Genesee & Wyoming's
Social Responsibility
and Sustainability
Initiatives

BENCHMARK
REPORT

Tracking Progress for a Healthy Planet

Introduction

Genesee &Wyoming Inc. (G&W)[1] is an international organization with over 110 railroads operating across Canada, Europe, the U.K. and the U.S. As we grow, we continue to move the industry forward on what it means to be a rail service provider, particularly when it comes to environmental stewardship.

In 2017, we estimate that we spent approximately $20 million on sustainability initiatives, including reductions in locomotive emissions through overhauls, purchases of more efficient locomotives and technology enhancements to our existing fleet.

Our estimated total carbon emissions for 2017 were 757,859 metric tons: 26,161 metric tons from road operations and 731,698 metric tons from rail operations.[2] The Company intends to set a quanti-tative goal to reduce emissions during the next year, following our current work to establish baseline emissions.

OUR CORE PURPOSE

To be the safest and most respected transportation service provider in the world.

[1] The terms "Genesee & Wyoming," "G&W," "the Company," "we," "our," and "us" refer collectively to Genesee & Wyoming Inc. and its subsidiaries and affiliated companies.

[2] World Resources Institute (2015). GHG Protocol tool for mobile combustion used to calculate metric tons. Version 2.6

Who We Are

G&W's railroads are organized in locally managed operating regions in two geographies.

www.gwrr.com/about_us

Our Worldview

Overall, railroads are the safest and most fuel-efficient form of ground transportation, according to the Association of American Railroads. Freight trains are four times more fuel-efficient than trucks. Each ton-mile of freight moved by rail rather than highway reduces greenhouse gas (GHG) emissions by an average of 75 percent.[1]

Nevertheless, there is a collective understanding worldwide, particularly following the Paris Agreement, that every country and industry must take increased action to reduce its carbon footprint and protect the future of our planet. With railroads across North America and Europe, G&W is particularly committed to this international cause and is proactively reducing its environmental impact in all regions where we operate.

[1] *The Environmental Benefits of Moving Freight by Rail,* Association of American Railroads, June 2018

Tracking Our Approach

In 2017, following the framework laid out for the transportation industry by the Sustainability Accountability Standards Board (SASB), sasb.org, we consolidated our sustainability efforts across Environment, Safety, People, Community and Governance and began taking steps toward quantifying these efforts. As presented in this benchmark report, we will use this framework to build multi-year goals for measurable future progress.

While G&W has a multifaceted focus on sustainability, we have not measured the complete effects of our past efforts. This is due in large part to G&W's global nature. However, we are working to ensure that we can quantify these efforts moving forward. For example, we are currently investing in a comprehensive global asset management system that will allow us to better quantify the environmental impact that results from all of the activity outlined in this report. The data collected will also help us set more extensive and exact performance targets for the future.

We track our commitment to sustainability across three areas:

Track 1: Environment

In keeping with the Paris Agreement's global target of limiting temperature rise to 2 degrees Celsius or less, G&W is taking active steps to reduce our GHG emissions. We will reduce our GHG emissions by driving more traffic to rail instead of road and by investing heavily in technology to promote fuel conservation and increase energy efficiency.

Track 2: Safety & People

People are our greatest resource in serving customers and protecting the planet. We invest in the highest-quality training so that our people are prepared to complete their jobs safely, which minimizes injuries, accidents and our impact on the environment. We also create a company culture that provides our people with the resources and benefits they need to succeed, so that they can in turn care for their families and communities.

Track 3: Community & Governance

We understand how important it is to thoughtfully use natural resources to operate our business. As a result, we strive to preserve the environments surrounding our infrastructure. We also hold our team and our actions to the highest ethical business standards across all industries and areas where we operate. We expect all employees, officers, directors or agents of G&W and any other person or entity acting on our behalf to adhere to our Code of Business Conduct and Ethics, which provides the foundation for our corporate governance.

Track 1: Environment

OUR FLEET

EMISSIONS

Worldwide, we make the greatest difference in curbing GHG emissions by investing in our locomotive fleet. Of course, due to the international nature of our business, regulations and initiatives differ by region. The following table outlines the locomotives in our fleet and where they fall within that region's regulatory framework. (The higher the regulatory tier number, the tighter the emission requirements.) In the pages that follow, we then break down our initiatives by **North America** and **UK/Europe.**

Fleet Total	Geography	Regulatory Tiers	Switcher	Line-Haul	TOTAL
981	**North America**	Exempt per CFR49.1033	357	186	543
		Tier 0	11	81	92
		Tier 0+	24	3	27
		Tier 2	11	2	13
		Tier 3	14	4	18
		To be overhauled	106	182	288
213	**UK/Europe**	N/A	27	0	27
		NRMM T1	0	50	50
		NRMM T2	0	83	83
		NRMM T3A	0	19	19
		25kV AC locos	0	32	32
		1500V DC locos	0	2	2
Total			**550**	**641**	**1,194**

Our industry has historically used two distinct types of duty-cycles for freight locomotives: line-haul and switcher. Line-haul locomotives are used to move freight long distances. Switcher locomotives are used for assembling and disassembling trains in a relatively small area. We track these locomotives separately since their emission levels vary due to the significant difference in their use.

Environment

OUR FLEET

EMISSIONS *continued*

We continue to make our fleet more environmentally friendly each time we overhaul a locomotive, whether line-haul or switcher. The U.S. Environmental Protection Agency (EPA) explains:[1]

> *When a locomotive engine is remanufactured, it receives replacement parts which are either freshly manufactured or remanufactured to as-new condition (in terms of their operation and durability). This includes the emission-related parts which, if not part of the basic engine design, are also generally designed to be periodically replaced. The replacement parts are also often updated designs, which are designed to either restore or improve the original performance of the engine in terms of durability, fuel economy and emissions. Because of a locomotive engine's long life, a significant overall improvement in the original design of the parts, and therefore of the engine, is possible over the total life of the unit. Since these improvements in design usually occur in the power assemblies (i.e., the components where fuel is burned and where emissions originate), remanufacturing of the engine essentially also makes the locomotive or locomotive engine a new system in terms of emission performance. A remanufactured locomotive would therefore be like-new in terms of emissions generation and control.*

GOAL: ***Looking ahead, G&W will continue to invest in engine upgrades or replacements. We commit to overhauling 27-38 locomotives per year worldwide to continue increasing our fleet's energy efficiency and lowering its total emissions.***

[1] *Locomotive Emission Standards Regulatory Support Document,* EPA-420-R-98-101, United States Environmental Protection Agency, April 1998

Environment

OUR FLEET

EFFICIENCY

Rail transport is typically more fuel-efficient and cost effective than other land-based sources of transport. In terms of BTUs of energy expended per ton-mile of freight hauled, U.S. Department of Energy statistics indicate that rail transport can be as much as seven times more efficient than truck transport.

The following table breaks down G&W's estimated fuel use across our geographies.

Geography	Fuel Use Per Carload	GTM/Gal	Gross Ton Miles (in Millions)
North America	24.6 Gallons/Carload	530	20,878 GTMs
UK/Europe	16.6 Gallons/Carload	658	11,896 GTMs

As each geography has a different mix of business and topography, fuel use and gross ton miles (GTMs) can vary widely for a variety of reasons that are highlighted below:

- **North America:** Longer trains of mixed freight with multiple locomotives, which optimize efficiency
- **UK/Europe:** Shorter/lighter trains by design with a single locomotive. This segment is unique in that 12% of the fleet is electric and does not consume diesel fuel

In addition to the factors above, commodity mix, numbers of carloads and locomotive fuel efficiency improvements also impact fuel usage and efficiency. We will continue to upgrade the existing fleet, as well as invest in new technology to increase our fuel efficiency moving forward.

GOAL: ***Using the above numbers as our baseline, G&W will continue to track our gross ton miles and fuel use year over year in each geography to help us identify ways to be more energy efficient moving forward.***

Environment

NORTH AMERICAN FLEET

EMISSIONS

The table below outlines our North American fleet, both in the U.S. and Canada. For reference, the U.S. EPA defines the tiers used here as follows:

- Tier 0 locomotives are those originally manufactured from 1973 to 2001.
- Tier 1 locomotives are those originally manufactured from 2002 through 2004.
- Tier 2 locomotives are those originally manufactured from 2005 through 2011.
- Tier 3 locomotives are those originally manufactured from 2012 through 2014.
- Tier 4 locomotives are those originally manufactured in 2015 or later.

The higher the tier number, the tighter the emission requirements. More details on tier regulations and emissions can be found at EPA.gov and in Appendix A of this report.

Fleet Total	Geography	Regulatory Tiers	Switcher	Line-Haul	TOTAL
981	**North America**	Exempt per CFR49.1033	357	186	543*
		Tier 0	11	81	92
		Tier 0+	24	3	27**
		Tier 2	11	2	13
		Tier 3	14	4	18
		To be overhauled	106	182	288
Total			**523**	**458**	**981**

**Included in this number are 200 locomotives (131 switcher, 69 line-haul) that are outfitted with auxiliary technology to make them more fuel-efficient and environmentally friendly. We are not required to add this technology by regulatory measures, but we do so because we are focused on improving the overall efficiency of our fleet.*

*** Tier 0+ locomotives are Tier 0 units that have been overhauled to reduce their emission levels.*

In the last five years, about 25% of our North American fleet has been overhauled, modified or upgraded, leading to 3-5% fuel savings. Currently, approximately 45% of the North American fleet is equipped with fuel-saving devices.

Environment

NORTH AMERICAN FLEET

MEETING U.S. EMISSION STANDARDS

While we are always working on improving the efficiency of our fleet worldwide, in the U.S. we also ensure that we meet all regulations put forth by the EPA.

The EPA requires locomotives with remanufactured engines built after 1973 and new locomotives built after 2001 to meet certain emission standards. Our U.S. fleet includes 910 locomotives, of which 405 meet the EPA's criteria to be updated. To date, we have already updated 35% of that number. We have equipped 142 U.S. locomotives with necessary emission control components, reducing their GHG emissions by 42% collectively. Moving forward, we have 121 locomotives slated to be overhauled and will do so at a rate of 20-26 per year. More details on emission reductions, EPA tiers and G&W's North American fleet can be found in Appendix A.

TIER 4 LOCOMOTIVES

In 2018, we will purchase two Tier 4 locomotives for our California Northern Railroad. Tier 4 engines meet the most stringent emissions requirements set by the EPA. They will lead to fuel savings of 25% and reduce diesel emissions — carbon dioxide (CO_2) and oxides of nitrogen (NOx) — by 80% compared to the two existing locomotives being replaced. This locomotive purchase includes $3.7 million in grant funding from the Bay Area Air Quality Management District.

GOAL: ***In keeping with our goal of reducing our overall environmental impact, we commit to overhauling 20-26 locomotives per year in our North American fleet.***

Environment

U.K./EUROPEAN RAIL FLEET

EMISSIONS

The table below outlines our fleet that operates in the U.K. and Europe. The regulatory tiers referenced are defined by the Non-Road Mobile Machinery Directive (NRMM). Recent amendments to legislation are starting to force alignment between U.S. EPA and European NRMM legislation. For reference, the categories below are defined as follows:

- NRMM T1 locomotives are those originally manufactured up to or on December 31, 2002.
- NRMM T2 locomotives are those originally manufactured on or after January 1, 2003.
- NRMM T3A standards were phased in from 2006 until 2013.
- NRMM T3B standards were phased in beginning in 2014.
- And in the table below, N/A refers to locomotives that were built pre-1995 and are not required to meet modern tiered emissions standards.

More details on these regulations and emissions can be found at **https://ec.europa.eu/growth/sectors/automotive/environment-protection/non-road-mobile-machinery_en**

Fleet	Geography	Regulatory Tiers	Switcher	Line-Haul	TOTAL
213	**UK/Europe**	NRMM T1	0	50	50
		NRMM T2	0	83	83
		NRMM T3A	0	19	19
		N/A	27	0	27
		25kV AC locos	0	32	32
		1500V DC locos	0	2	2
Total			**27**	**186**	**213**

ELECTRIC TRACTION IN THE U.K. AND CONTINENTAL EUROPE

In the U.K., 12% of our total mainline trains are hauled by electric locomotives. Even though electrified infrastructure for freight is limited, we operate with electric locomotives where it is practical to do so. The electric locomotive delivers zero particulates and non-carbon emissions at the point of use. As the U.K. diversifies electricity generation away from fossil fuels, continued use of electric locomotives where the infrastructure supports it will help with sustainability.

GOAL: ***In keeping with our goal of reducing our overall environmental impact, we commit to overhauling 7-12 locomotives per year in our U.K./European fleet.***

Environment

U.K./EUROPEAN TRUCKING FLEET

As with our locomotives, we ensure that all of our operations run as efficiently as possible. This is particularly clear with our trucking division, which is unique to our operations in the United Kingdom. In the U.K., we lease a fleet of 346 trucks, which are divided into the Pentalver and Freightliner fleets.

The Pentalver fleet is a Home Office "Section 5" approved hauler, which means the fleet is permitted to move goods of a sensitive nature. The Freightliner fleet services the U.K.'s leading intermodal rail-to-road freight operator. Each fleet completes different types of jobs, with Freightliner addressing more short-haul and Pentalver more long-haul travel. Therefore, mileage and fuel use vary between fleets and locations, depending on what the trucks are carrying, for how long and through what type of areas.

Environment

U.K./EUROPEAN TRUCKING FLEET

OPTIMIZING OUR FLEET

No matter the differences in our trucks and their travel, we work hard to maximize each engine's energy efficiency through a mix of thorough training and innovative technology. Thanks to data-collection programs on our trucks, we are better able to identify best practices for each vehicle's operation and maintenance.

Engines

In the EU and U.K., truck engines are tiered based on emissions standards set by the European Union for new vehicles sold. The first standard was set in 1992 with Euro 1, and the most current set is the Euro 6. As with locomotive engines, the sustainability standards become more stringent as the tiers progress.

Our trucking fleet is composed solely of Euro 5 and Euro 6 engines. Euro 5 engines are any vehicles introduced from September 2009 onward, and Euro 6 engines date from September 2014 onward. Both the Euro 5 and Euro 6 standards further reduced the amount of NOx, CO_2 and particulate matter (PM) engine emissions permissible.

Engine Type	Quantity
EURO 5	115
EURO 6	231
Total	346

Training

For our Pentalver fleet, each truck is outfitted with OptiDrive 360, a performance improvement program that scores drivers on areas such as fuel waste and consumption, idling, gear shifting and constant speed. This is then paired with our Safe and Fuel-Efficient Driving (SAFED) program, which works with the data collected on-board. With real-time feedback and advice, drivers are encouraged to improve driving standards, reduce accidents and maximize fuel efficency. Those operators who need additional support then receive more personalized training, ultimately leading to a safer and more fuel-efficient fleet across the board. The SAFED program is currently in use at our Southampton and Cannock locations, and will be rolled out to additional locations. Our Freightliner fleet is outfitted with a similar data-collection system, which we also use to monitor and motivate safer, more efficient driver habits.

GOAL: ***By 2020, we will convert our Freightliner fleet to OptiDrive 360, thereby using one system to accurately track and compare all of our trucking operations.***

Environment

U.K./EUROPEAN TRUCKING FLEET

OPTIMIZING OUR FLEET *continued*

Idling

Beyond on-board data, employees receive additional training to reduce emissions while operating the fleet, particularly when it comes to engine idling. For instance, drivers are advised to turn off their engines immediately when in heavy traffic, queuing or any other instance where they are standing still. To assist in this effort, every Euro 6 engine, or two-thirds of our fleet, is outfitted with idling cut-off technology. We are looking into ways to apply similar start/stop technology to our Euro 5 engines as well.

Tires

Something as simple and small as changing tire treads can reduce rolling resistance, thus reducing friction and increasing the vehicle's fuel efficiency. In fact, reducing tire treads from 16 mm to 14 mm can improve fuel efficiency by 2 percent. These types of changes are monitored closely, so as not to compromise road grip or reduce safety. Nevertheless, where possible and appropriate, we will outfit our trucks with the equipment best suited to operate at the safest and most fuel-efficient levels.

Off-Road Energy Efficiency Solutions

As at our rail yards, our trucking ports and terminals are identifying ways to also improve sustainability in their off-road operations. We recycle oils and metals when possible and are evaluating alternative energy sources to power our terminals. For instance, our Felixstowe location is now outfitted with LED lighting, and other locations are looking to do the same.

GOAL: ***In keeping with our goal of reducing our overall environmental impact, we commit to upgrading our entire fleet to Euro 6 engines, all with idling cut-off technology, by 2020. Over the next year, we also anticipate a 5% increase in our overall fuel efficiency.***

Environment

ADDITIONAL LOCOMOTIVE TECHNOLOGY

We introduce the right technology to supplement our engines and increase operational efficiency when and where it is needed.

FIGHTING IDLING

Reducing idling of locomotives is a key way that fuel consumption, noise and emissions can be reduced. Currently, the most widespread technology we have deployed to fight idling is Automatic Engine Start Stop (AESS) sensors. The AESS system monitors when the engine needs to be warmed and automatically turns the engine on or off as required.

Another innovative way we are reducing engine idling is through the development of our Remote Idle Gateway. Our Gateway Program will function like cruise control for locomotives, allowing our engines to maximize output while using only the most efficient throttle positions to burn fuel. We are in the early stages of testing this promising technology.

Furthermore, in colder climates, we focus particular attention on engine idling, which can burn up to 5.5 gallons of fuel per hour just to keep the engine at a temperature warm enough to prevent damage from freezing. To combat this loss, we outfit locomotives operating in colder regions with Auxiliary Power Units (APUs), which are small diesel engines that keep the locomotive's engine-cooling water and lube oil warm. APUs only burn about one gallon of fuel per hour when in operation, which cuts down diesel emissions and saves on the amount of lube oil used. When possible, we also install electrical plug-ins, which allow us to keep engines warm without idling, resulting in significant fuel savings and emissions improvements.

To date, we have installed over 200 APUs, 180 plug-ins and nearly 350 AESS sensors across our fleet.

Environment

ADDITIONAL LOCOMOTIVE TECHNOLOGY

GENSETS & MOTHER-SLUGS

Our North American fleet includes 29 GenSets and 18 Mother-Slugs.

GenSet technology replaces the large diesel engine and generator found in almost all existing freight locomotives with two or three much smaller diesel engines and generators. Advanced computer technology allows for precise control of the engines, starting and stopping only as their power is needed. In addition to fuel savings of more than 20%, GenSet locomotives have been shown to reduce PM by 80%, HC by 94%, NOx by 58% and CO by 37% compared to existing diesel locomotive technology.

In a Mother-Slug set, the Mother is a conventional diesel locomotive that sends its excess electrical power via large cables back to the Slug, which is similar in general appearance to a normal locomotive except it has only traction motors. A Slug does not have a diesel engine, generator or other components necessary for a "stand-alone" locomotive.

Both technologies provide measurable fuel and energy savings over traditional diesel engines.

Mother-Slug set

Environment

GLOBAL INITIATIVES

G&W has built a number of company-wide programs aimed at protecting natural resources and our communities.

FLEET OPTIMIZATION

Worldwide, we continually look at how we deploy our fleet to optimize its horsepower so that we don't use more energy than necessary to operate efficiently. In order to maintain optimal efficiency levels, we train all employees on best practices for fuel conservation, concentrating on:

- Locomotive shutdowns
- Fuel-conserving systems, such as the AST Boiler, Kim Hot Start and immersion heater systems
- Train handling
- Train pacing
- Train speed regulation, which includes throttle modulation and dynamic braking
- Tracking and minimizing burn rates
- Reporting locomotive malfunctions

We also use the following example chart to educate our employees on fuel burn rates while idling, encouraging them to use throttle modulation and dynamic braking to avoid operating in the highest throttle positions when possible.

Type SD40-2 Locomotive	
Throttle position	**Gal/Hr**
8	167
7	145
6	108
5	79
4	57
3	41
2	24
1	7
Idle	5
Dynamic Brake	21

In the U.K. in particular, freight trains run to strict timetables in conjuction with passenger services. Often our trains are capable of accelerating faster than the timetable requires, which can lead to unnecessary use of power and braking. Our U.K. operations have led the deployment of driver advisory systems to task the driver with only traveling as fast as the timetable requires, resulting in lower emissions and less wasted fuel.

Environment

GLOBAL INITIATIVES

RECYCLING & WASTE MANAGEMENT

We take an aggressive approach to recycling company-wide. By recycling as much cardboard, glass, paper and scrap metal as possible, we reduce the amount of waste sent to landfills. We also recycle liquids whenever possible. For instance, our parts-washer liquids are now put toward the manufacturing of asphalt shingles, in lieu of more traditional disposal. We also capture all waste oil and oil-water mixtures for proper recycling.

North America

In compliance with U.S. federal law, G&W railroads recycle:

- Batteries
- Used oil & oil filters
- Fluorescent tubes
- Mercury-containing equipment

UK/Europe

In accordance with U.K. and European legislation, the best environmental option or "waste hierarchy" is applied to all wastes collected from sites. This practice has resulted in a significant reduction in what is sent to landfills, which is only done as a last resort.

Environment

GLOBAL INITIATIVES

CHEMICAL APPLICATIONS

Maintaining our railroad right-of-ways is crucial to our business. When we do have to introduce chemicals into the environment, such as for vegetation control, we set and follow strict parameters:

1. We try to keep any chemical applications to a minimum. In North America, we work directly with our chemical representatives for recommendations on exactly when, where and what to spray.
2. We hold our contractors to a high standard. To work with us, they sign a contract promising to follow stringent environmental and operational regulations.
3. Between sprays, we work with application contractors and chemical companies to test new products that reduce waste and fight vegetation resistance.
4. If successful, these products will keep the frequency of applications down and limit further chemical exposure to the environment and applicators.

Environment

OUR TEAM

G&W's greatest asset in reducing our environmental impact is our workforce. As previously mentioned, we thoroughly train our teams and engineers in fuel-efficiency procedures, including how to reduce idling, throttle modulation and reporting malfunctions. Their front-line awareness helps us identify problems and implement solutions quickly and effectively.

In addition to fuel efficiency, our employees are trained on more than 70 Standard Environmental Procedures (SEPs) that range from maintaining air quality to proper waste management. The SEPs ensure we meet compliance standards and set a company-wide standard for environmental stewardship.

THE E TEAM

G&W has built an Environmental Team (E Team) composed of employees from each operating region who serve as Regional Environmental Coordinators. The team conducts monthly meetings to review any environmental and related safety matters and selects several company facilities to visit and conduct in-house environmental assessments.

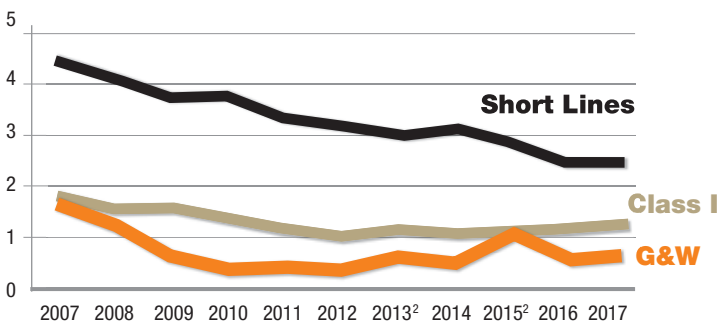
Track 2: Safety & People

G&W employs over 7,300 people across two continents. Our people are responsible for safely moving freight through the same communities in which they live. Ensuring that our railroads are safe, secure and sustainable is not just a goal – it is the foundation upon which we build our business. Through our safe operations, we protect the general welfare of not only our employees, but also the 3,000+ customers with whom we interact.

For 2017, G&W's combined reportable injury-frequency rate (IFR) was 0.83 per 200,000 man-hours. Our railroads achieved an IFR of 0.79, which was better than any Class I railroad for the ninth consecutive year[1] and three times safer than the average short line railroad.

Industry-Leading Safety

Injury Frequency Rate Comparison per 200,000 Man-Hours



[1] Same railroad for 2015. [2] G&W results include 2013 acquisition of RailAmerica and 2015 acquisition of Freightliner Group.

Safety & People

BUILDING A SAFETY CULTURE

We champion a company culture centered around safety. By doing so, we protect not only our employees, but also our environment, our customers and our communities. This focus leads to benefits including:

We protect our customers' investments.
The commodities and products that we ship are essential to our customers and to their customers, and we take that seriously. Customers count on us to care for their goods throughout the transportation process, so their investments remain intact.

We commit to our communities.
As a first- and last-mile service provider, our crews and their families live in the same communities we serve. Therefore, we share the same level of commitment to the safety and care of our neighborhoods.

We take care of our environment.
We understand how important it is to thoughtfully use natural resources to operate our business. As a result, we do everything possible to preserve the environments surrounding our infrastructure. In particular, we actively monitor and maintain air, water and soil quality.

Safety & People

HOW WE OPERATE SAFELY

We find it easiest to do things the right way, the first time. It is much less costly – in terms of money, time and manpower – to commit to safety from the outset rather than fix a problem that was always preventable.

Below are five ways we dedicate resources across our company to ensure safe performance:

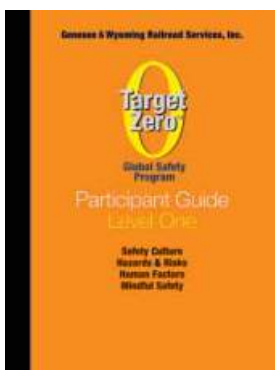
1. Hiring

It all starts with hiring the right people. As our employees are our most valuable resource, we take the time and effort to find individuals who are a good fit with G&W's culture of safety and service.

2. Training

We provide our teams with the best information and equipment available. Every job at G&W begins with a safety briefing, and we offer specialized training courses that give crews first-hand experience working with locomotive and air-brake simulators. Safety education and coaching are always ongoing because they are ingrained in our company culture.

Target Zero: We created our own, unique TARGET ZERO training, a railroad safety program that helps employees reach safety goals through eliminating human factor incidents and personal injuries. Based initially on DuPont's best-in-class, chemical safety training, we took many of that program's concepts and principles and made them specific to railroading. Classes help with communication and with seeing workplace surroundings differently. The program is based on group activities, problem solving, social interactions and classroom discussions. Participants work with people from a variety of fields from around the world.



3. Security

Due to a railroad's open infrastructure, our employees are our best line of defense in keeping our railroads safe and secure. We train our teams to stay vigilant at work, at home and in the communities where G&W operates. If they see something, they say something.

In addition to having an informed, aware workforce, we build relationships with government agencies, security professionals and first responders. Access to current threat and intelligence information allows G&W to be proactive in protecting our communities.

Safety & People

HOW WE OPERATE SAFELY *continued*

4. Compliance

Rules and regulations are a key component to keeping people safe. Instead of burdening our teams with red tape, we work hard to ensure our processes work seamlessly with necessary regulations. We're thoughtful about how we implement all rules, whether governmental or self-imposed, and we work to ensure that all of our employees understand why they are important. When we understand the why, we commit to mindful behavior and become a better railroad.

5. Partners

We have one goal: to have zero incidents. To reach it, we constantly drive industry innovation to advance safety. We partner with leading research institutions, universities, Class I railroads and outside experts for new perspectives on solving problems. We're never afraid to look at our processes, and ourselves, in a different way in order to improve.

Safety & People

HUMAN CAPITAL COMMITMENT

A skilled, motivated and engaged workforce is essential to serving and growing with our customers. A competitive compensation program is an important factor in our continued success. If economic growth is to be inclusive and sustainable, and the Company is to attract and retain talent, employees need to receive livable compensation.

DELIVERING FAIR COMPENSATION

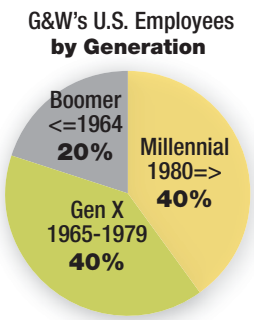
We have structured how the elements of our pay practices deliver fair compensation for our employees. That structure consists of three elements:

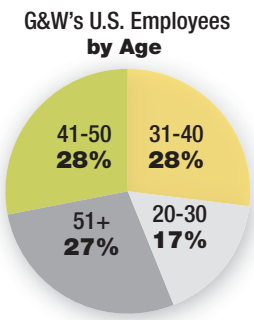
1. Fair and livable compensation
2. Market-based compensation
3. Performance-focused compensation providing alignment to our business

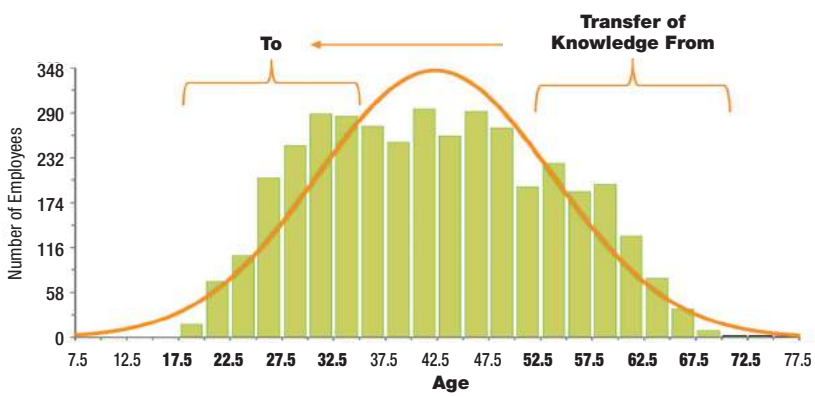
We continually review our compensation elements to ensure our employees earn competitive wages and receive comprehensive benefits.

AGING RAILROAD WORKFORCE

A significant concern across the U.S. rail industry is the aging workforce. The two best ways to address this concern are to 1) ensure that there is a pipeline of qualified talent ready to come in and assume those roles once retirements are realized and 2) ensure a transfer of institutional knowledge to the younger workforce before intellectual capital retires from the workforce.







Safety & People

BENEFITS

Building strong, healthy communities starts with supporting the individual. At G&W, we want every employee to thrive, so we provide them with financial, professional and social opportunities to help them succeed.

COMPREHENSIVE BENEFITS

Our benefits package includes health, dental and vision coverage; gym membership and tuition reimbursement; an Employee Assistance Program; basic and supplemental life insurance; paid vacation, holidays and sick time; and 401(k) and Railroad Retirement programs.

SCHOLARSHIPS

Each year, G&W awards nearly 20 scholarships to children of subsidiary employees, helping to make college education more affordable and education goals more attainable.

MENTORSHIP

In 2016, G&W launched a Mentor Program that provides opportunities for employees to expand their knowledge in areas outside of their primary roles. Mentees express interest in a particular discipline and are paired with volunteer mentors, who demonstrate how that area functions and the overall impact it makes to the Company.

Safety & People

HEALTH & WELLNESS

We believe people do their best work when they are healthy and feel good. That's why at G&W, employees have access to an array of market-competitive benefits and programs to help support their physical health, financial security and work-life balance.

We are committed to helping our employees and their families lead healthy, productive lives. Our wellness programs provide resources, information, motivation and support to help our employees make healthy lifestyle choices and minimize health risks.

Our global wellness goals are to:

- Support our "Live Well, Eat Well, Train Well, Sleep Well" approach company-wide
- Provide best care practices
- Evaluate program effectiveness for our members
- Deliver health & wellness education
- Drive increased employee engagement, aligning wellness with workplace safety

And we're tracking great results. In 2017, data collected in the U.S.* revealed that:

- 61% of eligible employees participated in a health assessment
- 46% of enrolled employees and their spouses received a preventative examination
- 301 employees used our Employee Assistance Program (EAP) for various personal and family counseling, and EAP resolved 60% of those visits
- 862 telemedicine registrations recorded, which allow employees and their families to receive immediate treatment for non-emergency health issues

**Canada and the U.K. have nationalized medical plans.*

Safety & People

RESULTS

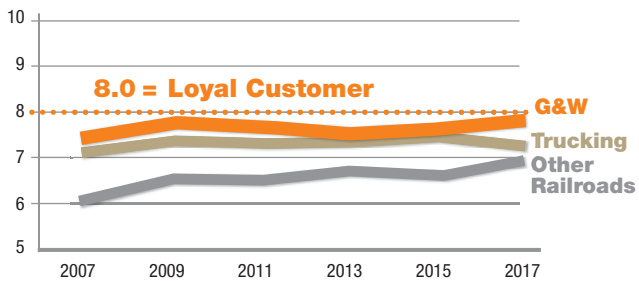
By investing in our people and ensuring that their safety is paramount, we create a culture and a company that delivers impressive results for our customers — and it shows. Since 2007, G&W has conducted a biennial customer satisfaction survey with a leading research firm. In every survey to date, we have outscored the overall trucking and railroad industries. In the November 2017 survey, our highest-rated attributes on a scale of 1-10, with 8 representing a loyal customer, were:

9.0 Operating personnel demonstrate a clear commitment to safety
8.8 Professionalism of Customer Service personnel
8.5 Availability of Customer Service personnel

With happy customers and a well-respected reputation in the industry, G&W is well positioned to sustain future growth.

Industry-Leading Customer Satisfaction

Biennial Survey of All G&W Customers Worldwide



Track 3: Community & Governance

We greatly reduce our environmental impact by being good stewards of our infrastructure. As railroad tracks cross countries and continents, our day-to-day operations come in constant contact with our regions' natural resources. As a result, we do everything in our power to maintain them and minimize our impact on surrounding air, land and water quality.

This is part of G&W's larger commitment to being good corporate citizens that make a positive contribution to society. We hold our team and our actions to the highest ethical business standards across all industries and areas where we operate.

Community & Governance

VOLUNTEERING

Our employees live in the same communities served by our railroads. As a result, we actively seek to educate our neighborhoods about train safety. Many of our crew members volunteer with Operation Lifesaver, **www.oli.org**, to discuss the importance of rail-crossing safety with school children, drivers, first responders and others.

From 2015-17, employee volunteers from G&W railroads made 1,490 presentations to more than 200,000 schoolchildren, school bus and truck drivers, law enforcement personnel, first responders and other individuals to discuss the importance of rail-crossing safety.

Community & Governance

CHARITABLE GIVING

True sustainability transcends a singular, environmental focus; instead, it requires building communities that are healthy on all levels. By giving to organizations where our railroads operate (and beyond), G&W commits to this goal worldwide. Each holiday season, donations are made to charities chosen by the Company's operating regions.

2017 RECIPIENTS

Canada Region
Christmas Daddies
Good Shepherd Food Bank
Maison des Femmes Ashpukuan Mitshiuap
North Bay Food Bank
Oasis Unité Mobile d'Intervention
Société Canadienne du Cancer

Central Region
LaVerne Williams Children's Christmas Party
The Men of Nehemiah
Project Hope Food Bank
United Way Heartland Region

Coastal Region
St. Jude Children's Research Hospital
Wolfson Children's Hospital

Midwest Region
Baxter Community Center
Community Harvest Food Bank of Northeast Indiana, Inc.
Fergus Falls Community Food Shelf
First Ward Community Service
Mid-Ohio Foodbank
Nokomis Food Pantry
Peoria Area Food Bank
Somebody's Place

Northeast Region
Butler County Alliance for Children
National World War I Museum and Memorial
Ronald McDonald House Charities
Special Olympics New York

Southern Region
American Diabetes Association
Susan G. Komen
Wolfson Children's Hospital

UK/Europe Region
Barrow Farm
CLEAR City Life
Ipswich Outreach Bus
Kidney Research UK
The National Autistic Society
Ramsey War Memorial Hall
Rowans Hospice
SERV Wessex
The Stubbington Ark RSPCA Animal Shelter

Western Region
Blue Ribbon Brigade
San Carlos Apache Tribe – Youth Home Program

Genesee & Wyoming Railroad Services, Inc.
Beaches Emergency Assistance Ministry
Hubbard House
Operation Lifesaver, Inc.
Veterans Outreach Center, Inc. – Rochester, N.Y.

MATCHING GIFT PROGRAM

G&W matches donations to charitable organizations made by subsidiary employees or directors.

Community & Governance

GOVERNANCE

G&W's Code of Business Conduct and Ethics provides the foundation for the Com-pany's corporate governance by establishing the values that we deem essential to preserve the G&W culture. Those Core Values are memorialized as follows:

Safety… we have an unconditional commitment to the well-being of our people and the safety of our operations
Service… we have an absolute commitment to our customers based on a philosophy of mutual success
Integrity… we possess the courage to do the right thing always
Respect… we treat all people with dignity and fairness, fostering diversity and inclusion
Transparency... we communicate openly to enable well-informed decision making
Accountability... we set high standards and take full ownership of our results as an individual and a team
Innovation... we embrace creativity, technology and new ideas
Excellence... we have relentless focus on continuous improvement and excellence in all we do

While our goals change over time, our Core Values remain the same. We share these values across our businesses worldwide. Our corporate reputation depends on each G&W employee working and living by these Core Values. In large part, how we do that is made clear in our Code of Conduct and Ethics (the Code). Our Code is meant to provide a clear understanding of how we should conduct ourselves as employees to uphold our tradition and reputation. G&W expects all employees, officers, directors or agents of Genesee & Wyoming Inc. and its subsidiaries and/or controlled affiliates and any other person or entity acting on behalf of G&W to follow the Code.

Looking Ahead

OUR COMMITMENT TO OUR FUTURE

As we continue to grow, investing in our environmental initiatives, our employees and our communities is a necessary and worthwhile commitment to the future of our company.

To that end, G&W will continue to upgrade our locomotive fleet each year with technology that will improve fuel and energy efficiencies, and we will continue to explore ways that we can use alternative energy sources to power our business.

We have also invested in a sophisticated global asset management system, which will streamline how our Mechanical and Engineering departments approach sustainability. By moving to a global system, every segment will effectively be able to capture information and use data analytics to better track and analyze our energy consumption.

Ultimately, our sustainability initiatives will only be as effective as the people executing them. Given both the strength of our team and their commitment to sustainability, we are confident that G&W will continue to make significant strides in reducing our environmental impact and improving the well-being of our employees, customers and communities worldwide.

Appendix A

Below is G&W's North American locomotive fleet broken out by EPA's regulatory tiers, as established by the emission-saving projection from the Office of Transportation and Air Quality (2009). The following tables then identify the reduction of greenhouse gases that can be applied to each locomotive in the respective tier.

Emission-saving projection from the Office of Transportation and Air Quality (2009)

Locomotive	Tier 0	Tier 0+	Tier 2	Tier 3	Tier 4	TOTAL
Line-Haul (Table 1)	80	3	2	0	4	89
Switcher (Table 2)	9	24	11	14	0	58
Total	**89**	**27**	**13**	**14**	**4**	**147**

Table 1 to 40 CFR §1033.101—Line-Haul Locomotive Emission Standards

Table 1- Line-Haul Emission Factors (g/bhp-hr)

	PM	% reduced	HC	% reduced	NOx	% reduced	CO
*Uncontrolled	0.32		0.48		13		1.28
Tier 0	0.32	0	0.48	0	8.6	34%	1.28
Tier 0+	0.2	38%	0.3	38%	7.2	45%	1.28
Tier 1	0.32	0%	0.47	2%	6.7	48%	1.28
Tier 1+	0.2	38%	0.29	40%	6.7	48%	1.28
Tier 2	0.18	44%	0.26	46%	4.95	62%	1.28
Tier 2+ & Tier 3	0.08	75%	0.13	73%	4.95	62%	1.28
Tier 4	0.015	95%	0.04	92%	1	92%	1.28

Table 2 to 40 CFR §1033.101—Switch Locomotive Emission Standards

Table 2 -Switch Emission Factors (g/bhp-hr)

*Uncontrolled	0.44		1.01		17.4		1.83
Tier 0	0.44	0	1.01	0	12.6	28%	1.83
Tier 0+	0.23	48%	0.57	44%	10.6	39%	1.83
Tier 1	0.43	2%	1.01	0%	9.9	43%	1.83
Tier 1+	0.23	48%	0.57	44%	9.9	43%	1.83
Tier 2	0.19	57%	0.51	50%	7.3	58%	1.83
Tier 2+	0.11	75%	0.26	74%	7.3	58%	1.83
Tier 3	0.08	82%	0.26	74%	4.5	74%	1.83
Tier 4	0.015	97%	0.08	92%	1	94%	1.83

Uncontrolled – means uncontrolled emissions
g/bhp-hr - grams per brake horsepower-hour
PM – particulate matter
HC – hydrocarbons
NOx – oxides of nitrogen
CO – carbon monoxide (reduction in CO emissions have not been projected)