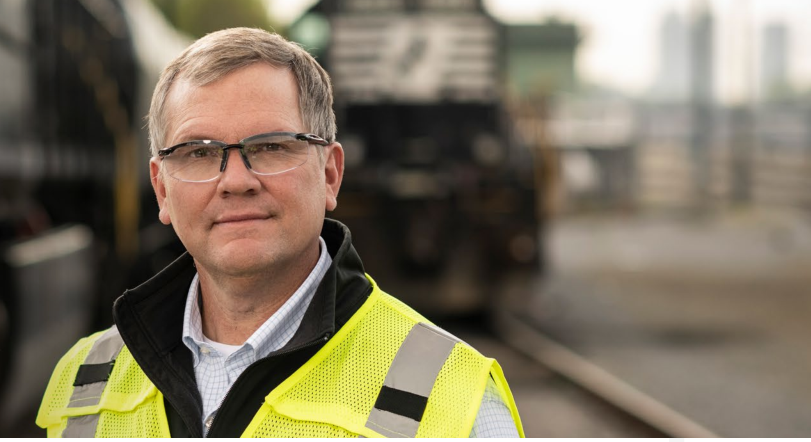

Remarks From President & CEO Alan Shaw

Investor Day December 2022

I became president of Norfolk Southern one year ago this week. I've spent countless rewarding hours since then in the field with our railroaders, visiting customers, and building our team. We've turned the corner on service, and have a favorable resolution of labor negotiations. We are excited to share our strategy to create shareholder value moving forward.

This strategy is informed by the perspective I bring to my role. I'm an engineer by training and earned the chartered financial analyst designation. The numbers matter and the math has to work. Many of you have known me as Norfolk Southern's chief marketing officer, but before that, most of my time at NS was in Finance and Operations-oriented roles. These experiences provided a balanced perspective and informed my opinion that long-term value creation at Norfolk Southern is delivered by striking — and constantly maintaining — the right balance between service, productivity, and growth.

That balance is what drives our strategy, which has three elements:

- **Reliable and resilient service**
- **Continuous productivity improvement**
- **Smart and sustainable growth**

These are not competing priorities — they are complementary in a carefully blended balance. The resulting value proposition is simple and powerful:

Norfolk Southern is uniquely positioned to deliver long-term shareholder value through top-tier revenue and earnings growth, industry-competitive margins, and balanced capital deployment.

Our TOP21 operating plan delivered results

Let's start with industry-competitive margins, which are the table stakes for any growth strategy. With our PSR-based operating plan TOP21, we delivered consistently favorable results for shareholders since our last Investor Day in 2019:

530 basis points Improved operating ratio	**27%** Earnings per share growth
110% Total shareholder return produced	**~$10 billion** Shareholder distributions delivered

Not only did we deliver positive results — we delivered them in the right way. Our balanced Norfolk Southern "no surprises" approach made sure we properly engineered and implemented our new operating plan before we removed resources. We embedded customer engagement and collaboration throughout the process, designing plan changes to the mutual benefit of Norfolk Southern and our customers. That customer-centric approach is part of who we are and remains central to our strategy.

I have been in the field talking with our craft employees and local supervisors constantly since becoming president. I assure you that PSR muscle memory and discipline is there throughout Norfolk Southern, and we have made it even stronger with the addition of Paul Duncan and the promotions we've made on the rest of the Operations team. This team is delivering results.

Now we are taking the next step with TOP | SPG, a modern, PSR-based operating plan that balances service, productivity, and growth. This is an essential point, and I want to explain exactly what we mean.

Our entire organization is aligned around delivering continuous productivity improvement. We mention PSR frequently — but this is a different kind of PSR. Reducing operating ratio is not our singular focus. We strive for more. Our pursuit of margin improvement will be balanced with other important financial measures, such as earnings per share, Return on Invested Capital, and revenue.

To achieve that, we will deliver a reliable and resilient service product that enables us to pursue smart and sustainable growth.

We call it "smart and sustainable growth" because this is not a grow-at-all-costs strategy. We know that doesn't work. We will target business where we and our customers will be mutually successful. When we target new business that we serve well, it further enhances the reliability and efficiency of our network for all customers.

The greatest growth opportunities exist from highway-to-rail conversions within the massive truck and logistics market that our franchise was built to serve.

Our results over the last three years are also proof of the extent to which **PSR is embedded in our operations and our culture.**

Our implementation of PSR improved margins and delivered a high-quality service product for our customers right up until the global pandemic knocked all of us off plan.

Our unique value proposition to drive sustainable growth

Now let's talk more about how we're going to grow. This is a franchise built for growth that faces the fastest growing segments of the U.S. economy. We intend to leverage that.

It starts with our powerful network, which my predecessors built through decades of smart investments and business decisions:

- A robust, well-designed route structure that serves major population centers, and the unmatched placement of our Intermodal terminals near the heart of the U.S. economy.
- More short-line partnerships than any other Class I railroad, providing more options and greater reach for our customers.
- Close partnerships with East Coast ports that give us global scale and are growing substantially faster than their Western counterparts.
- Trusted, long-standing relationships with desirable customers who are leaders in their markets, allowing us to collaborate on logistics solutions.
- The best channel partners in the industry, JB Hunt and Hub Group, allowing us to offer a seamless consumer-oriented experience to our mutual customers and invest together in our shared growth.

These strengths have all been built to leverage our desirable geographic footprint. At a time when consumption is growing as a percentage of the U.S. economy, we serve approximately 60 percent of the country's population. We also serve most of the nation's manufacturing, and we are positioned well to grow that durable revenue base further through our best-in-class Industrial Development program.

And here is a critical point to understand about our footprint: we serve dense population centers separated by moderate distances. That positions Norfolk Southern perfectly to compete for flexible freight, business that can easily shift between highway and rail, the fastest-growing segment of the $860 billion U.S. truck and logistics market.

That is what we mean when we say we have a franchise built for growth.

Looking at our opportunities over the next few years, we see more than the cyclical challenges of inflation and an economic slowdown. We see enduring market trends that play to our strengths:

- The indisputable long-term shift in consumption habits to e-commerce, which is intermodal-intensive
- The shift from "just in time" to "just in case" inventory strategies as a response to the hard lessons of the pandemic, which benefits rail
- The move to forward-positioning of inventory next to consumption markets served by Norfolk Southern
- The acceleration of onshoring as a response to geopolitical and energy risk, which allows us to leverage our best-in-class Industrial Development team
- The increasing importance of sustainable supply chain strategies, which benefits rail
- Even the current economic headwinds have a silver lining for rail, as they create powerful incentives for customers to shift freight from highway to efficient rail

These trends are good for rail; **they are great for Norfolk Southern.**

We are a customer-centric | operations-driven service organization

To deliver these results and reach our full potential afforded by our network, the markets we serve and our team, we will be a customer-centric, operations-driven service organization.

Customer-centric means we will deliver a service product the market values. This is how we will compete and win. We will innovate solutions that help our customers grow and compete in an evolving global supply chain. We will make it easier for our customers to ship by rail — delivering the efficiency of rail, coupled with the simplicity of truck.

Operations-driven means that we will compete on operational excellence. This is one of the most important ideas I want you to take away.

When we offer a service product that attracts service-sensitive customers in the flexible freight market, we harness the full power of our people, our franchise and the market trends supporting highway-to-rail conversion.

Operations-driven means adhering to a modern version of PSR, incorporating the time-honored principles of balance, simplicity, executability, and compliance to plan. This allows us to maintain vigilance on a standard of care for operations, balancing service, productivity, and growth.

We will implement this in the Norfolk Southern manner, taking steps to provide service that is resilient through future operational and economic disruptions. When we do that, our customers will be able to incorporate rail confidently into their long-term supply chain strategies. This is an essential element of our plan to compete in the flexible freight market.

We will make reliable and resilient service an enduring competitive strength.

Railroads deal with serious disruptions — floods, severe weather, equipment outages, and other challenges as a routine part of the business, with limited impact to overall operations. Disruptions are a daily occurrence, and our team is expert at managing them.

But we were all unprepared for the past two years, with the deep pullback and sudden resurgence of freight, combined with sustained labor market tightness. Our traditional approaches for dealing with business cycles — by furloughing temporarily surplus employees and tightening other spending when demand falls off — did not work well.

When the time came to rebuild our ranks as freight transportation demand returned, we were unable to rehire quickly enough to operate fluidly. Today, we are still recovering from the disruption of the pandemic. Our service has turned the corner, but we are not yet at our desired level of staffing, or at the level of service that our customers expect.

For America's freight railroads, resilience has a deeper importance than our ability to handle future disruptions that resemble the recent pandemic. For decades, railroads have had cycles of service disruption. They have tended to occur every 3 – 4 years due to causes that are easy to categorize in hindsight, but hard to predict — regional labor shortages, surges of freight, sudden shortages of rolling stock.

In the short term, these disruptions drive higher operating costs associated with service restoration. They also create substantial missed opportunities for volume in the early stage of economic recovery.

In the long term, these disruptions have eroded the confidence customers need to have if they are going to structurally rely on rail instead of highways. A company can't expect to provide sustainable growth if it provides its customers with a lousy service product every three years. By giving our customers a reliable service product that is also consistent, we can structurally shift a larger fraction of America's freight away from the highway.

We modeled a different strategy, incorporating conservative estimates of missed revenue and additional operating costs in 2021 and 2022 due to service issues. We used the results, along with other inputs, to build a financial model of what resilience would mean over the long term for Norfolk Southern.

The resilience advantage

By serving more volume in the recovery, we generate more revenue, and by avoiding the disruption, we enable customers to trust us and build supply chains around us. We experience a higher growth rate in the resilience scenario from more growth during the recovery and greater long-term growth.

Let me run through some hypothetical numbers. In a market downturn, if we were to furlough five percent of our T&E workforce for a year, we would save roughly $35 million or roughly 30 basis points of operating ratio.

Based on what we have seen recently, when the market comes back, only about 45 percent of the furloughed employees return when recalled. We would have to hire new conductors to replace the more than half that don't come back, which would take at least six months once the process starts. This would cost about $10 million, as it costs approximately $50,000 to recruit, hire, and train a new employee. More impactful is the service disruption cost that comes as a result of the resurgence in volume to which we aren't equipped to respond. We have been discussing that impact this year as roughly $160 million per year. Even bigger, we can safely assume that service disruption resulted in missing approximately five percent of our volume. That equates to about $600 million of revenue per year, which is meaningful from a margin perspective. And frankly, that number could be higher because it generally means we are not participating in the higher-rated spot market.

So for us, resilience is an investment in long-term shareholder value. There is a return, it is significant, and it doesn't take long to achieve.

Although some have spoken about resilience in terms of furlough avoidance, we believe long-term resiliency is about much more than furloughs. It is a broad set of balanced management approaches that include alternatives to traditional furloughs.

It is comparable to our balance between service, productivity, and growth. It is a balanced, consistent targeted investment in strategic projects, reducing the volatility of investments in assets of long-term strategic value including locomotives, track, intermodal terminals, and technology, as well as investment in our people.

OUR PEOPLE ARE OUR GREATEST STRENGTH

I want to end with a few thoughts about our people. Our people want to be on a plan, because it means more predictable schedules and more time with their families. Our new workforce management strategy will create resilience through economic cycles and a better culture. We have a vision of moving conductors off the road and giving them fixed work locations with predictable schedules. We're harnessing mobile technologies to empower our workforce and make routine administrative functions roles easier. We are leveraging technology that will one day mean our people won't need to walk the length of a mile-long train, at night, in Chicago, in the winter, inspecting for potential defects.

The best part of my day is when I get to be out in the field talking with our craft colleagues. I have immense respect and appreciation for what they do, and I know that when we are successful, it is because they are getting the job done.

During the height of our service challenges, when we were woefully short on resources, several of our supervisors cared so much that they raised their hands and volunteered to resign their management positions and go back to the craft to help serve our customers. That's who we are. Those are the people I think about every day when I get to work. And that's the spirit and dedication and sense of purpose that gives me confidence we are going to be successful.

There is one more benefit to resilience railroading that is significant but harder to quantify.

Changing our workforce strategy during economic downturns will be a positive step for our efforts, and my personal commitment, to build stronger relationships with our craft railroaders and improve their quality of life.