

2013

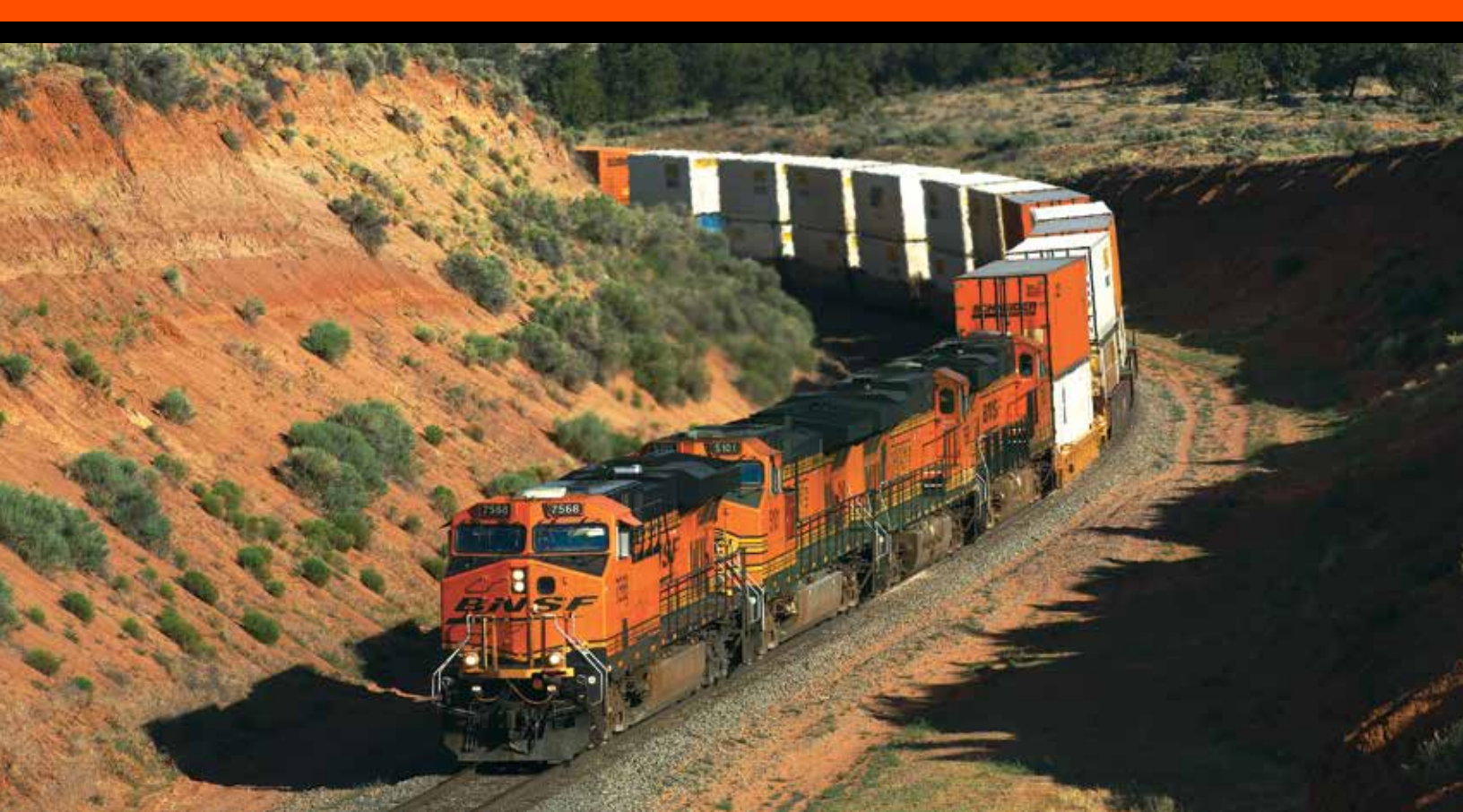
GRI REPORT



BNSF[®]
RAILWAY

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Strategy and Analysis

CEO Message

BNSF Railway is pleased to issue its first sustainability report based on the Global Reporting Initiative's G4 guidelines. This report addresses material issues important to our stakeholders and our business. BNSF Railway's heritage as a leader in freight rail transportation runs deep. For more than a century and a half we have been a critical partner with our customers and the communities in which we operate. We recognize the importance of delivering a service that meets our customers' expectations; one with inherent environmental advantages.

We are proud of our part in moving North America's land based freight by the most sustainable manner available. We also recognize that it is the people at BNSF who drive our vision. I continue to be impressed by the dedication our employees have to help BNSF be a good corporate citizen. They work hard to earn trust by safely delivering the products we carry and keeping the commitments we make.

At BNSF, we continually strive to operate and grow our business in a safe and sustainable manner by investing in our network and the development of our employees while contributing positively to our communities, the country and our economy. Rail is both the most resource and cost-effective means for moving freight long distances over land. In addition, rail provides

tremendous benefits by reducing our country's overall transportation air emissions and respective carbon footprint relative to moving the same freight by truck. Rail is more than three times more fuel efficient than moving freight over the road.

A key part of our commitment to giving back to the community is The BNSF Railway Foundation. In 2013, the Foundation donated \$11 million to communities along our network through scholarships, sponsorships and funding to support community groups. As an example, through our partnership with the National Fish and Wildlife Foundation, BNSF and other member organizations are developing wildlife management plans to protect and restore bison and other wildlife, as well as their habitats. The project also actively involves tribal members at the Pine Ridge and the Fort Belknap American Indian reservations in South Dakota and Montana. We are proud that our Foundation supports many other important organizations in communities throughout our service territory.

We are also extremely proud of our long tradition of hiring U.S. military veterans. It is rewarding to see the ranks of veterans employed by BNSF grow. In 2013, more than 1,200 or 26 percent of all new employees were veterans. BNSF currently employs more than 7,500 veterans, which is nearly 17 percent of our workforce. We have been rated as one of the top employers of military veterans for the past decade.

Being a trusted partner to our customers and the communities where we operate is something we do not take lightly. Our team works hard to continually improve ourselves and our service. It is important for us to maintain and improve our infrastructure, expand our capacity and invest in our network to ensure we safely and efficiently operate to meet our country's freight rail transportation demand. BNSF's investment in our network, more than \$42 billion since 2000, is a testament to our strong and long-term commitment to running a safe and reliable railroad while ensuring a sustainable and resilient company.

We strive to have the least impact on the environment and in our communities from our operations. BNSF proactively pursues opportunities to develop, test and deploy technologies that result in an ever-improving sustainable transportation model. Examples of some of our innovative efficiency efforts and programs are detailed below:

- BNSF has the newest and cleanest locomotive fleet in the nation with 40 percent new in the last ten years compared to an industry average of 29 percent. Of our nearly 7,000 locomotives, nearly 2,900 new, more energy-efficient units have been added to the fleet since 2004. We have also remanufactured more than 2,800 locomotives over the past decade, further improving the fuel efficiency of our fleet. Operating a more modern fleet means BNSF can use less fuel and emit fewer greenhouse gas emissions, particulates and nitrogen oxides.

- At 10 intermodal facilities, we have installed automated gates, which use digital cameras to record images of containers, chassis, tractors and unit numbers as they enter BNSF's intermodal facilities. The automated gates reduce fuel consumption and emissions by allowing trucks to enter BNSF facilities without delays, thereby minimizing truck-idling time that comes from manual check-ins and the resultant air emissions by an average of 50 percent at each facility equipped with this technology.
- BNSF was the first U.S. rail carrier to use wide-span electric cranes and has installed them at three facilities. These cranes used to load and unload trains produce zero carbon emissions on site and significantly reduce the number of trucks needed to move containers within the rail yard.
- BNSF has installed automatic engine start/stop devices on more than 90 percent of our locomotives. These devices help reduce our annual fuel usage by about 8,000 gallons for each locomotive equipped with this technology. We are also in the process of installing driver assist technology to further enhance fuel efficiency.
- BNSF is an industry leader in Research and Development, including Positive Train Control and liquefied natural gas locomotives.



Every year, the carbon efficiency of BNSF trains reduces our customers' emissions by more than 30 million metric tons of carbon dioxide equivalent (CO₂e) emissions when compared to over-the-road options. That is comparable to our customers eliminating the consumption and resultant emissions produced by burning more than three billion gallons of diesel fuel. BNSF's improvements in fuel efficiency have resulted in the ability to move one ton of freight, on average, almost 500 miles on a single gallon of diesel fuel.

In closing, the importance of what we do and how we do it go hand in hand. We know we play an essential and trusted role, not only in meeting today's transportation needs of a global economy, but also by building a transportation network to serve future generations. This first edition of our Global Reporting Initiative Report provides information on the contributions we are making today and what we are working to achieve in the future.

Carl Ice

President and Chief Executive Officer
BNSF Railway



Organizational Profile

Name of Organization

BNSF Railway

G4-3 Name of organization

Primary Brands, Products, Services

Today's BNSF Railway is the product of nearly 400 different railroad lines that merged or were acquired over the course of 160 years. While many different railroads combined to form BNSF, the people who worked at those railroads shared many traits. The people who built BNSF were — and continue to be — a unique breed, blending the forward-thinking attitude of dreamers with the pragmatism of results-oriented business leaders. This heritage played a central role in settling and growing the American West, and today, BNSF continues to have a significant impact in meeting our customers' needs and serving the economy.

G4-4 Primary brands, products, services

G4-8 Markets served

BNSF serves customers in the agricultural, consumer, industrial, and coal markets.

The Consumer Products' freight business transported 5,033,000 units (50 percent of total volume), and consisted of the following business sectors: Domestic Intermodal (including Truckload/Intermodal Marketing Companies and Expedited Truckload/Less-than-Truckload/Parcel), International Intermodal and Automotive.

The Industrial Products' freight business transported 1,874,000 units (19 percent of total volume), and consisted of the following five business areas: Construction Products, Petroleum Products, Building Products, Chemicals and Plastics Products and Food and Beverages.

We transported 2,230,000 units of coal (22 percent of total volume), with more than 90 percent of all BNSF Railway's coal tons originating from the Powder River Basin of Wyoming and Montana.

Agricultural Products transported 956,000 units (9 percent of total volume), including wheat, corn, fertilizer, bulk foods, ethanol, soybeans, feeds, oil seeds and meals, barley, oats and rye, oils, flour and mill products, specialty grains, malt and milo.

For more information, see www.bnsf.com/about-bnsf/pdf/fact_sheet.pdf

Location of Organization's Headquarters

G4-5 Location of organization's headquarters

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

Number of Countries

G4-6 Number of countries

BNSF operates in 28 U.S. States and 2 Canadian Provinces.

For more information, see www.bnsf.com/about-bnsf/pdf/fact_sheet.pdf

Ownership

G4-7 Ownership and legal form

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 under the "SEC Filings" tab.

For more information, see www.bnsf.com/about-bnsf/financial-information/

Scale of Organization

G4-9 Scale of organization

BNSF Railway 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 two Canadian provinces as of December 31, 2013. BNSF Railway owns approximately 23,000 route miles, including easements, and operates on approximately 9,500 route miles of trackage rights that permit BNSF Railway to operate its trains with its crews over other railroads' tracks. As of December 31, 2013, the total BNSF Railway system, including single and multiple main tracks, yard tracks and sidings, consisted of approximately 51,000 operated miles of track, all of which are owned by or held under easement by BNSF Railway except for approximately 10,500 miles operated under trackage rights.

As of December 31, 2013, BNSF Railway owned or held under non-cancelable leases exceeding one year approximately 7,000 locomotives, and 74,000 freight cars, in addition to maintenance of way and other equipment.

For more information, see www.bnsf.com/about-bnsf/pdf/fact_sheet.pdf and www.bnsf.com/about-bnsf/financial-information/form-10-k-filings

Employee Breakdown

G4-10 Employee breakdown

BNSF employs 43,000 people. Our total workforce is about 20 percent minority and more than 6 percent female. Females comprise close to 20 percent of our salaried workforce. BNSF has unionized and full-time employees.

No substantial portion of the organization is self-employed and there are no significant variations in employment numbers.

Employees by Labor Classification

Management	6,318
Union	36,773
Total	43,091

Employees by State

AL	204
AR	114
AZ	894
CA	3,481
CO	1,229
DC	7
GA	3
IA	901
ID	337
IL	3,444
KS	3,711

LA	218
MA	1
MI	1
MN	1,867
MO	2,600
MS	82
MT	2,028
ND	1,506
NE	4,131
NM	1,354
OH	1

OK	1,176
OR	222
PA	2
SD	455
TN	507
TX	7,470
UT	1
VA	1
WA	3,079
WI	860
WY	1,204

For more information, see

www.bnsf.com/about-bnsf/bnsf-review/2013/bnsf-annual-review-2013.pdf

Collective Bargaining Agreements

Approximately 86 percent of BNSF's employees are unionized.

For additional information, please see page 5 of our 10-K at <http://www.bnsf.com/about-bnsf/financial-information/form-10-k-filings/pdf/10k-llc-2013.pdf>

G4-11 Percent of employees covered by collective bargaining agreement

Supply Chain

BNSF purchases material and service items from an extensive list of sources. We seek to acquire quality goods and services at the lowest total cost of ownership by working resourcefully, efficiently, effectively and ethically with both current and prospective suppliers.

Any product or material with the potential to adversely affect employee health or the environment must be reviewed and approved before they can be brought onto BNSF property. The review process is performed by a multi-disciplinary team comprised of the Industrial Hygiene Group, Environmental and Hazardous Materials, Technical Research and Development, and Strategic Sourcing and Supply. These reviews help prevent employees from being exposed to potentially dangerous chemicals and prevent environmental problems and damage to existing equipment.

G4-12 Describe organization's supply chain

Since 2012, BNSF has worked with The Sustainability Consortium to develop their transportation related key performance indicators.

For more information, see <http://www.bnsf.com/suppliers/supplier-relationship/>

Significant Changes

G4-13 Significant changes in reporting period

There were no significant changes to our business in 2013.

Precautionary Approach

G4-14 Precautionary approach addressed by the organization

The BNSF Environmental Management Policy sets forth our position regarding the protection of the environment, including our 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. The Policy requires that BNSF Railway employees, and other persons acting on BNSF Railway's behalf perform their duties in a manner that:

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

Externally Developed Charters

G4-15 Externally developed charters and principles subscribed/endorsed

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

Membership in Associations

G4-16 Membership in associations

The following are among the membership organizations or associations to which BNSF belongs:

- 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
- Global Environmental Management Initiative
- National Association for Environmental Management
- National Business Group on Health
- National Safety Council



Identified Material Aspects and Boundaries

Operational Structure

G4-17 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. BNSF Railway Company (BNSF), formerly known as The Burlington Northern and Santa Fe Railway Company and prior to that, Burlington Northern Railroad Company (BNRR) was incorporated in the State of Delaware on January 13, 1961. BNSF Railway is a wholly-owned subsidiary of Burlington Northern Santa Fe, LLC, successor company to Burlington Northern Santa Fe Corporation.

Their individual filings are available at:

<http://www.bnsf.com/about-bnsf/financial-information/form-10-k-filings/pdf/10k-llc-2013.pdf>

<http://www.bnsf.com/about-bnsf/financial-information/form-10-k-filings/pdf/10k-railway-2013.pdf>

Report Content

G4-18 Process for defining report content

To identify the list of material aspects disclosed in G4-19, BNSF conducted an internal materiality assessment to understand the topics of greatest concern to the business and to BNSF stakeholders. This process involved a review of media coverage of the company and industry, analysis of peer company reporting, and referencing the GRI standards. Once a broad list of topics was identified, an internal leadership team was convened to review and rank the list.

Material Aspects

G4-19 List all material aspects

- Economic Performance
- Infrastructure Investment
- Intermodal Transport
- Network Reliability and Service Issues
- Energy Consumption
- Carbon Emissions
- Land Use and Property Management
- Public and BNSF Employee Health and Safety, including Emergency Preparedness and Response
- Types of Materials Transported and Energy Development
- Employee Recruiting
- Labor Management and Relations
- Philanthropy and Community Engagement
- Emerging Regulation and Compliance, including Common Carriage Responsibility and Litigation

Aspect Boundary

The information disclosed in this report addresses BNSF Railway Company. BNSF does not currently report data for its subsidiary companies.

G4-20 Report the aspect boundary within the organization for each material aspect

G4-21 Report the aspect boundary outside of the organization for each material aspect

At this time BNSF does not disclose data related to organizations outside of BNSF's control.

Explanation of any Restatements

G4-22 Explanation of any restatements

No data was restated.

Significant Changes

G4-23 Significant changes in scope and aspect boundaries

This is BNSF's first GRI report.



Stakeholder Engagement

Stakeholder Groups

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

G4-24 List of stakeholder groups engaged by organization

Identification and Selection of Stakeholders

We engage stakeholder groups who have a vested interest in our operations or are impacted by our business.

G4-25 Basis for identification and selection of stakeholders

Stakeholder Engagement

We engage with our stakeholders through a variety of avenues including community meetings; one-on-one meetings; customer events and trade shows; newsletters and other publications; social media; training events; and internal communications tools that keep our employees informed.

G4-26 Approaches to stakeholder engagement, including frequency by type and group

Building relationships virtually and in our communities – is core to what we do. We enjoy sharing accomplishments and engaging with the Friends of BNSF, our online community of more than 40,000 rail enthusiasts, who are interested in learning more about BNSF and connecting with us through our various social media networks.

To best meet the needs of our stakeholders, and to ensure that each group has a knowledgeable contact within BNSF, each of our stakeholder groups is managed by a specific department within the company. By strategically pairing BNSF functional departments with relevant stakeholders, we can effectively manage relationships and respond to stakeholder questions, concerns, or needs quickly and efficiently. The table below shows our 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
Emergency responders	Hazardous Materials teams
Native American tribes	Community Affairs
Not for profit organizations	Community Affairs, The BNSF Railway Foundation
Military veterans	Human Resources - Veteran Recruitment Team
Prospective employees	Human Resources
Customers	Marketing and Customer Support
Environmental agencies and non-profit organizations	Environmental Department
Colleges/universities	Human Resources, The BNSF Railway Foundation
Community events/presentations	Operations, Community Affairs
Vendors/suppliers	Strategic Sourcing
Employees	Human Resources, Corporate Communications
Media	Corporate Communications
Potential customers/development opportunities	Marketing and Economic Development

Key Topics Raised Through Engagement

Key topics and concerns that have been raised through stakeholder engagement include rail safety, safe handling of freight, service reliability, public safety, regulatory compliance, supplier diversity, volunteer opportunities, employee benefits and compensation and sustainability. We respond to these topics utilizing the various communications tools at our disposal, including digital and print assets as well as engagement through presentations and meetings to address concerns.

G4-27 Key topics raised through engagement (by group) and how the organization responded



Report Profile

Reporting Period

This report is for the calendar year of 2013.

G4-28 Reporting Period

Date of Previous Report

This is BNSF's inaugural report.

G4-29 Date of previous report

Reporting Cycle

BNSF plans to report on an annual basis.

G4-30 Reporting cycle

Contact Point

Please direct all questions/comments to the "Contact Us" page on our website: <http://bnsf.com/about-bnsf/contact-us/>

G4-31 Contact point for questions

GRI Index

This report was developed in accordance with the GRI G4 Guidance for a Core report. See Page 54 for the complete index.

G4-32 GRI Index

External Assurance

BNSF currently seeks external assurance for all information included in its SEC filings. Additional data that has not been included in SEC filings has not been externally verified. BNSF management is responsible for the review and accuracy of the data reported.

G4-33 Current practice for external assurance



Governance

Governance Structure

BNSF Railway Company is one of North America's leading freight transportation companies operating on 32,500 route miles of track in 28 states and two Canadian provinces. BNSF is headquartered in Fort Worth, Texas, and is a wholly owned subsidiary of Berkshire Hathaway, Inc.

BNSF is governed by its Board of Directors, which manages the business, property, and affairs of the company. The members of the Board of Managers are listed below. BNSF's executive leadership is vested in the Executive Team, which meets regularly to discuss critical business concerns, establish policy and set the vision for BNSF. Members of the BNSF Leadership Team can be found at <http://bnsf.com/about-bnsf/our-people/our-officers/>

G4-34 Report the governance structure of the organization, including committees of the highest governance body.

BNSF Railway Corporation Board of Managers

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

BNSF's Environmental Health and Safety Committee is responsible for ensuring environmental, health, and safety concerns are evaluated in an integrated manner and are addressed consistent with BNSF's governing principles. The committee is led by John Lovenburg, BNSF's Vice President – Environmental, and consists of members of BNSF's leadership team, who are the primary business unit leaders from across the company. Through the Environmental Health and Safety Committee, BNSF leaders receive information and engage in cross-functional discussions to ensure effective decision-making on issues impacting the health and safety of our employees, the environment, and the communities in which BNSF operates.



Ethics and Integrity

Values, Principles, Standards and Norms of Behavior

Our vision is to realize BNSF's tremendous potential by providing transportation services that consistently meet our customers' expectations.

G4-56 Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics

Evidences of Success

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 which 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.

BNSF's Vision & Values influence the way employees work together, even those who do not formally supervise others. BNSF's 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.

Over time, BNSF's Leadership Model has become the cornerstone of how the company runs. It is part of every exempt employee's Performance Management Process, and it has been at the core of every companywide leadership training. Implementing the Leadership Model is a work in progress, just as BNSF continues to be a dynamic and growing company. BNSF succeeds in the face of many challenges, because it has a clear direction and is supported by a dedicated team of employees. BNSF's values are described 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 more than 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 other Community members
- 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

For more information, see <http://www.bnsf.com/about-bnsf/our-people/vision-and-values/> and <http://www.bnsf.com/communities/community-support/>



Material Issue: Economic Performance

U.S. and global economies rely on rail, and BNSF is a vital link in the global supply chain. We enable our customers to participate in a wide range of markets in North America and around the world. Recognizing our contribution to our nation's economy, we work to listen and respond to customers' needs, maintain strong corporate governance, and strategically invest to keep our rail network strong.

Disclosure on
Management Approach

Direct economic value generated and distributed

In 2013, we made our largest capital investment in our history at \$4 billion. This also represents the largest annual capital investment ever made by any railroad. Information about our 2013 capital plan can be found on page one of our 2013 Annual Review: www.bnsf.com/about-bnsf/bnsf-review/2013/bnsf-annual-review-2013.pdf

G4-EC1: Direct economic value
generated and distributed

Additionally, we disclose information on our revenues, operating expenses, net income, and income taxes paid in our 2013 10-K report. Refer to page 15 for consolidated statements of income, and page 18 for information on taxes paid.

<http://www.bnsf.com/about-bnsf/financial-information/form-10-k-filings/pdf/10k-11c-2013.pdf>



Material Issue: Infrastructure Investment

Unlike other modes of transportation, U.S. railroads, including BNSF, own and maintain their rights of way. We fund the building, maintenance and repair of a private “rail highway” that delivers tremendous transportation value for our customers and the nation.

[Disclosure on Management Approach](#)

Every year, BNSF makes significant capital investments to strengthen and improve our network for customers and the communities we serve. Since 2000, we have invested more than \$42 billion in infrastructure, equipment and technology, having spent \$4 billion in capital in 2013 alone and plans to invest \$5 billion in 2014. That includes maintaining a strong railroad through strategic investments in expanding track, yards and terminals; track renewal; technology; and new locomotives. These substantial investments reflect our strong commitment to a safe and reliable rail network.

It takes a lot of horsepower to move 600 million tons of freight per year, and BNSF has one of the newest locomotive fleets in North America, with 40 percent new in the last ten years compared to an industry average of 29 percent. Of our nearly 7,000 locomotives, nearly 2,900 new, more energy-efficient units have been added to the fleet since 2004. We have also remanufactured more than 3,000 locomotives over the past decade, further improving the fuel efficiency of our fleet. Operating a more modern fleet means BNSF can use less fuel and emit fewer greenhouse gas emissions, particulates and nitrogen oxides.

Environmental Protection Expenditures

Investment into our infrastructure helps to reduce possible environmental damages by protecting our network against accidents which can result in spills or other environmental hazards. In 2013, we invested a record amount of capital in our network. We added track capacity to handle more volume, upgraded existing track to improve velocity and safety, and added new and upgraded signal systems. Maintenance and expansion of routes along the Northern Corridor were high priorities.

G4-EN31 Total environmental protection expenditures and investments by type

Units	Maintenance
4 million	Ties Installed
968 miles	Rail Replaced or Installed
20,000 miles	Tracks Improved (Grinding)
17,000 miles	Tracks Improved (Surfacing)

To learn about BNSF's expansions and investment projects, please visit:

<http://www.bnsf.com/communities/economic-impact/>



Material Issue: Intermodal Transport

BNSF is a leader in intermodal transportation, moving freight in trailers and containers across an intermodal network that connects our customers to more major U.S. markets than any other railroad, offering the most flexible intermodal service options in the industry. Our intermodal service contributes to the reduction of traffic congestion and vehicle emissions.

Disclosure on
Management Approach

Today, intermodal freight, led by growth in domestic intermodal, accounts for approximately half of all BNSF freight volumes. In 2013, we opened our newest intermodal facility, Logistics Park Kansas City, to accommodate growing demand in one of the nation's most important distribution markets. The new facility represents a \$250 million investment with six 8,000-foot tracks and initial capacity to lift 500,000 truck containers per year. Logistics Park Kansas City offers some of the most comprehensive range of intermodal services on BNSF's network.

To learn more about intermodal transport and its benefits, please visit: <http://www.bnsf.com/tour/> and <http://www.bnsf.com/about-bnsf/bnsf-review/2013/bnsf-annual-review-2013.pdf>



Material Issue: Network Reliability and Service Issues

BNSF has always been and remains dedicated to the success of all our customers. We are committed to growing with our customers, and our record investments over the past several years prove that. Since 2000, BNSF has invested more than \$42 billion in our network in order to maintain our strength and increase capacity.

[Disclosure on Management Approach](#)

These record capital investments serve as an example that we are focused on:

- Improving our ability to meet our customers' service expectations,
- Increasing our capacity where there is growth, and
- Strengthening our railroad so that it remains the safest and most effective means of ground transportation for our customers, our people and the communities where we operate.

BNSF's success is dependent on its ability to operate its railroad system efficiently. To better understand our path to improvement, it is helpful to understand how we got here. First, our customers wanted to ship more product than ever, with the concentration of this growth focused on the Northern part of our network. In 2013, 50 percent of all the freight volume increases in the entire North American rail industry occurred on BNSF's network (400,000 of 800,000 units). Additionally, weather challenged our ability to deliver that level of volume. The winter of 2013, really was the perfect storm, resulting in slower speeds, shortened

trains, and infrastructure damage. Weather-related impacts around Chicago alone resulted in trains taking three times longer to travel the last 100 miles into Chicago than normal. BNSF continuously monitors weather and trends affecting its transportation infrastructure and implements annual and long-term strategies to ensure track structure integrity as well as maintains plans to reroute trains when needed to avoid areas with outages.

As demand increased in 2013, BNSF made an industry record capital investment of \$4 billion to improve our network and expand capacity, particularly in the Northern region of our network to handle growth.

To proactively provide all our customers with timely and relevant information, BNSF also launched a new Service Web page at bnsf.com/service. There you will find customer service advisories, service presentations and a complete overview of our expansion and maintenance efforts.

BNSF continues to see improvements in our network velocity and on-time performance. We have and will continue to make every effort to frequently communicate and be transparent with our customers. Our customers are experiencing improvements on our railroad and have our commitment that we are making the necessary investments to handle all of our customers' business. For additional information please visit: <http://www.bnsf.com/customers/service-page/pdf/bnsf-service-deck.pdf>

Customer Satisfaction

Since 2006, BNSF has actively surveyed our customers to determine their level of satisfaction and to help guide and improve the programs and processes that directly impact our customers. We survey over 30,000 customers annually, and since 2011 we have organized 120 customer focus groups. The feedback we receive from customers is shared throughout the organization and has resulted in programmatic changes and improvements. We credit our improved BNSF Ease of Doing Business ratings to the many changes we have made based on our customer survey results.

G4-PR5 Results of surveys
measuring customer satisfaction



Material Issue: Energy Consumption

Railroads are one of the most fuel-efficient modes of surface transportation. Steel wheels moving on steel rails over a right-of-way, combined with the lower aerodynamic drag of a single train pulling more than one hundred loads of freight, provide inherent advantages for rail. In fact, rail is more than three times as fuel efficient as long-haul trucks.

[Disclosure on Management Approach](#)

Because railroads run on diesel fuel, the pursuit of energy efficiency is one of BNSF's most important strategies to reduce both our environmental impact and our operating costs. BNSF's fuel efficiency per revenue ton mile has increased by 17.7 percent since 1999. Since the beginning of 2004, BNSF has acquired nearly 2,900 new locomotives while retiring many older units. Our newest locomotives are about 15 percent more fuel efficient than the engines they replaced.

Improvements in operating and maintenance practices have a substantial impact on our fuel efficiency. First and foremost, our machinists maintain our locomotives and railcars in top condition. Our engineering team lubricates rails to help reduce the friction between the wheels and the rails. In addition, locomotive engineers are trained to shut down idling locomotives, isolate or shut down unneeded locomotives in trains, pace trains and adjust acceleration and braking to conserve fuel. Train crews are also trained and rewarded for good fuel efficiency performance through a Fuel MVP program. Technological solutions also help us

to conserve fuel, including auto-engine start stop, now deployed on approximately 90 percent of BNSF locomotives, and energy management systems or driver assist technologies for improved fuel efficiency.

Energy consumption within the organization

G4-EN3: Energy consumption within the organization

In 2013, BNSF locomotives and non-locomotive vehicles consumed approximately 1.4 billion gallons of diesel fuel and gasoline.

We continue to work on identifying economically and operationally feasible fuel options. We test fuel alternatives and explore technology to support their use both in locomotives and operational use. More information on BNSF's research into alternative fuels is available at: www.bnsf.com/communities/bnsf-and-the-environment/alternative-fuels/

Energy intensity

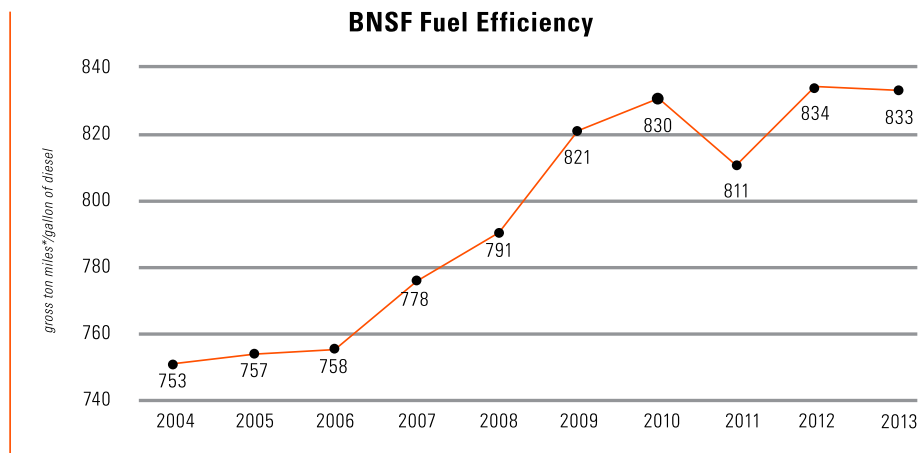
G4-EN5: Energy intensity

In addition to acquiring and remanufacturing more efficient locomotives, we explore technologies such as natural gas-fueled locomotives and ultra-low emission switch locomotives to help us continue to make efficient use of natural resources. Changes in equipment, operations and maintenance practices, have produced a long term trend of efficiency improvements. Year-to-year fluctuations in the long-term trend shown below are largely due to economic conditions and extreme weather events (e.g., Midwest flooding in 2011). Changes in the demand for freight shipments affect the types of freight that is shipped, which in turn affects train configurations and equipment, both of which influence fuel efficiency.

Additional information about BNSF's fuel efficiency is available on page 27 of our 2013 Annual Review and on the fuel efficiency page of our website.

www.bnsf.com/about-bnsf/bnsf-review/2013/bnsf-annual-review-2013.pdf

www.bnsf.com/communities/bnsf-and-the-environment/fuel-efficiency



* Gross ton miles are the weight of the train (minus the locomotive) multiplied by the miles traveled.



Material Issue: Carbon Emissions

Improving air quality is a significant challenge across the U.S. as cities work to meet Clean Air Act requirements and improve quality of life for their citizens. Rail freight transportation can provide tremendous value in reducing the country's overall transportation emissions and carbon footprint.

Rail continues to outperform trucks in producing lower emissions per ton mile of freight. As we work with our customers to take freight off the highway, we also significantly reduce carbon dioxide emissions and other pollutants to improve the health of the planet.

BNSF also considers potential business risks associated with changes in carbon emission regulations. For example, changes in clean air laws or regulation of carbon dioxide emissions could reduce the demand for coal and revenues from the coal transportation services provided by BNSF Railway.

[Disclosure on Management Approach](#)

Direct and indirect greenhouse gas (GHG) emissions

**In 2013, BNSF operations produced
14,582,671 metric tons of Scope 1 GHG emissions.**

**In 2013, BNSF operations produced
280,024 metric tons of Scope 2 GHG emissions.**

G4-EN15: Direct greenhouse gas emissions (Scope 1)

G4-EN16: Energy indirect greenhouse gas emissions (Scope 2)

BNSF defines Scope 1 Direct Emissions as the emissions generated by BNSF's own equipment and operations, which mainly consist of fuel combustion, and Scope 2 Indirect Energy Emissions as the emissions generated by other organizations supplying electricity that is purchased by BNSF. These definitions are in accordance with the World Resources Institute/World Business Council for Sustainable Development (WRI/WBCSD) GHG Protocol. Additionally, our GHG emissions inventory is developed in accordance with the WRI/WBCSD GHG Protocol.

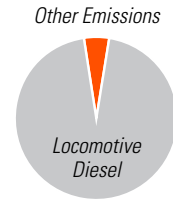
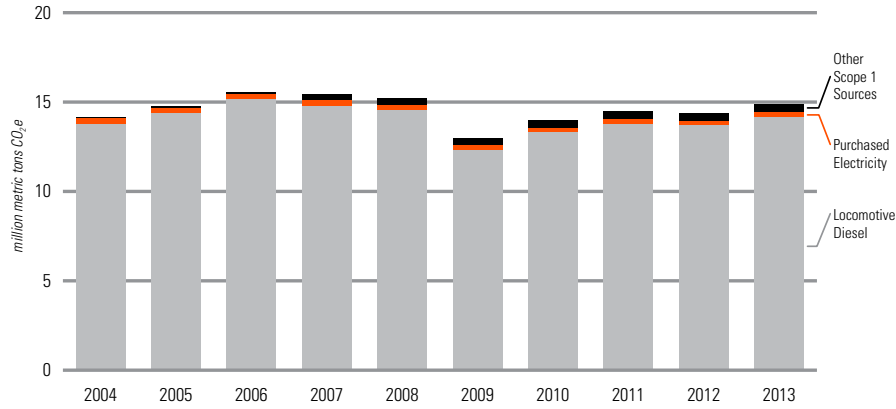
Estimates of the BNSF GHG emissions were developed for carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O), three of the compounds for which the Kyoto Protocol established emissions reduction commitments. Mass emissions for each GHG are reported in addition to the number of units of CO₂equivalent (CO₂e) emissions. Conversion to CO₂e is done by multiplying the mass of emissions of a given GHG by its Global Warming Potential (GWP). The GWPs from the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (2007) have been used to develop the GHG inventory results. The GWP values used by BNSF are 25 for CH₄ and 298 for N₂O.

In 2013, BNSF's documented sources of greenhouse gas (GHG) emissions produced a combined total of 14,862,695 metric tons of Scope 1 and 2 CO₂e emissions.

CO₂ emissions are the direct result of diesel fuel combustion, and therefore, closely follow fuel efficiency metrics, accounting for more than 95 percent of our total emissions. Almost 2 percent of BNSF's GHG emissions are indirect (Scope 2) emissions associated with the electric power companies that provide electricity to BNSF. Another 3 percent of our GHG emissions come from all other sources such as the combustion of natural gas, propane, and vehicle fuels.

For the 5 percent of GHG emissions that are not produced by diesel powered locomotives, purchased electricity represents the single largest other source followed by vehicle fuel combustion then combustion of fuels to heat facilities. BNSF has performed corporate energy audits, third party evaluations at selected sites, and evaluates energy efficient options when replacing equipment to reduce GHG emissions. These initiatives have led to lighting retrofits, a compressor upgrade, and a hot aisle/cold aisle data center containment.

Major Sources of GHG Emissions

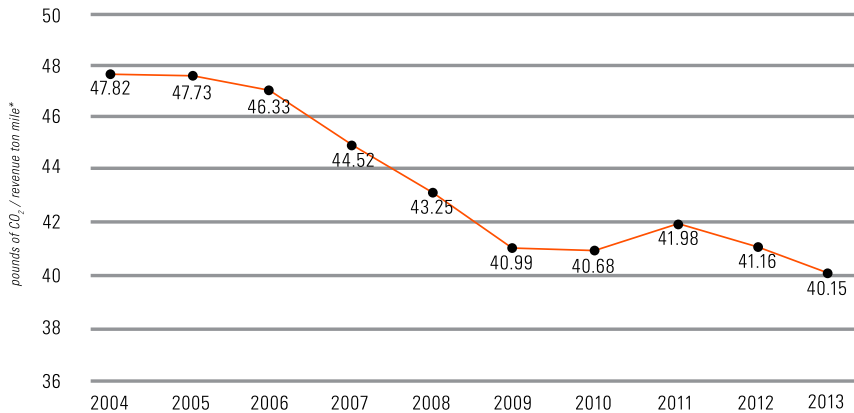


Combustion of Locomotive Diesel Fuel Produces 95% of BNSF Emissions

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
137.77	143.82	151.60	147.89	145.15	122.93	132.90	137.54	136.89	141.42	Locomotive Diesel
3.12	2.92	2.99	2.89	2.97	2.75	2.69	2.91	2.72	2.80	Purchased Electricity
0.72	0.94	0.95	3.84	4.13	4.11	4.21	4.49	4.05	4.41	Other Scope 1 Sources

Major Sources of GHG Emissions (million metric tons CO₂e)

CO₂ Emissions From Train Operations



* Revenue ton miles are the weight of our customers' freight multiplied by the miles traveled.

Other indirect GHG emissions

G4-EN17: Other indirect greenhouse gas emissions (Scope 3)

In 2013, BNSF operations produced 23,562 metric tons of Scope 3 business travel GHG emissions. BNSF defines Scope 3 Other Indirect Emissions as the emissions generated by other organizations that either supply goods and/or services to BNSF.

For more information about BNSF's process for estimating GHG emissions, refer to the direct and indirect GHG emissions section.

Reduction of GHG emissions

G4-EN19: Reduction of greenhouse gas emissions

Rail continues to outperform trucks in producing lower emissions per ton mile of freight. Since 2007, we have received more than \$62 million in grants from a variety of state and federal programs for special low-emissions locomotives and idle reduction installations. These investments have primarily been made in Texas, California, Kansas and Nebraska to reduce air emissions and provide benefit to the environment and communities where BNSF operates. In addition to environmental benefits, these projects also result in decreased fuel usage and saving costs for the company.

BNSF has also pursued other opportunities to reduce our use of fossil fuel and related emissions. Renewable energy technology deployed by BNSF includes wind-powered generators, solar-powered switches and a solar array. The company started these efforts as early as 1996. Wind turbines at more than 100 locations are used to augment the power system. At our 14-story office building in Topeka, Kansas, recycled energy generated by the data center is used to heat the facility. An 800 kW solar array at our Stockton, California Intermodal facility provides approximately 70 percent of the energy used by the facility each year.

For information on how BNSF is reducing emissions and improving air quality please visit our website: <http://www.bnsf.com/communities/bnsf-and-the-environment/air-quality/>

BNSF has also implemented a number of emissions reductions initiatives that include:

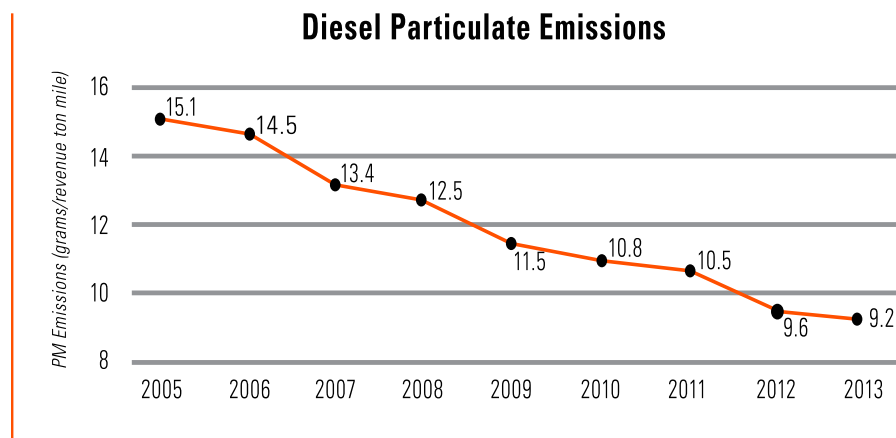
- Idle control mechanisms
- Gen Set switch locomotives
- Electric wide-span cranes
- Intermodal automated gate systems

Visit our website to learn more about these initiatives: <http://www.bnsf.com/communities/bnsf-and-the-environment/green-technology/>

Particulate Matter

G4-EN21: NOx, SOx, and other significant air emissions

Another key indicator of environmental performance is reduction in particulate matter emissions. In addition to new locomotive purchases, BNSF remanufactured more than 3,000 locomotives in the last 10 years to help further reduce particulate matter emissions.





Material Issue: Land Use and Property Management

It is the policy of the BNSF Railway Company to operate so as to protect and enhance the environment, to protect the health and safety of employees and the communities in which BNSF operates, to comply with environmental laws and regulations, and to continuously improve BNSF's environmental performance by monitoring and measuring environmental indicators and goals.

[Disclosure on Management Approach](#)

BNSF's operations, as well as those of its competitors, are subject to extensive federal, state and local environmental regulation. BNSF's operating procedures include practices to protect the environment from the risks inherent in railroad operations, which frequently involve transporting chemicals and other hazardous materials. Additionally, many of BNSF's land holdings are and have been used for industrial or transportation-related purposes or leased to commercial or industrial companies. Some of these activities may have resulted in discharges onto the property. As a result, BNSF is subject to environmental cleanup and enforcement actions such as the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), also known as the Superfund law, as well as similar state laws.

Extent of impact mitigation of environmental impacts of products and services

G4-EN27: Extent of impact mitigation of environmental impacts of products and services

Maintaining our 32,500 route-mile network requires the use of a number of materials in large quantities. BNSF recycles railroad ties, batteries and other materials to significantly reduce our overall environmental footprint and waste.

Recycled Material in 2013

Material	Amount Recycled in 2013
Railroad Ties	3.8 Million ties
Lube Oil	4.8 million gallons
Batteries	1 million pounds

Habitats Protected or Restored

G4-EN13: Habitats protected or restored

As part of its policy, BNSF looks to have minimal impact on ecosystems in our operating areas. Further, we seek out opportunities to improve our natural surroundings and have engaged in successful habitat restoration and wetland development projects across our service area.

Where applicable, BNSF works with federal, state and local authorities to address environmental impacts from historic operations, legacy sites, or rail accidents. Often, these activities include the rehabilitation of habitat for important native species. These projects are executed to restore the impacted habitat and are typically overseen by a lead agency. In the past five years, BNSF has invested more than \$315 million in remediation efforts throughout our network and has rehabilitated more than 140 sites.

One example of our successful restoration and remediation efforts is in Whitefish, MT. In 2009, the EPA issued an Administrative Order under the Oil Pollution Act authority requiring the removal of oil-containing sediment associated with historic operations of the nearby railyard from the Whitefish River. Between 2009 and 2013 BNSF conducted sediment excavation along a ~7,000-foot long section of the river. In addition to the sediment excavation, we also restored approximately 12 acres of land upland from the river. A variety of natural plants were used in accordance with recommendations from an EPA approved Montana restoration expert to re-vegetate the area. The re-vegetation included native grasses, trees and shrubs such as Bearded Wheatgrass, Green Needlegrass, Aspen, Black Cottonwood, Woods Rose, and Common Chokeberry. In addition, the rock backfill in the river provided suitable habitat for cutthroat trout, a species that was previously absent. After project completion in 2012, and in cooperation with the City of Whitefish, BNSF restored

and donated property near the river to be used as a new park called “Whitefish Landing,” a spot for recreationalists such as kayakers and canoeists to stop on the river, enjoy the park and surrounding environment/scenery, as well as have access to Whitefish’s downtown district. The dedication ceremony was attended by representatives from all of Montana’s Congressional delegation, the Lt. Governor, Mayor of Whitefish, and Montana Department of Environmental Quality’s Site Administrator as well as numerous citizens.

Another example of our habitat protection projects took place in Skykomish, WA, in 2006 and 2007. BNSF excavated several sections of the Skykomish River which resulted in the removal and disposal of over 22,000 cubic yards of contaminated sediment and soil, leading to the restoration of the area. In addition, BNSF rehabilitated the levy and added a pedestrian walkway for a safe location to observe the scenic river. Cleanup activities were reviewed by the Washington State Department of Ecology and additional permitting agencies to ensure compliance with required permit provisions and the regulatory standards set forth for implementation. In addition to the river excavation work, in 2010, BNSF worked with the City of Skykomish and the Department of Ecology to convert a low-quality wetland into an upland and created a new high-quality wetland that increased the city’s ability to withstand flooding. Work in the new wetland consisted of soil excavation, backfilling with suitable wetland specified material, log barrier placement to deflect flow and replanting with native species.

The new upland area allowed the city to readily pursue their vision of creating a railroad museum and tourist attraction to keep their town vibrant. BNSF donated a locomotive to further the railroad-related historical attractions and to promote the city’s brand as a “Great Northern” town.

In the case of derailments, any impacts are followed by site clean-up and restoration. For example, in 2013, a derailment of a non-hazardous commodity led to a small amount of solid material entering into the Missouri River. The area required excavation to remove the materials, and in the process a native Mollusk population was impacted. After excavation, BNSF re-bed the area and populated it with native Mollusks. We continue to monitor their recovery and enhance the ecosystem as needed.



Material Issue: Public and BNSF Employee Health and Safety, including Emergency Preparedness and Response

As a leader in railroad safety, we recognize that a safe and secure railroad network is essential to our nation's future and is important to all our stakeholders. Railroads carry some hazardous freight and it is of the utmost importance for our customers, the communities through which we operate and our employees that we handle these shipments safely.

[Disclosure on Management Approach](#)

U.S. railroads have some of the lowest injury and accident rates in the transportation industry and are continually improving. The rail industry as a whole is very safe and has reduced employee injury rates, train accident rates, and grade crossing collision rates by nearly 80 percent or more since 1980. BNSF's injury rate is approximately four times lower than that for the trucking industry. In 2013, BNSF experienced the lowest number of mainline derailments in its history, and the Federal Railroad Administration says that record breaking safety performance for the rail industry has produced significant reductions in all types of accidents since 2008.

While 2013 was a record year for us in many areas of safety – including employee safety – on December 30, we experienced a derailment and subsequent fire on a crude-by-rail train near Casselton, N.D. BNSF deeply appreciates all the efforts from first responders, the community and our employees during this unfortunate incident, and we are grateful no injuries resulted.

While we have made significant progress in reducing the likelihood of a hazardous material incident in any community, we also want to ensure BNSF and the communities we serve can be prepared to respond if an incident were to occur.

BNSF Safety Vision

Vision

BNSF's safety vision is to operate free of accidents and injuries – preventing them in the first place. Every day, we work to make this vision a reality through our broad-based risk reduction efforts (safety programs, training and technology) designed to address the most significant causes of derailments and accidents.

Safety starts with our people. Ultimately, we measure our safety success by having a safe operating environment free of accidents and injuries for our employees and the communities where we operate, including preventing derailments and hazardous materials releases.

Here are some of the ways we work to achieve our safety vision:

- We foster a culture that makes safety our highest priority and provides continuous self-examination as to the effectiveness of our safety process and performance.
- We have a work environment, including the resources and tools, that is safe and accident-free where all known hazards will be eliminated or safeguarded.
- We promote work practices and training for all employees that make safety essential to the tasks we perform.
- We empower our work force to take responsibility for personal safety, the safety of fellow employees and the communities we serve.

Safety Efforts

BNSF has a broad-based, multi-level risk reduction program to identify and reduce incident risk and ensure all commodities are handled safely and damage and incident-free. Our risk reduction program is designed to address the most significant causes of derailments and accidents.

The first element encompasses equipment and mechanical issues. BNSF conducts mechanical inspections of cars at our terminals and during roll-by inspections of trains. We also utilize sophisticated technology in our extensive network of wayside detectors, measuring key conditions of each passing freight car, so we can identify undue stresses on the wheels or other equipment and prevent potential equipment failures. Devices deployed all along our right of way provide instant readings on rail equipment conditions, making it possible to pull cars and equipment out of service – even when in transit – if conditions pose a risk of derailment or failure. For example, rail cars and other mechanical components are regularly

inspected using ultrasonic devices and a network of detectors designed to identify problems such as dragging equipment or acoustic abnormalities indicative of wheel defects. Further, we utilize thermal/infrared scanning for warm bearing detection in rail car wheels and force-based strain gauge systems to find wheels which need replacement while in transit.

The second element covers track and signal systems. BNSF inspects our track infrastructure on our key routes more frequently than required by the Federal Railroad Administration (FRA) to ensure they are safe. BNSF invests heavily in training and technology for our engineering team including Enhanced track inspection training focused on BNSF and FRA standards. BNSF utilizes Ultrasonic Rail Detection to proactively identify the condition of our rail and switch components with multiple inspection vehicles. Track geometry testing includes specialized rail cars and vehicles evaluating multiple inputs of our track standards and verification of our inspection processes. Condition-based asset renewal utilizes the above mentioned items, and others, in determining maintenance planning. Finally, BNSF is implementing next generation technology such as ground penetrating radar to aid in identifying ballast and sub-grade conditions and high speed imaging to identify conditions of track components.

Our last element addresses the human factor, emphasizing training, remote monitoring, self-reporting protocols, and developing new technologies, such as positive train control as a safety overlay. Employees are trained on exposure and risk identification within our Behavior-based safety training programs initiated in 2006. This initiative focuses on the processes that reinforce safe behaviors and effective risk identification tools to complement our established rules and procedures.

Employees are also trained on a comprehensive set of safety rules and practices, from federal mandates and rail industry recommendations to BNSF-specific safety initiatives. A major portion of our formal training is conducted at BNSF Railway's Technical Training Center (TTC) in Overland Park, Kansas, which features simulation and lab equipment representing all major equipment types such as locomotive and grade-crossing simulators. Mobile field training is also utilized. In addition, we have collective agreements with our employee organizations utilizing craft instructors across our system focused on safety rules and practices. BNSF conducts operational tests and audits, in the field and remotely, to verify employees are working safely and in compliance with all company rules, policies, instructions and procedures.

Safety Performance

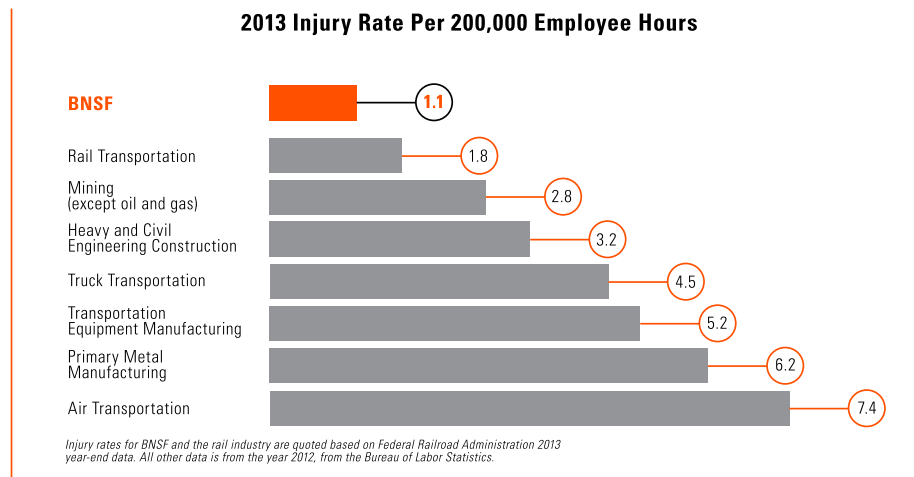
Thanks to the diligence of our employees and our effective safety processes, we closed 2013 with an injury frequency rate of 1.08 (per 200,000 work hours or 100 employees working full time over a year), a 3 percent decrease over 2012. BNSF-specific as well as other railroad safety information including accidents and incidents, inventory and highway-rail crossing data is readily available to the public through the FRA Office of Safety Analysis Web Site.

<http://safetydata.fra.dot.gov/OfficeofSafety/Default.aspx>

For information on BNSF's approach to safety please see pages 16-21 of our 2013 Annual Review.

<http://www.bnsf.com/about-bnsf/bnsf-review/2013/bnsf-annual-review-2013.pdf>

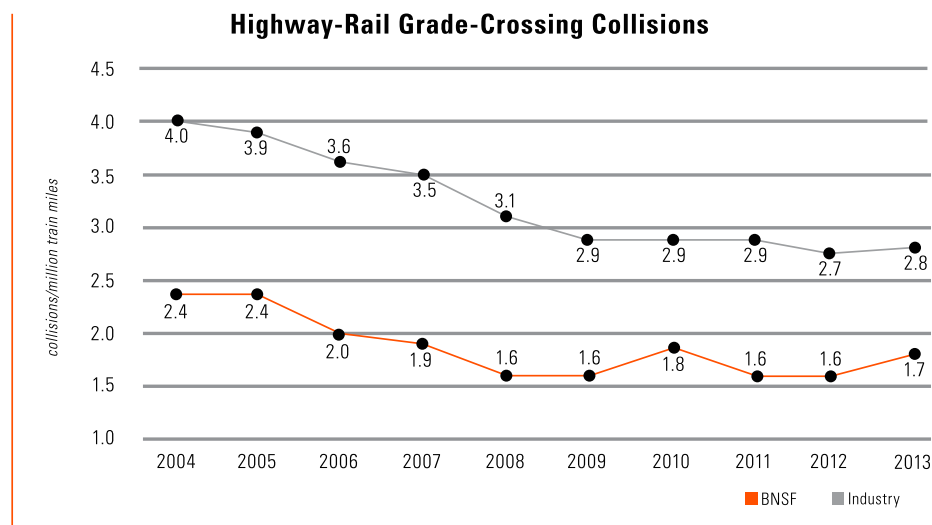
G4-LA6: Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender



Grade Crossings

To continue reducing the risk of incidents at highway-rail crossings, BNSF invests an average of \$95 million annually on a combination of grade-crossing maintenance, technology and safety education programs. The result is one of the industry's lowest highway-railroad grade-crossing collision rates.

Since 1995, the rate of grade-crossing collisions involving BNSF has decreased about 68 percent, from 5.3 per million train miles in 1995 to 1.7 per million train miles in 2013. In addition, BNSF has worked with many communities and landowners to close more than 5,750 grade crossings since 2000.



Emergency Response Capabilities

While we have made significant progress in reducing the likelihood of an incident in any community, we also want to ensure BNSF and the communities we serve are prepared to respond if an incident occurs.

BNSF believes first responders must be properly trained to respond safely. BNSF and the railroad industry train first responders in their communities under a longstanding program called "TRANSCAER" (Transportation Community Awareness and Emergency Response). This in-depth and hands-on emergency response training covers critical topics such as:

- Railroad safety
- Train list / Shipping papers / Placards / Equipment
- Incident Assessment and Response

Moreover, BNSF trains an average of 3,500 local emergency responders each year. In 2013, BNSF hazardous materials teams visited 18 states and one Canadian province on our network to train approximately 3,900 public emergency responders. More than 65,000 emergency responders have been trained since 1996 so that people and resources are in place to respond should an accident occur. In recognition of our outreach and training efforts, BNSF has received the National TRANSCAER Achievement Award for the last 11 years in a row. Community safety is a top priority and BNSF has developed and shared geographic emergency response plans with state and local emergency response organizations and has also provided a computer-based emergency response training program on hazardous materials to every fire department within two miles of our rail lines. In the event of an incident, BNSF has prepositioned 220 first responders and equipment at more than 55 locations across the network.

Their specialized resources include:

- Industrial fire-fighting foam trailers
- Emergency breathing air trailers
- Chlorine kits
- Midland kits
- Air monitoring assets
- Spill containment and control equipment (e.g. deflection and adsorbent boom, etc.)

In addition, BNSF maintains an extensive network of contract responders and utilizes a Geographic Information System (GIS) to locate the nearest responder to an incident as well as potential sensitive receptors. For information on how BNSF works with local responders to improve emergency preparedness please visit: <http://www.bnsf.com/communities/bnsf-and-the-environment/environmental-protection/>

BNSF's work through Responsible Care® reinforces our commitments to improve the safety of our operations. Our business processes are mapped to the Responsible Care® Code of Management Practices. Responsible Care® provides a measurement tool to identify areas where we can perform better and a measurement stick for a five-year plan to improve our performance.

<http://www.bnsf.com/communities/bnsf-and-the-environment/responsible-care/>

For information regarding our safety initiatives focused on the transport of hazardous materials, please refer to the Types of Materials Transported and Energy Development section of this report.



Material Issue: Types of Materials Transported and Energy Development

At BNSF, we transport a broad range of products using a variety of transport methods. We ship everything from raw materials to finished products of any size to meet our customers' needs. The following represent common materials that we ship:

- Automotive products
- Chemicals, fertilizer, and plastics
- Coal
- Construction and forest products
- Consumer goods
- Energy products and fuels
- Food and beverages
- Grains and feed
- Machinery and oversized shipments
- Metals and minerals
- Solid waste and refuse

[Disclosure on Management Approach](#)

2013 Volumes

Product or Material	Thousand carloads
Coal	2,230
Agricultural Products	956
Industrial Products	1,874
Consumer Products	5,033

To learn more about our shipping procedures, please visit the following:

<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/>

Transport of hazardous materials

Railroads are required as common carriers under federal law to move hazardous materials. As a leader in transportation safety, BNSF has developed and implemented numerous initiatives that improve safety, and exceed federal requirements. Through our efforts and those of other railroads, the rail industry has reduced hazardous material train accident rates by 91 percent since 1980. In 2013, more than 99.997 percent of all hazardous material shipments on BNSF, including crude oil, were delivered without the release of any amount of hazardous material.

For information on how BNSF works with local responders to improve emergency preparedness please see the Public and BNSF Employee Health and Safety, including Emergency Preparedness and Response section of this report or visit: <http://www.bnsf.com/communities/bnsf-and-the-environment/environmental-protection/>

Crude Oil by Rail

Due to changes in the marketplace, the supply of crude oil is growing rapidly. The volume of crude oil shipped by rail in the United States has increased by 37 times in the last four years, from 10,840 carloads originated on U.S. Class I freight railroads in 2009 to 407,642 carloads in 2013. In 2013, BNSF moved approximately 225 million barrels of crude oil. This was a growth factor of 100 percent over 2012 – most of which came out of the Bakken area of North Dakota and Montana. Overall, crude oil shipments now make up approximately 4 percent of BNSF shipments.

In the last four years, U.S. Class I railroads have originated more carloads of crude oil than in the prior 32 years. In the last four years, U.S. railroads have had a crude oil release accident rate (accidents per million carloads) one-fourth of the rate over the prior 32 years.

After the tragic event on July 6, 2013, involving crude oil and an unattended/runaway train involving a small shortline railroad in Lac-Mégantic, Quebec, BNSF has implemented numerous voluntary measures to improve the safe transport of crude oil to further supplement longstanding best practices for special handling of trains transporting hazardous materials. In 2013, we voluntarily applied the “Key Train” designation to 20 or more tank loads of any hazardous material. These practices previously applied primarily to trains containing one or more loads of Toxic Inhalation Hazard/Poisonous Inhalation Hazard (TIH/PIH) materials. Key Trains have additional speed, inspection and security requirements that exceed those required by the U.S. Department of Transportation.

In addition, Key Routes are identified by the density of hazardous materials transported over a route. Key Routes are subject to more intensive deployment of wayside wheel bearing detectors and undergo more frequent track inspections.

More information on Key Trains is detailed in the industry circular found at:

<http://boe.aar.com/CPC-1258%20T-55-N%208-5-13.pdf>

In addition to Key Train operating procedures, we also conduct track, weather and earthquake, bridge, and rail defect inspections to ensure the safety of our operations. BNSF also fully complies with all FRA requirements as included in the 2013 Emergency Order 28 (<http://www.fra.dot.gov/eLib/details/L04719>). BNSF considers these measures minimum standards and we continue to look for opportunities for additional safeguards.

Product and Service Information

Hazardous materials shipped on BNSF receive special identification and handling that includes tracking of all sensitive shipments, in-train placement checks and emergency response information. BNSF complies with all U.S. Department of Transportation placarding requirements.

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 product and service categories subject to such information requirements



Material Issue: Employee Recruiting

We believe the key to our success is employing forward-thinking individuals diverse in talent, education, experience and thought. As a result, we will continue to be one of the most successful railroad networks in North America - doing what we do best.

[Disclosure on Management Approach](#)

Changes in demographics, training requirements and the unavailability of qualified personnel, particularly engineers and trainmen, could negatively impact our ability to meet demand for rail service. Recruiting and retaining qualified personnel, particularly those with expertise in the railroad industry, are vital to operations. We continue to expand our team and plan to hire a record 5,000 team members by the end of 2014. Hiring more than 4,600 team members in 2013 is a direct reflection of our ongoing commitment to safely and efficiently serve our customers.

For the seventh year in a row, BNSF was named a “Best Diversity Company” by the readers of Diversity/Careers in Engineering & Information Technology. Our commitment to diversity includes scholarship programs that benefit minority students as well as BNSF Railway Foundation donations to colleges, universities and other organizations, including the American Indian Science and Engineering Society, the Hispanic College Fund and the United Negro College Fund.

Hiring and Diversity

In 2013, BNSF hired more than 4,600 new team members. The average tenure for all BNSF employees is more than 16 years.

Veterans – with their teamwork and safety-first mentality – continue to acclimate seamlessly into BNSF positions and our culture. It is gratifying to see the ranks of military veterans employed by BNSF grow, knowing that BNSF is able to offer opportunities to the men and women who had previously dedicated a part of their lives to serve and protect the interests on the United States and its allies. In 2013, more than 1,200 or 26 percent of all new employees were veterans. Since 2005, BNSF has hired more than 6,500 veterans and currently employs more than 7,500 veterans, close to 17 percent of our total workforce. We continue to pursue opportunities and support organizations that encourage diversity in our workforce.

Additionally, BNSF's total workforce is about 20 percent minority and more than 6 percent female. Females comprise close to 20 percent of our salaried workforce.

Find more information about our recruiting practices at the links below.

Employee tenure: <http://www.bnsf.com/communities/community-support/>

Members of the military: <https://jobs.bnsf.com/go/Transitioning-Military/400926/>

Recent college graduates: <http://www.bnsf.com/careers/college/>

General recruiting: <http://www.bnsf.com/careers/explore-team-bnsf/>

G4-LA1: Total number and rates of new employee hires and employee turnover by age group, gender and region



Material Issue: Labor Management and Relations

A significant majority of BNSF Railway's employees are union-represented. BNSF Railway's union employees work under collective bargaining agreements with various labor organizations. Wages, health and welfare benefits, work rules and other issues have traditionally been addressed through industry-wide negotiations. These negotiations have generally taken place over an extended period of time and have previously not resulted in any extended work stoppages. For ongoing negotiations, the existing agreements have remained in effect and will continue to remain in effect until new agreements are reached or the Railway Labor Act's procedures (which include mediation, cooling-off periods and the possibility of presidential or congressional intervention) are exhausted. If BNSF Railway is unable to negotiate acceptable new agreements, it could result in strikes by the affected workers, loss of business, disruption of operations and increased operating costs as a result of higher wages or benefits paid to union members.

Disclosure on
Management Approach

Employee Benefits

BNSF provides employee benefits to our non-union workforce. We provide a variety of pension plans, including funded, noncontributory qualified pension plans, an unfunded non-tax-qualified pension plan, and two funded, noncontributory qualified pension plans.

G4-LA2: Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation

Certain salaried employees of BNSF who have met age and years of service requirements are eligible for medical benefits, including prescription drug coverage, during retirement. The postretirement medical and prescription drug benefit is contributory and provides benefits to retirees and their covered dependents. The plan also contains fixed deductibles, coinsurance and out-of-pocket limitations. In addition, a basic life insurance plan is noncontributory and covers retirees only. Optional life insurance coverage is available for some retirees; however, the retiree is responsible for the full cost. BNSF's policy is to fund the life insurance premiums and medical benefits as they come due. Generally, employees beginning salaried employment with BNSF subsequent to September 22, 1995, are not eligible for medical benefits during retirement. These benefits are collectively referred to as retiree health and welfare benefits.

For information on our employee benefits, please refer to: <http://www.bnsf.com/careers/benefits/exempt-benefits/>

A description of our benefits is also available on pages 38-44 of our 2013 10-K report: <http://www.bnsf.com/about-bnsf/financial-information/form-10-k-filings/pdf/10k-llc-2013.pdf>



Material Issue: Philanthropy and Community Engagement

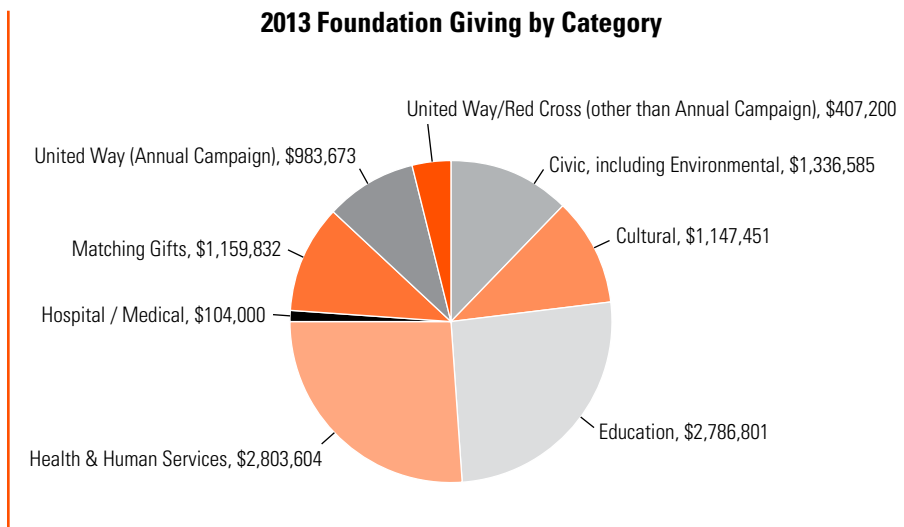
BNSF strives to maintain strong relationships with our communities – the communities where our employees live, work and play. In everything we do, we strive to provide a work environment that supports the communities where we operate.

[Disclosure on Management Approach](#)

Employee involvement in local communities ranges from generous contributions for annual United Way campaigns to coordinating local holiday toy drives. Many work teams across our network regularly provide assistance to local nonprofit agencies. In addition to serving as team-building opportunities, these activities have benefited organizations such as the Presbyterian Night Shelter, Salvation Army, SafeHaven of Tarrant County, YWCA and the Community Enrichment Center Food Bank. Employees also serve on the boards of directors for social service and arts organizations, including local chapters of United Way, the Boys & Girls Clubs, the Arts Council of Fort Worth and Tarrant County, and colleges and universities.

The BNSF Railway Foundation is at the core of our commitment to giving back to the community. In 2013, the Foundation donated \$11 million to communities along our network through scholarships, sponsorships and funding to support community programs.

2013 Foundation Giving by Category



From providing support to the American Indian Higher Education Consortium to helping fund a Boys & Girls Clubs after-school program in La Conner, Washington, to supporting the Montana Land Reliance’s efforts to protect the state’s agricultural heritage, the Foundation continually looks for ways to support the communities in which we operate.

For instance, through the National Fish and Wildlife Foundation, BNSF and other member organizations are developing wildlife management plans to protect and restore bison and other wildlife, as well as the habitats they need. The project actively involves tribal members at the Pine Ridge and the Fort Belknap American Indian reservations (in South Dakota and Montana, respectively) in community conservation projects.

Employee Matching Gifts Program

The BNSF Railway Foundation has an Employee Matching Gifts Program designed to encourage 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. The Matching Gift Program must be initiated by a BNSF employee and not by an organization that wishes to be included in the program. Matching Gift payments generally take place within three to four months of the Foundation having received the Matching Gift form.

For information on the BNSF Railway Foundation visit <http://www.bnsffoundation.org/>

Infrastructure Investments

For information on maintaining and expanding our infrastructure, please see: <http://www.bnsf.com/communities/economic-impact/>

For information on local community impacts, please visit: <http://www.bnsf.com/communities/community-support/>

Native American Engagement

Native Americans represent an important community group for BNSF. We directly serve 86 American Indian nations via trackage rights or as a handling carrier in 19 of the 28 states in which we operate. Additionally, another 133 American Indian nations are located within a 50-mile driving distance of track that BNSF directly serves. These nations include over 1.2 million people and BNSF remains committed to understanding the needs of these communities and enhancing our engagement efforts.

In 2013, BNSF established a cross-departmental steering committee to better understand the goals of American Indian tribes and further develop relationships with community leaders. The aim of the group is to engage American Indian communities in cooperatively exploring sustainable development opportunities that can grow BNSF's business while enhancing tribal economies, jobs and educational opportunities. One example of our collaborative work is an effort to expand the tribal buffalo herd on the Pine Ridge Reservation. For additional information on this initiative, see <http://www.bnsf.com/employees/communications/bnsf-news/2013/november/2013-11-07-a.html>

G4-EC7 Development and impact of infrastructure investments and services supported



Material Issue: Emerging Regulation and Compliance, including Common Carriage Responsibility and Litigation

Our success depends on our ability to continue to consistently meet our customers' needs and expectations while complying with the significant federal, state and local governmental regulations to which we are subject. These include governmental laws and regulation with respect to our rates and practices, taxes, railroad operations and a variety of health, safety, labor, environmental and other matters.

[Disclosure on Management Approach](#)

Additionally, BNSF is subject to stringent environmental laws and regulations, which may add complexity to and impose significant costs on its business operations. Our operations are subject to extensive federal, state and local environmental laws and regulations concerning, among other things, emissions to the air; discharges to waters; the generation, handling, storage, transportation and disposal of waste and hazardous materials; and the cleanup of hazardous material or petroleum releases. In addition, many land holdings are and have been used for industrial or transportation-related purposes or leased to commercial or industrial companies whose activities may have resulted in discharges onto the property. Environmental liability can extend to previously owned or operated properties, leased properties and properties owned by third parties, as well as to properties currently owned and used by our subsidiaries. Environmental liabilities have arisen and may continue to arise from claims asserted by adjacent landowners, other third parties in toxic tort litigation or as a result of

environmental incidents. BNSF's subsidiaries have been and may continue to be subject to allegations or findings to the effect that they have violated, or are strictly liable under, these laws or regulations.

Additionally, changes in government policy, including the service and economic regulatory oversight of the rail industry by the U.S. Surface Transportation Board, could negatively impact demand for BNSF's services, impair our ability to price our services in a manner allowing a reasonable return on investment, discourage needed reinvestment of capital in the business or increase our costs or liability exposure.

BNSF is subject to various claims and lawsuits, and increases in the amount or severity of these claims and lawsuits could adversely affect our business. As part of our railroad operations, we are exposed to various claims and litigation related to commercial disputes, personal injury, property damage, environmental liability and other matters. Personal injury claims by BNSF Railway employees are subject to the Federal Employers' Liability Act (FELA), rather than state workers' compensation laws.

Environmental Compliance

For information on BNSF's environmental liabilities, fines and other claims and litigation, please see page 36 of our 10-K at: <http://www.bnsf.com/about-bnsf/financial-information/form-10-k-filings/pdf/10k-llc-2013.pdf>

G4-EN29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

Political Contributions

To see our reporting on political contributions, please visit: <http://docquery.fec.gov/cgi-bin/fecimg/?C00235739>

G4-S06 Total value of political contributions by country and recipient/beneficiary



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GRI Indicator	Description	Page Number	Omission
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Organizational Profile			
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G4-4	Primary brands, products and/or services	4	
G4-5	Location of organization's headquarters	5	
G4-6	Number of countries where the organization operates	5	
G4-7	Nature of ownership and legal information	5	
G4-8	Markets served	4	
G4-9	Scale of the reporting organization	5-6	
G4-10	Report the total number of employees by employment contract and gender	6-7	At this time, BNSF does not publicly report the breakdown of employees by gender as requested by GRI.
G4-11	Report the percentage of total employees covered by collective bargaining agreements	7	
G4-12	Describe the organization's supply chain	7-8	

GRI Indicator	Description	Page Number	Omission
G4-13	Significant changes during the reporting period regarding size, structure or ownership	8	
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Stakeholder Engagement			
G4-24	Provide a list of stakeholder groups engaged by the organization	11	
G4-25	Report the basis for identification and selection of stakeholders with whom to engage	11	
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	11-12	
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. Report the stakeholder groups that raised each of the key topics and concerns	12	
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GRI Indicator	Description	Page Number	Omission
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G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	16-19	
Material Issue: Economic Performance			
G4-DMA	Economic performance	20	
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Material Issue: Infrastructure Investment			
G4-DMA	Infrastructure investment	21	
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Material Issue: Intermodal Transport			
G4-DMA	Intermodal transport	23	Intermodal transport is a material issue for BNSF, however GRI does not have an indicator that corresponds to performance in this area.
Material Issue: Network Reliability and Service Issues			
G4-DMA	Network reliability and service issues	24-25	
G4-PR5	Results of surveys measuring customer satisfaction	25	At this time, BNSF does not publicly report the results of its customer satisfaction surveys as requested by GRI.
Material Issue: Energy Consumption			
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G4-EN3	Energy consumption within the organization	27	
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Material Issue: Carbon Emissions			
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GRI Indicator	Description	Page Number	Omission
Material Issue: Land Use and Property Management			
G4-DMA	Land use and property management	33	
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Material Issue: Public and BNSF Employee Health and Safety, Including Emergency Preparedness and Response			
G4-DMA	Public and BNSF Employee health and safety, including emergency preparedness and response	36	
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	39	BNSF is not currently able to break out safety performance data by gender and region as requested by GRI.
Material Issue: Types of Materials Transported and Energy Development			
G4-DMA	Types of materials transported and energy development	42-43	
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 product and service categories subject to such information requirements	44	Due to the changing mix of products transported based on customer demand, percentage information as requested by GRI cannot be calculated at this time.
Material Issue: Employee Recruiting			
G4-DMA	Employee recruiting	45	
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	46	BNSF is not currently able to break out employee data by gender and region as requested by GRI.
Material Issue: Labor Management and Relations			
G4-DMA	Labor management and relations	47	
G4-LA62	Benefits provided to full-time employees that are not provided to temporary or part-time employees by significant locations of operation	47-48	
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