				
Total Spend on Goods and Services	\$ Billion	\$0.91	\$1.28	\$1.17
KCSR	\$ Million	\$493	\$670	\$594
KCSM	\$ Million	\$414	\$607	\$572





Data	Units	2020	2019	2018
Purchases by Category				
Fuel	%	23%	28%	31%
Track contractors/materials	%	29%	22%	25%
Locomotive/car materials and maintenance	%	15%	15%	16%
Freight car leases/acquisition/locomotive purchases ⁸	%	2%	13%	6%
Information technology consultants/services	%	11%	7%	6%
Rail ties	%	3%	3%	4%
Rail	%	2%	2%	2%
Intermodal services/support	%	2%	2%	2%
Vehicle operations/maintenance	%	3%	2%	2%
Security	%	3%	2%	2%
Other goods and services	%	7%	4%	4%
Total Employees				
Full-time	Total Number	6,522	7,036	7,209
Female	Total Number	333	365	368
	% of Workforce	5%	5%	5%
Male	Total Number	6,189	6,673	6,841
	% of Workforce	95%	95%	95%
Management Employees	Total Number	1,614	1,712	1,706
Female	Total Number	299	317	316
	% of Management Workforce	19%	19%	19%
Male	Total Number	1,315	1,395	1,390
	% of Management Workforce	81%	81%	81%
KCSR	% of Workforce of KCSR	30%	29%	28%
KCSM	% of Workforce of KCSM	21%	21%	21%
Agreement Employees	Total Number	4,908	5,324	5,503
Female	Total Number	34	46	52
	% of Agreement Workforce	1%	1%	1%
Male	Total Number	4874	5,278	5,451
	% of Agreement Workforce	99%	99%	99%
KCSR	% of Workforce of KCSR	70%	71%	72%
KCSM	% of Workforce of KCSM	79%	79%	79%
Full-time Employees by Age				
Under Age 30	% of Workforce	11%	13%	14%
Age 30-50	% of Workforce	61%	60%	59%
Over age 50	% of Workforce	28%	27%	27%

⁸KCS did not invest in locomotives in 2020 and 2018; 2019 purchase category includes locomotive purchases.





Data	Units	2020	2019	2018
New Hires				
Total New Hires	Total Number	146	540	515
U.S. Management Women & People of Color	% of New Hires	57%	46%	44%
Mexico Management Women	% of New Hires	28%	16%	15%
New Hires by Age & Country				
KCSR				
Under 30	% of KCSR New Hires	21%	39%	37%
30-50	% of KCSR New Hires	67%	52%	55%
Over 50	% of KCSR New Hires	12%	9%	8%
KCSM				
Under 30	% of KCSM New Hires	35%	35%	49%
30-50	% of KCSM New Hires	56%	52%	49%
Over 50	% of KCSM New Hires	9%	13%	2%
Tenure and Attrition				
Attrition Rate	%	8.0%	9.5%	7.0%
Average Employee Tenure	Years	12.6	12.0	11.9
Employee Turnover⁹				
Voluntary Turnover Rate by Age				
Under Age 30	% of total voluntary terminations	10%		
Age 30-50	% of total voluntary terminations	33%		
Over age 50	% of total voluntary terminations	57%		
Involuntary Turnover Rate by Age				
Under Age 30	% of total involuntary terminations	21%		
Age 30-50	% of total involuntary terminations	65%		
Over age 50	% of total involuntary terminations	14%		
Voluntary Turnover Rate by Gender				
Female	% of total voluntary terminations	9%		
Male	% of total voluntary terminations	91%		
Involuntary Turnover Rate by Gender				
Female	% of total involuntary terminations	3%		
Male	% of total involuntary terminations	97%		
Voluntary Turnover Rate by Region				
KCSR	% of total U.S. population	8%		
KCSM	% of total Mexico population	4%		
Involuntary Turnover Rate by Region				
KCSR	% of total U.S. population	3%		
KCSM	% of total Mexico population	2%		
Total				
Voluntary Turnover Rate	% of total population	6%		
Involuntary Turnover Rate	% of total population	2%		

⁹KCS began tracking and reporting these values in 2020.





Data	Units	2020	2019	2018
KCSR Employee Diversity Population				
American Indian or Alaskan Native	%	1.1%	1.2%	1.1%
Asian or Asian-American	%	1.4%	1.2%	1.2%
Black or African-American	%	20.7%	21.1%	21.1%
Hispanic or Latino(a)	%	9.1%	8.7%	8.0%
Native Hawaiian or Other Pacific Islander	%	0.1%	0.1%	0.1%
Two or More Races	%	0.9%	0.9%	0.9%

Giving Back/Paying it Forward				
KCSR				
Total contributions	\$	\$1,456,047	\$1,195,671	\$2,492,519
KCSR Discretionary Contributions ¹⁰	\$	\$420,250	\$328,850	\$1,319,875
KCSR Matching Gifts Program	\$	\$635,877	\$822,133	\$1,121,178
United Way	\$	\$49,920	\$44,688	\$51,466
KCSR COVID Relief Efforts	\$	\$350,000	-	-
Holiday Express Fundraising Campaign	\$	\$277,924	\$170,450	\$175,256

Community Engagement				
Holiday Express in the U.S.				
Communities Benefited	Total number	20	20	22
Visitors	Approx. total	- ¹¹	67,569	82458
Tren Navideño in Mexico				
Communities Visited	Total number	- ¹³	9	12
Visitors ¹²	Approx. total	- ¹³	8,000	55000

Efficiency Comparison Rail vs. Truck				
KCS Rail Transportation				
Revenue Ton Miles	Million RTM	48,265	51,336	50,233
Gallons Used	Million Gallons (Net) ¹⁴	116.5	132.7	135.8
RTM/Gallons	RTM/Gallons	414	387	370
GHG Emissions (net locomotive diesel only)	Million Metric Tons CO ₂ e	1.2	1.4	1.4

Highway Transportation¹⁵				
Revenue Ton Miles	Million RTM	48,265	51,336	50,233
Gallons Used	Million Gallons	454.1	483.0	472.7
RTM/Gallons	RTM/Gallons	106	106	106
Metric Tons CO ₂ e	Million Metric Tons CO ₂ e	4.7	5.0	4.9

Avoided GHG Emissions by Selecting Rail vs. Highway				
Avoided Fuel Use	Million Gallons	337.7	350.3	336.9
Avoided Metric Tons CO ₂ e	Metric Tons CO ₂ e	3.5	3.6	3.5

¹⁰Restatement: Value was reported as KCSR Charitable Fund in past years.

¹¹The KCS Holiday Express Program occurred virtually in 2020 due to the COVID-19 pandemic.

¹²Prior to 2019, KCSM permitted general public access for community engagement. Since then additional security measures have been put in place explaining the reduction in visitor numbers.

¹³The Tren Navideño Program did not occur in 2020 due to the COVID-19 pandemic.

¹⁴Net gallons equates to gross gallons minus work train fuel.

¹⁵Highway transportation estimates were calculated based on the same MRTM as KCS, the assumption of average truck load of 16.35 tons, average truck efficiency of 6.5 mpg, and using the EPA diesel emission factor.





Data	Units	2020	2019	2018
Greenhouse Gas Emissions				
Direct (Scope 1) ¹⁶	Million metric tons CO ₂ e	1.2	1.4	1.4
Energy indirect (Scope 2)	Million metric tons CO ₂ e	0.03	0.04	0.03
KCS MGTM (excludes locomotive GTM)	Million Gross Ton-Miles (MGTM)	94,434	101,819	100,457
Ratio (Scope 1+2)	Metric Tons CO ₂ e per MGTM	13.35	14	14.32
NO _x	metric tons	11,734	14,126	16,773
SO _x	metric tons	11.61	14.43	12.36
Carbon monoxide (CO) ¹⁷	metric tons	3,326	3,856	3,528
Ozone Depleting Substances (ODS)	metric tons	0.02	0.05	0
Volatile Organic Compounds (VOC) ¹⁸	metric tons	460	587	571
Hydrocarbons	metric tons	489	604	824
Particulate matter (PM ₁₀)	metric tons	282	357	484
Energy Efficiency Initiatives				
Avoided Fuel Use	Million Gallons Diesel	21.2	14.5	9.5
	Million Megajoules	3,068.4	2,124.5	1,384.5
Trip Optimizer	Number of Units installed	340	313	244
	Avoided Fuel Use (Mgal diesel)	4.5	3.4	2.1
	Avoided Emissions (metric tons)	45,900	35,000	21,200
Excessive idle reduction	Number of Units installed	885	885	832
	Avoided Fuel Use (Mgal diesel)	5.5	5.3	5.4
	Avoided Emissions (metric tons)	56,200	54,600	55,600
Distributed Power	Avoided Fuel Use (Mgal diesel)	1.0	1.1	1
	Avoided Emissions (metric tons)	9,900	11,300	9,700
Horsepower Per Trailing Ton (HPT) Guidelines	Avoided Fuel Use (Mgal diesel)	10.2	4.7	1
	Avoided Emissions (metric tons)	104,200	48,500	10,200
Energy Consumption				
Diesel	Million gal	117.8	135.6	136.5
	Million Megajoules	17,057.3	19,654.1	19,788.4
Gasoline	Million gal	1.2	1.5	1.2
	Million Megajoules	154.9	193.1	152.4
Natural gas ¹⁹	Cubic feet	Not reported	Not reported	11.60
	Million Megajoules	Not reported	Not reported	12.60

¹⁶KCS added additional sources in 2019 and 2020 for Scope 1.

¹⁷Past years' data was mistakenly labeled as CO₂ - updated to reporting CO emissions; 2020 and 2019 includes all Scope 1 sources and 2018 includes emissions from locomotive diesel fuel use only.

¹⁸Calculated VOCs for 2018 based off of locomotive diesel fuel use. Locomotive diesel fuel use accounts for greater than 95% of total emissions.

¹⁹KCSR utilities did not track natural gas in 2020 and 2019; KCSM reported 0 use of natural gas.





Data	Units	2020	2019	2018
Propane	Million gal	0.1	0.1	Not reported
	Million Megajoules	6.3	9.3	Not reported
Electricity	Million KWH	72.3	77.2	62.9
	Million Megajoules	260.4	277.9	226.6
Total Direct Consumption	Million Megajoules	17,497.0	20,134.4	20,180.1
Energy Intensity Ratio ²⁰	Joules/GTM	185,284	197,747.0	200,883.0

Waste Management Disposal^{21,22,24}

Hazardous

Recycled	Short tons	8.5	0	1306.7
Repurposed/Reused	Short tons	0	0	0
Recovered/Energy recovery	Short tons	711.4	836.8	Not reported
Incinerated	Short tons	76.3	41.1	69.1
Deep well injection	Short tons	0	0	0
On-site storage	Short tons	0	0	0
Landfill	Short tons	425.5	0	0

Non-hazardous

Recycled	Short tons	23,557.3	8,045.4	12,824.2
Repurposed/Reused	Short tons	3,830.6	7,874.6	14,985.2
Recovered/Energy recovery	Short tons	2,862.5	9,923.6	12,228.3
Incinerated	Short tons	0	0	21.2
Deep well injection	Short tons	0	0	0
On-site storage	Short tons	0	0	0
Landfill	Short tons	19,146.7	73,297.0	8,822.6

Materials and Other Items²²

Recycled	Total Short Tons	21,942.9	8,200.5	13,787.7
Scrap metal	Short tons	20,690.4	7,177.6	12,481.0
Used oil	Short tons	1,141.0	867.8	1,121.0
Signal batteries	Short Tons	16.7	14.3	11.9
Lead-acid batteries ²³	Short Tons	94.5	140.4	173.6
Fluorescent lights	Short Tons	0.4	0.4	0.2
Reused	Total Short Tons	1,507.0	7,874.6	14,985.2
Metal tie plates	Short tons	1,407.0	2,051.8	4,260.0
Wood ties	Short tons	100.0	5,822.8	10,725.2

²⁰Restatement: 2018 and 2019 values were recalculated using a more accurate normalizing factor based on Gross Ton Miles (GTM) minus locomotives. This reflects changes resulting from KCS's Science Based Target Initiative commitment in 2020.

²¹KCS waste management data reported may include operational, office, incidents, construction, and other factors. KCS is always striving to improve our data completeness and in 2019 began introducing KCSM waste data (used oil and batteries). In this way, KCS has also included additional waste data sources and further separated out components where it is possible.

²²To most accurately report waste data while adapting to emerging GRI standards, KCS has reported for the relevant topics of both 2016 GRI 306 Effluents and Waste and 2020 GRI 306 Waste. As we gather more historic data KCS will shift to only reporting for 2020 GRI 306 in future years.

²³Reported 2020 values are lower due to implementation of Battery Nursing Stations in 2020 which extends the functional life of batteries in KCS use.

²⁴All KCS waste is diverted or disposed of offsite unless specifically noted.





Data	Units	2020	2019	2018
Recovered for Energy	Total Short Tons	3,573.9	10,760.4	12,228.3
Used Oil and oil impacted soil	Short tons	711.4	836.8	Not reported
Scrap tires	Short tons	2,862.5	9,923.6	12,228.3
KCSR Headquarters Recycling				
Total Recycled	Total Short Tons	7.9	9.7	12.9
Commingled Plastic and Aluminum	Short Tons	0	0.9	2.6
Corrugated Paper	Short Tons	1.0	1.8	1.7
Special File Stock Paper	Short Tons	6.9	7.0	8.6
Water Management				
Wastewater and Stormwater Discharges	Million Gallons	134.0	113.8	94.7
KCSR	Million Gallons	101.6	78.3	40.0
Discharge to Surface Waters	Million Gallons	83.2		
Discharge to POTWs	Million Gallons	18.4		
KCSM	Million Gallons	32.4	35.5	54.7
Discharge to Surface Waters	Million Gallons	-		
Discharge to POTWs	Million Gallons	32.4		
Discharge Locations (requiring permit)			33	33
KCSR	Locations	26	26	26
KCSM ²⁵	Locations	7	7	7
Hazardous Materials Transport				
KCSR	Million gross tons	25.9	25.7	23.6
KCSM	Million gross tons	19.2	16.4	12.4
Hazardous Materials Shipped Internationally ²⁶	# of shipments	77,438		

²⁵KCSM has two permitted locations and five locations that require compliance with a municipal ordinance.

²⁶KCS did not report this value prior to 2020.





GRI standards content index

GRI Descriptor	GRI Index Reference	Reference
GRI 102: General Disclosures		
1. Organizational Profile		
Name of organization	GRI 2016 102-1	Kansas City Southern (KCS)
Activities, brands, products, and services	GRI 2016 102-2	Regarding KCS
Location of headquarters	GRI 2016 102-3	KCS & Our Holdings
Location of operations	GRI 2016 102-4	KCS & Our Holdings
Ownership and legal form	GRI 2016 102-5	KCS & Our Holdings
Markets served	GRI 2016 102-6	KCS & Our Holdings
Scale of organization	GRI 2016 102-7	KCS & Our Holdings Delivering Prosperity Data Table
Information on employees and other workers	GRI 2016 102-8	Valuing People Data Table
Supply chain	GRI 2016 102-9	Suppliers Supporting Operations
Significant changes to the organization and its supply chain	GRI 2016 102-10	KCS 2020 Annual Report - Form 10-K
Precautionary principle or approach	GRI 2016 102-11	KCS has not formally adopted the precautionary principle. Adoption of the principle would apply primarily to potential harm related to use of fossil fuels, and emission of greenhouse gases. We are fully aware of these risks. To this end, we are deeply engaged with our stakeholders regarding these risks, and we proactively manage our business to reduce, avoid, or mitigate them across all activities.
External initiatives	GRI 2016 102-12	Managing Climate Risks & Opportunities
Membership of associations	GRI 2016 102-13	Appendix: Professional Engagements
2. Strategy		
Statement from senior decision-maker	GRI 2016 102-14	A message from our CEO
Key impacts, risks, and opportunities	GRI 2016 102-15	Material Topics Operational Health & Safety Managing Climate Risks & Opportunities Reducing Risks
3. Ethics and Integrity		
Values, principles, standards, and norms of behavior	GRI 2016 102-16	Sustainability Strategy at-a-Glance Our Values & Culture Diversity, Equity, & Inclusion Operational Health & Safety Reducing Risks





GRI Descriptor	GRI Index Reference	Reference
Mechanics for advice and concerns about ethics	GRI 2016 102-17	Diversity, Equity, & Inclusion Reducing Risks
4. Governance		
Governance structure	GRI 2016 102-18	Corporate Governance
Delegating authority	GRI 2016 102-19	Corporate Governance
Executive-level responsibility for economic, environmental, and social topics	GRI 2016 102-20	Managing Climate Risks & Opportunities
Consulting stakeholders on economic, environmental, and social topics	GRI 2016 102-21	Stakeholder Engagement Corporate Governance
Composition of the highest governance body and its committees	GRI 2016 102-22	Board of Directors Managing Climate Risks & Opportunities
Chair of the highest governance body	GRI 2016 102-23	Board of Directors Managing Climate Risks & Opportunities
Nominating and selecting the highest governance body	GRI 2016 102-24	Proxy Statement
Conflicts of interest	GRI 2016 102-25	Proxy Statement
Role of highest governance body in setting purpose, values, and strategy	GRI 2016 102-26	Board of Directors Managing Climate Risks & Opportunities Proxy Statement
Collective knowledge about the highest governance body	GRI 2016 102-27	Board of Directors
Evaluating the highest governance body's performance	GRI 2016 102-28	Managing Climate Risks & Opportunities Proxy Statement
Identifying and managing economic, environmental, and social impacts	GRI 2016 102-29	Managing Climate Risks & Opportunities Proxy Statement
Effectiveness of risk management process	GRI 2016 102-30	Board of Directors Risk Management Managing Climate Risks & Opportunities
Review of economic, environmental, and social topics	GRI 2016 102-31	Material Topics Board of Directors Risk Management Managing Climate Risks & Opportunities
Highest governance body's role in sustainability reporting	GRI 2016 102-32	Material topics are based on stakeholder concerns and expectations through their assessment of the impacts of our operations. Senior leadership sets improvement targets for each defined material topic and focus area to include in our sustainability report. A draft sustainability report is submitted to members of the Executive Leadership Team for review, feedback, and final approval. They have the option of submitting the report draft to the Board of Directors before publication. The Executive Leadership Team has presented and discussed the sustainability report with the Board's Nominating and Corporate Governance Committee and with the full Board.





GRI Descriptor	GRI Index Reference	Reference
Communicating critical concerns	GRI 2016 102-33	Since KCS is a publicly traded company, any stakeholder or interested person may communicate with the independent Directors by sending communication in writing to the office of the corporate secretary.
Nature and total number of critical concerns	GRI 2016 102-34	If we identify any critical risks to our company, management develops action plans to mitigate the risks to an acceptable level.
Remuneration policies	GRI 2016 102-35	Proxy Statement
Process for determining remuneration	GRI 2016 102-36	Proxy Statement
Stakeholders' involvement in remuneration	GRI 2016 102-37	We have a Say-On-Pay policy on executive compensation. See pages 16-17 of our 2021 Proxy Statement.
Annual total compensation ratio	GRI 2016 102-38	Proxy Statement
Percentage increase in annual total compensation ratio	GRI 2016 102-39	Proxy Statement
5. Stakeholder Engagement		
List of stakeholder groups	GRI 2016 102-40	Stakeholder Engagement
Collective bargaining agreements	GRI 2016 102-41	75% of our employees covered by collective bargaining agreements
Identifying and selecting stakeholders	GRI 2016 102-42	Stakeholder Engagement
Approach to stakeholder engagement	GRI 2016 102-43	Stakeholder Engagement
Key topics and concerns raised	GRI 2016 102-44	KCS & Our Holdings
6. Reporting Practice		
Entities included in consolidated financial statements	GRI 2016 102-45	KCS & Our Holdings About this Document
Defining report content and topic boundaries	GRI 2016 102-46	KCS & Our Holdings About this Document
List of material topics	GRI 2016 102-47	Material Topics
Restatements of information	GRI 2016 102-48	Data Table
Changes in reporting	GRI 2016 102-49	About this Document
Reporting period	GRI 2016 102-50	About this Document
Date of most recent report	GRI 2016 102-51	About this Document
Reporting cycle	GRI 2016 102-52	About this Document
Contact point for questions regarding report	GRI 2016 102-53	About this Document





GRI Descriptor	GRI Index Reference	Reference
Claims of reporting in accordance with the GRI Standards	GRI 2016 102-54	About this Document
GRI content index	GRI 2016 102-55	GRI Content Index
External assurance	GRI 2016 102-56	About this Document
GRI 200 Economic		
GRI 201: Economic Performance		
Direct economic value generated and distributed	GRI 2016 201-1	Delivering Prosperity
Financial implications and other risks and opportunities due to climate change	GRI 2016 201-2	Managing Climate Risks & Opportunities
Defined benefit plan obligations and other retirement plans	GRI 2016 201-3	Regarding the KCSR 401(k) plan: KCS contributes a 100% match on the first 5% of salary an employee elects to defer.
GRI 203: Indirect Economic Impacts		
Infrastructure investments and services supported	GRI 2016 203-1	Capital Expenditures
GRI 205: Anti-corruption		
Operations assessed for risks related to corruption	GRI 2016 205-1	Reducing Risks
Communication and training about anti-corruption policies and procedures	GRI 2016 205-2	Reducing Risks
Confirmed incidents of corruption and actions taken	GRI 2016 205-3	Reducing Risks
GRI 300 Environmental		
GRI 301: Materials		
Recycled input materials used	GRI 2016 301-2	Resource Management Data Table
Reclaimed products and their packaging materials	GRI 2016 301-3	Resource Management Data Table
GRI 302: Energy		
Energy consumption within the organization	GRI 2016 302-1	Fuel Efficiency Data Table
Energy intensity	GRI 2016 302-3	Fuel Efficiency Data Table
Reduction of energy consumption	GRI 2016 302-4	Fuel Efficiency Data Table
Reduction in energy requirements of products and services	GRI 2016 302-5	Fuel Efficiency Data Table





GRI Descriptor	GRI Index Reference	Reference
GRI 303: Waste and Effluents		
Interactions with water as a shared resource	GRI 2018 303-1	Water Management Data Table
Management of water discharge-related impacts	GRI 2018 303-2	Water Management Data Table
Water discharge	GRI 2018 303-4	Data Table
GRI 305: Emissions		
Direct (Scope 1) GHG emissions	GRI 2016 305-1	Data Table
Energy indirect (Scope 2) GHG emissions	GRI 2016 305-2	Data Table
GHG emissions intensity	GRI 2016 305-4	Data Table
Emissions from ozone-depleting substances (ODS)	GRI 2016 305-6	Data Table
Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	GRI 2016 305-7	Data Table
GRI 306: Waste		
Water discharge by quality and destination	GRI 2016 306-1	Resource Management Data Table
Waste by type and disposal method	GRI 2016 306-2	Resource Management Data Table
Significant spills	GRI 2016 306-3	Resource Management Data Table
Transport of hazardous waste	GRI 2016 306-4	Resource Management Data Table
Water bodies affected by water discharge and/or runoff	GRI 2016 306-5	Resource Management Data Table
GRI 307: Environmental Compliance		
Non-compliance with environmental law and regulations	GRI 2016 307-1	Environmental Protection
GRI 400 Social		
GRI 401: Employment		
Diversity of governance bodies and employees	GRI 2016 401-1	Board of Directors Data Table
Benefits provided to full-time employees that are not provided to temporary or part-time employees	GRI 2016 401-2	Supporting Our People





GRI Descriptor	GRI Index Reference	Reference
Parental leave	GRI 2016 401-3	Supporting Our People
GRI 403: Occupational Health and Safety		
Occupational health and safety management system	GRI 2018 403-1	Operational Health & Safety
Hazard identification, risk assessment, and incident investigation	GRI 2018 403-2	Operational Health & Safety
Occupational health services	GRI 2018 403-3	Operational Health & Safety
Worker participation, consultation, and communication on occupational health and safety	GRI 2018 403-4	Operational Health & Safety
Worker training on occupational health and safety	GRI 2018 403-5	Operational Health & Safety
Promotion of worker health	GRI 2018 403-6	Operational Health & Safety
Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	GRI 2018 403-7	Operational Health & Safety
Work-related injuries	GRI 2018 403-9	Operational Health & Safety Data Table
GRI 404: Training and Education		
Programs for upgrading employee skills and transition assistance programs	GRI 2016 404-2	Supporting Our People
Percentage of employees receiving regular performance and career development reviews	GRI 2016 404-3	Supporting Our People
GRI 405: Diversity and Equal Opportunity		
Diversity of governance bodies and employees	GRI 2016 405-1	Board of Directors Data Table
GRI 410: Security Practices		
Security personnel trained in human rights policies or procedures	GRI 2016 410-1	Reducing Risks
GRI 413: Local Communities		
Operations with local community engagement, impact assessments, and development programs	GRI 2016 413-1	Community Engagement
GRI 419: Socioeconomic Compliance		
Non-compliance with laws and regulations in the social and economic area	GRI 2016 419-1	Reducing Risks





SASB index

Sustainability Disclosure Topics & Accounting Metrics

Topic	SASB Code	Activity Metric	Category	Unit of Measure	Response/ Comment
Greenhouse Gas Emissions	TR-RA-110a.1	Gross global Scope 1 emissions	Quantitative	Metric tons (t) CO ₂ -e	1.2 million metric tons CO ₂ -e
	TR-RA-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	See Fuel Efficiency Section
	TR-RA-110a.3	Total fuel consumed Percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	17,393,100 GJ' 0%
Air Quality	TR-RA-120a.1	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O) and (2) particulate matter (PM10)	Quantitative	Metric tons (t)	(1) 11,734 t NO _x (2) 282 t PM10
Employee Health & Safety	TR-RA-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	Quantitative	Rate	(1) 1.8 per 200,000 work hours (2) 0.01 per 200,00 work hours (3) KCS does not disclose near miss frequency rate (NMFR)
Competitive Behavior	TR-RA-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Quantitative	Reporting currency	\$0





Topic	SASB Code	Activity Metric	Category	Unit of Measure	Response/Comment
Accident & Safety Management	TR-RA-540a.1	Number of accidents and incidents	Quantitative	Number	465
	TR-RA-540a.2	Number of (1) accident releases and (2) nonaccident releases (NARs)	Quantitative	Number	(1) 2 releases (2) 7 releases
	TR-RA-540a.3	Number of Federal Railroad Administration (FRA) Recommended Violation Defects	Quantitative	Number	KCSR Reportable Injuries (FRA): 45 KCSM Reportable Injuries (IMSS): 94
	TR-RA-540a.4	Frequency of internal railway integrity inspections	Quantitative	Rate	2 inspections per week (per FRA requirements) ²

¹ Total fuel consumed includes diesel, gasoline, and propane. Value will be expanded to include natural gas in future years when more accurate information is available. KCS contracted a third-party utility management company in 2021 to ensure high-quality data.

² The FRA requires twice-weekly inspections, with at least one calendar-day interval between inspections if the track has carried passenger trains, or more than 10 million gross tons of traffic during the preceding calendar year. KCS inspects all track at the FRA regulatory levels based on million gross ton-miles and class of track operated. The majority of KCS tracks do not run passenger trains.

Activity Metrics

SASB Code	Activity Metric	Category	Unit of Measure	Response/Comment
TR-RA-000.A	Number of carloads transported	Quantitative	Number	2153.4
TR-RA-000.B	Number of intermodal units transported	Quantitative	Number	Intermodal Carloads: 924.5
TR-RA-000.C	Track miles	Quantitative	Miles	KCSR: 4,007 KCSM: 3,282 Total: 7,289
TR-RA-000.D	Revenue ton miles (RTM)	Quantitative	RTM	48,264,709,730 RTM
TR-RA-000.E	Number of employees	Quantitative	Number	Total Number of Full-Time Employees: 6,522





TCFD index

TCFD Descriptor	TCFD Index Reference
Recommended Disclosures	
1. Governance	
A. Describe the board's oversight of climate-related risks and opportunities.	See the Managing Climate Risks & Opportunities section of this report.
B. Describe management's role in assessing and managing climate-related risks and opportunities.	See the Managing Climate Risks & Opportunities section of this report.
2. Strategy	
A. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	See the Managing Climate Risks & Opportunities section of this report and our CDP Response (questions C2.1a, C2.3, C2.3a, C2.4, and C2.4a).
B. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	See the Managing Climate Risks & Opportunities section of this report and our CDP Response (questions C2.1a, C2.3, C2.3a, C2.4, and C2.4a).
C. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2C or lower scenario.	See our CDP Response (questions C3.1a and C3.1d).
3. Risk Management	
A. Describe the organization's processes for identifying and assessing climate-related risks.	See the Managing Climate Risks & Opportunities section of this report and our CDP Response (questions C2.1, C2.2, and C2.2a).
B. Describe the organization's processes for managing climate-related risks.	See the Managing Climate Risks & Opportunities section of this report and our CDP Response (questions C2.1 and C2.2).
C. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	See the Managing Climate Risks & Opportunities section of this report and our CDP Response (questions C2.1 and C2.2).
4. Metrics & Targets	
A. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	See the Fuel Efficiency section of this report and our CDP Response (questions C4.1, C4.1b, and C9.1).
B. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	See the Fuel Efficiency section of this report and our CDP Response (questions C6.1, C6.3, and C6.5).
C. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	See the Fuel Efficiency section of this report and our CDP Response (questions C4.1, C4.1a, and C4.1b).

