



**BNSF**  
CORPORATE RESPONSIBILITY  
AND SUSTAINABILITY REPORT

2015



## TABLE OF CONTENTS

A Message from Carl Ice . . . . .	3
A Message from John Lovenburg . . . . .	5
Sustainability at BNSF: How we move with you . . . . .	7
BNSF 2015 Performance Highlights . . . . .	8
<b>OPERATIONS</b> - <i>Moving toward more sustainable operations</i> . . . . .	9
<b>ENVIRONMENTAL</b> - <i>Moving forward with environmental excellence</i> . . . . .	19
<b>ECONOMIC</b> - <i>Moving with the economy</i> . . . . .	27
<b>SOCIAL</b> - <i>Moving with our community</i> . . . . .	32
<b>CORPORATE GOVERNANCE</b> - <i>Moving with purpose</i> . . . . .	40
GRI Index . . . . .	49



## A Message from **CARL ICE**

At BNSF Railway we believe it is good business and good citizenship to minimize our impact on the environment, and we are proud of the role we continue to play in safely and efficiently moving millions of tons of goods across our country every day. We have been part of the fabric of America for more than 160 years where our employees are proud to be part of this heritage that has shaped America and our economy.

As a company our vision is to realize our tremendous potential by providing transportation services that consistently meet our customers' expectations. To realize our tremendous potential, the people that make up BNSF embrace a set of shared values including:

- Listening to customers and doing what it takes to meet their expectations
- Empowering one another, showing concern for our colleagues' well-being and respect for their talents and achievements
- Continuously improving by striving to do the right thing safely and efficiently
- Celebrating our rich heritage and building on our success as we shape our promising future

As a railroad company, the value we provide is to transport freight from where it is to where it needs to be for our customers. Handling this freight safely and responsibly is the most important thing we do. This responsibility includes our employees, the communities where we operate and the environment we are committed to protect.



**Carl Ice**  
President and Chief  
Executive Officer

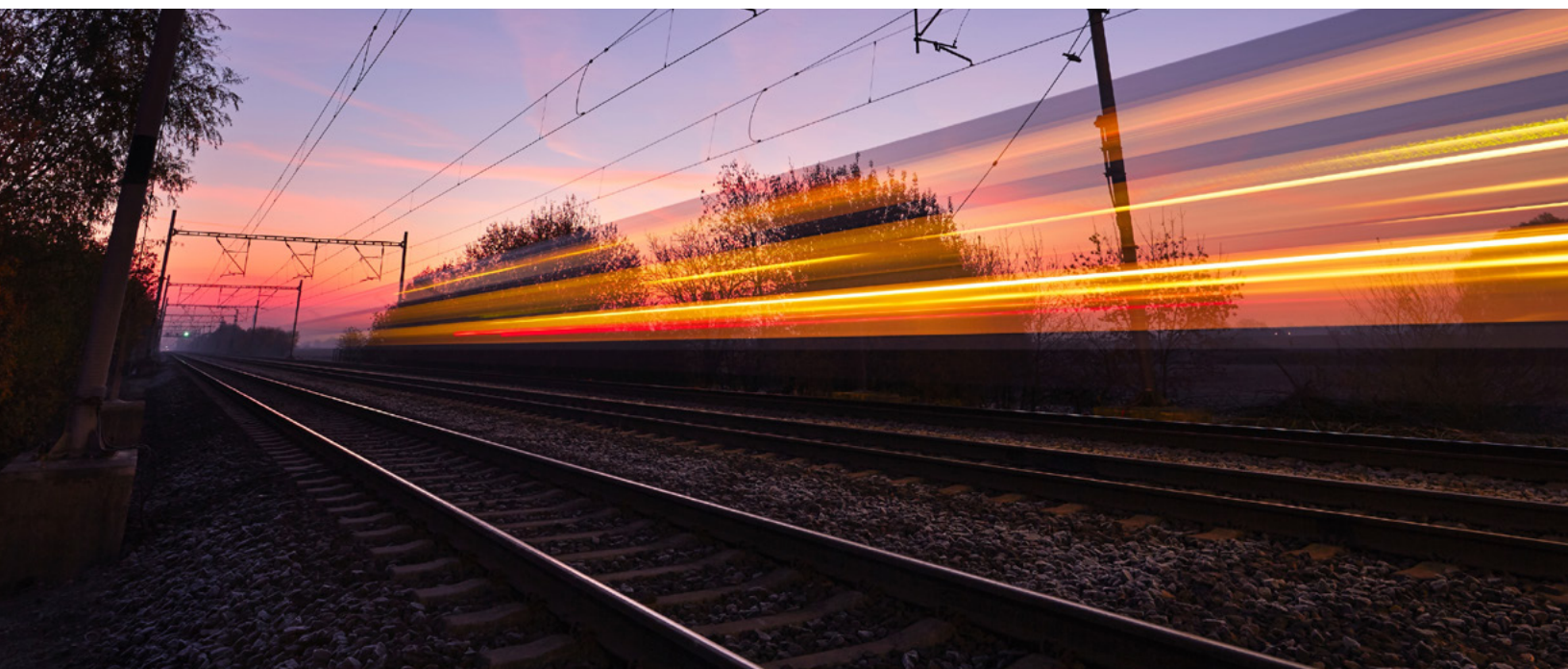
We know that we're part of a community, whether that's the community of people who form our network or our neighbors in all the places where we run trains. This drives our dedication to achieving our safety vision of eliminating all accidents and injuries and proactively participating in and supporting the communities where we operate.

In this our third Corporate Responsibility and Sustainability Report, we continue to make progress toward a more sustainable operation. We take seriously the role we play in ensuring our economy continues to move the goods that are needed and wanted – domestically and around the world.

The following pages provide us the opportunity not only to discuss the impacts of our operations but also the progress we made in 2015 to move freight in a more environmentally and socially responsible way – from cutting energy consumption and the carbon footprint of our locomotive fleet and operations to enhancing our safety programs and communication with employees and communities.

I hope you find value in the information we share in this report and are able to gain some additional insights into what makes BNSF a leader in providing sustainable freight rail solutions for our customers and the communities we serve.

Carl Ice  
President and CEO





## A Message from **JOHN LOVENBURG**

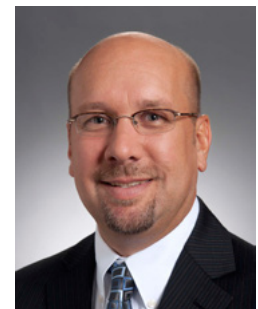
The United States has the most extensive freight rail system in the world, a vast steel-on-steel transportation network with unparalleled efficiency and economies of scale, a system that could not be replicated today. We at BNSF fully understand that we have inherited a network that combines high capacity with low resistance, making it more than three times more fuel efficient than trucks traveling over the road.

Freight rail also relieves urban traffic congestion and reduces carbon and other emissions. In fact, BNSF customers reduced their collective carbon footprint by 34 million metric tons in 2015, equal to removing the emissions produced by seven million cars in a year. This is why environmental organizations, our transportation logistics partners, scholars and government planning organizations recommend increasing the use of rail.

BNSF works to continuously improve freight efficiency and reduce our operating expenses. We have the newest and cleanest locomotive fleet in North America, with roughly 40 percent of our locomotives purchased as new in the past 10 years. This has contributed to an approximate 12 percent efficiency improvement in that same period.

Our continuous improvement efforts include looking at ways to further reduce emissions in our equipment, at rail yards and facilities where we operate such as:

- Implementing technologies that help conductors and engineers operate trains more efficiently; having operational practices that reduce fuel consumption;



**John Lovenburg**  
Vice President,  
Environmental

and using technology to reduce track rolling friction, which increases train movement efficiency.

- Developing rail yard innovations including the use of automated gate systems to reduce truck idling when entering and departing rail facilities and using wide-span electric cranes that load and unload trains while emitting zero emissions onsite.
- Installing LED lighting and energy efficient equipment at BNSF facilities.
- Investing in renewable energy including an 800 kilowatt solar array and solar panels for backup power for more than 500 sets of signal equipment.

We believe rail will remain a leader in sustainable operations when compared to other freight transportation modes thanks to its inherently better efficiency and our ongoing investments. Along with our partners, BNSF will keep moving forward to lead the way in technology innovations, which enhance safety, improve efficiency and reduce emissions. One recent example is a strategic initiative to use big data gathered from our network of rail detectors to improve safety and make smart logistics decisions. We are also partnering with locomotive manufacturers to test liquefied natural gas-powered locomotives that could generate lower emissions. New innovation efforts for 2016 include the research and development of battery-electric trucks and locomotives for use in our rail yards.

As we look to the future, BNSF will keep partnering with our customers and communities to become ever more sustainable while remaining focused on safety and moving our economy forward. We are proud of the role we play in the global supply chain and hope that in the following pages we provide readers with a look into how we are making our business more sustainable and building a better tomorrow.

John Lovenburg  
Environmental Vice President





# SUSTAINABILITY AT BNSF: How we move with you

What we do at BNSF affects our way of life. This year, we transported 10 million units of freight that make up the necessities of everyday life. These shipments help feed, clothe, supply, and power our homes and businesses.

At BNSF we are always moving forward with environmental excellence and toward more sustainable operations. Because we know that rail is the most environmentally preferred mode of long distance land freight transportation – and that customers today need the value and efficiency of our railroad more than ever.

That is also why we work so hard to move with the economy and for our communities. Because the nation is counting on our network to continue providing safe and reliable service into the future – and our communities are relying on us to be there for them today.

In everything we do, everywhere we go, we move with a strong sense of purpose. It comes from our vision and our values. And it comes from the trust that people place in us every day.

That's what sustainability enables: being there with you today and tomorrow.

This is how we move with you.

BNSF utilized the Global Reporting Initiative's (GRI) G4 guidelines in the preparation of this report. GRI is an international independent organization that helps businesses, governments and other organizations understand and communicate the impact of business on critical sustainability issues. A GRI table can be found starting on page 49.

# BNSF 2015 Performance HIGHLIGHTS

## ENVIRONMENTAL

### 34 Million

METRIC TONS OF EMISSIONS

Avoided by Customers,  
Shipping With Us



IN THE PAST **10 years,**  
BNSF has cut average  
LOCOMOTIVE  
PARTICULATE  
MATTER EMISSIONS  
**nearly in half.**



## ECONOMIC

### \$5.8 Billion



Invested in  
Our Capital Program

### 10 Million+

UNITS TRANSPORTED



## SOCIAL

### 10,000+

First  
Responders  
Trained



In  
**150+**  
Communities

### \$10 Million



Donated to Our Communities Through  
the BNSF Railway Foundation





## Moving toward more sustainable **OPERATIONS**

*Driving sustainability with every container of freight we move.*

BNSF plays a vitally important role in moving freight across North America. Rail is a key part of our economy's supply chain. We help get consumer goods to store shelves, move grain that becomes the food we eat and transport energy resources that heat and cool the homes and offices where we live and work. Equally important is that with each of those movements, the environmental impact of the commodities we move are reduced thanks to the superior efficiency rail has over other surface transportation methods. Steel-on-steel means less friction is generated and less fuel is needed compared with other over-the-road options. Transportation is part of every product's environmental impact, ranging from between five to 20 percent of a consumer product's carbon footprint. Rail is the most environmentally preferred way to transport these products long distances across land. And those savings add up when considering that in 2015, we moved more than 10 million units of freight over average distances of more than 1,000 miles per move.

That is why we are strong advocates for the sustainability benefits of freight rail, and why we are improving our operations by:

- Using technology to enhance operations
- Improving supply chain sustainability through intermodal transportation
- Moving freight by rail safely and responsibly

## USING TECHNOLOGY TO ENHANCE OPERATIONS

### INNOVATION

*BNSF is forward-moving and forward-looking.*

Technology and innovation enable improvements in safety and efficiency. As we look to tomorrow, we can continue using new technologies to provide greater value, safety and efficiency for our customers and all those who are counting on us, today.

We work to ensure that every mile of our 32,500-mile network is in safe operating condition. This includes using the latest technology – from unmanned aerial vehicles (UAV) and advanced inspection equipment to remote wayside detection along the track.

#### UNMANNED AERIAL VEHICLES

We are one of just a few companies working closely with the Federal Aviation Administration's Pathfinder Program to lay the foundation for the use of commercial UAVs in the United States, setting the bar for the commercial UAV industry. Through the Pathfinder Program we are using UAVs to inspect rail infrastructure beyond visual line-of-sight in isolated areas.

We also use smaller UAVs to supplement visual inspections of track and bridges required by the Federal Railroad Administration. The UAV program helps our inspectors and engineers inspect bridges in difficult places to access or closely observe, keeping our team members and our network safe.

Likewise we utilize UAVs during incidents that can cause interruptions in service, or pose safety concerns and in locations that were previously hard to access. UAVs allow our employees to safely gather valuable information about the condition of equipment and the surrounding environment.



WE'RE ALWAYS  
MOVING  
FORWARD  
WITH NEW WAYS TO  
ENHANCE OUR  
OPERATIONS.



## ADVANCED INSPECTION EQUIPMENT

We have a robust track inspection program. This includes routine visual inspections by more than 650 trained and experienced track inspectors who patrol miles of track. Inspectors also use special rail cars equipped with ultrasonic detection and other technologies to look for flaws in the rail and to test track geometry. Technologies deployed include:

- **Track Geometry Cars:** Cars that continually travel the network collecting data about overall track conditions.
- **Hy-Rail Geometry Vehicles:** A fleet of trucks that traverse sections of track to gather track condition data using technology similar to track geometry cars.
- **NXGEN-Optical Track Inspection Cars:** Cars equipped with onboard high-definition cameras capable of automatically detecting and classifying defects of all track components.
- **Ultrasonic Hy-Rail Vehicles:** Vehicles that inspect rail for internal defects, finding and removing defects that may cause service interruptions.
- **Ground-Penetrating Radar:** Technology that assesses fouled ballast (which is the stone or gravel placed in a roadbed to provide a sturdy surface for the track and to facilitate drainage), which can impact drainage.
- **Aurora Tie Inspection Vehicles:** Vehicles that electronically report crosstie condition data to determine which ties need to be repaired or replaced.
- **Joint Bar Inspection System:** Technology that provides high-quality images to detect cracks in the metal joint bars that join the ends of two rails together in a track.

## WAYSIDE DETECTORS

More than 2,000 wayside detectors installed across the BNSF network collect data 24/7 year-round, alerting us to potential safety issues such as high-impact wheels, overheated bearings and damaged or worn components.

The wayside detectors monitor roughly 1,600 trains per day. An analysis is performed on more than 30 million readings per day that monitors equipment health, generates alerts and determines severity of the issues that have been identified. By applying advanced analytics, BNSF is developing a system to leverage this data to proactively predict issues before they occur. Predictive maintenance will allow sufficient time for intervention and prevent incidents from occurring.

## MORE ENERGY EFFICIENT FACILITIES

Facilities are also part of our efficiency improvement strategy. Our operational facilities, including intermodal facilities, rail yards and administrative offices, all play different, crucial roles in allowing us to deliver high-quality and valuable services to our customers. And just like we approach our locomotives, we continuously look for ways to make them more efficient.



## Intermodal facilities

One intermodal train can carry the equivalent of 280 long-haul truckloads. Every container or trailer shipped by rail means one less long-haul truck on the highway – easing congestion, reducing pollution and saving energy. We also reduce emissions at intermodal facilities through the use of:

- **Wide-Span Electric Cranes:** We're the first U.S. rail carrier to use wide-span electric cranes. These cranes produce zero emissions on-site and significantly reduce the number of trucks needed to move containers in the rail yard. They also generate electricity when lowering a container or trailer, which recharges internal batteries and conserves electricity. These cranes are now in use at BNSF intermodal facilities in Seattle, Memphis and Kansas City.
- **Automated Gate Systems:** We have automated gates at 10 intermodal facilities. These gates use digital cameras to record images of units entering and exiting the facility. Thanks to the efficiency created by the gates, truck-idling time and associated carbon emissions have been cut by an average of 50 percent at facilities equipped with the systems.

## Rail yards and administrative facilities

We initiated an energy management program in 2014, and in 2015 started to see some progress. Our program includes identifying ways to modify our business and operational practices to save energy. One key aspect of our program was to hire an energy efficiency manager to advance the development of our program.

Initial focus areas continue to include:

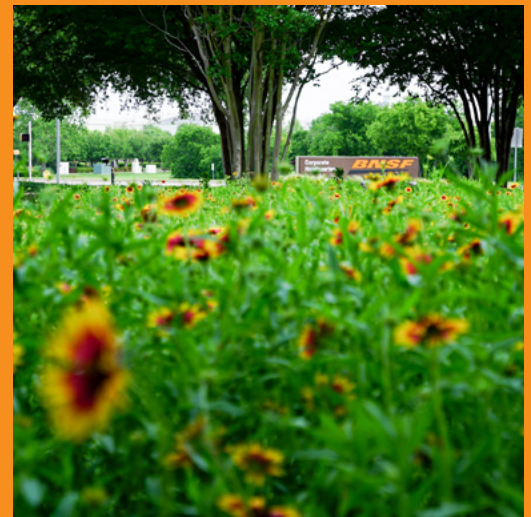
- Establishing an energy use data management system for BNSF to benchmark its facilities and track energy efficiency improvements.
- Developing corporate initiatives that provide training and coordination to BNSF employees.
- Defining and establishing goals that are measurable.
- Communications to BNSF employees about energy savings best practices and delivering energy savings scorecards by facility type.
- Presenting positive business cases to BNSF on potential energy efficiency projects and opportunities.

Some recent examples of projects and initiatives are:

- Minneapolis car shop LED lighting retrofits – annual reductions: 354,390 kwh
- Michigan track switch heater cabinets – annual reductions: 572,862 kwh

## MORE FUEL EFFICIENT LOCOMOTIVES

Locomotive energy efficiency is an important priority to reduce both environmental impact and operating costs. For this reason, we invest substantially in our locomotive fleet. Locomotives that power trains have diesel engines, which power electric traction motors. We have the newest and cleanest-burning locomotive fleet in the rail industry, which includes the most Tier 4 locomotives – the latest model in service. In 2015, we added more than 300 new, more energy-efficient locomotives. More than 40 percent



## BNSF TRANSITIONS HEADQUARTERS TO SUSTAINABLE LANDSCAPING

The transition to native short grass landscaping at BNSF's headquarters in Fort Worth, Texas began in 2015. The project will enable us to significantly reduce the need for water, fertilizer and herbicides – supporting a more natural ecosystem. In addition to the sustainability environmental benefits, the native short grass landscaping project will also produce economic sustainability results by reducing costs related to water, mowing and fertilizer use. The transition will be a multi-year process.

of BNSF's fleet has been upgraded to more energy-efficient technologies in the last 10 years, contributing to a 12 percent improvement in fuel efficiency. It has also meant an approximate 12 percent reduction in freight train greenhouse gas (GHG) emissions per revenue ton mile over the last decade.

We continue to make substantial investments in our locomotive fleet. In 2015, we:

- Added 161 Tier 4 locomotives to our line-haul fleet.
- Upgraded more than 600 line-haul locomotives during routine rebuilding, 10 percent of the total line-haul fleet.
- Upgraded more than 40 switching locomotives during routine rebuilding, more than six percent of the total switching fleet.

**Learn more** about the benefits of our locomotive upgrades and other energy and emissions reductions in the [Energy & Carbon and Air Emissions sections](#).

### **Locomotive energy management systems**

More than 60 percent of our active road fleet locomotives utilize an energy management system to maximize fuel efficiency and train handling by optimizing throttle and brake use, which can have a significant impact on a train's fuel efficiency. The system includes software that considers train makeup (weight/length/horsepower), track geometry (grade/curvature) and speed restrictions to determine the most fuel efficient way to operate the train across its territory, keeping train handling techniques at the forefront.

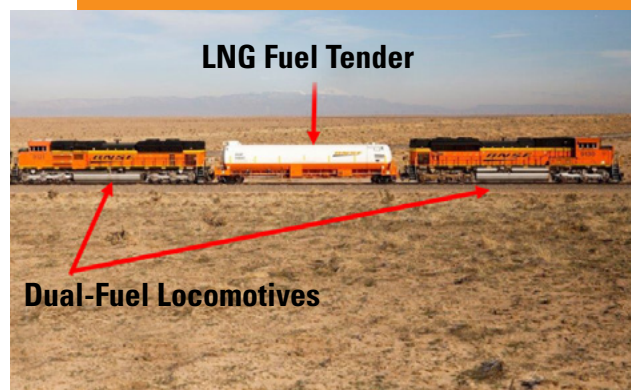
### **Automatic engine devices**

More than 95 percent of our locomotives are equipped with automatic engine start/stop devices, which shut down locomotives to prevent unnecessary idling which lowers emissions. These devices help reduce yearly fuel usage by thousands of gallons for each locomotive equipped with this technology.

## ALTERNATIVE FUELS

We are hopeful that the development of new technologies and alternative fuels could allow us to continue to reduce fuel expenditures and our carbon footprint and impact on the environment. One technology we are testing is low-emissions liquefied natural gas (LNG) locomotives. This is one of the cleanest-burning locomotive technologies in existence. After a pilot program was initiated in 2013, we've continued in 2015 with testing of dual-fuel locomotives running on a blend of diesel and natural gas.

LNG fuel tenders are placed in between the dual-fuel locomotives and have double-wall tanks that act like a thermos, allowing the natural gas to stay in liquid form at a constant temperature of minus 260 degrees Fahrenheit. In order to use this technology on a larger scale, we're also studying the development of a natural gas fueling infrastructure.



# IMPROVING SUPPLY CHAIN SUSTAINABILITY THROUGH INTERMODAL TRANSPORTATION

## INTERMODAL SOLUTIONS

*The efficiency of our operations helps move supply chains toward greater sustainability.*

On average, rail is more than three times more efficient than over-the-road transportation, a key reason rail is by far the most environmentally preferred mode of long distance land freight transportation. In fact, a BNSF train can move a ton of freight almost 500 miles on a single gallon of diesel. Our motor-carrier partners are realizing the cost and environmental advantages of allowing BNSF to handle long-haul distances, while trucks handle local pickups and deliveries. This practice is referred to in the industry as intermodal transportation.

Our emphasis on intermodal transportation is a vital part of keeping the economy running in a more environmentally preferred way. We've forged partnerships with our customers to augment their capabilities with the comparative efficiency of rail.

We are a leader in moving freight in containers and trailers seamlessly between different modes of transportation – trucks, ships, planes and trains. Today, intermodal containers and truck trailers that primarily carry consumer goods account for approximately half of all BNSF freight volumes. BNSF's intermodal network connects customers to more major U.S. markets than any other railroad.

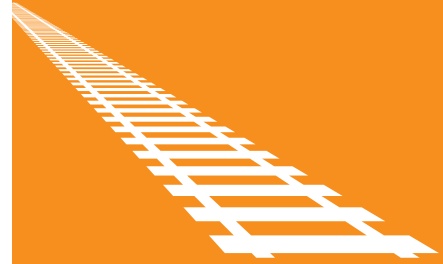
These intermodal shipments allow motor carriers to reduce fuel costs and handle growing demand, while also reducing carbon emissions and relieving congestion and wear and tear on U.S. highways.

By shipping with BNSF instead of moving freight entirely over the road, our customers have reduced their total carbon emissions by 34 million metric tons in 2015.

### Learn more:

To learn more about BNSF's shipping procedures, please visit the Customer webpage, which covers what can be shipped, where and how:

- <http://www.bnsf.com/customers/what-can-i-ship/>
- <http://www.bnsf.com/customers/where-can-i-ship/>
- <http://www.bnsf.com/customers/how-can-i-ship/>



A TRAIN'S STEEL WHEELS ON  
STEEL RAILS BEATS  
RUBBER ON THE ROAD IN  
STOP-AND-GO  
TRAFFIC.

Removing the resultant emissions of

7M+

vehicles annually.\*



OR

27M+

acres of CO<sub>2</sub> sequestration  
by U.S. forests in one year.\*



\*Source: U.S. Environmental Protection Agency's Clean Energy website.

# MOVING FREIGHT BY RAIL SAFELY AND RESPONSIBLY

## COMMON CARRIAGE RESPONSIBILITY

*Our network serves an important national interest.*

Federal law requires railroads to make reasonable accommodations to move all products. We understand the responsibility that comes with being an indispensable part of the transportation system. And we're proud to provide a service for our customers and their products that is reliable and as safe as possible.

As part of our common carriage responsibility, we have a duty to transport any commodity as long as government standards are met, including those with hazardous materials. For this reason, BNSF has strict safety measures and protocols in place throughout our operations. We are committed to fulfilling our responsibility to our customers, our country and the global economy.

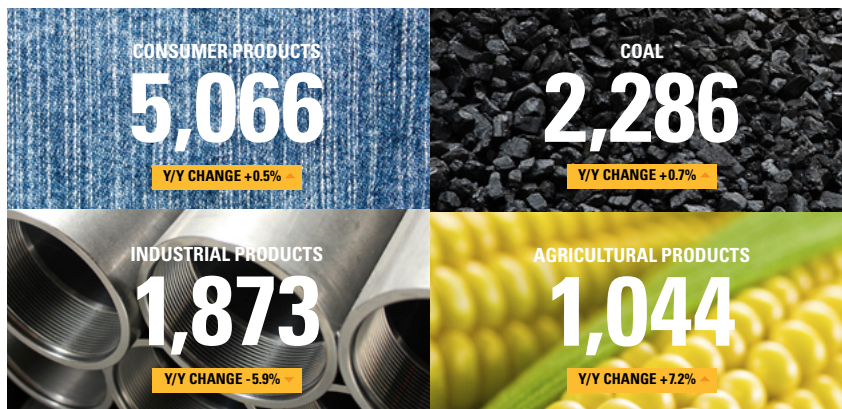
This responsibility comes with a thorough understanding of the various types of materials we transport and a commitment to be prepared for any and all potential hazards through comprehensive emergency preparedness and response programs.

## TYPES OF MATERIALS TRANSPORTED

*Millions of people across the country are counting on us to deliver what's important.*

Our customers are shippers of consumer products, industrial products, agricultural products and coal. In 2015, our trains transported 10.3 million units for our customers.

What We Carried in 2015 (Thousands of units, with year-over-year change)



Footnote: Due to the changing mix of products transported (due to shifts in customer demand), the percentage of significant products and service categories subject to product and service information and labeling requirements (as requested by GRI) cannot be calculated at this time.



### REDUCING HIGHWAY CONGESTION

One BNSF intermodal train removes more than 280 long-haul trucks from our nation's highways.



### INCREASING FUEL EFFICIENCY

Rail is over three times more fuel efficient than long-haul trucks.



### GENERATING FEWER EMISSIONS

BNSF customers reduced GHG emissions by 34 million metric tons in 2015 vs. moving freight entirely over the road.

**WE'RE PROUD TO PROVIDE AN ESSENTIAL LINK IN THE NATIONAL SUPPLY CHAIN.**



## HAZARDOUS MATERIALS SAFETY MEASURES

Industrial products account for nearly 1.9 million of the units we transported in 2015, and these include hazardous materials. We also move certain agricultural materials and consumer products that are considered hazardous materials. As with all shipments, BNSF's core focus is on safety through prevention, mitigation, and response to any potential release. We transported more than 1.7 million customer hazmat shipments in 2015, and 99.99 percent of all those shipments were delivered without a release caused by an accident. We continue to strengthen our safety precautions and emergency preparedness. Any hazardous material that we ship receives special identification and handling that includes tracking of all sensitive shipments, in-train placement checks and emergency response information. And we work to ensure compliance with U.S. Department of Transportation placarding requirements.

In 2015, BNSF experienced the lowest number of main-track rail-related derailments ever, however, we have experienced an increase in accidental releases and non-accidental releases. Accidental releases are releases caused by a train accident, such as in the case of a collision, derailment or other rail-related accident. Non-accidental releases are typically caused by improperly secured or defective valves, fittings or tank shells.

To reverse this trend of releases caused by accidents, we have increased the number of failed equipment detectors located on our railroad and changed alarm criteria on specific detectors. We also changed our operating practices, which included speed restrictions

of unit crude oil trains. BNSF also successfully advocated for tank cars transporting flammable liquids to be further enhanced.

## CRUDE BY RAIL

Crude oil shipments made up approximately three percent of our overall volume in 2015. We handled approximately 326,000 units of crude oil during the year.

For the transportation of shale crude in particular, BNSF and the rail industry – in cooperation with local and federal governmental agencies, manufacturers, suppliers and customers – have already implemented extensive measures to reduce risk. These include speed restrictions for crude and ethanol shipments. For example, since June 2014 we have required all key trains – trains which carry a certain amount of hazardous materials – to observe a speed limit of 50 mph. In July 2014, the Department of Transportation further specified that trains comprised of any of the earlier, legacy model tank cars (DOT111 or CPC-1232), when transporting crude oil, must observe a speed limit of 40 mph in municipal areas. We have gone even further for trains transporting shale crude, limiting their speed since March 2015 to just 35 mph when passing through municipalities with a population of 100,000 or more.

### Learn more:

More information on key trains is detailed in an industry circular: <http://www.boe.aar.com/CPC-1258%20OT-55-N%208-5-13.pdf>





## EMERGENCY PREPAREDNESS AND RESPONSE

*BNSF is prepared to respond to incidents if they occur.*

Nothing is more important to BNSF than safety. As a leader in railroad safety, we recognize a safe and secure railroad network is essential to our nation's future and important to all our stakeholders. U.S. railroads have some of the lowest injury and accident rates in the transportation industry and are continually improving. The rail industry has continued to improve its safety record and has reduced employee injury rates, train accident rates and grade-crossing collision rates by nearly 80 percent or more since 1980.

However, we recognize that incidents can occur, and that strong emergency response can minimize the scope and duration of the emergency.

We have strengthened our emergency community response capabilities by:

- Training community first responders.
- Training and equipping internal BNSF hazmat responders.
- Purchasing and deploying response equipment strategically staged across our network.
- Enhancing response capabilities and safety by developing the use of UAVs.

**Learn more** about the efforts we are implementing to mitigate the environmental impacts of our operations in the [Environmental section](#) of this report.

### SUPPORTING NEXT GENERATION TANK CARS

BNSF continues to believe that a next generation tank car (DOT-117) that is appropriately equipped is necessary to reduce risk in the transportation of flammable liquids, including crude and ethanol, in unit trains. As a result, we will continue working with our customers to transition legacy DOT-111 cars out of crude rail service by mid-2016, followed by transitioning to unmodified next generation DOT-117 tank cars in crude rail service by mid-2018.

### INSPECTING OUR NETWORK

We conduct track, weather event, earthquake, bridge and rail defect inspections to ensure the safety of our operations. Our inspectors examine key routes, which carry a greater number of shipments and include hazardous materials, twice as frequently as required by the Federal Railroad Administration (FRA).

### TRAINING LOCAL FIRST RESPONDERS

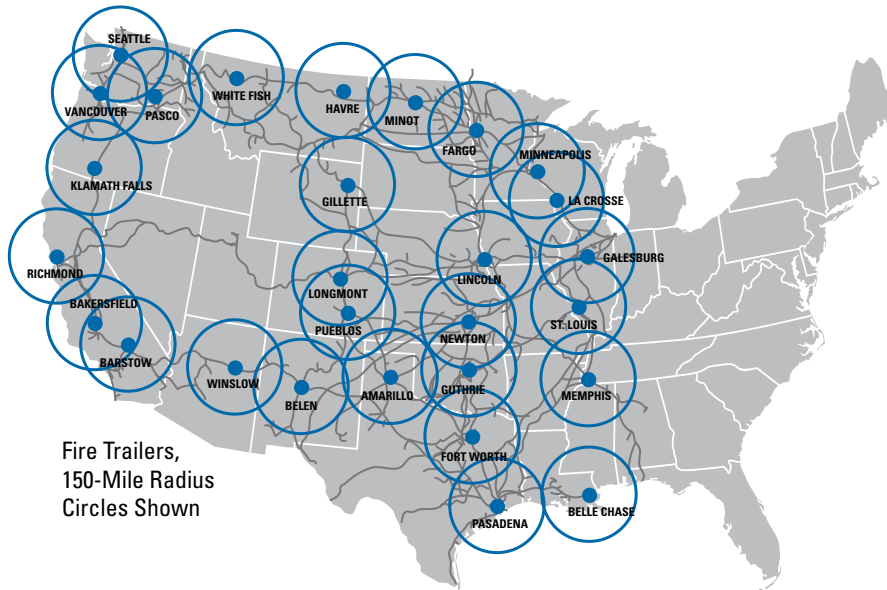
While prevention is primarily BNSF's job, safety requires a partnership with customers and communities throughout our network. That is the reason we provide emergency hazmat response training for first responders in local communities every year through our Transportation Community Awareness and Emergency Response (TRANSCAER) program. This longstanding program provides first responders in our communities with in-depth, hands-on emergency response training. In 2015, BNSF trained more than 10,000 first responders across our network, an increase of nearly 18 percent over 2014.

**HONORING OUR COMMON  
CARRIAGE OBLIGATION AND  
ENSURING THE  
SAFE  
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COMMODITIES  
STARTS WITH A  
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PROGRAM.**

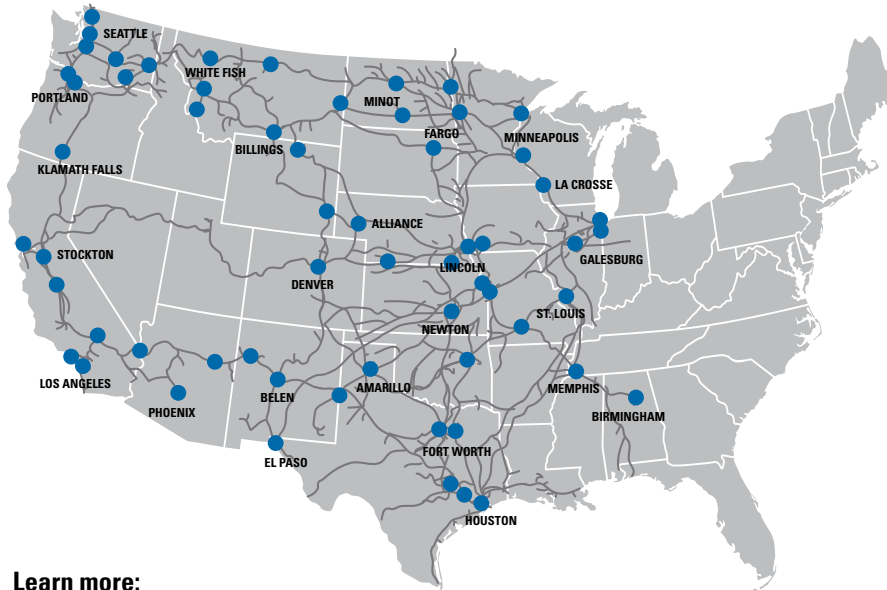
## BEING EQUIPPED TO RESPOND

In addition to training first responders, we have set up a response network at critical points in our network. This includes 28 industrial hazmat trailers spread across the network along crude and ethanol routes. We also have geographic response plans in place to protect environmentally-sensitive areas like major waterways or areas at risk for fires.

### We pre-position equipment across our network.



### We have more than 250 hazmat responders at 60 locations.



#### Learn more:

- BNSF complies with all FRA requirements as included in the 2013 Emergency Order 28: <http://www.fra.dot.gov/eLib/details/L04719>
- Visit the [Environmental Protection](#) section of the BNSF website for additional information on how we work with local responders to improve emergency preparedness.
- Explore industry-wide railroad safety data detailing accidents, incidents, inventory and highway-rail crossing at the [FRA Office of Safety Analysis website](#).



## Moving forward with **ENVIRONMENTAL EXCELLENCE**

*BNSF engages our operations in the continuous improvement of environmental practices and performance.*

We are moving forward with environmental excellence through the diligence and dedication of our employees. The Environmental Department, as advised by BNSF's Environmental, Health and Safety Committee:

- Establishes environmental policies approved by BNSF's Executive Policy Committee
- Leverages a proactive environmental management system that includes environmental procedures, training, audits, and lessons learned to facilitate effective compliance and drives continuous improvement
- Seeks sustainable solutions that achieve BNSF business and environmental objectives and enhance the communities where we operate

Based on our business and operations, our focus is applied to energy, emissions, effluents, waste and regulatory compliance in addition to the overall effort to manage and reduce the environmental impact of our operations. In each of these areas, we are working toward enhanced data and reporting and establishing internal performance objectives. We plan to continue to report our progress on select parameters including data on greenhouse gases as we advance our sustainability strategy and build environmental excellence.

To ensure that we remain a rail industry leader in environmental practices, we are:

- Cutting energy consumption and carbon emissions
- Managing waste throughout our operations
- Maintaining our focus on environmental compliance

# CUTTING ENERGY CONSUMPTION AND EMISSIONS

## ENERGY CONSUMPTION

*We are investing resources to improve the efficiency of our locomotives and facilities.*

Our operations use energy, which contributes to the carbon emissions we generate as a business. Efficiency enhances our competitiveness in the complex and dynamic market in which we operate, allowing us to provide higher value to our customers. And improved efficiency directly translates to a reduced carbon footprint.

In 2015, our energy consumption was close to 214,806 gigajoules (GJ), a three percent reduction from 2014 values. Locomotive diesel fuel accounted for approximately 95 percent of our overall energy consumption, with the balance accounted for by fuel for other transportation purposes (2.3 percent) and energy use for facilities (2 percent).

**AT BNSF,  
WE ARE TAKING STEPS  
TO MAKE OUR TRAINS AND  
FACILITIES MORE  
ENERGY  
EFFICIENT.**

Energy use breakdown in gigajoules	2014	2015	2015 % DISTRIBUTION	% CHANGE 2014 - 2015
Locomotive diesel	211,435	205,493	95.7%	-2.8%
Other transportation fuel	4,852	5,123	2.3%	5.6%
Energy use for facilities	5,006	4,190	2%	-16.3%

We continue to enhance our data management systems and we will continue to develop our management of energy and carbon data. This will allow us to analyze our consumption patterns and reduction opportunities more closely.

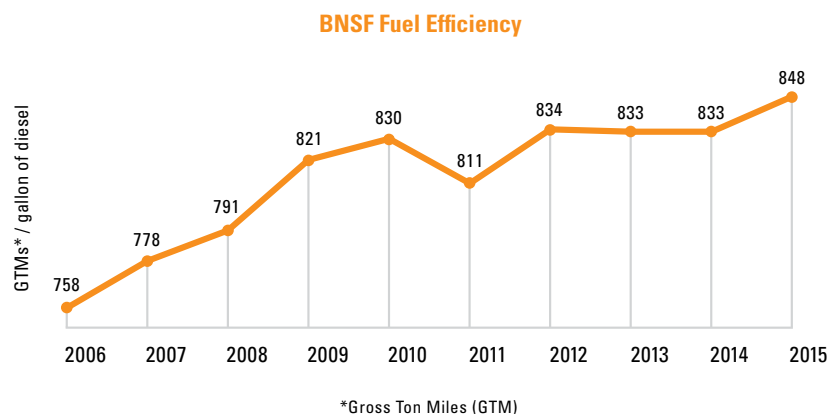
## FUEL EFFICIENCY

In 2015, we have been able to reduce our locomotive fuel usage by 40.6 million gallons. That is equivalent to 2.8 percent of our total consumption. This reduction is a result of the efficiency initiatives we put in place along with other factors influencing fuel efficiency, such as network fluidity, technological solutions, business mix, and operating and maintenance practices.

To provide a uniform way to evaluate our improvements, we use gross ton miles (GTM) as a metric for efficiency. This accounts for how many miles a gross ton of weight is moved using a gallon of diesel fuel, a measure commonly used across the railroad industry and referenced by the Environmental Protection Agency (EPA).

In 2015, our fuel efficiency averaged 848 gross ton miles per gallon of diesel, a nearly two percent improvement compared to 2014 and an approximate 12 percent improvement over 2006, when gross ton miles per gallon were 758.

**GROSS TON MILES**  
The weight of the train (excluding the locomotive) multiplied by the miles the train has traveled.



## IMPROVEMENTS

We have achieved a long-term trend of fuel efficiency improvements by making changes in equipment, operations and maintenance practices. Variations in the mix of types of freight affect train configurations and equipment, both of which influence fuel efficiency.

In 2015, we have continued or implemented the following initiatives to improve fuel efficiency and reduce emissions:

- Fleet replacement with lower emission locomotives
- Installation of locomotive energy management systems
- Installation of automatic engine stop-start devices (anti-idling)
- Top of rail lubrication
- Fuel efficient operations training and reward program for train crew
- Capital investments to improve network fluidity
- Horsepower optimization per trailing ton

**Learn more** in the [Operations section](#) of this report regarding the strategies that we have adopted and insights on our future plans to improve fuel efficiency.

## EFFICIENCY OF FACILITIES

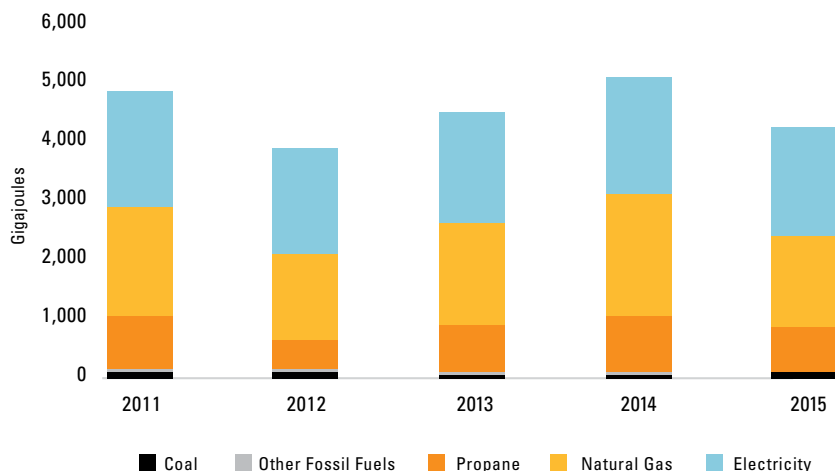
Although energy use at facilities is only about two percent of our total energy consumption, we are committed to managing consumption in offices, rail yards and other facilities – and we are actively looking for ways to reduce consumption. Electricity has been the main component of energy use at our facilities, followed by natural gas and propane. In 2015, the three accounted for more than 94 percent of the total energy used at BNSF facilities, with other fossil fuels burned in boilers, generators and space heaters accounting for the remainder. This energy profile has been fairly consistent in recent years, with minor fluctuations due to weather, climatic conditions and other factors such as the installation of more efficient energy systems and using equipment more efficiently.

In 2015, energy consumption at our facilities dropped 16.3 percent compared to 2014. This is primarily related to the reduction in usage of natural gas (-25.8 percent) and propane (-21.7 percent) as well as electricity (-5.1 percent).

Our investments to improve operational and energy efficiencies and reduce emissions at facilities include:

- LED lighting retrofits
- Efficiency upgrades of boilers, compressors, building envelopes and other technical equipment
- Wide-span electric cranes and automated gate systems at intermodal facilities
- Renewable energy projects

**Breakdown of Energy Use for Facilities**



## CARBON EMISSIONS

*We monitor emissions and continue to pursue opportunities to reduce carbon.*

Overall, the transportation sector produces approximately 26 percent of total U.S. greenhouse gas (GHG) emissions, with rail transport in particular contributing approximately 2.5 percent. BNSF's total GHG emissions equate to approximately 0.2 percent of the U.S. GHG emissions.

Because our rail network and locomotives serve such an important role in the economy, BNSF – as with other Class 1 railroad companies – continues pursuing opportunities to further reduce the carbon footprint of rail transport.

The predominant component of BNSF's carbon footprint is the diesel fuel powering our locomotives, which use diesel engines to drive electric traction motors. Therefore, our primary emphasis has and will continue to be on the fuel efficiency of our locomotives. At the same time, we're also managing and reducing energy in other aspects of our business. As a result of the energy reduction strategies we have implemented for our locomotives and facilities, we have achieved energy efficiency improvements and a reduction in GHG emissions.

### GHG EMISSIONS

In 2015, Scope 1 and Scope 2 GHG emissions accounted for 15.15 million metric tons of CO<sub>2</sub> equivalent (MMton CO<sub>2</sub>e) or 99.8 percent of the total GHG emissions (for definitions of Scope 1, 2 and 3 GHG emissions see table below). That is approximately a three percent reduction compared to 2014 values. We also account for partial Scope 3 emissions, but we do not track the GHG performance of suppliers. Our Scope 3 emissions include employee business travel by air or car. While the value of these emissions is only 31,000 Mton CO<sub>2</sub>e, or less than one percent of the total, it does provide a starting point for us to better understand our total greenhouse gas footprint.

Diesel fuel used for locomotives, approximately 1.4 billion gallons in 2015, represents the bulk of the GHG emissions. It equals approximately 95 percent of total emissions followed by purchased electricity, which is close to two percent. The remainder of our GHG emissions includes fuel for other transportation needs and energy directly consumed in our facilities.

**COMPARED TO ITS LARGE ECONOMIC IMPACT, RAIL ACCOUNTS FOR A RELATIVELY SMALL PORTION OF TRANSPORTATION-RELATED GREENHOUSE GAS EMISSIONS.**

GHG emissions inventory Mtons CO <sub>2</sub> e	TOTAL GHG EMISSIONS PER YEAR					% in 2015	% change 2014-2015
	2011	2012	2013	2014	2015		
Scope 1 – Direct emissions under the influence and control of the organization (on-site energy production, locomotive fleet, other vehicles)	14,201,943	14,093,352	14,587,560	15,309,008	14,874,482	98.0%	-2.8%
Scope 2 – Indirect emissions from purchased energy (electricity)	291,402	272,414	281,984	294,848	279,821	1.8%	-5.1%
Scope 3 – Other indirect emissions not under direct control of the organization (business travel by air and car)	17,355	19,003	23,562	28,224	30,987	0.2%	9.8%
<b>Total</b>	<b>14,510,700</b>	<b>14,384,769</b>	<b>14,893,106</b>	<b>15,636,103</b>	<b>15,185,290</b>	<b>100%</b>	<b>-2.9%</b>

Footnote: GHG emissions were revised in this report cycle based on new utility and LNG data for locomotives

## ENERGY AND GHG INTENSITY

We monitor two metrics to evaluate the success of our energy conservation and related GHG reduction efforts: intensity values, measured in gigajoules per millions of revenue ton miles (GJ/Million RTM); and total emissions in metric tons of CO2 equivalent per millions of revenue ton miles (Mton CO2e/Million RTM). This allows us to understand how energy and GHG emissions are being managed without bias from changes in business volumes and operations.

### REVENUE TON MILES

The weight of the goods transported multiplied by the number of miles the train has traveled.

Over the past decade, we have decreased both our energy and GHG intensity by approximately 10 percent, showing a consistent downward trend that reflects our success in energy and carbon reduction efforts. The reduction from 2014 values shows an improvement of 1.6 percent for energy use and 1.4 percent for GHG intensity.

## AIR EMISSIONS

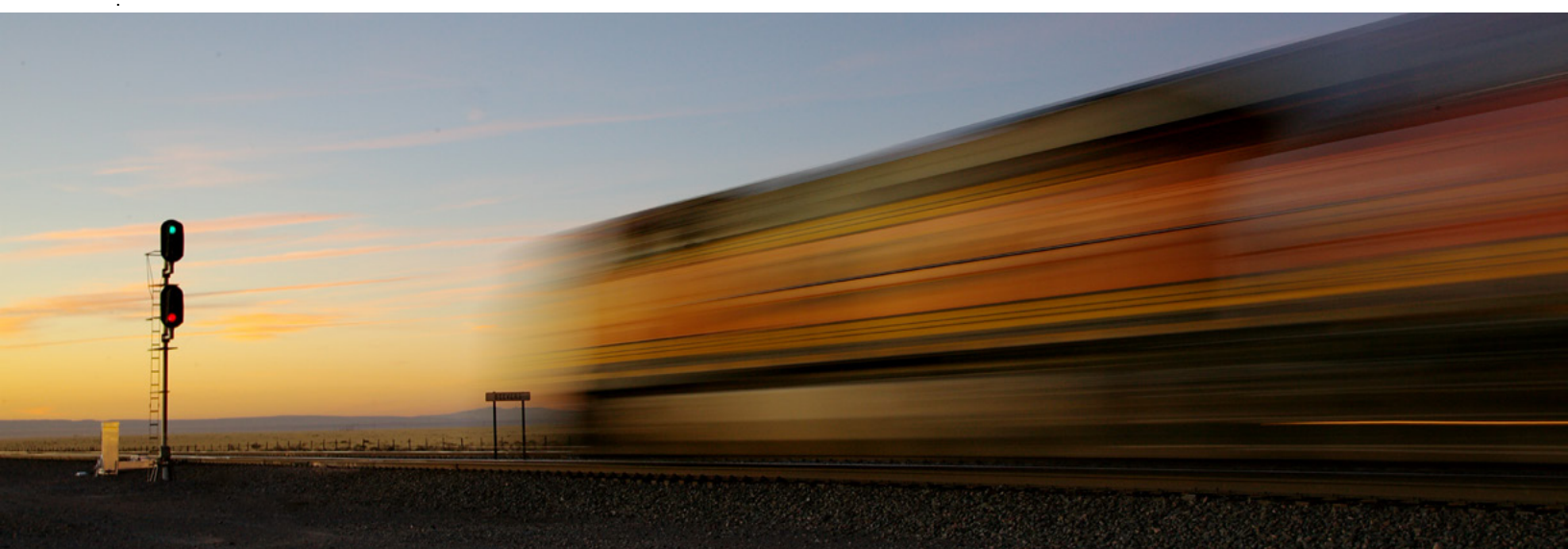
At BNSF, we are actively managing and working to reduce emissions to improve air quality in the communities where we operate. The primary sources of air emissions are locomotives transporting freight. A lower percentage of air emissions are from intermodal hubs and rail yards.

We continue to invest in equipment upgrades for locomotives and switching equipment to improve efficiency and reduce emissions. This includes purchasing locomotives with Tier 4 engines, which have the lowest emission rate of all locomotive engines in service. In addition to the significant purchases and upgrades we have made to our locomotive fleet in 2015, we continue to evaluate and implement new operational changes to reduce emissions, such as anti-idling practices and fuel and energy management software. These changes all help improve fuel efficiency and reduce air emissions.

### Effectively Managing Energy Use



### Reducing our GHG Emissions



## NITROGEN OXIDES AND PARTICULATE MATTER

The locomotive purchases, upgrades, fuel efficiency and emissions reduction measures we've implemented have made a difference. We have reduced our fleet's average emission rate of nitrogen oxides (NO<sub>x</sub>) and particulate matter (PM) every year over the past decade. Between 2006 and 2015, we achieved a 44 percent reduction in grams NO<sub>x</sub> per thousand revenue ton miles (1000xRTM) emission rate and a 49 percent reduction in gram PM per thousand revenue ton miles (1000xRTM) emission rate. This includes a 6.1 percent reduction in the NO<sub>x</sub> emission rate and a 10.7 percent reduction in the PM emission rate from 2014 to 2015.

## SULFUR DIOXIDE

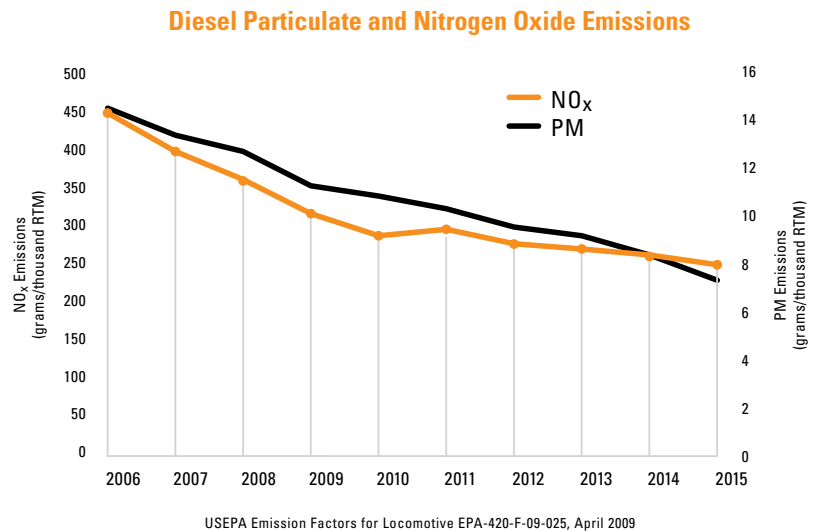
Sulfur dioxide emissions are a function of the fuel's sulfur content. We use ultra-low sulfur diesel fuel in most of our locomotives and switching units. As a result, locomotives and switching units emitted approximately 145 tons of sulfur dioxide emissions in 2015.

## CARBON MONOXIDE

Carbon monoxide (CO) emissions from locomotives and switching units in 2015 were approximately 41,274 tons.

## STATIONARY SOURCES

Stationary emission sources at the rail yards include boilers and furnaces for space heat and hot water, emergency generators and emergency fire pumps, fuel storage tanks, fueling systems for locomotives and sand towers. Annual emissions from stationary sources at the rail yards are relatively low and are largely based on conditions related to weather or power outages, volume adjustments, or other conditions outside of BNSF's control. We have been replacing older models of emergency generators with new, more efficient, lower emitting emergency generators as the older units reach the end of their usable life.



## MANAGING WASTE THROUGHOUT OUR OPERATIONS

### WASTE MANAGEMENT AND RECYCLING

*We are identifying the best ways to reduce waste, manage and track materials.*

Reducing waste and increasing recycling decreases our environmental impact as well as our disposal costs and operational risk, while increasing operational efficiency. We continue to see the results of our environmental initiatives to reduce the amount of waste and other used materials generated across our operations, which support efforts to improve waste management and recycling outcomes.

Some of the largest volumes of waste material we generate include batteries, railroad ties, lube oil, scrap metal, brake shoes and motor brushes. We have been tracking our performance on the recycling and diversion of spent batteries, railroad ties and used lube oil for several years and have developed consistent recycling, re-use and recovery programs for these materials. Individual rail yards recycle scrap metal from our operations.

### MANAGING WASTE AND COLLECTING WASTE DATA

We are currently evaluating the structure and management of the waste program across the company. For several years, we have been working to enhance our overall waste management program and expand recovery, recycling and re-use activities. Our goals are to further reduce our environmental footprint and associated operating costs. For example, since 2014 we have had a continuous improvement program



to define how we manage regulated and non-regulated waste. The program allows us to leverage the success of individual rail yards that have implemented comprehensive recycling programs and share those best practices across our entire network. This creates consistency in our approach and reporting. It also supports BNSF's environmental policy and continued emphasis on waste reduction and prevention, which includes the recycling and re-use of materials.

We are also deploying a more robust data management system for waste and recycling information across all generated waste materials. The system is expected to be operational in 2016, and we anticipate reporting a more robust set of waste recycling and diversion statistics in our 2016 Corporate Responsibility and Sustainability Report.

### REDUCING HAZARDOUS WASTE

One of our priorities is to minimize the amount of hazardous waste generated at our rail yards. Reducing the generation and disposal of hazardous waste decreases our environmental impact and disposal costs, and it lessens our regulatory commitments and risks associated with material management and disposal.

For team members who handle waste materials, we provide annual regulatory training. We also provide awareness-level training and/or competency-level training to personnel who may generate waste.

## MAINTAINING OUR FOCUS ON ENVIRONMENTAL OPERATIONS

### EMERGING REGULATION, COMPLIANCE AND LITIGATION

*A significant component of our Environmental Department's management activities is compliance.*

Our operations are subject to extensive federal, state and local environmental laws and regulations involving a variety of environmental topics. Managing compliance includes complying with current legal and regulatory issues and also staying on top of new and emerging regulations. This includes new, emerging or revised federal regulations that may influence our operations or the markets in which we serve.


The environmental compliance team comprises one of the largest components of BNSF's Environmental Department. Within the compliance function, employees serve as regional Managers of Environmental Operations, or MEOs. These team members support environmental compliance activities across our network. They are on the ground managing environmental field operations across the BNSF network.


#### Learn more:


Information about BNSF's environmental liabilities, fines and other claims and litigation can be found on pages 8-9 of the 2015 Form 10-K found here: <http://www.bnsf.com/about-bnsf/financial-information/form-10-k-filings/pdf/10k-railway-2015.pdf>



IN 2015,  
BNSF RECYCLED:

 **2.8M**  
RAILROAD  
TIES

 **5.9M**  
GALLONS OF  
LUBE OIL

 **1.3M**  
POUNDS OF  
BATTERIES

## LAND USE AND PROPERTY MANAGEMENT

*BNSF's approach to managing remediation sites.*

We are meeting the challenge of addressing our environmental impacts at legacy sites by actively tracking and managing the performance of our program. We also work closely with federal, state and local authorities as well as other stakeholders to ensure protection of the environment and the overall success of the program.

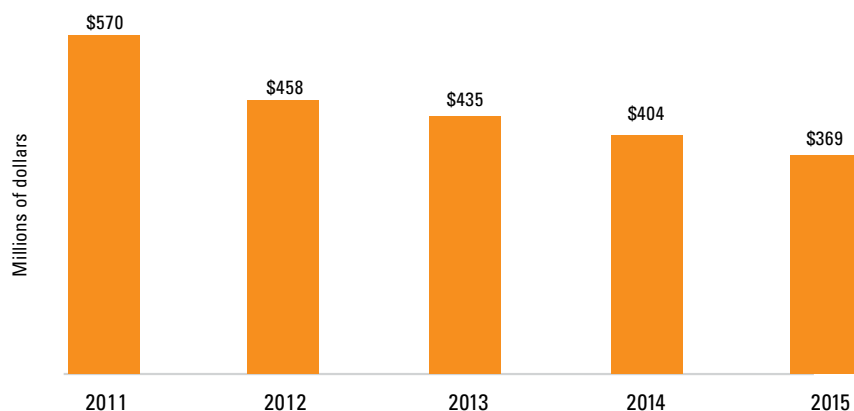
Our expenditures for remediation of legacy sites draw from a reserve. In 2010, we began tracking a metric for remediation to evaluate how efficiently we are reducing our environmental liabilities by monitoring the change in reserve from year to year divided by the spend for that period. This metric is known as 'percent efficiency'. The higher the percentage, the more efficient the liability reduction.

BNSF's reserve was reduced by \$35 million at the end of 2015 while our remediation expenditures were \$39 million. This leads to a 90 percent efficiency for 2015 and is an improvement from our 2014 performance of 70.5 percent. Our continuous improvement program utilizes multiple tools including probabilistic modeling, site strategic planning, value engineering and site transitioning processes to ensure sites are effectively managed and has allowed us to efficiently reduce our reserve by approximately one-third over the last five years. In addition, we consult with leading experts in the field to ensure the technical approaches are cost effective and protective of the environment. As an example of our program cost reduction efforts, we have achieved more than \$10 million in savings since 2014 with the implementation of our value engineering program and have identified additional potential savings of more than \$17 million.

During 2015 we closed 10 reserve sites and added three sites resulting in a final site count of 223. In the past 10 years, we have invested approximately \$600 million on remediation efforts throughout our network and we have rehabilitated and/or closed approximately 260 sites through these efforts.

We will continue to disclose information around environmental management including expenditures on environmental liability costs. In this report, we are able to provide environmental expenditures regarding environmental liability sites and remediation. We are dedicated to comprehensive data and information management and are deploying new programs, including a new Environmental Management Information System, to enhance data accessibility and reporting.

**Remediation Reserves**





## Moving with the **ECONOMY**

*BNSF is committed to supporting economic growth for our customers and our country.*

Our customers are counting on us to continue being there with them in their journeys. So as we make progress toward sustainable operations and environmental excellence, we remain committed to meeting the needs of our customers and our country by:

- Supporting economic growth
- Addressing issues for our customers
- Meeting the needs of today and tomorrow



## SUPPORTING ECONOMIC GROWTH

### ECONOMIC PERFORMANCE

*We continue to look ahead and invest despite challenges facing the economy.*

When compared with 2014, BNSF's freight volumes in 2015 are flat. But we have still handled an impressive volume of freight. In fact, we are the only railroad to handle more than 200,000 units in a week; and accomplished this a record 25 times in 2015.

Our operating performance and results in 2015 benefitted from the capacity we added in 2014 and 2015 as both our velocity and on-time performance were significantly better than 2014 service levels. Our revenues were down by five percent on flat volume compared to the previous year primarily as a result of lower fuel prices decreasing our fuel surcharge recovery which more than offset increases in rate per car/unit. Lower fuel prices also decreased our operating expenses but several other factors, including increased costs in 2014 related to severe weather and service-related challenges and other efficiency improvements also helped us reduce our operating expenses which were down by 12 percent in 2015. As a result, our operating and net income each increased 10 percent. While our long-term outlook for the business remains unchanged, 2016 will be challenging as the industry is facing major economic headwinds that are impacting energy-related commodities and several other parts of our business.

2015 FINANCIAL HIGHLIGHTS (\$ IN MILLIONS)			
	2015	2014	Y/Y % change
Total revenue	\$21,967	\$23,239	-5%
Operating expenses	\$14,243	\$16,226	-12%
Operating income	\$7,724	\$7,013	+10%
Net income	\$4,248	\$3,869	+10%
Total volumes (in thousands)	10,269	10,275	0%

Source: Amounts derived from results in the Burlington Northern Santa Fe, LLC. 2015 Form 10-K.

#### Learn more:

- BNSF discloses information on revenues, operating expenses and net income in the 2015 10-K report: <http://www.bnsf.com/about-bnsf/financial-information/form-10-k-filings/>
- Information about BNSF's 2015 capital plan can be found in the 2015 Annual Review: <http://www.bnsf.com/about-bnsf/bnsf-review/2015/#bnsf-annual-report-2015/slide10>

## ADDRESSING ISSUES FOR OUR CUSTOMERS

### NETWORK RELIABILITY AND SERVICE

*We are committed to listening to customers and being there when they need us.*

BNSF has been surveying customers regularly for a decade. We now survey 30,000 customers annually, and since 2011, we have organized 120 customer focus groups. The feedback we receive from customers helps us improve the parts of our business that directly impact them. Understanding their perspectives has helped us grow and improve. At this time BNSF does not publically report the results of its Customer Satisfaction Surveys as requested by GRI.

Also, we know that customers want to be informed about business developments affecting them. That is why we work hard to keep them updated with timely and relevant information. On our Service webpage ([www.bnsf.com/service](http://www.bnsf.com/service)), we provide to all customers up-to-date customer service advisories, service presentations and an overview of expansion and maintenance efforts.

There are some factors that can greatly impact our operations and are out of anyone's control, such as nature. What we can control is how we prepare to respond to such issues. Harsh winters, like those we saw in 2013 and 2014, are especially difficult for railroads. In these situations, we must take precautions to assure safety, which may sometimes disrupt normal operations. That's why we have in place plans that are informed by experience and teams that are equipped to confront challenges.

### WINTER ACTION PLANS

Each of BNSF's geographic divisions has a Winter Action Plan. We continually evaluate and update these plans. We have learned from past winters and implemented these lessons so that we can do an even better job keeping customers' shipments moving as efficiently, reliably and safely as possible.

### RAPID RESPONSE TEAM

We also have a Rapid Response team that is equipped to respond and dedicated to resolving service interruptions. This team is a hybrid of specialists from our Mechanical and Maintenance of Way teams. The responders have specialized training to resolve car and locomotive issues as quickly as possible 24 hours a day, seven days a week.

### OTHER NOTABLE PREPARATIONS

- Training employees on staying safe when working in extreme cold.
- Taking inventory of, testing and putting into position snow removal equipment including salt and emergency generators.
- Establishing procedures for adjusting train size and speed in extreme cold weather conditions.
- Preparing locomotives to operate in cold weather by stabilizing their operating temperatures.
- Setting up 24/7 command centers that we can activate to coordinate efforts during extreme weather conditions.
- Hosting post-event debriefs and evaluating our performance.

#### **Learn more:**

For additional information, please visit the Service webpage: <http://www.bnsf.com/customers/service-page/pdf/bnsf-service-deck.pdf>



## MEETING THE NEEDS OF TODAY AND TOMORROW

### INFRASTRUCTURE INVESTMENT

*We're already thinking about the needs of tomorrow, today – and making an investment in the future.*

As demand for freight transportation grows, the economy will need more railroad capacity to keep growing. Unlike many other forms of transportation, railroads in the United States like BNSF, own and maintain and fund the construction, maintenance and repairs of their right of way. As a result, BNSF makes regular annual investments in our infrastructure to both ensure optimal operating conditions and so we are prepared to meet the increasing freight movement capacity needs of our customers.

BNSF has invested more than \$53 billion in infrastructure, equipment and technology since 2000. This has expanded our capacity and improved operational efficiency for the environment. As a result, we're doing things faster and more efficiently. In 2015, our average velocity has increased by about 13 percent over the previous year.

We invested at record levels in 2014 with \$5.5 billion in capital investments. That number increased to \$5.8 billion in 2015 – the largest annual capital investment ever made by any freight railroad three years in a row. Those annual capital investments, however, will vary from year to year based on the maintenance needs of our network and the expected future capacity needs of customers.

The composition of our \$5.8 billion capital investment was:

- 51 percent core network and related assets
- 24 percent locomotives, freight cars and other equipment
- 22 percent expansion and efficiency
- 3 percent positive train control

Investments in 2015 include:

- 100+ miles of double track
- 880+ miles of centralized traffic control
- 260 bridge projects
- 5,300 miles of high-speed rail surfacing
- 3.5 million ties replaced

These investments reflect our commitment to a safe and reliable rail network that better serves customers, accommodates their growth and meets society's needs, all while ensuring environmentally efficient operations.



**ESTIMATES FROM THE  
U.S. DEPARTMENT OF  
TRANSPORTATION  
PREDICT THAT THE  
DEMAND  
FOR RAIL FREIGHT  
TRANSPORTATION WILL  
INCREASE  
88% BY 2035.**

## MAINTAINING OUR NETWORK FOR TODAY

We make significant infrastructure investments each year that improve the safety and reliability of our network which help protect it. In 2015, BNSF has spent more than \$2.9 billion of its \$5.8 billion capital investment on maintaining and upgrading existing track, improving facility efficiency and more.

## EXPANDING OUR NETWORK FOR TOMORROW

BNSF is in the process of transforming its Northern Corridor into a more efficient trade route. This region spans the northern United States between the Pacific Northwest and Chicago. It is the corridor we use for such important tasks as moving agriculture and coal to the Pacific Northwest, moving petroleum products produced in the region that are destined for refinery facilities, moving materials that support the production of crude oil in the Bakken Formation and moving consumer products shipped to and from the PNW.

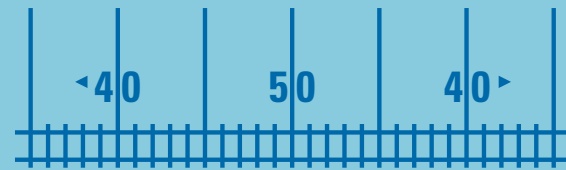
Since 2013, we have devoted \$3.5 billion to maintenance and expansion projects in this region. These efforts are expanding our capacity and improving traffic flow for all freight and passenger trains in this area. We now offer domestic intermodal service schedules that provide the fastest expedited service to and from Chicago, St. Paul, and the Pacific Northwest and the only expedited service to and from Seattle, a direct result of our capital investments along our Northern Corridor to meet our customers' shipping needs effectively.

### Learn more:

For more information, please visit the Economic Impact webpage: <http://www.bnsf.com/communities/economic-impact/>

### DID YOU KNOW?

In 2015, we added more than 100 miles of double track to our network. That's like laying down the length of more than 1,460 football fields of track.





## Moving with our **COMMUNITY**

*BNSF is dedicated to being a positive force in the lives of the people we serve every day.*

We know that we are part of a community, whether that's the community of people who form our network or who are our neighbors in all the places where we operate. They need us to provide transportation to support their development and growth. And we need them for our growth, too. That's why we keep the needs of people in mind by:

- Working to ensure the safety of our employees and communities
- Keeping BNSF a great place for people to work
- Moving careers forward at BNSF





## WORKING FOR THE SAFETY OF OUR EMPLOYEES AND COMMUNITIES

### BNSF EMPLOYEE HEALTH AND SAFETY

*Safe operations start with our employees.*

The rail industry has reduced employee injuries, train accidents and grade-crossing collision incidents by nearly 80 percent since 1980.

In 2015, injury frequency declined by four percent, helping us achieve the all-time lowest frequency of injuries for our railroad two years in a row. And while we have had an increase in our injury severity ratio in 2015, this has strengthened our resolve to reduce and eliminate risk. We are continuing to work toward our vision of an injury-free workplace.

### TRAINING FOR SAFE OPERATIONS

We train employees on a comprehensive set of safety rules and practices including federal regulations, rail industry recommendations and BNSF-specific initiatives.

The BNSF Technical Training Center in Overland Park, Kansas, develops our safety curriculum and teaches this curriculum using locomotive, crane and grade-crossing simulators. Our instructors train some 9,000 BNSF team members and another 500 rail industry employees each year.

In 2015, our Approaching Others About Safety initiative helped more than 35,000 team members learn how to talk to one another about safety. The initiative was designed to address the exposures that result in 97 percent of the fatalities and serious injuries in our industry. Approaching Others About Safety spurs thousands of conversations every day among BNSF team members as they look for ways to minimize risk and eliminate injuries for themselves and their work teams.

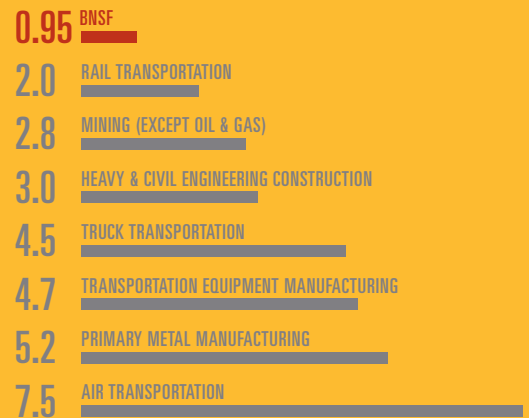
In 2015,

**35,000+**

BNSF team members were trained in our Approaching Others About Safety initiative.

Footnote: BNSF is not currently able to break out safety performance data by gender and region as requested by GRI.

# BNSF HAS SOME OF THE LOWEST INJURY AND ACCIDENT RATES IN THE ENTIRE INDUSTRY.



Injury rates for BNSF and the rail industry are quoted based on Federal Railroad Administration 2015 year-end data. All other data is from the year 2014, from the Bureau of Labor Statistics.

## WELLNESS

In 2015, we supported about 60 local events to promote employee health and wellness, from biking events and community health fairs to fun runs to triathlons. Employees can participate in these BNSF-sponsored events at either no cost or at a reduced cost.

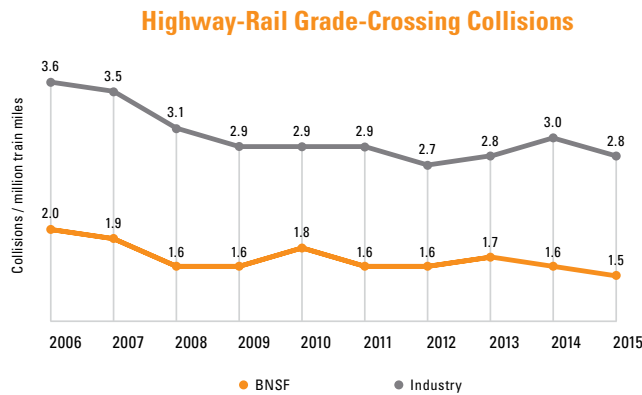
## PUBLIC SAFETY

*Safety is our priority everywhere we operate.*

We invest an average of \$117 million a year on grade-crossing maintenance, improvement and safety programs. The cumulative result of these efforts over the years has been a tremendous reduction in collisions at grade crossings. Overall, the rate of grade-crossing collisions has decreased by 71 percent since BNSF's 1995 merger of Burlington Northern, Inc. and Santa Fe Pacific Corporation.

In 2015, we completed a project to install emergency notification signage at all private crossings in our areas of operation, providing information about the location and emergency contacts. We also participated in International Level Crossing Awareness Day activities, promoting the *See Tracks? Think Train* message in communities across our network.

In addition, we have reduced the number of accidents at grade crossings by working to decrease the number of grade crossings in our network. Through partnering with local communities and landowners, we have managed to close more than 6,000 grade crossings since 2000.



## KEEPING BNSF A GREAT PLACE FOR PEOPLE TO WORK

### EMPLOYEE RECRUITING

*BNSF attracts diverse and well-trained individuals who keep our customers, and our business, moving forward.*

Ensuring we attract the best and the brightest employees is paramount to our success. So is working hard to retain those individuals. In 2015, we had a 93 percent retention rate. We're also proud to have an average employee tenure of 13 years.

**BNSF HAS ACHIEVED  
ONE OF THE INDUSTRY'S  
LOWEST  
HIGHWAY-RAILROAD  
GRADE-CROSSING  
COLLISION RATES.**



**QUALIFIED, HARDWORKING  
EMPLOYEES  
ARE AT THE CENTER  
OF EVERYTHING WE DO.**

## EMPLOYEE BENEFITS

Our people enable us to best serve our customers. That is why we provide wages, benefits and services that attract and retain some of the best in this business. BNSF provides a competitive benefits program to help our employees meet important personal needs and goals.

Our benefits go beyond the basics of medical, dental, vision and 401(k). We complement these with a wide range of health, retirement and wellness programs. These benefits allow the opportunity for our employees to protect and improve health, financial well-being and quality of life for themselves and their families. BNSF offers nutrition, fitness and other wellness programs that support our employees' and their families' efforts to reach personal health goals.

While benefits are different for our scheduled (union-represented) and salaried employees, all of our people are afforded access to quality medical and retirement benefits. When it comes to retirement, railroad employees and railroad companies contribute to Railroad Retirement, a program similar to, but separate from, Social Security. The two systems are closely coordinated with regard to earnings credits, benefit payments and taxes by the Railroad Retirement Board. While employers and employees covered by Railroad Retirement pay somewhat higher retirement taxes than those covered by Social Security, Railroad Retirement benefits can be significantly higher than Social Security benefits, especially for career employees. For more information about Railroad Retirement, visit [www.rrb.gov](http://www.rrb.gov).

Because we are always looking to grow our business and remain an industry leader, we offer learning and development opportunities, including tuition reimbursement for job-related degree programs and courses. We recognize quality of life is important to our people and their families as well, and as a member of the Berkshire Hathaway family, BNSF employees have access to a number of services and discounts.

## DIVERSITY

We know that diversity is crucial to the strength of our railroad, just as it is for the communities in which we work. So we are proud of the fact that 31 percent of our teammates hired in 2015 are minorities and women.

We participate in scholarship programs to benefit minority students and invest in organizations like the American Indian Science and Engineering Society, the Hispanic College Fund and the United Negro College Fund through the BNSF Railway Foundation. And for the ninth year in a row, BNSF has been named a "Best Diversity Company" by the readers of *Diversity/Careers in Engineering & Information Technology*.

## VETERANS

BNSF is a place for people who are committed to delivering exceptional results. We realize that the men and women who have served our country possess the character traits and commitment necessary to be successful railway team members. That is one reason why our nation's veterans make great additions to our company.



We currently employ more than 7,500 veterans. Also veterans accounted for approximately 28 percent of our newly hired employees in 2015. This year, we received a most Valuable Employer for Military Award from [CivilianJobs.com](http://CivilianJobs.com) for the eighth consecutive year.

## NATIVE AMERICAN ENGAGEMENT

*We deeply value our relationship with Native American communities.*

From the Semiahmoo in British Columbia to the United Houma in Southeastern Louisiana, BNSF Railway operates in or adjacent to 86 tribal lands. Our Tribal Relations team is working to establish relationships with these tribes, to learn about issues, address concerns, and help pursue opportunities for economic and other partnerships. In addition, the Tribal Relations team is working to establish and refine processes and education for BNSF employees about tribal issues, to help develop protocols and guidance relating to the protection of cultural sites and in many other ways.

Since its inception, the Tribal Relations team has connected with more than 40 tribal communities through direct meetings with tribal leaders and tribal citizens concerned with rail safety, economic development opportunities and cultural and environmental issues.

## LABOR MANAGEMENT AND RELATIONS

*BNSF union employees work under collective bargaining agreements with various labor organizations.*

As such, industry-wide negotiations have traditionally addressed employment specifications such as wages, health and welfare benefits, and work rules. These negotiations have generally taken place over an extended period of time and have previously not resulted in any extended work stoppages. Approximately 84 percent of BNSF's employees are represented by a union.

### Learn more:

- For additional information about BNSF's recruiting efforts, please visit these webpages:
  - [Community support](#)
  - [Members of the military](#)
  - [Recent college graduates](#)
  - [General recruiting](#)
- Get to know our Tribal Relations Director at the [Friends of BNSF website](#).
- Explore employee benefits on our Careers page: [jobs.bnsf.com](http://jobs.bnsf.com)

**BNSF HAS  
STRONG &  
DEEP-ROOTED  
RELATIONSHIPS  
WITH A DIVERSE GROUP OF  
NATIVE AMERICAN TRIBES.**

## MOVING CAREERS FORWARD AT BNSF

### EMPLOYEE DEVELOPMENT

*Empowering our people to lead the way is what sets BNSF apart.*

Our leadership model is composed of five tenants, which are part of every exempt employee's Performance Management Process and have been at the core of every company-wide leadership training program since 2001. They are:

- Create a compelling vision
- Model the way
- Lead more, manage less
- Communicate, communicate, communicate
- Make development a priority

Our Leadership Model encourages people to set high standards for performance and develop their own careers. We provide our employees with the technical and leadership training opportunities to do just that. All team members benefit from a variety of learning and development opportunities that include formalized feedback and coaching, mentoring programs, tuition reimbursement and experiential job-rotation assignments.

### DEVELOPING OUR FIRST-LINE SUPERVISORS

BNSF invests heavily in our 2,000 first-line supervisors. These men and women operate on the front lines of our operations, managing close to 40,000 union-represented employees.

Our training begins with a one-year development program that covers management and leadership training at our headquarters, formal technical training at the BNSF Technical Training Center and on-the-job development. These supervisors also consistently learn new technologies, programs and best practices to share with their employees through ongoing instructor-led trainings and e-learning modules.

### PLANNING FOR THE FUTURE

One of our key focus areas is to effectively develop and transition the workforce. Between 2016 and 2018, we expect 17 percent of our senior leaders to retire. Our business needs and culture are such that we hire the majority of our people into entry-level positions and develop them into future leaders.

As such, we are focused on developing our bench of leadership talent, which we've demonstrated by filling more than 90 percent of senior leadership positions with internal talent. In addition, more than 24 percent of our exempt employees receive promotions or developmental moves annually.

Our executive leadership team participates in 11 talent review discussions annually, focusing on key talent, succession and targeted, experiential development plans. In these sessions, BNSF executives gain visibility of its top talent (350+ leaders) and their development.

OUR LEADERSHIP MODEL  
CHALLENGES  
US TO GROW  
AS LEADERS AND AS  
INDIVIDUALS.

Additionally, our mentoring program offers a structured program for high-performing employees including Harvard Manage Mentor Leadership Training. In this program, leaders are matched based on complementary strengths, career experiences and career aspirations. Mentoring participants are reviewed and approved by our executive team.

Established in 2001, our People Leader Training (PLT) program is sponsored by our executive team, with each session introduced by one of BNSF's top 100 leaders. Every year, more than 5,600 of our employees attend PLT for a focused discussion on one of the five BNSF Leadership Model tenets. Typically, PLT consists of facilitator-led training and one coach per table of five to six participants. The coach provides group instruction to reinforce the content, facilitates learning practices and validates real-world application.

### BNSF WINS TRAINING MAGAZINE AWARD

In 2015, BNSF was recognized as No. 29 in *Training Magazine's* Training Top 125, making it our second consecutive year in the Top 125. For the award, companies were evaluated on factors including financial investment in employee training and on-boarding, the extent of innovation used to solve training needs and the linkage between training and business results. We also won an ATD Best Award from the Association for Talent Development, which ranked BNSF as the No. 2 company overall.

## MAKING POSITIVE MOVES IN THE RIGHT DIRECTION

### LOCAL COMMUNITY IMPACTS AND INVESTMENT

*We strive to be responsible and contributing members of the communities where we live and work.*

These range from donating generous contributions during our annual United Way campaigns to coordinating local holiday toy drives. We regularly provide volunteers and other assistance to local nonprofit agencies. In addition to serving as team-building opportunities, these activities benefit vital organizations such as the Special Olympics, local community food banks, the National Fish and Wildlife Foundation and many others. BNSF employees also serve on the boards of directors for social service and arts organizations, including local chapters of United Way, the Boys & Girls Clubs, arts councils, colleges and universities.

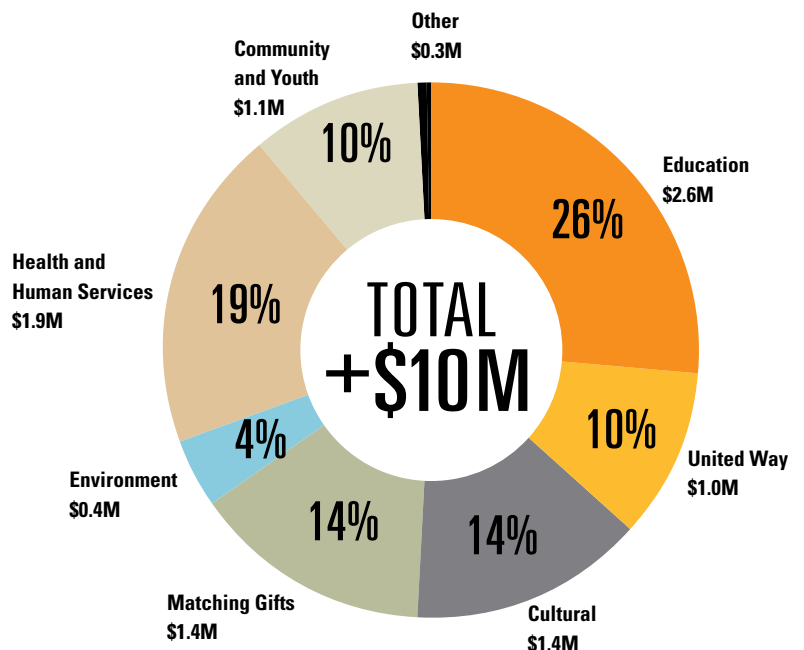
**OUR TEAM MEMBERS GET PERSONALLY INVOLVED IN THEIR COMMUNITIES.**

### BNSF RAILWAY FOUNDATION

The BNSF Railway Foundation serves as a key vehicle for BNSF to contribute to our local communities. In 2015, the foundation donated more than \$10 million to worthy causes in communities along our network through scholarships, sponsorships and funding for community groups.

#### Matching Gifts Program

The BNSF Railway Foundation's Employee Matching Gifts Program encourages employees to give financial aid to qualified educational and nonprofit service organizations. The Foundation matches 1:1 every dollar contributed, as long as the contribution falls within the guidelines of the program.



Here are examples of programs supported by the BNSF Foundation:

### First Responder Express

To thank the first responders who help keep our communities safe, BNSF launched the First Responder Express in 2015. The Express gives special train trips to police officers, firefighters, military, support personnel and their families in communities across our network. Stops this year included San Bernardino, California; Spokane and Vancouver, Washington; Rosenberg, Texas; and Whitefish and Great Falls, Montana. The BNSF Railway Foundation also made donations to support these communities and their first responders.



### Heritage Community Award

Every year, we honor communities along our network that embrace their past, present and future ties to freight rail with the BNSF Railway Heritage Community Award. Festivities typically include dinner and a reception aboard special BNSF business cars and donations from the BNSF Foundation to local nonprofit organizations. Heritage Community Award winners for 2015 were Pasco, Washington; Minot, North Dakota; and Gallup, New Mexico.



### Holiday Express

Now in its eighth year, the Holiday Express once again honored military personnel and their families in 2015 with stops in Wichita, Kansas; Amarillo, Texas; Colorado Springs, Colorado; Cheyenne, Wyoming; and Lincoln, Nebraska. Over the years, the Holiday Express has delighted more than 20,000 military personnel and their family members. The BNSF Railway Foundation has awarded approximately \$570,000 to local charities that support military families.



**DID YOU KNOW?**  
Every holiday season, about 50 million packages are shipped on BNSF. That's more than 5.5 million packages per reindeer pulling Santa's sleigh (including Rudolph).

### Learn more:

Visit the [BNSF Railway Foundation](#) and [Community Support](#) webpages for additional information.





## Moving with **PURPOSE**

*BNSF moves with a sense of purpose, which comes from our vision and values.*

We're dedicated to being the reliable constant that our customers and communities count on. We invite you to learn more about BNSF, who we are, and what propels us forward.

- About BNSF
- What the report covers
- Who we engage
- Our vision and values
- Evidence of success
- Code of conduct
- About the report
- How we operate



## ABOUT BNSF

### NAME OF ORGANIZATION

BNSF Railway (BNSF)

### PRIMARY BRAND, PRODUCTS, SERVICES

We're one of the top transporters of products and materials that help feed, clothe, supply and power communities throughout the United States and the world. In 2015, we served customers in the agricultural, consumer, industrial and coal markets in the following ways:

- Our Consumer Products freight business transported 5,066,000 units (50 percent of total volume) spanning Domestic Intermodal, International Intermodal and Automotive. Consumer Products volumes increased half a percent for the year.
- Our Industrial Products freight business transported 1,873,000 units (18 percent of total volume) including construction products, petroleum products, building products, chemicals and plastics as well as foods and beverages. Industrial Products volumes decreased nearly six percent for the year, compared with 2014, primarily because of the impact of lower crude oil prices on petroleum products and frac sand demand.
- Our Coal freight business transported 2,286,000 units of coal (22 percent of total volume). Coal volumes for 2015 increased nearly one percent, compared with 2014, primarily due to higher demand at the beginning of the year as utility customers restocked coal inventories.
- Our Agricultural Products freight business transported 1,044,000 carloads (10 percent of total volume). Agricultural Products volumes increased seven percent for the year, compared with 2014, primarily due to increased domestic grain shipments and milo exports.

### LOCATION OF ORGANIZATION'S HEADQUARTERS

BNSF Railway Corporate Headquarters, 2650 Lou Menk Drive, Fort Worth, TX 76131-2830

### NUMBER OF COUNTRIES

BNSF operates in 28 U.S. states and three Canadian provinces.

### OWNERSHIP

On September 22, 1995, Burlington Northern, Inc. (the parent company of Burlington Northern Railroad) and Santa Fe Pacific Corporation (the parent company of The Atchison Topeka and Santa Fe Railway Company) merged to form BNSF Railway.

On February 12, 2010, Burlington Northern Santa Fe, LLC (formerly known as Burlington Northern Santa Fe Corporation) and BNSF Railway Company became subsidiaries of Berkshire Hathaway, Inc.

Burlington Northern Santa Fe, LLC and BNSF Railway Company each continue to file annual, quarterly and current reports on Forms 10-K, 10-Q and 8-K with the Securities and Exchange Commission (SEC). These filings, as well as historical SEC filings of Burlington Northern Santa Fe Corporation, are accessible on our website.

#### Learn more:

View the Financial Information section of the BNSF website for more information: [www.bnsf.com/about-bnsf/financial-information/](http://www.bnsf.com/about-bnsf/financial-information/)



## SCALE OF ORGANIZATION

BNSF operates one of the largest railroad networks in North America with approximately 32,500 route miles of track (excluding multiple main tracks, yard tracks and sidings), in 28 states and also operates in three Canadian provinces. BNSF owns more than 23,000 route miles, including easements, and operates on more than 9,000 route miles of trackage rights that permit BNSF to operate our trains with our crews over other railroads' tracks.

As of December 31, 2015, we owned or held under non-cancelable leases exceeding one year approximately 8,000 locomotives and 77,000 freight cars, in addition to maintenance of way and other equipment.

### Learn more:

View the BNSF fact sheet and Financial Information for more details:

- [www.bnsf.com/about-bnsf/pdf/fact\\_sheet.pdf](http://www.bnsf.com/about-bnsf/pdf/fact_sheet.pdf)
- [www.bnsf.com/about-bnsf/financial-information/form-10-k-filings](http://www.bnsf.com/about-bnsf/financial-information/form-10-k-filings)

## EMPLOYEE BREAKDOWN

At year-end 2015, BNSF employed approximately 44,000 employees. Our total workforce is about 20 percent minority and seven percent female. Females comprise 21 percent of our salaried workforce, and this year 31 percent of newly hired employees were minority or female.

## EMPLOYEES BY LABOR CLASSIFICATION

Management	6,848
Union	37,057
Total	43,905

NE	4,169
NM	1,264
NV	52
OH	3
OK	1,098
OR	280
PA	3
SD	550
TN	413
TX	7,908
UT	1
VA	2
WA	3,341
WI	740
WY	1,081
Outside the U.S.	76

## EMPLOYEES BY STATE

AL	225
AR	164
AZ	1,317
CA	3,046
CO	1,227
DC	7
FL	8
GA	11
IA	595
ID	246
IL	3,827
IN	37

KS	3,592
KY	2
LA	165
MD	1
ME	1
MI	4
MN	1,975
MO	2,733
MS	203
MT	2,062
NC	2
ND	1,474

Footnote: BNSF is not currently able to break out employee data by gender and region as requested by GRI.

## COLLECTIVE BARGAINING AGREEMENTS

Approximately 84 percent of BNSF's employees are represented by a union. BNSF union employees work under collective bargaining agreements with various labor organizations.

### Learn more:

View page 5 of the BNSF 10-K filing: [www.bnsf.com/about-bnsf/financial-information](http://www.bnsf.com/about-bnsf/financial-information)

## SUPPLY CHAIN

To operate our business efficiently and effectively, we purchase materials and services from an extensive list of sources. We seek to acquire quality goods and services at the lowest total cost of ownership by working resourcefully and ethically with current and prospective suppliers.

Any product or material with the potential to adversely affect employee health or the environment is reviewed and approved before it is brought onto BNSF property. The review process is performed by a multidisciplinary team comprised of the Industrial Hygiene Group, Environmental, Technical Research and Development, and Strategic Sourcing and Supply. We conduct these reviews to minimize employee and community risk of exposure to potentially dangerous chemicals and prevent environmental problems and damage to existing equipment.

## DIVERSE BUSINESS ENTERPRISES

We're committed to proactively identifying, attracting and developing long-term partnerships with minority-, woman- and veteran-owned businesses as well as small businesses to enhance value, competition and innovation and to be reflective of our customer-base and communities. Each year, we aim to increase our partnerships with Diverse Business Enterprises (DBEs) and require our suppliers to report their spending related to DBEs. In 2015, we spent approximately \$918 million with minority-, women- or veteran-owned businesses.

## SUPPLIER GUIDE

We believe that suppliers play a crucial role in contributing to the safety, reliability and efficiency of our network and, ultimately, to the service we provide our customers. We expect suppliers to deliver high-quality products and services, to demonstrate integrity and to be committed to the highest legal and ethical standards. Our Supplier Guide explains the BNSF Code of Conduct and procurement standards. It is circulated periodically to all of BNSF's suppliers to remind them of our expectations.

### **Learn more:**

Learn more about supplier relationships: <http://www.bnsf.com/suppliers/supplier-relationship/>

## SIGNIFICANT CHANGES

There were no significant changes to our business in 2015.

## PRECAUTIONARY APPROACH

Our Environmental Management Policy lays out our position regarding the protection of the environment including BNSF's desire to comply with environmental laws; prevent and reduce environmental risks; reduce our environmental footprint; and develop and safely deploy sustainable business solutions and technologies that provide long-term environmental, economic and community benefits. This policy requires our employees and other persons acting on BNSF's behalf to perform their duties in a manner that:

- Complies with applicable environmental laws, regulations and requirements
- Complies with BNSF's environmental risk management programs and procedures, including its focus on reducing pollution at its source
- Supports our efforts to continuously improve environmental performance as measured and reported by key environmental performance objectives

## POLITICAL CONTRIBUTIONS

To see BNSF's reporting on political contributions, please visit the Federal Election Commission website:  
<http://docquery.fec.gov/cgi-bin/fecimg/?C00235739>

## EXTERNALLY DEVELOPED CHARTERS

At this time, BNSF does not endorse any externally developed charters or principles.

## MEMBERSHIP IN ASSOCIATIONS

In 2015, BNSF collaborated with membership organizations including, but not limited to:

- American College of Occupational and Environmental Medicine
- American Association of Occupational Health Nurses
- American Railway Engineers Maintenance of Way Association
- Association of American Railroads
- GreenBiz Executive Network
- National Association for Environmental Management
- National Business Group on Health
- National Safety Council
- The American Railroad Development Association

## WHAT THE REPORT COVERS

### OPERATIONAL STRUCTURE

BNSF publishes separate financial reports for Burlington Northern Santa Fe, LLC, and BNSF Railway Company. The information disclosed in this report addresses BNSF Railway Company, except where noted.

#### Learn more:

View the individual financial filings: [www.bnsf.com/about-bnsf/financial-information](http://www.bnsf.com/about-bnsf/financial-information)

### REPORT CONTENT

For our first GRI report, which covered 2013, we conducted an internal materiality assessment to determine the issues of greatest concern to the business and our stakeholders. In our 2014 report, we refreshed this materiality assessment through a process of internal interviews, a review of media coverage of the company and industry, an in-depth analysis of peer-company reporting and referencing the GRI standards.

We continued to rely on the previous assessment as a starting point for the 2015 report. However, we made several changes to address new items that we see as important topics for this reporting period, adding one new area to our report: Innovation. We also removed two areas, Energy Development and Marketing Communications, for which there were no significant issues to address during this reporting period.

In 2016, we will update the materiality assessment.

### BNSF'S MATERIAL ISSUES

OPERATIONS Moving Toward More Sustainable Operations	ENVIRONMENTAL Moving Forward with Environmental Excellence	ECONOMIC Moving with the Economy	SOCIAL Moving with Our Community
<ul style="list-style-type: none"> <li>• Innovation</li> <li>• Intermodal Transport</li> <li>• Common Carriage Responsibility</li> <li>• Types of Materials Transported</li> <li>• Emergency Preparedness and Response</li> </ul>	<ul style="list-style-type: none"> <li>• Energy Consumption and Emissions</li> <li>• Emerging Regulation and Compliance</li> <li>• Litigation</li> <li>• Land Use and Property Management</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Performance</li> <li>• Networks Reliability and Service Issues</li> <li>• Infrastructure Investment</li> </ul>	<ul style="list-style-type: none"> <li>• BNSF Employee Health and Safety</li> <li>• Public Safety</li> <li>• Employee Recruiting</li> <li>• Labor Management and Relations</li> <li>• Employee Development</li> <li>• Local Community Impacts and Investment</li> </ul>

### ASPECT BOUNDARIES

The information disclosed in this report addresses BNSF Railway Company. At this time, we do not disclose data related to organizations outside of BNSF's control.

There were no significant changes in scope or aspect boundaries in 2015. We continue to make progress in data harvesting, assessment and validation.

**Learn more:**

View the BNSF fact sheet for more information: [www.bnsf.com/about-bnsf/pdf/fact\\_sheet.pdf](http://www.bnsf.com/about-bnsf/pdf/fact_sheet.pdf)

## WHO WE ENGAGE

### STAKEHOLDER GROUPS

We engage with a variety of stakeholders, including, but not limited to employees; customers; elected officials at the federal, state and local level; nonprofit organizations; non-governmental organizations; labor organizations; community groups; environmental agencies; supplier organizations; trade associations; and the general public.

### IDENTIFICATION AND SELECTION OF STAKEHOLDERS

As detailed below, each functional area is responsible for identifying and engaging with relevant stakeholders.

### STAKEHOLDER ENGAGEMENT

We engage with stakeholders in many ways including community meetings, one-on-one meetings, customer events, trade shows, newsletters and other publications and social media as well as training events and internal communications tools that keep employees informed.

We're proud to build relationships with community members. More than 44,000 rail enthusiasts currently participate in the BNSF online community.

Our functional departments are strategically paired with relevant stakeholders to educate and effectively manage relationships and respond quickly and efficiently to stakeholder questions, concerns or needs. The table below identifies key stakeholder groups and the BNSF department(s) responsible for managing that relationship.

Stakeholder Group	BNSF Department
Local elected officials	Community Affairs
State elected officials	State Government Affairs
Federal elected officials	Federal Government Affairs
Community residents	Operations, Community Affairs, Safety/Transportation Department
Emergency responders	Hazardous Materials
Native American tribes	Community Affairs, Tribal Relations
Not-for-profit organizations	Community Affairs, The BNSF Railway Foundation, Environmental
Military veterans	Human Resources - Veteran Recruitment
Prospective employees	Human Resources
Customers	Marketing and Customer Support
Environmental agencies and organizations	Environmental
Colleges/universities	Human Resources, The BNSF Railway Foundation
Community events/presentations	Operations, Community Affairs, Government Affairs
Vendors/suppliers	Strategic Sourcing
Employees	Human Resources, Corporate Relations
Media	Corporate Relations
Potential customers/development opportunities	Marketing and Economic Development
Unions	Labor Relations
Federal and state transportation agencies	Operations, Federal Government Affairs, State Government Affairs
Investors	Finance

### Learn more:

Visit Friends of BNSF for more information on this community:

[www.friendsofbnsf.com](http://www.friendsofbnsf.com)

## KEY TOPICS RAISED THROUGH ENGAGEMENT

Key topics and concerns raised through stakeholder engagement efforts include safety (workplace, public, freight handling and private/public rail crossings), service reliability, regulatory compliance, noise, air emissions, employee benefits and compensation, supplier diversity, volunteer opportunities and sustainability. We respond to these topics using a variety of communications tools such as digital and print assets as well as engagement through presentations and meetings.

## OUR VISION AND VALUES

### VALUES, PRINCIPLES, STANDARDS AND NORMS OF BEHAVIOR

Our vision is to realize our tremendous potential by providing transportation services that consistently meet our customers' expectations. A vision statement is only as good as the people who bring it to life each day. To appropriately embody this vision, our employees embrace a set of shared values, which are described starting below.

### STYLE

As a Community, we are:

- Tough-minded optimists
- Decisive yet thorough
- Open and supportive
- Confident and proud of our success

### SHARED VALUES

As a Community, BNSF values:

- Listening to customers and doing what it takes to meet their expectations
- Empowering employees and showing concern for their well-being, and respect for their talent and achievements
- Continuously improving by striving to do the right thing safely and efficiently
- Celebrating our rich heritage and building on our success as we shape our promising future

## COMMUNITY

BNSF is a Community of over 40,000 mutually dependent members. Each one of us depends upon BNSF for livelihood, and through our collective efforts, BNSF depends upon us to defend, sustain and strengthen our Community.

We are an effective Community when each of us:

- Believes in our Vision and embraces our Shared Values
- Knows our own role and strives to fulfill it
- Respects, trusts and openly communicates with others
- Is proud of our heritage and confident of our future

## LIBERTY

As a member of the BNSF Community, each of us has the right to:

- A safe work environment for the sake of ourselves, our co-workers, our shippers and the communities we serve
- Feel the satisfaction that comes from a job well done by using our talent, judgment and initiative, and by performing to our fullest potential
- Express our individualism, ideas and concerns consistent with the Community's Vision and Shared Values, to anyone in the Community without fear of retribution
- Participate fully in life outside of work by enjoying the fruits of our labor

## EQUALITY

As a member of the BNSF Community, I can expect:

- To be treated with dignity and respect
- To be given equal access to tools, training and development opportunities
- To have equal opportunity to achieve my full potential

## EFFICIENCY

Efficiency is the best collective application of our resources to meet our customers' expectations. Each of us contributes to efficiency when we:

- Understand our customers' expectations and priorities
- Help develop business processes that best match BNSF resources with our customers' requirements
- Constantly monitor and measure our results in order to continuously improve
- Manage our Community's resources as if they were our own

## Learn more:

Learn more about BNSF's values and community support:

- <http://www.bnsf.com/about-bnsf/our-people/vision-and-values/>
- <http://www.bnsf.com/communities/community-support/>

## EVIDENCE OF SUCCESS

Success in living our Vision & Values is evident when we fulfill the highest expectations of our four key stakeholder groups. We will know we have succeeded when:

- Our **customers** find it easy to do business with us, receive 100-percent-on-time, damage-free service, accurate and timely information regarding their shipments, and the best value for their transportation dollar.
- Our **employees** work in a safe environment free of accidents and injuries, are focused on continuous improvement, share the opportunity for personal and professional growth that is available to all members of our diverse work force and take pride in their association with BNSF.
- Our **owners** earn financial returns that exceed other railroads and the general market as a result of BNSF's superior revenue growth and operating ratio and a return on invested capital that is greater than our cost of capital.
- The **communities** we serve benefit from our sensitivity to their interests and to the environment in general, our adherence to the highest legal and ethical standards, and the participation of our company and our employees in community activities.

## LEADERSHIP MODEL

Our Vision & Values influence the way employees work together, even those who do not formally supervise others. Our Leadership Model is based on five tenets that challenge team members to grow as leaders and as individuals:

- **Create a compelling vision.** Set a vision and a strategy for the future and inspire others to follow your vision. Show passion for the vision. Build enthusiasm, optimism and ownership for both the journey and the destination. Motivate people to be pioneers and achieve the vision in spite of obstacles.
- **Model the way.** Build trust through competence, openness and integrity. Always show respect for others. See work as an adventure and enjoy the journey. Accept

individual differences and find ways to build on them.

- **Lead more, manage less.** Leadership is situational. Rely more on coaching, teaching and enabling. Be directive in select situations and normally empowering. Know how things work. Tell people not only what needs to be done, but tell them why. Encourage leadership and innovation at all levels of your organization. Build strong teams and coach them to challenge the status quo, initiate solutions and act with a sense of urgency.
- **Communicate, communicate, communicate.** Listen and involve. Set high standards for performance and provide candid, constructive feedback. Recognize and celebrate successes frequently.
- **Make development a priority.** Develop the talents of your people. You are accountable for the success of your team. When people fail, we fail as leaders. Embrace and inspire lifelong development.

This Leadership Model has evolved into the cornerstone of how BNSF operates. It is part of every exempt employee's Performance Management Process, and it represents the core of company-wide leadership training. Implementing this Leadership Model is a work in progress, just as BNSF continues to be a dynamic and growing company.

## CODE OF CONDUCT

Our Code of Conduct (Code) outlines the company's expectations for work-related conduct. BNSF holds itself to the highest ethical standards and strives to make BNSF a company where employees are proud to work, and ethics and compliance are the foundation of everything we do. The Code is an integral part of our Vision & Values as a community. It includes topics such as ethical behavior, conflicts of interest, antitrust, anti-discrimination and harassment, and others. It also details methods to report any violations of the Code. Each salaried employee must certify to the Code annually. Additionally, newly hired salaried employees, employees returning from a leave of absence and employees that move from a union position into a salaried position must certify to the Code within 30 days of their effective date. The certification includes a question and answer section to verify employees understand the Code's contents as well as a section for the disclosure of potential conflicts of interest. This process is used to identify targeted training opportunities and to help identify and prevent potential conflicts.

## ABOUT THE REPORT

### REPORTING PERIOD

This report is for the calendar year of 2015.

### DATE OF PREVIOUS REPORT

Our first report guided by the Global Reporting Initiative (GRI), which detailed our 2013 performance, was published in December 2014.

Our second GRI report, which detailed our 2014 performance, was published in December 2015.

### REPORTING CYCLE

BNSF plans to continue reporting on an annual basis.

### CONTACT POINT

Please direct all questions or comments to the Contact Us section of the BNSF website: <http://bnsf.com/about-bnsf/contact-us/>

### GRI INDEX

This report was developed in accordance with the GRI G4 Guidance for a Core report. A complete index is provided at the end of this report.

### EXTERNAL ASSURANCE

Our management is responsible for the review and accuracy of the data reported herein. We seek external assurance for the annual financial statement information included in our Securities and Exchange Commission (SEC) filings from Deloitte and Touche LLP.

## HOW WE OPERATE

### GOVERNANCE STRUCTURE

BNSF operates approximately 32,500 route miles of track in 28 states and also operates in three Canadian provinces, representing one of North America's leading freight transportation companies.

Headquartered in Fort Worth, Texas, BNSF is a wholly owned subsidiary of Berkshire Hathaway, Inc.

BNSF is governed by its Board of Directors, listed below, which manages the business, property and affairs of the company. Our executive leaders meet regularly to discuss critical business concerns, establish policies and set the vision for BNSF.

### *BNSF RAILWAY COMPANY BOARD OF DIRECTORS*

Matthew K. Rose	Executive Chairman
Carl R. Ice	President and Chief Executive Officer
Stevan B. Bobb	Executive Vice President and Chief Marketing Officer
Dave Freeman	Executive Vice President – Operations
Roger Nober	Executive Vice President Law & Corporate Affairs and Chief Legal Officer
Julie A. Piggott	Executive Vice President and Chief Financial Officer

Our Environmental Health and Safety Committee has a responsibility to verify that environmental, health and safety concerns are evaluated in a timely and integrated manner and are addressed in alignment with BNSF's governing principles. The committee meets three to four times per year and is led by John Lovenburg, BNSF's Vice President – Environmental, and consists of a steering committee comprised of other vice presidents with oversight from the core areas of Sustainability, Health, Safety, Transportation, Mechanical, Engineering, Real Estate, Finance and Human Resources. Through the Environmental Health and Safety Committee, BNSF leaders receive information and engage in cross-functional discussions on issues impacting the health and safety of our employees, the environment and the communities in which BNSF operates. Strategic topics of discussion include significant environmental, health and safety federal or state regulations, legal decisions, hotline complaints and compliance matters.



## GRI INDEX

GRI G4 guidelines were used as a reference. The below table includes those aspects that were found material.

GRI	Description	Page Number
<b>STRATEGY AND ANALYSIS</b>		
G4-1	Statement from the most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy for addressing sustainability	3-4
<b>ORGANIZATIONAL PROFILE</b>		
G4-3	Name of the organization	41
G4-4	Primary brands, products, and/or services	41
G4-5	Location of organization's headquarters	41
G4-6	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	41
G4-7	Nature of ownership and legal form	41
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	41-42
G4-9	Scale of the reporting organization	42
G4-10	Total workforce by employment type, employment contract, region and gender	42
G4-11	Percentage of employees covered by collective bargaining agreements	42
G4-12	Describe the organization's supply chain	43
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	43
<b>ORGANIZATIONAL PROFILE: Commitments to External Initiatives</b>		
G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organization	43
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	43
G4-16	Memberships in associations and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> <li>• Holds a position on the governance body;</li> <li>• Participates in projects or committees;</li> <li>• Provides substantive funding beyond routine membership dues; or</li> <li>• Views membership as strategic</li> </ul>	35-36, 38-39, 44
<b>REPORT SCOPE AND BOUNDARY: Identified Material Aspects &amp; Boundaries</b>		
G4-17	Entities included in financial statements	41-42, 44
G4-18	Explain the process for defining the report content and the Aspect Boundaries. Explain how the organization has implemented the Reporting Principles for Defining Report Content	44
G4-19	List all material aspects	9, 19, 27, 32, 40, 44
G4-20	Boundary of the report	44
G4-21	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities	44
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	22
G4-23	Changes from previous reports in terms of scope and/or boundaries	44
<b>STAKEHOLDER ENGAGEMENT</b>		
G4-24	List of stakeholder groups engaged by the organization.	45-46
G4-25	Report the basis for identification and selection of stakeholders with whom to engage	44-46
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	44-46

<b>GRI</b>	<b>Description</b>	<b>Page Number</b>
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting identifying the stakeholder groups that raised each of the key topics and concerns	46
<b>REPORT PROFILE</b>		
G4-28	Reporting period	48
G4-29	Date of most recent previous report	48
G4-30	Reporting cycle	48
G4-31	Contact point for questions regarding the report or its contents	48
<b>REPORT PROFILE: GRI Content Index</b>		
G4-32	GRI Content Index	49-51
G4-33	Assurance	48
<b>GOVERNANCE</b>		
G4-34	Governance structure of the organization, including committees of the highest governance body	48
<b>ETHICS AND INTEGRITY</b>		
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	46-47
<b>SPECIFIC STANDARD DISCLOSURES</b>		
<b>GENERIC DISCLOSURES ON MANAGEMENT</b>		
<b>ECONOMIC</b>		
<b>ASPECT - ECONOMIC PERFORMANCE</b>		
G4-DMA	DMA - Economic Performance	28
G4-EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	28, 30-31
<b>ASPECT - INDIRECT ECONOMIC IMPACTS</b>		
G4-DMA	DMA - Indirect Economic Impacts	27
G4-EC7	Development and impact of infrastructure investments and services supported	30-31
<b>ENVIRONMENTAL</b>		
<b>ASPECT - ENERGY</b>		
G4-DMA	DMA-Energy	11-13, 20-21
G4-EN3	Energy consumption within the organization	11-13, 20-21
G4-EN5	Energy intensity	23
G4-EN6	Reduction of energy consumption	11-13, 20-21
G4-EN7	Reductions in energy requirements of products and services	11-13, 20-21
<b>Aspect - Emissions</b>		
G4-DMA	DMA-Emissions	22-24
G4-EN15	Direct greenhouse gas emissions.	22
G4-EN16	Energy indirect greenhouse gas emissions.	22
G4-EN17	Other indirect greenhouse gas emissions.	22
G4-EN18	Greenhouse gas emissions intensity.	23
G4-EN19	Initiatives to reduce greenhouse gas emissions and reductions achieved.	11-13, 20-21
G4-EN21	NOx, SOx, and other significant air emissions	23-24

GRI	Description	Page Number
Aspect - Effluents and Waste		
G4-DMA	DMA - Effluents and Waste	24-25
G4-EN23	Total weight of waste by type and disposal method	25
G4-EN24	Total number and volume of significant spills	16-18
Aspect - Products and Services		
G4-DMA	DMA - Products and Services	10-13, 16-17, 20-25
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	10-13, 16-17, 20-25
Aspect - Compliance		
G4-DMA	DMA-Compliance	25-26
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	25
Aspect - Overall		
G4-DMA	DMA-Overall	10-13, 16-18, 21, 23, 26
G4-EN31	Total environmental protection expenditures and investments by type.	10-13, 16-18, 21, 23, 26
<b>LABOR PRACTICES AND DECENT WORK</b>		
Aspect - Employment		
G4-DMA	DMA-Employment	42
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	42
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	34-35
Aspect - Occupational Health and Safety		
G4-DMA	DMA - Occupational Health & Safety	33
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	33-34
Aspect - Training and Education		
G4-DMA	DMA-Training and Education	34-38
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	34-38
<b>SOCIETY</b>		
Aspect - Local Communities		
G4-DMA	DMA-Local Communities	30-34, 38-39, 45-47
G4-S02	Operations with significant potential or actual negative impacts on local communities.	15-18
Aspect - Public Policy		
G4-DMA	DMA-Public Policy	15-18, 43-45
G4-S06	Political contributions	43
<b>PRODUCT RESPONSIBILITY</b>		
Aspect - Product and Service Labeling		
G4-DMA	DMA - Product and Service Labeling	14, 41
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant products and service categories subject to such information requirements	14-16, 41
G4-PR5	Results of surveys measuring customer satisfaction	28-29