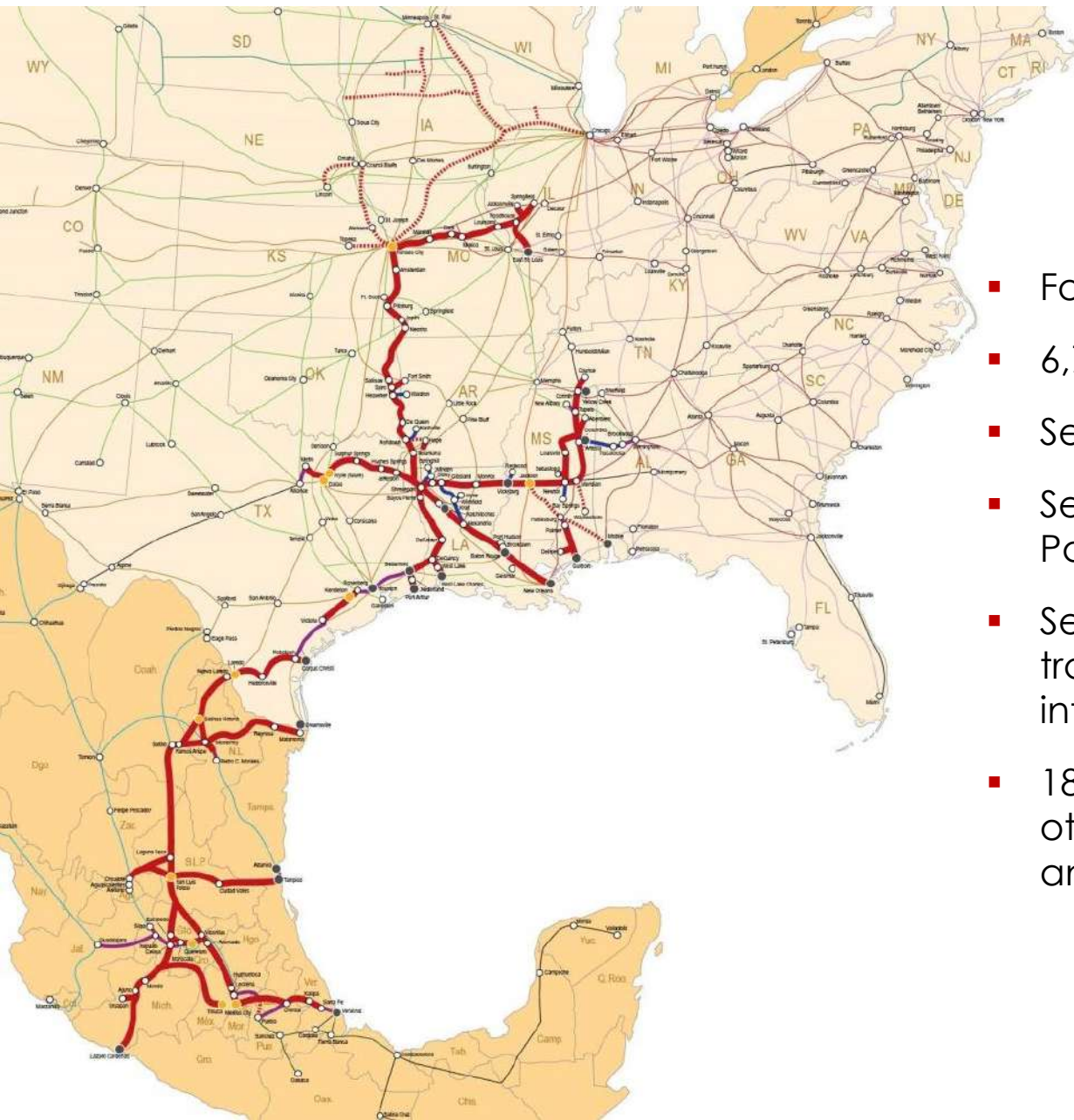


KANSAS CITY SOUTHERN



Environmental Sustainability of KCS
December 2019

The KCS Network



- Founded in 1887
- 6,700 route miles
- Seamless cross-border network
- Service to 12 Gulf ports and 1 Pacific Ocean port
- Service to more than 140 transload centers and 11 intermodal ramps
- 181 interchange points with other railroads, including all U.S. and Mexico Class I railroads

The KCS Corporate Vision & Strategy

VISION:

KCS strives to consistently be the fastest-growing, best-performing, most customer-focused transportation provider in North America.



STRATEGIC INTENTS:

Capitalize on the strategic location of the KCS cross-border rail network and the diverse and growing North American markets, while maintaining a commitment to operational excellence. We embrace new and emerging technologies and a strong cost discipline within a safe and reliable operating environment. We will provide service that consistently exceeds our customers' expectations, challenging careers to our employees and industry leading returns to our shareholders.

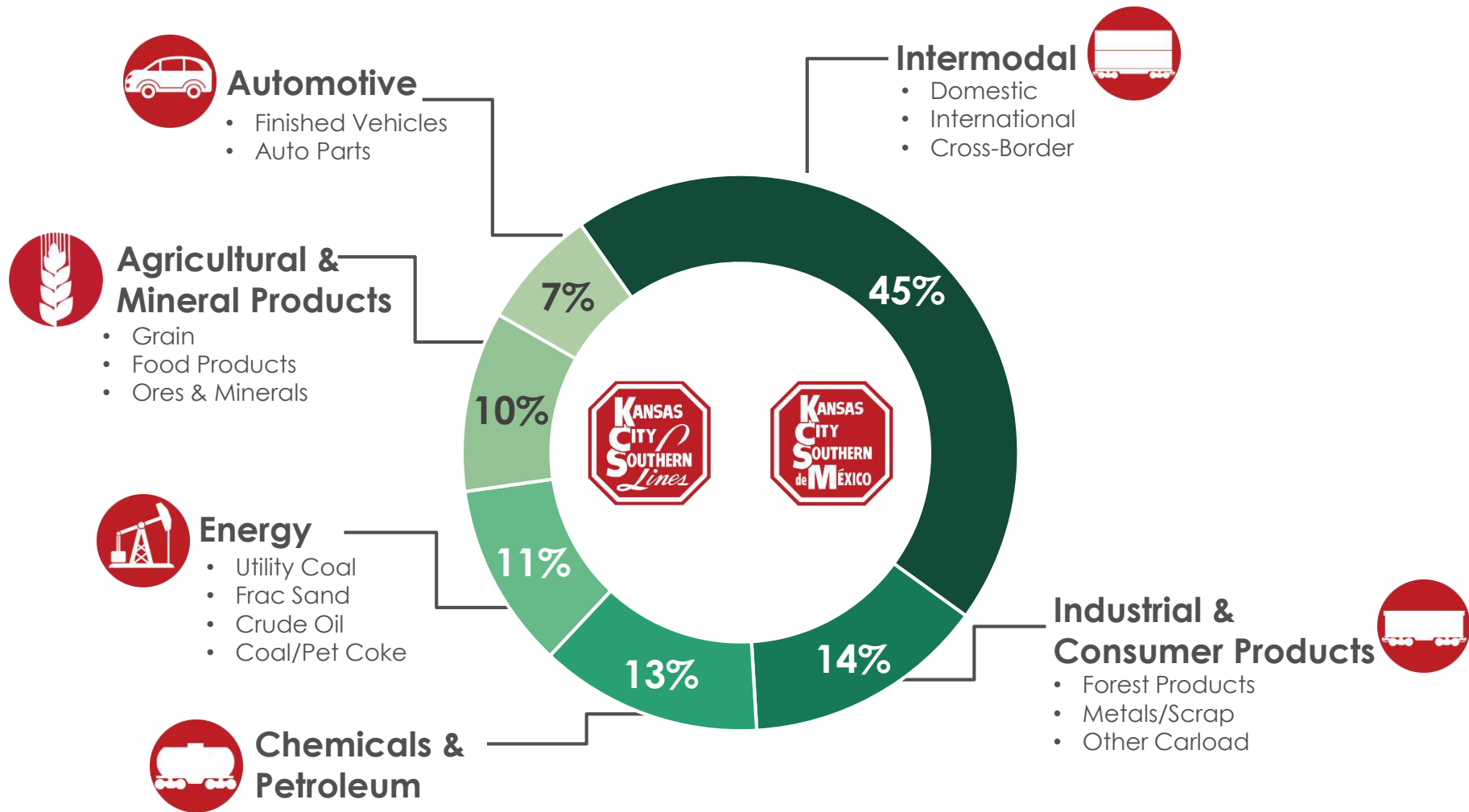


STRATEGIC PLANS:

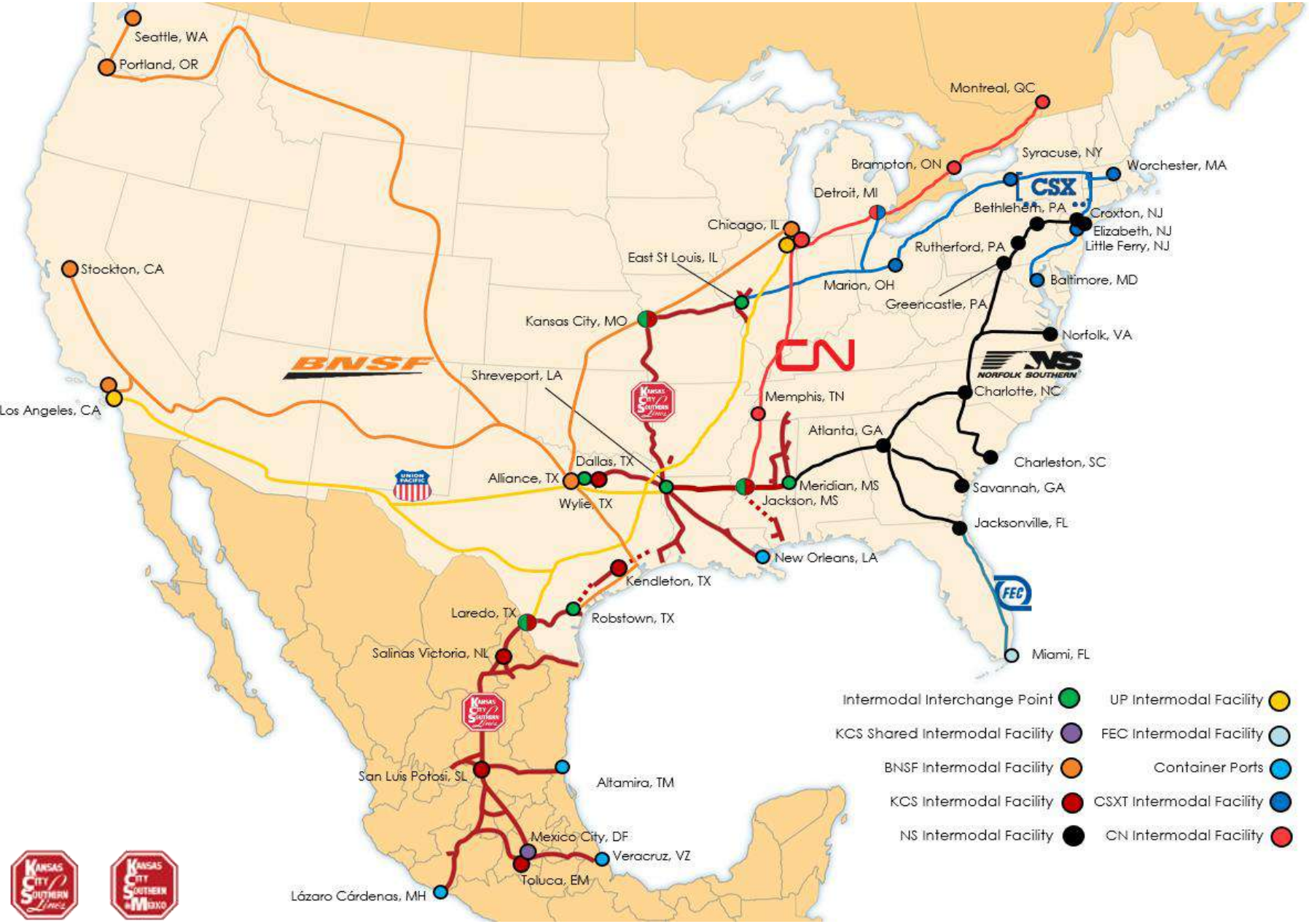
- Create industry-leading shareholder returns
- Operate in a safe and reliable environment
- Build a strong and nimble, customer-oriented culture focused on performance, accountability and execution
- Promote strong governance, social responsibility, regulatory compliance and risk management



2018 Volume by KCS Business Unit



KCS Intermodal Network



How KCS Protects the Environment



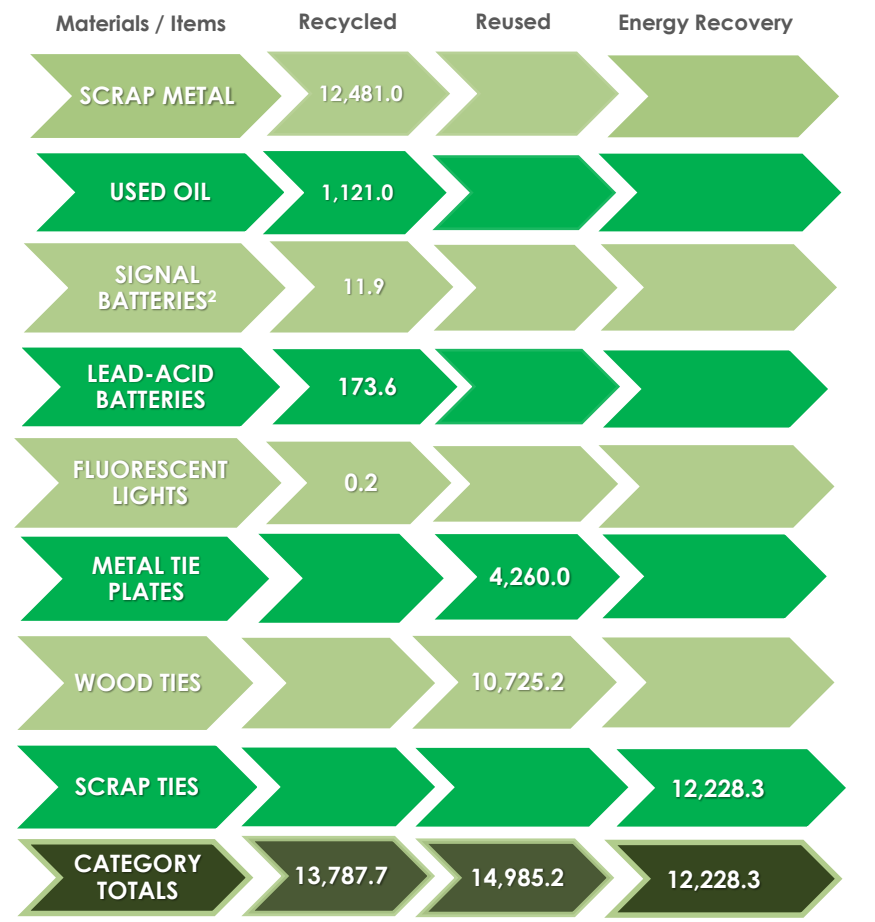
Wastewater & Storm Water Discharge (Gallons)

	2018	2017	2016
KCSR	40.0M	13.1M	7.3M
KCSM	54.7M	32.6M	40.0M
Total	94.7M¹	45.7M	47.3M

Recycling at KCSR Headquarters (Tons)

	2018	2017	% Change
Comingled Plastic & Aluminum	2.6	1.2	+117%
Corrugated Paper	1.7	0.9	+89%
Special File Stock Paper	8.6	7.3	+18%
Total	12.9	9.4	+37%

Materials & Items Recycled or Reused in 2018 (Tons)



¹ In 2018, KCS responsibly discharged 94.7 million gallons of treated wastewater and storm water to surface water or publicly owned treatment works (POTWSs) at 40 locations requiring permits
² Batteries include 19,885 pounds of Nickel Cadmium, 3,059 pounds of Lead Absolyte/Steel, and 872 pounds of lead acid

Renewable Energy Initiatives

- KCS continues to use solar energy
- In 2018, solar power was used on 94 signal locations and 14 mobile Wi-Fi pods at our intermodal facilities.



Shipping with KCS is Environmentally Friendly

2018 Estimates	Revenue Ton Miles	Gallons Used	RTM/ Gallons	Metric Tons CO ₂ e
Truck Transportation ¹	50,232.9M	473.9M	106	4.8M
KCS Rail Transportation	50,232.9M	135.8M	370	1.4M
Net Difference		338.1M		3.4M

❖ In 2018, KCS moved **one** ton of freight an average of **372** miles on only **one** gallon of fuel

❖ By choosing KCS over truck transportation, our customers avoided the release of **~3.4 million** metric tons of **CO₂e** emissions



¹ Assumes avg. truck load of 16.35 tons / fuel consumption 6.5 mpg

Primary Fuel Reduction Initiatives & Savings

Initiative	Description	2018 Status	2018 Fuel Savings (Diesel) ¹
Trip Optimizer	Intelligent, fuel-saving technology for locomotives that determine the train's most efficient operating mode, resulting in fuel savings of 5-14%	Installed in 244 locomotives	2.1M gallons
Excessive Idle Reduction	Automated Engine Stop/Start (AESS) system supplemental with Manual Stop/Start policy	AESS installed on 832 locomotive engines	5.4M gallons
Distributed Power	Dedicated radio-frequency-controlled locomotive power placed throughout train to distribute ability to brake evenly and share engine load		1.0M gallons
Horsepower Per Trailing Ton Guidelines (HPT)	HPT Compliance monitoring to determine exact amount of HPT required to haul freight		1.0M gallons
Remote Technology	Devices allowing remote administration, reducing technicians' drive-time fuel consumption	Installed 869 remote devices at PTC wayside locations	Not determined

**In 2018, KCS reduced its diesel fuel consumption by 9.5M gallons through conservation and efficiency initiatives*



¹ Based on internal reductions goals and targets

